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RAPORTUL AUDITORULUI INDEPENDENT
INDEPENDENT AUDITOR'S REPORT

Catre actionarii Alum SA
To the Shareholders of Alum SA

Raport asupra auditului situatiilor financiare individuale
Report on the Audit of the Separate Financial Statements

Opinia
Opinion

Am auditat situatiile financiare individuale ale societatii ALUM SA („Societatea") cu sediul social in Tulcea, strada Isaccei nr. 82, identificata prin codul unic de inregistrare fiscala 2360405, care cuprind bilantul la data de 31 decembrie 2024, contul de profit si pierdere, situatia modificarilor capitalului propriu si situatia a fluxurilor de trezorerie pentru exercitiul financiar incheiat la aceasta data si un sumar al politicilor contabile semnificative si alte informatii explicative.
We have audited the separate financial statements of ALUM SA (the "Company") with official head office in Tulcea, Isaccei Str. nr. 82, identified by sole fiscal registration number 2360405, which comprise the balance sheet as at December 31, 2024, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In opinia noastra, situatiile financiare individuale anexate ofera o imagine fidela si justa a pozitiei financiare a Societatii la data de 31 decembrie 2024, cat si a performantei financiare si a fluxurilor de trezorerie ale acesteia pentru exercitiul financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1802/2014, cu modificarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare individuale.
In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 1802/2014 with all subsequent amendments and the accounting policies described in the notes to the separate financial statements.

Bazele opiniei
Basis for opinion

Noi am efectuat auditul conform Standardelor Internationale de Audit (ISA). Responsabilitatile noastre conform acestor standarde sunt descrise mai detaliat in sectiunea „Responsabilitatile auditorului pentru auditul situatiilor financiare" din raportul nostru. Suntem independenti fata de Societate conform Codului International de etica al profesionistilor contabili (inclusiv standardele internationale de independenta) emis de Consiliul pentru Standarde Internationale de Etica pentru Contabili (codul IESBA) si conform cerintelor etice care sunt relevante pentru auditul situatiilor financiare in Romania si ne-am indeplinit responsabilitatile etice conform acestor cerinte si conform Codului IESBA. Consideram ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a constitui baza pentru opinia noastra.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Evidentierea unor aspecte
Emphasis of matter

Atragem atentia asupra Notei 6 la aceste situatii financiare individuale, care indica faptul ca la 31 decembrie 2024 Societatea avea active nete de 105.808 mii lei, determinate ca diferenta intre activele sale totale si pasivele sale totale, care reprezinta mai putin de jumatate din capitalul social al Societatii la 31 decembrie 2024 in valoare de 488.413 mii lei. In conformitate cu cerintele Legii societatilor comerciale din Romania (Legea 31/1990 si modificarile ulterioare (art 153.24)), daca o societate are un activ net mai mic de 50% decat capitalul sau social, asa cum este cazul Societatii, administratorul si actionarii trebuie sa ia masuri pentru a remedia situatia. Opinia noastra nu este emisa cu rezerve in legatura cu acest aspect.
We draw attention to Note 6 to these separate financial statements, which indicates that as of 31 December 2024 the Company had net assets of RON 105,808 thousand, determined as a difference between its total assets and its total liabilities, that is lower than half the Company's share capital at 31 December 2024 of RON 488,413 thousand. In accordance with the requirements of Romanian Company Law (Law 31/1990 and subsequent amendments (art 153.24)) if a company has net assets less than 50% of its share capital, as the Company has, action should be taken by the administrator and shareholders to rectify the situation. Our conclusion is not qualified in respect of this matter.

Aspecte cheie de audit
Key audit matters

Aspectele cheie de audit sunt acele aspecte care, in baza rationamentului nostru profesional, au avut cea mai mare importanta pentru auditul situatiilor financiare individuale din perioada curenta. Aceste aspecte au fost abordate in contextul auditului desfasurat asupra situatiilor financiare individuale in ansamblu, si in formarea opiniei noastre asupra acestora, si nu emitem o opinie separata cu privire la aceste aspecte cheie.
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Pentru fiecare aspect de mai jos, am prezentat in acel context o descriere a modului in care auditul nostru a abordat respectivul aspect.
For each matter below, our description of how our audit addressed the matter is provided in that context.

Am indeplinit responsabilitatile descrise in sectiunea „Responsabilitatile auditorului pentru auditul situatiilor financiare" din raportul nostru, inclusiv in legatura cu aceste aspecte cheie. In consecinta, auditul nostru a inclus efectuarea procedurilor proiectate sa raspunda la evaluarea noastra cu privire la riscul de erori semnificative in cadrul situatiilor financiare individuale. Rezultatele procedurilor noastre de audit, inclusiv ale procedurilor efectuate pentru a aborda aspectele de mai jos, constituie baza pentru opinia noastra de audit asupra situatiilor financiare individuale anexate.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate financial statements.

Aspect cheie de audit	**Modul in care auditul nostru a abordat aspectul-cheie de audit**
Testarea pentru depreciere a imobilizarilor corporale in situatiile financiare individuale Informatiile prezentate de Alum cu privire la imobilizarile corporale, sunt incluse in Nota 1.	
Imobilizarile corporale ale Alum au o importanta semnificativa pentru auditul nostru, avand in vedere marimea pozitiei bilantiere la 31 decembrie 2024 (73 milioane RON in bilant). Conform OMF 1802/2014, o entitate este obligata sa evalueze, cel putin la fiecare data de raportare, daca exista indicatori de depreciere si, daca exista, este necesar un test de depreciere. La 31 decembrie 2024 ca urmare a mai multor factori, cum ar fi cresterea preturilor si disponibilitatea redusa a produselor energetice si a altor materii prime, cu impact negativ asupra costurilor de productie, a fost efectuat un test de depreciere al imobilizarilor corporale ale Societatii a la 31 decembrie 2024. Ca urmare a testului de depreciere, s-a constatat ca valoarea recuperabila a imobilizarilor corporale a fost mai mare decat valoarea contabila a acestora. Cu toate acestea, avand in vedere starea actuala de inactivitate a fabricii si senzitivitatea ridicata a principalelor ipoteze utilizate in proiectiile fluxurilor de numerar, nu a fost recunoscuta o reversare a provizionului de depreciere in situatiile financiare individuale ale Societatii pentru anul incheiat la 31 decembrie 2024.	Procedurile noastre de audit au inclus, printre altele: a) am analizat si am evaluat analiza efectuata de conducere in ceea ce priveste existenta indicatorilor de depreciere; b) am implicat specialistii nostri evaluatori interni pentru a ne asista la: ➢ evaluarea ipotezelor-cheie si a metodologiilor aplicate de Societate pentru testarea de depreciere a imobilizarilor corporale (de ex. verificarea corectitudinii matematice a modelului si conformitatea acestuia cu cerintele OMF 1802/2014, ratele de actualizare folosite pentru actualizarea fluxurilor de numerar viitoare pentru societate,verificarea ipotezelor macroeconomice); ➢ evaluarea competentei, capacitatilor si obiectivitatii evaluatorului extern implicat; c) am comparat ipotezele folosite in dezvoltarea modelelor de fluxuri de numerar viitoare cu bugetele aprobate si planurile de afaceri aprobat ce au avut in vedere impactul preturilor mari actuale ale energiei asupra fluxurilor de numerar viitoare; d) am evaluat analiza de senzitivitate a valorii recuperabile ale UGN-ului la modificarile ipotezelor semnificative facute de conducere (cum ar fi rata de actualizare, rata de crestere si marja EBITDA) precum si coerenta

Evaluarea recuperabilitatii valorii contabile a imobilizarilor corporale necesita din partea conducerii sa aplice rationamente si estimari semnificative in determinarea principalelor ipoteze utilizate in testul de depreciere, cum ar fi rata de actualizare, rata de crestere si marja EBITDA. Avand in vedere incertitudinea in previzionarea si actualizarea fluxurilor de numerar viitoare, nivelul rationamentelor implicate si importanta imobilizarilor corporale ale Societatii la 31 decembrie 2024, aceasta arie a auditului reprezinta un aspect-cheie de audit.	celorlalte ipoteze incluse in testul de depreciere (cum ar fi preturi de vanzare viitoare, volumele produse/vandute in raport cu capacitatea existenta, costul materialelor si utilitatilor) cu mediul economic general si specific, informatii relevante despre piata si planurile de afaceri ale Societatii; e) am evaluat acuratetea istorica a bugetelor si prognozelor conducerii prin compararea acestora cu performanta efectiva; De asemenea, am evaluat caracterul adecvat al informatiilor prezentate de Societate cu privire la testarea pentru depreciere a imobilizarilor corporale.
Key audit matter	***How our audit addressed the key audit matter***
Impairment testing of property, plant and equipment in the separate financial statements *Alum's disclosure about property, plant and equipment, including the related impairment, are included in Note 1*	
The property, plant and equipment of the Company are significant to our audit because of the magnitude of the balance sheet position as of 31 December 2024 (of RON 73 million in the statement of financial position). *Under OMF 1802/2014, an entity is required to assess, at least at each reporting date, whether impairment indicators exist and, if they exist, an impairment test is required.* *At 31 December 2024 as a result of the several factors, such as increasing prices and scarce availability of energy products and other raw materials with a negative impact on the production costs, an impairment test of the property, plant and equipment of the Company was carried out by the Management.* *Under the impairment test for Alum, it was determined that the recoverable value of property, plant and equipment was higher than its carrying value. However, no reversal of impairment was recognized as of 31 December 2024, given the plant's current idle status and the high sensitivity of key assumptions used in the cash flow projections.*	*Our audit procedures included, among others:* *a. We analysed and evaluated the management's assessment of the existence of impairment indicators;* *b. we involved our internal valuation specialists to assist us* ➢ *in evaluating the key assumptions and methodologies used by the Company in the impairment testing of property, plant and equipment (e.g. checked the mathematical accuracy of the model and its conformity with the requirements of the Order of Ministry of Finance 1802/2014, discount rates used for discounting future cash flows for the company, checked macroeconomic assumptions).* ➢ *evaluation of the competence, capabilities and objectivity of external valuator which prepared the impairment test;* *c. we compared the assumptions used within the future cash flow models to the approved budgets and business plans which considered also the impact of the current high energy prices on future cash flows;* *d. we evaluated the sensitivity analysis of the recoverable amounts to changes in the significant assumptions made by management (such as discount rate, growth rate and EBITDA margin) as well as the consistency of other assumptions made in the*

The assessment of the recoverability of the carrying value of property plant and equipment requires management to apply significant judgements and estimates in determining the main assumptions used in the impairment test such as discount rate, growth rate and EBITDA margin. *Due to the uncertainty of forecasting and discounting future cash flows, the level of judgements involved and the significance of the Company's property plant and equipment as at 31 December 2024, this audit area is considered a key audit matter.*	*impairment test (such as expected sales prices, production/sales volumes versus capacity, material and utilities cost) with the general and industry-specific economic environment, relevant available market information and the business plans of the Company.* *e. we assessed the historical accuracy of management's budgets and forecasts by comparing them to actual performance.* *We further assessed the adequacy of Company's disclosures about Impairment testing of property, plant and equipment.*

Alte informatii
Other information

Alte informatii includ Raportul administratorilor, dar nu includ situatiile financiare individuale si raportul nostru de audit cu privire la acestea. Conducerea este responsabila pentru alte informatii.
The other information comprises the Administrators' Report, but does not include the separate financial statements and our auditors' report thereon. Management is responsible for the other information.

Opinia noastra de audit asupra situatiilor financiare individuale nu acopera alte informatii si nu exprimam nicio forma de concluzie de asigurare asupra acestora.
Our audit opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In legatura cu auditul efectuat de noi asupra situatiilor financiare individuale, responsabilitatea noastra este de a citi aceste alte informatii si, facand acest lucru, de a analiza daca acestea nu sunt in concordanta, in mod semnificativ, cu situatiile financiare individuale sau cunostintele pe care le-am obtinut in urma auditului sau daca acestea par sa includa erori semnificative. Daca, in baza activitatii desfasurate, ajungem la concluzia ca exista erori semnificative cu privire la aceste alte informatii, noi trebuie sa raportam acest lucru. Nu avem nimic de raportat in acest sens.
In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsabilitatea conducerii si a persoanelor responsabile cu guvernanta pentru situatiile financiare individuale
Responsibilities of Management and Those Charged with Governance for the Separate financial statements

Conducerea Societatii are responsabilitatea intocmirii si prezentarii fidele a situatiilor financiare individuale in conformitate cu Ordinul Ministrului Finantelor Publice nr. 1802/2014 cu modificarile ulterioare, si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare individuale care sunt lipsite de denaturari semnificative, cauzate fie de frauda, fie de eroare.
Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the Order of the Minister of Public Finance no. 1802/2014 with all subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

La intocmirea situatiilor financiare individuale, conducerea este responsabila sa evalueze abilitatea Societatii de a-si desfasura activitatea conform principiului continuitatii activitatii si sa prezinte, daca este cazul, aspectele referitoare la continuitatea activitatii si folosirea principiului continuitatii activitatii, mai putin in cazul in care conducerea intentioneaza sa lichideze Societatea sau sa ii inceteze activitatea sau nu are nicio alternativa reala decat sa procedeze astfel.
In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Persoanele responsabile cu guvernanta au responsabilitatea supravegherii procesului de raportare financiara a Societatii.
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsabilitatile auditorului pentru auditul situatiilor financiare individuale
Auditor's Responsibilities for the Audit of the Separate financial statements

Obiectivele noastre constau in obtinerea unei asigurari rezonabile privind masura in care situatiile financiare individuale, luate in ansamblu, nu contin denaturari semnificative cauzate de eroare sau frauda si de a emite un raport de audit care sa includa opinia noastra. Asigurarea rezonabila reprezinta un nivel ridicat de asigurare, insa nu este o garantie ca un audit desfasurat in conformitate cu standardele ISA va detecta intotdeauna o denaturare semnificativa, daca aceasta exista. Denaturarile pot fi cauzate fie de frauda fie de eroare si sunt considerate semnificative daca se poate preconiza, in mod rezonabil, ca acestea, atat la nivel individual sau luate in ansamblu, vor influenta deciziile economice ale utilizatorilor luate in baza acestor situatii financiare individuale.
Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

Ca parte a unui audit in conformitate cu standardele ISA, ne exercitam rationamentul profesional si ne mentinem scepticismul profesional pe intreg parcursul auditului. De asemenea:
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identificam si evaluam riscurile de denaturare semnificativa a situatiilor financiare individuale, cauzate fie de frauda fie de eroare, stabilim si efectuam proceduri de audit care sa raspunda acestor riscuri si obtinem probe de audit suficiente si adecvate pentru a constitui o baza pentru opinia noastra. Riscul de nedetectare a unei denaturari semnificative cauzate de frauda este mai ridicat decat cel de nedetectare a unei denaturari semnificative cauzate de eroare, deoarece frauda poate include complicitate, falsuri, omisiuni intentionate, declaratii false sau evitarea controlului intern.
- *Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control*.

- Intelegem controlul intern relevant pentru audit pentru a stabili procedurile de audit adecvate in circumstantele date, dar nu si in scopul exprimarii unei opinii asupra eficacitatii controlului intern al Societatii.
- *Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*

- Evaluam gradul de adecvare a politicilor contabile utilizate si rezonabilitatea estimarilor contabile si a prezentarilor aferente de informatii realizate de catre conducere.
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*

- Concluzionam asupra caracterului adecvat al utilizarii de catre conducere a principiului continuitatii activitatii, si determinam, pe baza probelor de audit obtinute, daca exista o incertitudine semnificativa cu privire la evenimente sau conditii care ar putea genera indoieli semnificative privind capacitatea Societatii de a-si continua activitatea. In cazul in care concluzionam ca exista o incertitudine semnificativa, trebuie sa atragem atentia, in raportul de audit, asupra prezentarilor aferente din situatiile financiare individuale sau, in cazul in care aceste prezentari sunt neadecvate, sa ne modificam opinia. Concluziile noastre se bazeaza pe probele de audit obtinute pana la data raportului nostru de audit. Cu toate acestea, evenimente sau conditii viitoare pot determina ca Societatea sa nu isi mai desfasoare activitatea in baza principiului continuitatii activitatii.
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.*

- Evaluam prezentarea, structura si continutul general al situatiilor financiare individuale, inclusiv al prezentarilor de informatii, si masura in care situatiile financiare individuale reflecta tranzactiile si evenimentele de baza intr-o maniera care realizeaza prezentarea fidela.
- *Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

Comunicam persoanelor responsabile cu guvernanta, printre alte aspecte, obiectivele planificate si programarea in timp a auditului, precum si constatarile semnificative ale auditului, inclusiv orice deficiente semnificative ale controlului intern, pe care le identificam pe parcursul auditului nostru.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

De asemenea, prezentam persoanelor responsabile cu guvernanta o declaratie cu privire la conformitatea noastra cu cerintele etice privind independenta si le comunicam toate relatiile si alte aspecte care pot fi considerate, in mod rezonabil, ca ar putea sa ne afecteze independenta si, unde este cazul, actiunile întreprinse pentru eliminarea amenintarilor cu privire la independenta sau masurile de protectie aplicate pentru a reduce acele amenintari.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Dintre aspectele pe care le comunicam persoanelor responsabile cu guvernanta, stabilim acele aspecte care au avut cea mai mare importanta in cadrul auditului asupra situatiilor financiare individuale din perioada curenta si, prin urmare, reprezinta aspecte cheie de audit.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Descriem aceste aspecte in raportul nostru de audit, cu exceptia cazului in care legislatia sau reglementarile impiedica prezentarea publica a aspectului respectiv sau a cazului in care, in circumstante extrem de rare, determinam ca un aspect nu ar trebui comunicat in raportul nostru deoarece se preconizeaza in mod rezonabil ca efectele negative ale acestei comunicari depasesc beneficiile interesului public al comunicarii respectivului aspect.
We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Raport asupra altor cerinte legale si de reglementare
Report on Other Legal and Regulatory Requirements

Raportare asupra unor informatii, altele decat situatiile financiare individuale si raportul nostru de audit asupra acestora
Reporting on Information Other than the Separate financial statements and Our Auditors' Report Thereon

Pe langa responsabilitatile noastre de raportare conform standardelor ISA si descrise in sectiunea „Alte informatii", referitor la Raportul administratorilor, noi am citit Raportul administratorilor si raportam urmatoarele:

a) in Raportul administratorilor nu am identificat informatii care sa nu fie consecvente, sub toate aspectele semnificative, cu informatiile prezentate in situatiile financiare individuale la data de 31 decembrie 2024, atasate;
b) Raportul administratorilor, identificat mai sus, include, sub toate aspectele semnificative, informatiile cerute de Ordinul Ministrului Finantelor Publice nr. 1802/2014, cu modificarile ulterioare, punctele 489-492;
c) pe baza cunostintelor noastre si a intelegerii dobandite in cursul auditului situatiilor financiare individuale intocmite la data de 31 decembrie 2024 cu privire la Societate si la mediul acesteia, nu am identificat informatii eronate semnificative prezentate in Raportul administratorilor.

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Administrators' Report, we have read the Administrators' Report and report that:

a) in the Administrators' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying financial statements as at December 31, 2024;
b) the Administrators' Report identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 1802/2014 and subsequent amendments, points 489-492;
c) based on our knowledge and understanding concerning the Company and its environment gained during our audit of the separate financial statements as at December 31, 2024, we have not identified information included in the Administrators' Report that contains a material misstatement of fact.

In numele,
On behalf,

Ernst & Young Assurance Services SRL
Bd. Ion Mihalache 15-17, etaj 21, Bucuresti, Romania
15-17, Ion Mihalache Blvd., floor 21, Bucharest, Romania
Inregistrat in Registrul Public electronic cu nr. FA77
Registered in the electronic Public Register under No. FA77

Nume Auditor / Partener: Verona Cojocaru
Name of the Auditor / Partner: Verona Cojocaru
Inregistrat in Registrul Public electronic cu nr. AF1568
Registered in the electronic Public Register under No. AF1568

Bucuresti, Romania
Bucharest, Romania
27 martie 2025
27 March 2025

ALUM S.A. TULCEA

THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Prepared in accordance with Ministry of Public Finance Order no. 1802/2014 with subsequent amendments

This is a free translation from the original Romanian binding version.

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ALUM S.A. TULCEA
SEPARATE BALANCE SHEET
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

COUNTY **TULCEA** | OWNERSHIP FORM 34
UNIT: **ALUM S.A. TULCEA** | MAIN BUSINESS
ADDRESS: loc. **TULCEA** | (name of CAEN class)
82, **ISACCEI** Street | **Metalurgy of Aluminum**
TELEPHONE 0240 535022 FAX 0240 535495 | CODE CAEN CLASS 2442
Trade Registry no. | VAT NO
J/36/29/1991 | **RO2360405**

Code 10

No.		Row	December 31, 2023	December 31, 2024
A	**NON-CURRENT ASSETS**			
I	**Intangible assets**			
1	Set-up expenses	**01**	-	-
2	Development expenses	**02**	-	-
3	Concessions rights, patents, licenses, trademarks, similar rights and values and other intangible assets	**03**	16,723	787
4	Goodwill	**04**	-	-
5	Intangible assets for exploration and evaluation of mineral resources	**05**	-	-
6	Advances	**06**	-	-
	Total (rows 01 to 06)	**07**	**16,723**	**787**
II	**Property, plant and equipment**			
1	Land and buildings	**08**	41,614,588	38,048,758
2	Technical installations and machinery	**09**	24,277,986	20,738,611
3	Other fixtures, plant and furniture	**10**	80,903	164,980
4	Investment property	**11**	-	-
5	Tangible assets in progress	**12**	13,860,011	13,566,411
6	Investment property in progress	**13**	-	-
7	Tangible assets for exploration and evaluation of mineral resources	**14**	-	-
8	Biological assets	**15**	-	-
9	Advances	**16**	-	-
	Total (rows 08 to 16)	**17**	**79,833,488**	**72,518,759**
III	**Financial assets**			
1	Shares held in subsidiaries	**18**	-	-
2	Loans to Group companies	**19**	-	-
3	Shares in associates and jointly controlled entities	**20**	-	-
4	Loans to entities based on participating interests	**21**	-	-
5	Other non-current investments	**22**	-	-
6	Other borrowings	**23**	-	-
	Total (rows 18 to 23)	**24**	**-**	**-**

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ALUM S.A. TULCEA
SEPARATE BALANCE SHEET
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

No.		Row	December 31, 2023	December 31, 2024
	Total NON-CURRENT ASSETS (rows 07+17+24)	**25**	**79,850,211**	**72,519,546**
B	**CURRENT ASSETS**			
I	**Inventories**			
1	Raw materials and consumables	**26**	78,500,957	48,789,052
2	Work in progress	**27**	51,391,003	48,273,016
3	Finished goods and merchandise	**28**	7,807,480	3,014,363
4	Advances	**29**	318,428	265,938
	Total (rows 26 to 29)	**30**	**138,017,868**	**100,342,369**
II	**Receivables**			
1	Trade receivables (net)	**31**	2,601,513	7,125,376
2	Amounts receivable from related parties	**32**	-	-
3	Amounts receivable from associates and jointly controlled entities	**33**	-	-
4	Other receivables	**34**	229,601	1,355,747
5	Capital subscribed and not paid in	**35**	-	-
6	Receivables representing dividends distributed during the financial year	**35a**	-	
	Total (rows 31 to 35 + 35a)	**36**	**2,831,114**	**8,481,124**
III	**Short term financial investments**			
1	Shares held in related parties	**37**	-	-
2	Other short term investments	**38**	-	-
	Total (rows 37+38)	**39**	**-**	**-**
IV	**Petty cash and bank accounts**	**40**	**20,306,508**	**779,388**
	TOTAL CURRENT ASSETS (rows 30+36+39+40)	**41**	**161,155,489**	**109,602,881**
C	**PREPAID EXPENSES (rows 43+44)**	**42**	**300,882**	**245,237**
	Amounts to be reversed within 1 year	**43**	300,882	245,237
	Amounts to be reversed within a period above 1 year	**44**	-	-
D	**PAYABLES WITHIN 1 YEAR**			
1	Debenture loans	**45**	-	-
2	Amounts due to credit institutions	**46**	3,000,741	-
3	Advances received from orders	**47**	74,327,268	42,500,071
4	Trade suppliers	**48**	24,732,214	3,147,295
5	Bills of exchange payable	**49**	-	-
6	Amounts due to Group companies	**50**	-	-
7	Amounts due to to associates and jointly controlled entities	**51**	-	-
8	Other payables, including tax and social security	**52**	6,619,015	2,872,529
	Total (rows 45 to 52)	**53**	**108,679,238**	**48,519,894**

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ALUM S.A. TULCEA
SEPARATE BALANCE SHEET
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

No.		Row	December 31, 2023	December 31, 2024
E	**NET CURRENT ASSETS/NET CURRENT LIABILITIES (rows 41+43-53-70-73-76)**	**54**	**52,398,353**	**60,949,444**
F	**TOTAL ASSETS MINUS CURRENT LIABILITIES (rows 25+44+54)**	**55**	**132,248,564**	**133,468,990**
G	**PAYABLES IN A PERIOD ABOVE 1 YEAR**			
	1 Debenture loans	**56**	-	-
	2 Amounts due to credit institutions	**57**	-	-
	3 Advances received from orders	**58**	-	-
	4 Trade suppliers	**59**	-	-
	5 Bills of exchange payable	**60**	-	-
	6 Amounts due to Group companies	**61**	-	-
	7 Amounts due to associates and jointly controlled entities	**62**	-	-
	8 Other payables, including tax and social security	**63**	220,010	30,441
	Total (rows 56 to 63)	**64**	**220,010**	**30,441**
H	**PROVISIONS**			
	1 Provisions for employees benefits	**65**	1,980,904	1,412,503
	2 Provisions for taxes	**66**	-	-
	3 Other provisions	**67**	24,440,187	23,155,893
	Total (rows 65 to 67)	**68**	**26,421,091**	**24,568,396**
I	**DEFERRED INCOME**			
	1 Subsidies for investments (rows 70+71)	**69**	3,819,365	3,440,585
	Amounts to be reversed within 1 year	**70**	378,780	378,780
	Amounts to be reversed within a period above 1 year	**71**	3,440,585	3,061,805
	2 Deferred income (rows 73+74)	**72**	-	-
	Amounts to be reversed within 1 year	**73**	-	-
	Amounts to be reversed within a period above 1 year	**74**	-	-
	3 Deferred income for assets transferred from clients (rows 76+77)	**75**	-	-
	Amounts to be reversed within 1 year	**76**	-	-
	Amounts to be reversed within a period above 1 year	**77**	-	-
	4 Negative goodwill	**78**	-	-
	TOTAL (rows 69+72+75+78)	**79**	**3,819,365**	**3,440,585**

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ALUM S.A. TULCEA
SEPARATE BALANCE SHEET
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

No.		Row	December 31, 2023	December 31, 2024
J	**EQUITY AND RESERVES**			
I	**Equity**			
1	Capital subscribed and paid in	**80**	488,412,908	488,412,908
2	Capital subscribed and not paid in	**81**	-	-
3	State regis patrimony (State-owned shares)	**82**	-	-
4	Patrimony of national research and development institutes	**83**	-	-
5	Other equity items	**84**	-	-
	TOTAL (rows 80 to 84)	**85**	**488,412,908**	**488,412,908**
II	**Share premiums**	**86**	**-**	**-**
III	**Revaluation reserves**	**87**	**16,591,359**	**12,464,382**
IV	**Reserves**			
1	Legal reserves	**88**	20,389,951	20,628,155
2	Statutory or contractual reserves	**89**	-	-
3	Other reserves	**90**	53,511	53,511
	TOTAL (rows 88 to 90)	**91**	**20,443,462**	**20,681,666**
	Own shares	92	-	-
	Gains related to equity instruments	**93**	-	-
	Losses related to equity instruments	**94**	-	-
V	**PROFIT OR LOSS CARRIED FORWARD**			
	– C balance	**95**	-	-
	– D balance	**96**	238,472,350	419,153,873
VI	**PROFIT OR LOSS FOR THE YEAR**			
	– C balance	**97**	-	3,641,469
	– D balance	**98**	184,808,501	-
	Allocation of profit	**99**	-	238,204
	Total equity (rows 85+86+87+91-92+93-94+95-96+97-98-99)	**100**	**102,166,879**	**105,808,348**

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ALUM S.A. TULCEA
SEPARATE BALANCE SHEET
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

No.	Row	December 31, 2023	December 31, 2024
Public patrimony	**101**	-	-
Private patrimony	**102**	-	-
TOTAL EQUITY AND RESERVES (rows 100+101+102)	**103**	**102,166,879**	**105,808,348**

These separate financial statements were approved today, March 27, 2025.

Gigi Pîrlog
General Manager

Mihaela Duralia
Chief Financial Officer

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ALUM S.A. TULCEA
SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

Code 20 No.		Row	Year ended December 31, 2023	Year ended December 31, 2024
1	**Net turnover (rows 02+03-04+06)**	**01**	**286,545,218**	**81,709,134**
	of which, the net turnover corresponding to the predominant activity actually carried out	**01a**	279,461,966	66,285,876
	of which, the net turnover achieved from operations carried out on the national territory	**01b**	274,513,673	68,684,809
	Income from production sold	**02**	17,986,745	25,943,891
	Income from sales of goods	**03**	268,558,473	55,765,243
	Commercial discounts granted	**04**	-	-
	Income from operating subsidies pertaining to net turnover	**06**	-	-
2	Income pertaining to the cost of the Work in progress			
	– C balance	**07**	-	-
	– D balance	**08**	26,081,039	10,542,110
3	Production of intangible and tangible assets	**09**	7,006	-
4	Income from revaluation of tangible assets	**10**	-	-
5	Income from investment property production	**11**	-	-
6	Income from operating subsidies	**12**	10,681	-
7	Other operating income	**13**	11,895,329	29,733,695
	out of which, income from negative goodwill	**14**	-	-
	out of which, income from subsidies for investments	**15**	378,780	378,780
	Total operating income (rows 01+07-08+09+10+11+12+13)	**16**	**272,377,194**	**100,900,720**
8	a) Raw materials and consumables	**17**	2,473,870	4,764,942
	Other material expenses	**18**	343,233	411,914
	b) Utilities expenses, out of which:	**19**	6,008,075	3,550,232
	- expenses with energy consumption (acc. 6051)	**19a**	5,840,990	3,411,988
	- expenses with natural gas consumption (acc. 6053)	**19b**	53,804	50,468
	c) Merchandise expenses	**20**	249,429,372	51,884,818
	Commercial discounts received	**21**	-	-
9	**Personnel related expenses (rows 23+24), out of which:**	**22**	**26,748,235**	**17,207,253**
	a) Salaries and wages	**23**	25,745,829	16.605.315
	b) Social security	**24**	1,002,406	601,938
10	**a) Adjustments for tangible and intangible assets value (rows 25a+26-27)**	**25**	**88,562,880**	**2,811,090**
	a.1) Operating expenses regarding depreciation of fixed assets (acc. 6811)	**25a**	19,088,825	4,606,043
	a. 2) Other expenses	**26**	69,474,055	1,340
	a. 3) Revenues	**27**	-	1,796,293

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ALUM S.A. TULCEA
SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

Code 20 No.		Row	Year ended December 31, 2023	Year ended December 31, 2024
	b) Adjustments for current assets value (rows 29-30)	**28**	**7,303,809**	**(3,956,080)**
	b. 1) Expenses	**29**	7,303,809	7,144
	b. 2) Revenues	**30**	-	3,963,224
11	**Other operating expenses (rows 32+33+ +33d+33f+33h+33j+34+35+36+37)**	**31**	**20,411,487**	**18,644,342**
	11.1. External services	**32**	15,111,838	13,195,735
	11.2. Expenses with royalties, management locations and rents, of which:	**33**	313,704	324,783
	- expenses with royalties	33a	-	-
	- expenses with management locations	33b	-	
	- rent expenses	**33c**	313,704	324,783
	11.3. Expenses related to intellectual property rights, of which:	**33d**	-	-
	- expenses incurred with affiliates	**33e**	-	-
	11.4. Management expenses, of which:	**33f**	178,272	179,093
	- expenses incurred with affiliates	**33g**	-	-
	11.5. Consulting expenses, of which:	**33h**	1,763,126	302,799
	- expenses incurred with affiliates	**33i**	**-**	**-**
	11.6. Other taxes and similar payments;expenses for transfers and contributions due based on special normative acts	**33j**	1,643,780	1,603,300
	11.7. Expenses on environmental protection	**34**	396,144	388,186
	11.8. Expenses from revaluation of tangible assets	**35**	-	-
	11.9. Expenses related to calamities and other similar events	**36**	-	-
	11.10. Other expenses	**37**	1,004,623	2,650,446
12	**Impairment adjustments (rows 40-41)**	**39**	**(11,821,918)**	**(568,401)**
	Expenses	**40**	122,420	-
	Income	**41**	11,944,338	568,401
	Total operating expenses (rows 17 to 20-21+22+25+28+31+39)	**42**	**389,459,045**	**94,750,109**
	Operating Result			
	- profit (rows 16-42)	**43**	-	6,150,612
	- loss (rows 42-16)	**44**	117,081,851	-
13	Income from participating interests	**45**	-	-
	- of which, income from affiliates	**46**	-	-
14	Interest income	**47**	791	139
	- of which, income obtained from affiliates	**48**	-	-

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ALUM S.A. TULCEA
SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

Code 20 No.		Row	Year ended December 31, 2023	Year ended December 31, 2024
15	Income from operating subsidies for the interest owed	**49**	-	-
16	Other financial income	**50**	15,189,265	1,131,752
	- of which, income from other financial investments	**51**	-	-
	Total financial income (rows 45+47+49+50)	**52**	**15,190,056**	**1,131,891**
17	Adjustments for long term financial assets and financial investments held as current assets (rows 54-55)	**53**	**279,027,298**	**-**
	Expenses	**54**	57,649,344	-
	Income	**55**	336,676,642	-
18	Interest expenses	**56**	3,211,076	1,523,270
	- of which, expenses incurred with affiliates	**57**	-	-
19	Other financial expenses	**58**	358,732,928	995,154
	Total financial expenses (rows 53+56+58)	**59**	**82,916,706**	**2,518,424**
	Financial loss			
	- profit (rows 52-59)	**60**	-	-
	- loss (rows 59-52)	**61**	67,726,650	1,386,533
	Total income (rows 16+52)	**62**	**287,567,250**	**102,032,611**
	Total expenses (rows 42+59)	**63**	**472,375,751**	**97,268,533**
	Gross loss		-	-
	- profit (rows 62-63)	**64**	-	4,764,078
	- loss (rows 63-62)	**65**	184,808,501	-
20	Income tax	**66**	-	-
21	Expenses with profit tax, respectively profit tax at the level of the minimum turnover tax, resulting from settlements within the fiscal group in the field of profit tax (acc. 694)	**66a**	-	-
22	Revenues from profit tax, respectively profit tax at the minimum turnover tax level, resulting from settlements within the fiscal group in the field of profit tax (acc. 794)	**66b**	-	-
23	Income tax expenses at the level of the minimum turnover tax (acc. 697)	**67a**	-	1,122,609
24	Other taxes not included in the captions above	**68**	-	-

ALUM S.A. TULCEA
SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

Code 20 No.	Row	Year ended December 31, 2023	Year ended December 31, 2024
Net loss for the year			
- profit (rows (64+66b)-(65+66+66a+67+67a +68)	**69**	-	3,641,469
- loss (rows 65+66+66a+67+67a+68)- 64 +66b)	**70**	184,808,501	-

These separate financial statements were approved today, March 27, 2025.

Gigi Pîrlog
General Manager

Mihaela Duralia
Chief Financial Officer

ALUM S.A. TULCEA
SEPARATE CASH FLOW STATEMENT
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

	Year ended December 31, 2023	Year ended December 31, 2024
Cash flows from operations		
Gross loss	**(184,808,501)**	**4,764,078**
Adjustments for:		
Amortization/depreciation of intangible and tangible assets	19,088,825	4,606,043
Adjustment for the impairment of tangible assets	69,466,131	-
Adjustment for the impairment of investment in subsidiaries	57,649,344	-
Loss related to sale of investment in subsidiaries	6,525,908	-
Adjustments for the impairment of receivables	(324,735)	7,144
Provisions	(11,806,583)	(568,401)
Adjustments for the impairment of inventories	6,986,485	(3,963,224)
(Profit)/loss from foreign exchange differences	(1,044,589)	602,361
Net earning pertaining to disposals of tangible assets	4,914	368.424
Interest income	(198,370)	(139)
Interest expenses	3,211,076	1,523,270
Dividend income	-	-
Cash from operations before changes to working capital	**(35,250,095)**	**7,339,555**
Decrease of inventories	37,189,872	41,638,723
Decrease (increase) of trade receivables and other receivables	4,779,616	(4,428,087)
Increase (decrease) in trade payables and other payables	15,528,302	(59,276,233)
Cash from operations	**22,247,695**	**(14,726,041)**
Interests received	285,680	139
Interests paid	(1,662,121)	(141,090)
Income tax paid	(314,994)	(891,063)
Net cash from operations	**20,556,260**	**(15,758,055)**
Cash flow from investment activities		
Purchases of tangible and intangible assets	(9,219,417)	(692,642)
Proceeds from the sale of investment in subsidiaries	3,180,870	-
Net cash from investment activities	**(6,038,547)**	**(692,642)**
Cash flow from financing activities		
Variation of short-term loans	(13,264,392)	-
Repayment of loans	(19,482,914)	(3,076,423)
Net cash from financing activities	**(32,747,306)**	**(3,076,423)**

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ALUM S.A. TULCEA
SEPARATE CASH FLOW STATEMENT
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

	Year ended December 31, 2023	Year ended December 31, 2024
Cash and cash equivalents at the beginning of the year	38,536,100	20,306,508
Variation of cash and cash equivalents	(18,229,592)	(19,527,119)
Cash and cash equivalents at the end of the year	**20,306,508**	**779,388**

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Gigi Pîrlog
General Manager

Mihaela Duralia
Chief Financial Officer

ALUM S.A. TULCEA
SEPARATE STATMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT DECEMBER 31, 2024
(all amounts are expressed in RON, unless specified otherwise)

Element of equity	Balance as at January 1, 2023	Increases	out of which transfers	Decreases	out of which transfers	Balance as at December 31, 2023
Capital subscribed and paid in (Note 7)	488,412,908	-	-	-	-	488,412,908
Legal reserves	20,389,952	-	-	-	-	20,389,952
Other reserves	53,511	-	-	-	-	53,511
Revaluation reserves	18,658,975	-		2,067,617	2,067,617	16,591,358
Retained earnings from realised revaluation reserves	142,071,688	2,067,617	2,067,617	-	-	144,139,305
Retained earnings	(263,770,859)	(123,500,381)	(123,500,381)	5,367,365	-	(381,903,875)
Retained earnings from the correction of accounting errors	(707,779)	-	-	-	-	(707,779)
Result for the year	(123,500,381)	(184,808,501)	-	(123,500,381)	(123,500,381)	(184,808,501)
Allocation of profit	-	-	-	-	-	-
Total	**281,608,015**	**(306,241,265)**	**(121,432,764)**	**(116,065,399)**	**(121,432,764)**	**102,166,879**

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Gigi Pîrlog
General Manager

Mihaela Duralia
Chief Financial Officer

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Element of equity	Balance as at January 1, 2024	Increases	out of which transfers	Decreases	out of which transfers	Balance as at December 31, 2024
Capital subscribed and paid in (Note 7)	488,412,908	-	-	-	-	488,412,908
Legal reserves	20,389,952	238,204	238,204	-	-	20,628,156
Other reserves	53,511	-	-	-	-	53,511
Revaluation reserves	16,591,358	-	-	4,126,977	4,126,977	12,464,381
Retained earnings from realised revaluation reserves	144,139,305	4,126,977	4,126,977	-	-	148,266,282
Retained earnings	(381,903,875))	(184,808,501)	(184,808,501)	-	-	(566,712,376)
Retained earnings from the correction of accounting errors	(707,779)	-	-	-	-	(707,779)
Result for the year	(184,808,501)	3,641,469	-	(184,808,501)	(184,808,501)	3,641,469
Allocation of profit	-	(238,204)	(238,204)	-	-	(238,204)
Total	**102,166,879**	**(177,040,055)**	**(180,681,524)**	**(180,681,524)**	**(180,681,524)**	**105,808,348**

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General Manager

Mihaela Duralia
Chief Financial Officer

10 NON-CURRENT ASSETS

a) Property, plant and equipment

COST	Balance as at January 1, 2024	Increases	Decreases	Balance as at December 31, 2024
Land, lanscaping and buildings	98,497,118	-	2,690,324	95,806,794
Installations and machinery	438,854,571	458,680	13,041,911	426,271,340
Measurement, control, adjustment installations and devices	21,198,875	21,522	-	21,220,397
Vehicles	20,069,911	-	-	20,069,911
Other installations, tools	1,049,169	117,810	-	1,166,979
Advances and tangibles in progress	15,651,509	304,412	598,012	15,357,910
TOTAL	**595,321,154**	**902,424**	**16,330,247**	**579,893,331**

ACCUMULATED DEPRECIATION	Balance as at January 1, 2024	Depreciation recorded during the year	Depreciation of scrapped fixed assets	Balance as at December 31, 2024
Land, landscaping and buildings	32,991,152	895,134	4,965	33,881,321
Installations and machinery	376,456,421	3,179,123	10,893,842	368,741,702
Measurement, control, adjustment installations and devices	15,315,873	375,462	-	15,691,335
Vehicles	17,645,423	97,212	-	17,742,635
Other installations, plant	650,120	33,734	-	683,854
TOTAL	**443,058,989**	**4,580,665**	**10,898,807**	**436,740,847**

1 NON-CURRENT ASSETS (continued)

ADJUSTMENT FOR IMPAIRMENT

	Balance as at January 1, 2024	Increases	Transfers	Decreases	Balance as at December 31, 2024
Constructions	23,891,379	643	-	15,307	23,876,715
Installations and machinery	46,745,799	697	-	1,780,986	44,965,510
Tangible assets in progress	1,791,499	-	-	-	1,791,499
Total	**72,428,677**	**1,340**	**-**	**1,796,293**	**70,633,724**
Net value	**79,833,489**				**72,518,760**

Tangible assets in progress include improvements made to the existent fixed assets and new investments in equipment that have not been put in operation yet.

As of December 31, 2024 the net book value of tangible assets acquired through finance leasing is RON 5,144 (December 31, 2023: RON 124,630).

The gross book value of the fully depreciated fixed assets as of December 31, 2024 is in amount of RON 183,349,973 (2023: RON 182,568,419).

The gross book value of the fixed assets scrapped in 2024 is in amount of RON 13,062,183 (2023: RON 4,890,149).

The net book value of the idle assets as a result of temporary suspension of the calcined alumina production activity as of December 31, 2024 is in amount of RON 10,935 thousand (2023: RON 86,084 thousand).

As of December 31, 2024, the Company has no movable and immovable guarantees established in favor of creditors. As of December 31, 2023 the pledged fixed assets of Alum S.A had a net book value of RON 44,820 thousand.

Impairment tests for property, plant and equipment

The Company performs its annual impairment test in the end of the financial year and when circumstances indicate that the carrying value may be impaired. As a result of the 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 Company to take a decision in 2022 to temporary suspend the alumina production operations, a test of the property, plant and equipment of the company was carried out as at 31 December 2024 and 31 December 2023.

As a result of the impairment review carried out by Alum, it was determined that the recoverable value of property, plant and equipment was higher than its carrying value. However, no reversal of impairment was recognized as of 31 December 2024, given the plant's current idle status and the high sensitivity of key assumptions used in the cash flow projections (31 December 2023: an impairment of RON 69,466 thousand was recognized).

1 NON-CURRENT assets (continued)

Impairment tests for property, plant and equipment (continued)

The impairment test was based on a valuation report made by an independent valuator, which assumes only one CGU exist.

The recoverable value of the cash generating unit (CGU) Alum was determined based on a fair value of CGU less costs to sell calculation by using future cashflows extracted from the business plan for the next 5 years estimated by the management. The terminal value was determined by using a growth rate of 2% per annum. The main assumptions used by ALUM in its cash flow forecasts are based on its plan to continue its activity of sales agent to Alro and selling alumina for commission to Alro at lower prices than its own cost of production, following the Group management decision to temporarily shut down the production activities. Since August 2022 until March 2024, Alum has been purchasing alumina from the market and supplied it to Alro with a margin, subsequently continueing the activity under the agent agreement. The management estimates that the raw materials and gas prices will stabilize to a sustainable level, enabling ALUM to resume alumina production in 2027 and fulfill Alro's requirements for this primary raw material in its electrolysis facilities and this will result in a significant increase in the growth rate comparing to last year estimation (see the table below). Additionally, the company's strategic roadmap includes plans to recommence production and sales of aluminum hydrate and other specialized alumina products to third-party customers.

The key assumptions for the cash-generating unit Alum are:

	2024	2023
Discount rate	13.30%	13.60%
Growth rate, average of next five years	N/A	18.39%
EBITDA margin, average of next five years	N/A	1.93%
EBITDA margin, terminal value	8.05%	7.34%

The following table shows the amount up to which the key variables used would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

	2024	2023
Discount rate	15.40%	8.79%
Growth rate, average of next five years	N/A	30.00%
EBITDA margin, average of next five years	N/A	7.38%
EBITDA margin, terminal value	7.20%	10.10%

b) Intangible assets

COST

	Balance as at January 1, 2024	Increases	Decreases	Balance as at, December 31, 2024
Development expenses	5,034,412	-	-	5,034,412
Other fixed assets	579,995	9,442	-	589,437
Total	**5,614,407**	**9,442**	**-**	**5,623,849**

1 NON-CURRENT ASSETS (continued)

ACCUMULATED AMORTIZATION

	Balance as at January 1, 2024	Increases	Decreases	Balance as at, December 31, 2024
Development expenses	5,034,412	-	-	5,034,412
Other fixed assets	563,274	25,378	-	588,653
Total	**5,597,684**	**25,378**	**-**	**5,623,063**
Net value	**16,723**			**787**

The development expenses include projects and solution and efficiency studies related to the study of the process of silica removal and technological sizing per variants, increasing the capacity of the static kiln and technical and technological rehabilitation amortized over a period of 5 years.

b) Long term financial investments

Alum held until 2023 investments in GAL Group, which inlcuded Global Aluminium Ltd and its 100% shareholding in a bauxite mine in Sierra Leone, Sierra Mineral Holdings I, Ltd., and 100% shareholding in Bauxite Marketing Ltd.
On 31 May 2023, Alum publicly announced the convening of the Extraordinary General Meeting for the approval of the sale, as sole shareholder, of 100% of the share capital of Global Aluminum Ltd. (GAL group). On 10 July 2023 in the Extraordinary General Meeting of Shareholders of Alum SA, approved the sale of GAL for a cash consideration of USD 2,000 thousand, less an amount equal to the Intercompany Debt Amount, which at that date was of USD 1,300 thousand. The disposal of Global Aluminum Ltd. was completed on 1 September 2023 and the consideration received for the net assets disposed amounted RON 3,181 thousand (USD 700 thousand equivalent).

	Year ended December 31, 2024	Year ended December 31, 2023
1 January investment	-	346,383,420
1 January depreciation	-	(279,027,298)
1 January net value	-	67,356,122
Outputs - sale of participation titles	-	346,383,420
Impairment loss of financial assets	-	(57,649,344)
Reversal of impairment of financial assets	-	336,676,642
31 December investment	**-**	**-**
31 December depreciation	**-**	**-**
31 December net value	**-**	**-**

2 PROVISIONS

	Balance as at January 1, 2024	Increases	Decreases	Balance as at December 31, 2024
Provisions for pensions and similar obligations	1,980,904	-	568,401	1,412,503
Provisions for rehabilitation	24,440,187	1,385,759	2,670,053	23,155,893
Total	**26,421,091**	**1,385,759**	**3,238,454**	**24,568,396**

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation provision was carried out at December 31, 2024 by an independent specialist. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The provision for rehabilitation is related to the premises where it is deposited the residue from production in the form of the red mud lake. According to the environmental regulations, the red mud lake must be restored until a certain date specified by specific authorisations, on which date it may be closed down or extended.

The provisions are based on the estimation of expenses necessary to perform the restoration works for the time when they are expected to be incurred, discounted to their present value at December 31, 2024 and are related to the red mud lake rehabilitation in an amount of RON 23,156 thousand, (2023: RON 24,440 thousand).

The Company estimates that the costs would be incurred in 5-40 years' time and calculates the provisions using the DCF method based on the following assumptions: estimated range of cost: RON 64 per square meter and a discount rate of 6.04% (2023: 5.67%). Furthermore, the timing of rehabilitation will depend on when the site cease to store at economically viable rates.

The increase in the provision for rehabilitation reflects the expense with the related interest, and the reduction represents the updating of the value of the obligation, recorded in correspondence with the fixed asset to which it refers.

3 ALLOCATION OF PROFIT

The Company recorded a profit of RON 3,641,469 for the year ended December 31, 2024 (RON 184,808,501 loss for the year ended December 31, 2023).

The result recorded for the year ended December 31, 2023 has been carried forward according to the legislation during 2024.

4 ANALYSIS OF THE OPERATING RESULT

	Caption	Year ended December 31, 2023	Year ended December 31, 2024
1.	**Net turnover**	**286,545,218**	**81,709,134**
2.	**Cost of goods sold and services provided (3+4+5+6)**	**316,560,862**	**79,237,550**
3.	Basic activity expenses	26,074,033	10,542,110
3.1	Raw materials and materials	26,074,033	10,542,110
3.2	Direct salary expenses	-	-
3.3	Other direct material expenses	-	-
4.	Auxiliary activity expenses	15,979,350	8,342,690
5.	Production overheads	25,078,107	8,467,933
6.	Expenses regarding the materials sold	249,429,372	51,884,818
7.	**Gross result pertaining to net turnover (1-2)**	**(30,015,644)**	**2,471,584**
8.	Marketing expenses	992,469	1,832,044
9.	General administrative expenses	30,371,817	26,013,641
10.	Other operational expenses	79,552,268	-
11.	Other operating income	23,850,348	29,079,480
12.	**Operating result (7-8-9-10+11)**	**(117,081,851)**	**6,150,612**

5 RECEIVABLES AND PAYABLES

Receivables	Balance as at December 31, 2024	Due	
		within 1 year	over 1 year
Domestic clients	8,292,825	8,292,825	-
Foreign clients	87,008	87,008	-
Adjustment for the impairment of doubtful receivables	(3,467,417)	(3,467,417)	-
Trade receivables	**4,912,416**	**4,912,416**	**-**
Non-chargeable VAT	25,886	25,886	-
Tax to recover	909,727	909,727	
Advances to personnel	14,438	14,438	-
Other receivables	2,730,077	2,730,077	-
Sundry debtors	9,265	9,265	-
Adjustments for the impairment of other receivables	(120,684)	(120,684)	-
Other receivables	**3,568,708**	**3,568,708**	**-**
Total	**8,481,124**	**8,481,124**	**-**

5 RECEIVABLES AND PAYABLES (continued)

Receivables	Balance as at December 31, 2023	Due within 1 year	Due over 1 year
Domestic clients	4,374,397	4,374,397	-
Foreign clients	125,301	125,301	-
Adjustment for the impairment of doubtful receivables	(3,460,274)	(3,460,274)	-
Trade receivables	**1,039,425**	**1,039,425**	**-**
Non-chargeable VAT	39,643	39,643	-
Advances to personnel	36,752	36,752	
Other receivables	1,826,714	1,826,714	-
Sundry debtors	9,265	9,265	
Adjustments for the impairment of other receivables	(120,684)	(120,684)	-
Other receivables	**1,791,689**	**1,791,689**	**-**
Total	**2,831,114**	**2,831,114**	**-**

As of December 31, 2024, the Company has no movable and immovable guarantees established in favor of creditors.
A part of the Company's receivables, RON 240 thousand at December 31, 2023, were pledged to secure the loans obtained from banks.

The Company sells a part of trade receivables under the existing factoring facility on a non-recourse basis, so that the risks and rewards related to the receivables are substantially transferred to the factor and as a result the receivables sold are derecognised at the transfer date, and the factoring fees and related finance costs are recognised at their payment date.

On 18.11.2024, a new non-recourse factoring contract was signed with Banca Transilvania. Contract validity a year, the contract duration is extended by addendum. The factoring ceiling is of the “revolving” type, reconstituting it as the covered receivables are collected. The contract of November 2024 granted a ceiling of 166,000 euros. The company may request the factor, for its debtors, approval regarding the factor’s availability to take over the receivables from the respective debtors. The factor will perform the risk analysis for each debtor separately and will communicate its decision regarding its approval as an accepted debtor, communicating the factoring limit and the time validity.

Caps available under factoring agreements:

	31 December 2024	31 December 2023
Factoring cap amounts, of which:	825,701	4,974,600
Factoring amounts utilised	-	247,213

Movement in allowance for doubtful receivables is as follows:

	2023	2024
Balance at beginning of the year	3,467,684	3,460,273
Charge during the year	-	7,144
Release during the year	7,411	-
Balance at end of the year	**3,460,273**	**3,467,417**

Company’s receivables from affiliates are presented in Note 10.8.

5 RECEIVABLES AND PAYABLES (continued)

Payables	Balance as at December 31, 2024	Due within 1 year	Due over 1 year
Trade payables and similar accounts	3,147,295	3,147,295	-
Payables to clients	42,500,071	42,500,071	-
VAT payable	15,982	15,982	-
Guarantees received from suppliers	580,427	549,986	30,441
Dividends payable	4,534	4,534	-
Sundry creditors	1	1	-
Other payables	2,070,479	2,070,479	-
Minimum turnover tax	231,546	231,546	-
Total	**48,550,336**	**48,519,894**	**30,441**

Payables	Balance as at December 31, 2023	Due within 1 year	Due over 1 year
Trade payables and similar accounts	24,732,214	24,732,214	-
Payables to clients	74,327,268	74,327,268	-
Bank loans	3,000,741	3,000,741	-
VAT payable	1,755,825	1,755,825	-
Guarantees received from suppliers	1,153,030	933,020	220,010
Dividends payable	4,534	4,534	-
Sundry creditors	2,784	2,784	-
Other payables	3,922,852	3,922,852	-
Total	**108,899,248**	**108,679,238**	**220,010**

Company's payables to affiliates are presented in Note 10.8.

On May 17, 2019, Alum concluded a loan agreement amounting to USD 20 million with Black Sea Trade and Development Bank and a loan agreement amounting to USD 5 million with Garanti Bank Romania, respectively. The scope of these loan facilities was to finance mainly investments, and they were repaid in seven half-yearly instalments after a grace period of two years. The last loan installment was paid in May 2023.

In February 2021, the Company signed a loan agreement with Garanti Bank Romania, for a limit of USD 3,000 thousand, to be used for working capital needs of the company both cash and non-cash. The loan was not extended and in July 2023, the Company reimbursed the drawn amount from the revolving facility of RON 13,264 thousand, i.e. the equivalent of USD 2,920 thousand. As of December 31, 2022, the balance of the loans was of RON 13,533 thousand, i.e. the equivalent of USD 2,920 thousand. The loan agreement was supplemented with a non-revolving facility in amount of USD 2,000 thousand in December 2021 to be used for financing working capital needs, and which has the maturity in December 2024. In December 2024, the company paid the last installment of the non-revolving facility contracted in December 2021. As of 31 December 2023, the balance of the loan was of USD 667 thousand.

In 2024, the interest rates ranged between 7.47% and 8.51% (2023: 7.54% and 8.70%).

5 RECEIVABLES AND PAYABLES (continued)

As of December 31, 2024, the Company no longer has bank loans recorded, is no subject to certain restrictive covenants and has no movable and immovable guarantees established in favor of creditors.

As of December 31, 2023, the Company borrowings were secured with accounts receivable amounting to RON 240 thousand, with current account opened with banks amounting to RON 529 thousand, with property, plant and equipment (land, buildings, equipment) of RON 44,820 thousand and with inventories of RON 137,699 thousand.

6 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These separate financial statements are the responsibility of the Company's management and are prepared in compliance with the Accounting Law 82/1991 (as republished) and with Order of Ministry of Public Finance no. 1802/2014 ("OMF no. 1802/2014"), with the subsequent amendments.

OMF no.1802/2014, as revised is harmonised with the stipulations of the following directives:

a) Directive 2013/34/EU of the European Parliament and of the Council on the annual individual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing the Directives 78/660/EEC and 83/349/EEC, published in the Official Journal of the European Union series L, no. 182 of June 29, 2013;
b) Directive 2014/95/EU of the European Parliament and of the Council of October 22, 2014 amending Directive 2013/34/EU as regards disclosure of non-financial information and diversity information by certain large undertakings and groups, published in the Official Journal of the European Union, Series L, no. 330 dated November 15, 2014 and differs from the International Financial Reporting Standards. As a result, these financial statements are not to be considered as being in accordance with the International Financial Reporting Standards.

These financial statements, prepared in accordance with OMF no. 1802/2014 as revised, are not to be used by third parties or users of the financial statements that are not familiar with OMF no. 1802/2014 as revised, applicable in Romania.

The financial statements refer only to Alum S.A.

In 2023 the company had subsidiaries (Alum S.A. was the parent company of the Alum group (Note 1c)) and it was necessary, according to the requirements of OMF 1802/2014, to draw up consolidated financial statements. The consolidated financial statements of the Alum group for 2023 were drawn up in accordance with the International Financial Reporting Standards as endorsed by the European Union and were issued in a separate document. In 2024 the Company is no longer preparing consolidated financial statements following the sale of its subsidiaries.

The accounting records on the basis of which these financial statements were prepared are kept in lei ("RON") at historical cost, except for the situations in which the fair value was used, according to the accounting policies of the Company and according to OMF no. 1802/2014.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Accounting principles

Currency of presentation

These separate financial statements are presented in RON, except for the cases in which is specified another currency.

These separate financial statements for the period ended December 31, 2024 have been prepared in accordance with the following accounting principles:

Going concern

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

The Company and the group to which it belongs and the aluminum industry in general faced a multitude of challenges in the last years, amongst which the main obstacles comprising of the volatility in raw material prices, supply chain disruptions, increases in energy and gas costs. As energy-intensive operations, aluminum smelters and refineries faced significant increases in production costs, posing a significant hurdle for producers in maintaining competitiveness in the global market.
In response to the above, already since 2022, ALUM and the group to which it belongs developed and implemented scenarios for operating at a minimum break-even point or reducing financial losses by suspending certain production activities and switching some production equipment to stand-by. Thus, ALRO has reduced the primary aluminum production by 60% by shutting down three electrolysis pot rooms and focused on shifting more and more to high value products. ALUM has revised its manufacturing schedule according to the level of calcined alumina required for ALRO, subsequently suspending alumina production operations starting on 1st August 2022, while retaining its key specialists.

During 2024, as market conditions continued to remain challenging, the production remained suspended and ALUM:
- kept its CAPEX at a minimum level, but continued to perform maintenance works to ensure the equipment and installations are ready for restarting;
- continued the investment objectives on the environment line and compliance with ANRE recommendations and its compliance projects;
- continued the research activity in the installations within the project financed from European funds and within the projects carried out at the European level (Removal, Rescue and Reactiv);
- continued optimizing acquisitions of materials and inventory levels;

During this period, Alum's activity consisted of purchasing alumina from the market and selling it to ALRO to ensure its production requirements. Starting with March 2024, Alum intermediated the procurement of calcined alumina from the international market, in the appropriate quantity and quality, for Alro, based on an agent contract.

In 2024, the Company recorded a profit of RON 3,641 thousand, generated mainly by the income obtained from the sale CO2 emission certificates in the amount of RON 28,832 thousand and the income from the agent commission from the provision of alumina procurement brokerage services for Alro (2023: loss of RON 184,809 thousand, mainly resulting from the additional impairment recorded for tangible assets in the amount of RON 69,466 thousand and losses recorded from the sale of the stake held in the bauxite division in the amount of RON 64,175 thousand).

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Accounting principles (continued)

Going concern (continued)

As result, on 31 December 2024, the statutory net assets are below half of its share capital. According to the provisions of the Companies Law 31/1990, amended and supplemented by Law 441/2006 (Article 153.24), if the Company records net assets with a value less 50% of the value of subscribed share capital, as it is the Company's situation, measures must be taken by the administrator and Company's shareholders in order to correct the situation. The management is aware of the provision of the companie's act and is under review of the structure of share capital and exploring the opportunities to resolve the equity deficit.

In terms of liquidity, in 2024 the Company repaid its loans in accordance with the schedules contracted. As of December 31, 2024, the Company no longer has bank loans recorded, is no subject to certain restrictive covenants and has no movable and immovable guarantees established in favor of creditors. As of 31 December 2024, its current assets exceed its current liabilities by RON 60,949 thousand (2023: RON 52,398 thousand).
ALUM management is focused on identifying new sources of development and diversification of the activity aiming to increase the Company's revenues to overcome this challenging period.

The management has developed medium term forecasts and projections of cash-flows and liquidity needs taking into account the current and forecasted market conditions and reasonably possible changes in trading performance based on such conditions, as well as the climate change and decarbonisation actions impact on the operations. These forecasts considered a prudent scenario, under which production is resume only in 2027, when the evolution of prices of energy and gas reaches sustainable long-term prices that will enable the Company to resume production at profitable levels, being fully aligned with ALRO's forecasts and projections.

The Company will maintain the production capacities in full operating capacity, to enable the production to be resumed in 1 month once the decision is taken. The 1-month period is required in order to build up and restore the hydrate concentration into the installations. The current state of production capacity provides the flexibility and ability to react and benefit from opportunities on the market.

The forecasts show a significant improvement of the Company results in future periods, which will return on profit once production is resumed. During this period the Company depends on its parent, ALRO, for operational and financial support, which issued a support letter dated March 20, 2025, stating its ability and intent to support ALUM for the foreseeable period of at least 12 months from the approval of these financial statements.

Notwithstanding the challenges and uncertainties, the management expects that, based on the most recent forecasts, support from its shareholder and ability to adapt its cash-flows, when necessary, the Company will succeed in generating adequate cash flows to allow it to continue its operations, and has concluded that there are no material uncertainties that may cast significant doubt on their ability to continue as a going concern.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Accounting principles (continued)

Consistency principle

The same rules, methods, norms regarding the evaluation, registration and presentation in the accounting of the elements of patrimony are used, in order to ensure the comparability in time of the accounting information.

In the preparation of these non-consolidated financial statements, all value adjustments due to the depreciation of the assets' value have been taken into consideration, also all foreseeable obligations and potential losses which appeared during the financial year concluded or during any of the previous years.

Offsetting principle

The value of the items representing assets were not offset against the values of the items representing liability, i.e., revenues against expenses. Potential offsets between receivables and liabilities to the same entity performed in compliance with the legal provisions may only be recorded after entering in the books the related revenues and expenses.

Substance over form principle

The information disclosed in the non-consolidated financial statements reflect the economic substance of the events and transactions, not only their legal form.

Materiality principle

Any item that are material are disclosed separately in the financial statements.

Matching principle

In the preparation of these non-consolidated financial statements, all revenues and expenses for the financial year were taken into account, regardless of their date of collection or payment.

Principle of valuation of asset and liability items

In order to determine the total value corresponding to a balance sheet position, the value of each individual element of asset and liability was separately determined.

B. Significant accounting policies

Treatment of accounting errors

Any possible errors of the current period noted in the same period are corrected before the separate financial statements are authorised to be issued. However, it is possible that certain significant errors are discovered subsequently to the period to which they refer. These errors pertaining to a prior period are retrospectively corrected and recorded in the account "Retained earnings from the correction of errors".

Translation of foreign transactions

The Company's transactions expressed in a foreign currency are recorded as at the exchange rates valid on the date of the transactions. The earnings and losses resulted from the settlement of the transactions in a foreign currency and from the translation of the monetary assets and liabilities in a foreign currency are recognized in the income statement.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Significant accounting policies (continued)

Translation of foreign transactions (continued)

Such balances are translated in RON at the official exchange rate of the National Bank of Romania valid at the end of each month.

As at December 31, 2024, the official exchange rate used was USD 1 = RON 4,7768 and EUR 1 = RON 4,9741.

As at December 31, 2023, the official exchange rate used was USD 1 = RON 4,4958 and EUR 1 = RON 4,9746.

Property, plant and equipment

a. Cost

Property, plant and equipment are initially stated at acquisition cost, Property, plant and equipment have been revalued based on several government decisions, by adjusting the historic cost with indexes set by the respective government decisions. The increases in the book values of the property, plant and equipment resulted from the revaluations made in the past which were initially credited in the revaluation reserves or share capital, in accordance with the provisions of the respective laws.

The constructions were subsequently revalued, based on revaluations carried out by qualified professionals. The revaluation difference is reflected in the revaluation reserve. The last revaluation of the constructions for financial reporting purposes was performed as at December 31, 2020 by an independent appraiser, a member of ANEVAR. The revaluation aimed to adjust the net book values of the elements included in this category to their fair value considering their physical state and market value. The revaluations of the constructions are done with sufficient regularity, so that the book value does not differ substantially from the one that would be determined using the fair value from the balance sheet date.

At December 31, 2024, based on the market evolution, the Company concluded that a new revaluation at the current balance sheet date is not required.

The maintenance and repairs to the fixed assets are charged to expenses as incurred.
Non-current assets in the form of inventory items, such as small tools, are charged to expenses when put into operation and are not included in the book value of the tangible assets.

The tangible assets that are scrapped are written off the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulted from such an operation is included in the current profit and loss account. Significant upgrading are capitalized when they meet the defining criteria of the assets. The earnings and losses from the disposal of fixed assets are determined based on their book value and are included in the operating profit determination.

Temporarily idle property, plant and equipment are assessed for impairment individually. For assets put in conservation for an undefined period in accordance with the Board of Directors decision, the Company recognizes an impairment loss equal to their carrying value as at the date of the transfer. Subsequently, these assets are reviewed for possible reversal of impairment, depending on the Company's plans to operate them in the future.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

b. Depreciation

Depreciation is calculated at revalued cost on a straight-line basis, for all categories of fixed assets, Depreciation is calculated throughout the estimated useful life of the assets, as follows:

	Years
Buildings and special constructions	2 - 52
Technical installations and machinery	1 - 25
Equipment and vehicles	1 - 25

Land is not depreciated as it is assumed that it has an indefinite useful life.
The earnings and losses generated by the disposal of land and fixed assets are determined by comparison to their book value and are included in the determination of the operating profit.

Impairment of property, plant and equipment

The Company must make sure that its assets are not recorded at a value that exceeds their recoverable amount, an asset is recorded at a value higher than its recoverable amount, if its book value exceeds the amount recoverable from the use or disposal of the asset.

The fixed assets held and used by an entity should be analyzed from the point of view of diminishing the value of such an asset whenever events occur that indicate the possibility of not recovering the book value of an asset from the future cash flows, In cases where the estimated future cash flows are insufficient to cover the book value of the asset, there needs to be applied an adjustment to reflect the impairment of the fixed assets.

Intangible assets

Development expenses

Development expenses are capitalised and amortised on a straight line basis for a period from 3 to 5 years.

Licenses and software

Usually, the costs associated with the development and maintaining the computer software are charged to expenses as incurred. Direct costs associated with computer software whose future economic benefits are probable and for a period of more than one year are recognised as intangible assets.

The expense with the purchased computer software is capitalised and amortised on a straight-line basis throughout their useful life, without exceeding a period of 5 years, Intangible assets are not revalued.
The book value of each intangible asset is verified annually and adjusted from the point of view of the permanent impairment, where necessary.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are recorded at the lower of evaluated cost and net realizable value, determined based on the FIFO ("first in, first out") method. The cost of the finished and semi finished products includes raw materials, direct salary expenses, other direct expenses and production overheads (based on the normal production capacity), but excludes the general administrative expenses, marketing expenses and financial expenses. Net realizable value is determined based on the sale price under normal conditions. Adjustments are recorded for the impairment of slowly moving, deteriorated and obsolete inventories.

Trade receivables

Trade receivables are recorded at anticipated net realizable value. For doubtful receivables, an estimated adjustment is made based on an analysis of all amounts outstanding at year end. Non-recoverable receivables are charged against income in the year when they are identified.

Other receivables

Receivables are recorded at a value estimated to be recovered.

Cash and cash equivalents

Cash and cash equivalents are disclosed in the non-consolidated balance sheet at cost. For the non-consolidated cash flow statement, cash and cash equivalents include petty cash, current accounts, demand deposits with banks and letters of credit.

Payables

Payables are recorded at nominal value.

Provisions

Provisions are recognized as at the time when the Company has a legal or constructive obligation resulted from past events, when an outflow of resources embodying economic benefits is necessary to settle the obligation and when a reliable estimate can be made with regard to the value of the obligation.

Provision for decommissioning

Decommissioning costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset.

The cash flows are discounted at a current pre-tax rate that reflects the risks specific of the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contributions for employees

The Company pays contributions to the State Budget as the mandatory work insurance contribution and the employees pay contributions to the State Budget for social insurance and health insurance according to the levels established by the law and in effect during the year, calculated on the basis of the gross salaries. The value of these contributions is recorded in the income statement in the same period as the related salary expenses.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement and other post-retirement benefits

In the normal course of its business, the Company makes payments to several institutions of the Romanian state on account of the pensions of its employees. All the Company employees are members of the pensions plan of the Romanian State.

Starting with 01.04.2017, the Company pays a contribution to the voluntary pension fund for employees of the Company adhering to it, in amount of EUR 200/year, tax deductible, representing RON 75 per employee monthly. Starting with 01.04.2018 the monthly contribution increased to RON 100 per employee, and from 01.04.2019 the monthly contribution increased to RON 150 per employee.

Upon retirement, the Company offers its employees, according to the collective employment contract, a bonus ranging between 2 - 6 salaries, plus permanent bonuses for the last worked month, according to the length of service in the Company. For these amounts, the Company records in the financial statements a provision revised annually by an actuarial calculation expert.

Borrowings

Short and long term borrowings are presented at the outstanding value as at the date of the non-consolidated balance sheet date. The current part of the long term loans and the accumulated interest as at the balance sheet date are classified as “Payables within one year”. The costs related to obtaining the loans are recorded as expenses in advance and amortized over the loan period when they are significant.

Financial leases

Financial lease is the lease obligation that transfers, to a large extent, all the risks and benefits related to the ownership over the asset. The title can be eventually transferred or not.
Financial lease operations are recorded at the fair values of the leased item or by the discounted value of the minimum lease payments, if the latter is lower. To calculate the discounted value of the minimum lease payments, the discount is considered the effective interest rate of the lease agreement.

Grants

Grants for assets, including non-monetary grants at fair value, are recorded in accounting as investment grants and are recognised in the balance sheet as deferred income. The deferred income is recorded in the profit and loss account as the expenses with the depreciation are recorded or at the scrapping or disposal of the assets.

Grants related to income include all grants, other than those for assets. Grants are recognised, on a systematic basis, during the period in which the expenses corresponding to these grants were recognised.

Share capital

The share capital composed of ordinary shares is recorded at the value established on the basis of the deeds of incorporation and addenda, as the case may be, as well as the supporting documents regarding the capital payments.

The repurchased own shares, according to the law, are presented in the balance sheet as a correction of the equity. Gains or losses related to the issuance, redemption, sale, disposal for free or cancellation of the equity instruments of the entity (shares) are recognized directly in the equity in the lines of "Gains / or Losses related to equity instruments" .

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

Retained earnings

The legal reserve is created in accordance with the provisions of the Companies Law, according to which 5% of the annual accounting profit before tax is transferred to legal reserves until their balance reaches 20% of the Company's share capital.

The accounting profit left after the distribution of the realised legal reserve share, within the limit of 20% of the share capital is taken in the retained earnings at the beginning of the financial year following the one for which the annual financial statements are drawn up, from where it will be distributed to the other legal destinations.

The bookkeeping of the destinations of the accounting profit is made in the following year after the general meeting of the shareholders or associates who approved the distribution of the profit, by recording the amounts representing dividends due to the shareholders or associates, reserves and other destinations, according to the law. The records made regarding the distribution of the profit cannot be reversed.

The increases in the retained earnings representing the surplus realised from revaluation reserves were constituted by the transfer from the revaluation reserve of the amounts corresponding to the revalued assets as they were used by the company. The surplus realised from the revaluation reserves thus created is distributable, while the revaluation reserve is not distributable. The Company does not intend to distribute the surplus realised from revaluation reserves in the balance on December 31, 2024.

In the situation in which the surplus realised from revaluation reserves is distributed, from a fiscal point of view it will be taxed in so far as, according to the tax legislation applicable at the time of the revaluation, the expenses with the depreciation related to the revalued fixed assets were considered deductible expenses in the calculation of the profit tax and the surplus realised from the revaluation reserves, respectively, has not already been assimilated to the income for the calculation of the profit tax.

Income

The income from sales is recorded upon the delivery of the products and, when applicable, upon their receipt by the client, or upon the provision of services. Recording is made net of VAT, and any potential sale fees or commercial discounts.

The Company uses CO2 certificates. The certificates are recognised in the financial statements based on the net exposure/emission method. According to this method, it is recognised as a liability the value of the certificates for the emission that exceeds the equivalent of the certificates granted according to GD 780/2006 issued by the National Environment Authority.

The Company estimates the annual amount of emissions as at each balance sheet date and recognizes the supplementary liability at the market value of the additional certificates that need to be purchased or at the level of the penalties that need to be paid according to the laws in force.

The additional liability is recognized in the income statement based on the unit of production method. If the Company estimates the use of a lower number of certificates than the allocated level, the income resulted from the sale of the supplementary certificates is recognized only at the time of the actual sale.

6 SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax is calculated based on the result of the year corrected for various elements that are neither taxable nor deductible. It is calculated using the income tax rate in effect as at the balance sheet date.

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, and with a calculated profit tax lower than 1% of their turnover, must pay an income tax equal to this higher 1% of calculated turnover based on a provided formula (minimum turnover tax). In 2024, the Company calculated this minimum turnover tax according to the law and it exceeded the profit tax. Consequently, the Company recognized a current income tax payable, at the level of the minimum turnover tax, of RON 1,123 thousand in the Separate Statements of profit or loss (2023: nil).

Financial instruments

The financial instruments recorded in the non-consolidated financial statements include cash and cash equivalents, receivables and trade receivables, other assets and long term liabilities. The particular methods of recognition adopted are presented in the individual accounting policies associated to each element.

7 SHARE CAPITAL

The share capital is in amount of RON 488,412,908 representing 82,086,203 shares having a nominal value of RON 5.95 per share. The share capital subscribed and paid in as at December 31, 2024 is in amount of RON 488,412,908.

	Value
As at January 1, 2024	488,412,908
Increases	-
As at December 31, 2024	**488,412,908**

	2023		
	Number of shares	Nominal value	%
ALRO S.A.	81,595,860	485,495,367	99.4026
Individuals	470,658	2,800,415	0.5734
Legal entities	19,685	117,126	0.0240
Total	**82,086,203**	**488,412,908**	**100**

	2024		
	Number of shares	Nominal value	%
ALRO S.A.	81,595,860	485,495,367	99.4026
Individuals	469,908	2,795,953	0.5725
Legal entities	20,435	121,588	0.0249
Total	**82,086,203**	**488,412,908**	**100**

8 INFORMATION REGARDING THE EMPLOYEES, ADMINISTRATORS AND DIRECTORS

	2023	2024
Average number of employees	251	130

Salaries expenses per categories of personnel in 2023 were:

	No. of employees	Salaries RON
Management	13	3,527,799
Administrative staff	92	9,332,087
Operatives	146	11,341,930
TOTAL	**251**	**24,201,816**

Salaries expenses categories of personnel in 2024 were:

	No. of employees	Salaries RON
Management	10	2,570,634
Administrative staff	50	6,610,663
Operatives	70	6,457,169
TOTAL	**130**	**15,638,466**

The suspension of production activity implied also the implementation of a staff layoff program, maintaining only a core of experienced employees, with which to act in case the market conditions will make it possible to resume production.

Thus, a total number of 91 employees were included in the restructuring process (of which 81 ceased activity by application of the collective redundancies procedure). The restructuring was carried out according to the provisions of the law and the Collective Labour Bargain concluded at company level. The compensatory salaries amounted to RON 2,586,067.

9 MAIN FINANCIAL RATIOS

Caption	2023	2024
Liquidity ratios		
Current ratio (current capital ratio)	1.49	2.26
Quick ratio (acid test)	0.22	0.20
Risk ratios		
Gearing	-	-
Interest cover ratio	(56.55)	4.13
Activity ratios (management ratios)		
Turnover of stocks	1.98	0.66
Days in stock	184.60	548.99
Turnover of receivables – days	6.04	21.73
Turnover of payables – days	46.55	62.27
Turnover of fixed assets	3.59	1.13
Turnover of total assets	1.19	0.45
Profitability ratios		
Return on capital employed	(1.78)	0.06
Earnings per share RON	(2.25)	0.04
Gross margin – %	(40.86)	7.53

10 OTHER INFORMATION

10.1 Information regarding the presentation of the Company

The Company was initially incorporated in March 1972, ALUM S,A, Tulcea being the only producer of calcined alumina in Romania.

The main business is the hydro-metallurgical processing of bauxite to obtain aluminium oxide, the raw material for obtaining aluminium.

Bayer method, which uses caustic soda to produce a solution, is used to extract the aluminum hydroxide from the processing of bauxite in order to obtain aluminum oxide, the raw material for the production of alumina. The production capacity of the refinery is of about 600,000 ton/year.

The Company's shares are admitted for trading on the alternative transactional system AeRO within Bucharest Stock Exchange.In 2024, the price per share was as follows:

	RON
- minimum price	2.10
- maximum price	3.28
- average price	2.69

10.2 Turnover

	Year ended December 31, 2023	Year ended December 31, 2024
Revenues from sales of alumina	272,810,495	55,608,191
Revenues from sales of hydrate	6,651,471	8,017,220
Revenues from sales of scrap iron and waste	3,610,830	1,073,855
Revenues from sales of utilities	1,785,936	1,375,366
Revenues from sundry activities	1,686,485	15,634,502
Total	**286,545,218**	**81,709,134**

The following table shows the distribution of the Company's sales by geographical market.

	Year ended December 31, 2023	Year ended December 31, 2024
Romania	276,406,105	68,684,809
European Union	2,972,780	2,542,221
Non-EU European countries	5,669,644	7,677,999
Other countries	1,496,690	2,804,106
Total	**286,545,218**	**81,709,134**

10 OTHER INFORMATION (continued)

10.3 Other material expenses

	Year ended December 31, 2023	Year ended December 31, 2024
Packaging materials expenses	231,055	371,000
Work protection materials	86,300	39,648
Inventory items expenses	25,879	1,265
Total	**343,233**	**411,914**

10.4 External services

	Year ended December 31, 2023	Year ended December 31, 2024
Third parties repairs	510,101	426,573
Insurance	513,062	603,555
Transport	366,998	477,713
Audit	1,056,169	311,665
Security services	5,347,618	5,778,696
Other services	7,317,891	5,597,533
Total	**15,111,838**	**13,195,735**

10.5 Petty cash and bank accounts

	December 31, 2023	December 31, 2024
Bank accounts	589,411	775,831
Petty cash	3,913	3,558
Letters of credit	19,713,184	-
Total	**20,306,508**	**779,388**

10.6 Inventories

Inventories are presented in the balance sheet after deducting the impairment adjustments.

	December 31, 2023	December 31, 2024
Raw materials, materials and goods	79,141,395	48,202,994
Work in progress	46,958,951	46,958,951
Materials in the form of inventory items	642,631	616,187
Semi finished products and finished goods	17,702,797	7,160,688
Packaging	240,150	160,872
Adjustments for the impairment of inventories	(6,986,485)	(3,023,261)
Advances for inventories	318,428	265,938
Total	**138,017,868**	**100,342,369**

10 OTHER INFORMATION (continued)

10.6 Inventories (continued)

As of December 31, 2024, the Company has no movable and immovable guarantees established in favor of creditors.
The value of the inventories pledged to guarantee the Company's loans as of December 31, 2023 was RON 137,699 thousand.

10.7 Indicators regarding the earnings per share

The basic earnings per share is calculated by dividing the net profit distributable to the shareholders by the weighted average number of ordinary shares in circulation during the year, less the shares redeemed by the Company during the year. There were no ordinary potentially diluted shares during the year.

	2023	2024
Net profit/(loss) for the year	(184,808,501)	3,641,469
Number of shares	82,086,203	82,086,203
Earnings per share, basic – RON	(2.25)	0.04
Average market price per share	3.41	2.69

10.8 Transactions and balances with affiliates

Affiliates are entities with direct or indirect common shareholders, directors or managers. A significant part of the Company transactions is conducted with related parties. The nature of the relations with the affiliates with which the Company conducted significant transactions or which have significant balances not settled as at the balance sheet date are detailed below.

The relations were established in the normal course of the Company's activity.

Affiliate	Affiliate type	Transaction type
Alro S.A.	Shareholder	Sales/purchases of goods/services
Sierra Minerals Holding Ltd.	Former subsidiary, deconsolidated starting with September 2023	Sales/purchases of goods/services
Vimetco Management Romania	Common shareholder	Purchases of goods and services
Vimetco Power Romania	Common shareholder	Sales of services
Centrul Rivergate	Common shareholder	Sales/purchases of goods/services
Rivergate Fire	Common shareholder	Sales/purchases of goods/services

10 OTHER INFORMATION (continued)

10.8 Transactions and balances with related parties (continued)

The transactions and balances with affiliates are detailed below:

(i) Sales

	December 31, 2023	December 31, 2024
ALRO Slatina (goods, services)	267,053,441	61,339,656
CENTRUL RIVERGATE	38,413	38,606
SIERRA MINERALS HOLDING LTD.	197,579	-
Total	**267,289,433**	**61,378,262**

(ii) Purchases

	December 31, 2023	December 31, 2024
ALRO Slatina	6,451,173	3,740,603
CENTRUL RIVERGATE	5,369,396	5,782,444
VIMETCO MANAGEMENT ROMANIA	892,301	77,210
RIVERGATE FIRE	4,741,319	4,004,682
Total	**17,454,189**	**13,604,939**

(iii) Receivables

	December 31, 2023	December 31, 2024
CENTRUL RIVERGATE	3,829	3,216
VIMETCO POWER	3,153,001	3,153,001
ALRO Slatina	231,181	4,337,993
Total	**3,398,561**	**7,494,209**

(iv) Payables

	December 31, 2023	December 31, 2024
ALRO Slatina	75,137,299	43,118,043
CENTRUL RIVERGATE	569,567	1,153,081
RIVERGATE FIRE	498,329	361,446
VIMETCO MANAGEMENT ROMANIA	100,793	3,102
Total	**76,305,988**	**44,635,672**

The remuneration of directors and other members of key management during 2024 was in amount of RON 1,873,120 (2023: RON 2,775,627).

10 OTHER INFORMATION (continued)

10.9 Legal reserve

As at December 31, 2024, the legal reserve amounted to RON 20,628,155 (December 31, 2023: RON 20,389,951).

10.10 Information regarding the income tax

The Company records net income tax in accordance with the financial statements, in compliance with the laws in force regarding the income tax.

The reconciliation between the result of the year and the fiscal result for the year is presented below:

	Year ended December 31, 2023	Year ended December 31, 2024
Total income	287,567,250	102,032,611
Total expenses	(472,375,751)	(97,268,533)
Gross profit	**(184.808.501)**	**4,764,078**
Non-taxable income deductions	(11,944,338)	(4,452,748)
Non taxable income	(8,073,360)	(6,327,918)
Non deductible expenses	100,854,480	4,699,032
Loss previous years	(158,480,336)	(262,452,055)
Fiscal profit/(loss)	**(262,452,055)**	**(263,769,612)**

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, and with a calculated profit tax lower than 1% of their turnover, must pay an income tax equal to this higher 1% of calculated turnover based on a provided formula (minimum turnover tax). In 2024, the Company calculated this minimum turnover tax according to the law and it exceeded the profit tax. Consequently, the Company recognized a current income tax payable of RON 1,123 thousand in the Separate Statements of profit or loss (2023: nil).

According to the Romanian Fiscal Code, which transposes the EU Directive no. 2016/1164, issued in 2016, the exceeding borrowing costs including interest, expenses for obtaining finance and leasing, capitalized interest and foreign exchange losses above a threshold of EUR 1,000,000 per annum are deductible only up to the level of 30% of calculated fiscal EBITDA. The Company incurred borrowing costs related to loans obtained from banks for capital expenditure and development purposes. As these loans are expressed in foreign currency, due to the devaluation of RON against major currencies, these resulted in significant foreign exchange losses, which have limited deductibility for income tax purposes. The balance as of December 31, 2023 of RON 4,214 thousand of unused borrowing costs from previous years was fully used as a tax deductible expense in 2024.

10 OTHER INFORMATION (continued)

10.11 Guarantees and commitments

The Company has the following investment commitments as at December 31, 2024 for 2025:

Description	th. USD
Extending the surface of the red mud pond and securing the red mud storage in the S + SE area	73
Maintenance Capex	28
Endowments	6
Total	**107**

10.12 Contingencies

Project financed through Operational Prgram for Competitivity

Under financing contract signed on September 8, 2016, Alum SA launched a project (SMIS 2014+) co-financed under the European Regional Development through Operational Program of Competitiveness 2014-2020 " Investing in Sustainable Development ".

The only achievement indicator to be pursued by the end of the project, i.e., the number of staff in the R & D department that needed to be increased by 16 people by March 8, 2019, was achieved.

At the end of the project there must be achieved also the result indicators, i.e. turnover (RON 605.225 thousand) and market share (1,26%).

In 2024, the Monitoring Body has submitted the final report to the Ministry of European Funds, accepting the achievement of the indicators under the conditions of the last period’s pandemic and energy crises.

Litigations

As at December 31, 2024, the Company was subject to a number of disputes in court resulted from the normal course of its business.

On 20.09.2019 we filed appeal at Tulcea Court against the Decision no. 64411/21.08.2019 issued by Ministry of European Funds - DGPEC, by which we asked for its cancellation as well as the financial corrections established in the Alum task in the amount of RON 631,300.
By Decision no. 1252/21.12.2020, the Court admitted Alum’s request and ordered the annulment of Decisions and the Notes on irregularities and establishing financial corrections issued by the same defendant. An appeal was filed by the Ministry of European Funds - DGPEC, an action registered at the Constanta Court of Appeal in July 2021.The file was transferred starting from 01.01.2022 to the fiscal administrative litigation section. The court decided to suspend the trial due to the suspicion of the use of a false document in the process by the opposing party, further notifying the competent prosecutor's office to investigate these aspects.The judgement of the trial will be resumed later depending on what the prosecutor's office will order following the investigations it will carry out.

10 OTHER INFORMATION (continued)

10.12 Contingencies (continued)

Litigations (continued)

Following the fiscal inspection carried out by ANAF, DGFP Galați, through AJFP Constanța, having as objectives: the verification of the value added tax in the period 01.12.2014-31.12.2018 and the verification of the profit tax in the period 01.01.2014-31.12.2018, according to the approval of fiscal inspection no. F-CT 782/ 15.11.2019 and completed on 27.05.2021, an additional profit tax of 19,643,114 lei and VAT in the amount of 31,587 lei has been established. The amount of 19,674,701 lei was paid by Alum within the communicated legal term. The company filed appeal against the tax decision, and will use all the means provided by law to cancel it and recover the amounts paid according to the decision. Alum considers the tax decision to be unfounded and illegal. Subsequently, the Company filed a tax appeal to the National Agency for Fiscal Administration against the Fiscal Inspection Report. The appeal was rejected by the National Agency for Fiscal Administration. The Company continues to defent its position in Court and in December 2022 it was requested to carry out the judicial expertise in the specialty of accounting/taxation. It was performed a fiscal expertise by an independent expert appointed by the Court. In November 2023 the Court ruled in the Company's favor by ordering the restitution to Alum of an amount of about RON 18,213 thousand out of the total of about RON 19,675 thousand that was the subject of the tax act. 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 next term was set for March 5th, 2025.

The management considers that based on the lawyers opinion these actions will not have a significant effect on the non-consolidated economic results and non-consolidated financial position of the Company.

As at December 31, 2024, the Company had in the balance the amount of RON 227,917 for doubtful or litigating receivables (other than affiliates), amount for which an impairment adjustment has been recorded (Note 5).

Taxation

The taxation system in Romania is undergoing continuous developments. Tax legislation is subject to various interpretations and constant changes, some of which may sometimes be retroactive. In some circumstances, tax authorities may treat some aspects in a different way by calculating additional taxes, interest and penalties, which can be significant.

In Romania, according to the Fiscal Procedure Code the period for which the fiscal year remains open for fiscal verification is 5 years (term that begins on July of the year following the year for which the fiscal obligation is due). For fiscal obligations before 25 December 2020, according to Government's derogatory regulations, following the Covid-19 pandemic, the fiscal year open for tax audit was changed to a period of 5 years and 253 days. The management considers that the tax liabilities included in these financial statements are adequate.

In accordance with the provisions issued by the Ministry of Public Finance, which regulate the tax regime of the elements of equity that have not been subject to income tax as at the date of recording in the accounts, considering their nature, should the Company change the destination of the revaluation reserves in the future (to cover losses or to distribute to the shareholders), this will lead to supplementary income tax liabilities.

10 OTHER INFORMATION (continued)

10.12 Contingencies (continued)

Taxation (continued)

Until 31 December 2023 the tax losses in Romania could have been carried forward and used against future taxable profits for a period of maximum 7 years. Starting 1 January 2024, the utilization of fiscal losses carried forward from prior years, for the purpose of calculating the current fiscal year's result, is limited to a period of 5 years and only up to 70% of the taxable profits generated in the period. However, losses carried forward prior to 2024 are eligible for utilization at the same 70% rate against taxable profits, spread over a 7-year period.

Alum, being part of Vimetco Group, a multinational enterprize group is within the scope of the OECD Pillar Two model legislation, which was enacted in Romania, the jurisdiction in which Alro and subsidiaries are incorporated. Law no. 431/2023, published on 5 January 2024, transposes the provisions of Directive (EU) 2022/2523 to introduce into the Romanian legislation a complex system of rules for an effective minimum taxation of 15% for multinational enterprise groups and large-scale domestic groups with annual consolidated revenues of at least EUR 750 million in at least two of the four previous financial exercises.

The law applies in respect of financial years beginning on or after 31 December 2023, except for the UTPR, which applies in respect of financial years beginning on or after 31 December 2024.

Under the legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. The Group assessed its exposure to the Pillar Two legislation. As all entities within the group, which recorded profits, have an effective tax rate that exceeds 15%, therefore the group might not be exposed to paying Pillar Two income taxes.

While the average effective tax rate currently exceeds 15%, it's important to note that the group might be exposed to paying Pillar Two income taxes in the future. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Consequently, even entities with an accounting effective tax rate above 15% may encounter Pillar Two tax implications.

From 2024, a minimum turnover tax (IMCA) will be applied to the profit tax. IMCA has a quota of 1% and applies to companies with a turnover of over 50 million EUR in the previous year. Specifically, IMCA is owed by firms that would normally owe less corporate tax than this minimum threshold or that would not owe corporate tax at all (because they have a tax loss).

Transfer price

The fiscal legislation in Romania includes rules regarding the transfer prices between affiliates since the year 2000. The current legislative framework defines the “arm’s length” principle for related-party transactions, as well as the methods of establishing transfer prices. As a result, it is expected that the tax authorities initiate thorough verifications of transfer prices in order to make sure that the fiscal result and/or the customs value of the imported goods is not distorted by the effect of the prices used in the relations with related parties.

10 OTHER INFORMATION (continued)

10.12 Contingencies (continued)

Transfer price (continued)

The Company cannot quantify the result of such verifications, but the management considers that the related party transactions are in agreement with the fiscal legislation in Romania with regard to the transfer price and the necessary documentation regarding the transfer prices is available and can be presented to the authorities in case of a tax audit.

Environment

In preparing the Separate Financial Statements, management has considered the impact of climate change, particularly in the context of the disclosures included in the Sustainability Report.
These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Company's going concern assessment as of December 31, 2024, nor the viability of the Company over the next five years.

The following specific points were considered:

Regulations regarding air pollution

The Company is impacted by the increased regulatory environment in the EU regarding air pollution. The Company, as a heavy industry participant, is affected by the cap and trade scheme for greenhouse gas emissions implemented at the level of EU, which is meant to reduce pollution within a certain time span.

European Commission has proposed a comprehensive set of amendments of the existing emissions trading system (EU ETS), whose outcome should be a global reduction in the concerned sectors by 61% until 2030, compared to the 2005 levels.
On one side, the Company is allotted a certain number of emission rights per annum, in accordance with its production and deemed CO2 emissions. The accounting policies for emission rights can be found in the Accounting policies note. Any potential liability resulting from the necessity to buy emission certificates is taken into consideration in the Company's business plans and scenarios. With the prices of emission certificates being volatile, the impact from such liability on the Company's results cannot be ascertained. On the other side, the Company is indirectly impacted by the same greenhouse gas emission scheme in the sense that such costs of the electricity producers are included in the final electricity price that the Company has to pay. Due to the volatility of the certificates prices, the electricity rates might reach significantly high levels. That is why the Company monitors, anticipates and takes into consideration all the possible circumstances in order to balance its activities and reduce the quantitative impact of such liabilities, such as the recent decision to close production temporarily until the electricity and emission certificates prices return to an acceptable level.
Starting 2026, the requirement to buy CBAM certificates to cover GES footprint will be also implemented, and the price of CBAM certificates shall be linked with the EU ETS carbon prices. Thus, CBAM represents a supplementary cost substantiated by the export on the EU market. The EU's Carbon Border Adjustment Mechanism (CBAM) is the EU's tool to put a fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries.

10 OTHER INFORMATION (continued)

10.12 Contingencies (continued)

Sustainable energy supply

The Alro has taken further steps to develop a plant of renewable energy production. In September 2023, a new company CCGT Power Isalnita SA was registered, with Complexul Energetic Oltenia holding an interest of 59.9% and Alro SA holding 40.1% of the shareholders equity. The new established company will build a 850 MW natural gas power plant which will replace two old coal-fired installations, each with the capacity of 315 MW. The plant will be prepared to consume a mix of gas/hydrogen when this is available. The total project value is estimated at EUR 506 million, out of which EUR 253 million will be financed by the Modernisation Fund, a new financing tool that contributes to the objectives of the European Green Deal by supporting a socially just transition to a green economy. This initiative may give rise to Research and development costs in future that might be capitalized on the Statement of Financial Positions, or expensed, in line with the accounting policies. The Alro Group achieves the legal target of renewable energy purchases.

In order to provide its own production of energy from sustainable sources, the ALRO Group started to analyse the possibility of installing its own sustainable energy production capacities and for this purpose, in the second semester of 2023 the Group started the procedures for the construction of a photovoltaic system consisting in the installation of a 1500 KW photovoltaic power plant and two electrical charging stations. The ALRO Group will use the entire amount of energy produced, which will contribute to the increase in the percentage of green energy used in technological processes and reduction of their carbon impact, thus promoting the production of green aluminium.

10.13 Financial Auditor's Fee

The fee for the financial audit of the annual financial statements for the year ended December 31, 2024 is in accordance with the audit service rendering agreement and is in amount of RON 132,000 (2023: RON 146,000).

10.14 Risk management

a. Foreign exchange ("FX") risk

FX risk is the risk that the value of a financial instrument should fluctuate because of the variations in the FX rate.

The Company is exposed to the fluctuations in the FX rates in the commercial and financing transactions. FX risk results from the commercial assets and liabilities recognized, including borrowings, expressed in foreign currencies. Given the high associated costs, the Company's policy is not to use derivative financial instruments to mitigate this risk.

b. Interest rate risk regarding the cash flow and fair value

The interest rate risk regarding the cash flow is the risk that the future cash flows should fluctuate due to the variations in the market interest rates. The interest rate risk at fair value is the risk that the value of a financial instrument fluctuates due to the variation in the market interest rate. The financial instruments bear interest at market values and, as a result, it is considered that their fair values do not significantly differ from the book values.

10 OTHER INFORMATION (continued)

10.14 Risk management (continued)

c. Credit risk

Credit risk is the risk that one of the parties of a financial instrument fails to meet the obligation assumed causing a financial loss to the other party. The Company is subject to a credit risk due to its trade receivables and other types of receivables. The Company has policies meant to ensure that the sales are made to clients with proper references regarding their creditworthiness.

The receivables are mainly related to Alro. The company is dependent operationally and financially on Alro.

The due date of the liabilities is carefully monitored and the amounts due after exceeding due date are promptly monitored. Trade receivables (clients) are presented net of the adjustments for doubtful receivables impairment (Note 5). The Company develops policies that limit the value of the credit exposure against any financial institution.

d. Liquidity risk

Liquidity risk (also called financing risk) is the risk that an entity encounters difficulties in obtaining the funding necessary for meeting the commitments pertaining to the financial instruments. Liquidity risk may result from the incapacity to rapidly sell a financial asset at a value close to its fair value.

A prudent liquidity risk management involves maintaining sufficient cash and credit lines available, by continuously monitoring the estimated and actual cash flow, by correlating the due dates of the financial assets and liabilities. Due to their nature, the Company aims at maintaining flexibility in the financing possibilities, including by the support of the majority shareholder.

10.15 Grants

	2023 th. RON	2024 th. RON
Balance as at 1 January	**4,198**	**3,819**
Increases during the year	-	-
Revenues recognized in income statement	379	379
Balance as at 31 December	**3,819**	**3,440**
Out of which:		
Short term	379	379
Long term	3,441	3,062

Under financing contract signed on September 8, 2016, Alum SA launched a project (SMIS 2014+) co-financed under the European Regional Development through Operational Program of Competitiveness 2014-2020 "Investing in Sustainable Development".

The equipments purchased in 2018 as part of these investment projects were put into operation in 2019 and the subsidies received are recognized as income on a straight line basis during the useful life of the equipments.

As at 31 December 2024 there are no contingent liabilities attached to these grants.

10 OTHER INFORMATION (continued)

10.16 Subsequent events

In February 2025, the Company Alum, contributed RON 18 thousand to the establishment of a joint-stock company named Stocare Energie Tulcea S.A. ("SET"), with a share capital of RON 90 thousand. SET is owned 80% by Vimetco Management Romania S.R.L. and 20% by Company Alum, with its registered office in Tulcea. The company was founded with the purpose of developing a battery energy storage facility.

In February 2025, following the resignations from the Board of Directors of Mr. Gheorghe Dobra and Mr. Marin Cilianu, Mrs. Genoveva Nastase was appointed as interim director and chairman of the Board of Directors and Mr. Răzvan-Sebastian Pop as interim member. Also, Mr. Gigi Pîrlog was appointed as General Manager of the Company for a four-year mandate valid from the appointment date, following the expiration of the mandate of the former general manager.

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

Report of the directors
and
their discharge from liabilities

- 2024 -

This is a free translation from the official Romanian version

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Report of the directors for 2024
and their discharge from liabilities

General information

ALUM S.A. (the 'Company', the 'Entity') is a joint-stock company set up under the Romanian law. The Company was initially established in March 1972, ALUM S.A. Tulcea being the largest producer of calcined alumina in Romania. The Company's administrative and managerial offices are located in Romania.

ALUM is listed on Bucharest Stock Exchange, on the ATS segment, AeRO category, BBGA symbol, since May 2015 and is governed in a unitary system. The Board members are elected based on the vote of shareholders under OGSM and by full compliance with the legal requirements in force. ALUM does not have fiscally registered branch offices.

The major shareholder of ALUM S.A. is ALRO S.A. Slatina. At 31 December 2024, the majority shareholder of ALRO S.A. was Vimetco PLC, a private limited liability company registered under the laws of Cyprus, based in Navarinou 18, Navarinou Business Centre, Agios Andreas, 1100, Nicosia, Cyprus. The company is ultimately controlled by Maxon Limited (Bermuda).

Shareholding structure and share capital

SHAREHOLDERS	Number of shares	Owned percentage (%)
ALRO SA SLATINA	81,595,860	99.4026%
Other shareholders – natural persons	469,908	0.5725%
Other shareholders – legal persons	20,435	0.0249%
TOTAL	**82,086,203**	**100%**

The statutory share capital as of December 31, 2024 and 2023 is in amount of RON 488,412,908 representing 82,086,203 shares having a nominal value of RON 5.95 per share.

Financial and economic review

Operational overview

ALUM has a production capacity of 600,000 tons of alumina per year, being the sole alumina producer in Romania and one of the largest in Central and Eastern Europe.

In 2024, the Company, the group to which it belongs and the aluminum industry in general continued facing a multitude of challenges, as producers grappled with various difficulties throughout the year. After three years of extreme volatility, commodities prices broadly stabilized in 2024, but they still remain above pre-pandemic level. However, adverse weather conditions, escalating geopolitical tensions and soaring shipping costs are among the risks to watch to commodity price forecasts. Prices of raw materials, although they registered a decrease compared to 2023, remained at high levels.

Furthermore, the aluminum industry in the EU encountered challenges related to energy costs, with soaring electricity and gas prices further straining margins. As energy-intensive operations, aluminum smelters and refineries faced significant increases in production costs, posing a significant hurdle for producers in maintaining competitiveness in the global market.

Since 2022, ALUM and the group to which it belongs developed and implemented scenarios for operating at a minimum break-even point or reducing financial losses by suspending certain production activities and switching some production equipment to stand-by. Thus, ALRO has reduced the primary aluminum production by 60% by shutting down three electrolysis pot rooms and ALUM has revised its manufacturing schedule according to the level of calcined alumina required for ALRO, subsequently suspending alumina production operations starting on 1st August 2022, while retaining its key specialists.

During 2024, as market conditions continued being challenging, the production remained suspended and ALUM:
- kept its CAPEX at a minimum level, but continued to perform maintenance works to ensure the equipment and installations are ready for restarting;
- continued the investment objectives on the environment line and compliance with ANRE recommendations and its compliance projects;
- continued optimizing acquisitions of materials and inventory levels.

From August 2022, the activity of ALUM consisted of purchasing alumina from the market and selling it to ALRO to meet its production requirements. Since March 2024, Alum has changed its business model of procurement of alumina to ALRO from sale for a margin to sale for a commission. The Company ALUM acts as an agent in procuring calcined alumina from the local an international market, in the appropriate quantity and quality, at a competitive price, for the Company ALRO.

In 2024, further drastic cost reduction measures were required, which mainly affected the workforce. Thus, the Company was forced to maintain the measure of suspending the production activity and applying a new staff layoff program, maintaining only a core of experienced employees, with which it could act effectively in case of the restart of the productionactivity.

In the next period, ALUM's management is focused on identifying new sources of development and diversification of the activity that will increase the company's revenues to overcome this challenging period.

Notwithstanding the challenges and uncertainties, the management expects that, based on the most recent forecasts, support from its shareholder and ability to adapt its cash-flows, when necessary, the Company will succeed in generating adequate cash flows to allow it to continue its operations, and has concluded that there are no material uncertainties that may cast significant doubt on their ability to continue as a going concern.

Also, in 2024, Alum continued the research activity in the installations within the project financed from European funds and within the European project, Reactiv;

In 2024, the monitoring timeframe for the project co-financed under the Competitiveness Operational Program 2014-2020 supported by the European Union ended.

In the last sustainability report of 2024, documented supporting memoranda were presented regarding the evolution of the result indicators, namely turnover (RON 605,225 thousand) and market share (1.26%), based on which, after verification, the Monitoring Body submitted the final report to the Ministry of European Funds with the acceptance of the achievement of the indicators in the conditions of the pandemic and energy crises of the recent period. As of December 31, 2024, there were no contingent liabilities related to this contract.

In 2024 the Company recognized research and development costs of RON 5,019 thousand (in 2023: RON 2,744 thousand) after the placing into operation in the beginning of 2019 of the equipments under the EU funded project for the project for the research of aluminum hydroxide technology (dry and wet).

Current stage of ReActiv project: „Industrial Residue Activation for sustainable cement production"
ReActiv project, 01.10.2020 – 30.04.2025, where ALUM is one of the industrial partners together with 6 other international companies in the alumina industry and 14 academic partners, is coordinated by Lafarge Center De Recherche by SAS.
ReActiv project aims to create a novel sustainable symbiotic value chain, linking the by-product of the alumina production industry and the cement production industry. Bauxite residue (BR) is the main by-product of the alumina sector, obtaining approximately 7 million tonnes per year in the EU, while recycling capacities are below 200 thousand tonnes per year. The ReActiv project aims to modify the properties of bauxite residue turning it into an active material used to obtain new cements with a low CO2 fooprint.
Alum participated online in the 8th progress meeting of the ReActiv H2020 project in October 2024.
Between 2020 - 2024 the company collected non-refundable funds in the amount of EUR 145,622 (out of the approved total of EUR 171,320).
Considering the events of the last period (the evolution of the natural gas and electricity market, the Russian-Ukrainian military conflict), in 2024, no resources were allocated for new investment projects, only the strictly necessary works that were contracted in the year 2023 going to be finalized.

In 2024, investment works worth USD 68 thousand were performed.

Financial review

In 2024 ALUM had a turnover in amount of RON 81,709 thousand, compared to RON 286,545 thousand in 2023, structured as follows:

✓ Revenues from sales of alumina	55,608	th RON
✓ Revenues from sales of hydrate	8,017	th RON
✓ Revenues from sales of scrap iron and wastes	1,074	th RON
✓ Revenues from sales of utilities	1,375	th RON
✓ Other revenues	15,635	th RON

In the year 2023, the activity of ALUM consisted of purchasing alumina from the market and selling it to ALRO to meet its production requirements. Starting from March 2024, the Company ALUM provides intermediary services (agent agreement) in procuring calcined alumina from the international market, in the appropriate quantity and quality, for the Company ALRO, revenues that are included in the category Other Revenues (RON 10,517 thousand).

In the year 2024, the Company incurred a profit of RON 3,641 thousand, generated mainly by revenues obtained from the sale of CO2 emission certificates in the amount of RON 28,832 thousand compared to the net loss of RON 184,809 thousand in 2023, of which a significant part relates to impairment for plant, plant property and equipment amounting RON 69,466 thousand and losses recorded at disposal of bauxite division amounting RON 64,175 thousand.

Status of synthetic indicators defining company's activity as compared to the income and expenditure budget

SYNTHETIC INDICATORS	Actual 2023	Budget 2024	Actual 2024	Difference as compared to Budget	%	Difference as compared to 2023	%
	th. RON	th. RON	th. RON	th. RON		th. RON	
Turnover	**286,545**	**99,985**	**81,709**	**(18,276)**	**82**	**(204,836)**	**29**
Total operating revenues	**272,377**	**107,811**	**100,901**	**(6,911)**	**94**	**(171,476)**	**37**
Total operating expenses	**389,459**	**123,991**	**94,750**	**(29,241)**	**76**	**(294,709)**	**24**
of which: raw material and material expenses	2,474	10,152	4,765	(5,387)	47	2,291	193
- other expenses (inventory objects)	343	141	412	271	292	69	120
- energy, gas and water expenses	6,403	3,765	3,937	173	105	(2,466)	61
- staff expenses	26,748	17,024	17,207	183	101	(9,541)	64
- depreciation expenses	19,089	16,816	4,606	(12,210)	27	(14,483)	24
- third parties services	19,011	15,674	15,606	(68)	100	(3,405)	82
- merchandise expenses	249,429	60,354	51,885	(8,469)	86	(197,545)	21
- other expenses (penalties, disposal of fixed assets)	1,006	66	2,652	2,586	4.043	1,646	264
- value adjustments	64,956	-	(1,718)	(1,718)		(66,674)	(3)
Operating result	**(117,082)**	**(16,180)**	**6,151**	**22,331**	**(38)**	**123,232**	**(5)**
Financial revenues	15,190	-	1,132	1,132	-	(14,058)	7
Financial expenses	82,917	1,544	2,518	974	163	(80,398)	3
Financial result	**(67,727)**	**(1,544)**	**(1,387)**	**158**	**90**	**66,340**	**2**
Total revenues	287,567	107,811	102,033	(5,779)	95	(185,535)	35
Total expenses	472,376	125,535	97,269	(28,267)	77	(375,107)	21
Gross profit	**(184,809)**	**(17,724)**	**4,764**	**22,488**	**(27)**	**189,573**	**(3)**
Minimum turnover tax	0	1,319	1,123	(197)	**85**	1,123	
Net profit	**(184,809)**	**(19,043)**	**3,641**	**22,685**	**(19)**	**188,450**	**(2)**

The turnover was below the budgeted value mainly due to the lower quantities sold than the forcasted ones, the main variations being as follows:

		Value:	
turnover	**-**	**18,276**	**th RON**
The difference from forecasts was mainly determined by:			
- alumina sales	-	9,479	th RON
- hydrate sales	-	8,618	th RON
- revenues from scrap sales	-	608	th RON
- revenues from utilities sales	+	138	th RON
- other revenues	+	290	th RON
other operating revenues			
- revenues from CO2 certificates sales	+	9,140	th RON
- revenues from stored production	+	1,703	th RON
- other operating revenues	+	523	th RON

In 2024, the Company sold CO2 emission certificates in the amount of RON 28,832 thousand (2023: RON 8,997 thousand) and included them under the Income from sale of unused CO2 emission certificates, benefiting from the increase in the prices of carbon dioxide emission certificates. The Company was in the position to have a surplus of emission certificates.

In 2024 the category Other operating revenues includes an amount of RON 379 thousand representing government grants from EU funds received by the Company for purchasing of equipments for research and development activities. The grants are recognized as income linearly during the useful life of the equipments for which they were received.

Operational expenses were lower than the budget by RON 29,241 thousand, the main variations being as follows:

		Value:	
- raw materials and materials expenses	-	5,387	th RON
- raw materials expenses	-	5,675	th RON
- other material expenses (fuel, spare parts, auxiliary materials)	+	288	th RON
- energy and water expenses	+	286	th RON
- natural gas expenses	-	114	th RON
- merchandises expenses	-	8,469	th RON
- staff expenses	+	183	th RON
- value adjustments (provisions)	-	6,319	th RON
- depreciation expenses	-	12,210	th RON
- other expenses (penalties, ceased assets, other operating expenses)	+	2,857	th RON
- third parties services (commissions, insurrances, transport, processing, advertising, import – export services, etc,)	-	68	th RON

The company recorded on December 31, 2024 the partial reversal of the provision for depreciation of current assets in the amount of 3,963 thousand Ron.

The CO2 emission certificates resulting from the Greenhouse Gas Emission Monitoring Report for 2024 will be handed over to the authorities from the surplus of emission certificates available to the Company on December 31, 2024. Thus, on December 31, 2024, there is no need to record a provision for CO2 certificates.

The financial revenues were excedeed by 1,132 th RON, due to revenues from exchange rate differences (unbudgeted).

The financial expenses were exceded by 974 th RON and factorially, they were due to:

✓	expenses with exchange rate differences (unbudgeted)	+ 978	th RON
✓	expenses with interests	- 3	th RON

The Company's **total assets** were RON 182,368 thousand as of 31 December 2024, lower than RON 241,307 thousand as of 31 December 2023.

The Company's **non-current assets** were RON 72,520 thousand as of 31 December 2024 versus RON 79,850 thousand as of 31 December 2023, the decrease is mainly due to the depreciation of the fixed assets.

The current assets of the Company were RON 109,848 thousand at 31 December 2024 (31 December 2023: RON 1161,456 thousand). This decrease was mainly generated by the decrease in the inventory of merchandises (calcined alumina) and the decrease in restricted cash which included on December 31, 2023 the amount of RON 19,713 thousand representing a collateral deposit for a letter of credit opened for the purchase of calcined alumina from third parties.

The Company's **total liabilities** are lower, i.e. RON 76,559 thousand at 31 December 2024 from RON 139,140 thousand at 31 December 2023. The greatest impact was from the trade payables which decreased from RON 99,279 thousand at 31 December 2023 to RON 45,678 thousand at 31 December 2024.

The amount of RON 3,001 thousand representing the Company's bank loans as of 31 December 2023 was fully repaid during 2024.

In 2024, the **net cash flow used in operating activities** was RON 14,726 thousand (compared to a positive cash movement in 2023 of RON 22,248 thousand). This is mainly due to the decrease in trade payables.

The net cash used in investing activities was RON 693 thousand in 2024 and RON 6,039 thousand in 2023.

The net cash flows used in financing activities in 2024 was of RON 3,076 thousand (in 2023: cash used was of RON 32,747 thousand). These cash outflows represent the repayment of loans.

At the end of the year 2024, the statutory net assets are below half of its share capital. The management is aware of the Company legal requirements, and is currently reviewing the current capital structure and options to resolve the capital deficit. The analysis performed by the Company management indicates that the activity will generate positive cash-flows from operation and will become profitable in the following years.

Economic indicators

Caption	2023	2024
Liquidity ratios		
Current liquidity ratio (current capital ratio)	1.49	2.26
Quick liquidity ratio (acid test)	0.22	0.20
Risk ratios		
Gearing	1.10	-
Interest cover ratio	(56.55)	4.13
Activity ratios (management ratios)		
Turnover of inventories	1.98	0.66
Days in store	184.60	548.99
Turnover of trade receivables – days	6.04	21.73
Turnover of trade payables – days	46.55	62.27
Turnover of fixed assets	3.59	1.13
Turnover of total assets	1.19	0.45
Profitability ratios		
Profitability of capital employed	(1.78)	0.06
Gross margin from sales – %	(40.86)	7.53
Result per share RON	(2.25)	0.04

Analyzing the economic – financial indicators, the following conclusions may be drawn:

- the inventory turnover decreased as compared to the previous year due to the decrease of cost of sales and decrease of stocks.
- as regards the receivables recovery period, respectively the period for reimbursing the debts, ALUM collects its receivables at 22 days and pays its commercial debts at 62 days.
- regarding the fixed assets turnover, it decreased due to the decrease of turnover less than the decrease of the fixed assets.
- the turnover of the total assets decreased due to the decrease of the turnover less than the decrease of total assets.

Sustainable development and Corporate Social Responsibility (CSR)

Sustainable development

The constant involvement in environmental protection activities is part of the ALRO Group's and ALUM Company's long-term development strategy. The Company permanently monitors its environmental footprint and takes the necessary measures to comply with the specific environmental rules.

ALUM holds the Integrated Environmental Authorisation, permanently under monitoring and reporting obligations.
It also has about 46 other authorisations, certifications, attestations, and accreditations, among which we mention the following:

- certificate for quality management system according to SR EN ISO 9001:2015;
- certificate for environmental management system according to SR EN ISO 14001:2015;
- certificate for occupational health and safety management according to SR EN ISO 45001:2018;
- energy management system certificate according to SR EN ISO 50001: 2019;
- In October 2022, ALUM recertified the integrated quality - environment - health and safety at work - energy management system according to the following reference standards: SR EN ISO 9001: 2015; SR EN ISO 14001: 2015, SR EN ISO 45001: 2018 and SR EN ISO 50001: 2019. In 2023 and 2024, ALUM obtained the annual visa, following surveillance audits I and II.
- Increasing the energy performance in ALUM is another primary objective of ALRO Group. Starting with 2017, we have implemented in ALUM an energy management system based on the ISO 50001 standard. Over the years, we have conducted various energy audits that have helped us improve our energy performance management. More information can be found in ALRO Group's Sustainability Report, available on the ALRO and ALUM websites.
- Starting with the 3rd quarter of 2024, ALUM started the definition and implementation within SMI (Quality-Environment - OSH - Energy) of the standards: SA 8000:2014 Social responsibility management system and SR EN ISO/IEC 27001:2023 – Information technology, cyber security and privacy protection - Information security management systems and alignment with the standards: ISO 55001:2024.
- Asset management — Asset management system, SR EN ISO/ IEC 17025:2018 - General requirements for the competence of testing and calibration laboratories and Aluminum Stewardship Initiative (ASI) – Performance Standard V3 (2022).

Currently, the Company is not involved in lawsuits concerning the impact of its activities on the environment and does not expect such situations that might include any violation of environmental protection legislation.

Environmental responsibility

Alum's main goals regarding the environment are the following:

- Compliance with the environmental law adopted under the requirements of the European Directives and strictly respect all legal regulations applicable to the company;
- Continuous improvement of activities, processes, products and environmental performance;
- Preparation for emergencies situations and the ability to respond, organizing and conducting simulation exercises for incidents involving dangerous substances;
- Pollution prevention and combat the environmental factors through investments, organizational measures, maintenance and repairs and technological changes;

The Company continuously takes measures to operate following the highest environmental standards which apply to its activity. Another objective refers to environmental protection and ensuring the welfare of the Company's communities. Thus, Management has continued to invest in modernization and efficiency of its activity by implementing several measures, such as:

- monitoring emissions on the premises;
- promoting an organizational culture and an environmental protection mindset among employees, efficient waste management; ensuring the protection of human settlements and improving ecosystems.

The Company carries out a risk identification activity that considers environmental aspects and impacts and the attributes of each job, and simulations are performed to test the response capacity of employees in case of possible accidents.

Although the Company does not directly assess its suppliers' environmental and social impact, a reputational risk assessment is performed in the supplier evaluation process, which consists of verifying the information regarding the possible legal problems or conflicts in which the evaluated supplier is involved. If the supplier has a legal history of incidents and actions in court, including violations of environmental legislation, these issues will be considered reputational risks.

Starting with 2017, ALRO Group publishes, in addition to the Annual Report, a Sustainability Report in line with the G4 Core Global Reporting Initiative Guidelines (GRI). This report describes how ALRO Group performs, monitors and achieves the most important environmental, social and corporate governance issues. The Sustainability Report enhances the information provided on the Group, Parent-Company and its main subsidiaries actions realised in the sustainability area in the same transparent manner as the Annual Report and adds value to shareholders, other stakeholders and to the communities in which the Group and its subsidiaries operate.

ALUM is part of ALRO Group and the mandatory requirement for preparing a Sustainability Report is covered by the fact that the Parent-Company, ALRO decided to prepare a Consolidated Sustainability l Report, i.e. ALRO Group's Sustainability Report. This Report is available for the public to consult on ALUM's website.

Also, at the level of ALRO Group, of which ALUM is also a part, a limited review engagement was carried out on the 2024 Sustainability Report. Similarly, in 2023, a review of some indicators within the Sustainability Report was carried out.

The indicators audited for ALUM are among those managed within the HR, Environment - OSH and energy sectors and aim at the following aspects:
- GHG emissions Scope 1: GRI 305-1;
- GHG emissions Scope 2: GRI 305-2;
- Water: GRI 303-3, GRI 303-4, GRI 303-5;
- Workplace safety: GRI 403-1, GRI-403-9.

Starting with the year 2024, according to the EU Directive on corporate sustainability reporting ("CSRD"), approved in November 2024, at the level of the European Union, the biggest transformations in corporate reporting in the last almost 20 years will take place, when the first accounting regulations harmonized with the International Accounting Standards (IAS) were launched in Romania.

Thus, companies are no longer evaluated only from an economic-financial perspective, but it is necessary to integrate commitments to ESG (Environment, Society, Governance) into the business strategy and mission of an organization, to respond to regulatory frameworks and expectations from users of corporate information. Information will be presented on issues such as business model, strategy and related policies, non-financial key performance indicators and target indicators, company governance on sustainability issues, dual materiality assessment, management of ESG risks and opportunities, as well as environmental (including European taxonomy) and social information presentations, in accordance with European sustainability reporting standards.

Corporate social responsibility (CSR)

The management team promotes the values that define the Company's organizational culture and mainly:

- **Performance**
  In Alum continues the implementation of an efficient performance management system based on establishing department goals, derived from Company's goals, quantifiable and agreed between the managers and their subordinates
- **Competence**
  Main performance competences will be identified in close relation with Company's strategic objectives, by means of real, financial, operational and behaviour indicators. The existing strong points that facilitate the implementation of this system consist in the good experience gathered in the field and in the human, financial and technical potential of the Company.
- **Rentability**, meaning the concern, on all decisional levels, for the increase of the profitability through measures that ensure the continuous improvement on technological, commercial at financial level
- **Ecological and social responsibility**, that presumes, among other things, the protection of the environment (compliance with the requirements from the Integrated Environmental Licence), the contribution to the local society development and for the general economic progress.

The concept of corporate social responsibility (CSR) refers to the involvement of companies in solving some problems of the communities in which they operate and represents the set of actions, principles and practices through which a company gets involved in a society, with the aim of ensuring a positive impact of its activity and contributing to the development of that society.

Within ALUM, social responsibility is the management process, as an integral part of the company's business strategy, through which it wants to contribute to the development of a sustainable and performing society in every area in which it operates. We respect human rights and promote diversity thus contributing to improving the quality of life for all employees and community members.

During 2024, the company reviewed and updated its corporate social responsibility policy, with the aim of harmonizing it with the ALRO Group's Sustainability Strategy, of which ALUM is also a part. The themes and sub-themes were identified through a double materiality analysis, in accordance with the provisions of the European CSRD (Corporate Sustainability Reporting Directive). Double materiality facilitated the understanding of both ALUM's impact on the environment and society, as well as the effects of sustainability on the company's financial performance, based on the consultation process with stakeholders (suppliers, customers, community).

In order to implement CSR in Alum were made the following steps:

- In order to maintain a close and continuous relationship with the local community in which ALUM operates, a series of internal procedures have been developed: for the development of the mechanism regarding the resolution of petitions (procedure for the resolution of petitions), the organization of hearings, as well as the procedure regarding the relationship with mass media. In this way, the Company shows its openness to listening and solving the problems of the community and/or other interested parties (citizens, employees, local authorities, collaborating companies, etc.). The society is involved in education, training and other activities of social utility.
- Company-wide policies and codes have been reviewed and/or developed. These were brought to the attention of all employees (and were training in this regard) and other interested parties (by publishing on the company's website), so as to show that we respect the highest standards of ethics and integrity, we respect human rights, we treat everyone with respect and dignity, without direct or indirect discrimination. Thus, the following documents were developed or updated:
  - Anti-harassment guide
  - Code of ethics and conduct of employees
  - Anti-bribery and anti-corruption policy
  - Human rights policy
  - Declaration on Combating Modern Slavery
  - The supplier's code of conduct.
- A continuous dialogue was maintained with the local community, with ALUM representatives being actively involved as members of various organizations (Romanian Red Cross - Tulcea

branch, County Commission for Equal Opportunities between Women and Men, Tulcea Local Social Partnership Development Committee, Tripartite Advisory Council established at the Tulcea Territorial Labor Inspectorate, etc.), as well as volunteer activities in which employees of the company participate (charitable actions, blood donations, etc.).

- Questionnaires were developed and distributed regarding the way the Company is perceived within the community by the various interested parties with which it comes into contact (public administration, financial-banking institutions, cultural and sports organizations, religious organizations, education, environmental protection, etc.). Following the feed-back received from such entities, it turned out that Alum is actively involved in the life of the local community, having a determining influence.
- ALUM's policy regarding staff consultation in the field of quality, environment, health, occupational safety and energy, according to procedures PS-09 "Communication, consultation, participation" and PO-134-04 "Evaluation of customer satisfaction and other ALUM stakeholders" was considered, and an analysis of the degree of employee satisfaction was carried out in order to improve the activity, as well as external recognition of the quality of the activities carried out. The result was satisfactory.

Within ALUM, measures were taken to improve diversity in the Company. At the general level of the organization, in ALUM there are 28 employees with a position (of which 39.29% are women) and 75 employees without a position (of which 21.33% are women).

In particular, the percentage of women in the Company at the end of 2024 (December 31) in different categories is:

- management (directors appointed as per law 31/1990 of companies, republished) = 50% women;
- executive leadership (management) = 22.2% women;
- level 2 management (heads of various work departments) = 47.3% women;
- TESA staff without position = 53.85% women.

ALUM was involved in the relationship with the community and by providing material support to disadvantaged population categories. Employees are encouraged to participate in various charitable activities, donations. At the initiative of ALUM employees, during the Easter holidays, voluntary actions were carried out to collect material goods (clothes, sweets, books, toys, etc.) for children from disadvantaged families, as well as food for several needy families. Also, during the Easter holidays, ALUM offered food and gifts to institutionalized children and elderly people.

Despite the current difficult situation facing the society, ALUM proves to be an active partner of the local community, getting involved in various social activities in the area, acting on several directions, through:

- Maintaining, further, a sports-educational partnership for training the children of Alum employees in sports activities (swimming) while also supporting the organization and participation of children in sports competitions (swimming, triathlon).
- At the level of the Local Social Partnership Development Committee (CLDPS), ALUM has 2 representatives (one full member and one alternate). To support actions to support educational institutions and professional training at the local level, the company was actively involved in establishing and approving the annual activity plans in school and professional education (for the school year 2023-2024);
- ALUM participated, through its representatives, as evaluators in the professional qualification certification exams of the vocational education graduates within the Technological High School “Henri Coandă” from Tulcea, for electromechanics, electronics & automation, electrical and thermo-energy specializations;
- ALUM is part of the County Commission for Equal Opportunities, having one member and one alternate. Through its members, ALUM participates in various meetings and information sessions which it later disseminates to employees;

The professional training of our company's employees is a permanent concern, and the authorization of workers in different fields is always a priority. During 2024, all ALUM employees were trained on the policies and codes issued at the company level; they were also trained to acquire the requirements of SR EN ISO 9001:2015, SR EN ISO 14001:2015, SR EN ISO 45001:2018 and SR EN ISO 50001:2019 requirements applicable to SMI within ALUM SA.

Within ALUM, an Energy Manager works with a very important role in energy efficiency at the company level, contributing to finding solutions for reducing energy losses, as well as optimizing consumption.

The Energy Manager is certified by the Energy Efficiency Directorate of the Ministry of Energy, and in January 2024 the validity of the certificate was extended for another 3 years.
In June 2024, the specialist from ALUM (Energy Manager) participated in a specialization course on energy efficiency, having as theme the financial support given to investments for energy efficiency in the industrial sector and electricity storage capacities. The course was organized by the Directorate of Energy Efficiency (DEE) within the Ministry of Energy, together with the Society of Energy Auditors and Managers from Romania (SAMER), intended for auditors and energy managers, as well as all interested parties for sustainable recovery and improving the economic and social resilience of Romania.
For the operation of electrical installations related to the energy capacities owned by ALUM, a number of 6 electricians were authorized by ANRE and a number of 5 workers within ALUM attended courses and were authorized in the forklift operator trade. Also, at the beginning of 2024, 14 crane operators were trained on the ISCIR line.

During December 2024, an employee attended the courses on radiological protection in practices with ionizing radiation sources, which was held at INCDFIN- Horia Hulubei, the Center for Training and Specialization in the Nuclear Field.

Risk management and internal control system

Risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company does not use derivatives to cover the above-mentioned risks.

Currency risk

The Company is exposed to foreign exchange risk because the predominant part of its sales is denominated in or linked to the USD or EUR, while the vast majority of its operating costs (such as power costs, wages, etc.) are denominated in or linked to the RON. The currency exposure is related to the fact that most of the Company's receivables are linked to USD of EUR while the liabilities are denominated in RON. The Company is therefore exposed to the risk that movements in the RON/USD exchange rates will affect both its net income and financial position, as expressed in RON.

The Company's foreign currency exposure results from:

- highly probable forecast transactions (sales/purchases) denominated in foreign currencies;
- firm commitments denominated in foreign currencies; and
- monetary assets and liabilities (mainly trade receivables, trade payables and loans) denominated in foreign currencies.

Interest rate risk

The Company's interest rate risk arises mainly from loans taken. Borrowings received at floating rates expose the Company to cash flow interest rate risk. The interest rates for the Company's credit facilities were based on the London Interbank Offered Rate ("LIBOR") and starting 1 July 2023 on the CME Term SOFR for USD borrowings.

As of December 31, 2024, the Company has no interest-bearing assets.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk arising from its operational activities, particularly commercial activities and financial activities.
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Trade receivables arise from customers spread across diverse industries and geographical areas. In order for the Company to minimize the credit risk, a part of the receivables is immediately sold to banks by factoring transactions on a non-recourse basis. For other receivables, which are not covered by factoring

contracts, the financial quality of the debtors is permanently monitored, and the Company exposure from the concluded transactions is spread amongst approved counterparties. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Ongoing credit evaluation is performed on the financial condition of accounts receivable and credit history of debtors and, where appropriate, credit risk insurance is required.

Credit risk from transactions with banks and financial institutions is managed by the Treasury department. Investment of surplus funds is done only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate the potential for financial loss through counterparty failure. No material exposure is considered to exist by virtue of the possible non-performance by the counterparties in respect of financial instruments.

Liquidity risk

Considering the current business environment, the Company monitor the liquidity risk. The operational and financial cash inflows and outflows are being monitored and analysed monthly and, in some cases, daily to notice any unexpected change in the Company liquidity immediately. Based on this analysis, the management can make the best decisions on the financing necessities for the Company to has the necessary capital to meet all current and future financial obligations and ensure their solvability.

In terms of liquidity, in 2024 the Company repaid its liabilities and loans in accordance with the schedules as agreed in the contracts. Other actions put in place to manage the liquidity of the Company and assuring a satisfactory level of cash in times of more uncertainty than usually were: limiting CAPEX to strictly necessary investments, optimizing acquisitions of materials and inventory levels.

Internal control system

The Company's internal control system aims to ensure compliance with the regulations in force, the flawless operation of the internal activity, following the decisions made by the management. It also contributes to the effectiveness of the processes, the efficient use of resources, prevention, and control of the risk of failing to achieve its set goals.

As a result, the main objectives of the internal control procedures:
- on one hand, to ensure the compliance of the Company's activity and the staff conduct with the framework of applicable laws, values, rules and internal rules of society;
- on the other hand, checking whether the accounting, financial and business management information communicated accurately reflect the situation of society.

Control activities are an integral part of the process by which the entity seeks to achieve management objectives. Control concerns the application of rules and internal control procedures at all levels: approval, authorization, verification, assessment of operational performance, asset security, separation of functions.

In 2024, the Company concluded a contract with an external company as internal auditor of Alum for a 3-year period. The internal audit activity is regulated by the Guide on the Implementation of International Internal Audit Standards (Ghidul privind Implementarea Standardelor Internaţionale de Audit Intern, "the Guide") issued by CAFR in order to contribute to maintaining high quality standards for the organization, management and practice of internal audit missions by financial auditors, members of CAFR, who coordinate internal audit activities, as well as those who are part of the internal audit mission teams. The internal audit company will report directly to the Board of Directors of ALUM.

Other information regarding ALUM

Litigations status

On 31.12.2024 ALUM is involved in some litigations as a result of its normal activity. On the basis of the legal consulting provided by the Company's lawyers, the management considers that those litigations won't have negative effects on the results or on the financial postion of the Company.

On December 31, 2024 the Company had in its balance the amount of RON 227,917 for uncertain clients or under litigation, amount for which value adjustment is registered.

Taxation

The taxation system in Romania is undergoing continuous developments. Tax legislation is subject to various interpretations and constant changes, some of which may sometimes be retroactive. In some circumstances, tax authorities may treat some aspects in a different way by calculating additional taxes, interest and penalties, which can be significant.

Following the fiscal inspection carried out by ANAF, DGFP Galați, through AJFP Constanța, having as objectives: the verification of the value added tax and the profit tax for the period 2014-2018, according to the approval of fiscal inspection no. F-CT 782/ 15.11.2019 and completed on 27.05.2021, an additional profit tax of 19,643,114 RON and VAT in the amount of 31,587 RON has been established. The amount of 19,674,701 RON was paid by Alum within the communicated legal term. Subsequently, on 08.03.2022, Alum filed an appeal in court and in December 2022 was performed a judicial expertise in the specialty of accounting/taxation by an independent expert appointed by the Court. In November 2023 the Court ordered the restitution to ALUM of RON 18,213 thousand out of the total of about RON 19,675 thousand that was the subject of the tax act. 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 next term was set for March 5th, 2025.

Subsequent events

In February 2025, the Company Alum, contributed RON 18 thousand to the establishment of a joint-stock company named Stocare Energie Tulcea S.A. (“SET”), with a share capital of RON 90 thousand. SET is owned 80% by Vimetco Management Romania S.R.L. and 20% by Company Alum, with its registered office in Tulcea. The company was founded with the purpose of developing a battery energy storage facility.

In February 2025, following the resignations from the Board of Directors of Mr. Gheorghe Dobra and Mr. Marin Cilianu, Mrs. Genoveva Năstase was appointed as interim director and chairman of the Board of Directors and Mr. Răzvan-Sebastian Pop as interim member. Also, in February 2025, Mr. Gigi Pîrlog was appointed as General Manager of the Company for a four-year mandate valid from the appointment date, following the expiration of the mandate of the former general manager.

Considering all the above, we submit to the approval of the General Shareholders Meeting the following:

- profit and loss account
- balance sheet
- statement of changes in equity
- statement of cashflows
- notes to financial statements

Discharging from liabilities of the Board of Directors for 2024

For the period 01.01.2024 – 31.12.2024 based on the OGSM Decision no. 53 dated August 17, 2023, the Board of Directors consisted of:

1. Dobra Gheorghe	-	Chairman
2. Higer Igor	-	Vice Chairman
3. Cilianu Marin	-	Member
4. Popa Ioan	-	Member
5. Duralia Mihaela	-	Member

We propose the discharge from liabilities of the Board of Directors of ALUM SA Tulcea for 2024.

CHAIRMAN OF THE BOARD OF DIRECTORS
Ec. Năstase Genoveva