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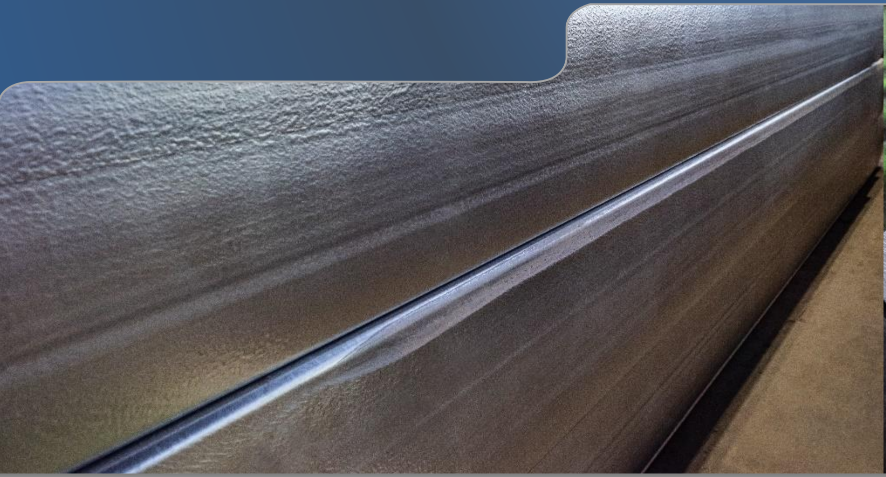
Financial Results for FY 2020 – ALRO Group

(BSE: ALR)

29 March 2021



Note: in this presentation, whenever we refer to ALRO Group we present consolidated figures and when we refer to ALRO we present stand-alone figures

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Certain statements included within this material may contain (and oral communications made by us or on our behalf may contain) forward-looking information, including, without limitation, those relating to (a) forecasts, projections and estimates, (b) statements of management's plans, objectives and strategies for ALRO Group/ ALRO, such as planned expansions, investments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in ALRO Group's/ ALRO's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, as well as (i) statements preceded by "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar statements.

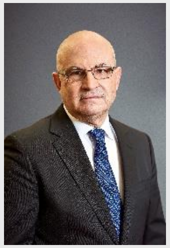
Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward- looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized.

Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream aluminium business; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in ALRO Group's/ ALRO's key markets and competition; and legislative, regulatory and political factors. No assurance can be given that such expectations will prove to have been correct.

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

The information presented in this presentation relates to ALRO consolidated results, is prepared in accordance with IFRS and is based on the audited figures from the financial statements.

Agenda

Topics	Presenter
• Overview & Market Outlook	 **Marian NĂSTASE** *Chairman of the Board of Directors*
• Operational Highlights	 **Gheorghe DOBRA** *Chief Executive Officer*
• Financial Highlights	 **Genoveva NĂSTASE** *Chief Financial Officer*

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Overview – ALRO Group

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FY 2020 Main Highlights

	2020	2019	YoY (%)	4Q 2020	4Q 2019	YoY (%)	QoQ (%)
LME aluminium price (USD/tonne)	1,704	1,791	-4.9%	1,916	1,752	9.4%	12.4%
Electrolytic aluminium production (tonnes)	192,418	199,928	-3.8%	48,985	48,951	0.1%	2.0%
Liquid aluminium production (tonnes)	26,829	29,444	-8.9%	7,991	3,572	123.7%	80.5%
Primary aluminium production (tonnes)	271,307	280,326	-3.2%	69,672	65,486	6.4%	8.1%
Processed aluminium production (tonnes)	98,020	104,614	-6.3%	23,794	25,450	-6.5%	5.4%
Alumina production (tonnes)	426,393	460,911	-7.5%	111,816	103,625	7.9%	0.2%
Bauxite production (tonnes)	1,342,139	1,883,863	-28.8%	302,346	356,175	-15.1%	0.6%
Sales (RON '000)	2,514,716	2,777,801	-9.5%	572,761	615,448	-6.9%	-1.4%
EBITDA[1] (RON '000)	566,502	247,206	129.2%	83,851	13,543	519.1%	60.0%
EBITDA margin (ppt)	22.53%	8.90%	153.1%	14.64%	2.20%	565.3%	62.4%
Adjusted Net Result[2] (RON '000)	323,801	(53,336)	707.1%	41,591	(34,648)	220.0%	103.6%
Net result (RON '000)	334,773	(67,237)	597.9%	61,421	(44,516)	238.0%	211.9%

[1] EBITDA: earnings before interest, taxes, depreciation, amortization and impairment

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

- ✓ In 2020, ALRO Group had to face an unpredictable environment encompassing the consequences of the pandemic, low alumina and aluminium prices but it managed to overcome all these challenges by cost-cutting measures, improvement of acquisition and sales strategies while having in place effective and comprehensive measures to prevent the infection or its employees and assure the safety of its business partners;
- ✓ The aluminium manufacturing facilities, alumina refinery and bauxite mine were fully operational in 2020 amid the COVID-19 pandemic;
- ✓ In September 2020 the subsidy payments related to the EU-ETS Compensation Scheme for the year 2019 were made by the Romanian authorities to partially compensate the indirect emissions costs embedded in the energy price;
- ✓ Positive effects sustained by the European anti-dumping investigation against Chinese imports of aluminium flat-rolled products & extruded products;
- ✓ In 2020, LME registered the minimum level of the last five years (recorded during the lockdown period, i.e. on 8 April 2020); however, the average for 2020 was 1,704 USD/tonne versus 1,791 USD/tonne in 2019 as recovery signs were visible starting June and in December the LME level jumped to values over 2,000 USD/tonne based also on the optimism over COVID-19 vaccine availability and on higher Chinese demand.

Overview – ALRO Group

Focus on SUSTAINABILITY (1/2)

* ALRO's Sustainability Report for 2019 was appreciated by an independent jury as being one of the best in the Romanian market during the ARIR Gala held in October 2020 and received the 2nd place in this category

** The award was received during the ARIR Gala held in October 2020, with ALRO obtaining the highest number of votes from retail investors

*** VEKTOR methodology comprises 15 criteria, in line with international best practices in Investor Relations and in 2020 it was updated to include the expectations of institutional and individual investors. VEKTOR score was launched in 2019 by ARIR in cooperation with Bucharest Stock Exchange, this indicator being published on the BSE's website on each listed company dedicated page

2nd place* for 2019 SUSTAINABILITY REPORT

VEKTOR* score is 9.5**

1st place amid RETAIL INVESTORS preferences**

3rd committee in place
RISK and SUSTAINABILITY COMMITTEE

Pioneer for COVID-19 mitigation measures

Aluminium Stewardship Initiative (ASI) **member**

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Overview – ALRO Group

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Focus on SUSTAINABILITY (2/2)

ALUM

Key Innovative Projects

RemovAl

- ✓ A project consortium that spans across 12 European countries
- ✓ A combination of six innovative pilot plants across Europe will form a network of technological nodes, enabling an optimum processing flow for obtaining value out of the produced bauxite residue
- ✓ The validation will be done for three European alumina producers (approx. 44% of the European alumina production)
- ✓ The estimated finalization date of this project is the end of October 2022

REEScue

- ✓ Objective: efficient exploitation of European bauxite residues resulting from alumina production, containing appreciable concentrations of scandium and REEs
- ✓ ALUM is one of the work packages leaders
- ✓ The estimated finalization date of this project is the end of March 2023

ReActiv

- ✓ Objective: to create a novel sustainable value chain, linking bauxite residue, the by-product of the alumina production with the cement industry
- ✓ ALUM participates as a stakeholder, providing appropriate samples of bauxite residue to be processed in the project, contributes to the feasibility studies and business plan development
- ✓ The entire project received in 2020 EUR 8.8 million grant from the European Commission in 2020
- ✓ The project will be implemented starting 2021 and will be finalized in four years

ALUM's involvement in RemovAl, REEScue and ReActiv projects shows the company's commitment towards SUSTAINABILITY and INNOVATION

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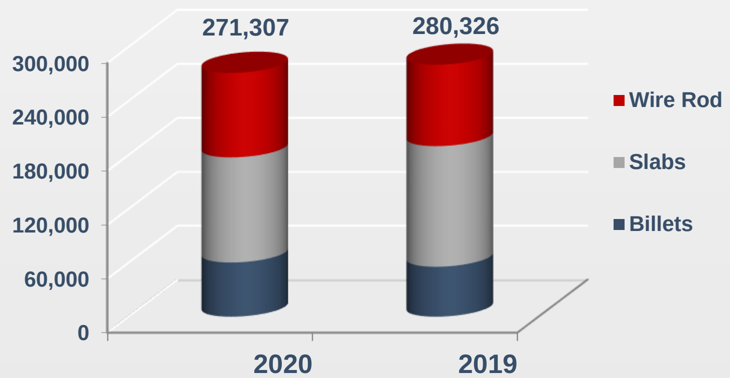
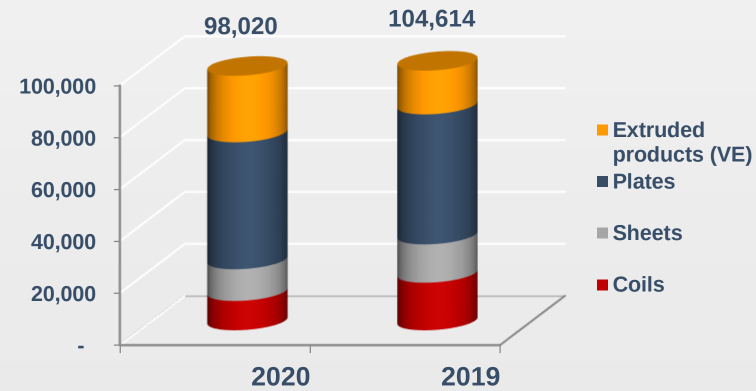
Operational Highlights – Production

A stable level of production considering the new context

Primary Aluminium Production (tonnes)



Processed Aluminium Production (tonnes)



- In 2020, **primary aluminium production** slightly decreased, by 3.22% YoY mainly due to lower orders for flat-rolled products, translated further in lower slabs orders in Primary Division. However, to offset the impact of this decrease, the production of wire rod and billets increased by 3.8% and 8.5% respectively compared to the previous year.
- ALRO's production of **electrolytic aluminium in 2020** decreased by almost 4% YoY mainly due to lower LME quotations in 2020 compared to 2019 and lower overall orders. The **liquid aluminium (from aluminium scrap)** decreased by approximately 9% YoY in 2020 in line with the market demand.

- In 2020, **the flat rolled products ("FRPs") output** decreased by 13% YoY, mainly due to the lack of orders generated by COVID-19 pandemic mainly in 1H 2020 .
- **Vimetco Extrusion ("VE")** registered in 2020 **a higher output by more than 19% YoY** to respond to the higher orders as the company took advantage of the demand for its customized profiles for solar power plants.

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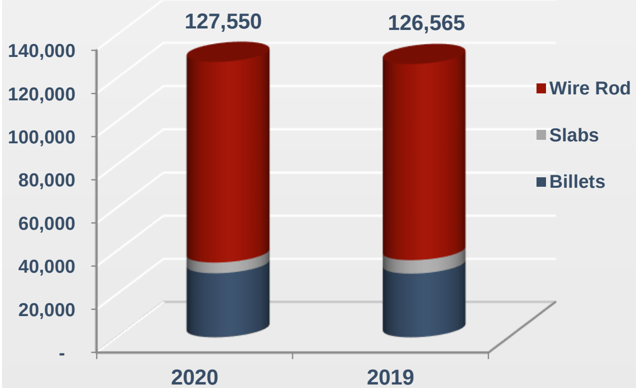
Operational Highlights – Sales

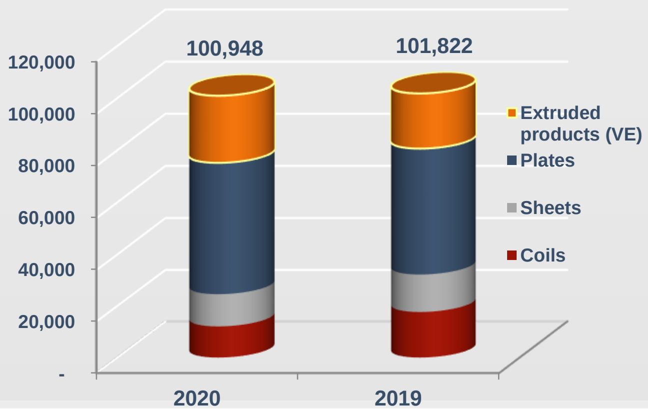
Higher sales volumes of aluminium wire rod and extruded products

Primary Aluminium Sales (tonnes)

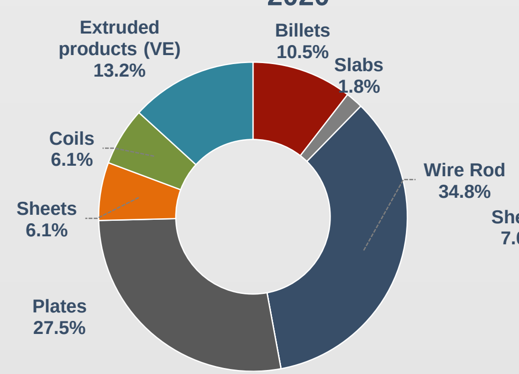


- ✓ **Sales of primary products** in **volume terms** <u>**increased**</u> by 0.8% YoY due to wire rod sales YoY (+ 2,000 tonnes in 2020 versus 2019) – the wire rod demand continued to grow in 2H 2020 despite the COVID-19 pandemic crisis since the cable producers are considered essential in the supply chain having in their portfolios public utilities consumers. **ALRO remains one of the first suppliers in this competitive market, being the biggest producer of aluminium wire rod in Europe**.
- ✓ **Sales of processed products in volume terms** slightly <u>**decreased**</u> by almost 1% YoY. Of these, **FRP** volumes <u>**decreased**</u> by 6.8% YoY, mainly on lower coils (-31.6%) as the pandemic affected the worldwide industry starting 2Q by creating logistics problems that further translated into lower activity to customers. However, despite the pandemic negative effects, the extruded products increased by 21.7% YoY mainly due to deliveries of profiles to the solar panels market.

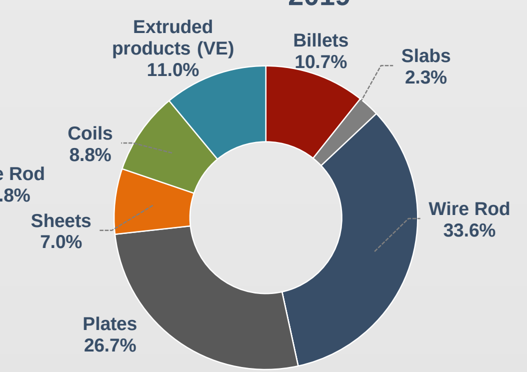
Processed Aluminium Sales (tonnes)



Aluminium Sales Structure (val.), 2020



Aluminium Sales Structure (val.), 2019



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Operational Highlights – Segments' performance

Alumina and Bauxite – 100% operational in 2020

Bauxite – SMHL, Sierra Leone

- In 2020, **SMHL's production of commercial bauxite** in volume terms was lower by almost 29% YoY being mainly aligned to the Group's internal needs;
- In **value terms**, SMHL reported overall lower sales in RON by almost 27% YoY in 2020; the same trend was reported in respect to **third parties sales** which decreased by 35% YoY in the same period, the external demand being also affected by the actual epidemiologic context.

Indicator	2020	2019	YoY (%)
Production of bauxite, net (tonnes)	1,342,139	1,883,863	-28.8%
Sales of bauxite (RON '000)	200,107	273,092	-26.7%
-of which to external clients (RON '000)	50,523	77,327	-34.7%
-of which, inter-company(RON '000)	149,584	195,765	-23.6%

Alumina – ALUM, Romania

- **ALUM's output** decreased by 7% YoY in 2020 caused by lower sales. ALUM had to reduce its production in line with the global situation facing overproduction and lower alumina prices;
- **Sales in value terms** in 2020 decreased by 14% YoY as a response to the adverse environment faced by the company in the reporting period. In **value terms**, in 2020 ALUM's deliveries to ALRO were lower by 10% YoY in line with the Group's needs and new context.

Indicator	2020	2019	YoY (%)
Production of alumina (tonnes)	426,393	460,911	-7.5%
Sales of alumina ('000 RON)	660,947	767,604	-13.9%
- of which, to external clients ('000 RON)	97,403	141,235	-31.0%
- of which, intercompany ('000 RON)	563,544	626,369	-10.0%

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Market Outlook (1/2)

Demand and consumption trends in 2020 – at a glance

GLOBAL

- ✓ The COVID-19 pandemic has dramatically affected the worldwide industry: plants and warehouses closures for customers located in Italy, Spain, the UK, France, Germany, Poland starting with the end of 1Q 2020;
- ✓ Logistics disruptions, as a side effect of the COVID-19 temporary movement restrictions;
- ✓ Low activity of customers after a restart of their activities; some of them kept the reduced working program for 4 days per week;
- ✓ US anti-dumping investigation against imports from Romania, which affected the US customers' sales
- ✓ Positive effects sustained by the EU anti-dumping investigation against Chinese imports of aluminium flat-rolled products & extruded products;
- ✓ Still low alumina and aluminium prices throughout 2020 as compared to 2019. However, significant LME improvements are visible starting 3Q 2020 with values over 2,000 USD/tonne.

ALRO

- ✓ *WIRE ROD* – good levels of demand from the cable customers, as this sector is related to public utilities and ALRO remains the biggest European supplier in this area;
- ✓ *BILLETS* – recovery signs started to be visible in 3Q 2020 after a depressing start due to the good performance of construction and automotive sectors and to the EU anti-dumping taxes on Chinese extruded products;
- ✓ *SHEETS, COILS and CLAD PRODUCTS* - improved overall market situation mainly due to the EU anti-dumping investigation against Chinese imports of FRP and thus the European mills were preferred instead of the Chinese ones. The local support programme initiated by various European governments for the automotive sector also contributed to increased demand levels in 2H 2020;
- ✓ *PLATES* - positive effects of the EU anti-dumping investigation against Chinese imports; however most of the traditional suppliers for this industry (i.e. tier-1 aluminium producers) are currently trying to capture market share in the commercial business, thus putting additional pressure on this segment. However, a gradual improvement in the aerospace sector is expected in 2021 with positive effects in the general engineering sector, too.

Market Outlook (2/2)

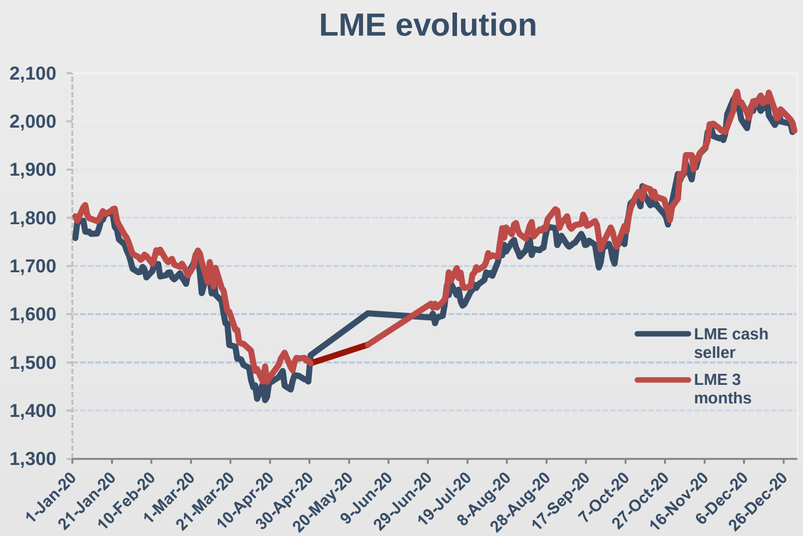
LME dynamics and inventories

LME evolution

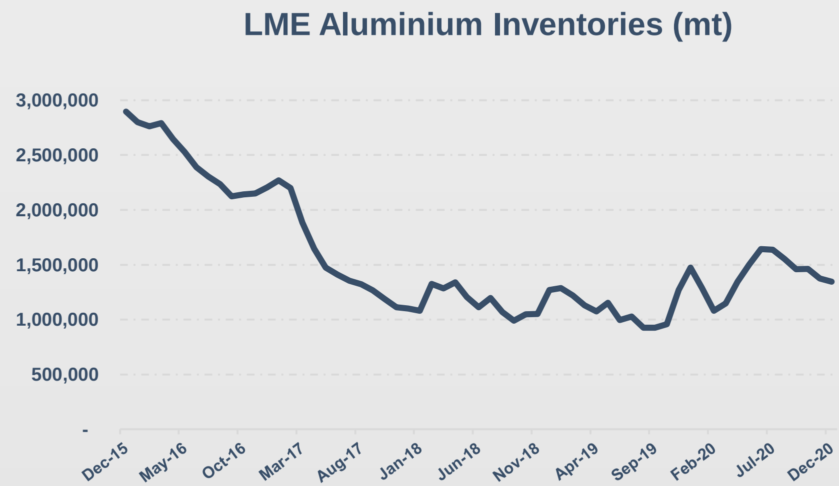
The aluminium price registered a downward trend in 2020: from an average of 1,791 USD/tonne in 2019 to 1,704 USD/tonne in 2020. The signs of recovery were visible starting June and in December the LME level jumped to values over 2,000 USD/tonne also based on the optimism over COVID-19 vaccine availability and on higher Chinese demand.

LME inventories

Holdings of aluminium in London Metal Exchange warehouses continued the decreasing trend throughout 2020 and registered a decrease of 9% YoY.



Source: LME website



Source: Bloomberg

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Financial Performance – ALRO Group

Good results in an unpredictable context

Income Statement

RON '000	2020	2019	YoY (%)	4Q 2020	4Q 2019	YoY (%)	QoQ (%)
Sales	2,514,716	2,777,801	*-9.5%*	572,761	615,448	*-6.9%*	*-1.4%*
Cost of goods sold	(2,521,548)	(2,550,785)	*-1.1%*	(556,160)	(587,647)	*-5.4%*	*-7.4%*
Gross result	**(6,832)**	**227,016**	***-103.0%***	**16,601**	**27,801**	***-40.3%***	***-184.4%***
Gross result margin	*-0.3%*	*8.2%*	*-103.3%*	*2.9%*	*4.5%*	*-35.8%*	*185.6%*
G&A and selling expenses	(323,305)	(280,238)	*15.4%*	(109,978)	(71,462)	*53.9%*	*53.0%*
Other operating income	735,791	167,755	*338.6%*	139,475	19,221	*625.6%*	*34.2%*
Other operating expenses	(6,142)	(15,292)	*-59.8%*	(1,688)	(2,347)	*-28.1%*	*128.4%*
Operating result (EBIT)	**399,512**	**99,241**	***302.6%***	**44,410**	**(26,787)**	***265.8%***	***280.2%***
Interest expenses	(59,144)	(77,334)	*-23.5%*	(12,450)	(19,647)	*-36.6%*	*-3.8%*
Gains (losses) from derivative financial instruments, net	0	(3,598)	*-100.0%*	0	2,562	*-100.0%*	*n/a*
Other financial income	3,530	4,877	*-27.6%*	872	823	*6.0%*	*29.0%*
Other financial costs	(18,237)	(21,382)	*-14.7%*	(4,044)	(4,395)	*-8.0%*	*4.6%*
Net FX gains / (losses)	40,593	(34,589)	*217.4%*	29,392	16,071	*82.9%*	*16.0%*
Result before income taxes	**366,254**	**(32,785)**	***1217.1%***	**58,180**	**(31,373)**	***285.4%***	***178.7%***
Income tax	(31,481)	(34,452)	*8.6%*	3,241	(13,143)	*124.7%*	*372.8%*
Result for the period	**334,773**	**(67,237)**	***597.9%***	**61,421**	**(44,516)**	***238.0%***	***211.9%***
Adjusted net result	**323,801**	**(53,336)**	***707.1%***	**41,591**	**(34,648)**	***220.0%***	***103.6%***
EBITDA	**566,502**	**247,206**	***129.2%***	**83,851**	**13,543**	***519.1%***	***60.0%***

***Note**:*

Adjusted net result: the net result plus/(minus) non-current assets impairment, plus/(minus) the loss/(gain) from derivative financial instruments for which hedge accounting was not applied, plus/(minus) deferred tax; please find detailed calculation of Adjusted Net Result under Appendix 'Supporting information'

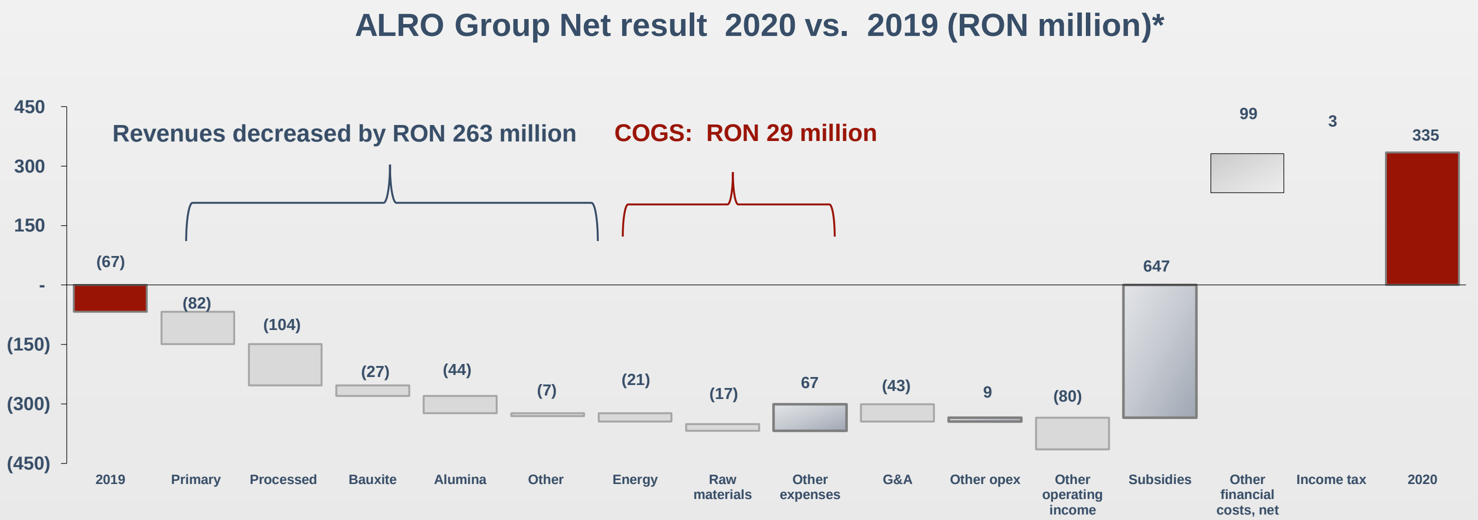
EBITDA: earnings before interest, taxes, depreciation, amortization and impairment.

In 2020, the epidemiologic context affected the demand levels for all Group's business segments; however, the operational and financial measures implemented by the Group's management proved to be effective. Thus the Group kept all its production facilities running and no restructuring actions were taken in respect of the personnel or for the existing production capacity. Moreover, the anti-crisis program implemented throughout 2020 showed substantial progress in respect of inventories and cash optimization (i.e. inventories decreased by RON 150.5 million).

In 2020, the Group recognized an amount of RON 647,243 thousand as *Other operating income* representing the ETS compensation to which it is entitled for its high electricity costs. The amount represents the compensation for indirect emission costs included in the energy expenses incurred by the Group in the year 2019, and, the one for the year 2020. The compensation for the year 2019, namely RON 249,946 thousand, was already received by the Group companies in September 2020.

Financial Performance – ALRO Group

FY 2020 Net Result Evolution versus FY 2019



Revenues: positive contribution from a stronger USD throughout 2020 which could only partially offset the negative contribution of lower revenues as a consequence of lower LME prices and demand levels during the reporting period;

Energy, water and gas: higher costs especially due to energy price higher by 10% YoY in 2020;

Subsidies include the amount of RON 647 million recognized by ALRO Group as compensation for high energy costs, based on the EU regulations related to EU- ETS scheme for the full year 2019 and on an accrual basis for 2020;

Other operating income: in 2020, the Group sold CO_2 emission certificates of RON 74 million from its surplus, benefiting from an increase in the certificate prices, whereas in 2019 it sold certificates for RON 120 million.

Note: The figures included in this graph are rounded to the nearest whole number and therefore minor differences may result from summing and comparison with exact figures mentioned in the financial statements.*

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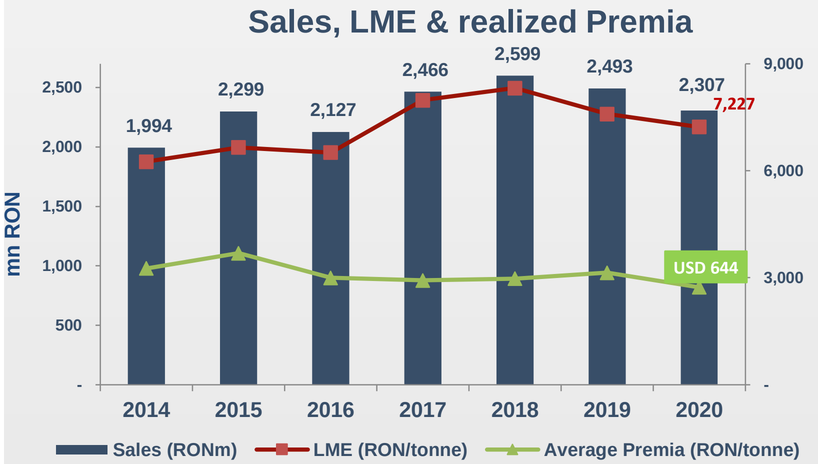
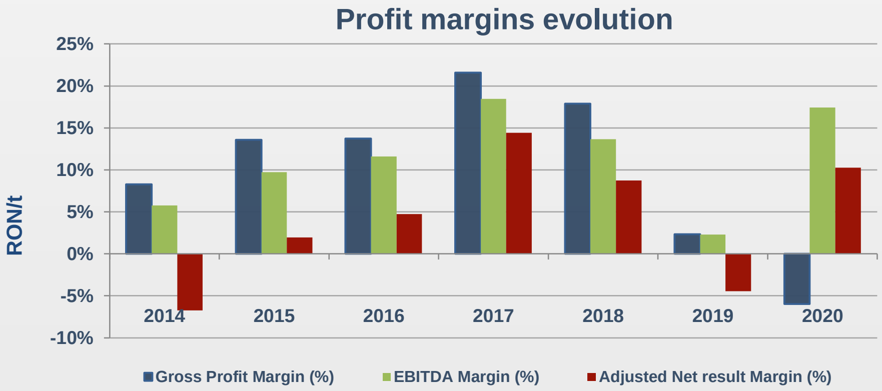
ALRO stand alone summary

Good results considering the new context (1/2)





Note*: Adjusted net result: the Company's net result plus/(minus) non-current assets impairment, plus/(minus) the loss/(gain) from derivative financial for which hedge accounting was not applied, plus/(minus) deferred tax.*

ALRO's **sales revenues** decreased by over 7% YoY in 2020 mainly due to an altered context in 2020 – a contracted global demand of goods, negative effects of the COVID-19 pandemic crisis, lower LME prices, partially offset by a supportive FX rate.

In 2020, premia for primary products decreased by almost 15% YoY in USD terms; premia for flat-rolled products decreased by over 7% YoY in USD compared to 2019.

Gross profit in 2020 was affected by a combination of factors such as the market conditions that continued to report decreased levels for LME (i.e. lower values by 5% YoY), oversupply, contracted aluminium demand due to the worldwide COVID-19 pandemic crisis.

In 2020, the Romanian authorities implemented the EU-ETS compensation scheme to partially compensate the indirect emissions costs embedded in the energy prices for energy-intensive companies. ALRO Group qualifies for this scheme and has recorded the relevant income, out of which the amounts related to 2019 were received in September 2020. Thus, better margins for **EBITDA** and **Adjusted Net Result** were registered in the reporting period.

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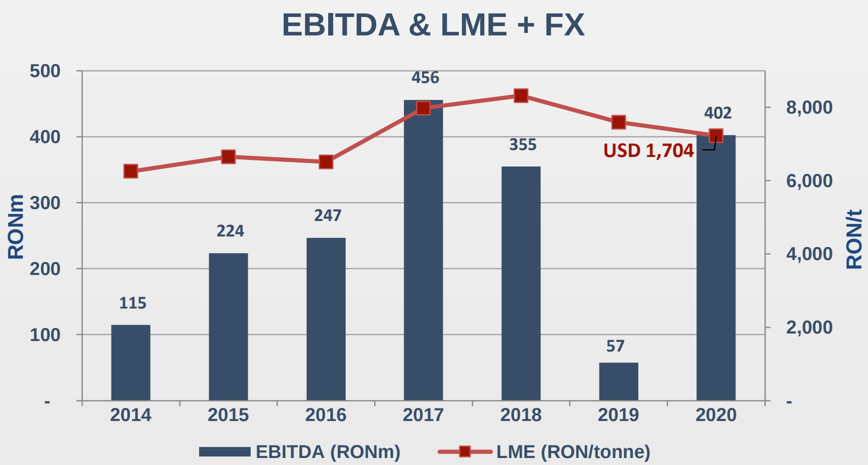
ALRO stand alone summary

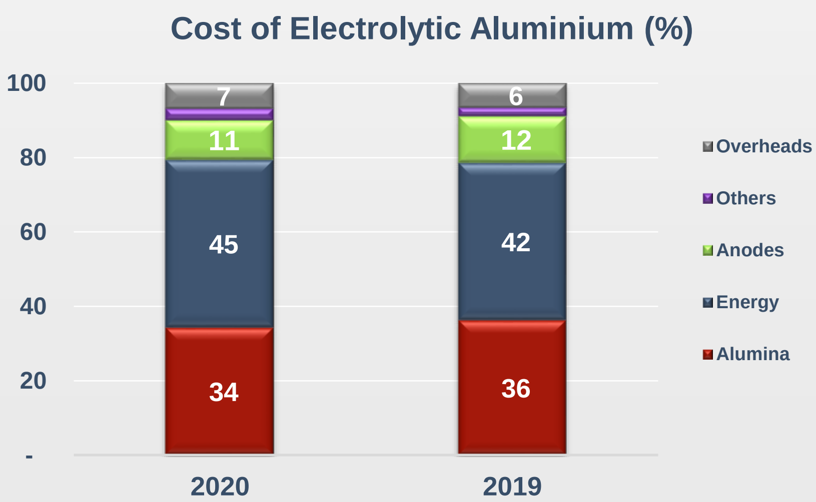
Good results considering the new context (2/2)



In 2020, ALRO's stand-alone EBITDA significantly increased, mainly because of the implementation of the EU-ETS compensation scheme, which was, however, partially offset by the lower LME levels, still high utilities and material costs (especially energy cost) and above this, due to the epidemiologic context that affected the worldwide economy.

In 2020 the Group registered the compensation for indirect emissions for for two years (i.e. 2019 and 2020) as the applicable legislation was in place only in 2020 for both years.

***Note**: Adjusted EBITDA: earnings before interest, taxes, depreciation, amortization and impairment, plus/(minus) the loss/(gain) from derivative financial instruments for which hedge accounting was not applied, adjusted for extraordinary cost or revenues items; please find detailed calculation of adjusted EBITDA under Appendix 'Supporting information'*



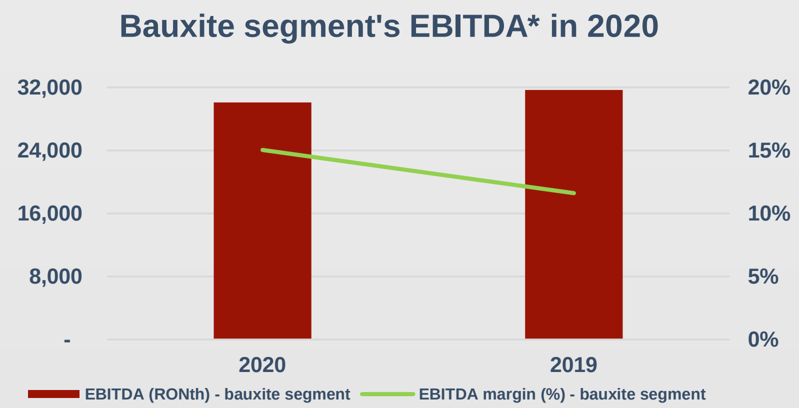
In 2020 the cost of electrolytic aluminium mostly kept its structure versus 2019 with the energy cost per tonne of electrolytic increasing even more from 42% to 45% during the current period.

The value of eco-taxes in 2020 was of RON 74 million (2019: RON 66 million). Since 2010, ALRO registered and paid a total amount of almost RON 981 million for eco-taxes.

BAUXITE and ALUMINA segments

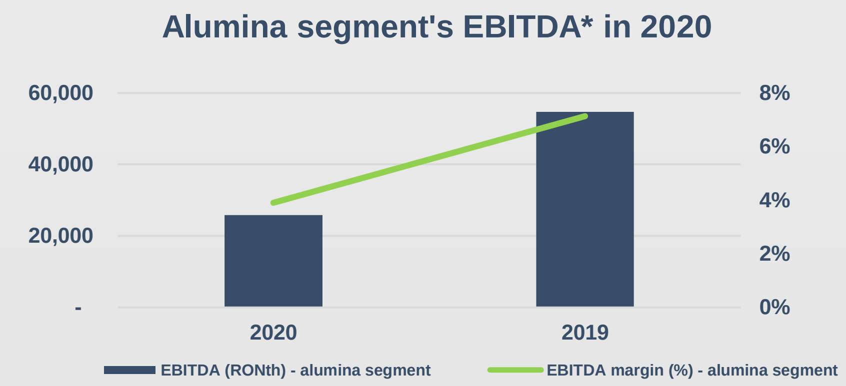
SMHL – results affected by the new context

- **Bauxite sales value** decreased by 26.7% YoY in 2020, mainly due to the overall altered context as the COVID-19 pandemic hit severely the Sierra Leone area in 2020.
- **SMHL's EBITDA** in 2020 was RON 30.1 million (2019: RON 31.7 million).



ALUM managed to overcome a challenging year

- **Alumina sales value** in 2020 to third parties decreased by 31% YoY because the Group could no longer benefit from high alumina prices recorded in the same period of 2019. The company sold less alumina outside the Group since it was more economically advantageous to support mainly the Group's needs.
- **ALUM's EBITDA** in 2020 was RON 25.8 million (2019: RON 54.7 million).



Note*: *Sales and EBITDA on this slide are calculated considering the inter-segment transfers of the bauxite and alumina segments at complete cost.*

Financial Performance – ALRO Group

Statement of Financial Position (1/2)

RON '000	Dec/20	Dec/19	YoY (%)
Assets			
Non-current assets			
Property, plant and equipment	1,089,217	1,169,009	*-6.8%*
Investment properties	664	696	*-4.6%*
Intangible assets	5,957	9,611	*-38.0%*
Goodwill	88,856	94,284	*-5.8%*
Right-of-use-assets	10,731	13,258	*-19.1%*
Deferred tax asset	48,027	37,294	*28.8%*
Other non-current assets	45,329	3,866	*1072.5%*
Total non-current assets	**1,288,781**	**1,328,018**	***-3.0%***
Current assets			
Inventories	678,441	828,948	*-18.2%*
Trade receivables, net	51,389	76,352	*-32.7%*
Current income tax receivable	642	6,225	*-89.7%*
Other current assets	504,571	93,137	*441.8%*
Restricted cash	95	46,164	*-99.8%*
Cash and cash equivalents	105,500	83,182	*26.8%*
Total current assets	**1,340,638**	**1,134,008**	***18.2%***
Total assets	**2,629,419**	**2,462,026**	***6.8%***

P,P&E and intangibles: in 2020 the investments for the maintenance CAPEX and those compulsory from an environmental and energy efficiency point of view were put in place while some other projects were postponed to ensure better cash-flow management. The key-project, AP12LE continued in 2020 and 53 pots were relined using this new innovative technology (*further details in CAPEX section).* Moreover, in 2020, following an intensive upgrading process, the Cold Rolling Mill no. 2 was placed into operation; this represents a major equipment for the Processed Aluminium Division.

Deferred tax asset: the increase of 28.8% is mainly due to the amount of RON 12,654 thousand recognised as deferred tax assets on the temporary non-deductible expenses related to ALRO's bank loans and borrowings.

Inventories: the decrease of inventories by RON 150.5 million YoY is a result of the Group management's strategy to optimize the levels of its inventories and anti-crisis program for better management of cash-flows.

Other current assets: on 31 December 2020 the balance represents the compensation receivable for electricity costs incurred in 2020 (RON 397,297 thousand for the Group and RON 386,920 thousand for the Company);

Restricted cash & cash and cash equivalents: on 31 December 2019 the restricted cash of the Company and Group amounting to RON 45,200 thousand consisted of collateral deposits for a revolving facility and a non-cash facility for letters of credit and letters of guarantee. The facilities were renewed in November 2020 and their maturities are now in November 2023 and February 2024, respectively; thus the related collateral deposits were classified as long-term on 31 December 2020 under the category *Other non-current assets.*

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Financial Performance – ALRO Group

Statement of Financial Position (2/2)

RON '000	Dec/20	Dec/19	YoY (%)
Shareholders' Equity			
Share capital	370,037	370,037	*0.0%*
Share premium	86,351	86,351	*0.0%*
Other reserves	335,116	342,667	*-2.2%*
Retained earnings	(40,723)	36,446	*-211.7%*
Result for the period	334,289	(67,734)	*593.5%*
Equity attributable to shareholders of ALRO	**1,085,070**	**767,767**	***41.3%***
Non-controlling interest	2,595	2,185	*18.8%*
Total Shareholders' Equity	**1,087,665**	**769,952**	***41.3%***
Non-current liabilities			
Bank and other loans, non-current	848,285	374,271	*126.6%*
Leases, non-current	3,712	6,161	*-39.8%*
Provisions, non-current	37,463	36,704	*2.1%*
Post-employment benefit obligations	49,430	46,637	*6.0%*
Government grants, non-current portion	43,703	47,970	*-8.9%*
Other non-current liabilities	1,148	890	*29.0%*
Total non-current liabilities	**983,741**	**512,633**	***91.9%***
Current liabilities			
Bank and other loans, current	120,293	869,667	*-86.2%*
Leases, current	3,401	4,321	*-21.3%*
Provisions, current	33,276	2,793	*1091.4%*
Trade and other payables	233,654	206,386	*13.2%*
Current income taxes payable	21,797	2,551	*754.4%*
Government grants, current portion	4,267	4,267	*0.0%*
Other current liabilities	141,325	89,456	*58.0%*
Total current liabilities	**558,013**	**1,179,441**	***-52.7%***
Total liabilities	**1,541,754**	**1,692,074**	***-8.9%***
Total shareholders' equity and liabilities	**2,629,419**	**2,462,026**	***6.8%***

In March 2020, SMHL obtained a loan from a local commercial bank in the local currency amounting SLL 6,000,000 thousands as of 31 December 2020 the equivalent of RON 2.6 million to finance its working capital. The loan is repayable in equal instalments until August 2021.

In November 2020, ALRO extended with another three years its working capital facilities with a syndicate of banks and a commercial bank.

This new engagement of the banks for another three years shows recognition of a sound business and gives stability and financial cost predictability for the coming period.

In the category *Provisions, current* the amount of RON 29,665 thousand was recognized at the Group level representing a provision booked in accordance with the Collective Labour Contracts and with the GSM decisions regarding the Management remuneration, following the good financial results of the year 2020 (in 2019: nil).

Other current liabilities – in 2020, the Group benefited from the tax incentives granted by the Romanian Government to support businesses during the COVID-19 pandemic, allowing companies to postpone the payment of taxes, under certain conditions, for a maximum period of 12 months.

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Financial Performance – ALRO Group

Cash-flow optimization measures implemented in 2020

RON '000	2020	2019	4Q 2020	4Q 2019
Cash flows from operating activities				
Net cash generated by/(used in) operating activities	**323,321**	**97,541**	**(43,112)**	**(269)**
Cash from investing activities				
Purchase of PPE and intangible assets, net	(82,567)	(159,056)	(22,121)	(46,234)
Government grants received	-	4,411	-	(484)
Proceeds from sale of PPE	1,472	1,003	602	61
Dividends received	2	-	-	-
Change in restricted cash	869	7,407	30,890	8,447
Interest received	3,523	4,866	959	1,162
Net cash used in investing activities	**(76,701)**	**(141,369)**	**10,330**	**(37,048)**
Cash flow from financing activities				
Proceeds from loans	102,747	408,617	(1,214)	35,208
Repayment of loans and leases	(326,920)	(160,490)	(191,856)	(125,684)
Dividends paid	(56)	(324,779)	(12)	(130)
Net cash provided by/(used in) financing activities	**(224,229)**	**(76,652)**	**(193,082)**	**(90,606)**
Net change in cash and cash equivalents	**22,391**	**(120,480)**	**(225,864)**	**(127,923)**
Cash and cash equivalents at the beginning of the period	83,182	203,609	331,417	211,175
Effect of FX rate on cash and cash equivalents	(73)	53	(53)	(70)
Cash and cash equivalents at the end of the period	**105,500**	**83,182**	**105,500**	**83,182**

ALRO Group closed the year 2020 with a **cash balance** of RON 105.5 million cash and RON 95 thousand restricted cash (detailed on slide 22) (31 December 2019: RON 83 million - cash and RON 46 million – restricted cash).

In 2020, ALRO Group generated **positive cash-flows from its operations** of RON 323 million, comparet to RON 98 million in 2019 as a result of the efficient cash management measures applied throughout 2020, as well as a result of the subsidy received in the form of partial compensation for the indirect emissions costs incurred in 2019 by the Group, which is an energy-intensive consumer.

Net cash used in investing activities decreased by 45.7% YoY in 2020. The net cash-outflows related to the investment activity in 2020 include acquisitions for investments aimed to improve the energy efficiency of the electrolysis technology, payments for relining the electrolysis pots and furnaces reconditioning in ALRO, as well as investments for maintenance and improving equipment parameters at ALUM and SMHL.

The cash-flows provided by financing activities in 2020 show mainly the repayment of the instalments of the bank loans according to their schedules agreed with the financing banks and the leasing debts for the reporting period.

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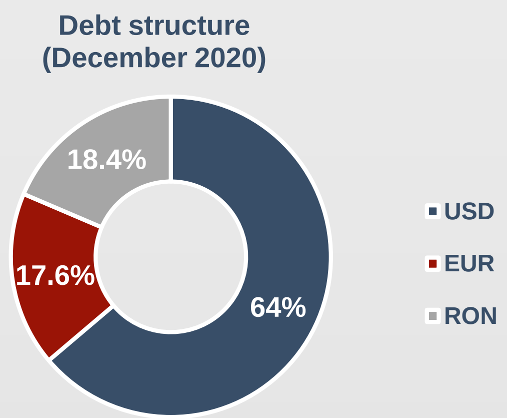
ALRO Group – Debt and treasury

Net debt decreased by 26.5% in 2020 vs. 2019 due to higher cash position as of 31 December 2020 versus 31 December 2019 combined with the repayment of loans, partly offset by the FX impact as the RON appreciated against USD (31 December 2020: 3.9660 RON/USD vs. 31 December 2019: 4.2608 RON/USD).

-**Debt structure:** in 2020 compared to the end of 2019 the structure of the Group's debt changed as follows: the exposure in USD decreased from 66% to 64%, while the exposure in RON increased from 14% to 18.4% and in EUR it decreased from 20% to 17.6% due to the management efforts to optimize the overall Group's debt.

In 2020, ALRO Group's bank loans decreased by 22.1% versus December 2019. ALRO's bank debt accounts for 91.5% of ALRO Group's bank debt (85% at 31 December 2019).

In March 2020, SMHL obtained a loan from a commercial bank in the local currency amounting as of 31 December 2020 to the equivalent of RON 2.6 million with the aim to finance its working capital. This loan is repayable in equal instalments until August 2021.



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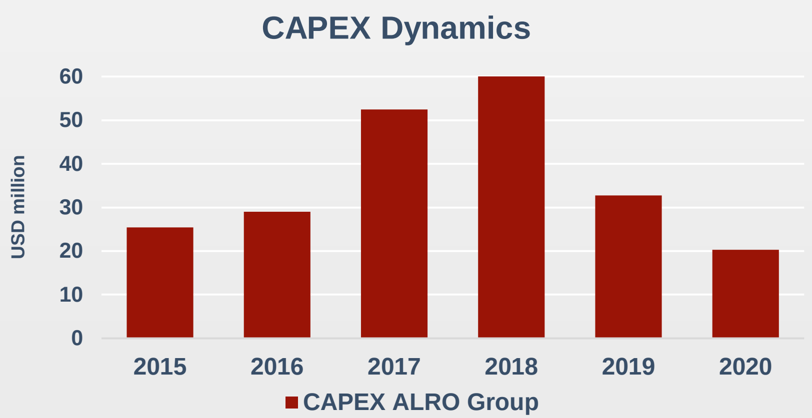
ALRO Group – CAPEX and key projects



In 2020 **Group's CAPEX*** amounted to USD 20.3 million (RON 86.1 million), down from USD 32.8 million (RON 139 million) in 2019.

Of this, in 2020 ALRO's CAPEX was of almost USD 12 million (RON 50.3 million) allocated to several strategic projects (maintenance CAPEX and compulsory investments from an environmental and energy efficiency point of view), considering the new context that the Group had to face in 2020:

- Primary represents approx. 86% and FRP approx. 14% of ALRO's CAPEX PPE;
- USD 7.6 million on pots refurbishing (including AP12LE technology).

*****Note**: CAPEX refers to additions to PPE& intangibles, which can differ from PPE purchases from the Cash Flow).*

AP12LE PROJECT

– advanced low energy technology for electrolysis –

53 AP12LE pots relined in 2020

MORE operating cycles available for the AP12LE pots

ESSENTIAL technology for the manufacturing of less energy-intensive assets made of electrolytic aluminium

8-9 YEARS needed to repair all pots using this new technology

TOP 10 ALRO will situate within the first 10 worldwide aluminium producers (except China) from an energy efficiency perspective for the electrolysis area

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IR Information

2021 Financial Calendar

26 February	Publication of 2020 Preliminary Annual Financial Results
29 March	Conference Call for 2020 Annual Results proposed for shareholders approval
29 April	Annual General Shareholders Meeting for the approval of 2020 results
29 April	Publication of the Annual Report as at 31 December 2020
14 May	Publication of the Quarterly Report for 1 January - 31 March 2021 ("Quarter I 2021")
17 May	Quarter I 2021 Results Conference Call
11 August	Publication of the Half-Year Report for the six-months period ending 30 June 2021
13 August	2021 Half-Year Results Conference Call
12 November	Publication of the Quarterly Report for 1 January - 30 September 2021 ("Quarter III 2021")
15 November	Quarter III 2021 Results Conference Call

Information about ALRO's Shares

ISIN	ROALROACNOR0
Share Class	Ordinary shares
Ticker Symbol: Bucharest Stock Exchange	ALR
Indices	BET | BET-XT | BETPlus | BET-BK | BET-TR | BET-XT-TR
Bloomberg	Alro SA (ALR RO Equity)
Trading Segment	Main
Market Segment	Premium
First Trading Day	16 October 1997
Nominal value per share in RON	0.5
Number of shares in issue	713,779,135

ALRO Group entities

Company	Parent	Shareholding (%)
Alro S.A.	Vimetco NV	54.19
Alum S.A.	Alro S.A.	99.40
Conef S.A.	Alro S.A.	99.97
Vimetco Extrusion SRL	Alro S.A.	100.00
Global Aluminium Ltd.	Alum S.A.	100.00
Bauxite Marketing Ltd.	Global Aluminium Ltd.	100.00
Sierra Mineral Holdings Ltd.	Global Aluminium Ltd.	100.00

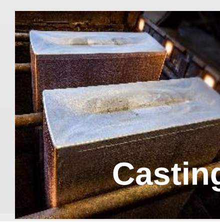
The major shareholder of ALRO is Vimetco N.V., which holds 54.19% of the Company's share capital. Vimetco N.V. (the Netherlands) is a private capital company with activities in Romania, China and Sierra Leone.

ALRO Group includes the following companies: ALRO - manufacturer of aluminium (a company listed on the Bucharest Stock Exchange, BSE: ALR), Alum - producer of alumina (a company listed on BSE, ATS market, AeRO category), SMHL – bauxite mining, Vimetco Extrusion – processor of extruded products, Conef, Global Aluminium Ltd. and Bauxite Marketing Ltd. In this way, the Group has managed to provide an integrated production chain.

The Group is vertically-integrated, organized in four segments: *Bauxite, Alumina, Primary Aluminium* and *Processed Aluminium.*

The Bauxite segment is located in Sierra Leone (Africa). The alumina segment uses bauxite to produce alumina, the main raw material for aluminium smelting. The Primary aluminium segment manufactures products such as wire rod, billets and slabs. The Processed Aluminium segment develops and sells flat rolled products, such as coils, sheets, plates and extruded products.

Both smelting and processing mills are located in Slatina, Romania while the alumina refinery is located in Tulcea, Romania.



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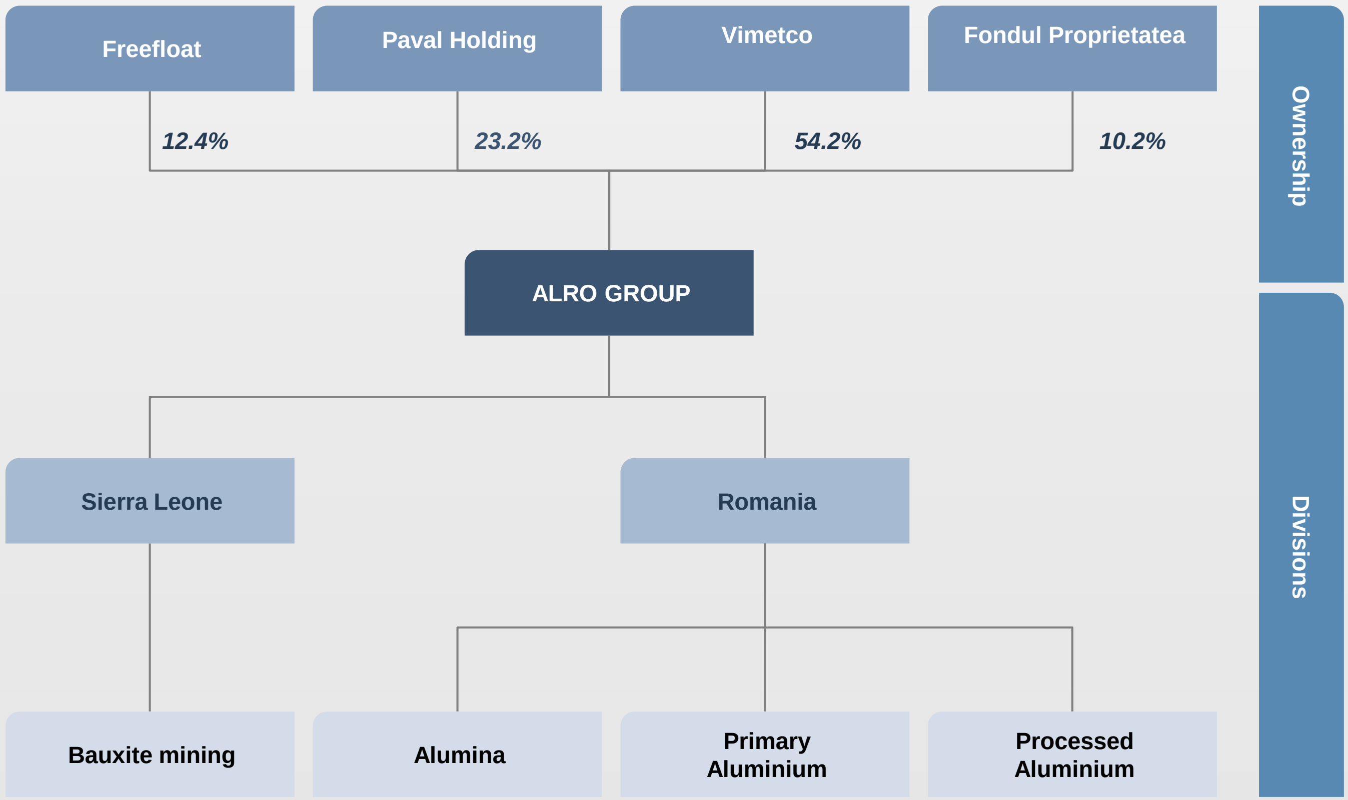
Current operational and shareholding structure



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Supporting information
Adjusted Net Result calculation

ALRO Group – Adjusted Net Result

RON '000	2020	2019	4Q 2020	4Q 2019
Net result	**334,773**	**(67,237)**	**61,421**	**(44,516)**
Impairment of non-current assets	4	(4,790)	4	0
Derivative financial instruments for which hedge accounting was not applied	0	3,598	0	(2,562)
Deferred income tax	(10,976)	15,093	(19,834)	12,430
Adjusted net result	**323,801**	**(53,336)**	**41,591**	**(34,648)**

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

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Supporting information

Adjusted EBITDA calculation

ALRO Stand-alone – Adjusted EBITDA

RON '000	2014	2015	2016	2017	2018	2019	2020
EBITDA	**114,700**	**223,501**	**246,627**	**455,611**	**354,740**	**57,433**	**402,220**
EBITDA Margin (%)	5.8%	9.7%	11.6%	18.5%	13.7%	2.3%	17.4%
EBITDA adjustements:							
- Competition Council fine	-	21,239	-	-	-	-	-
- business insurance indemnity	-	(6,425)	-	-	-	-	-
- one-off consulting and marketing expenses	-	13,300	-	-	-	-	-
- reversal of provision for litigation	-	-	(4,972)	-	-	-	-
- business indemnity	-	-	-	(4,557)	-	(7,574)	(440)
- embedded - energy cost	(76,807)	3,100	4,577	-	-	-	-
- one-off the loss on disposal of fixed assets	-	-	-	-	-	4,468	-
- expenses related to SPO	-	-	-	-	6,110	-	-
EBITDA adjusted	**37,893**	**254,715**	**246,232**	**451,054**	**360,850**	**54,327**	**401,780**

Note*: Adjusted EBITDA: earnings before interest, taxes, depreciation, amortization and impairment, plus/(minus) the loss/(gain) from derivative financial instruments for which hedge accounting was not applied, adjusted for extraordinary cost or revenues items.*