

Current Report

No.38/09.07.2019

To: The Financial Regulating Authority
Bucharest Stock Exchange

Current report in compliance with of article no. 82 of Law no. 24/2017 and article no. 144 letter (B) of Regulation no. 5/2018 of FSA regarding Issuers of Financial Instrument and Market Operations

Date of report: July 09th, 2019

Name of issuer: Alro S.A.

Headquarters: Slatina, 116 Pitesti Street, Olt County

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

Sole registration number at the Trade Register Office: RO 1515374

Trade Register Number: J28/8/1991

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

Legal Entity Identifier (LEI): 5493008G6W6SORM2JG98

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

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

Important event to be reported: d) Transactions of the type listed under art. 82 of Law no. 24/2017

Please be informed by the present Current Report, that **ALRO S.A.** concluded with the company **CONEF GAZ S.R.L.** the following transaction whose cumulated value exceed EUR 50,000 (*currency exchange rate used by NBR is the one valid on the conclusion date of the legal document subject of the report; the calculated value does not include VAT*):

No.	Parties that have concluded the legal document	Conclusion date and the nature of the document	Description of the object-matter of the legal document	The total value of the legal document (RON)	Mutual debts (RON)	Established guarantees, stipulated penalties	Terms and modalities of payment
1.	ALRO S.A. (Buyer) – CONEF GAZ S.R.L. (Seller)	718/05.07.2019 Addendum no.19 to the natural gas sale contract no.114 / 2010	Addendum no.19 to the contract no.114/2010 whose subject is the amendment of the contract provisions regarding the transmitting of the nominations by the buyer, the setting up of the algorithms related to the penalties for failure to observe the contract quantities taking-over obligation, the setting up of technical parameters for the delivery of the contracted gas quantity in the period April-September 2019	26,332,837*	-	See Note**	Payment in advance with settlement until the 15 th of the month following delivery

Note:

*This value is found in the value of Addendum no. 18 to contract no. 114/2010, reported in November 02nd, 2018.

** There were no guarantees established.

The Seller can request monthly penalties which shall be calculated as follows:

i. For the monthly consumed quantities which are above the 105% flexibility as compared to the Contracted Quantity, the penalties value shall be as follows:

$$\sum \text{Pen} = (\text{Px} * 110\%) - \text{Pc}$$

$\sum \text{Pen}$ = the value of the penalties in the consumption month

Pc= Contract Price as per the Contract

Px= Monthly average price in the consumption month, weighted by the traded quantities, related to the day ahead products traded on the short term standardised product markets managed by the Operators of the Romanian centralised markets, whose object is the delivery of natural gas in PVT along the entire gas month for which the penalty was calculated.

Qdif=difference between the Contracted Quantity and the quantity actually taken as per the minutes of proceedings signed by the Transport Operator for the delivery month.

ii. For the monthly consumed quantities below the 95% flexibility as compared to the Contracted Quantity, the penalties value shall be as follows:

$$\sum \text{Pen} = (\text{Pc} - \text{Px} * 90\%) * \text{Qdif}$$

$\sum \text{Pen}$ = the penalties value in the consumption month

Pc= Contract Price as per the Contract

Px= Monthly average price in the consumption month, weighted by the traded quantities, related to the day ahead products traded on the short term standardised product markets managed by the Operators of the Romanian centralised markets, whose object is the delivery of natural gas in PVT along the entire gas month for which the penalty was calculated.

Qdif= difference between the Contracted Quantity and the quantity actually taken as per the minutes of proceedings signed by the Transport Operator for the delivery month.

The Seller/Buyer can request daily penalties which shall be calculated as follows:

i. For the daily consumed quantities which are above the 105% flexibility as compared to the daily Contracted Quantity, the penalties value shall be as follows:

$$\sum \text{Pen} = (\text{Px} * 110\%) - \text{Pc}$$

$\sum \text{Pen}$ = the penalties value in the consumption month

Pc= Contract Price as per the Contract

Px= Daily average price, weighted by the traded quantities, of the trading day, related to the day ahead products traded on the short term standardised product markets managed by the Operators of the Romanian centralised markets, whose object is the delivery of natural gas in PVT along the entire gas day for which the penalty was calculated.

Qdif= difference between the actual daily consumption as per GOMIS Transgaz platform and the Contracted Daily Quantity.

ii. For the daily consumed quantities which are below the 95% flexibility as compared to the daily Contracted Quantity, the penalties value shall be as follows:

$$\sum \text{Pen} = (\text{Pc} - \text{Px} * 90\%) * \text{Qdif}$$

$\sum \text{Pen}$ = the penalties value in the consumption month

Pc= Contract Price as per the Contract

Px= Daily average price, weighted by the traded quantities, of the trading day, related to the day ahead products traded on the short term standardised product markets managed by the Operators of the Romanian centralised markets, whose object is the delivery of natural gas in PVT along the entire gas day for which the penalty was calculated.

Qdif= difference between the Contracted Daily Quantity and the actual daily consumption as per GOMIS Transgaz platform.

Chairman of the Board of Directors
Marian Daniel Nastase

Chief Executive Officer
Gheorghe Dobra