

## Supplementary Disclosure – Reporting on Financial Impact of COVID-19

In response to the Central Bank of Bahrain (CBB) letter on 14 July 2020 (reference OG/259/2020), Aluminium Bahrain B.S.C. (Alba) provides the following information:

### A. Overall Impact on the Financial Information

COVID-19 pandemic continues to be an ongoing global concern and its impacts vary from one industry to another. Global spread of COVID-19 derailed the world economies back in 2020 and Aluminium was not an exception. LME prices and premiums dropped significantly within Q1-Q3 of 2020; but since Q4 2020, prices started to rebound to pre-pandemic levels owing to macroeconomic recovery and strong metal demand/fundamentals.

The overall impact on the Financial Information as at 31 March 2021 has been thoroughly assessed by the Management and it was concluded that there was no material or adverse impact on the Financial Information.

### B. Impact on Income Statements

Revenues	Revenues/top-line recovered in the first quarter thanks to higher LME and premium prices and were partially offset by lower Sales' volume (a drop of 6% YoY) owing mainly to global container shortages and shipping disruptions – partly related to COVID-19. (Further info on LME prices and regional premiums can be found in the 1Q21 Investor Relations Presentation).
Expenses	Amidst COVID-19 pandemic, our Cost of Sales has relatively dropped when compared to the prior year thanks to lower Raw Materials prices and the Company-wide cost reduction initiatives.

<b>C. Impact on Balance Sheet</b>	
<b>Assets</b>	
(specify sub-categories, ex. Cash and balances with banks)	<p>The impact of Aluminium price increase on Alba Revenues has improved the Company's liquidity position and has seen our Cash position increase to c.BD68.4 million by 31 March 2021; however, our short-term debt increased.</p> <p>The Company has also secured further unused short-term facilities from Banks which can be used as a contingency if and when needed.</p> <p>We have assessed the impact of COVID-19 on our receivables after incorporating the necessary changes in the ECL model and this has resulted in no material change in ECL provision.</p> <p>There is no material impact on any other assets of the Company as at 31 March 2021.</p>
<b>Liabilities</b>	
(specify sub-categories, ex. Loans)	<p>Alba carries on its Balance Sheet several loans both as in short and long-term. There were no breach or defaults on the loan agreements, and we expect to continue to meet our payment obligations as and when they become due.</p>
<b>Equity</b>	
<b>Net Equity Attributable to Shareholders</b>	No material change
<b>Other Material Impact on the Balance Sheet</b>	None other attributable to COVID-19

#### D. Impact on the Company's Ability to Continue as Going Concern

The management and the Board of Directors (BoD) have been closely monitoring (and continue to monitor) the potential impacts of the COVID-19 developments on the Company's operations and its financial position including possible loss of revenues, impact on asset valuations, impairment, review of onerous contracts and debt covenants, outsourcing arrangements, supply disruptions etc.

The Company has also put in place contingency measures which include but are not limited to enhancing and testing the Business Continuity Plans including its liquidity requirements in the short-run.

Based on this assessment, Alba's Board of Directors is of the view that the Company will continue as a going concern entity for the next 12 months from the date of the Condensed Consolidated Interim Financial Information on 31 March 2021.

This view was informed in part by the detailed impairment testing conducted by Management, as part of standard disclosure requirements, which assessed the recoverable amount of the Property, Plant and Equipment considering the Company as a single-cash generating unit (CGU). The recoverable amount of the CGU was determined to be higher than its carrying amount and no impairment loss was therefore required or recognised as on 31 March 2021. The recoverable amount of the CGU was based on its value-in-use by using a discounted cash flow method that considers 5-year Cash-Flow projections.

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**Ali Al Baqali**

**Chief Executive Officer**

03 May 2021