BEYOND BOUNDARIES **BEYOND LIMITS**

Annual Report 2024

Aluminium
for the world

The Late Amir of Bahrain, Shaikh Isa bin Salman Al Khalifa

May God rest his soul in peace

His Majesty King Hamad bin Isa Al Khalifa

The King of the Kingdom of Bahrain

His Royal Highness Prince Salman bin Hamad Al Khalifa

The Crown Prince, and Prime Minister

TABLE OF **CONTENTS**

BOARD OF **DIRECTORS**

Khalid Al Rumaihi
Chairman

Shaikh Isa Bin Khalid Al Khalifa
Director

Tim Murray
Director

Omar Syed
Director

Bruce Cox
Director

Roselyne Renel
Director

Omar Al Amoudi
Director

Ahmed Al Duriaan
Director

Jihad Hakamy
Director

Hala Mufeez
Director

EXECUTIVE MANAGEMENT

Ali Al Baqali
Chief Executive Officer

Dr. Abdulla Habib Ahmed
Chief Operations Officer

Waleed Tamimi
Chief Supply Officer

Ricardo Santana
Chief Finance Officer

Amin Sultan
Chief Power Officer

Hisham Kooheji
Chief Marketing Officer

Fahad Danish
Chief Human Resources Officer

CHAIRMAN **MESSAGE**

Khalid Al Rumaihi

2024 has been a defining year for Aluminium Bahrain B.S.C. (Alba), marked by strategic milestones that have strengthened our position as a global leader in the aluminium industry. Through our sharp focus on operational excellence, sustainability, and value creation, we have delivered record-breaking results while positioning Alba for long-term growth. This year's achievements are a testament to our ability to adapt to the evolving global landscape and remain steadfast in delivering value for all stakeholders.

Sound Financial Performance: A Strategic Foundation for Growth

Alba's financial performance stands as a testament to our operational resilience, strategic foresight, adaptability despite fluctuating market dynamics and higher alumina costs. We achieved an exceptional profit of BD184.5 million (US$490.8 million, reflecting a significant 56.4% year-over-year increase compared to BD118 million (US$313.9 million) in 2023. The significant growth in our earnings per share also reflects our strategic focus on operational excellence and shareholder value creation.

Our decision to maintain a 35% dividend payout (we've paid in September 2024 an interim dividend of Fils 18.59 per share and a final dividend of Fils 26.58 per share will be paid in April 2025) underscores our commitment to rewarding shareholders while ensuring sufficient reinvestment in future growth opportunities. This balance between shareholder returns and reinvestment reflects Alba's disciplined approach to financial management and long-term planning.

Safety remains at the heart of Alba's operational philosophy, and this year we reached an unprecedented milestone of 29 million safe working hours without Lost Time Injury (LTI). This achievement is not only a reflection of our robust safety culture but also underscores our belief that operational excellence begins with the well-being of our workforce. By embedding safety into every aspect of our operations, we continue to strengthen Alba's reputation as an industry leader.

We didn't just meet the challenges of 2024; we redefined what is possible, proving that unwavering focus transforms vision into record-breaking reality.

Sustainability and Decarbonisation: Advancing our Strategic Goals

Sustainability is not just a responsibility; it is a core pillar of Alba's strategy that drives competitive advantage and futureproofing. In 2024, we made strides in contributing to Bahrain's net-zero emissions target and aligning with global Environmental, Social, and Governance (ESG) standards.

- **Power Station 5 Block 4 Expansion:** The successful commissioning of Block 4 in December 2024 represents a landmark achievement in sustainable aluminium production. By increasing PS5's capacity from 1,800 MW to 2,481 MW, this Project will enhance Alba's energy efficiency while setting an international benchmark by reducing greenhouse gas emissions intensity by 0.5 tonnes of CO_2 per tonne of aluminium produced. This milestone demonstrates Alba's ability to integrate sustainability into its operations while maintaining world-class production standards. Furthermore, the Project achieved over 978,000 safe working hours without LTI, reflecting our commitment to safety even in complex undertakings.

- **EternAl™ Product Line: T**he launch of EternAl™, our low-carbon aluminium product range, underscores Alba's leadership in sustainable innovation. Featuring products such as EternAl-30 and EternAl-15 -- incorporating 30% and 15% recycled scrap metal respectively -- aligns with Alba's ambition to lead transition towards circular economy practices. By offering sustainable solutions to customers seeking environmentally responsible materials, Alba is strategically positioning itself as the supplier of choice for customers prioritising ESG compliance and sustainable sourcing.

CHAIRMAN **MESSAGE**

These initiatives are not just environmental milestones; they are strategic investments that enhance Alba's competitive positioning while addressing the growing demand for sustainable aluminium solutions globally.

Strategic Update: Focused Growth Through Strategic Autonomy
As part of our commitment to strategic growth and enhancing shareholder value, Alba explored a potential business combination with segments of Ma'aden's Aluminium Strategic Business Unit, commencing due diligence following a non-binding agreement on 16 September 2024. While this initiative held the promise of significant synergies and regional integration, after thorough evaluation and mutual discussion, Alba and Ma'aden jointly concluded on 13 January 2025, that pursuing independent growth strategies would best serve the long-term interests of our respective stakeholders.

Charting our Future: Discipline, Innovation and Value
In closing, I express my sincere thanks and gratitude to the visionary leadership of His Majesty King Hamad Bin Isa Al Khalifa the King of the Kingdom of Bahrain and His Royal Highness Prince Salman bin Hamad Al Khalifa the Crown Prince and Prime Minister. I also extend my deepest gratitude to the Governments of the Kingdom of Bahrain and the Kingdom of Saudi Arabia for their continuous support, which has been pivotal to Alba's success and will continue to be as we pursue our strategic vision. My sincere appreciation also goes to my fellow Board members for their dynamic leadership, to our Executive Management Team for their unwavering commitment, and, most importantly, to our exceptional employees, whose dedication forms the bedrock of Alba's achievements.

> ***We believe in a future where shareholder value and sustainable growth are not mutually exclusive, but rather, intertwined destinies.***

Looking forward, we remain steadfast in our commitment to disciplined execution and innovation, prioritising sustainability, operational excellence, and employee development to drive long-term growth and deliver exceptional value to our shareholders and all stakeholders.

Khalid Al Rumaihi
Chairman of the Board

Aluminium
for the world

VISION

To drive the aluminium industry forward through human talent and innovation from Bahrain to the world.

MISSION

Drive long-term sustainable value for all stakeholders by capitalising on the strength of our product portfolio, anchored in our enduring dedication to safety and efficiency.

VALUES

Safe & Green
Team
Ethics
Excellence
Resilience

CEO
MESSAGE

Ali Al Baqali

The Foundation of our Success: Over the past five decades, Alba has consistently reinforced its foundational pillars: prioritising employee well-being and workplace safety, fostering the growth of our national workforce, upholding a steadfast commitment to operational efficiency, and investing in the development of our community.

2024: A Year of Strategic Milestones

Alba achieved significant milestones across diverse strategic fronts. Notably, we successfully executed the First Fire of the M701JAC Gas Turbine at Power Station 5 Block 4 Project, marking a crucial step in our power generation capabilities. We also launched EternAl™, our low-carbon product line, underscoring our dedication to sustainable practices. Furthermore, strategic partnerships were forged with Daiki Aluminium for a sustainable aluminium dross processing facility in Bahrain, and long-term agreements were secured with Bapco Energies for natural gas supply and Alcoa for alumina requirements.

The year was also defined by our remarkable resilience. Following the R16 Rectiformer Fire incident, we achieved an unprecedented recovery of Line 1 operations, simultaneously setting a new annual production record. This testament to our operational excellence was complemented by achieving 29 million safe-working hours without a Lost Time Injury (LTI) and maintaining an exemplary record of zero heat-related injuries and illnesses for the eighth consecutive summer.

People First: the Heart of Alba's Success

Our achievements are a direct result of the unwavering commitment and dedication of our workforce.

At Alba, our employees remain our most valuable asset. Our dedication to our national workforce is demonstrated by the promotion of over 2,080 employees, achieving a Bahrainisation rate of 87% of our total workforce, and enrolling over 1,400 national employees in professional development programmes within the last five years.

Looking forward to 2025, Alba remains steadfast in its pursuit of strategic objectives designed to drive sustainable value and cement our position as a global leader.

At Alba, we don't just produce aluminium; we cultivate a culture of safety and national pride. Our strategic focus on 'Albawee' spirit, talent development, and open collaboration will ensure we remain a global leader.

Our focus will be anchored in four key objectives:

- Cultivating the **'Albawee'** Spirit**:** We will reinforce a culture of pride, ownership, and unwavering commitment to excellence, fostering a unified and engaged workforce.
- Strategic Talent Development **'Tapping into Talent':** We will intensify our efforts to identify, nurture, and develop our talent, ensuring our workforce is equipped with the skills necessary to navigate future challenges and opportunities.
- Driving Innovation through **Alba's Open Space:** We will foster an environment of open dialogue and collaborative problem-solving, driving innovation, inclusivity and continuous improvement across all operations.
- Advancing Digital Transformation through **e-Al Hassalah Year-2:** Building upon the success of the first year, we will further leverage digital technologies to drive efficiency and shareholder value, promote sustainability, and drive data-driven decision-making.

Through these strategic objectives, Alba is committed to capitalising on emerging opportunities, delivering sustainable value to our shareholders, and reinforcing our leadership in the global aluminium industry as the safest smelter.

We are confident that 2025 will be a year of continued success and strategic advancement.

Ali Al Baqali
Chief Executive Officer

2024 **IN REVIEW**

JANUARY

Capability Building: Gearing for Growth: Alba Upskills more than 660 Employees

Strategic: Alba CEO Inaugurates Annual Majlis Sessions 2024

Operational/Strategic: Alba Announces the Appointment of New Acting CMO

Capability Building: Recognised 12 national employees with 'Inspirational Employee of the Year' Award

Operational: Alba Inks 10-Year Gas Supply Deal with Bapco Energies

Strategic: Alba Chairman welcomes the CEO of Bahrain Mumtalakat Holding Company

Strategic: Alba Chairman Meets with the Company's Labour Unions' Chairmen

FEBRUARY

ESG/Award: Celebrating Sustainability Champions

ESG: Held 2nd edition of its Sports Festival

Financial: Reporting FY and Q4 2023 Results

ESG: Alba marks Bahrain Sports Day with Walkathon

MARCH

Strategic: Signing Associate Centre Partnership Agreement with World Economic Forum

Financial: Holding AGM & EGM 2024

Strategic: Alba and EGA Sign Technology Service Agreement for Reduction Line 6

ESG: Kicking off 'SAFE and Healthy Ramadan' Campaign

APRIL

Award: Won Four Awards from the National Safety Council

Award: Power Station 5 Block 4 Project Achieves First Fire Milestone

Strategic: Signing Protocol with ALU and ATU

MAY

ESG: Embracing Industry 4.0 with SAP S4HANA Cloud

Award: Alba Soars to Top 1% Globally with EcoVadis Platinum Sustainability Rating

Capability Building: Enhancing National Workforce Calibre with 24 Employees Pursuing Top-Up BEng in Mechanical Engineering

Strategic/ESG: The Future is Recycled Alba's EternAl for Global Markets

Financial: Reporting Q1 2024 Results

Capability Building: Boosting Bahraini Youths Tech Skills Alba Contributes a Robotics Unit to NVTC's Engineering Track

JUNE

ESG/Strategic: Building Lasting Connections for Sustainability Alba's CEO at the Arab German Business Forum

ESG: Alba Surpasses 20 Million Safe Working Hours without LTI, Reinforcing its Commitment to Safety Excellence

Capability Building: Alba and Bahrain Polytechnic Celebrate Milestone in Employee Education

JULY

Award: Alba Scoops Top Safety Honors British Safety Council Award 2024 with Merit

ESG: Prioritising Family Safety with its 2024 Summer S&H Campaign

Strategic: Secured Capral Aluminium as First Customer for Groundbreaking EternAl™ Low-Carbon Aluminium

AUGUST

Capability Building: Expanding OJT Programme to Empower Bahraini Youth

Strategic: Appointed Seasoned Finance Leader Ricardo Fontes Santana as Chief Financial Officer

Strategic: Alba and Daiki Aluminium Forge Strategic Partnership to Establish Sustainable Aluminium Dross Processing Plant in Bahrain

ESG: Alba and INJAZ Bahrain Unite to Empower Future Leaders

Financial: Reporting Q2 & H1 2024 Results

ESG/Strategic: Alba Partners with NVTC's R&D arm to Upskill Employees with Artificial Intelligence Knowledge

SEPTEMBER

ESG: Successful Conclusion of 4th Edition of Alba's Weight Loss Programme

Award: Alba's VR and AR Training Applications Recognised with Brandon Hall Group Excellence Award

Strategic: Alba CEO Addresses Top Industry Concerns at Fastmarkets Conference 2024 in Athens

Financial: Alba Holds its Board Meeting for Third Quarter of 2024

ESG: Sharing Lean Six Sigma and Kaizen Knowledge with Several Bahraini Entities

OCTOBER

ESG: Prioritising the well-being of its female employees with a month-long Breast Cancer Awareness Campaign

ESG/Award: Marked dual Safety milestones - 25 Million Safe-Working Hours without LTI and 8th consecutive safe summer

Strategic: A Partnership Rooted in Sustainability Alba Renews Alumina Supply Contract with Alcoa

Award: Alba Celebrates Graduation of its First Batch of Top-Up BEng Mechanical Engineering Cohort

Operational/ Strategic: Announcing Fahad Danish as its new Chief Human Resources Officer

ESG: Hosting fun-filled day for Al Sanabel Orphan Care Society Children

NOVEMBER

Strategic: Alba and Daiki Aluminium Reiterate Commitment to Sustainable Aluminium Production

Strategic: Alba Partners with ARRAY Innovation to Accelerate Industry 4.0 Transformation

Operational/ Strategic: Welcoming Artem Tatarunis as Manager Sales Europe

Financial: Reporting Q3 & 9 Months 2024 Results

Capability Building: First batch of Alba employees graduate from Bahrain Polytechnic's Top-Up BSc programme

DECEMBER

ESG: Celebrating Female Employees on Bahraini Women's Day

ESG: Celebrating Bahrain's National Day

ESG: Hosting Family Day Event for Employees

ESG: Alba Gears Up for the third edition of its Sports Festival

Strategic: Alba Partners with Comvision to Transform Inventory Management

Operational: Alba Sets New Production Record, Exceeding 1.622 million MT

FINANCIAL **HIGHLIGHTS**

METAL SALES

4,313

US$ MILLION
2023: 4,106 | Y-o-Y 5%

Metal Revenues up by 5% YoY due to higher LME price and Value Added Sales

EQUITY RATIO

72%

2023: 70% | Y-o-Y 2%

Equity Ratio up by 2% YoY owing to the growth in Total Equity

CASH PAYBACK TO SHAREHOLDERS

130

US$ MILLION
2023: 373 | Y-o-Y (65%)

Cash Payback to Shareholders in the current year (2024) comprises the final tranche of the previous year's dividend (2023) and interim dividend for 2024

EBITDA

939

US$ MILLION
2023: 804 | Y-o-Y 17%

EBITDA increase driven by higher LME price & partially offset by higher Alumina price

NET DEBT

1,103

US$ MILLION
2023: 1,399 | Y-o-Y (21%)

Net Debt improved by 21% YoY due to loan servicing

For further information, please refer to Alba's Audited Financial Statements in the last section of the 2024 Annual Report

EBITDA = Profit for the year before tax + Finance cost + Depreciation and Amortisation - Changes in fair value of derivative financial Instruments - Realised gain on settlement of cash flow hedge for interest rate swaps

Net Debt = Total Borrowings - Bank balances and cash

Equity Ratio = Total Equity / Total Assets

Leverage Ratio = Total Liabilities / Total Assets

SHAREHOLDERS' EQUITY

5,117

US$ MILLION
2023: 4,759 | Y-o-Y 8%

Shareholders' Equity up by 8% YoY driven primarily by higher Retained Earnings

PROFIT

491

US$ MILLION
2023: 314 | Y-o-Y 56%

Profit up by 56% YoY driven by higher EBITDA

NET DEBT TO EBITDA

1.17x

2023: 1.74x
Y-o-Y (32%)

Net Debt to EBITDA improved thanks to loan servicing and higher EBITDA

FREE CASH FLOW

569

US$ MILLION
2023: 651 | Y-o-Y (13%)

Free-Cash Flow down by 13% YoY impacted by working capital changes and CAPEX

LEVERAGE RATIO

28%

2023: 30% | Y-o-Y (2%)

Leverage Ratio improved by 2% YoY, a direct result of reduced Total Liabilities through diligent loan servicing

CORPORATE **GOVERNANCE**

This Statutory Corporate Governance Report covers the period 1 January 2024 to 31 December 2024 and is prepared pursuant to the Kingdom of Bahrain's Corporate Governance Code 2022 [resolution no. (19) of 2018 and resolution no. (91) of 2022] and the Central Bank of Bahrain (CBB) Module.

The Corporate Governance Report of Aluminium Bahrain B.S.C. (Alba) is an integral part of the Management's review as included in the Annual Report for 2024. The Corporate Governance Report for 2024 and for prior years can be accessed by visiting Alba website at Corporate Governance | Kingdom of Bahrain (albasmelter.com).

Description of Actions Taken to Comply with the Corporate Governance Code

As a Bahrain-based public joint-stock company, Alba prioritises robust corporate governance by adhering to multiple governance frameworks to include:

- Bahrain Commercial Companies' Law: Serving as the foundation for all our corporate governance practices.
- The Ministry of Industry and Commerce (MOIC's) Corporate Governance Code of 2022: Providing a comprehensive set of guiding principles for responsible business conduct.

- The Central Bank of Bahrain Volume 6 – Capital Markets High Level Controls: Ensuring operational efficiency and safeguarding shareholder interests.

The Board of Directors diligently ensures compliance with the MOIC's Corporate Governance Code through regular review of the Company's governance policies and practices to ensure they remain aligned with local regulations while the Management is constantly striving to improve, implement initiatives that bolster Alba's governance framework and align with best practices.

During the Annual General Meeting (AGM) in 2024, the Company's shareholders approved the amendments and restatement of the Memorandum and Articles of Association in accordance with Legislative decrees no. (3) of the year 2022, no. (20), (63), and (64) of the year 2021, and no. (28) of the year 2020 and subject to the approval of regulatory authorities.

The Board of Directors has also endorsed the changes made to the Company's Memorandum and Articles of Association which will be then tabled for the shareholders' approvals at the AGM on 12 or 13 March 2025.

Board Composition

Name	Age	Appointment and Term of Directorship	Current Work & Directorship in other Boards	Position
Khaled Omar Mohamed Al Rumaihi (Chairman)	54	Appointed by Mumtalakat on 09 October 2023	Amriya Group	Executive Chairman & CEO
			Mumtalakat Holding Company	Board Director
			Bapco Energies	Board Director
			Bahrain Economic Development	Board Director
			Dine In	Chairman
			CWK W.L.L.	Chairman
			Rumco Group W.L.L.	Board Director
			Rumaihi Estate Co.	Board Director
			Harvard Business School Middle East & North Africa	Advisory Board Director
Shaikh Isa Bin Khalid Al Khalifa (Director)	45	Appointed by Mumtalakat since March 2020	Seaspring W.L.L.	Founder and Managing Director
			Khaleeji Bank B.S.C.	Board Director
			Al-Dana International Company W.L.L.	Chairman
			Wedge Networks Inc.	Board Director
			Lazne Belohrad A.S.	Vice Chairman
			Biotricity Inc.	Investor and Advisor
Roselyne Renel (Director)	57	Appointed by Mumtalakat since February 2023	Lloyds Banking Group (LBG)	Group Chief Credit Officer
			Bauh One Mauritius	Chairman
Omar Ali Syed (Director)	50	Appointed by Mumtalakat since February 2023	McLaren Group	Board Director
			McLaren Racing	Board Director
			Gulf Cryo	Board Director
			ProDrive	Chairman
			ASMA Limited	Board Director
			Muhaq W.L.L.	Board Director
			Jewel Holdings Limited	Board Director
			Naqaa W.L.L.	Board Director
			Istithmar W.L.L.	Board Director
			BMHC Inv 2 W.L.L.	Board Director
			Bahrain Food Holding Company W.L.L.	Board Director
			Mumtalakat Holding Company	Chief Investment Officer
Tim Murray (Director)	53	Appointed by Mumtalakat since March 2020	Cardinal Virtues Consulting	CEO/Owner
Omar Abdullah Al Amoudi (Director)	62	Appointed since March 2019	PETROKEMYA	Chairman
			Tatweer Building Co.	Chairman
Ahmed Al Duriaan (Director)	59	Appointed by Sabic Industrial Investments Co. (SIIC) since March 2020	Gulf Aluminium Rolling Mill B.S.C. © (GARMCO)	Board Director
			Ma'aden Phosphate Company (MPC)	Board Director
			Nusaned Investment Company	Board Director
			Divestment at Merger & Acquisition unit at SABIC	General Manager

Transactions by Directors and their Connected Persons in 2024: Nil

CORPORATE **GOVERNANCE**

Board Composition (continued)

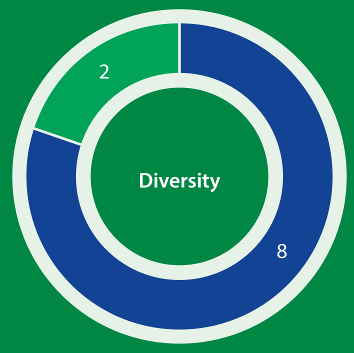
Name	Age	Appointment and Term of Directorship	Current Work & Directorship in other Boards	Position
Bruce Cox (Director)	62	Appointed by Mumtalakat since February 2023	Ajlan & Bros Holdings	Advisory Board Director
			Aurelia Metals Pty Ltd	Board Director
			United Tractors TBK	Independent Commissioner
AlWalid Al Senani (Director)	43	Appointed by Sabic Industrial Investments Co. (SIIC) since February 2023 & Retired on 01 June 2024	Global Corporate Governance at SABIC	General Manager
			Algerian & Saudi Investment Company	Board Director
			Corporate Governance Center (owned by PIF)	Board Director
Jihad Ali Hakamy (Director)	43	Appointed by Sabic Industrial Investments Co. (SIIC) on 01 June 2024	Saudi Investment Company (Dussur)	Board Director
			SABIC	General Manager & Chief Counsel MEA and APAC
Hala Mufeez (Director)	52	Elected since February 2023	Bapco Upstream W.L.L.	Chief Financial Officer
			Bapco Gas B.S.C.©	Board Director
			Bapco Gas Expansion W.L.L.	Board Director

Transactions by Directors and their Connected Persons in 2024: Nil

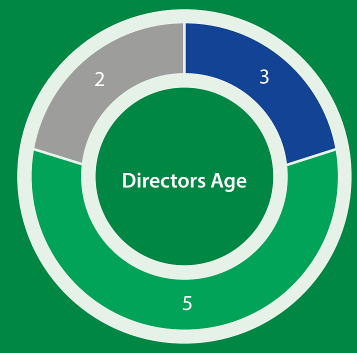
Directors' Classification Based Upon Disclosures

Board Members	Board	Audit Committee	NRCGC Committee	Executive & ESG Committee	Classification	Reference to Corporate Governance Code
Khalid Al Rumaihi	✓ Chairman		✓ Chairman	✓ Chairman	Non-Independent, Non-Executive	Waiver granted from CBB till the expiry of current term
Shaikh Isa Bin Khalid Al Khalifa	✓	✓ Chairman			Independent Non-executive	
Roselyne Renel	✓	✓			Independent Non-executive	
Omar Ali Syed	✓		✓		Non-Independent, Non-Executive	Appendix (1) for Independence of Board Member Invalidity Case (e)
Tim Murray	✓			✓	Independent Non-executive	
Bruce Cox	✓			✓	Independent Non-executive	
Ahmed Al Duriaan	✓		✓		Non-Independent, Non-executive	Appendix (1) for Independence of Board Member Invalidity Case (b)
AlWalid AlSenani	✓	✓			Non-Independent, Non-executive	Appendix (1) for Independence of Board Member Invalidity Case (b)
Jihad Ali Hakamy	✓	✓			Non-Independent, Non-executive	Appendix (1) for Independence of Board Member Invalidity Case (b)
Omar Abdullah Al Amoudi	✓			✓	Non-Independent, Non-executive	Appendix (1) for Independence of Board Member Invalidity Case (b)
Hala Mufeez (Elected Director)	✓	✓			Non-Independent Non-executive	Appendix (1) for Independence of Board Member Invalidity Case (f)

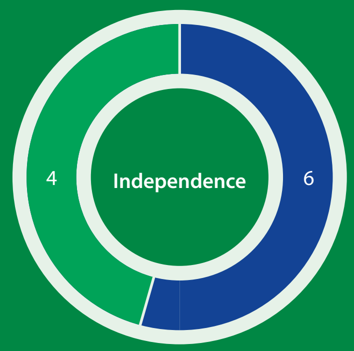
Directors' Classification



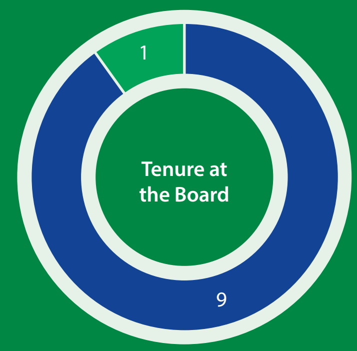
- **8** Male Directors
- **2** Female Directors



- **3** Directors: 40-50 Years
- **5** Directors: 51-60 Years
- **2** Directors: 60+ Years



- **6** Non-Independent Directors
- **4** Independent Directors



- **9** Directors: 01-05 Years
- **1** Directors: Less than 1 Year

CORPORATE **GOVERNANCE**

KHALID AL RUMAIHI

Chairman of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Chairman of the Board Executive & ESG Committee

Chairman of the Nomination, Remuneration and Corporate Governance Committee

Non-Executive /Non-Independent Member since October 2023

EXPERIENCE

- Currently, the Executive Chairman of Amriya Group since May 2023.
- Currently, a Board member of Mumtalakat since 2015, the Bahrain Economic Development since 2014, and Bapco Energies since 2019.
- Currently, a member of the Advisory Board of Harvard Business School Middle East and North Africa since 2021.
- Former Chief Executive Officer of Mumtalakat (2019-2023).
- Former Chief Executive Officer of Bahrain Economic Development (2015-2019).
- Former Managing Director of Investcorp (2002-2012).
- Former Head of Private Client Group at JP Morgan (1993-2002).
- Former Chairman of Bahrain Real Estate Investment Company (2017-2023), Bahrain Development Bank (2016-2022), and Bahrain Airport Company (2011-2015). He also held Board positions at the McLaren Group, the National Bank of Bahrain, Gulf Air and Securities Investment Company.

QUALIFICATION

- Master in Public Policy specializing in Economic Development from Harvard University, US.
- Bachelor of Science in Foreign Service from Georgetown University, US.

SHAIKH ISA BIN KHALID AL KHALIFA

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Chairman of the Board Audit Committee

Non-Executive / Independent Member since March 2020

EXPERIENCE

- Founder and Managing Director of Seaspring W.L.L., a Bahrain [1] based international investment consultancy firm with a strategic focus on bringing distinct investment solutions from various sectors including, but not limited to, healthcare, biotech, technology, and cybersecurity to the Gulf region.
- Oversaw the growth equity financing of Biotricity Inc., a leading remote cardiac telemetry company based in Redwood City, California, and My Next Health which is a genomic-based AI and quantum platform healthcare company in Toronto, Ontario.
- Prior to establishing Seaspring W.L.L., he was a private equity associate with Oasis Capital Bank B.S.C.© in Bahrain where he helped raise over US$245 million in paid up capital and set-up a clean tech-focused fund.
- Formerly an Assistant Manager of the Corporate Banking & Finance at Citigroup Inc. where he played a key role in arranging the refinancing for Alba's Potline 5 Expansion.

QUALIFICATION

- Master of Science in Global Financial Analysis from Bentley University, Waltham, MA.

OMAR AL AMOUDI

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Board Executive & ESG Committee

Non-Executive / Non-Independent Member since March 2019

EXPERIENCE

- Chairman of the Board of Directors of PETROKEMYA since 2023.
- Chairman of TATWEER Building Company since 2023.
- Chairman of the Board of Directors of HADEED (2021 – 2024).
- Former Executive Vice President, SABIC Global Engineering & Project Management (2016).
- Former Executive Vice President, SABIC Shared Services (2013).
- Former Chairman of the Board of Directors of SPECIALTY CHEM, Gas & Arrazi and Saudi Kayan.
- Former Board Member of SHARQ, PETROKEMYA, IBN RUSHD, SADAF, Ibn Sina and MARAFIQ.
- Former Board Member of Gulf Coast Growth Ventures.
- Former President of PETROKEMYA and Ibn Zahr (2006 – 2013).

QUALIFICATION

- Bachelor of Science in Chemical Engineering from the King Fahd University of Petroleum and Minerals (KFUPM), Saudi Arabia.
- Masters in Chemical Engineering from Drexel University, USA.

AHMED ALDURIAAN

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Nomination, Remuneration and Corporate Governance Committee

Non-Executive / Non-Independent Member since March 2020

EXPERIENCE

- General Manager of Finance Affiliate Affair since July 2024.
- Currently, General Manager of Divestment at Merger & Acquisition unit at SABIC since September 2023 & Executive General Manager of SABIC Industrial Investment.
- Currently, Board Member of Nusand company since November 2024.
- Currently, Board Member of Ma'aden Phosphate Company (MPC) since January 2023.
- Currently, Chairman of HADEED Board Audit Committee since October 2019.
- Currently, Board Member of Gulf Aluminium Rolling Mill Company B.S.C. (c) (GARMCO) since March 2016.
- Currently, Executive General Manager of SABIC Investment Company since July 2018.
- Formerly, Board Member of HADEED from June 2017 till June 2021.
- Prior to his current role, he was Director of Mergers & Acquisitions Execution Department in SABIC and Board member of SABIC Polymer in Turkey from 2007-2011.

QUALIFICATION

- Bachelor's in Mining Engineering from King AbdulAziz University, Kingdom of Saudi Arabia.

CORPORATE **GOVERNANCE**

TIM MURRAY

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Board Executive & ESG Committee

Non-Executive / Independent Member since March 2020

EXPERIENCE

- CEO of Cardinal Virtues Consulting Inc. with over 20 years of executive leadership experience.
- Recently published his first book "CEO Words of Wisdom (WoWs)". The WoWs deliver practical life lessons to help you survive and thrive in the Post COVID world.
- Spent 12 years with Aluminium Bahrain B.S.C. (Alba) where he was the CEO since 2012 till August 2019.
- Played an instrumental role in the US$3 billion Line 6 Expansion Project, which was commissioned on-time and significantly under budget.
- An expert in Safety Management and played a key role in the transformation of Alba's Safety culture.
- 10 years with ARC Automotive Inc. where in his last role, he was Vice President and Chief Financial Officer.
- Key role in the building of greenfield manufacturing facilities in both Mexico and China.
- Tim is an avid reader and an Adjunct Professor at Susquehanna University teaching classes on the impact of CEO leadership.

QUALIFICATION

- MBA from Vanderbilt University, USA
- Degree in Accounting from Susquehanna University, USA.
- A member of the American Institute of CPAs.

ROSELYNE RENEL

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Board Audit Committee

Non-Executive / Independent Member since February 2023

EXPERIENCE

- Currently, she is the Group Chief Credit Officer at Lloyds Banking Group (LBG) since 2020 overseeing credit risk globally.
- Formerly at Standard Chartered Bank (SCB) for 6 years where she was the Group Chief Credit Officer and led the SCB Enterprise Risk Management (ERM) Function.
- Formerly the Chief Risk Officer at the Standard Bank of South Africa for 2.5 years for the Corporate and Investment Banking division.
- Formerly the Chief Credit Officer for Emerging Markets, Global Markets and Global Banking at Deutsche Bank for over 16 years.

QUALIFICATION

- Senior Executive Advanced Management Programme - University of Columbia, USA.
- Credit Graduate Programme from JP Morgan.
- Advanced Certification in Accounting and Bookkeeping from London Chamber of Commerce.

OMER SYED

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Nomination, Remuneration and Corporate Governance Committee

Non-Executive / Non-Independent Member since February 2023

EXPERIENCE

- Currently, the Chief Investment Officer at Mumtalakat since 2021.
- Formerly, Senior Vice President at DICO Group focused on the Group's Private Equity investments (January 2020 - January 2021).
- Raised, deployed and managed Abraaj Turkey Fund since its inception in 2015 and was previously evaluating regional opportunities for Abraaj across global emerging markets since 2007.
- Started his Private Equity career in 2001 at American Capital with a major focus on US Private Equity across sectors.
- Began his career in Financial Services at Price Waterhouse Coopers (PwC) in 1998 focused on Audit and Business Advisory Services before moving to Transaction Services.
- Currently, he serves on the Boards of McLaren Group, McLaren Racing, Gulf Cryo, ProDrive & Bahrain Food Holding Company.

QUALIFICATION

- Masters in Accounting from Concordia University, Canada.
- Bachelor of Science in Chemical Engineering with a minor in Management from McGill University, Canada.
- A Chartered Accountant (CA) and Chartered Financial Accountant (CFA).
- International Board / Corporate Governance Certification from INSEAD, France.

BRUCE COX

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Board Executive & ESG Committee

Non-Executive / Independent Member since February 2023

EXPERIENCE

- Currently, he serves on the Advisory Board for Ajlan & Bros Holdings since December 2021.
- Currently, he serves as a Non-Executive Director and Chairman of the Audit Committee for Aurelia Metals (ASX listed company) since August 2022.
- Currently, he serves as a Non-Executive Commissioner of PT United Tractors Tbk (Indonesian listed mining and services company) since March 2024.
- Currently, Board Mentor for CriticalEye Peer-to-Peer Board Community since October 2024.
- Former CFO of Rio Tinto Aluminium (2019-2020).
- Former Managing Director of Pacific Operations for Rio Tinto Aluminium (2016-2018).
- Former CEO Pacific Aluminium (2013-2016) and Managing Director of Rio Tinto Diamonds (2009-2013).
- Former Chairman and Director of the Australian Aluminium Council (2013-2018).
- Former Chairman and Director of Tomago Smelter (2013-2018).
- Former Chairman of Queensland Alumina Refinery (2016 - 2018) and a non-executive director of the ASX listed company Energy Resources Australia (2014-2016).

QUALIFICATION

- Bachelor of Commerce and Master of Business Administration from the University of Wollongong, Australia.
- Graduate of the Australian Institute of Company Directors.

CORPORATE **GOVERNANCE**

JIHAD ALI HAKAMY

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Board Audit Committee

Non-Executive / Non-Independent Member since June 2024

EXPERIENCE

- Currently, the General Manager and Chief Counsel for Saudi Basic Industries Corporation (SABIC) in their Riyadh Head Quarters.
- Currently, he serves as a board member in the Saudi Industrial Investment Company (Dussur) and sit at the board audit, risk and compliance committee.
- Started his career journey as a field engineer in the energy sector, providing technical advisory and successfully managing power plants installations across USA, Mexico, and the Kingdom of Saudi Arabia.

QUALIFICATION

- Juris Doctor degree from New York Law School, 2014.
- Master Degree in International Business from Florida International University, 2010.
- Bachelor degree in Engineering Science from King Fahd University, 2004.

HALA MUFEEZ

Member of the Board of Directors of Aluminium Bahrain B.S.C. (Alba)

Member of the Board Audit Committee

Non-Executive / Non-Independent Member since February 2023

EXPERIENCE

- Chief Financial Officer at Bapco Upstream since October 2023 and responsible for overseeing the Finance, Supply Chain and Management Accounting functions. Mrs. Mufeez joined Bapco Upstream in 2010, leading the Finance function where her role focused on financial planning as well as analysing the Company's financial strengths and weaknesses.
- Former Principal – Risk Management and Compliance Officer & Money Laundering Reporting Officer in First Investment Bank (2007-2010).
- Former Senior Manager – Risk Management and Compliance Officer at Bahrain Islamic Bank (2005-2007).
- Former Manager Planning Control at Bank of Bahrain and Kuwait (2000-2005).
- Started her career at Ernst & Young by managing external audits across various industries (1996-2000).
- Board member at Bapco Gas and Bapco Gas Expansion where she is also the Chairperson of the Audit Committee (2022 till date).

QUALIFICATION

- Bachelor of Science in Accounting from University of Bahrain.
- Certified Public Account licensed in the State of Illinois, USA.

Appointment of the Board of Directors, Election, Term and Orientation

As per Article 24 of Alba's Articles of Association, Alba is administered by a Board of Directors consisting of 10 directors who are appointed and/or elected in accordance with Article 175 of the Commercial Companies Law for a 3-year renewable term. Alba's recent Board term started on 26 February 2023 and will end in February 2026.

During the Annual General Meeting on 26 February 2023, Bahrain Mumtalakat Holding Co. B.S.C. (c) (Mumtalakat) appointed 6 Directors: Shaikh Daij bin Salman bin Daij Al Khalifa (retired on 08 October 2023), Shaikh Isa bin Khalid Al Khalifa, Mr. Tim Murray, Mrs. Roselyne Renel, Mr. Omar Syed, and Mr. Bruce Cox while Sabic Industrial Investments Co. (SIIC) appointed 2 Directors: Mr. Ahmed Al Duriaan & Mr. AlWalid AlSenani. Mr. Omar Al Amoudi was also appointed at the General Meeting in line with Article 26 of Alba's Article of Association. In addition, Mrs. Hala Mufeez was elected during the Annual General Meeting [out of 16 candidates who have nominated themselves for the elected director membership as per the regulatory filing on 12 February 2023] by the shareholders to represent the 10% free float.

On 07 March 2024, Alba shareholders approved the appointment of Mr. Khalid Al Rumaihi as the Chairman of the Board following his appointment by Bahrain Mumtalakat Holding Co. B.S.C. (c) (Mumtalakat) on 09 October 2023 to serve in the current Board term (until 2026).

On 30 May 2024, Sabic Industrial Investments Co. (SIIC) appoints, as per Alba's Article of Association # 24, a new Board Member for Aluminium Bahrain B.S.C. (Alba's) Board of Directors, Mr. Jihad Ali Hakamy effective 01 June 2024 (following the resignation of Mr. AlWalid AlSenani) to serve in the current Board term until 2026 and subject to CBB and the shareholders' approvals in the Annual General Meeting in 2025.

In compliance with the Corporate Governance Code: Principle 4 and HC High Level Control Volume 6 by CBB, an induction session was arranged on 25 June 2024 for Mr. Jihad Ali Hakamy, the newly appointed Director, for familiarisation about Alba and its Corporate Governance practices. He also received a Handbook outlining key policies and Directors' responsibilities.

Director Tenure and Termination

- **Term:** The membership of Directors concludes at the end of the current term (2026).
- **Re-appointment/Re-election:** Directors are subject to re-appointment or re-election upon term expiration.
- **Termination:** The Directorship of any individual may be terminated if they breach the conditions outlined in Article 27 of the Alba's Articles of Association.

Performance Evaluation

- **Annual Performance Assessment:** In accordance with Chapter Two: Section One: Principle Eight of the Corporate Governance Code, the Board and its Committees conduct an annual performance assessment (including individual evaluation) to assess their effectiveness.
- **2024 Assessment:** All Directors completed the relevant questionnaires for the year-ended 2024, and the outcomes were satisfactory.
- **Board Composition:** The Board of Directors is of the opinion that the qualifications of its members match the competencies that the Board should possess collectively and individually.

Board Independency Evaluation

- **Annual Evaluation:** The Company conducts an annual independency evaluation of all Directors to determine their independent status.
- **Evaluation criteria:** The evaluation adheres to the criteria outlined in Appendix 1 of the Corporate Governance Code.
- **Reporting:** The results of the independency evaluation are disclosed to the Central Bank of Bahrain via the General Information Report.

Directors' Remunerations, Sitting and Attendance Fees

The Board of Directors are remunerated fairly and responsibly for fulfilling the duties of the Board and its Committees. For 2023, Remuneration Fees were BD420,000 [BD60,000 for the Chairman and BD40,000 per Director] excluding Sitting Fees (BD70,800) and Attendance Fees (BD1,000 per Director per meeting) of BD113,000. In total, the aggregate amount for 2023 was BD603,800 in addition to Expense Allowances of BD18,377 [refer to Note 27 in Alba's Consolidated Financial Statements of 2024].

CORPORATE GOVERNANCE

For 2024, Attendance Fees (BD1,000 per Director per meeting) and Allowance Fees1 were paid to the Directors for attending the Board and Committee meetings during 2024. Sitting fees of BD72,000 for 2024 (part of Total Allowance for Attending Board and Committee Meetings) will be paid after the Board's meeting on 18 February 2025 (to refer to the below table for the full breakdown of 2024 Remunerations).

(BD'000s)

Names	Fixed Remunerations				Variable Remunerations				End-of-Service Award	Aggregate Amount (Does not Include Expense allowance)	Expenses Allowance
	Remunerations[1] of the Chairman and BOD	Total Allowance for Attending Board and Committee Meetings	Others[2]	Total	Remunerations of the Chairman and BOD	Incentive Plans	Others[3]	TOTAL			
First: Independent Directors											
Shaikh Isa bin Khalid Al Khalifa	40	23	-	63	-	-	-	-	-	63	-
Tim Murray	40	22	-	62	-	-	-	-	-	62	6.3
Bruce Cox	40	22	-	62	-	-	-	-	-	62	6.229
Roselyne Renel	40	19	-	59	-	-	-	-	-	59	5.7
Second: Non-Executive Directors											
Khalid Al Rumaihi	60	39	-	99	-	-	-	-	-	99	-
Omar Syed	40	24	-	64	-	-	-	-	-	64	-
Omar Al Amoudi	40	20	-	60	-	-	-	-	-	60	5.1
Ahmed Al Duriaan	40	23	-	63	-	-	-	-	-	63	6.292
AlWalid AlSenani	17.143	9.4	-	26.543	-	-	-	-	-	26.543	1.5
Jihad Ali Hakamy	22.857	11.6	-	34.457	-	-	-	-	-	34.457	3.167
Hala Mufeez	40	20	-	60	-	-	-	-	-	60	-
Third: Executive Directors (Not Applicable)											
Total	**420**	**233**	**-**	**653**	**-**	**-**	**-**	**-**	**-**	**653**	**34.288**

([1] as per policy for the Board of Directors and Board Committee Members' Remuneration Fees, Attendance Fees and Per Diem Allowance)

Other remunerations:

[2] It includes in-kind benefits – specific amount – remuneration for technical, administratove and advisory works (if any).

[3] It includes the board member's share of the profits – Granted shares (insert the value) (if any).

The proposed Remuneration Fees for 2024 will be paid post the AGM which is scheduled to be held on 12 or 13 March 2025 and subject to the shareholders' approvals.

Board Meetings in 2024 [in-person and/or virtual attendance]

Meetings of the Company's Board of Directors are held at least quarterly or more frequently as deemed necessary. There were 7 Board Meetings in 2024 which were held on 14 February, 18 April, 14 May, 13 August, 16 September, 18 September, and 12 November. Four regular Board meetings in Q1, Q2, Q3 and Q4 of 2024 were held in person while two ad-hoc Board meetings were held virtually via Microsoft Teams on 18 April and 16 September; in addition, one Board meeting for approving Q2 & H1 2024 Financials was held virtually via Microsoft Teams on 13 August.

Director	14-Feb-24	18-Apr-24	14-May-24	13-Aug-24	16-Sep-24	18-Sep-24	12-Nov-24
Khalid Al Rumaihi	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Shaikh Isa Bin Khalid Al Khalifa	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Hala Mufeez	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Omar Syed	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Tim Murray	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Roselyne Renel	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Bruce Cox	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Omar Al Amoudi	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
Ahmed Al Duriaan	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting
AlWalid AlSenani	Physical Meeting	Video Conferencing	Physical Meeting	-	-	-	-
Jihad Ali Hakamy	-	-	-	Video Conferencing	Video Conferencing	Physical Meeting	Physical Meeting

Video Conferencing   *Physical Meeting*

CORPORATE GOVERNANCE

Chairman's Duties and Responsibilities

Pursuant to Chapter 2 -- Corporate Governance Principles, Section One, Principle 1: the Company Shall be Headed by an Effective, Qualified and Expert Board -- in the Corporate Governance Code 2022, the Chairman of the Board's responsibilities include but not limited to:

- Representing Alba before others;
- Ensuring that the directors have access to complete and accurate info in a timely manner;
- Ensuring that the Board discussed all information as stated in the agendas for each meeting;
- Encouraging effective communication between Alba's shareholders and BoD;
- Encouraging all directors to effectively exercise their roles in the best interest of Alba;
- Preparing agendas for the Board meetings and General Assembly meetings (AGM and EGM); and
- Holding meetings with non-executive and independent directors without the attendance of the executives to take their views on matters related to the company's activity.

Board's Duties and Responsibilities

Pursuant to Chapter 2 -- Corporate Governance Principles, Section One, Principle 1: the Company Shall be Headed by an Effective, Qualified and Expert Board -- in the Corporate Governance Code 2022 and in addition to Alba's Memorandum and Articles of Association of the Company (the "Articles"), the Board's duties include but not limited to:

- Setting and monitoring the overall business strategy and business plan for the Company;
- Ensuring that the operations run smoothly to achieve the company's objectives and that they do not conflict with the applicable Laws and Regulations;
- Reviewing and approving financial statements which accurately disclose the Company's financial position;
- Monitoring management performance;
- Convening and preparing the agenda for shareholders' meetings;
- Monitoring conflicts of interest and preventing abusive related-party transactions;
- Assuring equitable treatment of shareholders including minority shareholders;
- Exercising all powers and performing necessary acts for the management of the Company in conformity with its objectives, within the bounds of the Law, the Articles of Association, and resolutions of the General Meetings;
- Setting and reviewing key Company policies;
- Determining the remuneration for Directors, subject to the approval of the shareholders' Annual General Meeting, taking into consideration the provision of Article 188 of the Commercial Companies' Law;
- Setting the Management structure; appointing or removing key/senior executives and employees, determining their duties, setting their remuneration and incentive programmes, (ensuring that these are aligned with the long-terms interests of the Company and shareholders), and overseeing succession planning;
- Forming Executive and ESG, Audit and other Committees, appointing their members and specifying their powers, as well as ensuring a formal board nomination and election process;
- Ensuring the integrity of the Company's accounting and financial reporting systems, and that appropriate systems of control are in place, particularly for risk management, financial and operational control as well as compliance with the law and relevant standards; and
- Approving matters reserved to the Board in the 'Levels of Authority' document reviewed by the Board from time to time.

Types of Material Transactions Requiring Board's Approvals

The Levels of Authority (LoA) summarizes areas relating to strategies, long-term commitments, and policies where approval of the Board is necessary. These include:

- Investment and expansion projects above monetary thresholds in accordance with capital expenditure policy approved by the Board and as set out in the LoA;
- Sales and purchase contracts (materials and services) greater than 5-years and, in some instances, above certain monetary thresholds and contract quantities;
- Equity and dividend related recommendations for Shareholders' approval;
- Recommendation of acquisitions, mergers, diversification, divestment, expansions, and other business combination related decisions for Shareholders' approval;
- Strategic hedging strategies;
- Cumulative short-term borrowing limits;
- Annual Operating Plan and Annual Marketing Plan; and
- Key policies such as the Levels of Authority (LoA), Code of Conduct, Tender Policy, Risk Management Policy, Capital Expenditure Policy, Board and Committee Charters, and key HR Policies.

Conflict of Interest

Alba empowers its Board members to uphold the highest standards of ethical conduct by emphasizing the absolute need for prompt disclosure of any conflicts of interest, whether stemming from the Board and Committees' agenda items or external appointments, that could impair their judgment. Prior to every Board and Committee meeting, the members are notified of their obligation to disclose any potential conflicts of interest.

In 2024, the Board members set a strong example by actively declaring conflicts and abstaining from voting in relevant matters.

Date	Meeting	Conflict of Interest	Declared By
14 MAY	Board Meeting	Alba's Customer, GARMCO	Ahmed Al Duriaan AlWalid AlSenani
18 SEPTEMBER	Board Meeting	Alba's Customer, GARMCO	Ahmed Al Duriaan
12 NOVEMBER	Board Meeting	Project Sunshine (Ma'aden-related)	Ahmed Al Duriaan Omar Al Amoudi Jihad Ali Hakamy

CORPORATE GOVERNANCE

Details of Transactions with Related-Parties (Nature of Relationship and Transaction Type)

Alba undertakes transactions with related parties as part of its ordinary course of business. As per the definitions by the International Accounting Standards 24 Related Party Disclosures (IAS 24), the Company qualifies as a government related entity. The Company purchases gas and receive services from various government and semi-government organisations and companies in the Kingdom of Bahrain. Other than the purchase of natural gas, other conducted transactions for the normal course of business are not considered to be individually significant in terms of size. Related party transactions of material nature are discussed by the Board and are as follows:

Bapco Upstream W.L.L.	Sole supplier of all-natural gas used as fuel in the Company's power stations. Bapco Upstream W.L.L. is wholly owned by Bapco Energies B.S.C. ©, which is owned by the Government of Bahrain, which in turn directly owns and controls Bahrain Mumtalakat Holding Company B.S.C.© (the Company's single-largest shareholder)
Bapco Refining B.S.C. © **Bapco Tazweed W.L.L.**	Supplies diesel to Alba. Bapco Refining B.S.C. © and Bapco Tazweed W.L.L. have the same ownership of Bapco Upstream W.L.L.
National Bank of Bahrain B.S.C. (NBB)	The Company has overall banking transactions with NBB, an associated company of Bahrain Mumtalakat Holding Company B.S.C.©, including an open credit facility to avail any short-term Borrowings, non-funding limits, participation in the Syndicated Corporate Loan Facility and in an associated Interest Rate Swap hedging transaction
Gulf Aluminium Rolling Mill Company B.S.C© (GARMCO)	The Company sells its products to GARMCO which is an associated company of Bahrain Mumtalakat Holding Company B.S.C. © The Company buys aluminium scrap from GARMCO & receives interest income in relation to its restructured loan agreement with GARMCO
Asturiana de Aleaciones S.A.	The Company sells its aluminium products to, as well as purchase raw materials (Alloys) from Asturiana de Aleaciones S.A. which is one of the associates of Bahrain Mumtalakat Holding Company B.S.C. ©
Aleastur Bahrain	The Company sells its aluminium products to Aleastur Bahrain, which is also one of the associates of Bahrain Mumtalakat Holding Company B.S.C. ©
Bahrain Telecommunications Company B.S.C. (Batelco)	The Company also conducts regular transactions with Bahrain Telecommunications Company B.S.C. (Batelco) which is an associated company of Bahrain Mumtalakat Holding Company B.S.C. ©
Electricity and Water Authority (EWA)	Under the terms of a water supply-agreement dated to 5 August 2002, the Company sells more than half of the water produced at the Calciner to the Government of Bahrain through EWA. This contract is for a period of 25-years and the water is sold at a rate of 225 fils per cubic meter. The electricity required by the Company's Calciner is supplied by the national grid which is operated by EWA
Bahrain International Circuit Company W.L.L.	The Company extends sponsorship to Bahrain International Circuit Company W.L.L. for Bahrain Formula 1 Grand Prix
Gulf Air B.S.C. ©	The Company conducts regular transactions with Gulf Air B.S.C. © which is a subsidiary company of Bahrain Mumtalakat Holding Company B.S.C. © for transportation and freight
Gulf Hotel Group B.S.C.	The Company relies on Gulf Hotel B.S.C. which is an associated company of Bahrain Mumtalakat Holding Company B.S.C. © for hospitality services/food catering
Mazad B.S.C. ©	The Company relies on Mazad B.S.C. ©, a subsidiary of Bahrain Mumtalakat Holding Company B.S.C. © for auction services
Rumco Group W.L.L.	The Company relies on Rumco Group W.L.L. for diesel (no transaction was done in 2024)
Amriya Group	The Company relies on Amriya Group for hospitality services/food catering

In addition, around 50% of the land housing Alba's various facilities is licensed or leased to the Company by the Government of Bahrain or entities directly or indirectly owned/controlled by the Government of Bahrain. Further information can be found in Note 25 – Transactions with Related Parties in Alba's Consolidated Financial Statements of 2024.

To note, all transactions with Related Parties and/or intra-company are done on arms' length and audited by the Company's External Auditors.

Board Committees Structure

In alignment with best corporate governance practices, Alba Board of Directors has established a robust committee structure to effectively oversee critical areas of the Company's operations. These Committees, each with a clearly defined charter, enhance the Board's ability to fulfill its fiduciary duties and make informed decisions. The following chart summarises the Company's Board Committee Structure.

The Board Audit Committee

The Board Audit Committee is responsible to review financial reporting, internal controls, and legal adherence in addition to recommending and overseeing the external audit process.

The Board Audit Committee comprises four Directors all of whom are non-executive and half of them are independent. The Board Audit Committee (BAC) consists of: Shaikh Isa bin Khalid Al Khalifa (the Chairman of BAC who is independent), Mrs. Roselyne Renel (independent), Mrs. Hala Mufeez (non-independent), and Mr. Jihad Ali Hakamy who joined Alba's BoD on 01 June (non-independent).

To note, Mr. AlWalid AlSenani (former member of the BAC) retired from Alba's BoD on 01 June.

As per the Charter of the Board Audit Committee (last version was approved on 14 February 2024), the Directors are required to meet at least 4 times a year and/or when necessary. In 2024, the Board Audit Committee met 5 times on 12 February, 13 May, 12 August, 17 September, and 11 November. Four regular BAC meetings were held in person in Q1, Q2, Q3 and Q4 of 2024 while one BAC meeting for endorsing Q2 and H1 2024 Financials was held virtually via Microsoft Teams on 12 August.

Director / Member	12-Feb-24	13-May-24	12-Aug-24	17-Sep-24	11-Nov-24
Shaikh Isa bin Khalid Al Khalifa	Physical Meeting	Physical Meeting	Video Conferencing	Physical Meeting	Physical Meeting
Roselyne Renel	Physical Meeting	Physical Meeting	Video Conferencing	Physical Meeting	Physical Meeting
Hala Mufeez	Physical Meeting	Physical Meeting	Video Conferencing	Physical Meeting	Physical Meeting
AlWalid AlSenani	Physical Meeting	Video Conferencing	-	-	-
Jihad Ali Hakamy	-	-	Video Conferencing	Physical Meeting	Video Conferencing

Video Conferencing *Physical Meeting*

CORPORATE **GOVERNANCE**

External Auditors

Auditor's Profile & Overview of its Professional Performance
Ernst & Young has been appointed as External Auditors for 2024 further to Alba shareholders' approval during the Annual General Meeting which was held on 07 March 2024 [as per Section 10 – Principle, 10 First E of the Code: an external auditor shall be appointed for a term of one financial year, to be renewed for similar periods not exceeding five (5) consecutive financial years].

EY has been in Bahrain since 1928, making it the oldest and most prominent professional service firm operating in Bahrain for more than 90 years. With around 350 employees and 12 partners in Bahrain, Ernst & Young aligned its service offerings to better understand market needs and service client requirements.

Fees & Charges for the Audit and/or Services Provided in 2024

Name of the Audit Firm	Ernst & Young
Years of Service as Alba's External Auditors	Since 2023
Name of the Partner in Charge of Alba's Audit	Nader Rahimi
Total Audit Fees for the Financial Statements	BD70,850 [BD45,500 for Year-End Audit; BD25,000 for Three Quarterly Reviews; BD350 Filing fee]
Audit Related Services	BD5,575 [BD2,575 for Group Reporting to Shareholder's Auditor and BD3,000 for ASBS Audit]
Other Special Fees and Charges for Non-Audit Services other than Financial Statements for 2024 if any ((as approved by the Board Audit Committee). In the Absence of such Fees, this Shall be Expressly Stated	BD41,385 [BD2,060 towards Professional Services Related to Corporate Governance Report; BD2,500 Inventory benchmark fee; BD30,080 Pillar 2 & Transfer Pricing Report; BD4,790 AUP Executives' Payroll; BD1,955 Singapore Office Setup Phase C]

The Nomination, Remuneration and Corporate Governance Committee (NRCGC)

The responsibilities of the Nomination, Remuneration and Corporate Governance Committee revolve around three core areas: - Board Nominations/Appointments: ensuring independence, qualifications, and diversity of board members in compliance with regulations; - Compensation: establishing and overseeing fair and responsible compensation packages for C-suite levels in addition to directors' remuneration; - Corporate Governance: monitoring compliance with legal and ethical standards.

The Nomination, Remuneration and Corporate Governance Committee comprises three Directors - all of whom are non-independent and non-executive Directors. The NRCGC consists of Mr. Khalid Al Rumaihi (who chairs this Committee) and two other Directors Mr. Omar Syed and Mr. Ahmed Al Duriaan.

As per the Charter of the Nomination, Remuneration & Corporate Governance Committee (last version was approved on 10 June 2020), the Directors are required to meet at least 4 times a year and/or when necessary. In 2024, the Nomination, Remuneration & Corporate Governance Committee met 7 times on 16 January, 14 February, 17 April, 14 May, 27 August, 18 September, and 12 November. Four regular NRCGC meetings were held in person in Q1, Q2, Q3 and Q4 of 2024 except for the ad-hoc NRCGC meetings which were held virtually via Microsoft Teams on 16 January, 17 April and 27 August.

Director	16-Jan-24	14-Feb-24	17-Apr-24	14-May-24	27-Aug-24	18-Sep-24	12-Nov-24
Khalid Al Rumaihi	Video Conferencing	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Physical Meeting	Physical Meeting
Omar Syed	Video Conferencing	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Physical Meeting	Physical Meeting
Ahmed Al Duriaan	Video Conferencing	Physical Meeting	Video Conferencing	Physical Meeting	Video Conferencing	Physical Meeting	Physical Meeting

Video Conferencing *Physical Meeting*

The Board Executive and ESG Committee

The Board Executive and ESG Committee acts as the Board's strategic compass, guiding long-term and mid-term planning, vetting projects, and optimizing resources. It also ensures efficient execution with strong governance and ESG principles while aligning with the Kingdom of Bahrain's Net Zero Emissions by 2060.

The Board Executive and ESG Committee comprises four Directors - half of whom are independent, and all are non-executive Directors. The Board Executive and ESG Committee consists of Mr. Khalid Al Rumaihi (who chairs this Committee and is non-independent) and three other Directors Mr. Omar Al Amoudi (non-independent), Mr. Tim Murray (independent) and Mr. Bruce Cox (independent).

As per the Charter of the Board Executive and ESG Committee (last version was approved on 28 September 2022), the Directors are required to meet at least 4 times a year and/or when necessary. In 2024, the Board Executive Committee met 4 times on 13 February, 13 May, 17 September and 11 November. The Executive and ESG Committee meetings in Q1, Q2, Q3 and Q4 of 2024 were held in person.

Director	13-Feb-24	13-May-24	17-Sep-24	11-Nov-24
Khalid Al Rumaihi	Physical Meeting	Physical Meeting	Physical Meeting	Physical Meeting
Omar Al Amoudi	Physical Meeting	Physical Meeting	Physical Meeting	Physical Meeting
Tim Murray	Physical Meeting	Physical Meeting	Physical Meeting	Physical Meeting
Bruce Cox	Physical Meeting	Physical Meeting	Physical Meeting	Physical Meeting

Video Conferencing *Physical Meeting*

Corporate Governance Officer's Details

Effective September 1, 2018, Ms. Eline Hilal assumed the role of Corporate Governance Officer for Aluminium Bahrain B.S.C. (Alba). Below are the contact details:

Office No.: +973 1783 5100
Mobile No.: +973 39907255
Email address: eline.hilal@alba.com.bh

Risk Management

Alba Enterprise risk management enables the Board and the Management to effectively deal with uncertainty across the organisation. It enhances value by maximizing opportunities, and minimizing the consequences and likelihood of threats, ensuring that risks are kept within an acceptable level across the entity. Risk management is a central part of Alba's governance process and management system.

CORPORATE **GOVERNANCE**

The process starts in the decentralized teams within each of the Executive Management areas who is extensively knowledgeable of the risks within their areas of responsibility. They systematically identify, quantify, respond to and monitor risks at process and departmental level. With this decentralization, teams are placed to mitigate Alba's risk exposure in the first instance. Based on understanding the business and its objectives, the risks are categorized into four areas: (1) Strategic (2) Operations (3) Compliance (4) Financial.

Different risk treatment options are utilized by the risk owners to ensure that risks are managed within the business context, business objectives, performance targets, and the Company's risk appetite.

Our risk management processes are continuously updated and adapted to match internal and external requirements. While, the Board of Directors has the overall responsibility to ensure that Alba has implemented necessary procedures for risk management, the oversight of compliance within the established Enterprise Risk Management Framework is delegated to the Board Audit Committee.

Risk Reporting & Assessment

Our corporate risk profile provides a consolidated picture of our risk exposure by detailing each risk, risk category and type, as well as level of inherent and residual risks. Our reporting process defines six risk dashboards to include Operational, Financial (Liquidity/Credit/Covenants), Market/Commodity, Cybersecurity, Compliance, and ESG. The risk descriptions provide details of the event, its status, threshold and an assessment of its likelihood and potential impact. Post discussion with the Executive Management, the Head of Risk consolidates the main risks in a two-dimensional risk 'heat map' which is reviewed by the Board Audit Committee on a quarterly basis and if any material updates occur on an ad hoc basis, it is then shared with the Board of Directors.

Principal Risks and Uncertainties Faced by Alba

The following risks must be carefully considered as their occurrence could have a material/ adverse impact on Alba's business operations, financial condition, and could ultimately result in a decline in the Alba's share price. Our processes of governance, control and risk management identify and provide responses to key risks through rigorous internal controls. Any failure of these systems could lead to the occurrence, or re-occurrence, of any of the risks described below:

- The cyclical nature of the Company has historically meant that there is significant Aluminium price and demand volatility as well as a relative overproduction/surplus in the industry. The Company has no control over several factors that would affect the price of Aluminium.
- The Company operates in an industry that gives potential rise to health, safety, security and environmental risks: fire, equipment breakdown, attack on the physical or IT infrastructure, civil strike or unrest, or loss of gas, power or other utilities which may result in loss of operational capability or shutdowns for significant periods; hence, resulting in a significant adverse impact on the Company's operations and financial condition.
- The loss of either of the Company's three largest customers, or its inability to recover the receivables' dues from one of them, may have a material adverse effect on its financial condition and prospects.
- The Company relies on third-party suppliers for certain raw materials, and any disruption in its supply chain or failure to renew these contracts at competitive prices may have an adverse impact on the Company's financial condition, operations, and outlook.
- The Company's competitive position in the global aluminium industry is dependent on continued access to uninterrupted natural gas supply. Further increase in the price of natural gas, or interruption in its supply, could have a material adverse effect on the Company's business, financial condition, operations, and outlook.
- The Company's business may be affected by shortages of skilled employees (including management), labour cost inflation and increased rates of attrition.
- The Company depends on the provision of uninterrupted transportation of raw materials and finished products across significant distances. Interruption of these activities could have a material adverse impact on the Company especially as prices for shipping/transportation services (particularly for sea transport) have increased over more than a year.
- The Company has interest rate hedging contracts in connection to its c.US$766.591 million Syndicated Commercial Loan that is exposed to periodic mark-to-market evaluation.
- The Company is exposed to foreign currency fluctuations which may affect its financial condition.
- There is a high level of competition in the GCC aluminium market, and the Company may lose its market share in the GCC as its peers increase their production levels.
- The Company does not insure against certain risks, and some of its insurance coverage may be insufficient to cover actual losses incurred.
- Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect the Company's business operations.

Executive Management

The Company's Executive Management oversees the day-to-day operations and executes the strategic directives set forth by the Board.

Name	Age	Position	Date of First Appointment	Appointment Date of Current Position
Ali Al Baqali	55	Chief Executive Officer (CEO)	May 1998	August 2019
Amin Sultan	56	Chief Power Officer (CPO)	May 1997	May 2017
Abdulla Habib	53	Chief Operations Officer (COO)	March 1995	December 2018
Waleed Tamimi	50	Chief Supply Officer (CSO)	May 2011	August 2019
Ahmed A. Qader	42	Acting Chief Financial Officer (ACFO)	July 2010	02 October 2023 till 14 August 2024
Hisham Al Kooheji	38	Chief Marketing Officer (CMO)	April 2011	18 September 2024
Ricardo Santana	50	Chief Financial Officer (CFO)	15 August 2024	-
Fahad Danish	37	Chief Human Resources Officer (CHRO)	27 October 2024	-

CORPORATE **GOVERNANCE**

ALI AL BAQALI
Chief Executive Officer

Chief Executive Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in May 1998

EXPERIENCE

- Appointed as CEO since August 2019, Al Baqali has been part of the Alba family for more than 2-decades and brings years of thought leadership and honed experience from within the Company. Al Baqali joined Alba as a Purchasing Officer in 1998 then moved further up the ranks to become Manager for Procurement (2010), Chief Financial Officer (2013), Deputy CEO and Chief Supply Chain Officer (2017) and Acting CEO (2019). In his Executive Management roles, Al Baqali has been instrumental in Alba's landmark Line 6 Expansion Project, especially in securing the US$3 billion financing for the Project and formulating the sourcing strategies for key raw materials.
- As a Bahraini who grew from within Alba, Al Baqali believes that Alba's growth and success depend heavily on the Company's entrenched principles on Safety, Development of Human Capital, Social and Civic Responsibility as well as Community Development. Al Baqali places Environmental, Social, and Governance (ESG) matters at the top of his priorities; his beliefs have translated into Alba establishing c.US$40 million one-of-its-kind Spent Pot Lining Treatment Plant Project, achieving the Aluminium Stewardship Initiative (ASI) Performance Certification, setting-up a Fish Farm at the Calciner & Marine Operations amongst many other initiatives.

International Memberships & Positions

- Chairman of the International Aluminium Institute (IAI) (2024– Present).
- Vice-Chairman & Director of the International Aluminum Institute (IAI) - (2019-2024).
- Member of the Board, Gulf Aluminium Council (GAC) - (2019- Present).
- Member of GCC Board Directors Institute (2021- Present).
- Member of Italia Bahrain Business Council (2021- Present).

Bahrain Memberships & Positions

- Member of the Board, Tenmou - 2014-2024.
- Member of the Board, INJAZ – 2016- Present.
- Deputy Chairman of the Board of Trustees, Bahrain Polytechnic – 2021 - Present.
- Board member of Saint Christopher's School - 2020-2021.

QUALIFICATION

- Executive MBA from Darden School of Business, University of Virginia, USA - 2018.
- MBA from Arabian Gulf University (AGU) in collaboration with ESSEC - 2014.
- B.Sc. in Accounting from the University of Bahrain - 2005.
- Chartered Institute of Purchasing & Supply (CIPS), UK - 1998.

DR. ABDULLA HABIB AHMED
Chief Operations Officer

Chief Operations Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in March 1995

EXPERIENCE

- Currently, the Chief Operations Officer since 02 December 2018.
- Formerly, he was the Director of Reduction Line 6 Start-up (2017) in charge of commissioning and startup of Line 6, and he was Director of Reduction Lines and Services. (2015-2018).
- Joined Alba as Trainee Engineer and during the last 27 years, Dr. Habib has held the roles of Superintendent Reduction Line, R&D Manager, Reduction Lines Manager, and Marketing Customers Technical Support Manager.
- Played a vital role in improving safety performance across Alba Operations.
- In-charge of Line 5-recovery in 2017, after a long power outage, and led it as one of the safest and faster recoveries in the world.
- Member of many international committees related to Aluminium Industry like The Minerals, Metals & Material Society (TMS) and The International Committee for Study of Bauxite, Alumina and Aluminium (ICSOBA)
- Previous advisor to the College of Engineering in University of Bahrain.

QUALIFICATION

- PhD in Chemical Engineering & Masters in Aluminium Smelting from University of New South Wales, Australia.
- B.Sc. in Chemical Engineering with first honor from University of Bahrain.
- MBA from Arabian Gulf University (AGU) in collaboration with ESSEC - 2016.

AMIN SULTAN
Chief Power Officer

Chief Power Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in May 1997

EXPERIENCE

- Currently, he oversees Alba's 3,665 MW ISO Power & Utilities and Power Station 5 new Block 4 680 MW (using J-class gas turbine technology) combined cycle construction project.
- Oversaw the new 1,800 MW Power Station 5 (using H-class gas turbine technology), which was part of Alba's Line 6 Expansion Project.
- In charge of Environment, Social and Governance ESG at ALBA in addition to overseeing ALBA wide property and business interruption all risks insurance.
- Played an instrumental role in Alba's organisation restructuring process in 2010, implementation of Lean & Six Sigma tools during STAR project 2012-2011 and cost saving Project Titan.
- Prior to Alba, he spent 5 years at the leading Japanese control and instrumentation firm, Yokogawa Middle East & Africa B.S.C.(c), wherein his role covered engineering, maintenance, and projects experiences in vast industries such power & utilities, refineries, and petrochemicals.

QUALIFICATION

- MBA from Arabian Gulf University (AGU) in collaboration with ESSEC - 2014.
- M.Sc. in Electrical Engineering from University of Bahrain.
- Attended various Executive Management Programmes at University of Chicago Business School and University of Cranfield School of Management.

CORPORATE **GOVERNANCE**

WALEED TAMIMI
Chief Supply Officer

Chief Supply Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in May 2011

EXPERIENCE

- In his current position as a Chief Supply Officer, Waleed oversees Procurement & Warehousing, Strategic Supply & Planning, Engineering and Operational Excellence departments
- He held the position of Chief Administration & Supply Officer since August 2019, prior to which he was the Chief Administration Officer and before that, the Director of Administration.
- He has held the position of Senior Manager of Strategic Supply & Planning, in charge of Alba's procurement requirement of major raw material and corresponding logistics, responsible for the management and development of Alba's raw material and freight suppliers' network in addition to managing all trading and selling initiatives for excess procured Alumina and surplus production of Calcined Petroleum Coke.
- In 2013, Waleed served as Manager - Operational Excellence where he led the operational excellence initiatives alongside the continuous improvement strategy and roadmap. In this role, he was responsible for the development, establishment and initiation of an Enterprise Continuous Improvement and Cost Cutting Programme (Project Titan), which aimed at improving quality, reducing lead time, and bringing in sizable cost reduction levels.
- Prior to his tenure in Alba, he was General Manager of Business Improvement Group at Rezayat Group of Companies in Khobar, Saudi Arabia where he led a strategy building initiative at Rezayat Group, resulting ultimately in the establishment and direct utilization of Balance Score Cards. He also led the development, establishment and initiation of an Enterprise Excellence Programme.
- Waleed has served for 28 years in different capacities for a number of companies in USA and in the Middle East ranging from an Implementation Consultant in a software start-up company in San Jose, California to a Six Sigma Black Belt in a world-class Aircraft Manufacturer (Lear-Jet, Bombardier).

QUALIFICATION

- MBA from Arabian Gulf University (AGU) in collaboration with ESSEC- 2016.
- BS and MS degrees in Industrial Engineering from Wichita State University, US – 1996 & 1998.
- Certified Six Sigma Master Black Belt and Lean Manufacturing Sensei.

HISHAM AL KOOHEJI
Chief Marketing Officer

Chief Marketing Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in April 2011

EXPERIENCE

- Appointed as Chief Marketing Officer in September 2024, Al Kooheji oversees Alba's Global sales team, Casthouse Operations and Maintenance departments.
- Currently, he serves as the Chairman of Alba Americas, Alba's subsidiary in USA.
- Prior to his current role, Al Kooheji served as the Director of Marketing & Logistics from 2020 where he led the establishment of Alba's branch office in Singapore and spearheaded entry into new markets such as Japan, and Tunisia. He also played a key role in driving Alba's efforts to increase Value Added Products (VAP) sales by focusing on the can-body sheet sector.
- Previously, Al Kooheji held the position of Manager Sales, GCC & MEA from 2018 and Manager Customer Service & Marketing Operations from 2017 overseeing all sales back-office functions, including billing & documentation, land and ocean logistics, production planning, pricing, compliance as well as market research.
- Joined Alba in 2011 as an Operational Excellence Specialist leading process improvement projects across the plant.

QUALIFICATION

- MBA from The College of William & Mary, Virginia, USA, 2016.
- MSc International Business & Finance, University of Reading, United Kingdom, 2009.
- BA Economic, University of Reading, United Kingdom, 2008.

RICARDO SANTANA
Chief Financial Officer

Chief Financial Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in August 2024

EXPERIENCE

- In his current position, as a Chief Financial Officer, Ricardo oversees Alba's Financial, Information Technology and Legal Departments (15.08.2024 to present)
- Prior to his tenure in Alba, he was CFO, Secretary of the Board of Directors and Head of Supply Chain and IT at Sohar Aluminium (Jan 2023 to 31.07.2024)
- Overall 25+ years of working experience across Commodities (Aluminium, Iron Ore, and Oil), Consumer Products (Ophthalmic lenses), Consulting Services and Telecom Industries. Former Member of Dutch and Brazilian Companies' Boards, as well as Joint Ventures' Financial, Audit, Operating and Projects Steering Committees.

QUALIFICATION

- MBA Finance and Controlling from Universidade Federal Fluminense, 2003-2004.
- B.Sc. in Economics from Universidade do Estado do Rio de Janeiro in 1990-1995.
- Scholar at Kellogg School of Management in 2015 and 2017.
- Certified Investor Relations Officer (CIRO) by the UK Investor Relations Society, 2015.
- Trained as Non-Executive Director/Board Member in the Portuguese and the Brazilian Corporate Governance Institutes, 2015 & 2022.

FAHAD DANISH
Chief Human Resource Officer

Chief Human Resource Officer of Aluminium Bahrain B.S.C. (Alba)
Joined Alba in October 2024

EXPERIENCE

- In his role, Fahad spearheads Alba's Human Resources strategy, overseeing all aspects of talent management, including workforce planning, recruitment, succession planning, compensation and benefits.
- With 18 years of experience in the GCC, Fahad has worked in various disciplines including Strategic and Operational Human Resources, Management Consulting; focusing on Human Resources, Change Management, Strategy, and Process Re-engineering, as well as Administration. Fahad brings a wealth of knowledge and a proven track record of success. Prior to joining Alba, he held senior leadership positions at prominent Bahraini companies including Beyon (Bahrain Telecommunications Company), Bahrain International Circuit, KPMG – Bahrain & Qatar, and Ernst & Young – Europe, Middle East, India and Africa (EMEIA).

QUALIFICATION

- Master of Business Administration (MBA) from the University of Strathclyde
- Bachelor of Science (BSc) in Business Administration from the New York Institute of Technology
- Completed Executive education courses at the University of Strathclyde and Harvard Business School.

CORPORATE GOVERNANCE

ELINE HELAL
Corporate Governance Officer

Director - Investor Relations, Insurance & Corporate Secretary
Joined Alba in March 2011

EXPERIENCE

- Currently, she is the Director of Investor Relations, Insurance and Corporate Secretary since February 2020.
- Brings with her years of honed experience across matrixed functions namely Investor Relations, Corporate Communications, Corporate Secretariat, Corporate Governance, Insurance as well as Strategy & Business Development.
- Joined Alba as Manager Investor Relations (IR) in March 2011 to build the IR function from the ground, develop & lead the IR team. In her 10+ years career in Alba, she also held on top of her IR role, Public Relations for 5 years and was acting as Strategy and Business Development Manager since July 2018.
- Has a well-versed experience in corporate governance, compliance, and regulatory skills for working in Debt and Equity markets, especially on Emerging Markets and in particular the Middle East.
- Renowned as a media relator as well as financial communication advisor for C-levels in the region.
- Started as a financial analyst at the Middle East mobile operator Zain Group in early 2007, then joined Investor Relations as senior IR analyst till January 2011.

QUALIFICATION

- Completed Senior Executive Leadership Programme (SELP12) from Harvard Executive Business School - 2023.
- MBA from Arabian Gulf University (AGU) in collaboration with ESSEC - 2015.
- MSc in International Finance from University of New South Wales, Australia - 2006.
- Bachelor of Science in Banking & Finance from Lebanese American University (LAU) - 2003.

Shareholding by Executive Management

Name	Position	Shares Held by 31 Dec'23	Shares Held by 31 Dec'24
Ali Al Baqali	CEO	1,000	1,000
Amin Sultan	CPO	3,000	3,000
Abdulla Habib	COO	3,777	3,777
Waleed Tamimi	CSO	-	-
Hisham Al Kooheji	CMO	-	-
Ricardo Santana	CFO	-	-
Fahad Danish	CHRO	-	-

Total Remunerations Paid to Key Executives

The Company's well-defined performance system -- guided by the Nomination, Remuneration & Corporate Governance Committee (NRCGC) -- fosters transparency in performance evaluation as well as rewarding employees and key Executives. The top seven key Executives' compensation -- including salaries, benefits, and allowances -- amounted to BD1,992,619 (full breakdown is tabled below):

(in BD)

Executive Management	Total Paid Salaries & Allowances	Total Paid Remuneration (Bonus)	Any Other Cash-in-Kind Remuneration	Aggregate Amount
Chief Executive Officer, Chief Marketing Officer, Chief Power Officer, Chief Operations Officer, Chief Supply Officer, Chief Financial Officer, and Chief Human Resources Officer	1,099,224	748,923	144,472	1,992,619

Details of any Irregularities During the Financial Year

The Company recognises that the current composition of the Board, Audit Committee and its Nomination, Remuneration, and Corporate Governance Committee (NRCGC) may not fully comply with the director independence requirements set forth in the Central Bank of Bahrain (CBB) High-Level Controls Module (HC-1.4.5) and the Ministry of Industry and Commerce (MOIC) Corporate Governance Code. The Company has promptly notified its major shareholders of this non-compliance and is actively engaged in discussions with them to seek appropriate remedial measures.

In the interim, the Company has secured a temporary waiver from CBB with respect to the independence requirements. This waiver is subject to ongoing review as the Company undertakes to diligently pursue mitigation strategies including potential Board and NRCGC composition changes to achieve full compliance with CBB regulations and MOIC Code by the new Board term in 2026.

The Board believes the specific circumstances surrounding the Directors' classification as non-independent do not pose actual conflicts of interest or hinder their ability to exercise independent judgment.

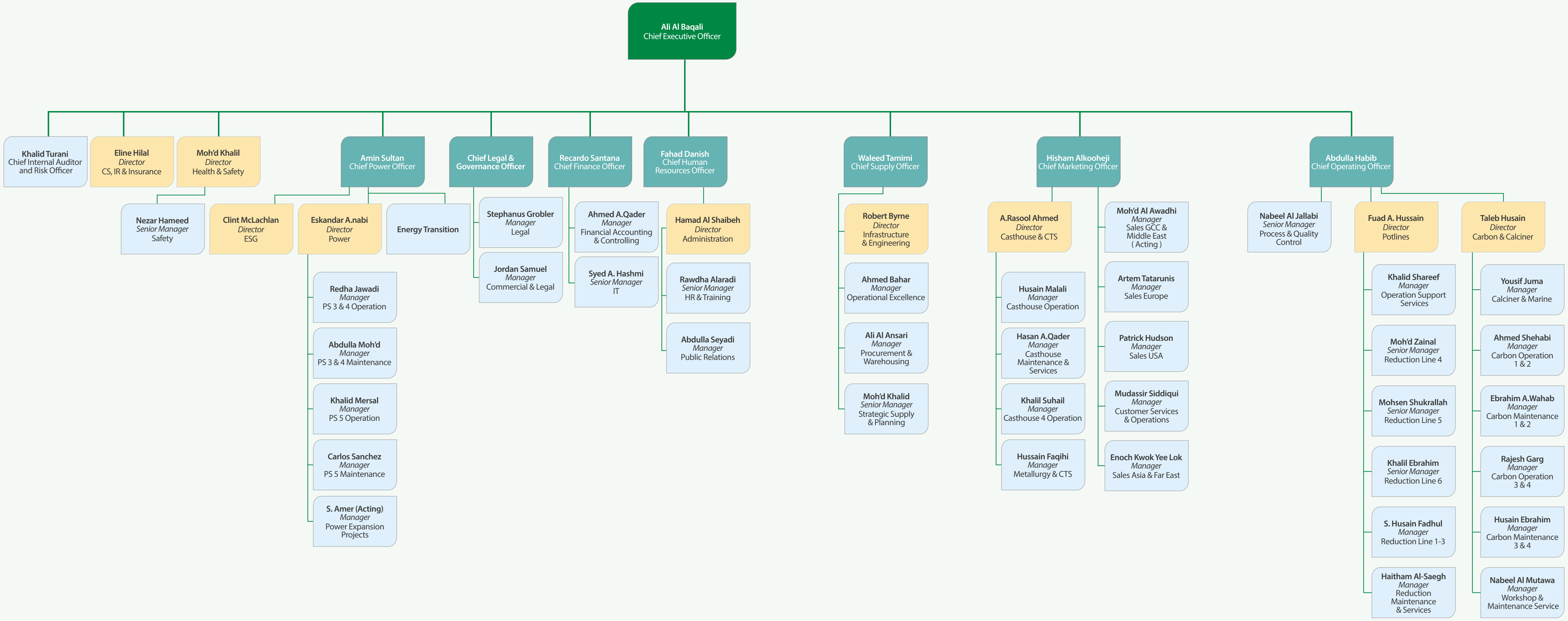
Cash and in-Kind Contribution Made by the Company

Community-driven impact: the Company spent c.BD2.375 million to touch diverse aspects of local and community life, driving positive change through educational programmes, fostering healthy living through sports, conservation of local heritage, and impactful ESG-led activities in line with the Company's ESG Roadmap.

Significant Events

- Guided by the principles of good corporate governance, Alba Board of Directors reviewed on 13 February the Company's House of Strategy with key focus areas on growth initiatives, energy transition, financial sustainability, risk management, and ESG. In addition, the Board of Directors approved the following new Vision, Mission and Values for Alba.
    - Vision: To drive the aluminium industry forward through human talent and innovation from Bahrain to the world.
    - Mission: Drive long-term sustainable value for all stakeholders by capitalising on the strength of our product portfolio, anchored in our enduring dedication to safety and efficiency.
    - Values: Safe & Green, Team, Ethics, Excellence and Resilience.
- To ensure effective oversight of the contemplated combination of Alba with segments of Maaden's Aluminium Strategic Business Unit, Alba Board of Directors established a dedicated Steering Committee on 14 May. The Steering Committee is tasked with guiding the project's execution, overseeing due diligence activities and ensuring alignment with the Company's strategic objectives.
- Alba announced on 16 September a Non-Binding Agreement to Explore Potential Business Combination with Segments of Maaden's Aluminium Strategic Business Unit.
- Alba was notified on 17 September by its shareholder, SABIC Industrial Investment Company (SIIC) (a wholly owned subsidiary of SABIC) of an agreement for the sale of its 20.62% shareholding in Aluminium Bahrain B.S.C. to Saudi Arabian Mining Company (Ma'aden). [SABIC Industrial Investment Company (SIIC) has a substantial shareholding of more than 10% in Alba's issued and paid-up capital and as such, this transaction is subject to CBB's approvals].
- Succession planning is a critical component of the Board's strategic oversight. A dedicated workshop was held on 18 September to review and refine the Company's succession planning process as well as ensure its long-term sustainability.

Alba Management Structure



CORPORATE **GOVERNANCE**

Means of Communications with Shareholders & Investors

Alba engages with its shareholders and investors on a regular basis and as required as follows:

Stakeholders Category	Methods of Engagement	Frequency of Engagement
Shareholders & Investors **Bahrain Mumtalakat Holding Co. BSC ©, SABIC Industrial Investments Co. (SIIC) & the General Public**	• Investor Relations Presentation • Sustainability Report • Annual Report • Press Releases & Alba Social Media Platforms • Investor Relations Toolkit • Integrity Line	• Quarterly basis • Yearly report • Yearly report • As and when required • Quarterly basis • As and when required

Ownership Structure (31 December 2024)

Bahrain Mumtalakat Holding Company

69.38%

SABIC Industrial Investment Company

20.62%

General Public

10%

- Alba was converted into a Bahrain Public Joint Stock Company on 23 November 2010.
- Alba shares are listed on two exchanges: Ordinary Shares on Bahrain Bourse and Global Depository Receipts (GDRs) on the London Stock Exchange – Alternative Investment Market.
- Alba Ticker [Bahrain Bourse: ALBH, BD1.300 on 31 December 2024].

The below detailed tables outlines shareholders' equity and distribution, offering insights in the Company's ownership in terms of local, Arab and Foreign, in addition, to distribution by size of ownership:

Shareholder Classification	Shareholding %			
	Individuals	Corporates	Government or Organisations	Total
Local	0.598%	71.760%	0.015%	72.373%
Arab	0.403%	25.701%	-	26.104%
Foreign	0.032%	1.491%	-	1.523%
Total	1.033%	98.952%	0.015%	100.00%

Shareholding (Share)	No. of Shareholders	Number of Shares Held	Shareholding %
<50,000	2,644	6,722,908	0.473%
50,000 to 500,000	80	12,911,889	0.909%
500,000 to 5,000,000	42	76,350,271	5.377%
>5,000,000	6	1,324,014,932	93.240%
Total	2,772	1,420,000,000	100.00%

Compliance with the Provisions of the Code

Principle	Non-compliant	Partially Compliant	Fully Compliant	Explanation in case of non-compliance
Principle 1: The Company shall be headed by an effective, qualified and expert board.			✓	
Principle 2: The directors and executive management shall have full loyalty to the company.			✓	
Principle 3: The Board shall have rigorous controls for financial audit and reporting, internal control, and compliance with law.			✓	
Principle 4: The Company shall have effective procedures for appointment, training, and evaluation of the directors			✓	
Principle 5: The Company shall remunerate directors and senior officers fairly and responsibly.			✓	
Principle 6: The Board shall establish a clear and efficient management structure for the Company and define the job titles, powers, roles, and responsibilities.			✓	
Principle 7: The Company shall communicate with shareholders, encourage their participation, and respect their rights.			✓	
Principle 8: The Company shall disclose its corporate governance.			✓	
Principle 9: Companies which offer Islamic services shall adhere to the principles of Islamic Shari'a*			N/A	
Principle 10: The Board shall ensure the integrity of the financial statements submitted to shareholders through appointment of external auditors.			✓	
Principle 11: The Company shall seek through social responsibility to exercise its role as a good citizen.			✓	

** Applicable only to the companies offering Islamic services*

We believe in driving positive change through strong partnerships with our customers to build a more sustainable future

Ali Al Baqali
Alba's CEO

PRODUCTS & MARKETS

2024: Global Market in Focus (Demand & Supply)

- The global aluminum market presented a complex picture, shaped by both macroeconomic headwinds and region-specific trends. While the global economy displayed resilience with moderating inflation and stabilising growth, geopolitical tensions and supply constraints posed ongoing risks. Demand exhibited regional variations: China saw a 4% year-over-year increase, driven by energy and transportation sectors, though oversupply concerns persisted; the Middle East experienced a modest 1% rise, with Bahrain leading regional growth at 4%; Europe's consumption remained flat, impacted by manufacturing weaknesses; and North America witnessed a 1% decline, with sector-specific fluctuations.
- On the supply side, China's output grew by 3%, nearing its capacity limit, while Europe saw a 2% increase supported by Germany and Russia. The Middle East's supply rose by 1%, with Saudi Arabia contributing significantly. North American production fell by 2%, primarily due to the closure of the New Madrid smelter in the US.
- The global market balance reflected a slight deficit with inventories falling below historical norms, indicating a tighter market, a slight deficit with China (c. 242,000 MT), and surplus without China (c. 41,000 MT).
- LME Cash averaged US$2,419/t in 2024 - up by 7% YoY.

Below are the Sales' Breakdown by Footprint and Product-Line

AMERICAS 14.3%

MENA 16%

EUROPE 27.4%

ASIA 14.9%

BAHRAIN 27.4%

72.6% of Alba products are exported worldwide through its Sales offices in Zurich & Singapore as well as Subsidiary in Atlanta - US

For more details regarding Alba Aluminium Products please scan the QR Code

2024 Metal Sales at
+US$4.313 billion

Metal Sales' Volume
1,611,638 metric tonnes (MT), + 1% YoY

Value-Added Product (VAP) Sales
1,157,328 metric tonnes (MT), + 5.6% YoY

Value Added Sales
72% up from 68% in 2023

PRODUCTS & MARKETS

Mixed Macroeconomic Outlook in 2025: Trade Turbulence Dominates the Landscape

- **Market Uncertainty Persists:** 2025 started with significant volatility in LME prices. The possibility of a global trade war remains, as paused tariffs on Canada and Mexico could still be implemented later. Renewed discussions of EU sanctions on Russian aluminium ahead of the three-year anniversary of the Ukraine war add to market uncertainty.

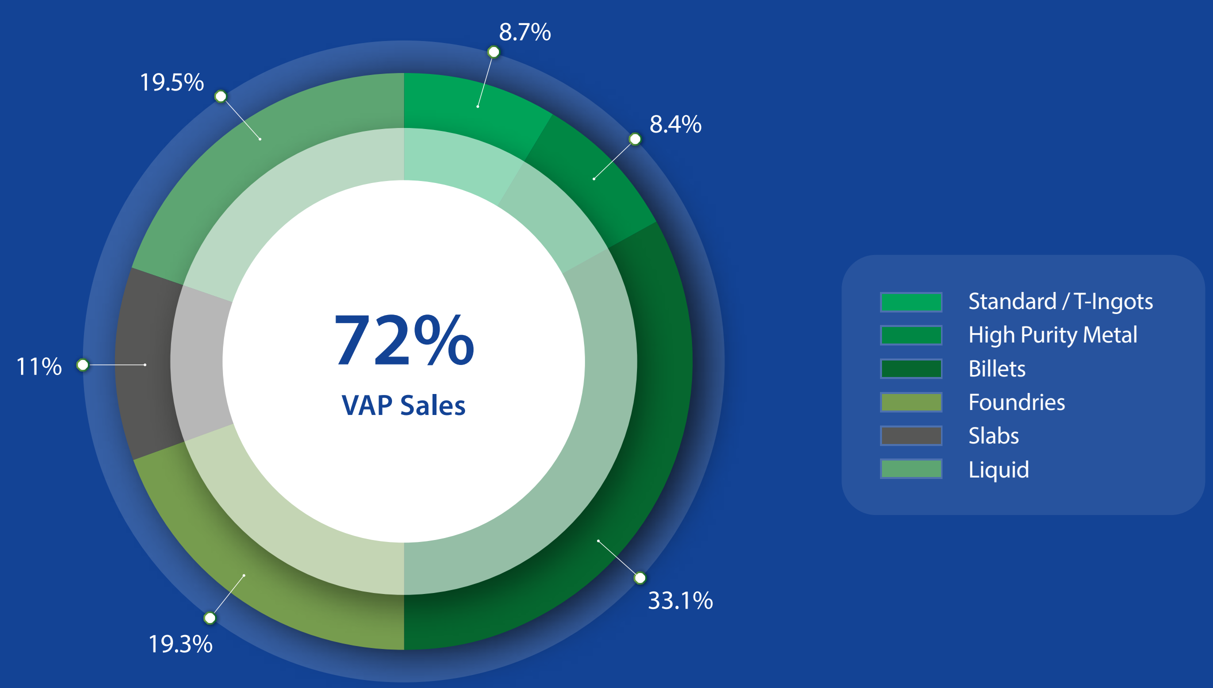
- **Demand Outlook:** Aluminium demand globally has started 2025 slowly. A recovery is anticipated in the second half of the year, but this depends on the longevity and scope of tariffs. Modest demand growth is expected for both China and the rest of the world in Q1 2025.

- **Supply Conditions:** Limited global supply growth is forecasted for 2025, following recent curtailments and delayed ramp-ups, with China nearing its 45 million metric tonne capacity.

- **Premiums Outlook:** The Midwest ingot premium has risen recently due to tariff announcements. European ingot premiums may face bearish pressure especially if US enforces a 25% tariff.

- **LME Price Forecast:** Expected to fluctuate between US$2,400/t and US$2,500/t influenced by a mix of bearish and bullish market forces.

Sales Breakdown by Product Line



PRODUCTS &
MARKETS

Our customers' success is our success. That's why we go the extra mile to build long-lasting partnership with our clients based on trust and collaboration.

Hisham Al Kooheji
Alba's CMO

+280
Global Customers

+50
Countries

POWER STATION 5 **BLOCK 4**

Enhancing Efficiency and Sustainability

Aerial view of Alba's Power Station 5 Block 4

Project Overview

Power Station 5 Block 4, featuring a 680.9 MW generating capacity at 25°C and 54.6% efficiency, was successfully commissioned and formally handed over to Alba on December 22, 2024. This advanced block comprises a Mitsubishi M701JAC gas turbine, a Hitachi steam turbine, an SPX-Air Cooled Condenser, and a XIZI HRSG, along with supporting infrastructure.

Technology

The M701JAC gas turbine represents cutting-edge technology, delivering high temperature, high efficiency, and low NOx emissions.

Capacity & Efficiency Gains

- The project has expanded the Power Station 5 Complex's nameplate capacity from 1.8 GW to 2.4 GW. Overall power station efficiency has increased:

  o From 48.70% to 50.99% during summer.
  o From 50.02% to 52.25% during winter.

- Achieved LHV efficiencies of 60.80% (winter) and 59.14% (summer), with NOx emissions within regulatory limits.

Sustainability Impact

Block 4 significantly contributes to Alba's efforts to reduce Greenhouse Gas (GHG) emissions, aligning with Bahrain's Net Zero 2060 objectives and Alba's ESG Roadmap.

Project Management and Execution

- Alba's core team, in collaboration with ESBI International, managed the project.
- Main contractors included SEPCOIII Bahrain Construction Company (lead), Tiejun International DMCC, and Mitsubishi Power Limited, with engagement of local subcontractors.
- The Project was completed one month ahead of schedule, within budget, and maintained exceptional safety standards.

KEY FACTS

BLOCK 4 CAPACITY	SAFETY PERFORMANCE
680.9 MW	**1 Million** Hours without LTI

COMBINED CYCLE EFFICIENCY RATE	TRAINING HOURS FOR ALBA EMPLOYEES
+60% One of the highest in the industry	**+8,000** Hours

KEY MILESTONES

- **16 May 2022** – EPC Agreement signed with Mitsubishi Power & SEPCOIII
- **26 September 2022** – First Concrete Pour
- **14 November 2022** – Securing Financial Close
- **20 March 2023** – Procurement & Foundation Works Completed
- **16 October 2023** – Arrival of M701JAC Gas Turbine
- **23 April 2024** – First Fire of the Gas Turbine
- **22 December 2024** – Commercial Operation Commencement, 1-Month before Schedule

KEY DEVELOPMENTS

Post Block 4 commisioning

Total Capacity of Power Stations	GHG emissions intensity ratio to be reduced by
+4,200 MW at 25°c	**0.5** Tonnes of CO_2 per one tonne of aluminium produced

At Alba, SHE is the heartbeat of our daily endeavour, propelling us to the forefront as one of the world's largest and safest smelter on one site.

Ali Al Baqali
Alba's CEO

SAFETY AND **HEALTH**

Championing Safety & Health

No matter the industry or business, employee Safety & Health is a key factor in its success. Protecting an employee from work-related injuries, illnesses, and fatalities is the basic responsibility of any company. When the work environment is safe, it helps employees to be more engaged and focused on their job, leading to higher productivity.

Employee health and safety governs Alba's day-to-day operations, earning it the reputation as one of the world's largest aluminium smelters with a top-notch safety and health culture.

Inspiring Change Through SHE Campaigns in 2024

Our robust safety foundation is strengthened by the transformative power of our Safety & Health (S&H) Campaigns, catalysts of positive change that resonate throughout the Company. In 2024, we launched two major plant-wide campaigns, each a testament to our unwavering dedication: 'SAFE and Healthy Ramadan' and 'Safety Reflection for Family's Protection'.

The 'SAFE and Healthy Ramadan' Campaign, held throughout the Holy Month of Ramadan in March, focused on staying safe and healthy while fasting and adapting to changing routines during Ramadan, through hybrid lectures by internal and external speakers, plant visits before and after Iftar, and engagement activities between the management team and shop floor workers.

The summer S&H Campaign 'Safety Reflection for Family's Protection' was held to raise awareness about summer-related illnesses and injuries and focused on prioritising the well-being of both Alba's employees and contracting company workers. The informative lectures and presentations were delivered by in-house experts and external speakers, both online and in-person, while interactive visits led by the Company's top officials focused on practical summer safety strategies. Alba's summer S&H campaigns have demonstrated significant success in effectively engaging its workforce and reinforcing the safety measures implemented throughout Alba. Over the years, the continued educational and preventative measures through the summer campaigns have led to many successes, with the most recent one being Alba marking its 8th consecutive summer with ZERO heat-related injuries and illnesses in 2024.

Transformative Safety Training & Programmes

The sheer magnitude of Alba's operations demands a sound understanding of safety practices at every level. When employees have good health and safety training, it ensures that they do their jobs effectively and safely, thus minimising all potential risks. The Company's comprehensive S&H training programmes incorporate various international and national practices and policies to ensure the effective management of various risks, cater to the specific requirements of each department, reach all stakeholders, and address legal obligations.

Number of Heat Exhaustion cases/year

In 2024, we uplifted 6,849 Alba and contractor employees, fueling a culture of safety that permeates every corner of Alba. Furthermore, a new SHE Supervisory Training Programme was launched in 2024 to enhance the expertise of contractors' supervisors, engineers, and safety officers on a range of SHE topics, thus fostering a safer work environment for all. Approximately 200 contractors were covered under this programme in 2024.

Heat stress is a significant concern in work environments such as Alba, and the Heat Stress programme is one of its most successful programmes that prioritises the safety and well-being of both employees and contractors' staff working in hot weather conditions. The flawless execution of our summer heat prevention initiatives, culminating in zero heat exhaustion cases, is a testament to the Company's unwavering commitment to safeguarding its people.

Celebrating Excellence Through Prestigious International SHE Accolades

Alba's dedication to SHE excellence has been recognised by esteemed international bodies. In 2024, we proudly received: the British Safety Council 2024 International Safety Award – Merit; the RoSPA 2024 Health and Safety Achievement Award (President's Award); the EcoVadis CSR Rating (Platinum); and the National Safety Council Award 2024 in four categories. We also successfully achieved re-certification for ISO 14001:2015, ISO 45001:2018, and the Aluminium Stewardship Initiative standards, cementing our position as a leader in sustainable and responsible practices.

Building a robust safety management system is more than a task; it's a calling to create a legacy of care.

Achieving eighth consecutive summer with ZERO heat-related injuries is not just a statistic; it's a testament to the power of education, prevention, and unwavering dedication.

Ali Al Baqali
Alba's CEO

Alba's Data Command Centre

ENVIRONMENT, SOCIAL **AND GOVERNANCE**

ESG Highlights of 2024:
Pioneering Progress, Driving Change

As a global leader in aluminium production, Alba has long recognised that environmental, social, and governance (ESG) principles are not just ideals, but essential pillars for a thriving and responsible industry. Our commitment to sustainability is deeply ingrained, driving us to champion resource efficiency, ethical business practices, and the relentless pursuit of minimizing our environmental footprint.

This year, Alba embarked on transformative initiatives that underscore our unwavering dedication to our ESG Roadmap. Detailed insights and further accomplishments are available in our comprehensive ESG Report on www.albasmelter.com.

> **We are not just producing aluminium; we are crafting a sustainable future.**
>
> **Amin Sultan**
> *Alba's Chief Power Officer*

EternAl™:
Setting New Standards in Low-Carbon Innovation

We proudly launched EternAl™, our revolutionary low-carbon aluminium product line, featuring EternAl-30 and EternAl-15, with 30% and 15% recycled content, respectively. This milestone not only answers the growing demand for sustainable solutions but also propels us towards our ambitious goal of achieving Net Zero by 2060. The independent verification by DNV, a global authority in assurance, and the securing of Capral Aluminium as our first EternAl™ customer, cements our position as a sustainability trailblazer.

Alba-Daiki Sustainable Solutions (ADSS):
Catalysing a Circular Economy

Our strategic alliance with Daiki Aluminium Industry Company Ltd. has given birth to Alba-Daiki Sustainable Solutions (ADSS), a cutting-edge aluminium dross processing facility in Bahrain. With a 70% stake for Alba and 30% for Daiki, this venture will employ state-of-the-art technology to recover valuable aluminium while significantly reducing waste. We are targeting to commence operations by September 2026, marking a significant step towards environmental stewardship and technological advancement in the region.

Alba Solar Farm:
Powering Progress with Renewable Energy

Our Alba Solar Farm, a testament to our commitment to renewable energy, is one of the largest single-site solar farms in Bahrain, achieved at the lowest EPC cost per Megawatt. The phased energisation and commissioning, including solar panels on various buildings and car parks, are progressing swiftly. We are on track to complete the integration and commissioning of all works by February 2025, powering our operations with clean and sustainable energy.

Waste Management:
Cultivating a Culture of Resourcefulness

We have successfully implemented an automated waste data collection system, ensuring robust verification of our waste KPIs. Our Water Management and Stewardship Standard report provides practical guidance for efficient water usage, addressing the critical need for sustainable water management. Furthermore, nine of our national employees completed their Professional Diploma in Waste Management, empowering them to drive innovative and integrated waste management practices.

ENVIRONMENT, SOCIAL **AND GOVERNANCE**

New, Low NOx Burners:
Reducing Emissions, Enhancing Air Quality

The introduction of new generation NOx burner nozzles has resulted in a remarkable 70% reduction in NOx emissions, showcasing our commitment to cleaner air. This achievement, driven by optimised process parameters and fine-tuned gas injection, highlights our dedication to continuous improvement and environmental responsibility.

Renewable Energy PPA:
Securing a Sustainable Energy Future

We issued a tender for a 500 MW Clean and Renewable Energy Power Purchase Agreement, inviting national and international developers. Despite encountering challenges with renewable energy intermittency and land/transmission requirements, we remain steadfast in our pursuit of securing a sustainable energy future.

Sustainable Transportation:
Driving Innovation in Operations

We launched a pilot programme to utilise an electric, battery-powered Aluminium fluoride (AlF_3) feeding vehicle, exploring the potential for fleet-wide adoption of electric vehicles.

Enhanced Sustainability Reporting: Transparent and Accountable:

- We are actively producing Carbon Border Adjustment Mechanism (CBAM) reports for aluminium imports into the EU, in line with EU Commission requirements. During the CBAM transitional phase (2023-2025), Alba has produced quarterly reports for direct and indirect GHG emissions related to aluminium exports to the EU in 2024.
- We partnered with UL Solutions to strengthen our sustainability communication, conducting stakeholder engagement sessions focused on Carbon Disclosure Project (CDP) to align with our ESG Roadmap.
- We initiated a Life Cycle Assessment (LCA) project with Sphera® ESG, building our competency in producing data inputs for LCA.
- We calculated our corporate and product carbon intensity through rigorous GHG data collection, consolidation, and verification, adhering to established international standards including the GHG Protocol, the Intergovernmental Panel on Climate Change Assessment Report 5 (IPCC – AR5) Metrics and Methodology, and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- Our Carbon Banking Programme, verified by DNV, tracks and allocates CO_2e savings, enhancing our environmental stewardship and leadership in low-carbon products.

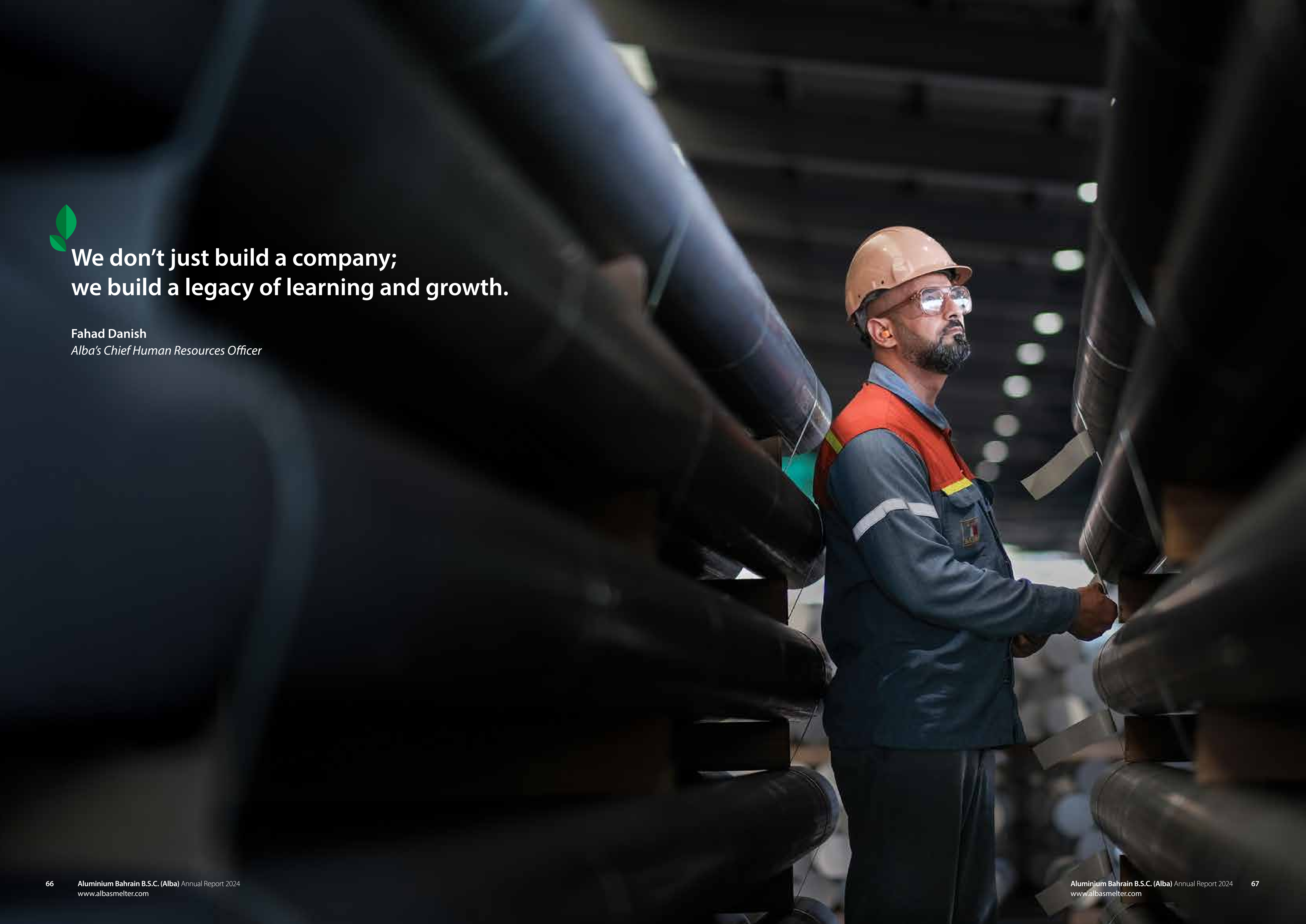
Alba is not just shaping the future of aluminium; we are forging a sustainable legacy for generations to come.

Ali Al Baqali
Alba's CEO

Building a Legacy of Sustainable Progress

Our vision for the future remains firm: to produce responsibly and sustainably. We are committed to exceeding our ESG ambitions, fostering value creation, and generating a positive social impact for all stakeholders. Our plans for 2025 include:

- Environmental Product Declaration (EPD): Launching an EPD project to provide transparent environmental impact accounts.
- Scope 3 GHG Verification: Incorporating Scope 3 emissions into our GHG accounting and verification processes.
- Bahrain's Carbon Offset Market: Exploring opportunities to invest in carbon offset projects that align with our ESG Roadmap.



We don’t just build a company;
we build a legacy of learning and growth.

Fahad Danish
Alba’s Chief Human Resources Officer

TRAINING & DEVELOPMENT

Training & Development Journey
Cultivating Potential
At Alba, we don't just forge aluminium; we forge futures. We believe our people are the cornerstone of our leadership in the global aluminium industry, and we're passionately committed to their continuous growth. We cultivate a culture of learning, where education, skill mastery, and leadership development through mentorship and coaching are paramount.

Diverse Training Initiatives
Our monthly Master Training Plan orchestrates a comprehensive suite of in-house technical, safety, and soft skills courses, designed to empower our employees across all disciplines.

Sharpening Skills from Within
The Company's seasoned instructors delivered 354 technical courses covering the intricate operations and maintenance of the smelter in addition to 62 dynamic soft skills courses, covering Leadership, Budgeting, Microsoft Office, Public Speaking, Operational Excellence (5S, Industry 4.0, Kaizen, and Six Sigma), and SAP functions (HR, PM, MM, and Finance).

Safety, Always First
Our 36 in-house safety courses, led by our dedicated Safety & Health department, inculcated a safety-conscious mindset, covering crucial topics like Fire Safety, DC Hazards, Lifting Tackles, Working at Heights, and Work Permits.

Skilling & Upskilling Bahraini Nationals for Global Benchmarking
We invested in 146 external courses, ensuring our Bahraini nationals stay at the forefront of industry advancements in areas like Risk Management, Sustainability, Health & Safety, Technical Training, HR & Management, Supply Chain & Operations, Innovation & Technology, Communication & Soft Skills, Wellbeing and Mental Health.

UNVEILING NUMBERS: TRAINING BY THE FIGURES

Training Figures for 2024 including Contractors

642,250 hrs
Total Training Hours
Alba

130,153 hrs
Total Training Hours
Contractors

772,403 hrs
Total Training Hours
Alba + Contractors

7.94%
Training
Percentage

Male Training Average
209hrs
employee/year

Female Training Average
179 hrs
employee/year

Management Staff Training Average
111 hrs
employee/year

Non-management Staff Training Average
232 hrs
employee/year

Skill Matrix Assessments for Non-Management Staff
142 Employees
(started in 2024)

Training Development Programme (TDP) for Management Staff
13 employees started in 2024
21 ongoing from previous years

Al Jisr Programme
56 Employees
currently ongoing

Al Najm Programme
7 Employees
started in 2024

TRAINING & **DEVELOPMENT**

Virtual Courses

15 In-House

21 External

Skill Matrix for Non-Management Staff (Completed)

145

TDP Reviews for Management Staff

101

Vehicle License Training

807

Vehicle Licenses Issues

493

Refresher Training for Licenses Renewal

369

Investing in Tomorrow's Leaders Through Academic Sponsorship

We believe in fostering a knowledge-driven society. Our strategic partnerships with local and international universities and institutes, including Ahlia University, Arabian Gulf University, University of Bahrain, and Bahrain Polytechnic, empower our employees to pursue academic excellence.

MoUs which the Company has established with local and international universities/institutes

University/Institute	Programme
Ahlia University	Lectures, Training Sessions and Projects
Arabian Gulf University (AGU) ESSEC – FABS	MBA
University of Bahrain (UOB)	Projects
Kingdom University (KU)	Lectures, Training Sessions, & Projects
Bahrain Institute of Banking & Finance (BIBF)	Short Courses
Arab Open University	Training Sessions for AOU Students & Alba Staff, and Research Projects

Agreements which Alba has inked with local and international universities/institutes

University/Institute	Programme
Bahrain Polytechnic (BP)	• Diploma in Mechanical Engineering • Diploma in Electrical Engineering • Top Up B.Sc. Mechanical Engineering • Top Up B.Sc. Electrical Engineering
The University of Huddersfield	• BEng Mechanical Engineering (Top-Up Programme) (Hons) • BEng Electrical Electronic & Control System Engineering (Top-up) (Hons)
Nasser Vocational Training Center (NVTC)	• Pearson BTEC International Diploma L3 in Engineering Mechanical

TRAINING & DEVELOPMENT

Academic Achievements

145 employees are currently enrolled in various academic programmes from diplomas to PhDs.

10
Number of MBA Employees Enrolled

1
Number of M.Sc. Employees Enrolled

13
Number of B.Sc. Employees Enrolled

94
Number of Top-up B.Sc./BE Employees Enrolled

26
Number of Diploma Employees Enrolled

1
Number of Ph.D. Employees Enrolled

59 employees celebrated their graduation in 2024, including MBA and BSc. degrees.

6
Number of MBA Graduates

5
Number of B.Sc. Graduates

48
Number of Top-up B.Sc./ BEng Graduates

Professional Certifications

We also facilitated a wide array of professional certifications, including Project Management Professional (PMP), NEBOSH, and ISO certifications, enhancing our employees' expertise.

Certificate	Attendees
Professional Diploma in Waste Management	7
Professional Diploma in Human Rights	3
Project Management Professional (PMP)	15
NEBOSH - Fire & Security Certificate	4
NEBOSH International General Certificate – Level 3	6
Certified Maintenance Reliability Professional	22
LEEA - Lifting Accessories Course Diploma	15
ISO 50001:2018 Energy Management System	4
ISO 20858 Awareness & Internal Auditing	10
ISO 18788 Management System	10
IATF Internal Auditor Course	12

Empowering Women: Fostering Equality and Growth

Alba champions gender equality, empowering its female workforce through targeted training and development. Nearly 45% of our female employees hold supervisory positions or above. Our female employees received 17,908 hours of training, with an average of 177 hours per employee. We offered specialised sessions on mental health, breast cancer awareness, fire safety, and leadership development.

Embracing Innovation: Virtual Reality Training

As pioneers of Industry 4.0, we launched the 'Potlines Emergencies' VR programme, revolutionising safety training. This immersive experience earned us the prestigious Brandon Hall Group HCM Excellence Award 2024. The VR programme offers a realistic training environment where trainees can practice their responses to various reduction line emergencies, including tap outs, power outages, open circuits, and alumina supply failures. This immersive experience improves decision-making and reinforces critical safety protocols.

Alba plans to expand its VR training initiatives to operational areas like Casthouses, Carbon Plants, and Power Stations to ensure a well-rounded training experience across all operational facilities.

Looking Ahead: A Legacy of Learning and Growth

Alba's unwavering commitment to training and development empowers our workforce to excel, ensuring our continued leadership in the global aluminium industry.

Alba Executive Management planting trees next to Al Dana Hall, Alba - as part of the National Tree Week Initiative

Alba: Building Together & Growing Together
As a cornerstone of Bahrain's industrial heritage, Alba's commitment to Corporate Social Responsibility (CSR) is woven into the very fabric of our operations. We believe that true success is measured not only by our achievements as a leading aluminium producer but also by the positive impact we create in the community we serve. Building upon our 50-plus year legacy, 2024 saw Alba's CSR initiatives illuminating pathways for environmental stewardship, nurturing local talent, empowering women, and fostering the sustainable development of Bahraini society.

Empowering Through Partnership and Engagement
We understand that collaboration is the catalyst for progress. Alba actively partners with diverse organisations, from educational institutions to vocational centers, to deliver transformative training and workshops that empower individuals with essential skills and a thirst for lifelong learning. Our partnership with INJAZ Bahrain demonstrates this commitment. In 2024, a remarkable 77 Alba employees dedicated their time and expertise, delivering 111 training sessions and contributing a total of 1,040 hours of invaluable training to Bahraini students. This collaborative effort not only empowers the next generation but also aligns seamlessly with Bahrain's Economic Vision 2030.

Beyond education, we champion the spirit of athleticism and cultural enrichment. Our unwavering support for local and international sporting events, including the Rashed Equestrian & Horseracing Club activities, HM the King's Youth Endurance Race, Alba Sports Festival, and the Bahrain F1 Grand Prix, reflects our dedication to promoting a vibrant and dynamic society. Similarly, our patronage of arts and cultural institutions like the Shaikh Ebrahim bin Mohamed Cultural Centre and Beit Al Quran underscores our belief in the power of culture to inspire and unite.

Direct Community Initiatives: Nurturing a Brighter Future
Throughout 2024, Alba extended its reach to the heart of the community, launching impactful initiatives that addressed critical needs and fostered a sense of shared responsibility. In harmony with HRH the Crown Prince and Prime Minister Prince Salman bin Hamad Al Khalifa's National Tree Week initiative, we planted trees at our Al Dana Garden, symbolising our commitment to environmental sustainability. Furthermore, our collaboration with public authorities resulted in the planting of thousands of local trees along King Hamad Highway, complemented by an advanced sustainable irrigation system. Our volunteers also joined the Southern Governorate's "We Protect our Desert" campaign, cleaning up the areas surrounding the iconic "Tree of Life."

Success: Measured by Community Impact. We believe our achievements are defined not just by production, but by the lasting positive change we create.

Ali Al Baqali
Alba's CEO

We prioritised safety and health, hosting emergency readiness workshops for Ministry of Works engineers and conducting summer preparation workshops for our contractor companies. Our month-long Breast Cancer Awareness Campaign, featuring medical check-ups and informative lectures, empowered our female employees with knowledge and support.

We also embraced inclusivity, hosting the Bahrain Sports Deaf Association's bowling league and organising a day of fun and games for the children of the Al Sanabel Orphan Care Society. Further, we welcomed students from prominent schools and universities, including the University of Bahrain and Applied Science University, providing them with invaluable insights into our operations and the vital role we play in Bahrain's economy.

A Legacy of Impact and Inspiration
By weaving our values and ethics into the fabric of our daily operations, Alba has become a catalyst for positive change in the community. Our unwavering commitment to CSR was recognised with the prestigious Al Bilad CSR Award 2024 (Grand Prize), a testament to our dedication to making a meaningful difference. As we look to the future, Alba remains steadfast in its pursuit of excellence in CSR, striving to create a legacy of impact that not only strengthens our business but also enriches the lives of those we serve.

Alba hosting 2nd Edition of its Sports Festival

FINANCIAL STATEMENTS

31 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

Aluminium Bahrain B.S.C. (Alba)

Building a better working world

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aluminium Bahrain B.S.C. ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of Bahrain, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in audit of the consolidated financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated 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 consolidated 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 consolidated financial statements.

Impairment assessment of property, plant and equipment

Refer to note 2 for impairment policy, note 3 for estimate and judgment and note 4 on disclosure of property, plant and equipment in the consolidated financial statements.

Report on the Audit of the Consolidated Financial statements (continued)

Impairment assessment of property, plant and equipment (continued)

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2024, the Group held property, plant and equipment (PPE) of BD 1,865,839 thousand (2023: BD 1,899,031 thousand) in the consolidated statement of financial position. This area was important to our audit due to the size of the carrying value of the PPE (70% of the total assets as at 31 December 2024) as well as the judgement involved in the assessment of the recoverability of the carrying value of the assets. The recoverability of the carrying value of the PPE is in part dependent on the Group's ability to generate sufficient future profits. This assessment requires management to make assumptions in the underlying cash flow forecasts in respect of factors such as future production and sales levels, LME prices, input prices and overall market and economic conditions.	Our audit procedures in this area included, among others: i) We evaluated the Group's basis of developing forecasts and cashflow projections on the basis of management's expectation of the performance of the Group's business considering the prevailing economic conditions in general and the aluminium industry in particular; ii) With the support of our specialist, we: - evaluated the appropriateness of the methodology used by the Group to assess impairment of PPE; and - evaluated management assumptions used in cash flow models used by the Group against external data including adjustments for risks specific to the Group, in particular its revenue forecasts based on forward estimates of LME prices, discount rates and expected long-term growth rates; iii) We agreed the relevant financial and quantitative data used in the Discounted Cash Flow (DCF) model to the production plans and approved budgets; and iv) We assessed whether the consolidated financial statements disclosures relating to key inputs and assumptions for impairment were appropriate.

Other information in the Group's 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information. Prior to the date of this auditors' report, we obtained the Report of the Board of Directors which form part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, 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.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Report on the Audit of the Consolidated Financial statements (continued)

Responsibilities of the Board of Directors for the consolidated financial statements (continued)

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

Aluminium Bahrain B.S.C. (Alba)

Report on the Audit of the Consolidated Financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We also provide the Board of Directors 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.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. 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.

Report on Other Legal and Regulatory Requirements

We report that:

a) As required by the Bahrain Commercial Companies Law:

   i) the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;

   ii) the financial information contained in the Report of the Board of Directors is consistent with the consolidated financial statements; and

   iii) satisfactory explanations and information have been provided to us by management in response to all our requests.

b) We are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain (CBB) Rule Book (applicable provisions of Volume 6) and CBB directives, regulations and associated resolutions, rules and procedures of the Bahrain Bourse or the terms of the Company's memorandum and articles of association during the year ended 31 December 2024 that might have had a material adverse effect on the business of the Group or on its consolidated financial position.

c) As required by Article 8 of section 2 of Chapter 1 of the Bahrain Corporate Governance Code, we report that the Company:

   i) has appointed a Corporate Governance Officer; and

   ii) has a board approved written guidance and procedures for corporate governance.

The Partner in charge of the audit resulting in this independent auditor's report is Nader Rahimi.

Ernst & Young

Partner's Registration No. 115
18 February 2025
Manama, Kingdom of Bahrain

REPORT OF THE BOARD OF DIRECTORS

Aluminium Bahrain B.S.C. (Alba)

The Directors have the pleasure to submit their report together with the Audited Consolidated Financial Statements for the year-ended 31 December 2024.

Principal Activity

Aluminium Bahrain B.S.C. (Alba) ("the Company") was incorporated as a Bahrain Joint Stock Company (closed) in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under Commercial Registration (CR) Number 999. The Company was converted into a Bahrain Public Joint Stock Company effective 23 November 2010 and its shares were listed on two exchanges: Ordinary Shares on the Bahrain Bourse and Global Depositary Receipts (GDRs) on the London Stock Exchange – Main Market.

The principal activities of the Company are to build and operate smelters for the production of aluminium, to sell aluminium within and outside the Kingdom of Bahrain and to carry on any related business to complement the Company's operations and/or to enhance the value or profitability of any of the Company's property or rights.

Registered Office

The official business address of the Company is located at Building 150, Road 94, Block 951, Askar, Kingdom of Bahrain.

Winterthur Branch

On 7 July 2011, the Company established and registered Aluminium Bahrain B.S.C. (Alba), Manama, Bahrain, Winterthur Branch in Zurich, Switzerland, with address at Theaterstrasse 17, 8400 Winterthur, Switzerland.

U.S. Subsidiary

On 11 June 2014, the Board approved the incorporation of a U.S. entity and the creation of a Sales Office with address at Aluminium Bahrain US, Inc. 1175 Peachtree Road NE, Suite 1475, Atlanta, GA 30361.

Guernsey Subsidiary

On 07 February 2019, the Board approved the establishment of Alba's Captive Insurance Vehicle in Guernsey 'AlbaCap Insurance Limited' with address at Suite 1 North, 1st Floor, Albert House, South Esplanade, St Peter Port, GY1 1AJ.

Singapore Branch

On 27 September 2020, the Board approved the establishment of Alba's branch in Singapore with address at Level 35, The Gateway West, 150 Beach Road, #35-38 the Gateway West, Singapore 189720.

Bahrain Branch (Formerly Alba Club WLL)

On 22 November 2023, Alba Club WLL (formerly registered under CR 99789-1) has transitioned to become a branch of the Company (CR 999) (Application No. CR2022-3948).

Share Capital Structure

Shareholders	2024 (%)	2023 (%)
Bahrain Mumtalakat Holding Company B.S.C. (c)	**69.38**	69.38
SABIC Industrial Investments Company	**20.62**	20.62
Others – Public	**10.00**	10.00
	100.00	100.00

Corporate Secretary

Ms. Eline Hilal has been the Corporate Secretary since February 2015.

Executive Management Team

Mr. Ali Al Baqali, Chief Executive Officer

Dr. Abdulla Habib, Chief Operations Officer

Mr. Amin Sultan, Chief Power Officer

Mr. Waleed Tamimi, Chief Supply Officer

Mr. Hisham Al Kooheji, Chief Marketing Officer

Mr. Ricardo Santana, Chief Financial Officer

Mr. Fahad Danish, Chief Human Resources Officer

Alba Executives' Remuneration

BD's

Executive Management	Total Paid Salaries & Allowances	Total Paid Remuneration (Bonus)	Any Other Cash-in-Kind Remuneration	Aggregate Amount
Chief Executive Officer, Chief Marketing Officer, Chief Power Officer, Chief Operations Officer, Chief Supply Officer, Chief Financial Officer, and Chief Human Resources Officer	1,099,224	748,923	144,472	1,992,619

Results and Retained Earnings

The Group made a Profit of **BD184.542 million** for the financial year of 2024 versus a Profit of **BD118.025 million** for the financial year of 2023.

The Movements in Retained Earnings of the Group were:

	BD '000
Balance as at 31 December 2023	**1,566,673**
Profit for the year 2024	**184,542**
Gain from resale of treasury shares	**465**
Final Dividend for 2023 approved and paid	**(22,516)**
Interim Dividend for 2024 approved and paid	**(26,315)**
Balance as at 31 December 2024	**1,702,849**

Appropriations

- On 13 August 2024, the Board of Directors of Aluminium Bahrain B.S.C. (Alba) recommended an interim dividend of Fils 18.59 per share (excluding treasury shares) totalling BD26,315,000 which was subsequently paid from 11 September 2024.
- At the Board meeting held on 18 February 2025, the Company's Board of Directors proposed to pay final dividend of Fils 25.58 per share (excluding Treasury Shares) totalling BD37,633,403.

The above appropriations are subject to the approvals of the Company's shareholders at the Annual General Meeting which will be held on 12 March 2025.

Directors of the Company

[to note: all disclosures have been filed with Bahrain Bourse and MOIC]

The following Directors served on the Board of Alba from 26 February 2023 to-date:

Bahrain Mumtalakat Holding Company B.S.C. (c)

Mr. Khalid Al Rumaihi, Chairman from 09 October 2023

Shaikh Isa bin Khalid Al Khalifa, Director

Mr. Tim Murray, Director

Mrs. Roselyne Renel, Director

Mr. Bruce Cox, Director

Mr. Omar Syed, Director

Sabic Industrial Investments Company

Mr. Ahmed Al Duriaan, Director

Mr. Omar Al Amoudi, Director

Mr. AlWalid AlSenani, Director until 01 June 2024

Mr. Jihad Ali Hakamy, Director on 01 June 2024

Elected Director

Mrs. Hala Mufeez

Alba Directors' Remuneration

The Board of Directors' Remuneration for the year-ended 31 December 2024 is as follows:

- Attendance Fees of BD161,000 were paid over the course of 2024 [2023: BD113,000].
- Sitting Fees of BD72,000 will be paid after the Board's meeting on 18 February 2025 [2023: BD70,800].
- The proposed Remuneration Fees of BD420,000 will be paid post the Annual General Meeting scheduled on 12 March 2025 [2023: BD420,000].

REPORT OF THE BOARD OF DIRECTORS

Aluminium Bahrain B.S.C. (Alba)

The breakdown of Alba Directors' Remuneration is as per the below table:

BD'000s

Name	Fixed Remunerations				Variable Remunerations				End-of-service Award	Aggregate Amount (Does not include Expense allowance)	Expenses Allowance
	Remunerations[1] of the chairman and BoD	Total Allowance for Attending Board and Committee meetings	Others [2]	Total	Remunerations of the Chairman and BoD	Incentive Plans	Others [3]	Total			
First: Independent Directors											
Shaikh Isa bin Khalid Al Khalifa	40	23	-	63	-	-	-	-	-	63	-
Tim Murray	40	22	-	62	-	-	-	-	-	62	6.3
Bruce Cox	40	22	-	62	-	-	-	-	-	62	6.229
Roselyne Renel	40	19	-	59	-	-	-	-	-	59	5.7
Second: Non-Executive Directors											
Khalid Al Rumaihi	60	39	-	99	-	-	-	-	-	99	-
Omar Syed	40	24	-	64	-	-	-	-	-	64	-
Omar Al Amoudi	40	20	-	60	-	-	-	-	-	60	5.1
Ahmed Al Duriaan	40	23	-	63	-	-	-	-	-	63	6.292
AlWalid AlSenani	17.143	9.4	-	26.543	-	-	-	-	-	26.543	1.5
Jihad Ali Hakamy	22.857	11.6	-	34.457	-	-	-	-	-	34.457	3.167
Hala Mufeez	40	20	-	60	-	-	-	-	-	60	-
Third: Executive Directors (Not Applicable)											
Total	420	233	-	653	-	-	-	-	-	653	34.288

[1] *As per Policy for the Board Directors and Board Committee Members' Remuneration Fees, Attendance Fees and Per Diem Allowance*

(Other remunerations):

[2] *It includes in-kind benefits – specific amount - remuneration for technical, administrative, and advisory works (if any).*

[3] *It includes the board member's share of the profits - Granted shares (insert the value) (if any).*

By order of the Board,

Khalid Al Rumaihi
Chairman

Isa Al Khalifa
Director

18 February 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	2024 BD'000	2023 BD'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,865,839	1,899,031
Derivative financial instruments	17	8,897	8,526
Trade and other receivables	6	4,805	5,422
Deferred tax assets	18	76	90
		1,879,617	1,913,069
Current assets			
Inventories	5	405,263	349,797
Trade and other receivables	6	270,300	225,688
Derivative financial instruments	17	4,372	5,375
Bank balances and cash	7	113,800	59,632
		793,735	640,492
TOTAL ASSETS		2,673,352	2,553,561
EQUITY AND LIABILITIES			
Equity			
Share capital	8	142,000	142,000
Treasury shares	9	(4,939)	(4,591)
Statutory reserve	10	71,000	71,000
Capital reserve	11	249	249
Cash flow hedge reserve	17	12,782	13,901
Retained earnings		1,702,849	1,566,673
TOTAL EQUITY		1,923,941	1,789,232
Non-current liabilities			
Loans and borrowings	13	339,440	383,184
Lease liabilities	14	6,796	7,607
Employees' end of service benefits	15	1,113	1,643
		347,349	392,434
Current liabilities			
Loans and borrowings	13	189,209	202,654
Lease liabilities	14	1,018	904
Trade and other payables	16	211,835	167,229
Derivative financial instruments	17	-	1,108
		402,062	371,895
TOTAL LIABILITIES		749,411	764,329
TOTAL EQUITY AND LIABILITIES		2,673,352	2,553,561

Khalid Al Rumaihi
Chairman

Isa Bin Khalid Bin Abdulla Al Khalifa
Director

Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 29 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Note	2024 BD' 000	2023 BD' 000
Revenue from contracts with customers	19	1,621,728	1,543,908
Cost of revenue	21	(1,297,145)	(1,290,417)
GROSS PROFIT		324,583	253,491
Other income - net	20	4,298	7,054
(Loss)/ gain on foreign exchange		(1,538)	2,954
General and administrative expenses	21	(50,051)	(39,064)
Selling and distribution expenses	21	(61,621)	(55,778)
Finance costs	22	(37,987)	(62,230)
Realised gain on settlement of cash flow hedge for interest rate swap (IRS)	17	6,102	13,299
Directors' remuneration	25	(420)	(420)
Changes in fair value of derivative financial instruments	17	1,595	(1,114)
PROFIT FOR THE YEAR BEFORE TAX		184,961	118,192
Tax	18	(419)	(167)
PROFIT FOR THE YEAR		184,542	118,025
Basic and diluted earnings per share (fils)	23	130	83

Khalid Al Rumaihi
Chairman

Isa Bin Khalid Bin Abdulla Al Khalifa
Director

Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 29 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 BD' 000	2023 BD' 000
PROFIT FOR THE YEAR		184,542	118,025
Other comprehensive income			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Effective portion of changes in fair value of cash flow hedge	17	4,983	1,991
Net gains on interest rate swap (IRS) reclassified to the profit or loss	17	(6,102)	(13,299)
		(1,119)	(11,308)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		183,423	106,717

Khalid Al Rumaihi
Chairman

Isa Bin Khalid Bin Abdulla Al Khalifa
Director

Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 29 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital BD '000	Treasury shares BD '000	Statutory reserve BD '000	Capital reserve BD '000	Cash flow hedge reserve BD '000	Retained earnings BD '000	Total Equity BD '000
Balance at 31 December 2022		142,000	(4,831)	71,000	249	25,209	1,588,831	1,822,458
Profit for the year		-	-	-	-	-	118,025	118,025
Effective portion of changes in fair values of cash flow hedge	17	-	-	-	-	1,991	-	1,991
Net gains on interest rate swap (IRS) reclassified to profit or loss	17	-	-	-	-	(13,299)	-	(13,299)
Total comprehensive income for the year		-	-	-	-	(11,308)	118,025	106,717
Net movement in treasury shares		-	240	-	-	-	(33)	207
Final dividend approved and paid for 2022	12	-	-	-	-	-	(121,345)	(121,345)
Interim dividend approved and paid for 2023	12	-	-	-	-	-	(18,805)	(18,805)
Balance at 31 December 2023		**142,000**	**(4,591)**	**71,000**	**249**	**13,901**	**1,566,673**	**1,789,232**
Profit for the year		-	-	-	-	-	184,542	184,542
Effective portion of changes in fair values of cash flow hedge	17	-	-	-	-	4,983	-	4,983
Net gains on interest rate swap (IRS) reclassified to profit or loss	17	-	-	-	-	(6,102)	-	(6,102)
Total comprehensive income for the year		-	-	-	-	(1,119)	184,542	183,423
Net movement in treasury shares		-	(348)	-	-	-	465	117
Final dividend approved and paid for 2023	12	-	-	-	-	-	(22,516)	(22,516)
Interim dividend approved and paid for 2024	12	-	-	-	-	-	(26,315)	(26,315)
Balance at 31 December 2024		**142,000**	**(4,939)**	**71,000**	**249**	**12,782**	**1,702,849**	**1,923,941**

The attached notes 1 to 29 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 BD'000	2023 BD'000
OPERATING ACTIVITIES			
Profit for the year before tax		**184,961**	118,192
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	4	**137,869**	133,885
Provision for employees' end of service benefits	15 (a)	**1,815**	1,454
Provision for slow moving inventories	5	**1,161**	532
Allowance for expected credit losses	6	**431**	2,516
Changes in fair value of derivative financial instruments	17	**(1,595)**	1,114
Interest income	20	**(3,186)**	(3,383)
Loss on disposal of property, plant and equipment		**3,439**	659
Realised gain on settlement of cash flow hedge for interest rate swap (IRS)	17	**(6,102)**	(13,299)
Forex gain on revaluation of loans and borrowings and bank balances - net		**531**	2,171
Finance costs	22	**37,987**	62,230
Operating profit before working capital changes		**357,311**	306,071
Working capital changes:			
Inventories		**(56,627)**	8,947
Trade and other receivables		**(44,995)**	8,680
Trade and other payables		**43,331**	7,022
Net cash generated from operations		**299,020**	330,720
Employees' end of service benefits paid	15 (a)	**(2,345)**	(1,212)
Income tax paid		**(4)**	(835)
Net cash flows from operating activities		**296,671**	328,673
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(103,996)**	(132,527)
Proceeds from disposal of property, plant and equipment		**36**	129
Interest received		**3,354**	3,585
Net cash flows used in investing activities		**(100,606)**	(128,813)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings	26	**1,297,403**	484,980
Repayment of loans and borrowings	26	**(1,360,580)**	(549,352)
Interest on loans and borrowings and leases paid		**(34,087)**	(43,038)
Payment of lease liabilities	14	**(1,267)**	(1,178)
Dividends paid	12	**(48,831)**	(140,150)
Settlement of derivatives	17	**6,102**	13,299
Purchase of treasury shares		**(9,994)**	(7,796)
Proceeds from resale of treasury shares		**10,111**	8,003
Net cash flows used in financing activities		**(141,143)**	(235,232)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**54,922**	(35,372)
Cash and cash equivalents at 1 January		**59,632**	93,617
Effect of movement in exchange rates on cash held		**(754)**	1,387
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	7	**113,800**	59,632

Non-cash items:

i) Amortisation of deferred cost amounting to BD 6,211 thousand (2023: BD 17,439 thousand) has been excluded from the movement of finance cost paid.

ii) Property, plant and equipment purchased during the year of BD 3,923 thousand (2023: nil) but not yet paid have been excluded from the movement of trade and other payables.

iii) Remeasurement of loan to employees amounting to nil (2023: BD 1,146 thousand) has been excluded from movement in trade and other receivables.

The attached notes 1 to 29 form part of these consolidated financial statements.

1. CORPORATE INFORMATION

Aluminium Bahrain B.S.C. ("the Company" & "Alba") was incorporated as a Bahrain Joint Stock Company (closed) in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce (MOIC) under commercial registration (CR) number 999.

Subsequent to the Initial Public Offering ("IPO") on 23 November 2010, the Company became a Bahrain Public Joint Stock Company with a dual listing on the Bahrain Bourse (primary listing) as well as the Global Depository Receipts on the London Stock Exchange - Main Market. The Company has its registered office at Building 150, Road 94, Block 951, Askar Kingdom of Bahrain.

The Company's majority shareholder is Bahrain Mumtalakat Holding Company B.S.C. (c) ("Mumtalakat") which is also the ultimate parent, a company wholly owned by the Government of the Kingdom of Bahrain through the Ministry of Finance and National Economy, which holds 69.38% of the Company's share capital.

The Company is engaged in manufacturing and sale of aluminium and aluminium related products. The Company owns and operates a primary aluminium smelter and the related infrastructure in the Kingdom of Bahrain.

The Group comprises the Company and the following significant subsidiaries:

Name	Country of incorporation	Effective ownership		Principal activities
		2024	2023	
Aluminium Bahrain US, Inc.	United States of America (USA)	**100%**	100%	Selling and distribution of aluminium throughout the South and North America.
AlbaCap Insurance Limited	Guernsey	**100%**	100%	Captive insurance entity to insure risks of the Group.

The Group also has representative branch offices in Kingdom of Bahrain, Zurich (Switzerland) and Singapore.

On 17 September 2024, the Company was notified by its shareholder SABIC Industrial Investments Company (SIIC) of an agreement for sale of its total 20.62% share in the Company to Saudi Arabian Mining Company (Ma'aden). The transaction is subject to approval from Central Bank of Bahrain.

Subsequent to the year ended 31 December 2024, on 30 January 2025, the Group has signed an agreement with Daiki Aluminium Industry Co. Limited ("Daiki") to establish a new company named Alba Daiki Sustainable Solutions W.L.L. This new company will be engaged in aluminium dross processing, with the Group and Daiki holding 70% and 30% of the shares, respectively.

The consolidated financial statements of the Group were authorized for issue in accordance with a resolution of the Directors on 18 February 2025.

2. MATERIAL ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements are prepared on historical cost basis modified to include the measurement at fair value of derivative financial instruments.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB") and in conformity with the Bahrain Commercial Companies Law.

Functional and presentation currency

The consolidated financial statements have been presented in Bahraini Dinars (BD), which is also the Company's functional currency. Unless otherwise stated, all financial information presented has been rounded off to the nearest thousand dinar.

2. MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

ii) Exposure, or rights, to variable returns from its involvement with the investee; and

iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee;

b) Rights arising from other contractual arrangements; and

c) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries.

Assets, liabilities, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiaries.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group using consistent accounting polices. Adjustments are made to ensure the financial statements of the subsidiaries conform to the accounting policies of the Group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. MATERIAL ACCOUNTING POLICIES (continued)

New and amended standards and interpretations

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those used in the previous year, except for certain amendments to standards adopted by the Group as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- ***Amendments to IAS 1: Classification of Liabilities as Current or Non-current:*** In January 2020, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current.

- ***Amendments to IAS 7 and IFRS 7 – Disclosures - Supplier Finance Arrangements:*** In May 2023, the IASB issued these amendments to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- ***Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback:*** In September 2022, the IASB issued amendments to IFRS 16 to specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The adoption of these standards and amendments did not have any effect on the Group's consolidated financial statements.

Standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards and interpretations, if applicable, when they become effective:

- ***Amendments to IAS 21 – Lack of exchangeability:*** In August 2023, the IASB issued these amendments to IAS 21 to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025;

- ***Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments:*** In May 2024, the IASB issued these amendments which:

  i) Clarify that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

  ii) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

  iii) Clarify the treatment of non-recourse assets and contractually linked instruments.

  iv) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that refer a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

Standards and interpretations issued but not yet effective (continued)

- ***IFRS 18 – Presentation and Disclosure in Financial Statements:*** In April 2024, the IASB issued this standard which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. The standard will be effective for annual reporting periods beginning on or after 1 January 2027;

- ***IFRS 19 – Subsidiaries without Public Accountability – Disclosures:*** In May 2024, the IASB issued this standard which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRSs. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRSs. The standard will be effective for annual reporting periods beginning on or after 1 January 2027; and

- ***Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:*** In December 2015, the IASB issued these amendments which clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The effective date for adoption of these amendments has deferred indefinitely.

Management is currently assessing the impact of the above standards on the consolidated financial statements of the Group.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is classified as current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

2. MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets comprise of FVTPL investments, loans and receivables, certain portion of trade and other receivables, derivative financial instruments, bank balances and cash. Financial liabilities comprise of import loans, certain portion of trade and other payables, lease liabilities and derivative financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue from contracts with customers

The Group is in the business of manufacturing and selling aluminium in liquid form as well as in the form of billets, slabs, foundry and ingots. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements relating to revenue from contracts with customers are provided in note 3.

2. MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 180 days upon delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Where the Group receives an advance from a customer in consideration for the sale of aluminium over a period exceeding 12 months, the transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Interest income

Interest income is recorded using the effective interest rate (EIR) method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Other income

Other income is recognised on an accrual basis when income is earned.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Taxes (continued)

Deferred tax (continued)

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences cannot be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside consolidated statement of profit or loss is recognised outside consolidated statement of profit or loss. Deferred tax is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxation authority and the same taxable entity.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of VAT included.

The gross amount of VAT recoverable from, or payable to, the taxation authority are included as part of receivables and payables in the consolidated statement of financial position.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period when they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

2. MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment

Recognition and measurement

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the consolidated statement of profit or loss as incurred.

Capital Spares

The Group capitalises the spare parts of machines that are high in value, critical to the plant operations and have a useful life equal to or less than the life of the machine. These spare parts are depreciated over their specific useful life.

Capital work-in-progress

The capital work-in-progress is stated at cost less any identified impairment loss and comprises expenditure incurred on the acquisition and installation of property, plant and equipment which is transferred to the appropriate category of asset and depreciated as and when assets are available for use. These include assets that are periodically refurbished.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. If subsequent expenditure is related to a previously capitalised project, it is depreciated over the remaining useful life.

Depreciation

Depreciation is calculated on a straight line basis over the estimated useful lives of property, plant and equipment as follows:

Freehold buildings	3 - 45 years
Power generating plant	3 - 40 years
Plant, machinery and other equipment	2 - 30 years
Steel pot relining	4 - 5 years

Land and assets in the process of completion are not depreciated. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. MATERIAL ACCOUNTING POLICIES (continued)
Leases (continued)

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings	25 years
Plant, machinery and other equipment	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment assessment using the policies discussed under "impairment of non-financial assets".

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials	Purchase cost on a weighted average basis.
Finished goods and work in process	Cost of direct materials, labour plus attributable overheads based on normal level of activity, but excluding borrowing costs, on weighted average basis.
Spares	Purchase cost calculated on a weighted average basis after making due allowance for any obsolete items.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that non-financial asset (except inventories and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and other receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

i) Financial assets (continued)

Financial assets at amortised cost (debt instruments)
This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing), other receivables, bank balances and short-term deposits.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

The Group's financial asset carried at fair value through profit and loss cost include trade receivables (subject to provisional pricing).

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either;
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all of its debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

i) Financial assets (continued)

For those credit exposures for which there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings, lease liabilities and trade and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables
Liabilities for trade and other payables are carried at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Loans and borrowings
In respect of interest bearing loans, after initial recognition, these are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss. This category generally applies to interest-bearing loans.

Derecognition of financial liability
A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedging activities

The Group uses derivative financial instruments, such as interest rate swaps and commodity futures, options and swap, to hedge its interest rate risks and commodity price risks, respectively.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)
Derivative financial instruments and hedging activities (continued)

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. The fair value of a derivative is the equivalent to its prevailing market rates or is based on broker quotes. Derivatives with positive market values are disclosed as assets and derivatives with negative market values are disclosed as liabilities in the consolidated statement of financial position.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The Group's criteria for a derivative financial instrument to be accounted for as a hedge include:

- at the inception of the hedge there is formal documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation should include identification of the hedging instrument, the related hedged item or transaction, the nature of the risk being hedged, and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or the hedged transaction's cash flows that is attributable to the hedged risk;
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistent with the originally documented risk management strategy for that particular hedging relationship;
- for cash flow hedges, a forecasted transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect reported net profit or loss;
- the effectiveness of the hedge can be reliably measured, that is, the fair value or cash flows of the hedged item and the fair value of the hedging instrument can be reliably measured; and
- the hedge must be assessed on an ongoing basis and determined to have actually been highly effective throughout the financial reporting period.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss as other expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments (continued)
Derivative financial instruments and hedging activities (continued)

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

The changes in fair values of derivative financial instruments that are designated, and qualify, as cash flow hedges and prove to be highly effective in relation to the hedged risk, are recognised as a separate component in equity as a cash flow hedge reserve. Unrealised gains or losses on any ineffective portion of cash flow hedging transactions are recognised in the consolidated statement of profit or loss.

The Group uses interest rate swap as hedges of its exposure to its interest rate on loans. The realised loss or gain arising on settlement of IRS at the time of interest payment relating to hedged portion of borrowings is transferred to consolidated statement of profit or loss from cash flow hedge reserve upon settlement.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

Discontinuation of hedge accounting
If the hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedge reserve remains in equity until it is reclassified to consolidated statement of profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedge cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the consolidated statement of profit or loss.

Employee benefits
For Bahraini nationals, the Group makes contributions to the Social Insurance Organisation (SIO). This is a funded defined contribution scheme and the Group's contributions are charged to the consolidated statement of profit or loss in the year to which they relate. The Group's obligations are limited to the amounts contributed to the Scheme.

For non-Bahraini employees, the Group provided for end of service benefits in accordance with the Bahrain Labour Law based on their salaries at the time of end of contract period of two years service. Under a new end of service benefits system for non-Bahraini employees, effective from 1 March 2024, the Group is required to pay the monthly end of service contributions to Social Insurance Organization (SIO) calculated as a percentage of the employees' updated salaries in the SIO portal. The Group continues to make end of service payments every two years, and any accrued amounts will be paid to the employee when the employee leaves the Group.

The monthly percentages to be collected by the SIO for the end-of-service benefits will be as follows:

- 4.2% per month in the first three years of employment, half a month's wage per year.
- 8.4% per month for each subsequent year of employment after initial three years, one month's wage per year.

Further, adequate provision is created for staff entitlements in accordance with the labour laws prevailing in the respective countries in which the subsidiaries operate.

Alba Savings Benefit Scheme
The Group operates a compulsory savings scheme for its Bahraini employees. The Group's obligations are limited to the amounts to be contributed to the scheme. This saving scheme represents a funded defined contribution scheme.

Cash and cash equivalents
For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short term deposits with original maturities of three months or less, excluding short term deposits pledged against short term borrowings as they are considered an integral part of the Group's cash management.

2. MATERIAL ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Treasury shares

Treasury shares are stated at acquisition cost and are shown as a deduction to equity. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the treasury shares. Gain or loss arising from the subsequent resale of treasury shares is included in the retained earnings in the consolidated statement of changes in equity. Net movement from repurchase and resales of treasury shares is booked under the treasury shares.

Foreign currencies

The Group's consolidated financial statements are presented in Bahraini Dinars (BD) which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle to profit or loss the gain or loss that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the consolidated statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into BD at the rate of exchange prevailing at the reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component recognised in the consolidated statement of changes in equity relating to that particular foreign operation is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires the Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, the Board of Directors has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Going concern

The Group's Board of Directors has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

Determining the lease term of contracts with renewal and termination options – the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has entered into commercial leases in respect of plots of land on which its plants, buildings and staff accommodation are located. The Group's lease contracts include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Revenue from contracts with customers

The Group applies the judgements in determination of effects of variable consideration that could significantly affect the determination of the amount and timing of revenue from contracts with customers.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods, given the large number of customer contracts that have similar characteristics. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. During the year ended 31 December 2024, the Group has not entered into any contract for sales of goods that include volume discount.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment

The Group's Board of Directors determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Impairment of property, plant and equipment and right of use assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Key assumptions used in value in use calculations

The calculation of value in use is most sensitive to the following assumptions:

- Estimated use of the plant by annual MT of finished goods produced;
- LME prices and premium;
- Amount and timing of revenue relating to capacity of the plant and inflation rate used to extrapolate cash flows;
- Capital expenditure;
- Discount rate;
- Growth rate; and
- Terminal value of property, plant and equipment.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that reasonably possible changes in the weighted average cost of capital would cause a material change to the recoverable amount. An increase in weighted average cost of capital by 13.21% (1321 basis point) [31 December 2023: 7.02% (702 basis point)] (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

Similarly, an increase in alumina index price by 12% (31 December 2023: 6.02%) (with all other variables remain unchanged) throughout the forecast period and a reduction in LME price by USD 592/MT (31 December 2023: USD 502/MT) (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

The net carrying value of CGU is greater than its recoverable amount even with the assumption of premium considered zero (31 December 2023: zero) (with all other variables remain unchanged) throughout the forecast period. The sensitivity to changes in assumptions will not impact the net carrying value of CGU for the year ended 31 December 2024.

Allowance for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer types).

The provision matrix is initially based on the Group's historical observed loss rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. Gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the consumer sector, the historical loss rates are adjusted. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Allowance for expected credit losses of trade receivables (continued)

The assessment of the correlation between historical observed loss rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual loss in the future.

At 31 December 2024, gross trade and other receivables were BD 275,965 thousand (2023: BD 234,984 thousand), and the allowance for impairment was BD 11,142 thousand (2023: BD 11,277 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories of spares become old or obsolete or if their selling prices have declined, an estimate is made of their net realisable values. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated realisable value.

At 31 December 2024, gross inventories were BD 411,176 thousand (2023: BD 354,549 thousand) with provisions for slow moving spares of BD 5,913 thousand (2023: BD 4,752 thousand). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provisional pricing adjustments

Adjustments to sale price occur based on the movements in market prices from the date of sale to the end of the period agreed with the customer. The period can range between 1-2 months. Estimates are made on likely price adjustments using available market rates of underlying commodity price benchmarks. Actual results are determined on the date of price confirmation with the customers.

4. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings BD '000	*Power generating plant BD '000*	*Plant, machinery and other equipment BD '000*	*Assets in process of completion BD '000*	*Total BD '000*
Cost:					
At 1 January 2024	697,683	800,123	2,073,208	166,876	3,737,890
Additions	690	399	16,155	90,908	108,152
Transfers	3,359	7,427	64,351	(75,137)	-
Written off	-	-	-	(1,845)	(1,845)
Disposals	(22)	(422)	(17,189)	-	(17,633)
At 31 December 2024	701,710	807,527	2,136,525	180,802	3,826,564
Depreciation and amortization:					
At 1 January 2024	187,544	401,678	1,249,637	-	1,838,859
Charge for the year	16,588	27,231	94,050	-	137,869
Relating to disposals	(13)	(344)	(15,646)	-	(16,003)
At 31 December 2024	204,119	428,565	1,328,041	-	1,960,725
Net carrying value: At 31 December 2024	497,591	378,962	808,484	180,802	1,865,839

	Land and buildings BD '000	*Power generating plant BD '000*	*Plant, machinery and other equipment BD '000*	*Assets in process of completion BD '000*	*Total BD '000*
Cost:					
At 1 January 2023	669,585	811,489	2,010,886	120,445	3,612,405
Additions	1,571	67	18,309	116,611	136,558
Transfers	4,535	2,943	62,590	(70,068)	-
Written off	(58)	(51)	(1,133)	(112)	(1,354)
Disposals	(10)	(637)	(9,072)	-	(9,719)
Reclassification*	22,060	(13,688)	(8,372)	-	-
At 31 December 2023	697,683	800,123	2,073,208	166,876	3,737,890
Depreciation and amortisation:					
At 1 January 2023	169,627	376,564	1,169,068	-	1,715,259
Charge for the year	16,243	26,665	90,977	-	133,885
Relating to written off assets	(35)	(21)	(967)	-	(1,023)
Relating to disposals	(7)	(465)	(8,790)	-	(9,262)
Reclassification*	1,716	(1,065)	(651)	-	-
At 31 December 2023	187,544	401,678	1,249,637	-	1,838,859
Net carrying value: At 31 December 2023	510,139	398,445	823,571	166,876	1,899,031

* Property, plant and equipment reclassified under same captions with no impact on depreciation.

4. PROPERTY, PLANT AND EQUIPMENT (continued)

Land and buildings
Land and buildings include freehold land at a cost of BD 453 thousand as at 31 December 2024 (2023: BD 453 thousand).

Right-of-use assets
As at 31 December 2024, the net carrying value of land and buildings include right-of-use assets of BD 3,995 thousand (2023: BD 4,211 thousand) and depreciation of BD 216 thousand (2023: BD 211 thousand).

As at 31 December 2024, the net carrying value of plant, machinery and other equipment include right-of-use assets of BD 2,830 thousand (2023: BD 3,528 thousand) and depreciation of BD 931 thousand (2023: BD 846 thousand).

The Group is using land leased from the Government of Bahrain for the operations of lines 3, 4, 5 and land leased from BAPCO Refining B.S.C. (c) (BAPCO) for its calciner operations. These leases are free of rent. The land used for Line 6 is also leased from the Government of Bahrain for 25 years effective 1 July 2014. The rate is subject to change every five years based on the circular issued by the Government. This lease has been presented as part of a right-of-use asset - property, plant and equipment.

Assets in process of completion
This mainly includes Power Station 5 (PS5) Block 4 relating to combined cycle power plant and an expansion of the existing PS5 and hot gas path project.

Capitalised borrowing cost
The carrying amount of the PS5 Block 4 project at 31 December 2024 included under assets in process of completion was BD 100,984 thousand (2023: BD 80,962 thousand). The project is financed by a syndicated term loan facility and short term loans. The amount of borrowing costs capitalised during the year ended 31 December 2024 was BD 4,283 thousand (2023: BD 3,054 thousand). The rate used to determine the amount of borrowing costs eligible for capitalisation was 6.25% which is the Effective Interest Rate (EIR) of the specific borrowing.

Depreciation and amortisation
The depreciation and amortisation charge has been included in the consolidated statement of profit or loss (note 21) as follows:

	2024 BD'000	2023 BD'000
Cost of revenue	135,505	131,771
General and administrative expenses	2,292	2,083
Selling and distribution expenses	72	31
	137,869	133,885

5. INVENTORIES

	2024 BD'000	2023 BD'000
Raw materials	77,896	57,507
Work-in-process	91,599	91,422
Goods in transit	60,408	53,053
Finished goods	141,334	111,277
Spares [net of provision of BD 5,913 thousand (2023: BD 4,752 thousand)]	34,026	36,538
Total inventories at the lower of cost and net realisable value	405,263	349,797

5. INVENTORIES (continued)

Set out below is the movement in the provision for slow moving inventories:

	2024 BD'000	2023 BD'000
At 1 January	4,752	4,910
Charged for the year in cost of revenue	1,161	532
Write off during the year	-	(690)
At 31 December	5,913	4,752

6. TRADE AND OTHER RECEIVABLES

	2024 BD'000	2023 BD'000
Trade receivables - others [net of allowance for ECL of BD 4,995 thousand (2023: BD 4,218 thousand)]	205,095	176,615
Trade receivables (subject to provisional pricing) - fair value (note 27)	17,502	18,940
Trade receivables - related parties (note 25)	6,662	6,566
	229,259	202,121
Advances to suppliers	8,854	5,519
Prepayments	1,428	1,884
Other receivables [net of allowance for ECL of BD 253 thousand (2023: BD 819 thousand)]	4,975	3,984
Other receivables - related parties [net of allowance for expected credit losses of BD 5,894 thousand (2023: BD 6,240 thousand)] (i)	2,510	2,674
VAT receivable	28,079	14,928
	275,105	231,110
Less: Non-current portion	(4,805)	(5,422)
	270,300	225,688

Set out below are the movements in the allowances for expected credit losses of trade receivables and other receivables:

	Trade receivables		*Other receivables*	
	2024 BD '000	2023 BD '000	2024 BD '000	2023 BD '000
At 1 January	4,218	1,846	7,059	6,915
Reversal during the year	-	-	(346)	(557)
Provision during the year	777	2,372	-	701
Write off against provision	-	-	(566)	-
At 31 December	4,995	4,218	6,147	7,059

6. TRADE AND OTHER RECEIVABLES (continued)

During 2022, the Group had transferred the old trade receivable from a related party based on the restructuring plan approved by the Court, to other receivables along with the associated provision.

(i) As part of restructuring plan, the existing receivable have been restructured to (i) Interest free debt of BD 2,127 thousand, (ii) Interest bearing debt of BD 6,270 thousand and (iii) subordinate debt of BD 3,020 thousand with a semi-annual repayment schedule up to 31 December 2033, commenced from 31 December 2022.

For the interest bearing debt, the interest rate will be calculated based on SOFR plus margin of 2% per annum on the outstanding amount. If the related party fails to pay any amount payable by it as per restructuring plan, the interest will be calculated at a rate of SOFR plus margin of 3% per annum on the overdue instalment for the period starting 1 month from the payment due date until the date of full payment of the overdue instalment.

The Group has a gross amount of other receivable from a related party of BD 8,404 thousand (2023: BD 8,914 thousand) against which the Group is carrying a provision of BD 5,894 thousand (2023: BD 6,240 thousand).

7. CASH AND CASH EQUIVALENTS

	2024 BD'000	2023 BD'000
Cash at banks (i):		
- Current accounts	15,857	15,958
- Call accounts (ii)	48,505	40,721
- Short-term deposits (iii)	49,404	2,919
Cash in hand	34	34
Cash and cash equivalents	113,800	59,632

(i) Cash at banks are held with financial institutions in the Kingdom of Bahrain, United States of America, Guernsey, Switzerland and Singapore. These balances are denominated in Bahraini Dinars, US Dollars, Euros, Hong Kong Dollars, Swiss Franc and Singapore Dollars.

(ii) The call accounts earn interest and the effective interest rate as of 31 December 2024 is 0.1% to 4.33% (2023: 0.1% to 5.07%).

(iii) Short-term deposits are placed with commercial banks in the Kingdom of Bahrain and various banks in other countries. The deposits have an original maturity of less than three months. The deposits are denominated in US Dollars and Euros and earn interest at 4.6% and 3.48% per annum respectively (2023: 5.59% and 3.16% per annum).

8. SHARE CAPITAL

	2024 BD'000	2023 BD'000
Authorised shares 2,000,000,000 shares of 100 fils each (2023: 2,000,000,000 shares of 100 fils each)	200,000	200,000
Issued and fully paid 1,420,000,000 shares of 100 fils each (2023: 1,420,000,000 shares of 100 fils each)	142,000	142,000

8. SHARE CAPITAL (continued)

i) The distribution of shareholdings (excluding treasury shares) is as follows:

	2024			2023		
Categories	Number of shares	Number of shareholders	% of total outstanding share capital	Number of shares	Number of shareholders	% of total outstanding share capital
Less than 1%	123,678,190	2,767	8.73%	123,472,034	2,863	8.72%
1% up to less than 5%	14,175,966	1	1.00%	14,175,966	1	1.00%
5% up to less than 20%	-	-	-	-	-	-
20% up to less than 50%	292,804,000	1	20.68%	292,804,000	1	20.68%
50% and above	985,196,000	1	69.59%	985,196,000	1	69.60%
	1,415,854,156	2,770	100.00%	1,415,648,000	2,866	100.00%

ii) The Company has only one class of equity shares and the holders of these shares have equal voting rights.

iii) There are no shares owned by the directors of the Company as at 31 December 2024 (2023: Nil).

iv) As at 31 December 2024, Bahrain Mumtalakat Holding Company B.S.C. (c) held 69.38% (31 December 2023: 69.38%) of the total share capital of the Company.

v) As at 31 December 2024, Sabic Industrial Investments Co. held 20.62% (31 December 2023: 20.62%) of the total share capital of the Company.

9. TREASURY SHARES

	2024		2023	
	Number of shares	BD '000	Number of shares	BD '000
Treasury shares	4,145,844	4,939	4,352,000	4,591

i) Included in treasury shares are 697,000 shares (2023: 697,000) that were an excess in the Employees' Stock Incentive Plan [note 15 (c)].

ii) The Board of Directors authorised the Company to purchase its own shares for a total cost of BD 10,000 thousand (2023: BD 10,000 thousand).

10. STATUTORY RESERVE

As required by the Bahrain Commercial Companies Law and the Company's articles of association, 10% of the profit for the year is to be transferred to statutory reserve every year. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of the issued and paid-up share capital. The Company discontinued further transfer of profit to statutory reserve as the reserve equals 50% of the paid-up capital of the Company.

The statutory reserve may not be distributed among shareholders, but may be used to guarantee the distribution of profits among shareholders of not more than five percent (5%) of the paid-up capital in the years when the company's profits do not allow payment of profits of this percentage.

11. CAPITAL RESERVE

This reserve was created from the surplus on disposal of property, plant and equipment in prior years. This reserve is distributable subject to the approval of the shareholders.

12. DIVIDEND

At the Annual General Meeting held on 07 March 2024, the Company's shareholders approved the final dividend of BD 0.01590 per share, excluding treasury shares, totaling to BD 22,508,803 for the year ended 31 December 2023. Based on the outstanding shares at the 'Record date' of 17 March 2024, a total of BD 22,516,433 has been fully paid during the year (31 December 2023: final dividend of BD 0.0857 per share, excluding treasury shares, totaling BD 121,345,267 for the year ended 31 December 2022 approved and paid during the year).

The Board of Directors of Aluminium Bahrain B.S.C. resolved during the virtual Board meeting held on 13 August 2024, to recommend the distribution of an interim dividend of BD 0.01859 per share excluding treasury shares amounting to BD 26,320,150. Based on the outstanding shares at the 'Record Date' of 28 August 2024, a total of BD 26,315,135 has been paid during the year (31 December 2023: interim dividend of BD 0.01328 per share excluding treasury shares amounting to BD 18,805,356 for the year ended 31 December 2023 approved and paid during the year).

The Board of Directors of Aluminium Bahrain B.S.C. at the meeting held on 18 February 2025 recommended a final dividend of BD 0.02658 per share excluding treasury shares amounting to BD 37,633,403. Final dividend payment would be based on outstanding shares at record date. The final dividend is subject to the approval of the Company's shareholders at the Annual General Meeting to be held on 12 March 2025.

13. LOANS AND BORROWINGS

	2024 BD'000	2023 BD'000
Unsecured loans and borrowings		
Line 6 Refinancing Term Loan Facility (i)	288,238	318,727
Line 6 USD SERV Loan (ii)	62,615	72,268
Line 6 Hermes 2 Covered Facility (iii)	-	10,826
Line 6 BPAI Covered Facility (iv)	-	6,260
Line 6 EDC Covered Facility (v)	20,257	25,322
Sinosure USD ECA Facility (vi)	31,207	31,207
Working capital revolving credit (vii)	146,178	149,673
Total loans and borrowings	548,495	614,283
Less: unamortized transaction costs	(13,492)	(20,899)
Less: deferred cost of IRS	(6,354)	(7,546)
Net loans and borrowings	528,649	585,838

	2024 BD'000	2023 BD'000
Current	189,209	202,654
Non-current	339,440	383,184
	528,649	585,838

13. LOANS AND BORROWINGS (continued)

(i) Line 6 Refinancing Term Loan Facility
On 26 April 2022, the Group entered into a term loan agreement with a syndicate of financial institutions for USD 1,247.48 million comprising two tranches; USD 537.475 million as a conventional credit facility and USD 710 million as an Islamic Ijara facility. Gulf International Bank B.S.C. is the global facility agent and investment agent for this facility. This loan was utilized to repay all amounts borrowed by the Group under the old term loan facility. The loan is repayable in sixteen semi-annual instalments started from October 2022. The loan carries interest at SOFR plus 2.20% (2023: SOFR plus 2.20%).

(ii) Line 6 USD SERV Loan
On 25 April 2017, the Group entered into an Export Credit Financing (SERV-covered facilities) with a syndicate of financial institutions for USD 310 million. Commerzbank Finance & Covered Bond S.A. are the agents for this facility. This loan was obtained to finance capital expenditure requirements for Line 6 Expansion Project. The loan is repayable in twenty-four semi-annual instalments started from December 2019. The loan carries interest at SOFR plus 1.13% (2023: SOFR plus 1.13%).

(iii) Line 6 Hermes 2 Covered Facility
On 24 October 2017, the Group entered into an Export Credit Financing (Euler Hermes covered facilities) with Commerzbank for Euro 47 million. Commerzbank Finance & Covered Bond S.A. is the agent for this facility. This loan was obtained to finance capital expenditure requirements for Line 6 Expansion Project. The loan was repayable in twenty semi-annual instalments which started from July 2019. Hermes 2 Covered Facility carried interest at EURIBOR plus 0.55% (2023: EURIBOR plus 0.55%). During the current year, the Group has fully repaid the loan.

(iv) Line 6 BPAI Covered Facility
On 2 January 2018, the Group entered into an Export Credit Financing agreement amounting to Euro 156 million. Standard Chartered Bank is the agent for this facility and the lenders are Citibank N.A London, Credit Agricole Corporate Investment Bank and Standard Chartered Bank. This loan was obtained to finance capital expenditure requirements for Line 6 Expansion Project. The loan was repayable in twenty semi-annual instalments which started from July 2019. BPAI Covered Facility carried interest at EURIBOR plus 0.60% (2023: EURIBOR plus 0.60%). During the current year, the Group has fully repaid the loan.

(v) Line 6 EDC Covered Facility
On 17 October 2018, the Group entered into an Export Credit Financing with Citibank N.A., Canadian branch for USD 136 million. Citibank N.A. is the agent for this facility. This loan was obtained to finance capital expenditure requirements for Line 6 Expansion Project. The loan is repayable in twenty semi-annual instalments which started from October 2019. EDC Covered Facility carries interest at SOFR plus 0.875% (2023: SOFR plus 0.875%).

(vi) Sinosure USD ECA Facility
On 10 August 2022, the Group entered into an Export Credit Financing agreement amounting to USD 225 million. BNP PARIBAS S.A. is the agent for this facility and the lenders are BNP Paribas S.A., HSBC Bank Middle East Limited and Citibank, N.A.. This loan was obtained to finance capital expenditure requirements for Power Station 5 block 4 Project. The loan is repayable in twenty four semi-annual instalments which will start from December 2025. Sinosure Covered Facility carries interest at SOFR plus 1.35% (2023: SOFR plus 1.35%).

(vii) Working capital revolving credit
The working capital revolving credit facilities are subject to periodic renewal and repricing. The working capital revolving facilities allow the Group to issue promissory notes for up to 12 month terms. It is the Group's policy to maintain the current level of borrowings under these facilities by issuing new promissory notes in place of maturing notes. Working capital revolving credit carries interest at rates ranging from 0.6% to 0.7% plus SOFR (2023: 0.7% to 0.9% plus SOFR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2024

14. LEASES

The Group as a lessee
The Group leases industrial land, vehicles and apartments. The leases typically run for a period ranging from 5 years to 25 years, with an option to renew the lease after that date except for vehicles, where there are no renewable options. Lease payments are renegotiated every 5 years for industrial land to reflect market rentals whereas lease rentals for apartments and vehicles are fixed with no escalation clauses. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

Right-of-use assets
Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment. Set out below are the movements in right-of-use assets during the year:

2024	**Land and buildings BD'000**	**Plant, machinery and other equipment BD'000**	**Total BD'000**
As at 1 January	4,211	3,528	7,739
Depreciation charge for the year	(216)	(931)	(1,147)
Additions	-	233	233
As at 31 December	3,995	2,830	6,825

2023	Land and buildings BD'000	Plant, machinery and other equipment BD'000	Total BD'000
As at 1 January	4,178	587	4,765
Depreciation charge for the year	(211)	(846)	(1,057)
Additions	244	3,787	4,031
As at 31 December	4,211	3,528	7,739

Lease liabilities
Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 BD'000	2023 BD'000
As at 1 January	8,511	5,367
Additions	233	4,031
Payments (note 26)	(1,267)	(1,178)
Accretion of interest	337	291
As at 31 December	7,814	8,511

The Group had total cash outflows for leases of BD 1,267 thousand in 2024 (2023: BD 1,178 thousand). The Group also had non-cash additions to right-of-use assets and lease liabilities of BD 233 thousand (2023: BD 4,031 thousand).

	2024 BD'000	2023 BD'000
Non-current portion	6,796	7,607
Current portion	1,018	904
	7,814	8,511

Effective interest on lease liabilities ranges from 2.75% to 6.00% (2023: 2.75% to 6.00%).

14. LEASES (continued)

The following are the amounts recognised in the consolidated statement of profit or loss:

	2024 BD'000	2023 BD'000
Interest expense	337	291
Depreciation	1,147	1,057
Short-term leases	810	945
	2,294	2,293

15. EMPLOYEE BENEFITS

(a) Defined benefit scheme - leaving indemnity

The movements in the provision recognised in the consolidated statement of financial position are as follows:

	2024 BD'000	2023 BD'000
Provision as at 1 January	1,643	1,401
Provided during the year (note 21.2)	1,815	1,454
Employees' end of service benefits paid to employees	(1,867)	(1,212)
Contribution paid to SIO	(478)	-
Provision as at 31 December	1,113	1,643

(b) Defined contribution schemes

The movements in liabilities recognised in the consolidated statement of financial position are as follows:

	Alba Savings Benefit Scheme		*Social Insurance Organisation*	
	2024 BD '000	2023 BD '000	2024 BD '000	2023 BD '000
Provision as at 1 January	4,438	2,442	513	704
Expense recognised in the consolidated statement of profit and loss (note 21.2)	6,057	5,848	10,065	8,936
Contributions paid	(2,914)	(3,852)	(9,865)	(9,127)
Provision as at 31 December (note 16)	7,581	4,438	713	513

(c) Employees' Stock Incentive Plan

In accordance with an Employees' Stock Incentive Plan approved by the Board of Directors, the Group purchased 3,000,000 of its shares to be allocated to all of its employees on the Group's payroll as of 1 December 2010. The Group allocated 1,000 shares each to its 2,714 employees as of 1 December 2010 and these shares vested after a period of three years. In 2015, the shares allocated to the employees had been fully vested and the excess of 697,000 shares is held as Treasury Shares as of 31 December 2024 (2023: 697,000 shares).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2024

16. TRADE AND OTHER PAYABLES

	2024 BD'000	2023 BD'000
Trade payables - related parties (note 25)	21,540	22,102
Trade payables - others	106,694	81,558
	128,234	103,660
Employee related accruals (i)	33,068	31,617
Accrued expenses	40,283	25,777
Alba Savings Benefit Scheme [note 15 (b)]	7,581	4,438
Social Insurance Organisation [note 15 (b)]	713	513
Advances from customers	1,956	1,224
	211,835	167,229

i) Employee related accruals include accruals for wages and salaries, bonus, sick leave and annual leave.

17. DERIVATIVE FINANCIAL INSTRUMENTS

	2024 BD'000	2023 BD'000
Classified in the consolidated statement of financial position as follows:		
- Positive fair values - assets arising from IRS	(12,782)	(13,901)
Less: Non-current portion	8,897	8,526
	(3,885)	(5,375)
- Positive fair values - assets current portion arising from commodity derivatives	(487)	-
	(4,372)	(5,375)
- Negative fair values - liabilities current portion arising from commodity derivatives	-	1,108
Recognised in consolidated statements of profit or loss and other comprehensive income:		
Changes in fair value of derivative financial instruments related to:		
- Commodity derivatives (FVTPL) recognised in consolidated statement of profit or loss (iii)	1,595	(1,114)
- Interest rate swap cashflow hedge (i)	4,983	1,991
- Realised gain on settlement of IRS (ii)	6,102	13,299

The Group does not engage in proprietary trading activities in derivatives. However, the Group enters into derivative transactions under its risk management guidelines and holds derivative financial instruments, such as interest rate swaps to hedge its interest rate risks and commodity futures and forward swaps to meet customer pricing requirement.

(i) This represent the difference between the Mark-to-Market (MTM) value of IRS as at 31 December 2024 and 31 December 2023.

(ii) Interest rate swaps

On 22 February 2023, the Group entered into new amortising interest rate swap contract with National Bank of Bahrain B.S.C., to hedge USD floating interest rate (SOFR) cash flows attributable to term loan, for the notional amount of BD 175,780 thousand out of total refinancing amount of BD 351,560 thousand. Derivative contract expires on 29 April 2030.

The Group has designated this derivative as cash flow hedging instrument and it qualifies for hedge accounting under IFRS 9 and consequently effective portion of the gains or losses resulting from the re-measurement of fair value of derivative are recognised in the consolidated statement of comprehensive income as other comprehensive income (loss).

17. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate swaps (continued)

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 2:1 for the hedging relationships as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instrument against the changes in fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

i) Different interest rate curve applied to discount the hedged item and hedging instrument.

ii) Differences in timing of cash flows of the hedged item and hedging instrument.

iii) The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

The amortised notional amount outstanding as at 31 December 2024 was BD 144,119 thousand (31 December 2023: BD 159,363 thousand) over the term of the contract.

During the year ended 31 December 2024, certain interest rate swap contract designated as cash flow hedging instrument related to term loan facility has been settled and related realised cumulative fair value gain of BD 6,102 thousand (2023: BD 13,299 thousand) was reclassified to consolidated statement of profit or loss, from cash flow hedge reserve.

In the periods during which interest expense relating to hedge borrowings is recognised or paid, the realised gain or loss is reclassified from cash flow hedge reserve to consolidated statement of profit or loss as a reclassification adjustment upon settlement of IRS.

The table below summarises the maturities of the Group's interest rate swap contract at 31 December, based on notional amount:

2024	**Less than 6 months BD '000**	**6 to 12 months BD '000**	**1 to 5 years BD '000**	**Over 5 years BD '000**	**Total BD '000**
Notional amount	7,622	7,622	86,660	42,215	144,119

2023	Less than 6 months BD '000	6 to 12 months BD '000	1 to 5 years BD '000	Over 5 years BD '000	Total BD '000
Notional amount	8,208	8,208	65,667	77,280	159,363

(iii) Commodity derivatives

These derivatives are entered into to reduce the price risk on behalf of its customers. These are initially measured at fair value and do not qualify for hedge accounting. Subsequent to initial recognition, these derivatives are measured at fair value, and the changes therein are recognised in the consolidated statement of profit or loss.

During the year ended 31 December 2024, the Group entered into commodity futures and forward swap contracts to reduce the price risk on behalf of its customers for 78,509 metric tonnes (2023: 110,500 metric tonnes). Outstanding contracts of 9,775 metric tonnes (31 December 2023: 23,475 metric tonnes) mature between one to six months from the year ended 31 December 2024.

During the year ended 31 December 2024, the Group entered into derivative transactions as a strategic hedge (for a very small percentage of production) against LME price movements for a total volume of 53,500 metric tonnes (2023: 74,000 metric tonnes). Outstanding contracts as of 31 December 2024 were 45,500 metric tonnes (31 December 2023: 38,500 metric tonnes) and these mature within twelve months from the period ended 31 December 2024.

18. TAXATION

Taxation pertains to the Group's subsidiary in the United States of America and the normalised tax rate was 22.73% as of 31 December 2024 (2023: 22.80%). The actual provision for income taxes differs from the amounts computed by applying statutory income taxes primarily due to state income taxes and non-deductible items.

	2024 BD'000	2023 BD'000
Income tax receivable	994	1,395
Recognised in consolidated statement of profit or loss		
Current year expense	405	176
Deferred tax expense (benefit)	14	(9)
	419	167

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of taxes and liabilities for financial reporting purposes and the amounts used for income tax purposes.

	2024 BD'000	2023 BD'000
Deferred tax asset	231	147
Deferred tax liability	(155)	(57)
Deferred tax asset - net	76	90

	2024 BD'000	2023 BD'000
Reconciliation of deferred tax asset - net:		
As of 1 January	90	81
Tax (expense) benefit during the year	(14)	9
As at 31 December	76	90

	2024 BD'000	2023 BD'000
The deferred tax asset comprises the following temporary differences:		
Deductible temporary differences	1,016	645
Taxable temporary differences	(682)	(250)
	334	395

19. OPERATING SEGMENT INFORMATION

For management reporting purposes, the Group has a single operating segment which is the ownership and operation of a primary aluminium smelter and related infrastructure. Hence, no separate disclosure of profit or loss, assets and liabilities are provided as this disclosure will be identical to the consolidated statement of financial position and consolidated statement of profit or loss of the Group.

Disaggregated revenue information
Set out below is the disaggregation of the Group's revenue from contracts with customers:

a) Type of goods

	2024 BD'000	2023 BD'000
Billet	551,969	520,325
Slab	180,193	133,872
Foundry	453,278	439,511
Liquid	288,771	263,664
Ingots	131,983	180,727
Alumina trading	8,862	7,976
	1,615,056	1,546,075
Pricing adjustments*	6,672	(2,167)
Revenue from contracts with customers	1,621,728	1,543,908

* Pricing adjustments represent mark-to-market adjustments on initial estimate of provisionally priced sales.

b) Geographical markets
An analysis of the revenue from contracts with customers by geographic location of customers is as follows:

	2024 BD'000	2023 BD'000
Kingdom of Bahrain	411,269	367,707
Europe	458,603	378,980
Rest of the Middle East and North Africa	260,763	322,053
Asia	246,216	228,220
Americas	244,877	246,948
	1,621,728	1,543,908

(c) Customers
Revenue from sale of aluminium to the three major customer of the Group amounted to BD 379,006 thousand with one customer accounting for more than 10% of the total revenue from contracts with customers for the year ended 31 December 2024 (three major customers of the Group amounted to BD 364,232 thousand with one customer accounting for more than 10% of the total revenue from contracts with customers for the year ended 31 December 2023).

20. OTHER INCOME - net

	2024 BD'000	2023 BD'000
Sale of water	1,251	1,279
Interest income	3,186	3,383
Miscellaneous (expense)/ income	(139)	2,392
	4,298	7,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2024

21. EXPENSES BY NATURE

	Notes	2024 BD'000	2023 BD'000
Changes in inventories of finished goods and work in progress		1,276	13,551
Inventories recognised as an expense in cost of revenue		972,717	970,546
Depreciation and amortisation	4	137,869	133,885
Staff costs	21.2	123,555	113,406
Spares and consumables		49,462	48,177
Contracted repairs		35,498	28,824
Provision of expected credit loss on trade and other receivables	6	431	2,516
Insurance		15,995	10,838
Freight		55,123	48,907
Other expenses		16,891	14,609
Total cost of revenue, general and administrative expenses and selling and distribution expenses	21.1	1,408,817	1,385,259

21.1 Break-down of expenses is as follows:

	2024 BD'000	2023 BD'000
Cost of revenue	1,297,145	1,290,417
General and administrative expenses	50,051	39,064
Selling and distribution expenses	61,621	55,778
	1,408,817	1,385,259

21.2 Break-down of staff costs is as follows:

	2024 BD'000	2023 BD'000
Wages and salaries	92,793	86,791
Social Insurance Organisation [note 15(b)]	10,065	8,936
Alba Savings Benefit Scheme [note 15(b)]	6,057	5,848
Payments to contractors	9,318	7,926
Employees' end of service benefits [note 15(a)]	1,815	1,454
Indirect benefits (housing, education)	1,799	1,571
Others	1,708	880
	123,555	113,406

The staff costs have been allocated in the consolidated statement of profit or loss as follows:

	2024 BD'000	2023 BD'000
Cost of revenue	101,877	93,949
General and administrative expenses	18,406	17,065
Selling and distribution expenses	3,272	2,392
	123,555	113,406

22. FINANCE COSTS

	2024 BD'000	2023 BD'000
Interest on loans and borrowings	37,413	59,777
Remeasurement of loan to employees	-	1,146
Interest on lease liabilities	337	291
Bank charges	237	1,016
	37,987	62,230

23. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury shares and is as follows:

	2024 BD'000	2023 BD'000
Profit for the year - BD '000	184,542	118,025
Weighted average number of shares, net of treasury shares - thousands of shares	1,415,941	1,415,747
Basic and diluted earnings per share (fils)	130	83

Basic and diluted earnings per share are the same since the Group has not issued any instruments that would have a dilutive effect.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

24. COMMITMENTS AND CONTINGENCIES

a) Commitments

Raw material supply agreements
In the ordinary course of business the Group has entered into long-term commitments to purchase raw materials. These contracts are based on the market price of the raw material at the time of delivery.

Capital expenditure
Estimated capital expenditure contracted for at the reporting date amounted to BD 74,828 thousand (2023: BD 95,826 thousand). The commitments are expected to be settled within 1 to 5 years from the reporting date.

Letters of credit
At 31 December 2024, the Group has outstanding letters of credit to counterparties of BD 4,077 thousand (2023: BD 4,439 thousand).

b) Contingencies

Under an employee scheme, the Group has issued guarantees to financial institutions in the Kingdom of Bahrain in relation to the mortgage loans of its employees to the extent of their cumulative balance in the Alba Saving Benefit Scheme. The total value of these letters of guarantee is BD 13,415 thousand (2023: BD 14,820 thousand).

At 31 December 2024, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 25,566 thousand (2023: BD 15,420 thousand) from which it is anticipated that no material liabilities will arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
At 31 December 2024

25. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management and Board of Directors.

The Group purchases gas and receives various services from Government and semi-government organisations and companies in the Kingdom of Bahrain. Other than purchase of natural gas, such other transactions are in the normal course of business and are not considered to be individually significant in terms of size.

Transactions with other commercial non-government related parties related to the controlling shareholder and significant transaction with Government related entities included in the consolidated statement of profit or loss are as follows:

Transactions with related parties

	2024 BD'000	2023 BD'000
Other related parties		
Revenue and other income		
Sale of aluminium	104,263	90,173
Sale of water	1,166	1,183
Interest income	454	429
Realised gain on settlement of cash flow hedge	6,102	13,299
	111,985	105,084

	2024 BD'000	2023 BD'000
Other related parties		
Cost of revenue and expenses		
Purchase of natural gas and diesel	263,062	258,871
Purchase of aluminium scrap	1,025	7,887
Net power exchange import	3,730	2,465
Interest on loans and borrowings	2,624	2,850
Purchase of raw materials	1,927	1,544
Amortisation of deferred cost on IRS	1,191	3,995
Others	350	512
	273,909	278,124

25. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Balances with related parties
Balances with related parties included in the consolidated statement of financial position are as follows:

	2024 BD'000	2023 BD'000
Other related parties		
Assets		
Trade receivables (note 6)	6,662	6,566
Other receivables - net of allowance for expected credit loss of BD 5,894 thousand (2023: BD 6,240 thousand) (note 6)	2,510	2,674
Bank balances	1,346	1,195
Derivative financial instruments - Interest rate swap (note 17)	12,783	13,901
	23,301	24,336

	2024 BD'000	2023 BD'000
Liabilities		
Trade payables (note 16)	21,540	22,102
Loans and Borrowings	31,193	34,492
Interest payable on loans and borrowings	379	440
	53,112	57,034

Except for other receivables from a related party balance as disclosed in note 6, all outstanding balances at year-end arise in the normal course of business are interest free, unsecured and payable on demand. During the year ended 31 December 2024, the Group has recorded a reversal of provision against amounts due from a related party of BD 346 thousand (2023: BD 557 thousand).

Compensation of key management personnel
The remuneration of members of key management during the year was as follows:

	2024 BD'000	2023 BD'000
Short term benefits	1,752	2,063
End of service benefits	137	144
Contributions to Alba Savings Benefit Scheme	103	102
	1,992	2,309

Director compensation during the year included Directors' remuneration of BD 420 thousand (2023: BD 420 thousand), attendance fees of BD 161 thousand (2023: BD 113 thousand), sitting fees of BD 72 thousand (2023: BD 71 thousand) and other reimbursement of BD 34 thousand (2023: BD 18 thousand).

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivative financial instruments, comprise loans and borrowings and certain portion of trade and other payables. The Group is exposed to credit risk, liquidity risk and market risk from its financial instruments. The Group is also exposed to commodity price risk. The Group's financial assets include certain portion of trade and other receivables, cash and cash equivalents that arise directly from its operations. The Group also holds balances with related parties and derivative financial instruments.

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's executive management oversees the management of these risks. The Group's executive management is supported by a risk management team that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management team provides assurance to the Group's executive management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities and from its financing activities, including from its trade receivables, deposits with banks and other financial institutions, and derivative financial instruments.

The maximum exposure to credit risk at the reporting date is the carrying amount of financial assets and is as follows:

	2024 BD'000	2023 BD'000
Cash at bank (note 7)	113,766	59,598
Trade receivables (note 6)	229,259	202,121
Other receivables (note 6)	7,485	6,658
	350,510	268,377

Bank balances and financial instruments
Credit risk from bank balances and derivative contracts is managed by the Group's treasury department in accordance with the Group's policy. The Group limits credit risk from bank balances and derivatives contracts by only dealing with reputable banks and brokers. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Trade and other receivables
The Group manages credit risk with respect to receivables from customers by receiving payments in advance from customers, obtaining letters of credit and other forms of credit insurance, by monitoring the exposure to customers on an ongoing basis. For trade receivables (other than those from related parties), an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses on outstanding receivables balances net of advances. The credit risk on receivables from related parties is considered to be low by the Group based on historical trends as previously there have been no or minimal write-offs.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade and other receivables (continued)

31 December 2024	Current	Past due: Less than 30 days	Past due: 31 to 360 days	Past due: Over 360 days	Total
Expected credit loss rate (%)	0.11%	0.98%	15.72%	100.00%	
Carrying amount of trade receivable at default (BD'000)	190,136	31,953	3,193	3,977	229,259
Expected credit losses (BD'000)	202	314	502	3,977	4,995

31 December 2023	Current	Past due: Less than 30 days	Past due: 31 to 360 days	Past due: Over 360 days	Total
Expected credit loss rate (%)	0.01%	0.08%	4.92%	100.00%	
Carrying amount of trade receivable at default (BD'000)	143,527	43,419	11,576	3,599	202,121
Expected credit losses (BD'000)	14	36	569	3,599	4,218

All exports are backed by letter of credits, insurance or cash against documents, which constitute 99% of the trade receivables balance (excluding related parties). The Group has been transacting with most of its export customers for a long period of time.

Derivative contracts are entered into with approved counterparties and the Group is not subject to significant credit risk on these contracts. Also since derivative assets and trade receivables with provisional pricing arrangements are classified as assets measured fair value through profit or loss, no separate ECL is required to be recognised for such contracts.

Credit risk concentration

The maximum credit risk exposure at the reporting date is equal to the carrying value of the financial assets shown in the consolidated statement of financial position, which are net of provisions for impairment.

The Group sells its products to a large number of customers. Its five largest customers, account for 28% of the outstanding trade receivables at 31 December 2024 (2023: 30%).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group limits its liquidity risk by ensuring bank facilities are available. The Group's terms of sale require amounts to be paid within 30 to 180 days of the date of sale. Trade payables are non-interest bearing and are normally settled within 45 days terms.

The table below summarises the maturities of the Group's financial liabilities at 31 December, based on undiscounted contractual payment dates.

31 December 2024	Less than 3 months BD '000	3 to 12 months BD '000	1 to 5 years BD '000	Over 5 years BD '000	Total BD '000
Loans and borrowings (including interest payable)	127,599	90,562	301,070	125,281	644,512
Trade and other payables	209,879	-	-	-	209,879
Lease liabilities	299	961	3,638	4,510	9,408
Total	337,777	91,523	304,708	129,791	863,799

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

31 December 2023	Less than 3 months BD '000	3 to 12 months BD '000	1 to 5 years BD '000	Over 5 years BD '000	Total BD '000
Loans and borrowings (including interest payable)	169,827	64,429	305,601	189,263	729,120
Derivative financial instruments	1,108	-	-	-	1,108
Trade and other payables	166,005	-	-	-	166,005
Lease liabilities	292	924	4,162	5,013	10,391
Total	337,232	65,353	309,763	194,276	906,624

Changes in liabilities arising from financing activities

	As at 1 January 2024 BD '000	Cash flows: Receipts BD '000	Cash flows: Payments BD '000	Cash flows: Others BD '000	As at 31 December 2024 BD '000
Loans and borrowings	585,838	1,297,403	(1,360,580)	5,988	528,649
Lease liabilities	8,511	-	(1,267)	570	7,814
Derivative financial instruments	1,108	-	-	(1,108)	-
	595,457	1,297,403	(1,361,847)	5,450	536,463

	As at 1 January 2023 BD '000	Cash flows: Receipts BD '000	Cash flows: Payments BD '000	Cash flows: Others BD '000	As at 31 December 2023 BD '000
Loans and borrowings	629,213	484,980	(549,352)	20,997	585,838
Lease liabilities	5,367	-	(1,178)	4,322	8,511
Derivative financial instruments	-	-	-	1,108	1,108
	634,580	484,980	(550,530)	26,427	595,457

Others include the effect of foreign exchange movement, transactional and related costs on loans and borrowings and impact on new leases during the year.

Capital management

Capital includes share capital, treasury shares, statutory reserve, capital reserve, cash flow hedge reserve and retained earnings.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital on the basis of the debt-to-equity ratio. This ratio is calculated as net debt divided by equity. Net debt is calculated as total debt (i.e. loans and borrowings and trade and other payables) less net cash and cash equivalents. Equity comprises all components of equity (i.e. share capital, treasury shares, statutory reserve, capital reserve, cash flow hedge reserve and retained earnings).

	2024 BD'000	2023 BD'000
Loans and borrowings	528,649	585,838
Trade and other payables	211,835	167,229
Less: cash and cash equivalents	(113,800)	(59,632)
Net debt	626,684	693,435
Total equity	1,923,941	1,789,232
Debt-to-equity ratio	33%	39%

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, commodity price risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, current and fixed deposits and derivative financial instruments.

The Group uses derivatives to manage interest rate market risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (receivable balance, call accounts and loans and borrowings). The Group uses interest rate swap transaction for floating rate borrowing as hedge of the variability in cash flows attributable to movements in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	2024		*2023*	
	100 basis point increase	*100 basis point decrease*	*100 basis point increase*	*100 basis point decrease*
Variable-rate instrument (BD '000)	(3,012)	3,012	(4,234)	4,234

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Commodity price risk

Commodity price risk is the risk that future profitability is affected by changes in commodity prices. The Group is exposed to commodity price risk, as the selling prices for aluminium are generally based on aluminium prices quoted on the London Metal Exchange (LME). The Group hedges its selling price using commodity contracts, on behalf of customers, if agreed.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in the LME price on derivatives outstanding as of 31 December, with all other variables held constant.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Commodity price risk (continued)

	% Increase/ decrease in LME price	Effect on results for the year BD '000
2024	+30%	(146)
	-30%	146
2023	+30%	332
	-30%	(332)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency).

The Group's financial instruments are mainly denominated in Bahraini Dinars, US Dollars, Euros, Swiss Francs, Japanese Yen, Canadian Dollar and Great Britain Pounds. The Group sometimes uses forward foreign exchange contracts to hedge against foreign currency payables. As of 31 December 2024 and 31 December 2023, there were no outstanding forward foreign exchange contracts.

As the Bahraini Dinar is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

The table below indicates the Group's unhedged foreign currency exposures at 31 December 2024 and 31 December 2023, as a result of its monetary assets and liabilities. As of 31 December, the following financial instruments are denominated in currencies other than Bahraini Dinars and US Dollars, which were unhedged:

Financial instruments	*Currency*	2024 BD'000	2023 BD'000
Bank balances	Euro	45,344	17,733
	Swiss Franc	82	76
Receivables	Euro	39,159	34,993
Loans and Borrowings	Euro	-	17,086

Financial instruments	*Currency*	2024 BD'000	2023 BD'000
Payables	Euro	1,004	1,203
	Great Britain Pounds	205	230
	Japanese Yen	304	-
	Canadian Dollar	269	86

The analysis calculates the effect of a reasonably possible movement of the Bahraini Dinar's currency rate against currencies which are exposed to currency risk, with all other variables held constant, on the consolidated statement of comprehensive income (due to the fair value of currency sensitive monetary assets and liabilities).

The effect of decreases in currency rate is expected to be equal and opposite to the effect of the increases shown.

	2024		*2023*	
Currency	*Increase in currency rate*	*Effect on results for the year BD '000*	*Increase in currency rate*	*Effect on results for the year BD '000*
Euro	+10%	8,350	+10%	3,444
Japanese Yen	+10%	(30)	+10%	-
Canadian Dollar	+10%	(27)	+10%	(9)
Swiss Franc	+10%	8	+10%	8
Great Britain Pounds	+10%	(21)	+10%	(23)
		8,280		3,420

27. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets consist of bank balances and cash and trade and other receivables. Financial liabilities consist of loans and borrowings, lease liabilities and trade and other payables. Derivative financial instruments consist of interest rate swaps and futures.

Set out below is an overview of financial instruments held by the Group as at 31 December 2024:

	Financial assets at amortised cost		*Financial assets at fair value through profit or loss*	
	2024 BD'000	2023 BD'000	2024 BD'000	2023 BD'000
Financial assets				
Cash at bank	113,766	59,598	-	-
Trade and other receivables	247,321	204,767	17,502	18,940
Derivative financial instruments	-	-	13,269	13,901
	361,087	264,365	30,771	32,841

	Financial liabilities at amortised cost		*Financial liabilities at fair value through profit or loss*	
	2024 BD'000	2023 BD'000	2024 BD'000	2023 BD'000
Financial liabilities				
Loans and borrowings	548,495	614,283	-	-
Trade and other payables	209,879	166,005	-	-
Derivative financial instruments	-	-	-	1,108
	758,374	780,288	-	1,108

The management assessed that bank balances and cash and short-term deposits, trade receivables, other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2024, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values, except for the trade receivable (subject to provisional pricing).

- The Group's derivative financial instruments are measured at fair value using Level 2 inputs. The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and commodity option, future and forward swap contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and forward rates, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk.

27. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

As at 31 December 2024 and 31 December 2023, the Group's derivative financial instruments and trade receivables (subject to provisional pricing) that were measured at fair value were Level 2 as per the hierarchy. The Group does not have financial instruments qualifying for Level 1 or Level 3 classification.

During the years ended 31 December 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (2023: same).

The fair values of other financial instruments are not materially different from their carrying values as of the reporting date.

28. ALBA SAVINGS BENEFIT SCHEME

The Group operates a compulsory savings benefit scheme for its Bahraini employees ('the Scheme').

The Scheme's assets, which are not incorporated in these consolidated financial statements, consist principally of deposits with banks, equity shares and bonds.

The Scheme is managed by a committee of employees called the Board of Representatives (the 'BoR') representing the Group and the employees. The BoR manages the risks relating to the Scheme's assets by approving the entities in which the Scheme can invest and by setting limits for investment in individual entities.

29. DOMESTIC MINIMUM TOP-UP TAX

The Global Anti-Base Erosion Pillar Two Model Rules ("GloBE rules") established by the Organization for Economic Cooperation and Development ("OECD" apply to multinational enterprise ("MNE") groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ("Bahrain DMTT law") on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities within the Group for fiscal years beginning on or after 1 January 2025.

The Group is currently preparing for compliance with Bahrain DMTT law and GloBE rules by upgrading reporting system, evaluating transfer pricing adjustments and aligning with domestic and international DMTT regulations. As at the reporting date, the Group's management has not yet completed their assessment and estimation of the quantitative impact of the Bahrain DMTT law and GloBE rules.

INVESTOR RELATIONS

Alba Shareholders' Structure

Alba is listed on both the Bahrain Bourse and London Stock Exchange, and the Company's shareholders are Bahrain Mumtalakat Holding Company (69.38%), SABIC Industrial Investment Company (20.62%) and the General Public (10%).

Bahrain Mumtalakat Holding Company B.S.C. (c)	SABIC Industrial Investment Company	General Public
69.38%	**20.62%** (31 Dec 2024)	**10%**

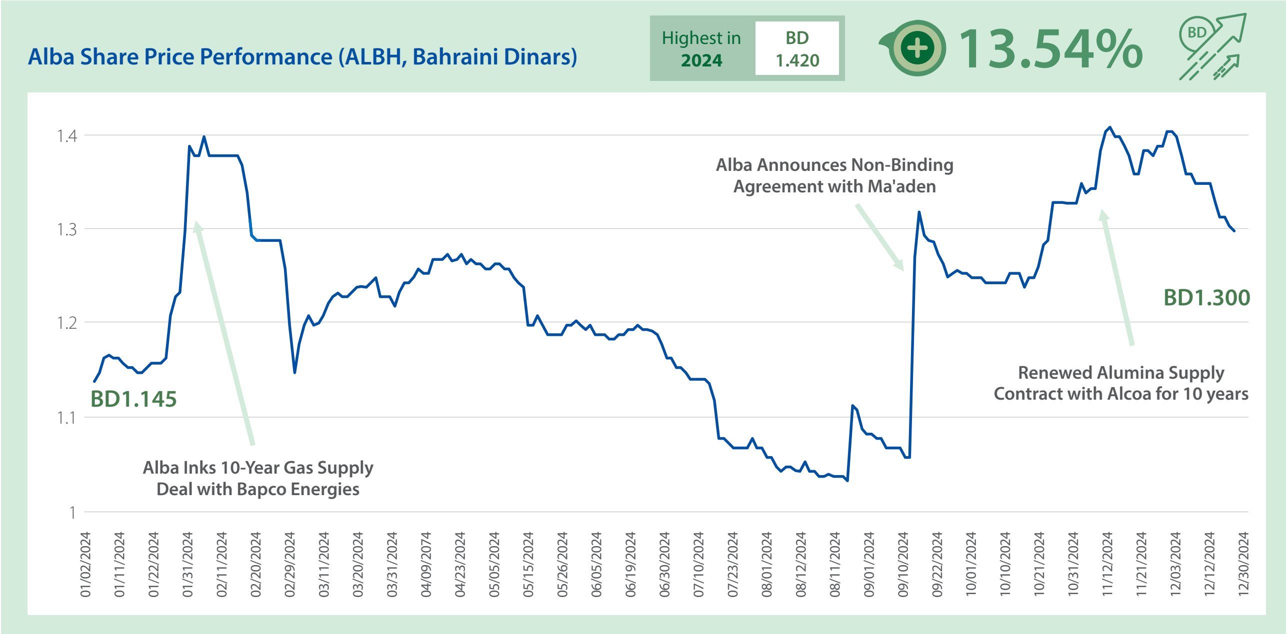
Investor Relations

Aluminium Bahrain B.S.C. (Alba) maintained active communication with investors throughout the year. The Company engaged in focused dialogues with institutional and retail investors as well as financial analysts. These interactions included:

- **In-person Meetings:** Alba hosted many investors and buy-side analysts at its Company campus.
- **Virtual Meetings:** Alba leveraged virtual communication channels for 1:1 meeting with institutional shareholders and investors.
- **Investor Conferences:** The Executive team & the Investor Relations team participated in individual, and group one-on-one meetings organized by Arqaam Capital in May 2024 & Middle East Investor Relations Association in December 2024. During these sessions, Alba management met with a total of 57 shareholders and investors.
- **Financial Reporting:** Alba ensured transparency by presenting annual and quarterly earnings through conference calls and webcasts, making the information readily accessible to the financial community.

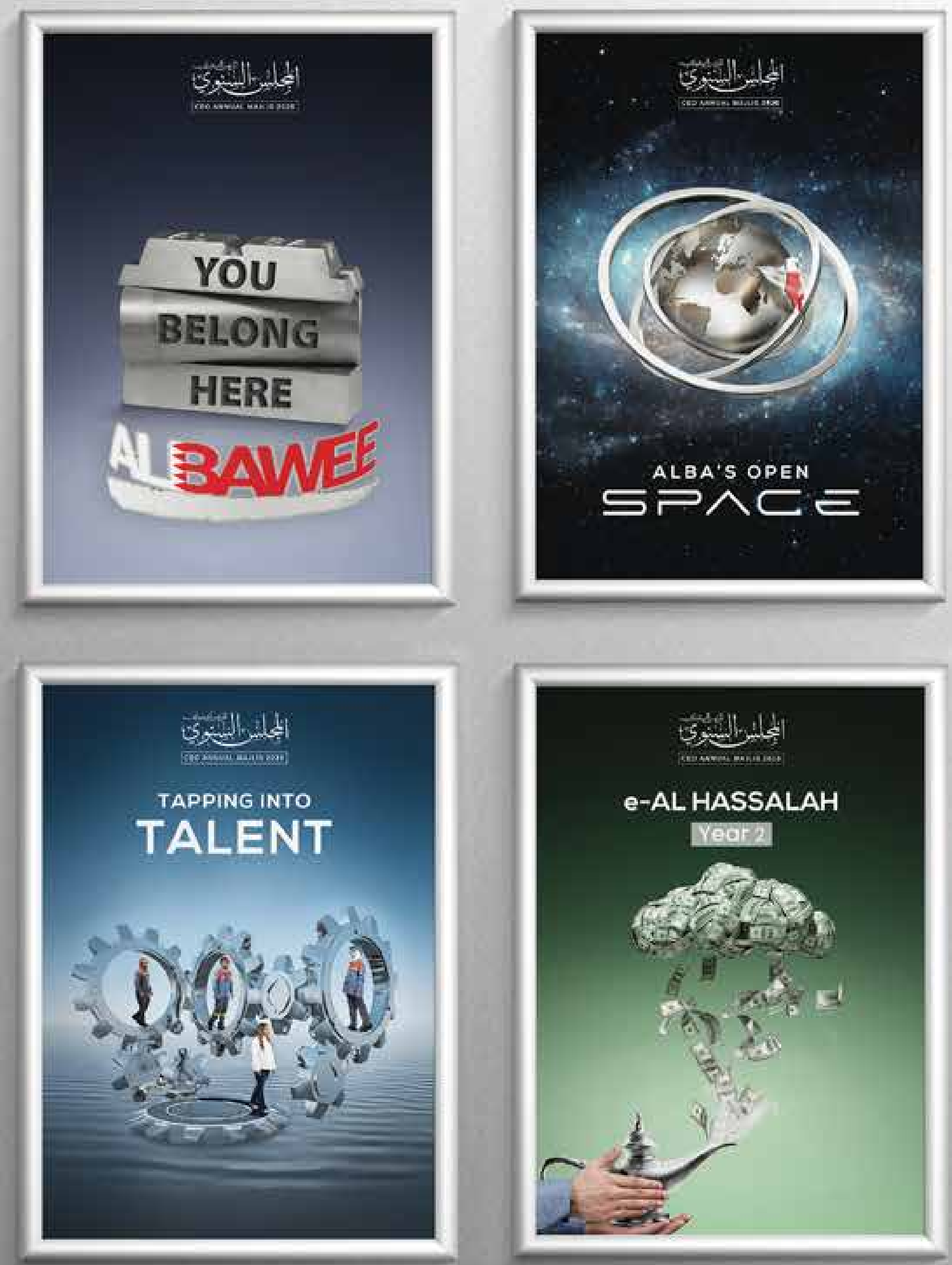
The IR team provides shareholders, investors and financial analysts (buy-side and sell-side) with a direct point of contact on +973 17835100 or via emails (IR@alba.com.bh and InvestorRelations@alba.com.bh) for any questions related to Alba, its share (ALBH) price, the Company's ESG Performance and Industry Outlook.

- For information on Alba's Sales Breakdown (by product-line and geographic footprint), please surf the Products & Markets section in 2024 AR.
- For more information on Alba's Audited Financials, please visit the last section in 2024 AR.
- For more information on Alba's ESG Performance, please download 2023 Sustainability Report from Alba website. 2024 Sustainability Report is work in progress and will be published in Q3/Q4 2024.
- For more insights on Alba's Governance Practices, please visit the Corporate Governance section in 2024 Annual Report.



Aluminium for the world

Alba's Objectives for 2025



SCAN ME

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