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Aluminium Bahrain B.S.C. (Alba)
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ألمنيوم البحرين ش.م.ب. (البا)
سجل تجاري رقم: ٩٩٩

Disclosure of Material Information

To: Bahrain Bourse

Aluminium Bahrain B.S.C. (Alba) would like to announce the following material information:

الإفصاح عن معلومات جوهرية

السادة / بورصة البحرين

تعلن ألمنيوم البحرين ش.م.ب. (البا) عن الإفصاح عن معلومات جوهرية المبين تفاصيلها أدناه:

Date	17 May 2022 17 مايو 2022	التاريخ
Company Name	Aluminium Bahrain B.S.C. (Alba) ألمنيوم البحرين ش.م.ب. (البا)	إسم الشركة
Trading Code	ALBH	رمز التداول
Subject	Aluminium Bahrain B.S.C. (Alba) has conducted its Q1 2022 Financial Results' Conference Call on Monday 16 May 2022 at 3 PM. Attached for reference is the Investor Relations (IR) Presentation along with the transcript for the call. عقدت ألمنيوم البحرين ش.م.ب. (البا) اجتماعاً هاتفياً لمناقشة الأداء المالي للشركة للربع الأول لعام 2022 يوم الإثنين الموافق 17 مايو 2022 في تمام الساعة 03 ظهراً. تجدون في المرفقات العرض التقديمي لعلاقات المستثمرين للربع الأول لعام 2022 بالإضافة الى المحضر المفصل لمجريات الاجتماع الهاتفي.	الموضوع
Name	Ms. Eline Hilal	الإسم
Title	Director – Investor Relations, Insurance & Corporate Secretary	المسمى الوظيفي
Company Seal ختم الشركة		Signature التوقيع
		



SICO Bank - Aluminium Bahrain Webcast 16 May 2022

Monday 16 May 2022

Introduction

Eline Hilal

Director Investor Relations, Aluminium Bahrain

Introduction

I would like to thank everyone for joining Aluminium Bahrain Management for its Q1 2022 Financial Results Webcast. This call will be led by the Chief Executive Officer who will be doing the last two sections of the IR presentation, industry perspective for the year of 2022 along with Alba priorities for the same year followed by the Chief Financial Officer, Bryan Harris, who will be conducting the third section of this presentation, Alba's Q1 2022 results. And the last, myself, who would be taking you through the industry highlights and Alba's highlights for the first quarter of this year.

A special thanks goes to SICO for Mr Anoop Fernandes for hosting the call for Alba. Without further ado, I kindly ask you, please, to put your phone on mute as we speak, as we go through the presentation.

Industry Highlights

So first, we will start with the industry highlights. For those who are not aware, Alba relies on lots of market intelligence but specifically for the purpose of the IR presentation, we rely on CRU market intelligence. So in these couple of slides, the numbers that we have used can be found in CRU.

Global Consumption

Moving on into the global consumption, I'm sure everyone is watching the news these days in respect to the Russo-Ukrainian war. Today, we're seeing economies of war that has affected the world consumption. Today, the world consumption has been flat, plus 1% year-over-year increase versus Q1 2021. Having started to recover from COVID-19, the pandemic, the war has raised the new challenges when it comes to the commodities and has created mixed market sentiment as we have all seen in the last couple of months. The market for commodities including aluminium, foreign exchanges, equities, and debt are all adjusting to the chock of the war and the uncertainty that the market is currently experiencing. We also are of the opinion that there will be severe economic consequences for Ukraine and Russia and potentially the global economy.

Middle East

With respect to the Middle East, the demand was up by 5% year-over-year and it was supported by higher consumption in the Kingdom of Bahrain, plus 7% year-over-year, UAE plus 5%, and the Kingdom of Saudi Arabia 5%.

United States

For the United States, consumption was up by 3% year-over-year supported by a surge in the construction and transport sectors despite higher costs and labour shortages in the market.

Europe

For Europe, the energy pricing – the surging in energy prices and the prospects of potential supply disruption in the energy have weighed on the economic activity with auto sector filling

the most through the heat in the supply chain stream, that has led to a consumption going up plus 2% year-over-year.

China

Last for China, in the last couple of months we have seen an increase in the COVID-19 cases and slowdown in the property sector together with the global impact of the Russia-Ukraine conflict have prompted the government to loosen the fiscal policy. And because of that, we have had a flat consumption, almost 0.5% year-over-year increase versus Q1 of 2021.

World Market Supply

Moving on into the world market supply, the world market supply was down by 2% year-over-year. Why? The war in Ukraine have highlighted many differences and strong differences between China and the rest of the world with the LME and the Shanghai Future price moving in opposite directions. And that's why we see that this has reflected on the supply growth in China which was down by 2% year-over-year.

Middle East

Middle East supply was up by 4% year-over-year and it's left by Bahrain supply which was up by 1% and UAE by 7% year-over-year respectively.

Europe

Europe is leading the world ex-China output with its production going down by 5% year-over-year as a result of higher energy prices. The world market deficit softened on slower global demand growth with China and without China. So we're seeing today a minor deficit with China and without China.

LME Price and Premium

Going now into the LME price and premium. The strong aluminium fundamentals which we have seen in the last couple of months in the market have supported the highest quarterly average LME aluminium price since 1988. LME cash averaged 3,467 per tonne and that was up by a 56% year-over-year with the highest almost touching \$4,000 on 7th March and the lowest almost \$2,800 per tonne on 04 January. The LME inventories remain low at about 0.6 million metric tonnes as of the first quarter of 2022 and the inventories were down by more than 65% year-over-year.

European and the US premium have reached fresh all-time highs unlike the MJP premiums, and you can note this in the bottom chart as you see in front of you on page number 7. Midwest have reached \$781/MT in Q1 2022 with DDP Rotterdam \$480/MT while the MJP premium has gone down from \$218/MT in Q4 2021 to \$177/MT in Q1 2022. Moreover, on the Alumina price, this is the Aluminium Price Index, so it averaged 13% of the LME price which is corresponding for \$432 per metric tonne; and as stated in the previous slide, the LME price has averaged in Q1 2022, \$3,267/MT.

Industry Highlights

With that, we finish from the industry highlights. I hope that was quite informative for you before we branch off into Alba's highlights for the first quarter of this year. Everything you see by the way in this section has been previously disclosed, and here we are just reinstating the disclosure in the presentation. So first, we start with the major environment, social and government highlights. As our CEO keep saying, at Alba everything starts with safety and

ends with safety, and we do believe safety first, safety always at all times. With that in mind, I would start with slide 12 before we branch in into ESG highlights. I would like to state that we are super pleased that Alba has exceeded 24 million in the first quarter of 2022 because we have achieved on 30 April 25 million safe working hours without LTI which was the highest safety milestone achieved in the company's history of commercial operations.

I'm sure you have seen from previous disclosures that Alba has completed its golden jubilee of operation in May 2021. A couple of days ago, we have completed 25 million safe working hours without LTI. To-date, we are topped more than 25.5 million safe working hours without LTI. Not only that, throughout the company's history, we have achieved more than 25 million metric tonnes of aluminium produced since 1971.

The chart on the right side, it speaks louder than words. We have total injuries, 4 for Q1 2022. For total injuries, there is good drop if we counted 4 for this quarter versus 34 for 2021; if we continue with the same rate, we're going to have around 12 total injuries for this year. Recordable injuries were 4 versus zero LTI.

And with that, I will go back to slide 10 for the ESG highlights. If you remember, we have released on the 10 February 2022 the ESG approved roadmap by our board of directors. And throughout this roadmap, we have six major priorities; we're having different initiatives in connection to each of these priorities -- part of which, Alba has signed a memorandum of understanding with Mitsubishi Heavy Industries to collaborate on potential opportunities between the two companies to reduce Alba's carbon footprint.

Spent Pot Lining Treatment Plant

With respect to the Spent Pot Lining Treatment Plant, the Spent Pot Lining Treatment Plant has been fully commissioned and is now in operation since December 2021. Not only that, but we have also shipped 125 tonnes of the HiCal. HiCal is the SPL product once it's treated. We have been as well the recipient of the British Safety Council for International Safety Award for the year of 2021. As stated on the Slide 12, we had zero LTI for the year of 2021. We have also collaborated with BAPCO to implement ESG initiative of common interest between two of the major industries in Bahrain through signing a recent MOU.

We are also very pleased that last Thursday, our board of directors have approved to change or to rename the name of our executive committee to be renamed into executive and ESG committee. On this point, I would like to highlight that ESG has always been discussed at the board and at all committee levels.

However, we wanted to make this more official so the executive and the ESG committee are now one committee, specifically that ESG committee sits very highly at the company strategy for the coming [inaudible]. In addition to that, the CEO has formed a recent ESG Taskforce Committee to evaluate all ESG length initiative associated with the six priorities which the board has approved back in February 2022, on the decarbonisation, green energy and aluminium, circular economy and secondary aluminium, employee welfare, collaboration and partnership, and transparency, communication, and due diligence. Although we have achieved 25 million safe working hours on 30 April, we wanted to also emphasise that by 06 April, Alba has completed 24 million safe working hours without LTI

Slide 11 is for your reference, as this this will be featured in all our updates moving forward in the IR presentations.

Operational Highlights

Moving on into the major operational highlights on slide 13. Our sales volume has stopped at 354,216 metric tonnes, slightly down by about 0.3% year-over-year, while our production was up by 2.4% to reach 391,050 metric tonnes. Our VAP has considerably increased, 65% for this quarter versus 62% in the last quarter of 2021 with VAP volume topped 230,000 metric tonnes. In terms of volume, this was up by about 5.4% year-over-year. Effective 1st April of this year, the natural gas is now at \$4 per mBtu. And this price will be the same until 31st March of next year.

We have signed recently with EtaPRO to use the digital industry 4.0. This is in line with the company digitisation plan and artificial intelligence to improve our power stations' performance. We have also signed an MOU with Emirates Global Aluminium, to explore opportunities to creep Alba's production in particular Line 6 and potentially deploy EGA technological expertise for the potential brownfield expansion of Line 7. This was disclosed in the full year results on 10 February 2022. We have also inked an MOU with Bahrain Polytechnic to develop higher educational opportunities for Bahraini nationals, especially in various engineering discipline. This is also in line with the master training plan the company has and in line with Al Jisr Initiative which is led personally by the CEO. Last, we have honoured our national employees who have completed 10, 20 and 30 years in service.

Financial KPIs

Moving on into the financial KPIs. I'll cover this slide very quickly because the real input will be given by the Chief Financial Officer. Our EBITDA was driven of course by higher LME price and premium and it topped almost \$492 million which was up by 105% year-over-year. In terms of net income, it was driven by higher EBITDA and it reached the \$390 million, up by 181% year-over-year. In terms of the free cash flow, it reached \$316 million up by 7,933% year-over-year. Also please excuse the typo mistake for Q4 because it should be Q1 rather than Q4.

For Al-Hassalah Initiative, which is the last update from my perspective, we have achieved an additional \$18 million on top of what we have achieved as of yearend 2021, so that we have a cumulative savings of \$89 million corresponding to \$45.38 per metric tonnes.

On the pie chart on your right, this is the breakdown of our value chain for how we intend to achieve \$100 million by the end of this year. And with that, we – I leave the stage to the CFO to take us through Alba's financials of Q1 2022.

Financials Quarter 1, 2022

Bryan Harris

Chief Financial Officer, Aluminium Bahrain

Thank you Eline. It's a pleasure to be with you again, ladies and gentlemen, so I'll begin by taking you through from slide 17. So, Q1 has been one of the strongest quarters in Alba's 50-year history, as Arlene mentioned, from an operational point of view, from a safety and environmental point of view, but, obviously relevant to my area, also from a financial point of

view. The theme for this quarter has been higher prices, both on the ALUM E side and the premium side, as well as increased volatility.

Metal sales bridge

So, if we look at the first slide on slide 17, the metal sales bridge, so this takes you through the step change from the comparative period of Q1 2021, on the left-hand side, through to the actual results for this quarter. So, last – Q1 2021, we had sales of 784 million, the major differences between that quarter and the current quarter has been the ALUM E price, which contributed an extra 349 million, and then the pricing par which is basically the additional premium, that we've received this quarter, has amounted to 80 million. We had a very small reduction in volume, of 3 million, so in all, our metal sales was 1.21 billion, so that's an increase of 426 million over the comparative quarter, or 54% higher for Q1, 2022.

Sales

Moving on to the next slide, to take about the sales in a little bit more detail, you can see in terms of metric tons, we increased our value added, which amounted to 12,000 more than the comparative period, and we reduced commodity. So again, the commodity is low margin, so we reduced low margin and increased our high margin, for the quarter, which gives us the 354 for Q1, 2022. And you can also see the difference in the premiums per metric ton, on the right-hand side, that increased from \$203 up to \$427 per metric ton. And that was driven by two factors; one as Alba has shifted from commodities to VAT, so our premium has increased, but also, obviously the global market has improved. And so we've been the beneficiary of that global market improvement.

Cost

Moving on to page 19, which looks at the cost side, so again this is a bridge taking us from our comparative period of Q1 2021, to our actual results for the most recent quarter. The largest contributors, you will see are on the raw material side, so we have the raw material price, which is Alumina and Coke, contributing 121 million of additional cost, and other raw materials, so this is pitch and alloys, etc., contributing another 101 million. So, basically you know, approximately 220 million of the additional costs was due to raw materials. So, that's much more than the overall total increase. That was offset by a slight reduction in raw material consumption, because our sales level was a fraction lower than the comparative period. And then also a reduction in plant bending. So, that plant bending represents other areas like workforce and other associated costs, other than the raw materials. That basically left us with a total cost of 664, so that's an increase of 128 million, so substantially lower increase than the cost of – than the revenue increase. So, our sales increased by 426 million, but our costs basically only increased by 128 million. So, obviously much improved gross profit.

EBITDA bridge

Looking then at our EBITDA bridge on page 20, so our EBITDA for our comparative period was 240 million. We had a substantial increase on the revenue side, as already explained on slide 17 of 426 million. The direct cost went up by 128 million, so again that was pretty much all raw materials. Selling expenses went up by 25 million, so this was mainly due to the increase of our freight costs. So this was global increases in costs for containers, and for other shipping costs, as well as this will also include non-US tariff, so as the – we sell at a higher

price, so the amount that we pay in duties to governments also increases. So, it's obviously good news that we get more for the – from the customers, with the higher ALUM E, but it does mean that we pay a little bit more in customs duties as well. And so overall, our EBITDA increased to 492 million, so very strong EBITDA figure for the quarter, up by 252 million, so an increase of more than 100%, so 105% increase to the comparative period.

Cash flow bridge

Looking at our cash flow bridge then, on page 21, so this is a comparison to where we were at the end of 2021, so the left-hand side, you can see is basically the cash balance at 31st December, 2021, of 248. We generated a significant cash from operations of 483 million. A fair bit of that was taken up by working capital changes, so increases in inventory and accounts receivable. And then obviously deducted from that, you take off your Capex. We are now starting to make initial payments, relating to block 4, which is the power station 5, which you may have seen a press release, that we have been looking into a fourth block. And then 12 million difference relating to servicing our debt. And then we also have obviously our 200 million that we paid out in March two shareholders to spread some of the wealth and good news with our current shareholders. And that left us with a cash balance at the end of Q1 of 346 million.

Financial summary

So then, looking at the financial summary, we obviously had a much higher cash ALUM E for this quarter compared with the comparative. So it was \$3,267 per metric ton, ALUM E price, versus the comparative period of 2021. The average alumina price was 432, so substantially up from the comparative period, which explains the increase in raw material – raw material cost. Revenue, as mentioned, just over 1.2 billion. For those that are familiar with our financials, you will probably recognize that we made more, in terms of our net income, of 390 million, than we made during the first half of 2021. So, strong net income of 390 million, strong EBITDA of 492 million, and adjusted net income of 387 million for the quarter. So, with that, I'll hand over to our CEO, Mr. Ali Al Baqali, to take us through the industry perspectives for 2022.

Industry Perspectives

Ali Al Baqali

Chief Executive Officer, Aluminium Bahrain

Opening remarks

Thank you, Brian. Thank you, Arlene, for covering section 1, 2 and 3; I will take us through section 4, which is industry perspective, and section 5, other priorities. We are on slide number 24, the industry perspective, as everybody knows that market is volatile and the demand is very strong, supply is very tight. And we notice that for the last few weeks, China starts exporting metal outside China, which puts a lot of pressure on the LEV price. That's why you saw the LEV price is operating below \$3,000, the main reason was China started to export metal. As well as other fundamental in the market works, since this is already in place, also we noted that due to inflation and increase the mortgage, which means loan in US. This put also some concern in the future about the construction sectors in US. It will put

more pressure on the LEV price, and maybe it will – it will – demand in this sector will be volatile a little bit.

Also, based on the forecast from Europe, carbon board adjustment mechanism, they are going to do a transitional carbon tech tariff, starting from 2023, and it will be fully in force in 2026. Still, the mechanism KPI is still not set up, but we are expecting this will be something that will start with minimum, then it will be increasing for the coming few years. Still the energy price is – in Europe and in US is very high and volatile, and this also puts a lot of pressure on all the commodities, and if you notice also the Fed[?] increased the interest rates by 50 basis points; this also one factor put a lot of pressure on the LEV price and on the US currency as well as Europe. And if you will look at the news today, or yesterday, for the first time, move further up, maybe 10 or 20 years, the first time US dollars is equal to euro currency. We are pushing from our side to look at all the initiatives in our ESG roadmap, as Arlene said. And we put a task force in order to follow all these initiatives. I will cover this, and other priorities, later on. But, as our expectations until the end of the year, the LEV price will be ranged between 2,500 to 2,800. If you look at today, the price is 2,722. I am not sure about the closing of today, but it will be expected in the same level.

Industry perspective

Moving to industry perspective for the raw materials, [inaudible] the prices for the major raw materials in Alba, like the oil price, we look at the oil price is increasing and volatile, the alumina price also is same, but for the last few weeks, we see the alumina price is operated between \$360 to \$370 per metric ton. And for the second major raw material, such as aluminum fluoride, the logistics issue and the uncertainty in Ukraine and Russia war, is still all the major raw materials is increasing, with two main reasons; the demand is high. The second reason is the logistics which make it also more worth, which inflated the price. From other side, we secure all the raw materials for the end of the year, which is for this major raw material, in terms of alumina, we have many contracts and long-term contracts, medium- and short-term contracts, and we don't see any unforeseen disruptions in our process or production.

Other priorities

Moving to other priorities, still we are focusing more and we still – we give top priority to our [inaudible]. As Eline, she said, that we exceed now the 25.5 million hours without LCI. This is for the first time in Alba history we achieved this record, and we put all the mechanism, all focus, in order to pressurize and to put more focus on our [inaudible] in order to do a lot of campaigning. Especially this time and last year also, and this year quarter 1, we make our 50 campaign with the ESG initiative, just to give a new mindset of our people, in order to think – not only for 50, but to protect the other aspects of the environmental experts. As initiated[?], the board approved the roadmap for our ESG initiative, and she stated that there are a few initiatives, some of them are a quick win; we can do it very fast, some of them require short term plans with a minimum Capex. Some of them require medium term and require maybe some or heavy Capex to be injected. However, there are some initiatives required long-term and required also some, not only the Capex, also the technology is not mature or not available, or the technology is not commercialized yet. This required a lot of monitoring, a lot of focus, and I think we are on the right track to develop the roadmap. This will enable us to move and to put a certain initiative and a KPI, in order to monitor our progress and to move

forward. One of these initiatives, maybe as you are aware, and we already announced on it, is to have a solid form for the 5 to 7 megawatt. This is already now at the final stage of the commercializing or evaluation stage, and definitely we are going to announce in the future, once we award the contract, we are going to inform the investor, *inshaallah*.

It is still our focus also to exceed the projected target of this year, as you are aware that 1,560,000 metric tons, the target, but we are *inshallah* with putting a lot of initiative to boost the production by creeping mechanism, although we are going to achieve the plan or exceed it, we shall know by the end of the year. In terms of [inaudible], as Eline also explained, we are in the right direction to capture all the savings and reduce the cost on the controllable elements, which we can control. Definitely, we cannot control the [inaudible] price but we can control the other costs, which play directly in the operation.

Today and with regards to block 4, I think we already announced just now that we already awarded the EPC contract and FNTP with Mitsubishi, in order to proceed with the construction, and I think you will see this already in the news today. Thanks Eline for speeding the advert and releasing the news before we start the webcast. In terms of line seven, there are a lot of talks; we issued a tender for pre-feasibility study, and we awarded it last week to Bechtel. This study will take around four to six months to be finalized. Then based on the results of the study, we are going to decide after getting the board approval, to go for this expansion. I think everything on – moving as per the plan.

And by this, I end the presentation. I will hand over to Eline to receive any questions for us. Thank you, and I wish everybody a happy day.

Eline Hilal: Thank you, Ali. With regards to the questions, we note ten questions in the chat box as of now. We will go through the questions one by one. If the questions are repeated by some of you, we will not provide the responses again so we will skip the questions. We will read the questions and accordingly will mention who asked the question and then we will answer it. The first question was by one of our shareholders, Bahrain National, Insurance, BNI, Deepak Babu. Thank you for the greetings and the congratulations. He wants us to elaborate on what has led to lower sales volume in Q1 2022. And he said, assuming it is shipping related, have these shipping issues been sorted out, and can we expect sales volume to catch up in the second quarter of 2022?

Ali Al Baqali: Yes, you are right, the main reason was the logistics issue, we put all the mechanism, all the tools, in order to cooperate with the sales in Quarter 2. We are looking forward to achieve our Sales target for Q2 2022.

Eline Hilal: For the second question, Mr. Deepak wants to know about the breakdown or spike in the selling and distribution expense in the income statements, and our forecast for under – with regards to selling and distribution expense in the coming quarter, in terms of run rate.

Bryan Harris: Sure, happy to take that. So, that's mainly due to the increase in shipping costs, and this is a global phenomenon, so not only for Alba, not only for our own – for the aluminum industry, but for most manufacturers and exporters. So it's a couple of different things to break it down to the next level; it's the increase in container costs, and shipping rates. Also in order to resolve some of the logistical issues, we've also been creative; we've been using break bulk shipping, to ensure that we get more of our product out there, and that

break bulk shipping tends to be more expensive than shipping by containers. The selling and distribution and general admin expenses also include non-US duties. So, obviously as we sell product for a higher sales price, with a higher ALUM E, so we have to pay a little bit more for international duties, and particularly as we have shifted from selling from traders, to end customers, we obviously get higher margin, but in return, that does increase our freight cost, so instead of just selling to a trader, now we are basically exporting it and then tracking it to the final customer, which obviously gives us a better margin, but it does mean we are paying higher freight costs. In terms of the – our forecasts going forward, from the experts that we've spoken to, in the freight industry, they are expecting that the rest of this year will still be very tough, in terms of freight – global freight costs, but they are expected to stabilize and start reducing next year.

Eline Hilal: Next question is also from Deepak, on the breakdown of the share of Alumina, our major raw material in the balance sheet, of 358 million BD, as of March 2022. The breakdown of Alumina, the inventory in our balance sheet also \$358 million, how much is it for Alumina?

Bryan Harris: Yeah, I don't think we normally give a breakdown of our individual raw material amounts, but obviously –

Ali Al Baqali: But the majority is for Alumina cost?

Bryan Harris: Yes.

Ali Al Baqali: Next question.

Eline Hilal: Next question, also the last question from Deepak, about the dividends, he's saying whether the company intends to continue with a regular interim dividend; is it an option that is currently considered?

Bryan Harris: Yes, so we paid a very strong dividend, obviously, we paid 100 million interim at the end of last year, and then followed that up with a final dividend of 200 million in March, this year, relating to year end 2021 results. We can't really comment on what dividends may be payable this year. We do have ongoing discussions with board of directors and other stakeholders, and obviously we seek to have a balance between payment of dividend and using excess funds to reduce our debt levels.

Ali Al Baqali: A final question, the question that – what are the initiators taking for us in operations, sales and marketing? The [inaudible] is a full program, it is covering all the operations, maintenance, the marketing and all aspects of the controllable costs. Part of the operation is the creeping; when we [inaudible] reduce the overhead costs, it's part of our time and et cetera, from the marketing, the [inaudible] is one part, getting value added to the product, that is one part of it. Costing, definitely we reduce the metal-locks[?] one of the khafal[?] initiatives, consumption factors in the operation also, it's one part of it. This is all the initiative as an example. But it is comprehensive, and there is a methodology on how to calculate the [inaudible]. Next question.

Eline Hilal: Next question is about our VAT capacity and how much it was achieved or utilized in Q1, 2022.

Ali Al Baqali: Yeah, for last year, as you are aware, that we achieved 63%. This year we are targeting above 70% or above 70%. This is the question only?

Eline Hilal: Yes, that's it. Another question. Two questions actually in one. What is the percentage contribution of Alumina power and fuel, carbon and other costs in aluminum COP. Consumption, cost structure, maybe? And what are the major saving strategies implemented, that has been addressed in – by the CEO earlier? So, we will answer the first question about the contribution of Alumina power and fuel in aluminum consumption.

Bryan Harris: Okay, I'll take that. The figures change basically from month to month, especially if you look at recent – recent months, with volatility. We've had Alumina prices go up significantly, and come down significantly. So, we do – we do obviously have them track those figures, but I think it probably is sufficient for me to say that – that obviously our largest contributor to total cost is the raw materials, with well over 50%. The next biggest cost is gas cost, and then after that you have workforce and other costs, so it pretty much stays in that order, but the actual breakdown of what percentage can be allocated to each of those, varies depending on cost of market price of Alumina, and other raw materials.

Eline Hilal: with regards to the question by Abhijeet Kumar, he is asking about how much our sales and distribution costs are out of our realized premium over LME component.

Ali Al Baqali: The freight is the majority.

Ali Al Baqali: Freight is the majority; in normal periods, the freight is a small component, but now due to the logistics issue, it has increased.

Ali Al Baqali: The freight has increased more than double actually.

Eline Hilal: you can see that this is reflected in our sales and distribution expense, in our income statement you will have an idea that this has gone by three times almost. With respect to question by Mayank R on slide 18, we do not release how much we have sold in terms of the different products that Alba has; we provide the sales' breakdown including value added products and liquid aluminum for the full year results. So, we will not be answering this question, but you are always welcome to look at our IR presentation for the full year results of 2021, and you will have an idea about the breakdown in our sales in terms of product line. Ali Tareef, thank you for acknowledging our performance; we note that. We also note your observation on having Alba to potentially disclose its quarter over quarter performance in the presentation, since it is included in the investor toolkit, so we can get back to you later, once we check that with our management. For the first question you have listed, it is regarding aluminum price index, which was disclosed by Century Aluminum at 12% of LME, why there is difference between Alba and Century Aluminum disclosures since Alba disclosed 13% of the LME price?

Ali Al Baqali: What century has disclosed is based on actual cost of 12% of LME price while Alba disclosed the API based upon CRU market intel and this is not based on our actual cost.

Eline Hilal: Second question, by Ali Al Tareef is, why Alba did go for the refinancing, instead of paying its outstanding debts, since the company is doing well?

Bryan Harris: Sure, Ali, I am happy to answer that. So, there are a number of benefits of doing the refinancing, at this time; one to reduce the margin rate. So you will see from our press release that we reduced the margin from 3% to 2.35%, so that's obviously a big boost to profitability. We also wanted to improve our covenant terms, so we wanted less restrictive covenant terms, to allow us to have more self-direction in terms of paying dividends and

other things. So we improved our net debt EBITDA covenant term, from a requirement of 3 to 5 times, and some other provisions within the contract that we also improved the terms to benefit Alba as well as extending the tenure of the loan. But, yes, you're absolutely right, it is appropriate, given Alba's current profitability to look at using some of the available fund to reduce our debt. And you will see that we have significantly reduced our debt levels, during the quarter, and we plan to continue to do so. So, you will see our net debt having reduced, and you can feel confident that that will further reduce.

Eline Hilal: Thank you Bryan, last questions from Ali Tareef, it's with respect to the dynamic materiality or double materiality, and whether Alba relies on both of them or on either one. If not, are we planning to do that in the near future? Since Alba is reporting its sustainability on – based upon the global reporting initiative core option, you only must do the dynamic materiality assessment, not the double materiality assessments. For you to do the double materiality assessments, you will need to be reporting in line with SASB, which Alba today is not doing it, but both are quite similar. We will continue to report on the global reporting initiative core option, which is in line with other producers of aluminum in the world, we will stick with the dynamic materiality assessment.

Last question from him, and before I do that, I'll ask Sarah please to open the floor for the questions which have been received over the call, before we complete the last question from Janet at Tellimer. Thank you for the note, you have asked a question about the reasons behind the increase in selling and distribution expense, which actually tripled from Q1 2021, as per our financials; this has been already addressed earlier, so we will not answer the question. Do you expect this to be the trend for the rest of the year, or are you expecting to – are we expecting to see a decline soon? As long as we're having an issue when it comes to the logistics or the shipping, you will have to expect that we would be having similar values per quarter. Could you please shed some light on the decline in the next finance cost? On the recent loan, refinancing, removing from LIBOR to SOFR, do you expect the lower cost to persist on the rest of the year?

Bryan Harris: Sure, so I'll take that, yes, so you will see that our financial charges have reduced significantly since the comparative quarter, and that's due to a combination of us reducing our loan balances, so reducing our debt levels. And also coming out of COVID, we – with the improvement in our financial situation, we were able to squeeze the banks and reduce the margins, both for our short term debts, as well as obviously as part of the refinancing. The refinancing, obviously we will see the benefit going forward in our way of reduced margins, but some of our shorter term debts already see some of those benefits flowing through in our Q1 result.

In terms of going forward, obviously the interest consists of two components. One, the benchmark rate, and two, the additional margin that we pay. So, as far as Alba is concerned, you will see the margin that Alba pays, reducing, because of the refinancing, but at the same time, you will obviously see global benchmark rates increasing, so whether that's LIBOR, or whether it's SOFR, at the moment, both of those are increasing. So, we will be paying less in terms of our margin, but together with the rest of the world, we'll be paying more in terms of global interest rates, but overall, we should see reduced interest charges in 2022, compared with last year.

Eline Hilal: Last question, from Kumar. It's a follow up question on Al-Hasallah savings. What are the major commercial and marketing strategy under Al-Hasallah? On the same note, can you introduce yourself and where are you coming from?

Ali Al Baqali: I understand from your question, the major achievement is due to higher value added products, because in Q1 2022, we achieved more value added product than Quarter 1, 2021; this is the main thing. And the second point, from the operation side, we produced more metals in Quarter 1 this year versus quarter 1 last year.

Eline Hilal: By that we have tackled the questions which we have received on the chat box. Sarah, are you on the line?

Sarah: Yes, so if any participants would like to ask questions over the phone, please press star and one on your keypad, and you can cancel it by pressing the hash key. So, that's star and one, if anyone has a question over the phones.

Eline Hilal: And can I please ask the participants not to repeat the questions which we have addressed via the web, please? So, ask – if you have any other question which was not addressed on the web, please go ahead and ask the questions. If not, and you will repeat, it was already addressed.

Sarah: No questions coming through on the phone lines.

Anoop Fernandes: Sarah, this is Anoop. Just a couple of questions from my side. Thanks for the detailed presentation that was very informative. Just one question on the PS5 block four, is it going to be the same technology as in the same GE turbines that you are going to be using or is it going to be a different technology this time? And you have spoken about the five to seven megawatt solar pack, I mean what are the challenges within Bahrain to scale this up, beyond your own – the parking lots and so on, in terms of developing a slightly bigger solar project, something like 100 megawatts? What are the key challenges in doing that?

Ali Al Baqali: Thank you for the question, I think it's a good question. For the first part, yes, we are using different technology this time. The power station – block power station five, block one, two, three, was GE technology [inaudible] Clark[?] machine. This block four is Mitsubishi technology, similar to Al Durr technology. The capacity of this block four is around 680 megawatts, which is higher than the previous plot, and it's proven technology and we are seeking higher efficiency once we have the block four after around maybe 30 months, something like that.

The challenges for the solar, yes, as we are aware that Bahrain is a small country, with lack of spaces, land. Our initiative for the 5 to 7 megawatt was to showcase that Alba is – is having a system or having a roadmap, in order to use renewable energy. This is one part from our initiative, but we are working closely with government, especially EWA[?] now, since the ministry of electricity and water, they are handling the renewable sectors from the government side. If there is any bigger scale of the solar farm, we already show our interest to the authorities that we will be a joint venture with them, and we are keen for any exploration on this renewable energy in Bahrain. But, as I said, the big challenge is not money, is not the Capex, the big challenge is having a space in Bahrain to put all the solar farm.

Anoop Fernandes: Okay, okay. Just one more, so if you look at the aluminum exchange inventories, much has been said about it, they're at record lows and so on, but a lot of the inventory is transferred in the form of sort of finished products or semi-finished products at the manufacturers' end, and there we are seeing a substantial stock build. I mean you all have a very global presence; you will sell across almost all continents, so what is the mood within your customers right now? Are they, you know, willing to stock up more, just because of the shift from JIT[?] to just in case, and you know, that entire theme? Or do you see a sense that your customers are a little shaky now, given what we are seeing in the macros, and they may not want to stock up, as much, you know, that excess inventory that we have seen, that has been built over the last one year. Just a macro picture on what your customers – you know, the sentiment there?

Ali Al Baqali: Yeah, just I will give you our feedback on my last visit to customers, last September or October, I think I visited Germany. I visited a few customers, and that time just for your information, if they got the order in October, they could commit the delivery on July this year; see how much they are tied in the demand. Yes, you are right, some of the customers they are stocking extra inventory because the market is uncertain, they want to keep or increase the profits for them. But what we see from the – from our side that the market is still strong, the demand is there, despite there is some – maybe customers are stocking some inventory. But overall, I think until the end of the year, the demand is strong; we don't get any uncertainty, except what I said in my earlier talk about US, the mortgage is increasing and the people there are hesitating to build the houses, accommodation; this reflect directly on the construction of their [inaudible]; this is only the main concern we have, maybe, maybe. I am not sure, but maybe in case this will happen, definitely though we will be getting some reductions or some maybe cancelation from US market and related to the construction sector side.

Participant: Okay, thank you. Thank you so much and thanks for the call.

Eline Hilal: We take the opportunity to thank everyone for joining this call. Thank you for the questions as well. And many thanks Anoop and SICO, for hosting today's call for Aluminium Bahrain. Until next time for our Q2 2022, or the first half results for this year, if you still have any questions, you are very welcome to drop your questions on IR@alba.com.BH. Thank you very much and have a beautiful day.

Ali Al Baqali: Thank you.

[END OF TRANSCRIPT]



INVESTOR RELATIONS PRESENTATION

Q1 2022



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01

INDUSTRY HIGHLIGHTS¹



Economics of War & World Consumption Flat (+1% YoY)

- Having started to recover from COVID-19 pandemic, the Russo-Ukrainian war raised new challenges for commodities and created mixed market sentiment. Markets for commodities, foreign exchanges, equities and debt are all adjusting to the shock of war and the uncertainty. There will be severe economic consequences for Ukraine and Russia and, potentially, the global economy
- Middle East: Demand up by 5% YoY supported by higher consumption in Bahrain (+7% YoY), UAE (+5% YoY) & KSA (+5% YoY)
- US: Consumption up by 3% YoY supported by a surge in the construction and transport sectors despite higher costs and labour shortages
- Europe: Surging energy prices and prospect of energy supply disruptions have weighed on economic activity with auto sector feeling mostly the supply-chain strain (+2% YoY)
- China: Rising COVID-19 cases and slowdown in the property sector together with global impact of Russia-Ukraine conflict have prompted the government to loosen the fiscal policy -> flat consumption



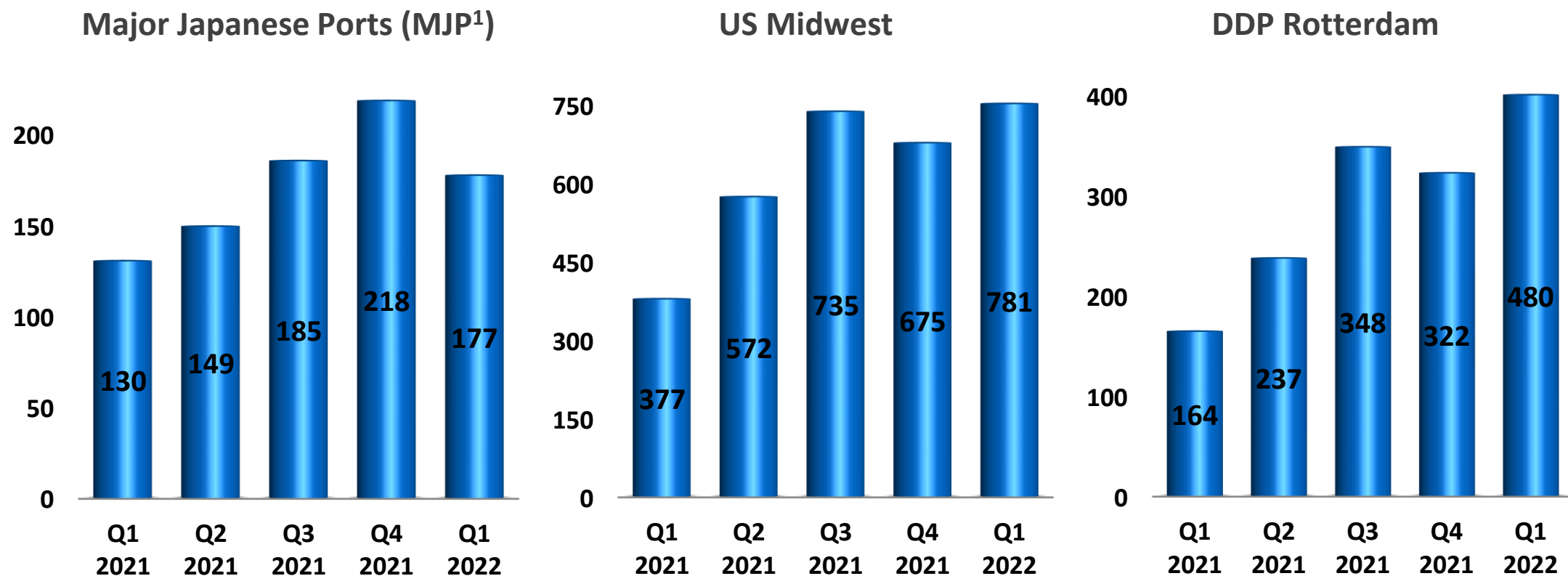
World Market Supply Down by 2% YoY

- 🌐 The war in Ukraine has flagged strong differences between China and the Rest of the World (ROW) with LME and SHFE prices moving in opposite directions
- 🌐 Middle East supply up by 4% YoY (Bahrain up by 1% & UAE by 7% YoY)
- 🌐 China: COVID lockdowns weighed on growth with supply down by 2% YoY
- 🌐 Europe leads World ex-China output with its production down by 5% YoY as a result of higher energy prices
- 🌐 World market deficit softened on slower global demand growth with China (-0.05 million MT) and w/o China (-0.4 million MT)



LME Price & Premiums

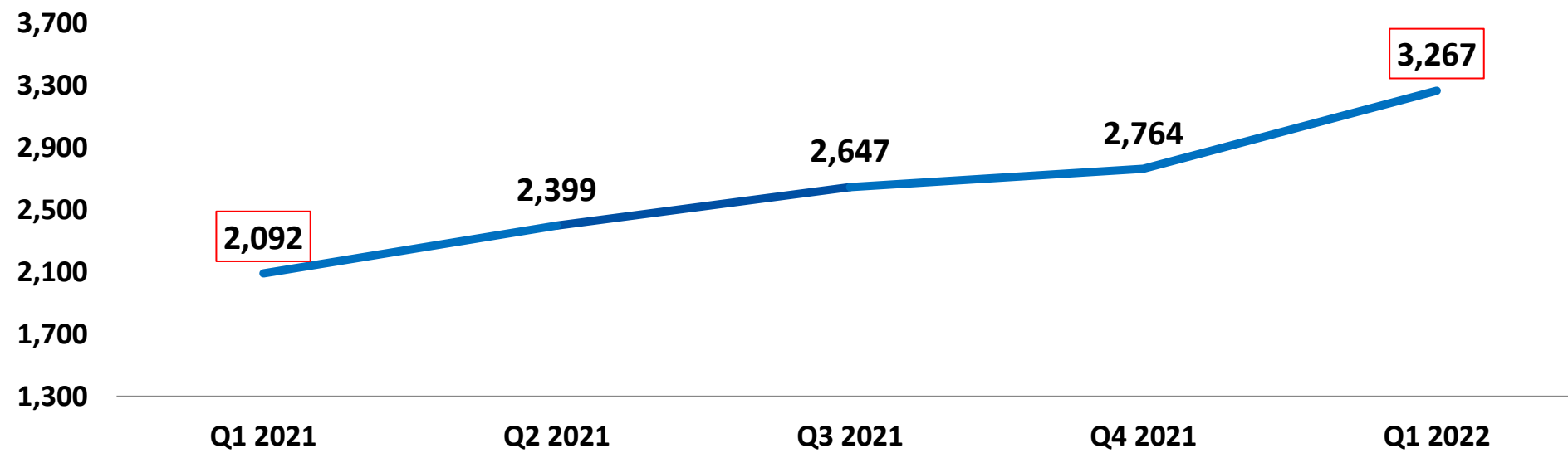
- Strong Aluminum fundamentals supported highest quarterly AVG LME Aluminum price since 1988. LME-Cash averaged US\$3,267/t - up by 56% YoY [lowest: US\$2,815.50/t on 4 Jan'22 and highest: US\$3,984.50/t on 7 Mar'22]
- LME inventories remain low at ~0.6 million MT as of 31 Mar'22 (down by 66% YoY)
- European and US premia reach fresh all-time highs



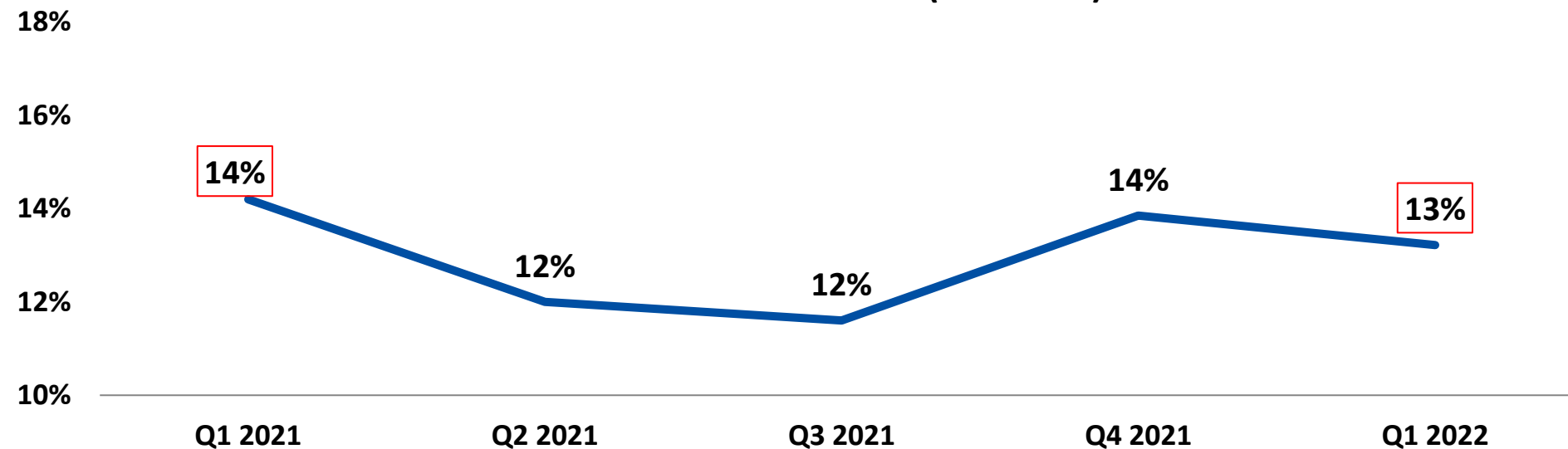
¹Major Japanese Ports (MJP) is based on Cost, Insurance and Freight (CIF)

Alumina Price: 13% of LME Price [US\$432/t]

LME Price Trend (US\$/t)



Alumina Price Index Trend (% of LME)





02

ALBA HIGHLIGHTS¹



Major Environment, Social and Governance (ESG) Highlights

- Alba inked a MoU with Mitsubishi Heavy Industries to collaborate on opportunities to reduce Alba's carbon footprint
- Spent Pot Lining Treatment Plant in full operational swing to produce HiCal (125 tonnes were shipped to Thailand)
- Alba won British Safety Council's International Safety Award for calendar year of 2021
- Alba collaborates with BAPCO to implement Environment, Social and Governance (ESG) initiatives of common interest through signing a MoU
- Board Executive Committee renamed to Board Executive and ESG Committee
- Formation of CEO's ESG Taskforce Committee to evaluate ESG-linked initiatives associated with each of the 6 priorities (Decarbonisation; Green Energy & Aluminium; Circular Economy & Secondary Aluminium; Employee Welfare; Collaboration & Partnership; and Transparency, Communications and Due Diligence)
- 24 million safe working hours without LTI achieved on 06 April 2022

ESG Roadmap for Alba's Race to Net Zero



Decarbonisation

- › Energy Management System (EMS) & Power Station Efficiency
- › Afforestation & Reforestation
- › Inert Anode Technology
- › Hydrogen
- › Carbon Capture & Storage (CC&S) & Carbon Offsets



Green Energy & Aluminium

- › On-site Solar
- › Government Collaboration



Circular Economy & Secondary Aluminium

- › Securing Recycled Materials
- › Securing Recycled Infrastructure
- › Partnership with International Recycler



Employee Welfare

- › Employee Satisfaction Assessment
- › Community ESG Training
- › Equal Opportunity Employment



Collaboration & Partnership

- › Green Financing
- › University Collaboration



Transparency, Communications & Due Diligence

- › ESG Due Diligence

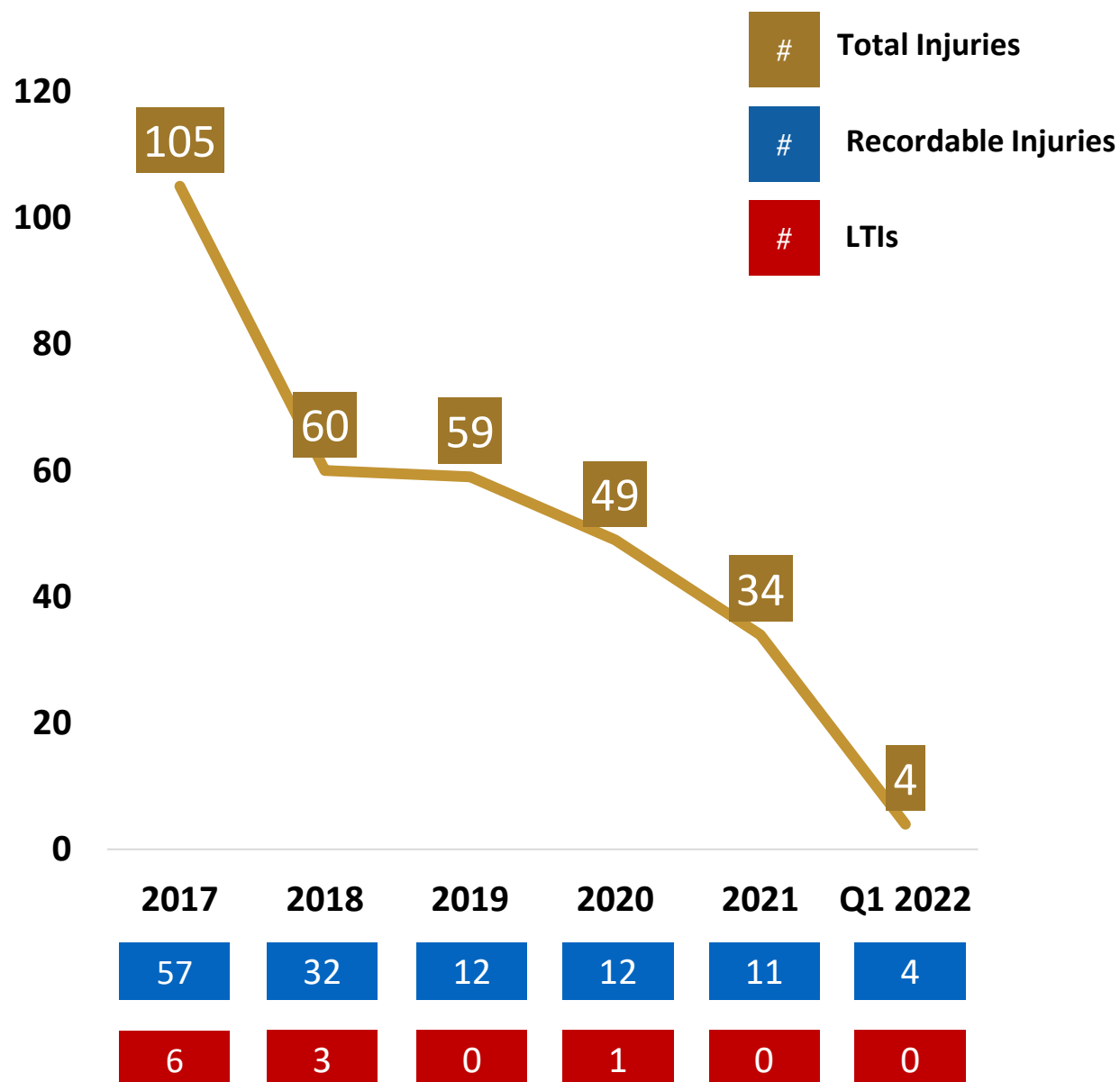




Safety in Numbers

ecovadis

asi Aluminium
Stewardship
Initiative



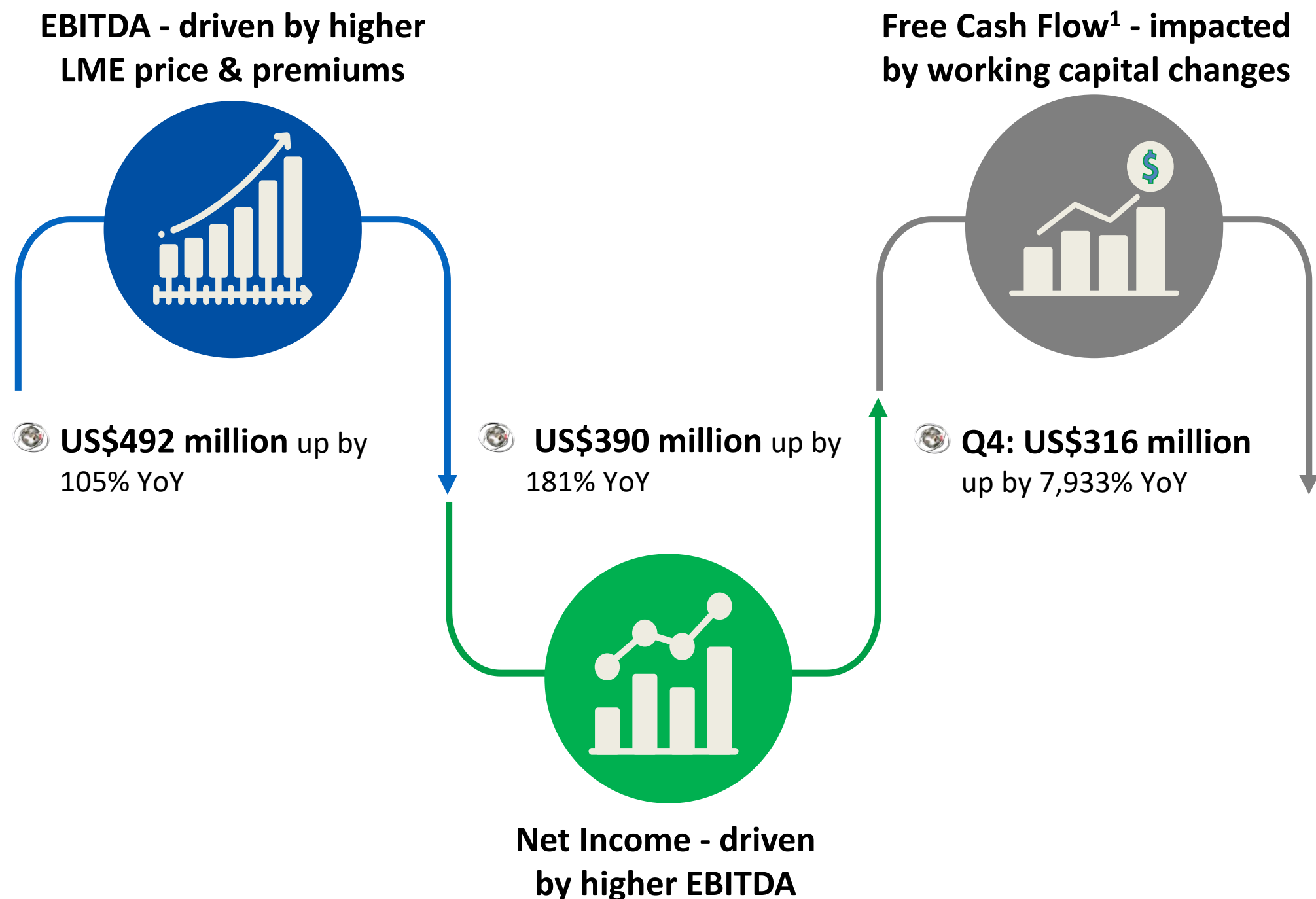
Highest Ever Achieved in Alba's
History (30 April 2022)



Major Operational Highlights

- 🌐 Sales' volume topped 354,216 metric tonnes (MT), down by 0.3% YoY while Production reached 391,050 MT, up by 2.4% YoY
- 🌐 Value Added Sales averaged 65% of the total shipments versus 62% in Q1 2021 [VAP: 230,467 MT up by 5.4% YoY]
- 🌐 Effective 01 April 2022, natural gas price at US\$4/MMBTU till 31 March 2023
- 🌐 Alba teamed with EtaPRO to use Digital Industry 4.0 and AI to improve its power stations' performance
- 🌐 Alba signed a MoU with Emirates Global Aluminium to explore opportunities to creep Line 6 production and potentially deploy EGA technological expertise for the potential brownfield expansion of Potline 7
- 🌐 Alba inked a MoU with Bahrain Polytechnic to develop higher educational opportunities for Bahraini nationals especially in various engineering disciplines
- 🌐 Alba honoured its national employees who have completed 10, 20 and 30 years in service

Financial Key Performance Indicators – Q1 2022

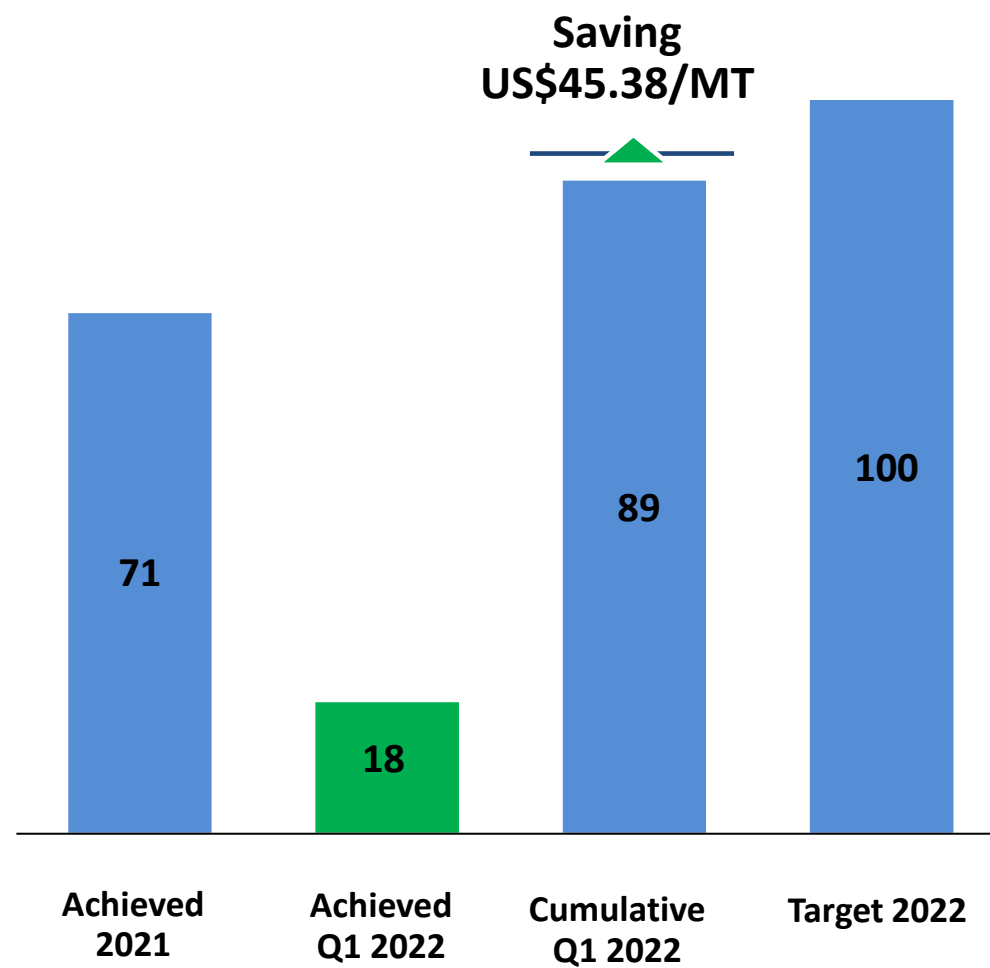


¹Free Cash Flow excludes Project CAPEX spending

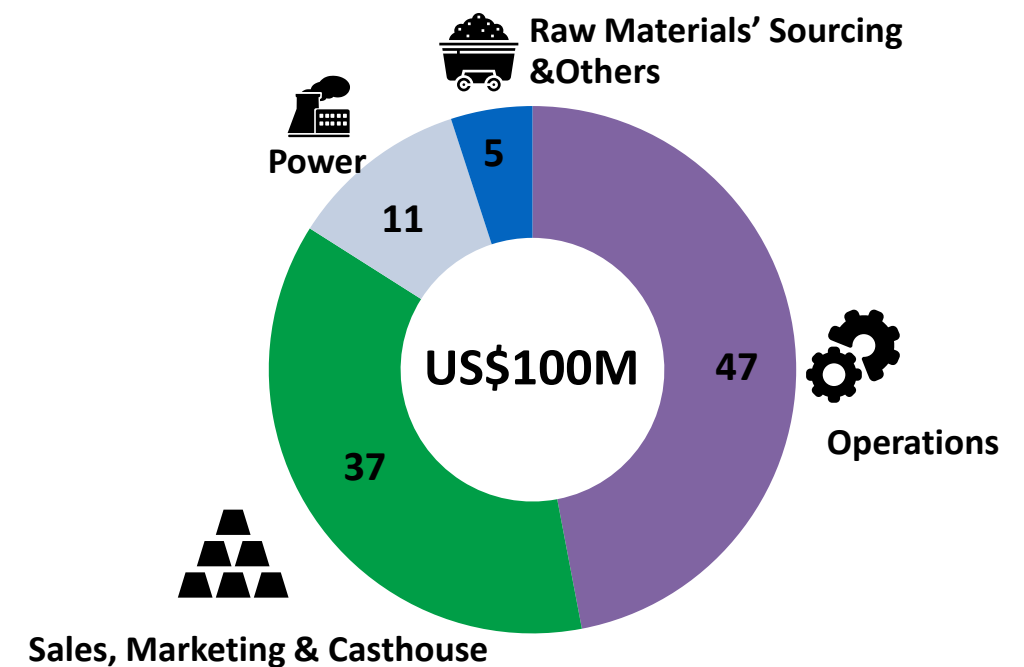


AL HASSALAH Initiative (2-Year): Save US\$100 Million by 2022

AL HASSALAH (US\$ Million)



Breakdown by Value Chain (US\$ Million)

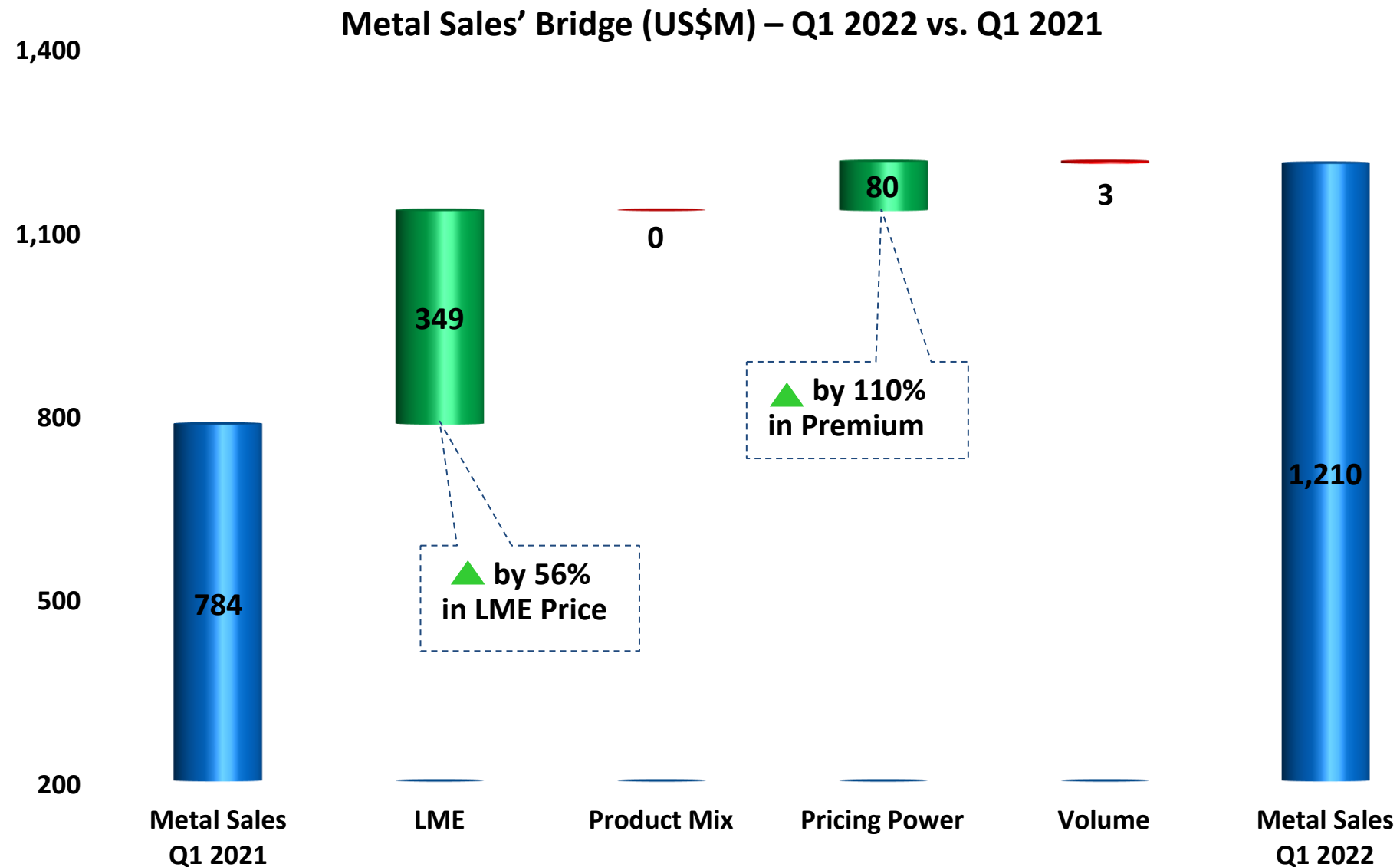


03

Q1 2022 RESULTS

Aluminium Industry: Volatile Market Conditions Push LME Price Higher

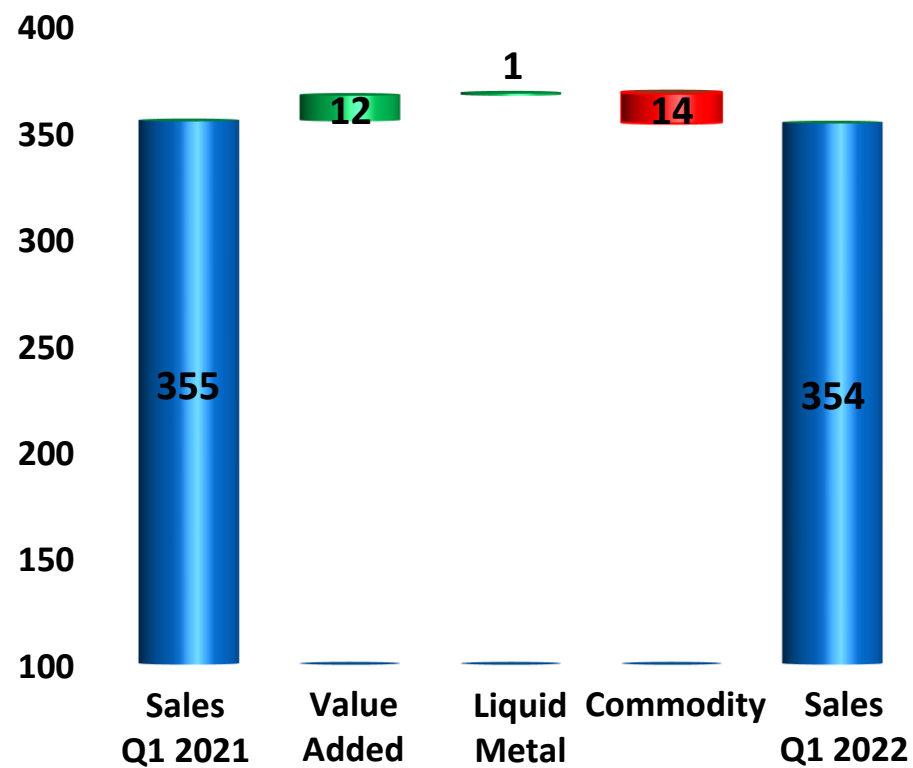
Metal Sales Bridge Analysis: Q1 2022 vs. Q1 2021
Higher Metal Sales Thanks to Higher LME Prices & Premiums



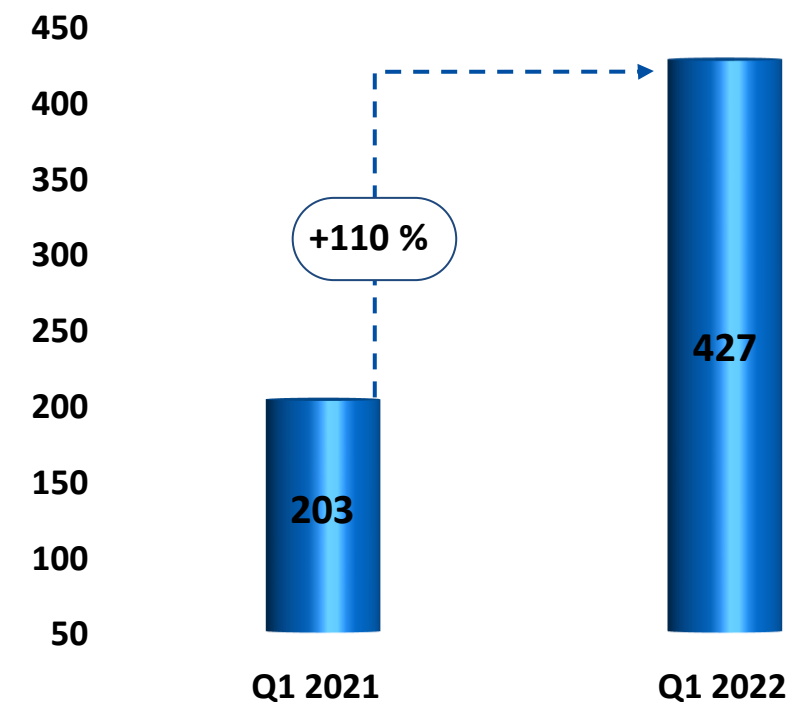
Aluminium Industry: Volatile Market Conditions Push LME Price Higher

Higher Premiums | Higher VAP & Lower Commodities' Volume

Sales by Product-Line Bridge (MT'000)
Q1 2022 vs. Q1 2021



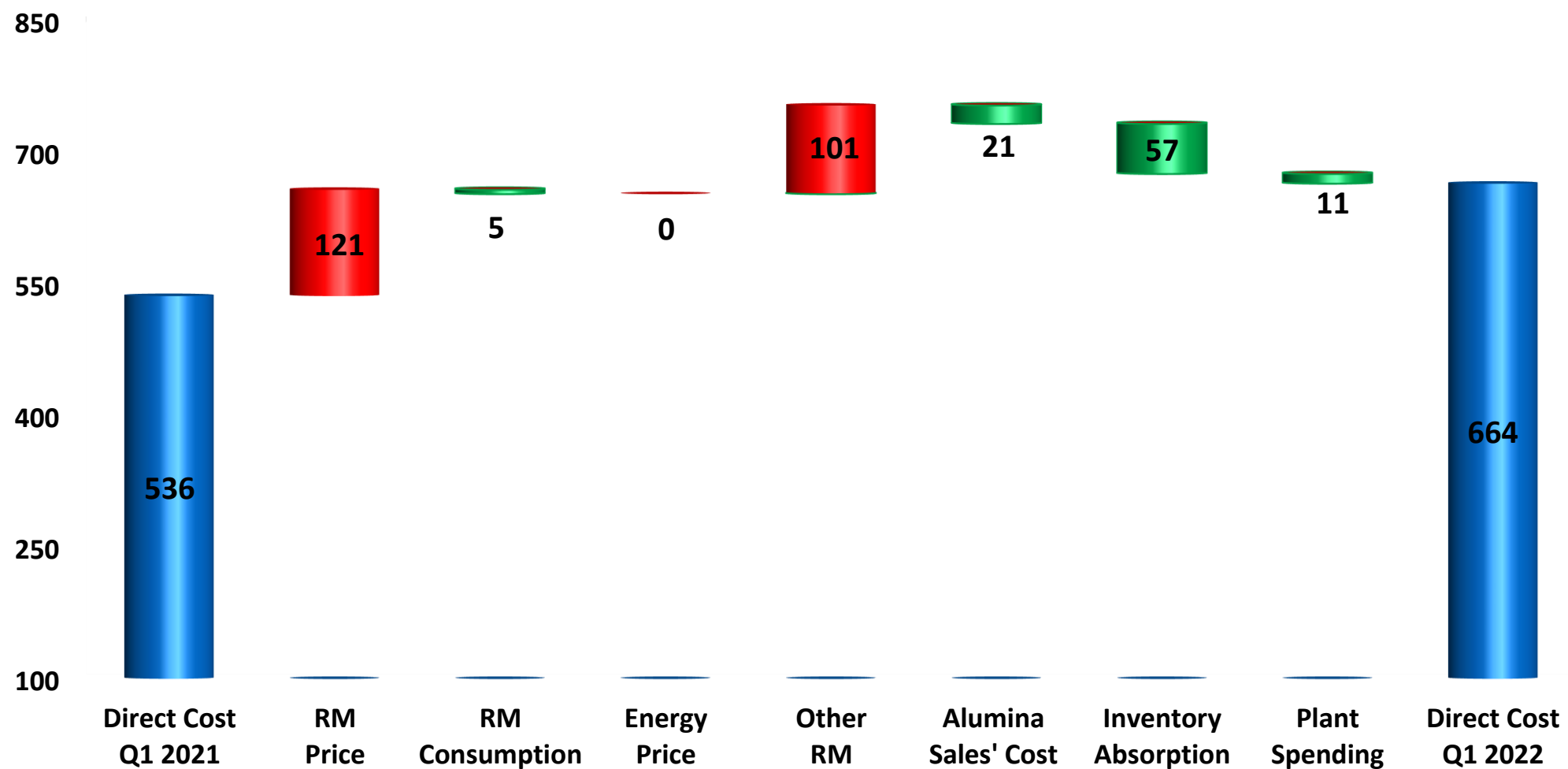
Premium Above LME Trend US\$ Per MT



Aluminium Industry: Volatile Market Conditions Push LME Price Higher

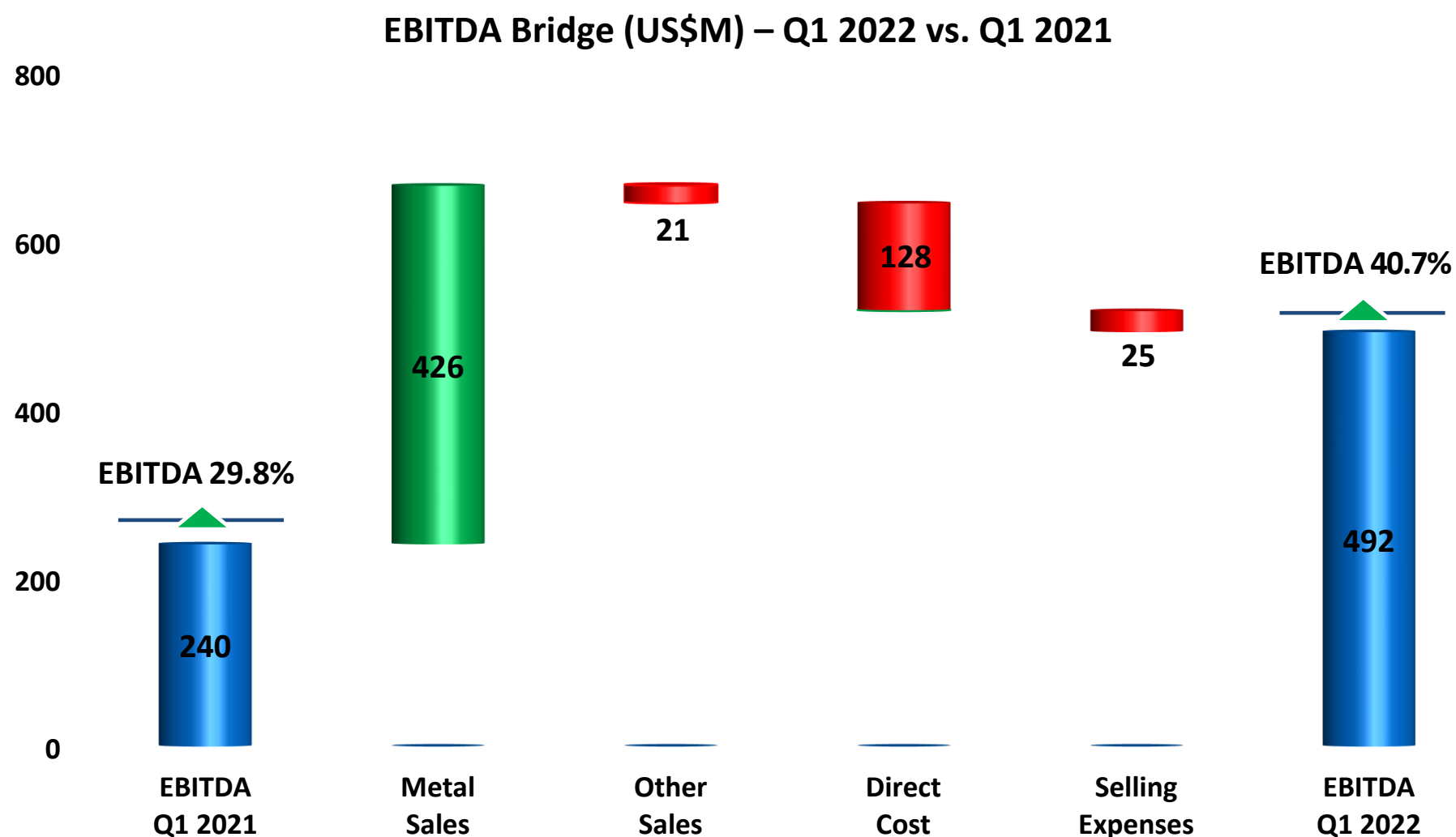
Cost Analysis Q1 2022 vs. Q1 2021
Higher Direct Cost Due to Higher Alumina & Other Raw Materials' Price

Direct Cost Bridge (US\$M) – Q1 2022 vs. Q1 2021



Aluminium Industry: Volatile Market Conditions Push LME Price Higher

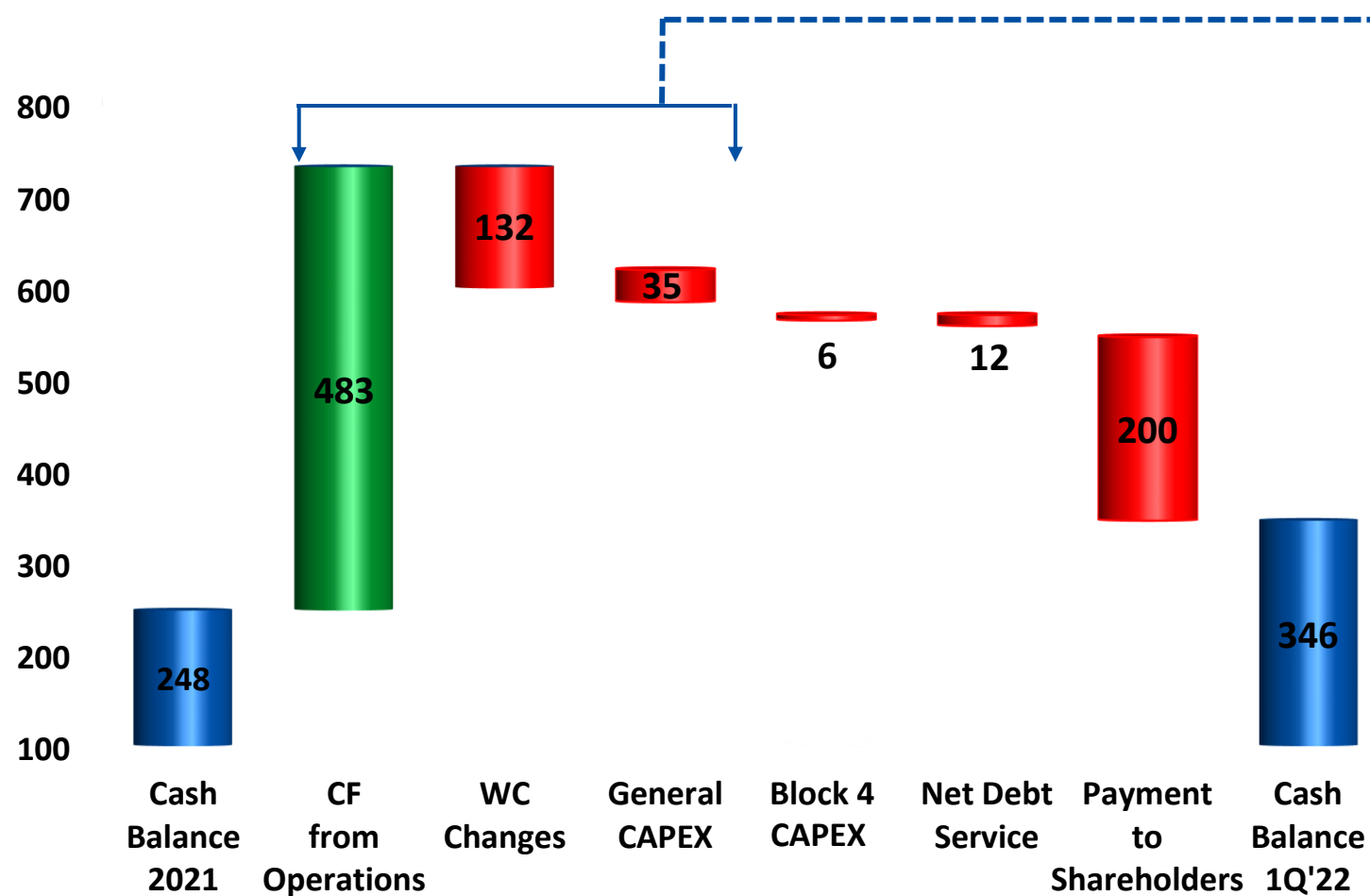
EBITDA Bridge Gap Analysis – Q1 2022 vs. Q1 2021
Strong EBITDA Margin at 40.7%



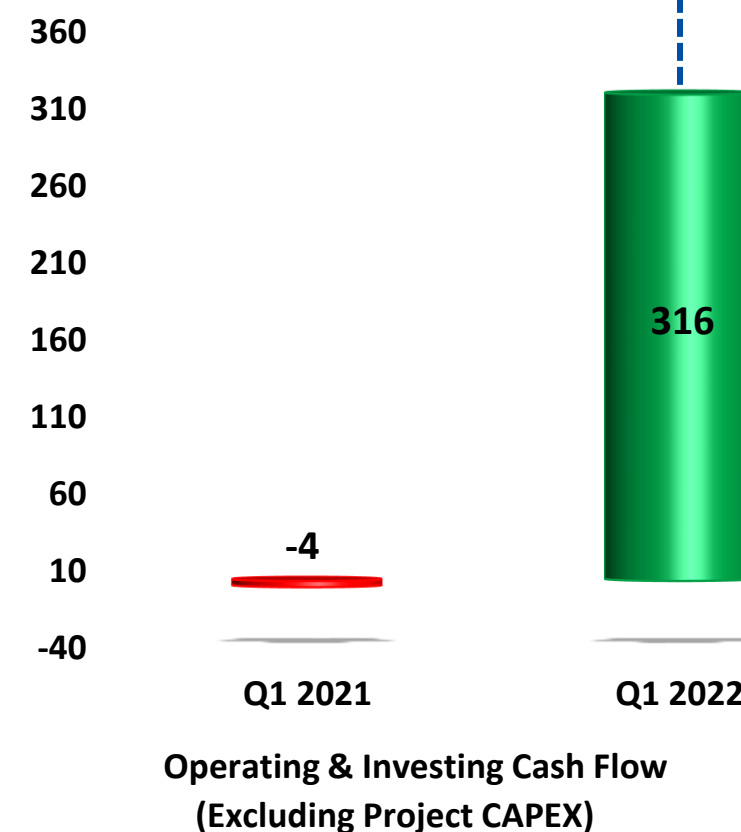
Aluminium Industry: Volatile Market Conditions Push LME Price Higher

Cash-Flow Bridge – FY 2021 to Q1 2022: Sound Cash Position

FY 2021 to Q1 2022 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Aluminium Industry: Volatile Market Conditions Push LME Price Higher

Strong Financial Performance Supported by High LME Prices

Financial Summary	Q1 2022	Q1 2021
Average Cash LME (US\$/MT)	3,267	2,092
Average Alumina Price (US\$/MT)	432	298
Revenue ¹ (US\$M)	1,210	805
EBITDA (US\$M)	492	240
EBITDA%	40.7%	29.8%
Net Income (US\$M)	390	139
Gain/(Loss) Unrealised Derivatives	3	1
Adjusted Net Income ²	387	138

04

INDUSTRY PERSPECTIVES¹ IN 2022

Aluminium Market Remain Bullish on Firm Demand & Tight Supply

- 🌐 A reviving US\$, acceleration in smelter output growth in China on the back of restarts, and concerns over the impact of the Russo-Ukrainian War on global economic activity are likely to trigger a correction in LME Aluminium price
- 🌐 Chinese smelters to add output amid availability of power supply
- 🌐 Despite solid demand fundamentals, US economic activity is expected to struggle with supply-chain challenges and rising energy concerns
- 🌐 Europe Carbon Border Adjustment Mechanism (CBAM) to enter into effect from 2023 in a transitional form and to fully apply from 2026 (being price takers, Aluminium producers will be expected to pay for carbon emissions)
- 🌐 Energy prices expected to remain high in Europe → leading to further delays in smelters' restarts
- 🌐 A clean source of power will be a must for future investments in smelting capacity
- 🌐 LME Price to retreat to pre-war levels and will range between US\$2,500/t – US\$2,800/t

Industry Perspectives in 2022

Raw Materials Price Trends (Al_2O_3 , AlF_3 and GPC)

- Alumina spot price to trend lower amidst higher availability of spot cargoes and lower Alumina refining production costs
- Aluminium Fluoride to remain at the current higher levels due to political unrest and increased freight rates
- Carbon markets (GPC, CPC & Anodes) to be impacted by supply shortages and higher metal demand
- Liquid Pitch prices to remain high amidst supply shortage since Ukraine is a major coal tar pitch producer and exporter



05

2022 ALBA PRIORITIES

2022 Alba Priorities

ESG Focus & Journey Towards Safety Excellence

- 🌐 Deliver on newly-launched ESG roadmap in line with Bahrain's Objectives for 'Net Zero Emissions' by 2060
- 🌐 Embed ESG in the Company's operations and processes as well as deliberate with various stakeholders and partners potential ESG initiatives to further sustainable value across our value-chain
- 🌐 Meet 2022 Production Target of 1,560,000 metric tonnes & deliver on AL HASSALAH savings' target of US\$100 Million by 2022-end
- 🌐 Screen potential upstream opportunities to secure 1/3 Alumina requirements
- 🌐 Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to penetrate new markets & increase VAP sales to > 70%
- 🌐 Accelerate the financial closure of PS5 Block 4 and progress with Solar Farm
- 🌐 Progress with the pre-feasibility study for Line 7 smelter



06

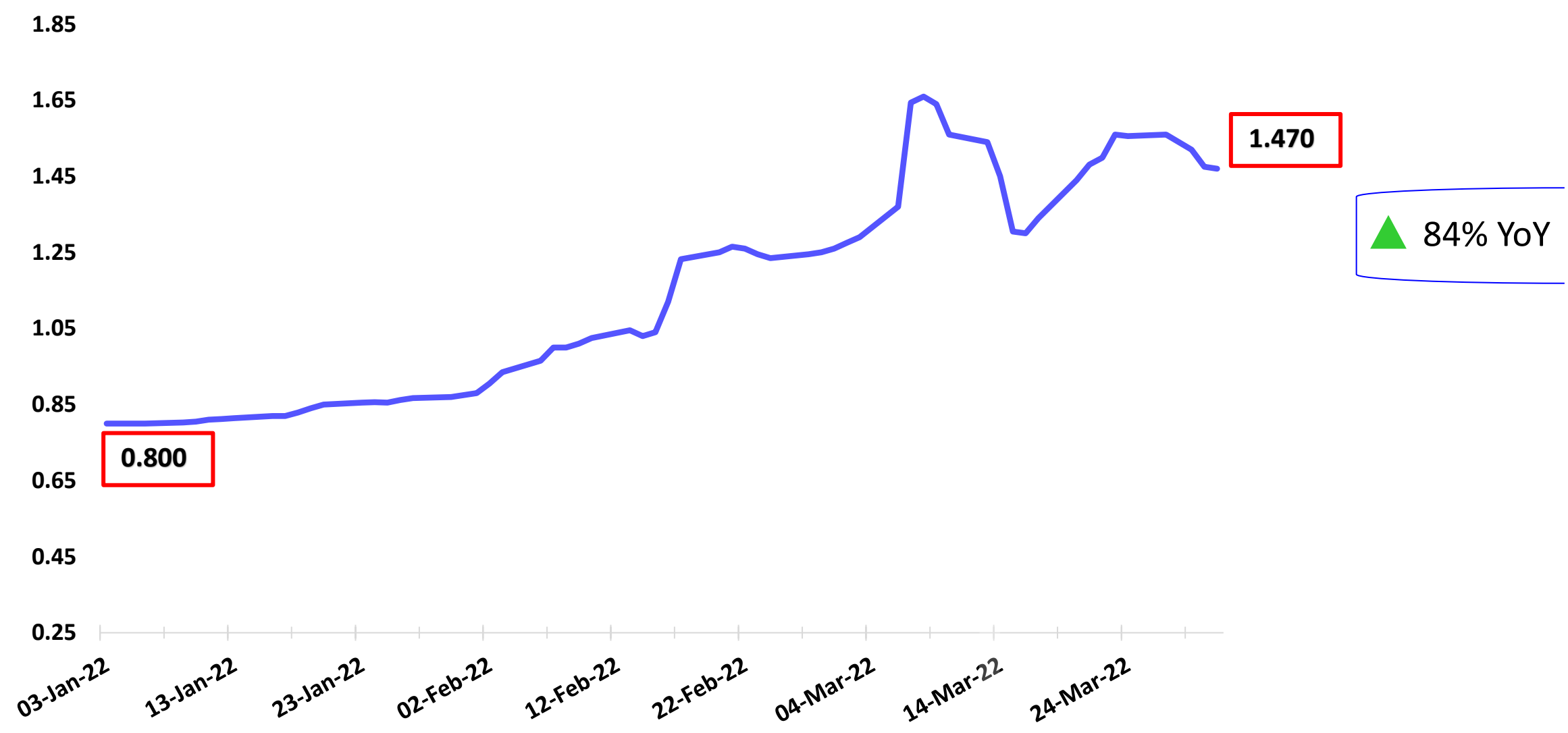
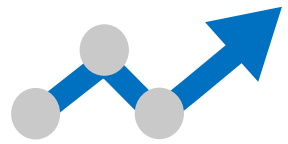
APPENDIX

Alba Shareholder's Structure



- 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 [BHB: ALBH, BD1.470 on 31 March 2022]

Alba Share Price Performance [Alba, BHD]





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Alba4World



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