

AlbaAluminium
for the worldAluminium Bahrain B.S.C. (Alba)
CR. No. 999**Alba**ألمنيوم
للعالمألمنيوم 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 | 11 May 2023 11 مايو 2023 | 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 2023 Financial Results' Conference Call on Wednesday 10 May 2023 at 11:30 AM. 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 2023 يوم الأربعاء الموافق 10 مايو 2023 في تمام الساعة 11:30 صباحاً. تجدون في المرفقات العرض التقديمي لعلاقات المستثمرين للربع الأول لعام 2023 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 | |
|  |  | |

البا، ص.ب.: ٥٧٠، المنامة، مملكة البحرين، تليفون: ١٧٨٣٠٠٠٠ (+٩٧٣)، فاكس: ١٧٨٣٠٠٨٣ (+٩٧٣)

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INVESTOR RELATIONS PRESENTATION

Q1 2023



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01

INDUSTRY HIGHLIGHTS¹



World Market Demand in a Tight Spot (-6% YoY)

- ① Mixed macroeconomic dynamics -- a bearish post-COVID recovery in China, limited restarts of capacity in Europe (owing to falling gas prices) and banking turmoil's impact on US economic activity -- continued to weigh on Aluminium market
- ① Economic activity in China has bounced back; however, it didn't yet translate into a recovery in Aluminium consumption (down by 3% YoY)
- ① Demand in the Middle East down by 6% YoY due to lower consumption in UAE (-6% YoY) and KSA (-6% YoY)
- ① Consumption in US & Europe losing momentum thanks to higher inflation and potential banking crisis (down by 7% YoY)



World Market Supply Flat Thanks to a Fresh Wave of Cuts (+1% YoY)

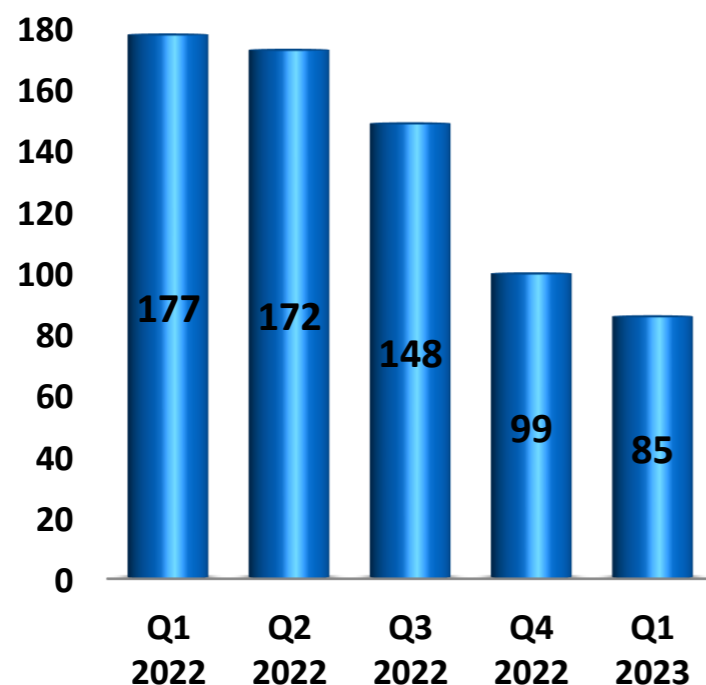
- ① Chinese production up by 3% YoY owing to supply cuts on the back of insufficient hydropower
- ① Middle East supply down by 1% YoY (+1% YoY in Bahrain and -7% YoY in KSA)
- ① Lacklustre mood in Europe with the closure of 25% of its operating smelting capacity - production down by 7% YoY owing to limited restart of capacity in smelters
- ① World market in surplus with China (+1 million MT) and w/o China (+0.05 million MT)



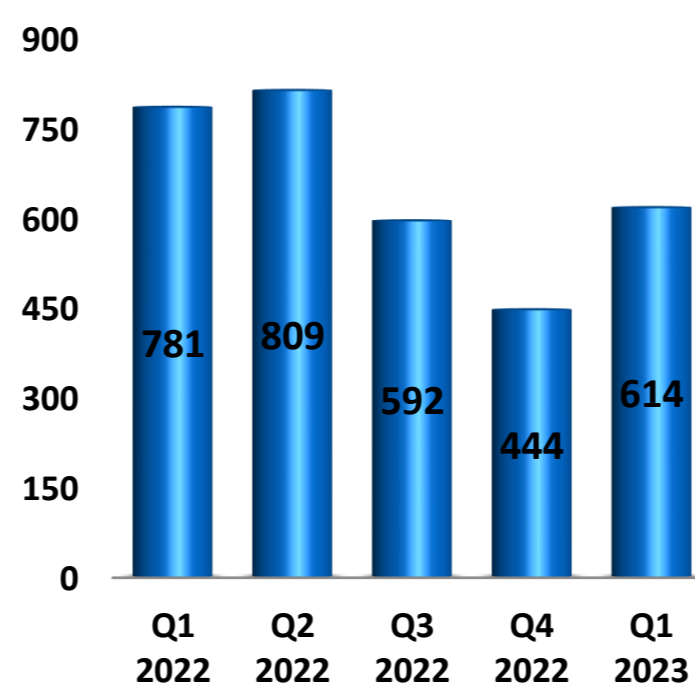
LME Price & Premiums

- Market uncertainty dragged LME prices lower - US\$2,399/t in Q1 2023 -- down by 27% YoY [lowest: US\$2,232/t on 17 & 22 March 2023 and highest: US\$2,636/t on 18 January 2023]
- LME inventories remain at low levels at ~0.5 million MT (down by 19% YoY)
- Premium prices moved to different beats: MJP dropped whereas US Midwest and DDP Rotterdam improved

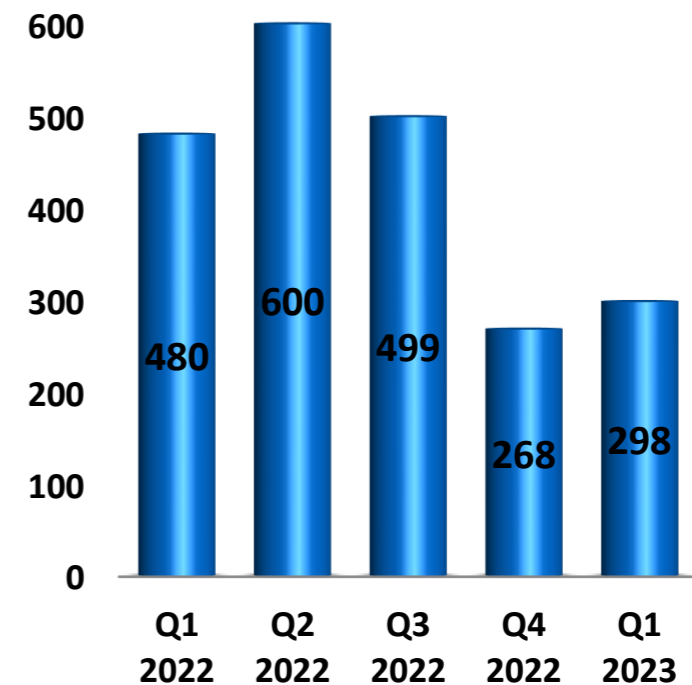
Major Japanese Ports (MJP¹)



US Midwest

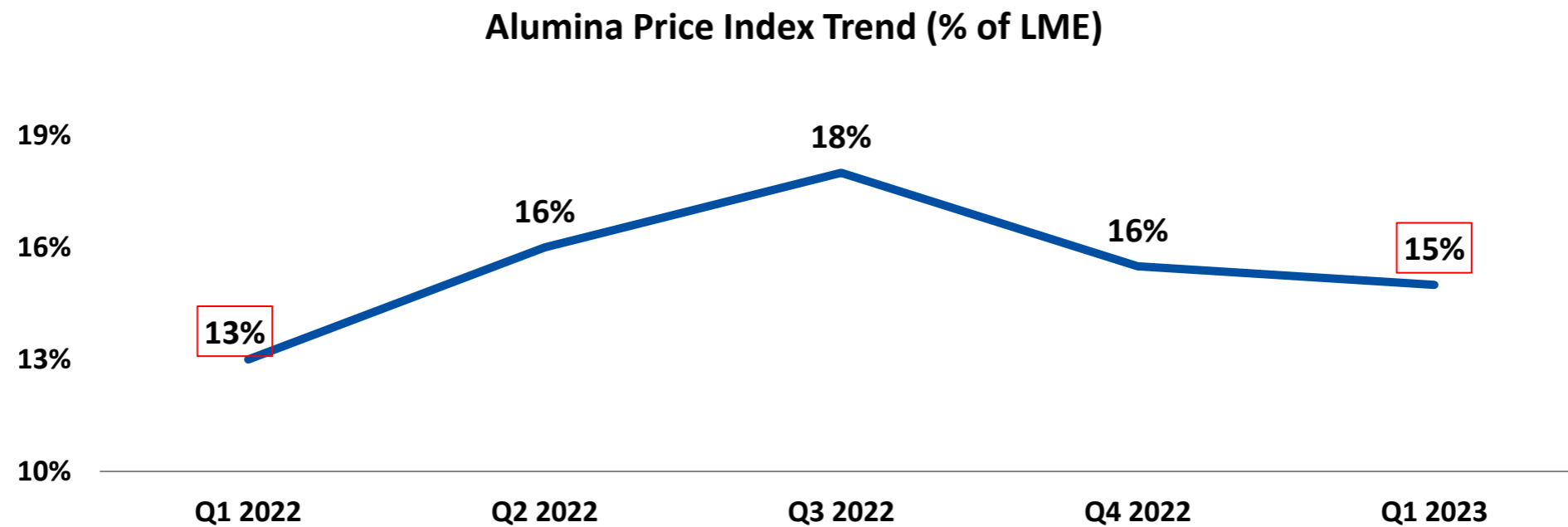
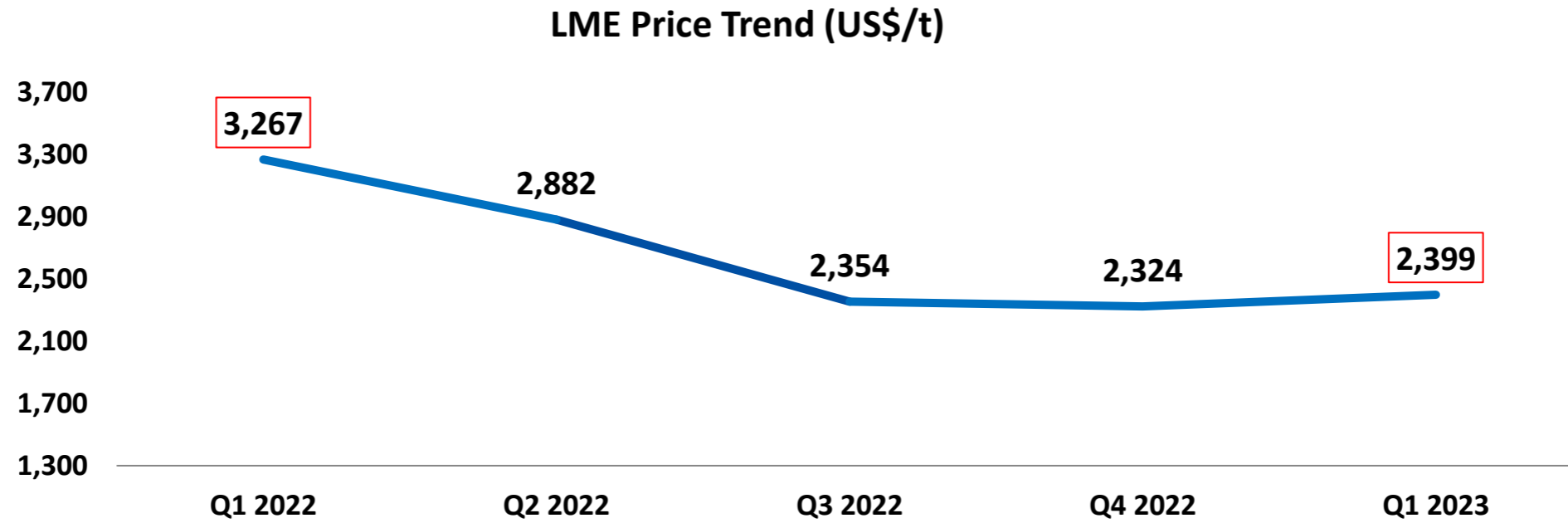


DDP Rotterdam



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

Alumina Price: 15% of LME Price [US\$353/t]





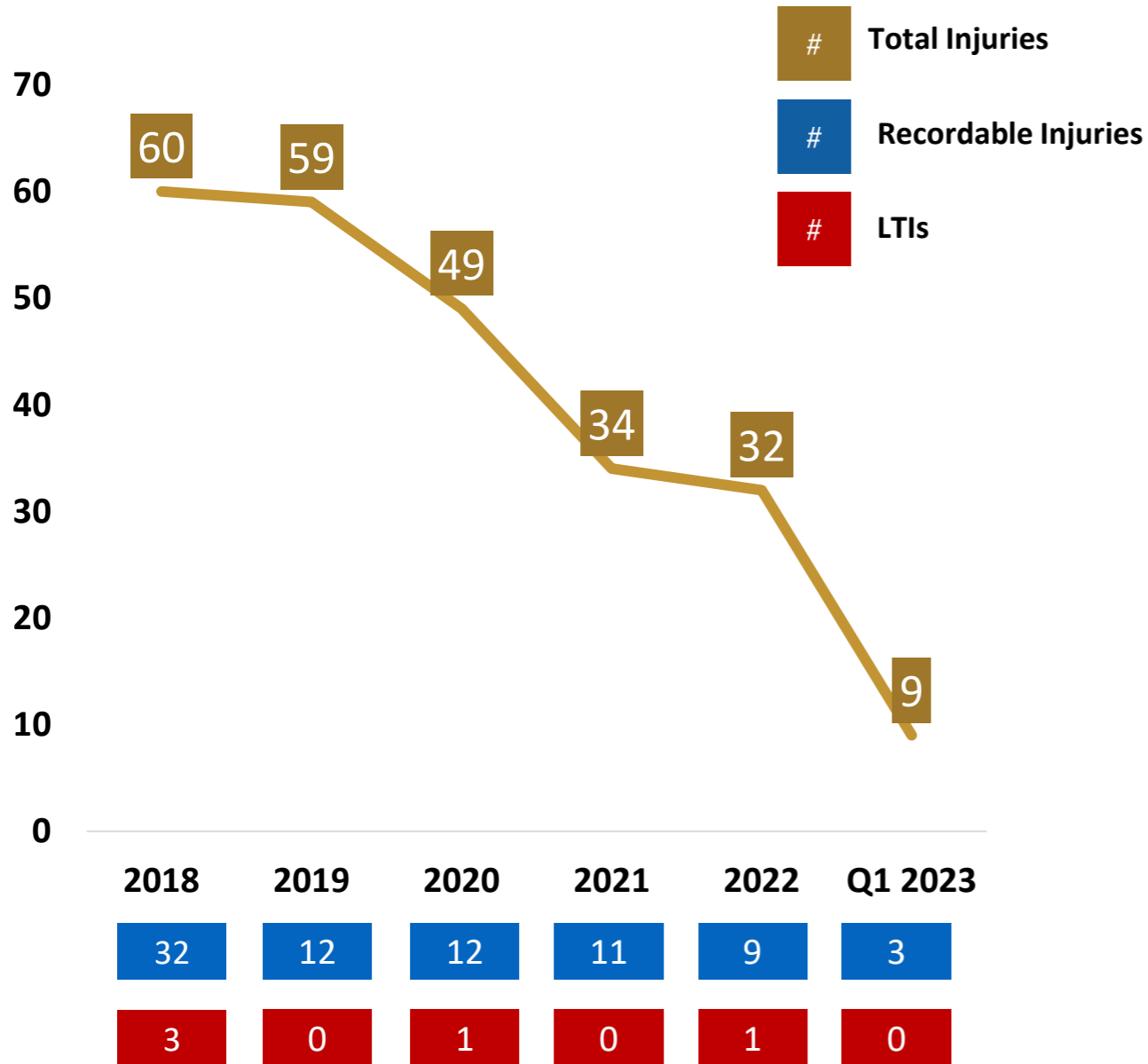
02

ALBA HIGHLIGHTS¹

Safety in Numbers

ecovadis

asi Aluminium
Stewardship
Initiative




8 Million
Safe-Working Hours
without LTI

8 Million Safe Working Hours w/o LTI
on 06 March 2023



Major Environment, Social and Governance (ESG) Highlights

- 🌍 Solar Farm Project Awarded to Advanced United Systems to install Solar Photovoltaic (PV) Panels over 37,000 m² with a capacity of more than 6 Megawatts (MW) [aim to reduce 189,794,000 Kg of CO₂ over 25-year span]
- 🌍 Alba secures BBK's sustainable financing Loan (BD1.6 million) for its Solar Farm Project
- 🌍 CEO unveiled the Company's 2023 Objectives during the Annual Majlis: 1) Safety is Our Operating License 2) Al Hassalah Top Up 3) Be Ready to Take off Safely and 4) Don't Limit Yourself
- 🌍 Alba has commissioned the 'Food Waste Composter' in line with its objective to address SDG 12 -- Responsible Consumption and Production. This Composter has the capacity to treat around 125 Kg per day of food waste and produce nutrients-rich compost
- 🌍 Alba's green and sustainable initiatives make impact -- 12,000 trees planted since 2021
- 🌍 Recipient of the 2023 International Safety Award with Merit from the British Safety Council
- 🌍 Alba re-launches its Code of Conduct and emphasises on its Core Values
- 🌍 8 million safe working hours without LTI achieved on 06 March 2023
- 🌍 Block 4 Project: Procurement and Foundation Works for Main Equipment Completed

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



ESG: A Journey, Not A Destination



Decarbonisation



Green Energy & Aluminium



Circular Economy & Secondary Alu.



Employee Welfare



Collaboration & Partnership



Transparency, Comms' & Due Diligence



Net Zero by 2060

06 Feb'22
Joined forces with BAPCO to foster green industrial development

27 Mar'22
Signed MoU with Bahrain Polytechnic to develop talent

27 Apr'22
CEO rollout ESG Roadmap

12 Dec'22
Lunched mini plant-wide Safety & ESG Campaign 'Back to Core Basics'

01 Nov'22
Supported 'Forever Green' Campaign

12 Mar'23
Secures BBK's Sustainability Financing for Solar Farm (6 MW)

08 Feb'23
Commissioned Food Waste Composter' in line with SDG 12

12 Apr'22
Relying on Digital Industry 4.0 and AI to improve Power Stations' performance

27 Apr'22
Refinancing linked to ESG

26 Jul'22
Supported Ras Sanad Mangrove Nursery Project

12 Jun'22
Hosted Bahrain Association of Banks to further its ESG Goals

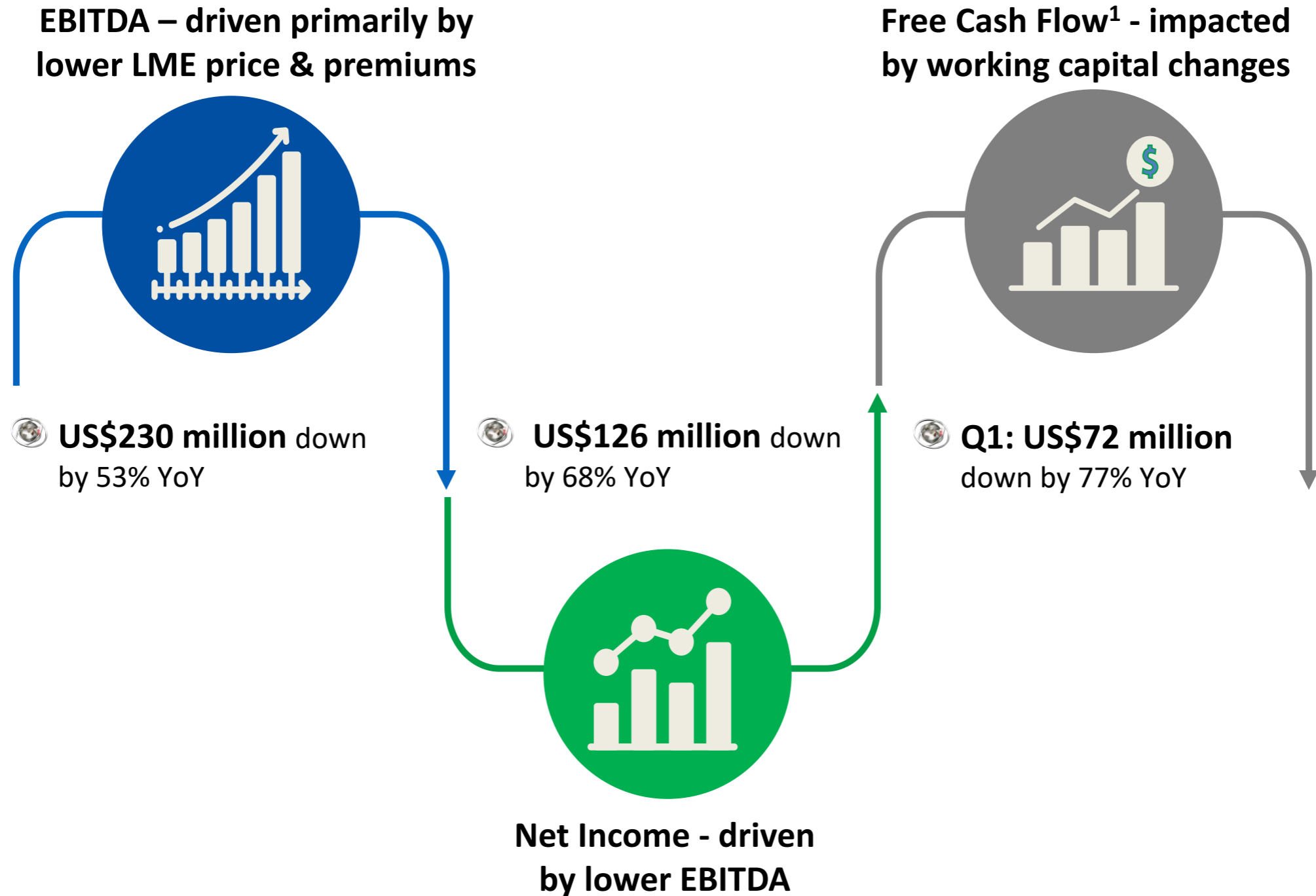
12 Dec'21
Commissioning of SPL



Major Operational Highlights

- 🌐 Sales' volume topped 359,677 metric tonnes (MT), up by 2% YoY while Production reached 398,252 MT, up by 2% YoY
- 🌐 Value Added Sales averaged 64% of the total shipments, almost flat [VAP: 230,491 MT in Q1'23 versus 230,467 in Q1'22]
- 🌐 Commissioned the Forced Cooling Network (FCN) Project at Potlines 4 and 5, enabling the Company to increase its production capacity by c. 17,000 MT per annum
- 🌐 Alba CEO "the only Arab in the List" named in National Safety Council (NSC's) 'CEOs Who Get It' list for 2023
- 🌐 Alba held the 2nd edition of "I'm Special, I'm Creative" Exhibition which has seen the participation of more than 50 employees
- 🌐 The People's Company: 7 national employees awarded by Alba for their inspirational efforts during 2022

Financial Key Performance Indicators – Q1 2023



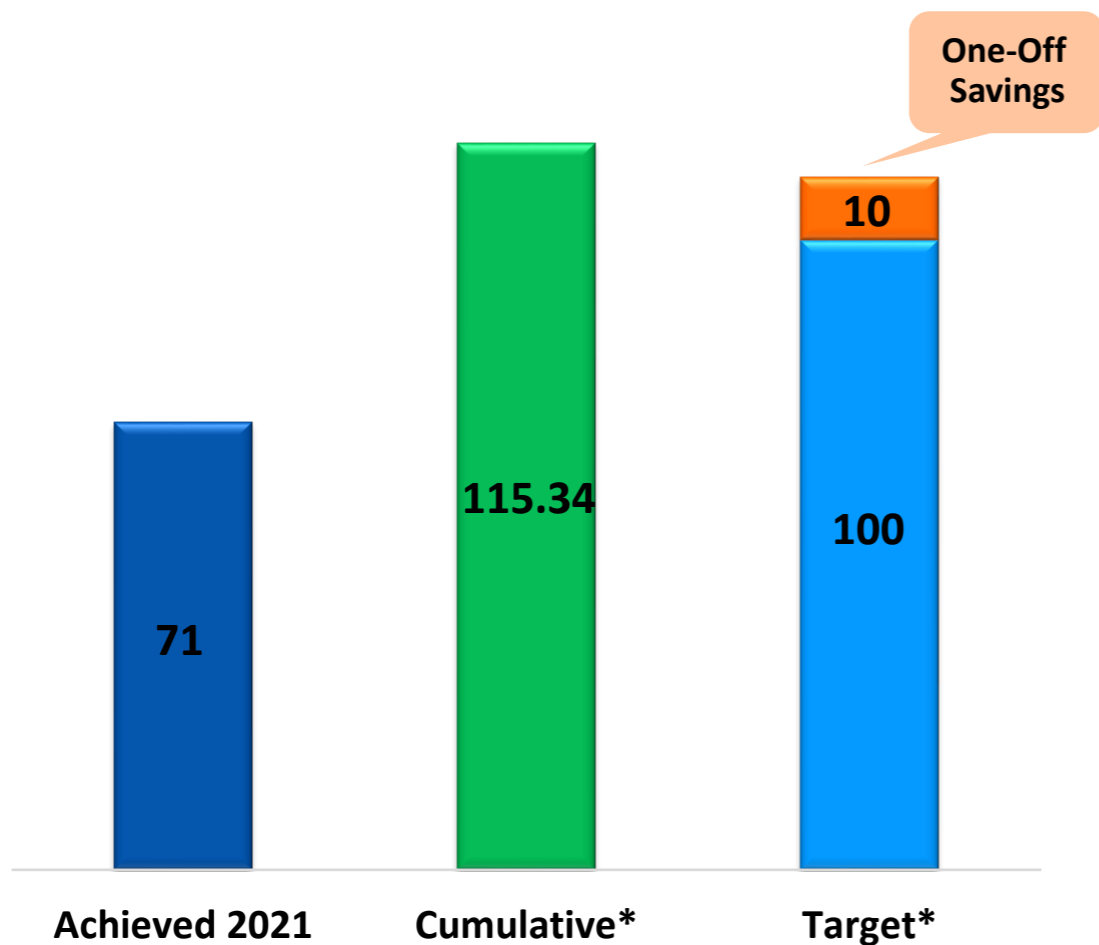
¹Free Cash Flow excludes Project CAPEX spending



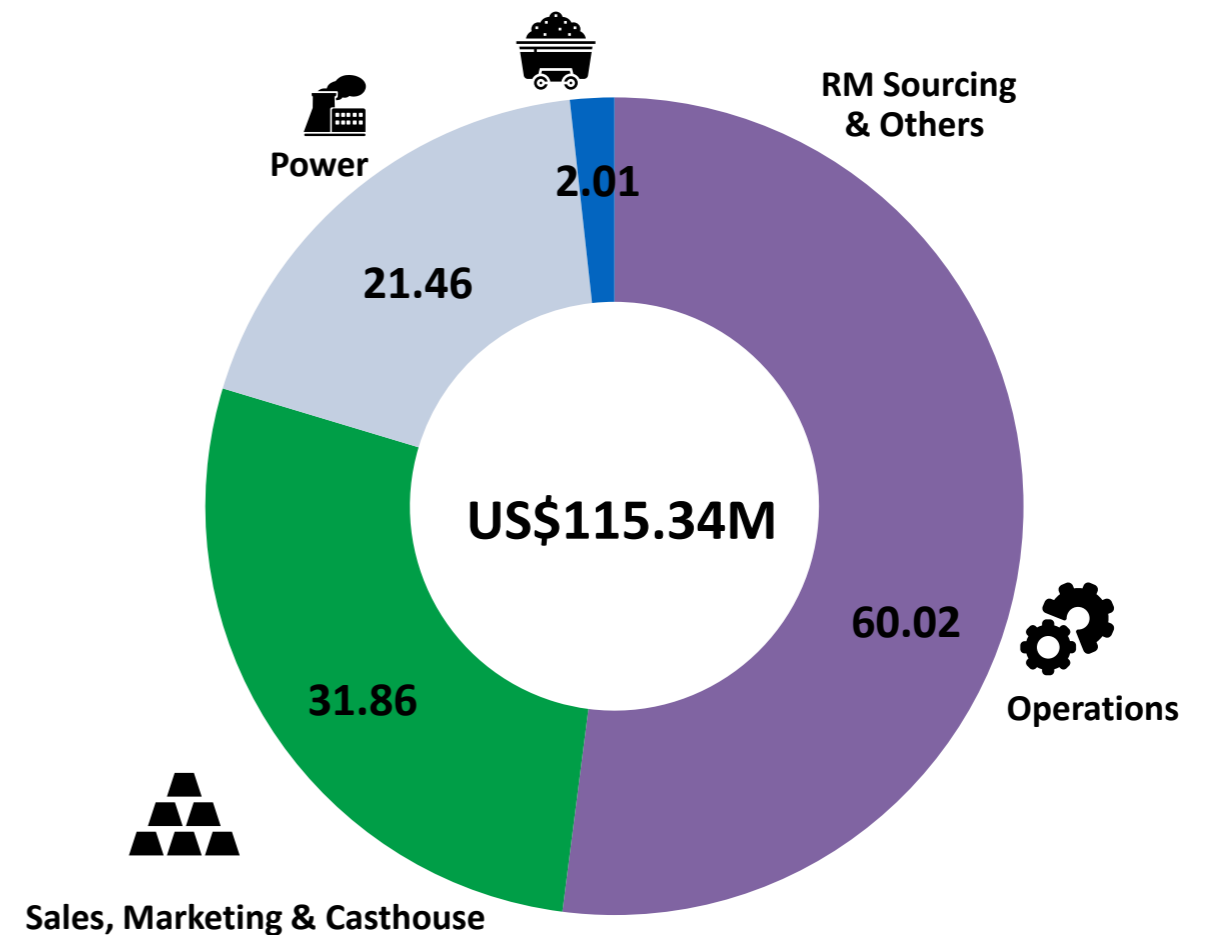
AL HASSALAH Initiative (2-Year): Save US\$100M (w/o One-Off Savings) by 2022

Sustain AL HASSALAH Benefits (US\$115.34 Million) in 2023

AL HASSALAH (US\$ Million)



Breakdown by Value Chain (US\$ Million)

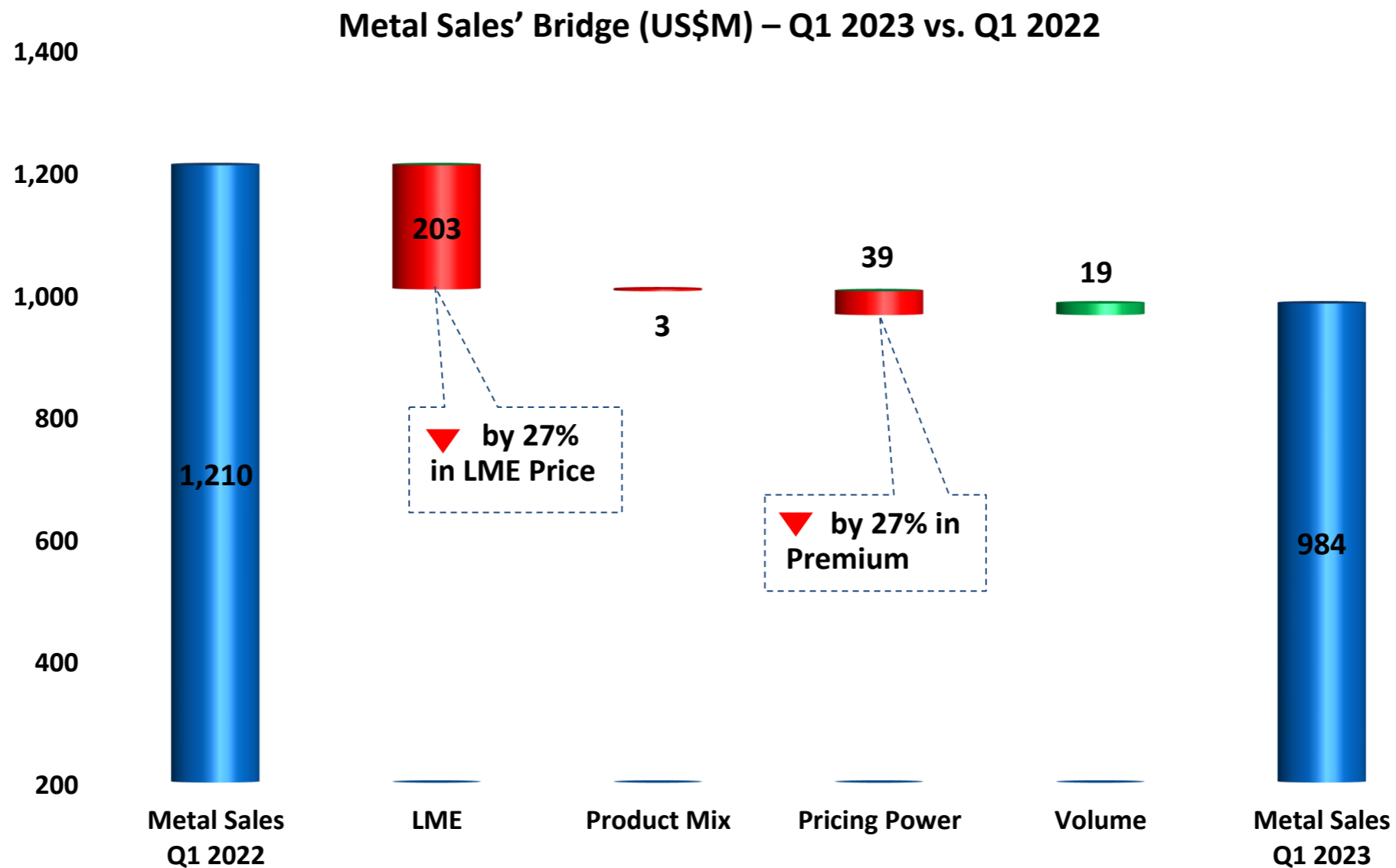


03

Q1 2023 RESULTS

Aluminium Industry: Weak Market Sentiment

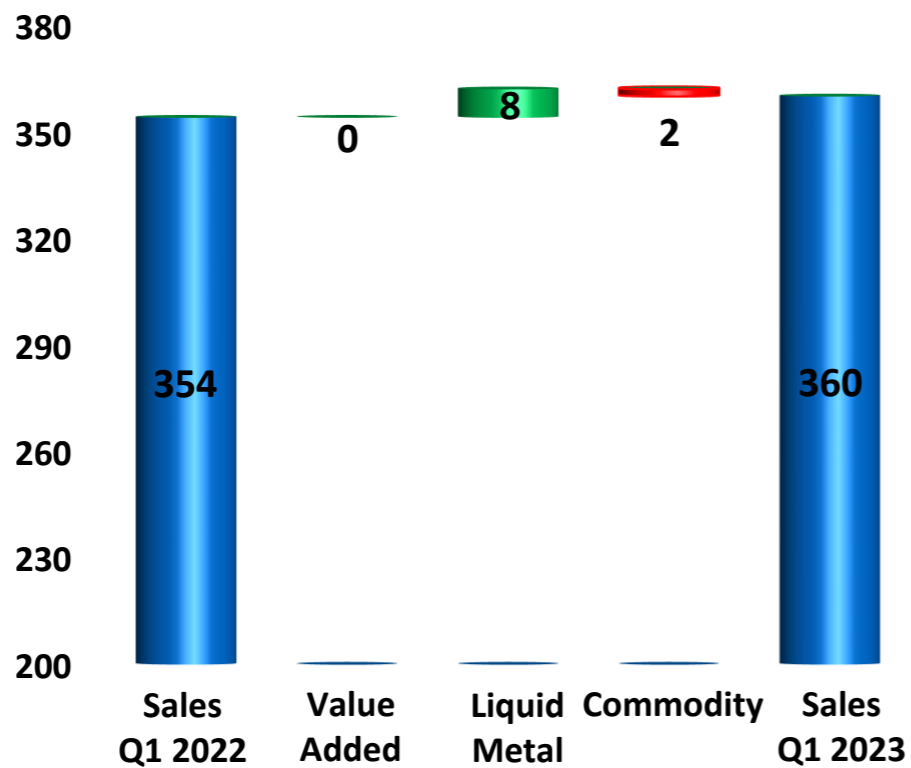
Lower Metal Sales Impacted by Depressed LME Prices & Premiums



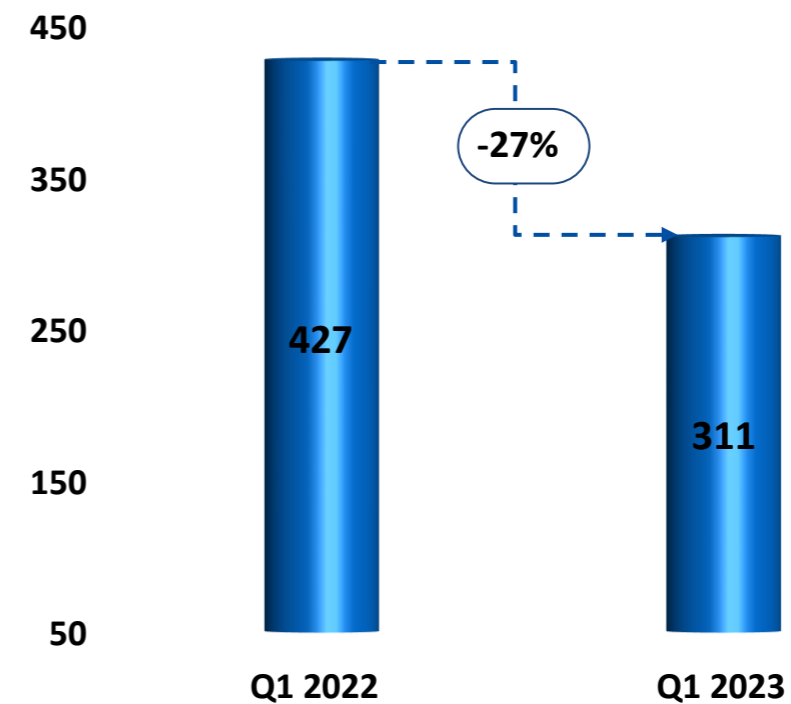
Aluminium Industry: Weak Market Sentiment

Lower Premiums | Higher Liquid Metal & Lower Commodities

Sales by Product-Line Bridge (MT'000)
Q1 2023 vs. Q1 2022



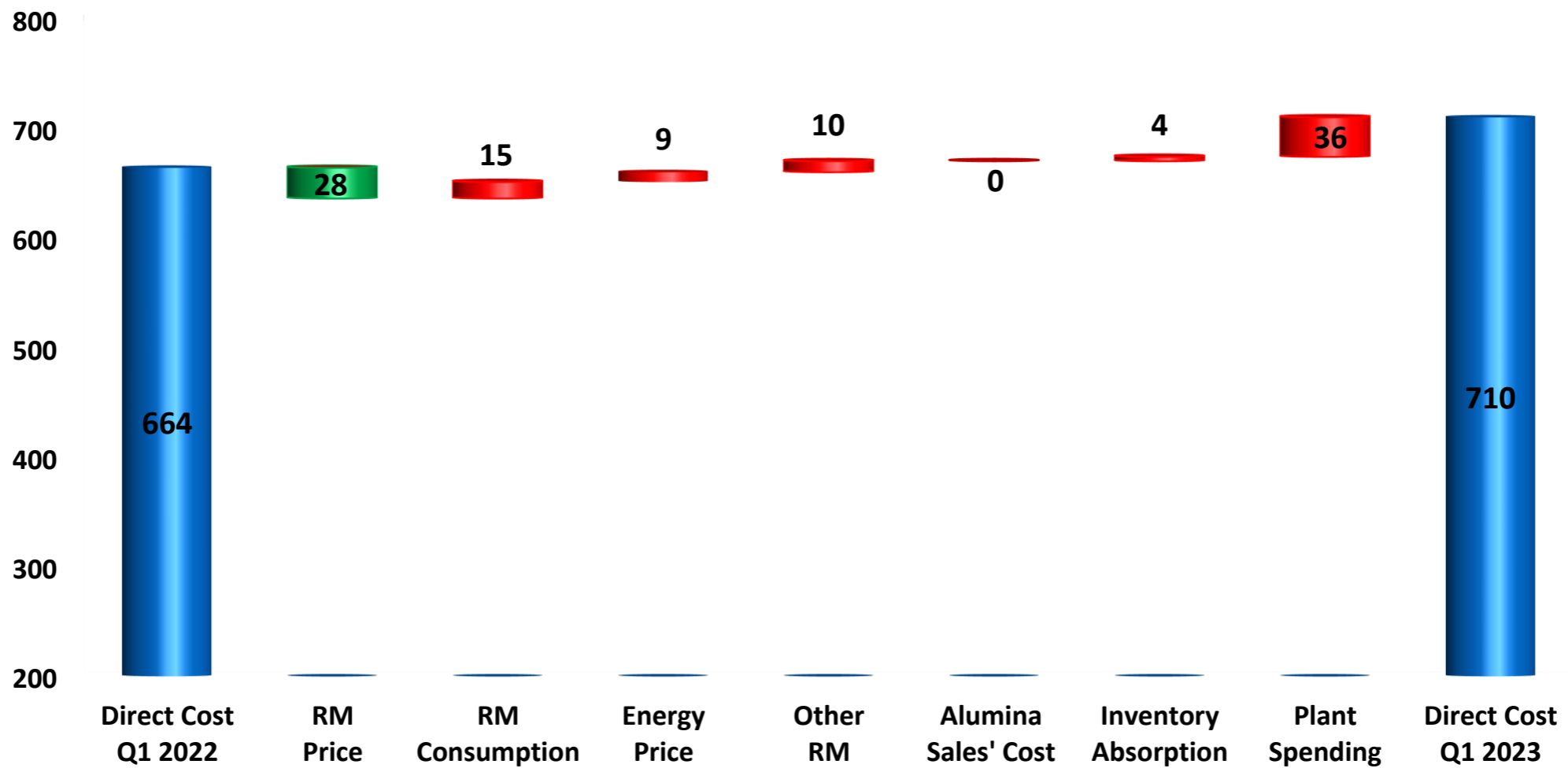
Premium Above LME Trend US\$ Per MT



Aluminium Industry: Weak Market Sentiment

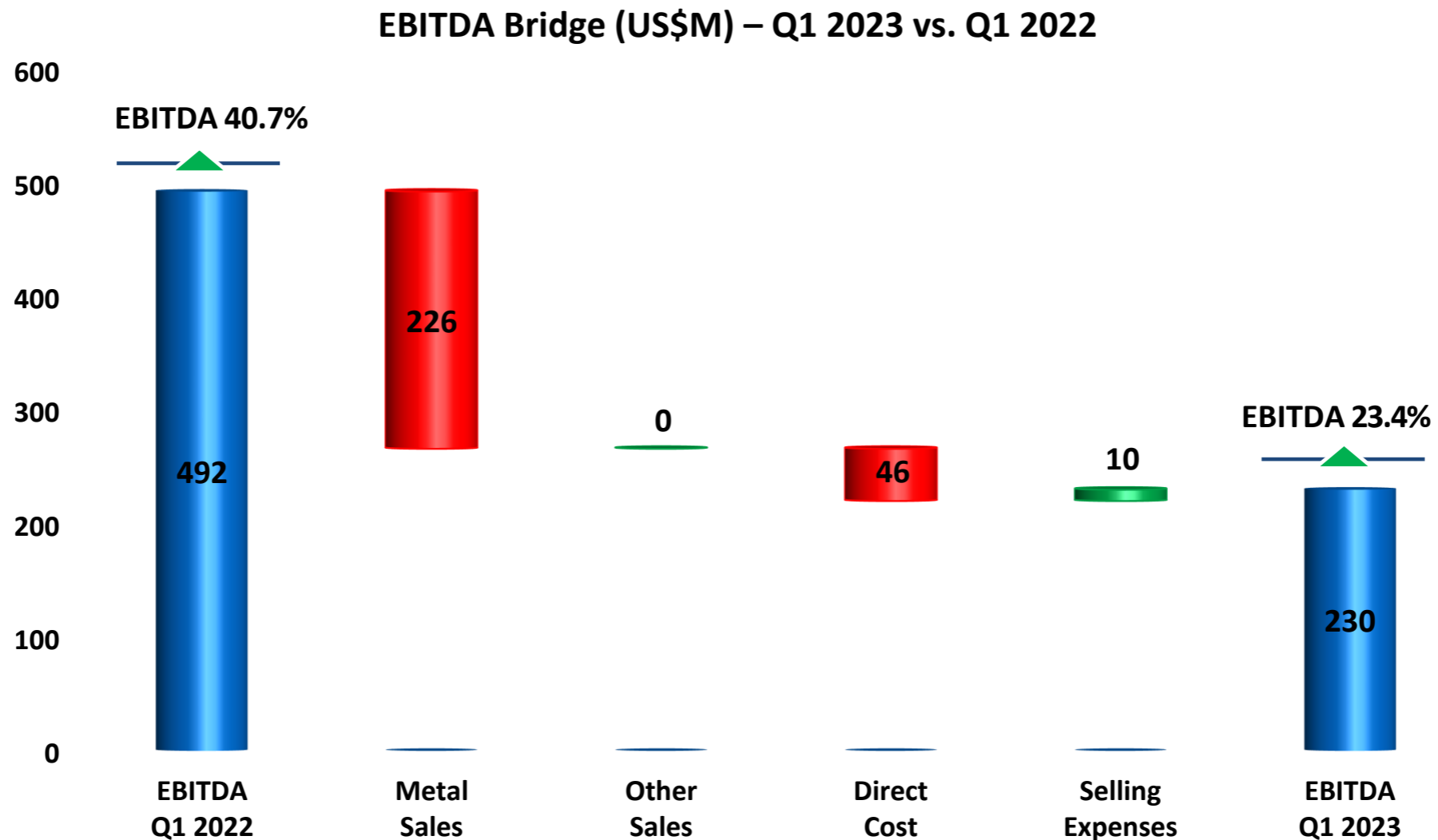
Higher Direct Cost Owing to Higher Throughput & Partially Offset by Lower Alumina Prices

Direct Cost Bridge (US\$M) – Q1 2023 vs. Q1 2022



Aluminium Industry: Weak Market Sentiment

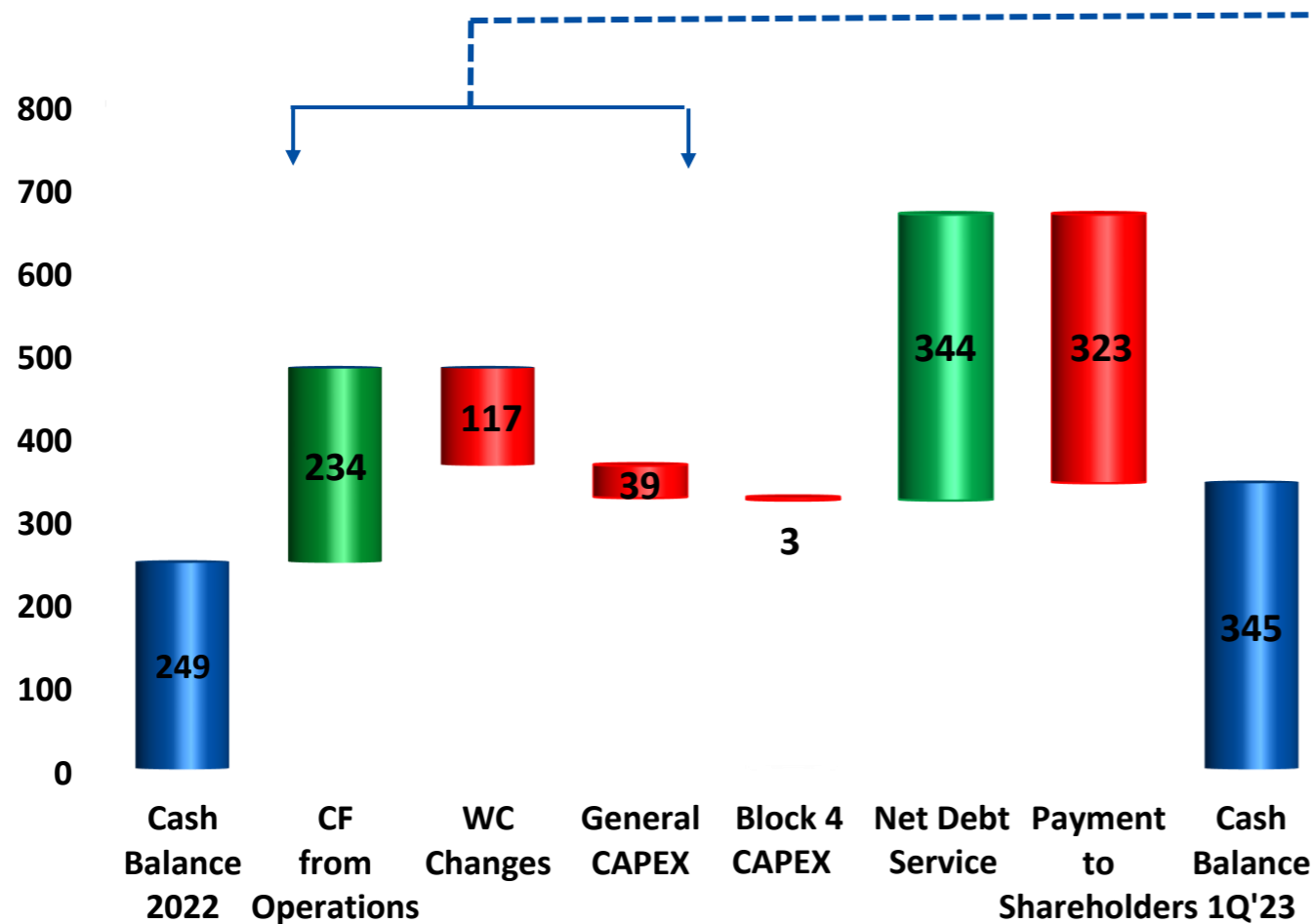
EBITDA Bridge Gap Analysis – Q1 2023 vs. Q1 2022
Lower EBITDA Margin at 23.4% Owing to Lower Top-Line



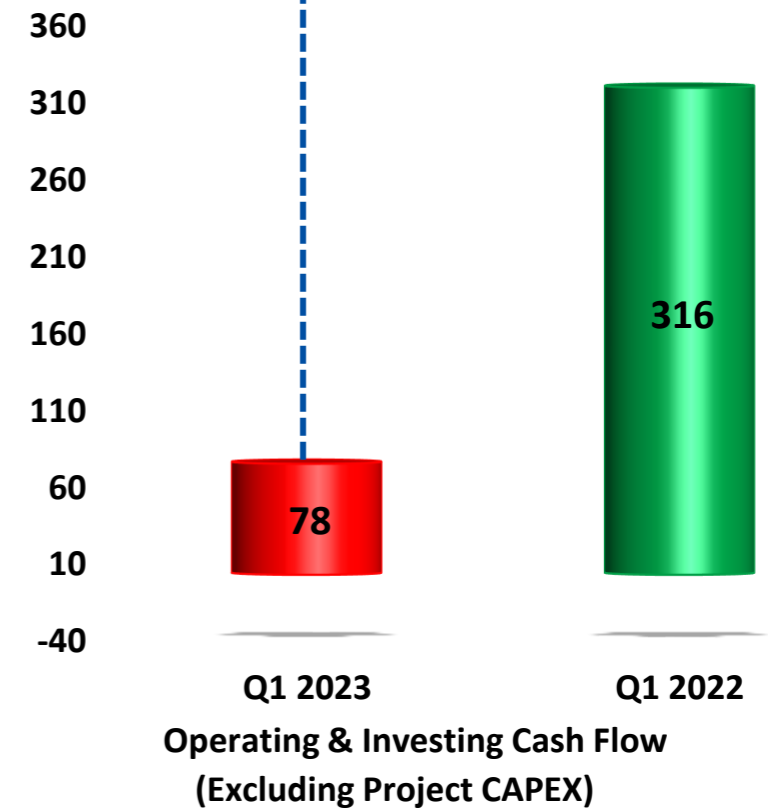
Aluminium Industry: Weak Market Sentiment

Cash-Flow Bridge – FY 2022 to Q1 2023: Sound Cash Position

FY 2022 to Q1 2023 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Aluminium Industry: Weak Market Sentiment

Good Financial Performance Partially Offset by Lower LME Prices

| Financial Summary | Q1 2023 | Q1 2022 |
|------------------------------------|---------|---------|
| Average Cash LME (US\$/MT) | 2,399 | 3,267 |
| Average Alumina Price (US\$/MT) | 353 | 432 |
| Revenue ¹ (US\$M) | 984 | 1,210 |
| EBITDA (US\$M) | 230 | 492 |
| EBITDA% | 23.4% | 40.7% |
| Net Income (US\$M) | 126 | 390 |
| Gain/(Loss) Unrealised Derivatives | - | 3 |
| Adjusted Net Income ² | 126 | 387 |



04

INDUSTRY PERSPECTIVES¹ IN 2023

Mixed Macroeconomic Outlook & Fragile Market Fundamentals

- 🌐 Market uncertainty will continue to cloud the Aluminium market and LME prices
- 🌐 Smelters' cuts in Europe are likely to keep the market in deficit in 2023. The Eurozone economy likely to be challenged by weak manufacturing activities and higher inflation
- 🌐 Global premia to remain uncertain: supply constraints will support European premium while weak market sentiment will stifle premia in US
- 🌐 LME Price to range between US\$2,200/t – US\$2,300/t

Industry Perspectives in 2023

Raw Materials Price Trends (Al_2O_3 , AlF_3 and GPC)

- Alumina spot prices to remain at the same level in the short term
- Aluminium Fluoride prices expected to range at the same levels owing to stable raw material prices
- Carbon products' prices (GPC, CPC & Anodes) to slightly soften owing to lower demand high inventories
- Liquid Pitch prices to remain high due to supply cuts in the market



05

2023 ALBA PRIORITIES

ESG Focus & Journey Towards Safety Excellence

ESG Focus & Journey Towards Safety Excellence

- 🌐 Continue our Safety journey by adhering to 'Safety is our Operating License'
- 🌐 Further sustainable value across our value chain and in line with Bahrain's objectives for 'Net Zero Emissions' by 2060
- 🌐 Increase the Net Finished Production by Forced Cooling Network (FCN) (> 1,600,111 MT) and sustain AL HASSALAH achieved savings with AL HASSALAH Top Up
- 🌐 Screen potential Upstream Opportunities to secure 1/3 Alumina requirements
- 🌐 Capitalise on Aluminium Stewardship Initiative (ASI) and Ecovadis Certifications to penetrate new markets and amplify VAP Sales
- 🌐 Progress with PS5 Block 4 and Solar Farm to scale up our efficiency
- 🌐 Accelerate Bechtel's Feasibility Study for Line 7



06

APPENDIX

Code of Conduct Relaunch & Awareness: March 2023




inter: Connect
Informed . Engaged . Empowered



رسالة الرئيس التنفيذي Message from the CEO



Dear Colleagues,

أعزائي الموظفين والموظفات،

As a leading supplier of high-grade Aluminium products, we have been building trust over the last 51 years with all our stakeholders.

بصفتنا أحد الموردين الرائدة لمنتجات الألمنيوم عالية الجودة، فقد حرصنا على بناء الثقة مع جميع الأطراف المعنية بالشركة على مدى الـ 51 عامًا الماضية.

Alba products touch the lives of many people locally and around the world. What I view as not only a great privilege but also a great responsibility.

فإن منتجات البيا تمس حياة الكثيرين في البحرين وعلى مستوى العالم أجمع، وأؤمن بأن هذا النجاح لا يعتبر فقط امتيازاً لشركة البيا، بل هو أيضاً مسؤولية كبرى تقع على عاتقها.

Our actions, words and behaviours do matter irrespective of where we are. When we act with the highest integrity, we live our values and stand with our communities and external stakeholders (customers, contractors, and suppliers) to ensure that our business practices respect our environment, embrace diversity and inclusion, value employee contribution and adhere to highest standards for business ethics and professional conduct.

تحمّل أفعالنا وتصرفاتنا وسلوكياتنا قدراً كبيراً من الأهمية بغض النظر عن المكان الذي نتواجد به. فعندما نتعامل بأعلى درجات النزاهة، فإننا نجسّد القيم الرئيسية للشركة ونُدعم مجتمعاتنا وجميع الأطراف الخارجية المعنية (العملاء، شركات المقاولين، والموردين) لضمان تماشي ممارساتنا وأعمالنا مع الضوابط البيئية، ومبادئ التنوع والإدماج/الشمولية بين الجنسين، وتقدير مساهمات الموظفين، والالتزام بأعلى معايير أخلاقيات العمل والسلوك المهني.

I remind you to familiarize with **Alba's new Code of Conduct** and use it as a daily guide for everything you do. The updated Code of Conduct will be rolled-out through a Company-wide communication plan and cascaded to all staff as well as contractors' employees in the coming days while various types of knowledge resources will be made available to enable knowledge sharing.

وأود تذكركم بالاطلاع على **النسخة الجديدة من دليل سلوك العمل** الخاص بالبيا واستخدامه كمرجع إرشادي لجميع ما تقومون به. وسوف يتم إطلاق هذا الدليل المحدث خلال الأيام القادمة عبر خطة اتصالية شاملة تهدف لتعزيز الوعي لدى جميع الموظفين وعمال المقاولين إلى جانب توفير مختلف الموارد التي ستتيح لهم تبادل المعرفة حول هذا الدليل.

Thank you for doing your part to carry on Alba's Values and fulfill the obligations of Alba's new Code of Conduct.

شكراً لقيامكم بدوركم في تعزيز قيم البيا وتطبيق الالتزامات الواردة في دليل سلوك العمل الخاص بها في نسخته الجديدة.


Together, we can make a difference and better serve our stakeholders.

معاً، يمكننا أن نحقق التغيير لخدمة جميع الأطراف المعنية.

علي البقالي
الرئيس التنفيذي

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To subscribe to our WhatsApp list send us your name, CPR and badge **38488121**



Your Simplified Guide to Use Integrity Line

Integrity Line:
An independent and confidential line for you to report breaches of Alba's Code of Conduct.

Do NOT use Integrity Line for Reporting:

- Safety, Environmental, Security incidents or Emergencies (Refer to SHE Group)
- Employee-related grievances (Refer to HR & Training Department)


If you are in any doubt about whether to speak up or not, ask yourself these simple questions:

1. Is it legal?
2. Does it comply with the Code of Conduct?
3. What would others think about this?
4. How would this look when published in the newspaper?
5. Does it feel right?

Are you comfortable to talk directly?

| YES | NO |
|---|--|
| <p>Talk to Your Line Manager Alba's Integrity Task Force Team - which consists of:</p> <ul style="list-style-type: none"> • Chief Internal Auditor • Chief Supply Officer • Legal Manager | <p>Report through Integrity Line</p> <p>Phone To call from Bahrain on an outside line dial 800-00-001 or 800-000-00 At the prompt, dial 888-265-3470 (toll-free) To call from outside Bahrain, dial +1 888-265-3470</p> <p>Online Go to www.alba.ethicspoint.com</p> |

Will I be punished for reporting violations?
Every employee should feel secure in seeking advice and in raising concerns. Alba will not tolerate retaliation against those who raise concerns in good faith, even if the concern turns out to be unfounded. This assurance is not extended to someone who maliciously raises a matter he/she knows is untrue.




Steering the Company with Highest Integrity

إدارة أعمال الشركة بأعلى درجات النزاهة

هل لديك نسختك الخاصة؟
نحن نؤمن بأهمية التحلي بأعلى مستويات السلوك الأخلاقي والمهني في كل نشاط نقوم به. يتضمن دليل سلوك العمل هذا السلوك المتوقع من كل فرد منا فيما يتعلق بعملنا.

احصل على نسختنا!

Do you have your copy?
We believe in upholding the highest standards of ethical and professional behaviour in everything we do. Our Code of Conduct outlines what is expected of each of us.

Get your copy!

Need to raise a concern?
Ethics Violations hurt everyone. If you suspect that the Code of Conduct is being violated, then report it. Alba will not tolerate retaliation against those who raise concerns in good faith. Speak with your line manager, a member of Alba's Integrity Task Force, or contact Integrity Line in confidence.

تريد الإبلاغ عن أمر تشك فيه؟
انتهاك أخلاقيات العمل يضر الجميع. إذا صادرت أدنى شك بأي مخالفة لأخلاق السلوك، يرجى المبادرة بالإبلاغ عنها. علماً أن البيا لن تتهاون مع أي شذوذ في الالتزام تجاه من يبادر بالإبلاغ عن شكك في أي مخالفة. أبلغ مديرك المباشر، أو أحد مسؤولي النزاهة في العمل أو قم بالإبلاغ بسرية تامة عن طريق خط النزاهة.

التدخل بخط النزاهة هي العمل من البحرين على خط عربي 800-00-001 أو 800-000-00 عند الترميز 888-265-3470 (خط مجاني) 888-265-3470 من خارج البحرين +1 888-265-3470 عن طريق الإنترنت www.alba.ethicspoint.com
هذا الخط متوفر أيضاً في الموقع الإلكتروني www.albaether.com



Code of Conduct Re-Launch

إطلاق الدليل المحدث لسلوك العمل



Scan to view the Code of Conduct



Alba Shareholder's Structure

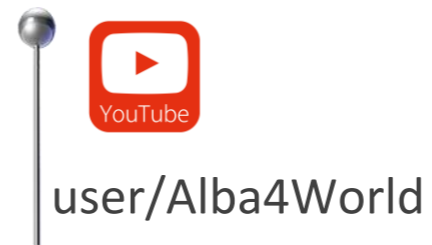


- Alba was converted into a Bahrain Public Joint Stock Company on 23 November 2010
- Alba shares are listed on two exchanges: Ordinary Shares on Bahrain Bourse and Global Depository Receipts (GDRs) on the London Stock Exchange – Alternative Investment Market
- Alba Ticker [BHB: ALBH, BD1.021 on 31 March 2023]



For more information, please contact us on:

IR@alba.com.bh





Investor Relations Presentation

Wednesday, 10th May 2023

Welcome

Anoop Fernandes

VP Research, SICO Bank

Good morning and good afternoon, everyone, and welcome to Aluminium Bahrain's First Quarter 2023 Financial Results Conference Call Webcast. This is Anoop Fernandes from SICO, and today we'd like to welcome Alba's Management, Mr Ali Al Baqali, the CEO; Mr Bryan Harris, the CFO; and Eline Hilal, Director of Investor Relations.

Without further ado, let me hand over the call to Eline, who will guide you through the call.

Industrial and Alba's Highlights

Eline Hilal

Director of Investor Relations, Aluminium Bahrain

Thank you, Anoop. Welcome everyone, and thank you for being with us in – for the coming one hour or so. And I take the opportunity to greet those who have celebrated the Eid recently, wishing you lots of blessings on the occasion.

And without further ado, we will start the IR presentation. If we have any new – for the first-time joiner in this call, we do not usually change the order of our presentation. So, this call will be led by the CEO and the CFO, as well as myself. As always, I will be covering the first two sections within the presentation.

Contents

If we can go please to page number three. So, I'll do the industry highlights followed by Alba's highlights for the first quarter of this year; followed by a deep dive into our financial performance for this quarter, and this section will be led, and – will be led by our Chief Financial Officer, Bryan Harris. And the last two section about industry perspective for the rest of the year, as well as Alba's priorities and future outlook, these two sections will be covered and led by our Chief Executive Officer, Ali Al Baqali.

Industry Highlights

World market demand in a tight spot (-6% YoY)

If we can, please move to industry highlights, going to page number five. As we are all aware, the world is going left and right. We don't know today, currently, where we are in terms of the macroeconomic dynamics. We have seen a bearish post-COVID recovery in China, in the last couple of months, coupled with a limited restart of capacity in Europe, and this is owing to the fall in gas price, and the banking turmoil worldwide has impacted – left lots of impact on the US economic activity.

All in all, this mixed macroeconomic dynamics have continued to weigh on the aluminium market, and it has led to a downgrade or a drop in the aluminium consumption by 6% year-over-year.

World market supply flat, thanks to a fresh wave of cuts (+1% YoY)

In terms of China, the economic activity, we have seen it has started to bounce back. However, this recovery did not translate yet into a recovery in the aluminium consumption, and we have seen the consumption down by 3% year-over-year.

Demand in the Middle East was down by 6% year-over-year, due to lower consumption in the UAE and the Kingdom of Saudi Arabia. Also, that has seen a drop in – of 6% year-over-year.

With regards to the US and Europe, we have seen both countries – both regions have lost momentum thanks to higher inflation and the potential banking crisis. And that has seen the consumption in the aluminium going down by 7% year-over-year.

Moving further into the production, the world market supply was almost flat, thanks to a fresh wave of cuts. The Chinese production was up by only 3% year-over-year, owing to supply cuts on the back of the insufficient hydropower. With respect to our region in the Middle East, the supply was also down by 1% year-over-year. And with regards to Europe, there is a dark mood in Europe with the closure of 25% of its operating smelting capacity. That has seen the production going down by 7% year-over-year, owing to a very limited restart of capacity in smelters, despite having lower gas – lower power prices. And that has led to the world market in surplus with China, plus about 1 million tonne – 1 million metric tonne, and without China, plus 0.05 million metric tonnes.

LME price & premiums

Moving further into the LME price and premium. As we know, this is what determines mainly the performance of the smelters. The market uncertainty, in the last couple of months, has dropped LME prices lower. So, we have seen LME in the first quarter of this year averaging about \$2,400, down by almost 30% year-over-year.

With regards to the LME inventories, they were at about 500,000 metric tonne on 31 March of this year, and they were down by about 20% year-over-year. In terms of premium prices, we have seen premium moving to different beats. So, the MJP, the major Japanese ports, which is the premium for the Asian markets, it has dropped, while the US Midwest and the DDP Rotterdam has improved. And we can – you can see that from the chart in the bottom of the slide.

Alumina price: 15% of LME price (\$353/t)

Moving further to slide number eight. So, this is a visual on – off the LME price, quarter-over-quarter pricing. So, in Q1 2023, as discussed previously in the former slide, the LME price averaged \$2,400 versus \$3,300 in the quarter of the previous year.

With regards to the Alumina Price Index, Alumina Price Index for this quarter, average 15% versus 13% in the first quarter of last year. And the alumina price averaged, in terms of dollar value, about \$355 per metric tonne within the first quarter of this year.

Alba Highlights

And with that, we have given you some highlights about the macroeconomic activity, what has happened within the aluminium industry in terms of consumption and production. And with that, we will boil down into what has happened in Alba in the last couple of months, in particular the first quarter.

Safety in numbers

So if we can move in to slide number ten, as always, we always start this section with our safety performance. We believe safety is mutually inclusive to our productivity. In terms of numbers, we have ended this first quarter with zero LTI, and three recordable injuries. However, we had an unfortunate incident on – recently, in April, which has taken us to one LTI. So, that's going to be further discussed in the upcoming quarter IR presentation for the second quarter. But just to let you know that on 6 March, we have completed 8 million safe working hours without LTI, and today we are cruising towards achieving, again, 1 million safe working hours, and most probably, it will be achieved by tonight, around midnight.

Major environment, social and governance (ESG) highlights

Moving now to slide 11, this is more about what has happened in terms of environment, social, and governance. So, as you know, we have been providing you updates about our Solar Farm Project. This project was awarded to Advanced United Systems to install about – to install solar photovoltaic panels over 37 square meter, with a capacity of more than six megawatts. And the aim of this project is to reduce about 190,000 million kg of CO2 over a 25-year span. So, that addresses one of our major priorities within our ESG roadmap about how to decarbonise.

We have also secured a sustainable financing loan of about BD1.6 million, and we secured this loan from BBK to finance this project.

Our CEO, as well, has unveiled Alba's 2023 major objectives during his Annual Majlis, which was done within mid of January, and we had four objectives that we will be living by in 2023:

- Safety is our operating licence. So, everything starts and ends with safety;
- Al Hassalah Top Up, and I'm going to talk about it in the upcoming slide;
- Be Ready to Take Off Safely, and this is more about our readiness to embark on new projects;
- and Don't Limit Yourself, where the sky is the limit.

Also, in terms of ESG, and to address recycling, we have recently commissioned a 'Food Waste Composter' in Alba, in line with our objective to address sustainable development goal (SDG) number 12: responsible consumption and production. These composter on-site of Alba has the capacity to treat about 125 kg per day of food waste and produce nutrient-rich compost, which we can use to our soil on-site.

We have also been planting trees since 2021, and this is how we believe we're making an impact to our environment.

We have been the proud recipient of 2023 International Safety Award with the Merit from British Safety Council.

We have also re-launched our Code of Conduct, and we have emphasised mainly on our core values in addition to ESG.

As I stated previously on slide ten, we have achieved 8 million safe working hours without LTI on 6 March.

And with regard to our Block 4 Project, which is also part of our decarbonisation objective, we have finished or completed the procurement and the major foundation work for our major equipment on-site.

ESG Roadmap for Alba's Race to Net Zero

Moving further, this is slide number 12, this is our ESG roadmap. I like to constantly keep this slide in the presentation as a refresher for everyone, because this is a very hot topic to the Board of Directors and to the Executive Management, and to every single employee in the company. This is what we are committed to do for the foreseeable future.

ESG: A Journey, Not a Destination

Slide 13, this is really an update to what we have provided you back in February of this year, for the full-year results. So, in conclusion or in brief, we have commissioned the Waste Composter, and we have secured the BBK sustainability financing and awarded the Solar Farm Project. And we will be providing you with regular updates as to how we are progressing with this project until it is fully commissioned.

Major operational highlights

Moving further into Alba's major operational highlights. In this section, we are mainly providing you with updates, which have – we have been – which we have made available to the public before. So, with regard to our sales volume, it topped about 360,000 metric tonnes, which was up by 2% year-over-year, while production as well, was up by 2% year-over-year to reach about 398,000 metric tonnes.

With respect to our value-added sales, it was almost flat, and it averaged 64% of total shipments. In terms of metric tonnes, it has increased slightly from 230,491 versus 230,467 in Q1 of last year.

We have commissioned the Forced Cooling Network (FCN) project at production Lines 4 and 5, which will enable the company to increase its production capacity by about 17,000 metric tonnes per year.

Our CEO has been named the – he's been named as the only Arab in the list in the National Safety Council, the 'CEOs Who Get It' for 2023. That – and that speaks volume about his initiatives and his efforts to take the company to where it's today. Alba – I would like to mention over here that Alba never, ever in its history of 52 years old have reached to 31 million safe working hours without LTI. So, that has been a progressive and transformational journey that we have embarked on since the current CEO took over, in August 2019.

We have held as well the second edition of 'I'm Special, I'm Creative' exhibition, which has seen the participation of more than 50 employees in Alba, and this is more to tap into the creativity and the entrepreneurship of our own employees. We have also awarded seven national employees for their inspirational efforts during the last year. And it tells you a lot about the people's company, which is Aluminium Bahrain, as you are all aware of.

Financial Key Performance Indicators – Q1 2023

Moving further into a sneak peek into the financial key performance indicators. So, I will be focusing on some of our major KPIs.

Our EBITDA was driven primarily by lower LME price and premium assets. Previously in the slides, we have seen a very – a good drop in LME prices by about 30% year-over-year. And in terms of our achieved premium, you will see in the upcoming slide that also – that the premiums have also dropped down by 30% year-over-year. That has translated into 53% year-over-year drop into our EBITDA, and we have achieved \$230 million.

The same performance has also been translated into our bottom line. While our bottom line was down, driven by lower EBITDA, and we have registered about \$126 million, for the first quarter of this year.

In terms of the free cash flow, this was impacted by working capital changes in the first quarter, and you will see that in the last slide within the section number three of this presentation, it was \$72 million, down by about 77% year-over-year.

AL HASSALAH initiative (2-year): save \$100 million (w/o one-off savings) by 2022

Moving further into AL HASSALAH, which is the last slide in my section, we are – we have kept the slide as is because we would like to remind you and remind us that if you remember a couple of slides down the road, I have explained about one of the CEO's objective for this year 2023, is to have AL HASSALAH top-up. And by that, we mean that we want to sustain AL HASSALAH benefits, which we have achieved for the year of 2023. If you remember, we have exceeded the two-year target by \$5.34[?] million, and that the aim is to sustain this achieved savings within the course of 2023, as we will be providing you with a new programme quite soon. And we will talk about it, by then.

And with that, I will leave the floor to the Chief Financial Officer, Mr Bryan Harris, to take you into a deep dive into Alba's financial performance for the first quarter of this year.

Q1 2023 Results

Bryan Harris

Chief Financial Officer, Aluminium Bahrain

Aluminium Industry: Weak market sentiment

Thank you very much, Eline. Good morning, all. A pleasure to speak with you again today. As Eline mentioned, I'll be taking you through the financial performance for the – for Q1.

Lower Metal Sales Impacted by Depressed LME Prices & Premiums

So, beginning on page 18 with sales. And I think overall, if I could characterise this quarter, as Eline mentioned, obviously, very weak market sentiment. But I would say that it's a respectable and strong performance, given the deterioration in the market. If we look at sales, we had depressed LME prices that impacted us by – you can see a reduction of 27% in LME prices.

So, looking at the bridge, going from Q1 2022 to Q1 2023, the drop in LME prices alone impacted us by over \$200 million, compared with the comparative period, \$203 million. Product mix, which is VAP[?], is pretty much flat. Pricing power, which is premiums, also went down significantly versus Q1 last year, to the impact of \$39 million. On the positive side, our volume increased by about 1.5%, so, that equated to a boost of around \$19 million.

So, overall, our sales dropped from \$1.2 billion to \$984 million. So, that's a reduction of 19%, compared with Q1 last year.

Lower Premiums | Higher Liquid Metal & Lower Commodities

So, sticking with sales, but going into a little bit more detail, you can see the shift in the sales by product line. The VAP[?] was pretty much flat. Liquid metal actually increased by 8,000 metric tonnes, and commodity, so, ingots, reduced by 2,000. So, overall, there's the net increase of 6,000, in terms of our quarterly sales.

Premium, you can see a significant drop. Again, similar to the LME drop of 27%, there was a drop in premiums of 27%, so, from \$427 to \$311, and that was really driven, pretty much, completely by the global market premiums, which dropped significantly over the period.

Higher Direct Cost Owing to Higher Throughput & Partially Offset by Lower Alumina Prices

Looking at the costs on slide 20, our direct cost bridge, costs went up, and this was mainly due to the higher throughput, but also increased gas prices and other raw materials. So, LME prices actually dropped during the quarter, but almost all other raw materials actually increased. So, you can see our direct costs for Q1 2022 were \$664 million. We had a positive gain of \$28 million due to the reduction in Alumina. But other raw materials, \$-15 million and \$-10 million, as well as \$-9 million on the gas prices.

And then plant spending, also contributed \$-36 million. A lot of that was to do with the fact that in our comparative period, we had a big forex gain. So, in Q1 2022, we had a very significant forex gain. So, obviously, we didn't repeat that gain in this quarter. And there was also a reversal of an accrual in 2022, on the workforce side. So, those are the two main contributors to that plant spending increase versus the comparative.

EBITDA Bridge Gap Analysis Q1 2023 vs. Q1 2022: Lower EBITDA Margin at 23.4% Owing to Lower Top Line

Moving on to slide 21, EBITDA. So, this is a summary of the previous slide. So, EBITDA for Q1 2022 was \$492 million. Metal sales, the difference, as discussed on page 18, was \$226 million. Direct costs \$-46 million. On the positive side, selling expenses improved by \$10 million, and this was owing to reductions and freight costs. So, global shipping costs reduced over past year, and so, we gained that benefit. So, our final EBITDA for Q1 2023 was \$230 million.

Cash flow bridge – FY 2022 to Q1 2023: sound cash position

Looking at the cash flow bridge, then, on slide 22, cash balance brought forward was \$249 million, cash flow from operations \$234 million. We had negative working capital changes, and this was mainly due to an increase in inventory. General CAPEX, \$39 million; Block 4 CAPEX, so, this is our new Power Station 5 Block, \$3 million; net debt service was \$344 million. So, this was mainly because of the ECA for Block 4, as well as an increase in short-term debt, to enable us to pay dividends. So, we paid, obviously during Q1, the final dividend relating to 2022, and that was a sizable payment of \$323 million. And that left us with a cash balance of \$345 million, which was higher than normally we would keep, but we did have an early April \$120 million corporate loan repayment that was due. So, we needed to keep cash balance a little bit higher.

Good financial performance, partially offset by lower LME prices

Moving then to slide 23, to look at the income statement. And in summary – again, in summary, good financial performance mainly impacted by the lower LME prices and premiums. So, you can see the average cash LME price reduced from \$3,267 per metric tonne to \$2,399; so, a reduction of 27%. Average alumina prices reduced by about 18%, but as I mentioned, almost all other raw materials increased during the same period. Our revenues reduced from \$1.2 billion to \$984 million. Our EBITDA dropped from \$492 million to \$230 million, and net income did drop from \$390 million to \$126 million. But I'm sure that many of you will have seen that many of our competitors actually went from very healthy profits in Q1 2022, to actually making losses in Q1 2023. So, a profit of \$126 million, considering the market conditions, we think is a strong outcome.

So, thank you for your attention, and I will pass on now to our CEO, Mr Ali Al Baqali.

Industry Perspective in 2023 and Alba Priorities

Ali Al Baqali

CEO, Aluminium Bahrain

Thank you, Bryan. I'll take you through the last two sections in our IR presentation for today, the industry perspective as well as Alba priorities in 2023.

Mixed Macroeconomic Outlook & Fragile Market Fundamentals

If you go to slide number 25, the market volatile due to high inflation and fear of recession as well as high energy costs in Europe and Russia and Ukraine war. This put a lot of pressure for the LME price and the demand mainly in the beginning of the year in Europe and US.

Now we see US is little bit picking up, but Europe is still – there is a slow demand, however, we booked all our sales based on the marketing plan and we're executing it. There is a slow[?] of declaration, however, we are having a confidence that all the sales booked, it will be delivered by the end of the year.

Also, if you look at what Eline mentioned in the beginning of the presentation when she said that almost 25% cut capacity in Europe, this make the market deficit for the aluminum. However, this also, if you look at – from different perspective, we see the market demand is okay, strong. However, especially in the terms of the foundry alloys, we are now over-producing, over-booking this item, in terms of the other major value-added products[?].

If you look at the global premium, if you look at what Eline also mentioned in the previous slide, when she said MJP in Q1 was at \$85 per metric ton, we see a lot of improvement in Q2. And Q2, MJP was already confirmed at \$127.50. This means that in the premium side, there are some improvements in Asia side. In Europe side, there is some improvement. However, in the US, the premium, we didn't see it as projected, and it's starting declining toward the last few weeks.

And if we look at the supply, I already mentioned this, but from the LME side or the forecast of the LME side, we see all the marketing intelligence report, all the conferences, they are highlighting that the LME will be within that range till the end of the year, as an average, between \$2,200 to \$2,300, \$2,400; except one market intelligence report, he's expecting that

LME, it will be dropped below \$2,000 by the end of the year. This is all expectations, but from our side, you see the LME will be at least stable between \$2,000 to \$2,300 by the end of the year.

Industry Perspectives in 2023

Raw Materials Price Trends (Al₂O₃, AIF 3 and GPC)

If we move to the second slide about the major raw materials price trends, we see there are softening of price in the LME side and fluoride. However, is still the black[?] material like GPC, CPC and liquid pitch[?], the price is still on the higher side compared to the previous year. This, it will put a lot of pressure on our cost structure, which is – and we feel that it will go slowly moving to the down trend. And we saw that Q2 deals or buying orders for green petroleum coke, we saw some softening[?] in price goes little bit, which is – this also a good indication that the price will continue to drop in the future.

Alba Priorities

If we go to the last section, which is Alba priorities in 2023, unfortunately, in 15th April, during Ramadan, we had one incident in the put Line 1 from 2, which resulted of that incident, an LTI; a person was working and he did some shortcut and he injured by burning his hand. All the measures has been taken. The employee is fine. He is having a burn of second degree. However, we review all our policy, all our procedure, GSP in terms of safety and we're making a campaign already, on the same time of the incident, in the week of happening and during the Eid, also all the management presented during the holidays to show the commitment of the safety momentum and to push the safety to the higher level, or to the next level. However, we again reset the clock because during Ramadan, we reached around 8.9 million hours without LTI. Now, we are starting from beginning and now we are nearly maybe by tomorrow, by next week early, we're going to 1 million hours without LTI, inshallah.

ESG Focus & Journey towards Safety Excellence

We're focusing also on the ESG initiative as per our roadmap towards zero net carbon by 2060. We're almost done with the quick win[?] project like Block 4, which it reduced our carbon emissions, and we did a lot of internal projects in order to monitor and to reduce our green GHG by 2035, as per the government and as per Alba roadmap in terms of reducing the carbon emission.

We're targeting to produce more than last year. Last year, we achieved 1, 600,111 metric tons, and this year we are targeting higher than this. This, it will because we did – in December or beginning of the year, we did a Forced Cooling Project, which will enhance the production off of the put[?] Line number 4 and 5, and we are projecting extra material will be generated because we're increasing the current from 405 to 411k[?].

And AL HASSALAH, as you're aware, this year, we are going to sustain the benefit in AL HASSALAH. And AL HASSALAH last year, for the last two years, we achieved above \$115 million versus the plan or the target of \$110 million.

In terms of the opportunity for the upstream, we are screening the market. We are opening our eyes for any new potential opportunity. And so, far, there is nothing on the table. We discuss a lot of opportunity, but this is always on our strategy for future; if we get a good

opportunity to be a minor joint venture to secure at least third of our LME requirement, it will be good from the rate[?] perspective as well as from the price – maintaining our cost by having our own smelter.

I think before a few days or maybe yesterday, we announced that we also gain a chain of custody from the ASI. We are the third smelter in the Middle East awarded with this certificate. We are very proud of this and we are going to capitalise what we are again in terms of certification to improve – and to support our customer, and improve our quality as much as we can.

As I said, the progress is going well in Power Station 5 Block 4. And as Eline said, we already awarded solar farm, a project of around about 6 megawatts. This is a small amount of megawatts compared to Alba consumption, but this is like an indication or as a market signal that we are creating – reducing the ESG seriously. And this is one step towards our long-term of the roadmap to achieve the zero carbon by 2060.

And Line 7 Feasibility Study is still ongoing, and we are expecting to receive the final study by September this year. However, we have challenges in terms of the study, but we are on the top of these challenges to discuss it with the government.

By this, I think I'm ending the presentation of today, and I will leave the floor to Eline to receive the questions from your side, if you have any questions. Thank you very much.

Q&A

Eline Hilal: Thank you, Ali and Bryan. If we may please open the floor to receive questions.

Operator: Thank you. As a reminder, to ask a question on the phone, please press dial one and one on your telephone and wait for your name to be announced. To wait for your question, again, please press star one and one again. Once again please press star one and one if you have any questions or comment on the phone lines. If you wish to ask a question via the webcast, please type them in the question box and click 'submit'. Thank you. We're now going to proceed with our first question from the phone.

And the question comes from the line of Amit Lahoti from Citi. Please ask your question.

Amit Lahoti (Citi): Hi, thanks for taking my question. My question is in two parts and both are related. First, you have highlighted slow demand in Middle East, and that has possibly resulted in a lag in sales volumes relative to production. So, I wanted to understand, which industry is are you seeing most weakness in? so, that is one.

So the second, could you provide some guidance on sales volume for the rest of the year?

Speaker: Yes, so, I will be answering this question. so, when we look at the market status overall, especially on the automotive and the packaging, there are some sort of, I would say, variation in term of the growth. What we are noticing, especially when it come to the automotive because of the semiconductor chips was not available, so, some of the entity, they manage to produce the structure and everything. Because of the unavailability of the semiconductor, so, they had to basically compile all of their inventory until those become available. Then their order for the new structure, everything, could materialise over the time.

So this, when it come to the automotive. The packaging in term of packaging for cans and beverages, this always going to mimic the demographics a sort of progress in the market. so, we see a bit of an improvement there. The construction, everything would depend on the growth, especially on China and Europe, and that will be the main factor for everything to improve.

Looking from the geographical, this is our perspective how we see it from our interaction, there is a bit of cautious in Europe because of the situation inflation, but things are steadily growing, improving with the time. so, hoping that by Q3 and Q4, things would materialise and improve. Asia, thanks to the main stable, consistent in term of the volume, there is no significant change there from that regard.

So this is when it comes to the market overall in term of the segment market and situation. I don't know your second question, your second part of your question, if you can remind me.

Amit Lahoti: Yeah, sure. If you could provide some guidance on sales volume for the rest of the year.

Speaker: The sales volumes, as indicated by our CEO, we have a firm target. When it comes to the commitment, order, everything is in line.

Ali Al Baqali: We try to sell what we can produce. This is our objective.

Speaker: And, of course, our aim to fully say it as per our plan by end of the year and we are optimistic that this can be achieved, especially looking to our profile, our base of customer. We're well-known in the market, so, we have very high optimistic that this can be achieved and delivered.

Amit Lahoti: Sure, thank you.

Bryan Harris: If I can just add, we typically are able to sell whatever is available for sale, and we anticipate that that will continue. Obviously as we're shifting towards more VAP, it does mean that there is, as you pointed out, to little bit of a lag between production and sales because we have to ship it to the warehouses for it to go to the final customers.

Amit Lahoti: Okay, thank you.

Operator: We have no further questions on the phone lines at the moment. Thank you.

Eline Hilal: Thank you. And I think I will be reading the questions that we have on our window. so, the first question is from Akash[?] Kumar. And he is asking about certain line on our increased inventory level in the balance sheet. Is it because of finished goods or raw materials?

Bryan Harris: I'll take that, Eline. So, yes, there has been a significant increase in inventory value on the balance sheet. And that mainly on the finished good side, particularly the inventory on the water. so, stock being shipped over to the US and other places, that has increased. Obviously, that bodes well for the coming quarters.

But we also – part of the increases because of the increase in raw material prices as well, so, raw materials have increased in both volume and price, as I mentioned. Although alumina has dropped in global prices, all other raw materials have increased. so, it's both finished goods and raw materials.

Eline Hilal: Thank you, Bryan. One more question from Rahul Shah. He is asking about our outlook for the LME price. He believes that we are quite concerned about this because it's slower by 10% to 20% versus what the major commodity analyst are forecasting. So, he would like to understand why we are more cautious and what is our view in terms of the global supply demand, and whether there are any specific issues relating to our product and client mix?

Hussain[?]: Eline, I will take this question. Actually, we're not cautious on projecting[?] the prices because what we are reporting is mainly in line with the major market intelligent report like CRU, Platts and HARBOR[?]. If we go purely to, well, of the HARBOR, our price forecast would be lower by far, more than 20%.

We are taking in the middle stick[?]. And I think there is no other things I need[?] and maybe the other commodities, I'm not aware about the price forecast. But in the aluminium, we are very consistent, especially we're reporting on the quarterly basis, our IR presentation, and most of the information comes up from the CRU report.

Eline Hilal: Thank you, Hussain. One question from Hassan[?] Ahmed. Two questions actually from Hassan Ahmed. The first question asking whether we can elaborate on the conditions pertaining to our green loan with BBK with respect to the solar project. And another question as well from him about explaining the benefits of AL HASSALAH.

Hussain: Eline, I will take for the BBK loan. Actually, we announced that we have the third green aluminium project in Bahrain because this is related to the solar panel project. Normally, this is a small amount. It's not a big amount and the interest rate is in line with the market rate. And I didn't remember that we disclosed the interest rate in our press release, but I will not state it here. Otherwise, he can reference our press release, and all the details will be there.

Eline Hilal: Yeah, that's the – would it not –

Hussain: The interest rate, correct, yeah. And AL HASSALAH, I think for the last two years, we are explaining and giving update to all investors about AL HASSALAH benefit. AL HASSALAH benefit, just to give you a brief update, it was initiated before two years. The objective was to capture the saving and the benefit from different aspects related to Alba cost in terms of efficiency, productivity, reliability, raw materials, marketing, the projections[?], all these things. And the plan was to achieve \$110 million. \$10 million was one of benefit, and the \$100 will be sustainable benefit.

The project was the ended by 2022, and our objective for 2023 is to sustain the benefit of the \$100 million. However, until now, we're sustaining more than \$115 million, which means that the project is moving very good and the saving what we made in the last two years, we're sustaining it in 2023. We have another plan next year to do another cost saving programme, and we're going to announce it by next year, inshallah.

Eline Hilal: Thank you, Hussein. I think – I had a good chance to go through some of your questions, so, I will mention quickly who has requested to know more about the gas price. I see that this has been flagged by Stephane[?] Boucher[?] from Sierra Capital as well as [inaudible] Capital.

So they are – so, I will read from [inaudible] Capital what was – because the question is actually quite long, and it's all about the gas price. He's mentioning that the government of Bahrain has increased gas price by \$0.25 per MMBtu since last year. And this year, the increment did not happen and the gas price continues to be at \$4 per MMBtu. How did we achieve this and what does this imply for the gas prices for next year?

Also, the management is working on a structured gas price agreement with the government so, that the pricing uncertainty goes away, and is replaced with some formula. When can we expect this agreement to be reached and revealed to the market?

Hussain: This question is very long, but I'll – shall I answer it Eline or –?

Eline Hilal: Yeah, go ahead Hussain.

Hussain: The question is too long, but I will try to summarise the answer to fit the question. He is right. The escalation of the \$0.25 per MMBtu was done, and now we are paying, in 2023, at the rate of \$4 per MMBtu. He is right also, we have a high level discussions with the government to agree on the supply and the price. Not only for our operation, but as you're aware, that we're having a Feasibility Study for Line 7, and we need also a firm price to go ahead with Line 7 Project.

About the formula, we still not – okay, we give our options, they give also some indicator, but the final formula structure will be given by government. And we will not have any say on it. It will be applicable for industry in Bahrain and it is not applicable to Alba only. What price they are going to say, it would be applicable for all Bahrain industry. I hope I answer your question.

Bryan Harris: I think we skipped over one question as well about the gas price. There was a question about the sales volume utilisation. I assumed by that you're talking about sales volume as a percentage of production volume, which is about 90%. And the question is, will that normalise closer to a 100% in 2024?

So there are two reasons why typically our sales are below production levels. One is obviously, as Alba increases production, there's a lag effect before that increased production is sold. So, always it will be less than a 100% when a company is growing its production levels, which Alba is.

And then secondly, as Alba continues its strategic shift from commodities to VAP, that means that there will always be a delay. so, the faster that we increase our move from commodities to VAP, the more there will be a difference between – or a lag between production and sales. so, yes, there will, I'm sure, come a time where sales is pretty much 100% of production, but it will only be when Alba's production growth stops, and when we reach equilibrium in terms of our VAP.

Eline Hilal: Thank you, Bryan. A few more questions. One of the questions was from Rahul Shah. It's about our – if I'm not mistaken, the direct cost to bridge that we have presented in the IR presentation. We mentioned that the energy cost have gone up year-over-year, but this relate to natural gas or other energy sources. I'll answer this and Bryan, please correct me if I am wrong.

This is – the natural gas have gone slightly up because we have produced more year-over-year. so, our production has [inaudible] percent year-over-year.

Bryan Harris: Yes, but also because of the gas price increase. so, remember here that we're comparing Q1 2023 to Q1 2022, and the gas price has been stable since 1st April 2022. But if you're comparing Q1 this year to Q1 last year, there is a \$0.25 increase. so, that equates to \$9 million or \$10 million. But as Eline pointed out, also, a part of it is due to the increase in production level.

Eline Hilal: Okay. I have two questions from Ahmed Alani[?]. Can you please expand on the adverse [inaudible] capital movement for the first quarter of this year versus the first quarter of last year? And he stated that we have mentioned this was mostly related to inventory, even though volumes were higher 2% year-over-year.

Another question from Ahmed is about expanding on the market dynamics in China. It seems that smelter capacity is coming faster than demand. And he wants to have our opinion, whether the pricing – our pricing power is weakening further over the year. And where do we see alumina as a percentage of the LME for the rest of the year? so, many questions in one.

Bryan Harris: I think we've covered. That's mainly because of the inventory, mainly on the finished good side, increased metal that's sitting on ships going towards of our foreign markets. Yes, there are some other increases on the accounts receivable side, but it's mainly the inventory finished goods.

Eline Hilal: Okay, thank you, Bryan.

Hussain: Actually, for the second question Eline, about the China, specifically he's right. China, they're expanding the smelter, but at the same time, they're the closing the inefficient of the coal smelter. And as everybody knows, that China, they can build smelters in six months, not like the rest of the world; they take at least two years to build the smelter with all the facilities. China, they can build the put lines within six months, and they can produce aluminium from it. And now China, they're targeting the renewable energy, that's why they're closing the inefficient old lines, and they are opening the new smelting facility near to the renewable energy.

And in terms of the price, everybody knows that China, they're dominating the price of the aluminium because any shortage or excess[?] inventory in China, it will reflect directly in the aluminium price because the [inaudible] production of aluminium is nearly 64-65 million ton. More about 50%, 60% of that is produced in China. China, they're dominating the market in terms of demand and supply. If there is a deficit in China, these too reflect directly in the rest of the world because China, they will start importing aluminium from the rest of the world and the price will shoot it up.

If there is extra[?] surplus[?], when we saw in the previous year in 2016, 2017, when they have a supply of – excess supply, they try to dump the material or the metals in the market. And this put a lot of pressure on the price. But China, they are almost dominating the price and the supply as well as the demand.

Eline Hilal: Correct Hussain, two more questions. One interesting question. I don't know also why it was asked. Can we shed some light on the reason behind the consistent decline in sales volume in the first quarter in the past three years?

Bryan Harris: Yes, I don't know whether there's been a consistent decline over the past few years. What I do recognise is typically, our Q1 sales volumes are lower than the other

quarters. Typically, we're really push and put a lot of hard work into making Q4 a good quarter. I try and finish the year on a high note, try reduce inventory levels as much as possible at yearend, get it as much goods out and sold as we can. And so, typically, Q1, we then are restocking our warehouses and putting goods on ship. so, typically Q1 is weaker than the other quarters.

Eline Hilal: And as Bryan stated, our sales have been increasing year-over-year. So, I would say, I would add that in the first quarter, usually, sales volume are slightly less than the previous – or than the other quarter. But then the company will catch up, starting from the second quarter, moving forward.

Hussain: Normally, followed [inaudible] schedule, Eline, because the customers, normally, they declare their requirement not in the Q1 because they have an inventory in Q4. They keep it and they start requesting from Q2 and onwards. That's why if you look at the total sales, we are going to catch up as per the plan. But in the first quarter, normally, the demand or the execution of the order from the customers or declaration will be lower than the coming quarter.

Eline Hilal: Thank you, Hussain. One more question for Hassan. so, what is the expected production volume for 2023?

Hussain: Above the 2022 production, Eline, it will be.

Eline Hilal: Yes, but we haven't provided the number, but you may consider that it's going to be over 1.6 million metric tonne.

One question from Stephane Boucher is about an update on the dual listing in Saudi Arabia. What rough[?] timeframe do you anticipate? I would take this question. so, there is no update as of now on the growth[?]listing. Should we have any update, you will definitely know about this from our official press release.

Hussain: Right, Eline, for the coal price, the coal price has collapsed in the last two months and are back in quarter 2021 level. As coal continues to get cheaper, it will make coal-based producer like in China, price competitive. Do you think this will impact LME prices and hence EBITDA per metric tonne made by Alba that they affect gas price?

It's a mixing of issue, but yes, we noticed that the GPC price or the coal price has declined only from the GPC side. But the liquid pitch and the CPC[?], still the price was in the higher side or the same level of 2021 and 2022.

Yeah, definitely, if we are getting a reduction in the black material, this reflect directly in our cost because GPC and CPC and the liquid pitch are part of the four major raw materials in Alba. And this will reflect directly in EBITDA. But LME price, I don't think this will reflect in the LME price directly. Maybe indirectly, maybe because the cost, but I don't think that is a direct correlation between GPC price and LME price.

Eline Hilal: Thank you, Hussain. One question from Arqaam Capital. He said that he joined the meeting, the call quite late and that he wanted to know whether there is any update on the natural gas price contract. Would you like to take it, Hussain?

Hussain: We already give an update during the presentation as well as the one of the questions, but we're still in discussion with the government. We know that now we're paying

\$4 per MMBtu, and the government understand that we need the gas price and the gas contract for Line 7, okay, and for our normal operation, it's just a matter of time. Hopefully, within the coming few months, if we have clarity on the gas price, it will be good for us.

Eline Hilal: Thank you, Hussain. I don't think we have missed any questions. Most of the questions related actually for the gas supply agreement and gas pricing, on top of the additional questions that we have answered. I'm just going back again through the questions just to make sure we haven't missed anything.

Anoop Fernandes: Eline, I have a couple of questions. Can we take them?

Eline Hilal: Sure.

Anoop Fernandes: Yeah, so, firstly, on the issue of energy prices being higher, which was asked –it was the previous question. If I look at Note 10 of your financial statements where you give out the diesel and gas consumption, and also the purchase of electricity, there is a notable decline. so, what I see is your production is up 2% y-o-y, but the consumption of energy is down roughly about 2%, when I look at it that way.

So my first question is, is that the right way to look at it? I mean, is that BD 57 million for the three months, which is the purchase of natural gas and diesel, reflective of production? That is question one.

Question two is this – I mean, assuming it is, is this the best that we can go to, or do you think there is further upside in terms of reducing the cost – the consumption of energy?

And the third part is we were already producing at about 1.6 million tonnes before you commissioned the cooling mechanism, right? so, what is like the upside potential, the maximum upside potential for production beyond this 1.6 million tonne level? How should we look at it?

Eline Hilal: Thank you very much, Anoop. Hussain, or Bryan, would you like to take this question?

Bryan Harris: Sure. So, on the – I think you're referring – you mentioned to Note 10, so, you're picking up some details in the related party transaction. so, obviously, we do make purchases from, effectively, government gas and also electricity. so, you pointed out a reduction in the gas and diesel. so, yes, there's a slight reduction Q1 2022 – 2023 versus 2022 on the natural gas side. However, you'll see that the electricity price actually went up slightly, so, sometimes there is a – depending on whether we importing or exporting electricity. so, if you look at those two together, you can see that Q1 this year was higher than Q1 last year. so, that's in line with expectations.

Anoop Fernandes: No, Bryan, actually, Q1 of this year is lower than last year, right, when we look at –

Bryan Harris: If you're just looking at gas –

Anoop Fernandes: Yeah.

Bryan Harris: – but if you look at gas and electricity together, then Q1 this year is higher than last year.

Anoop Fernandes: And is there upside to that 1.6 million tonne – I mean, what is the maximum we can go to with this new cooling mechanism?

Hussain: See, when it comes to what is the maximum, it all depends on the maintenance schedules of the power stations. so, there are a lot of variable factors that need to be considered before being very precise what is the maximum expectation and so, on. But generally, the efficiency will play a significant part. so, the more we rely on the latest unit of power, then the efficiency would be better. so, this is typically how it is run.

Anoop Fernandes: Okay. There's also some decline in the cost of coke and pitch recently, right? I mean, was that reflected in your first quarter earnings or do you think that will spill over into the second quarter because you would have –?

Bryan Harris: Yeah, we expect to see that coming through in Q2. so, yes, probably in March, it was already declining, but if you look at Q1 2023 versus 2022, it was higher. But we are seeing that coming down, so, we expect to see reductions in Q2.

Anoop Fernandes: The third question is on your covenants. Assuming that Ali highlighted that there is one consultant who expects prices to breach \$2,000. so, what should we look at in terms of the net debt to EBITDA wherein dividend[?] – covenant gets triggered where you will might not be able to pay the dividend or anything related to that? What is your – what is the target net debt to EBITDA, based on your covenants, currently?

Bryan Harris: Thanks for the question. so, obviously, our net debt to EBITDA are lower than they've been for many years so, it's come down dramatically. Obviously, that's because we – 2022 and early 2023 were usually good years. so, our EBITDA levels were very high. so, you can expect the net debt to EBITDA to be creeping up now as our – as the good quarters from 2022 effectively expire. On the positive side, we have made the most of the good recent results in paying off some of our debt. so, you may remember that in December, we paid, in advance, DKK300 million towards our long-term loan. And then we hope to continue producing debt level.

So yes, you will see the EBITDA to fall lower, but at the same time, hopefully, we will continue to reduce our debt level. But so, net debt to EBITDA will rise during 2023, but should still stay within covenant levels.

Anoop Fernandes: Okay, thank you.

Eline Hilal: I don't think we have any more question in the question window.

Operator: We have no further questions on the phone line either at the moment. Thank you. I'll hand back the call to you for closing remarks.

Eline Hilal: Thank you very much. I would like to thank you all for the taking the time to spend with us about one hour and go through, into details, into Alba's performance for the first quarter. And we will catch up with you for our upcoming webcast in August to talk more about Alba's financial performance for the second quarter and the first half of the year. Meanwhile, please keep well and have a beautiful day.

[END OF TRANSCRIPT]