

Aluminium Bahrain B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 2024 (REVIEWED)

REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ALUMINIUM BAHRAIN B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aluminium Bahrain B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 31 March 2024, comprising of the interim consolidated statement of financial position as at 31 March 2024 and the related interim consolidated statements of profit or loss and comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Group's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Partner's Registration No. 115

14 May 2024

Manama, Kingdom of Bahrain

Aluminium Bahrain B.S.C.

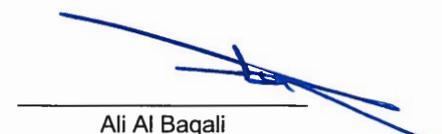
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

| | Note | 31 March 2024 (Reviewed) BD '000 | 31 December 2023 (Audited) BD '000 |
|-------------------------------------|------|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 1,884,313 | 1,899,031 |
| Derivative financial instruments | 4 | 11,225 | 8,526 |
| Trade and other receivables | | 5,325 | 5,422 |
| Deferred tax assets | | 90 | 90 |
| | | 1,900,953 | 1,913,069 |
| Current assets | | | |
| Inventories | | 373,657 | 349,797 |
| Trade and other receivables | | 213,548 | 225,688 |
| Derivative financial instruments | 4 | 5,911 | 5,375 |
| Bank balances and cash | | 81,399 | 59,632 |
| | | 674,515 | 640,492 |
| TOTAL ASSETS | | 2,575,468 | 2,553,561 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 142,000 | 142,000 |
| Treasury shares | | (4,649) | (4,591) |
| Statutory reserve | | 71,000 | 71,000 |
| Capital reserve | | 249 | 249 |
| Cash flow hedge reserve | 4 | 17,136 | 13,901 |
| Retained earnings | | 1,569,136 | 1,566,673 |
| TOTAL EQUITY | | 1,794,872 | 1,789,232 |
| Non-current liabilities | | | |
| Loans and borrowings | | 380,171 | 383,184 |
| Lease liabilities | | 7,378 | 7,607 |
| Employees' end of service benefits | | 1,632 | 1,643 |
| | | 389,181 | 392,434 |
| Current liabilities | | | |
| Loans and borrowings | | 214,670 | 202,654 |
| Lease liabilities | | 917 | 904 |
| Trade and other payables | | 175,057 | 167,229 |
| Derivative financial instruments | 4 | 771 | 1,108 |
| | | 391,415 | 371,895 |
| TOTAL LIABILITIES | | 780,596 | 764,329 |
| TOTAL EQUITY AND LIABILITIES | | 2,575,468 | 2,553,561 |


Khalid Al Rumaihi
Chairman


Isa Bin Khalid Bin Abdulla Al Khalifa
Director


Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

ne
MN

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months ended 31 March 2024 (Reviewed)

| | Note | Three-month period ended | |
|--|------|-----------------------------|-----------------------------|
| | | 31 March 2024 BD '000 | 31 March 2023 BD '000 |
| Revenue from contracts with customers | 6 | 334,564 | 369,920 |
| Cost of revenue | | (277,310) | (290,068) |
| GROSS PROFIT | | 57,254 | 79,852 |
| Other income | | 1,288 | 1,811 |
| Foreign exchange (loss) gain - net | | (1,086) | 645 |
| General and administrative expenses | | (12,169) | (11,412) |
| Selling and distribution expenses | | (11,194) | (16,580) |
| Finance costs | | (9,980) | (14,793) |
| Realised gain on settlement of cash flow hedge for interest rate swap (IRS) | 4 | - | 8,272 |
| Changes in fair value of derivatives financial instruments | 4 | 337 | 164 |
| PROFIT FOR THE PERIOD BEFORE TAX | | 24,450 | 47,959 |
| Income tax | | - | (512) |
| PROFIT FOR THE PERIOD | | 24,450 | 47,447 |
| BASIC AND DILUTED EARNINGS PER SHARE (FILS) | 8 | 17 | 34 |



Khalid Al Rumaihi
Chairman



Isa Bin Khalid Bin Abdulla Al Khalifa
Director



Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2024 (Reviewed)

| | Note | <i>Three-month period ended</i> | |
|--|------|--------------------------------------|--------------------------------------|
| | | 31 March 2024 BD '000 | 31 March 2023 BD '000 |
| PROFIT FOR THE PERIOD | | 24,450 | 47,447 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | |
| <i>Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:</i> | | | |
| Effective portion of changes in fair values of cash flow hedge | 4 | 3,235 | (2,074) |
| Net gains on interest rate swap (IRS) reclassified to the profit or loss | | - | (8,272) |
| | | 3,235 | (10,346) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 27,685 | 37,101 |



Khalid Al Rumaihi
Chairman



Isa Bin Khalid Bin Abdulla Al Khalifa
Director



Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

70 MN

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2024 (Reviewed)

| | Share capital BD '000 | Treasury Shares BD '000 | Statutory reserve BD '000 | Capital reserve BD '000 | Cash flow hedge reserve BD '000 | Retained earnings BD '000 | Total equity BD '000 |
|--|--------------------------|----------------------------|------------------------------|----------------------------|---------------------------------------|------------------------------|-------------------------|
| Balance at 1 January 2024 | 142,000 | (4,591) | 71,000 | 249 | 13,901 | 1,566,673 | 1,789,232 |
| Profit for the period | - | - | - | - | - | 24,450 | 24,450 |
| Other comprehensive income for the period | - | - | - | - | 3,235 | - | 3,235 |
| Total comprehensive income for the period | - | - | - | - | 3,235 | 24,450 | 27,685 |
| Net movement in treasury shares | - | (58) | - | - | - | 529 | 471 |
| Final dividend for 2023 approved and paid (note 5) | - | - | - | - | - | (22,516) | (22,516) |
| Balance at 31 March 2024 | 142,000 | (4,649) | 71,000 | 249 | 17,136 | 1,569,136 | 1,794,872 |

| | Share capital BD '000 | Treasury Shares BD '000 | Statutory reserve BD '000 | Capital reserve BD '000 | Cash flow hedge reserve BD '000 | Retained earnings BD '000 | Total equity BD '000 |
|--|--------------------------|----------------------------|------------------------------|----------------------------|---------------------------------------|------------------------------|-------------------------|
| Balance at 1 January 2023 | 142,000 | (4,831) | 71,000 | 249 | 25,209 | 1,588,831 | 1,822,458 |
| Profit for the period | - | - | - | - | - | 47,447 | 47,447 |
| Other comprehensive loss for the period | - | - | - | - | (10,346) | - | (10,346) |
| Total comprehensive (loss) / income for the period | - | - | - | - | (10,346) | 47,447 | 37,101 |
| Net movement in treasury shares | - | 7 | - | - | - | 74 | 81 |
| Final dividend for 2022 approved and paid (note 5) | - | - | - | - | - | (121,345) | (121,345) |
| Balance at 31 March 2023 | 142,000 | (4,824) | 71,000 | 249 | 14,863 | 1,515,007 | 1,738,295 |

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

70
NN

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2024 (Reviewed)

| | <i>Three-month period ended</i> | |
|---|--------------------------------------|--------------------------------------|
| | 31 March 2024 BD '000 | 31 March 2023 BD '000 |
| OPERATING ACTIVITIES | | |
| Profit for the period before tax | 24,450 | 47,959 |
| <i>Adjustments for:</i> | | |
| Depreciation and amortisation | 33,374 | 31,989 |
| Provision for employees' end of service benefits | 442 | 411 |
| Provision for slow moving inventories | 26 | 330 |
| Allowance for expected credit losses | - | 157 |
| Loss on disposal of property, plant and equipment | 298 | 102 |
| Changes in fair value of derivative financial instruments | (337) | (164) |
| Interest income | (248) | (807) |
| Forex (gain) / loss on revaluation of loans and borrowings and bank balances - net | (583) | 1,835 |
| Realised gain on settlement of cash flow hedge for interest rate swap (IRS) | - | (8,272) |
| Finance costs | 9,980 | 14,793 |
| Operating profit before changes in working capital | 67,402 | 88,333 |
| Working capital changes: | | |
| Inventories | (23,886) | (63,243) |
| Trade and other receivables | 12,043 | 8,953 |
| Trade and other payables | (126) | 8,770 |
| Net cash generated from operations | 55,433 | 42,813 |
| Employees' end of service benefits paid | (453) | (197) |
| Income tax paid | - | (512) |
| Net cash flows from operating activities | 54,980 | 42,104 |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (18,956) | (15,820) |
| Proceeds from disposal of property, plant and equipment | 2 | 3 |
| Interest received | 442 | 807 |
| Net cash flows used in investing activities | (18,512) | (15,010) |
| FINANCING ACTIVITIES | | |
| Proceeds from loans and borrowings | 201,803 | 125,714 |
| Repayment of loans and borrowings | (192,577) | (2,716) |
| Interest on loans and borrowings paid | (2,026) | (1,609) |
| Payment of lease liabilities | (216) | (88) |
| Dividends paid (note 5) | (22,516) | (121,345) |
| Settlement of derivatives | - | 8,272 |
| Purchase of treasury shares | (3,457) | (3,284) |
| Proceeds from resale of treasury shares | 3,928 | 3,365 |
| Net cash flows (used in) generated from financing activities | (15,061) | 8,309 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 21,407 | 35,403 |
| Cash and cash equivalents at 1 January | 59,632 | 93,617 |
| Effect of movement in exchange rates on bank balances and cash | 360 | 529 |
| Restricted cash (Deposit pledged against short term borrowings) | - | (24,590) |
| CASH AND CASH EQUIVALENTS AT 31 MARCH | 81,399 | 104,959 |

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

70
MN

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the three months ended 31 March 2024 (Reviewed)

| | <i>Three-month period ended</i> | |
|---|---------------------------------|-----------------|
| | 31 March | 31 March |
| | 2024 | 2023 |
| | BD '000 | BD '000 |
| Cash and cash equivalents comprise: | | |
| Bank balances | 78,411 | 76,484 |
| Short term deposits with maturities of three months or less | 2,957 | 53,009 |
| Cash in hand | 31 | 56 |
| Bank balances and cash in interim consolidated statement of financial position | 81,399 | 129,549 |
| Restricted cash (Deposit pledged against short term borrowings) | - | (24,590) |
| | 81,399 | 104,959 |

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

re
MN

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

1 CORPORATE INFORMATION

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

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

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

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

The Group comprises the Company and the following subsidiaries:

| Name | Country of incorporation | Ownership interest | | Principal activities |
|----------------------------|--------------------------------|--------------------|------------------|--|
| | | 31 March 2024 | 31 December 2023 | |
| Aluminium Bahrain US, Inc. | United States of America (USA) | 100% | 100% | Selling and distribution of aluminium throughout the South and North America |
| AlbaCap Insurance Limited | Guernsey | 100% | 100% | Captive insurance entity to insure risks of the Group |

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

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 14 May 2024.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, results for the three months ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standard and amendments as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following new standard and amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7: In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk;*
- *Amendments to IAS 1 - Classification of Liabilities as Current or Non-current: In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months; and*
- *Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback: In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.*

Provisional pricing adjustments

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

Seasonality of operations

The Group does not have significant income of seasonal nature.

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Contingencies

The Group discloses its contingent liabilities for the pending litigations and claims against the Group based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the balance sheet date. However, based on the best judgment of the Group and the likely outcome of these litigations and claims as at 31 March 2024, there is no need to recognise any liability at the balance sheet date.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

4 DERIVATIVE FINANCIAL INSTRUMENTS

| | 31 March 2024 (Reviewed) BD '000 | 31 December 2023 (Audited) BD '000 |
|--|---|---|
| <i>Classified in the interim consolidated statement of financial position as follows:</i> | | |
| - Positive fair values - assets arising from IRS | 17,136 | 13,901 |
| Less: Non-current portion | (11,225) | (8,526) |
| | <u>5,911</u> | <u>5,375</u> |
| - Negative fair values - liabilities current portion arising from commodity derivatives | 771 | 1,108 |
| | <u>771</u> | <u>1,108</u> |
| <i>Three-month period ended</i> | | |
| | 31 March 2024 (Reviewed) BD '000 | 31 March 2023 (Reviewed) BD '000 |
| <i>Recognised in interim consolidated statements of profit or loss and other comprehensive income:</i> | | |
| <i>Changes in fair value of derivative financial instruments related to:</i> | | |
| - Commodity derivatives (FVTPL) recognised in statement of profit or loss (note iii) | 337 | 164 |
| - Interest rate swap cash flow hedge (note i) | 3,235 | (2,074) |
| - Realised gain on settlement of IRS (note ii) | - | 8,272 |

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

ME
NW

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

4 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

(ii) Interest rate swaps

On 22 February 2023, the Group entered into new amortising interest rate swap contract with National Bank of Bahrain B.S.C., to hedge USD floating interest rate (SOFR) cash flows attributable to term loan, for the notional amount of BD 175,780 thousand out of total refinancing amount of BD 351,560 thousand as at 31 March 2024. Derivative contract expires on 29 April 2030.

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

Existing derivative contracts expire on 29 April 2030. The notional amount outstanding as at 31 March 2024 was BD 159,363 thousand with fixed rate of 1.4830% (31 December 2023: BD 159,363 thousand with fixed rate of 1.4830%) over the term of the contract.

On 22 February 2023, the interest rate swap contract designated as cash flow hedging instrument related to term loan facility has been partially settled and related cumulative fair value gain of BD 8,272 thousand, was reclassified to interim consolidated statement of profit or loss, from cash flow hedge reserve.

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

(iii) Commodity derivatives

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

During the period ended 31 March 2024, the Group entered into commodity futures contracts to reduce the price risk on behalf of its customers for 20,150 metric tonnes (2023: 9,500 metric tonnes). Outstanding contracts of 16,250 metric tonnes (31 December 2023: 23,475 metric tonnes) mature between one to six months from the period ended 31 March 2024.

During the period ended 31 March 2024, the Group entered into derivative transactions as a partial hedge (for a very small percentage of production) against LME price movements. For the current period, these are being measured at fair value. Therefore, changes therein are recognised in the interim consolidated statement of profit or loss. During the period, commodity future contracts were entered into for a total volume of 6,000 metric tonnes (2023: 10,000 metric tonnes), while the outstanding contract as of 31 March 2024 were 27,000 metric tonnes (31 December 2023: 38,500 metric tonnes) and these mature between one to twelve months from the period ended 31 March 2024.

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

5 DIVIDEND

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

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

a) Type of goods

| | <i>Three-month period ended</i> | |
|--|---|---|
| | 31 March 2024 BD '000 (Reviewed) | 31 March 2023 BD '000 (Reviewed) |
| Billet | 110,099 | 136,017 |
| Slab | 32,651 | 30,447 |
| Foundry | 93,725 | 80,805 |
| Liquid | 64,136 | 69,089 |
| Ingots | 29,230 | 51,595 |
| Alumina trading | 4,467 | - |
| | 334,308 | 367,953 |
| Pricing adjustments* | 256 | 1,967 |
| Revenue from contracts with customers | 334,564 | 369,920 |

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

| | <i>Three-month period ended</i> | |
|--|---|---|
| | 31 March 2024 BD '000 (Reviewed) | 31 March 2023 BD '000 (Reviewed) |
| b) Geographical markets | | |
| Kingdom of Bahrain | 95,995 | 88,287 |
| Europe | 86,161 | 79,389 |
| Rest of the Middle East and North Africa | 59,165 | 100,226 |
| Asia | 50,471 | 48,364 |
| Americas | 42,772 | 53,654 |
| | 334,564 | 369,920 |

c) Customer concentration

Revenue from sale of aluminium to the three major customers of the Group amounted to BD 93,729 thousand with one of the customer individually accounting for more than 10% of the total revenue from contracts with customers for the three month period ended 31 March 2024 (the three major customers amounted to BD 88,387 thousand with one of the customer individually accounting for more than 10% of the total revenue from contracts with customers for the three month period ended 31 March 2023).

Handwritten initials or signature.

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

7 SEGMENT INFORMATION

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

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss for the period attributed to ordinary equity holders of the Group by the weighted average number of ordinary shares purchased by the Group and held as treasury shares and is as follows:

| | <i>Three-month period ended</i> | |
|---|---|---|
| | 31 March 2024 (Reviewed) | 31 March 2023 (Reviewed) |
| Profit for the period (BD '000) | 24,450 | 47,447 |
| Weighted average number of shares net of treasury shares - thousands of shares | 1,415,947 | 1,415,741 |
| Basic and diluted earnings per share (fils) | 17 | 34 |

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

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

9 COMMITMENTS AND CONTINGENCIES

a) Commitments

| | 31 March 2024 (Reviewed) BD '000 | 31 December 2023 (Audited) BD '000 |
|---|---|---|
| <i>Physical metal commitments</i> | | |
| Sales commitments: | | |
| 16,250 metric tonnes (31 December 2023: 23,475 metric tonnes) | 13,679 | 19,738 |

Raw material supply agreements

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

Capital expenditure

Estimated capital expenditure contracted for at the reporting date amounted to BD 92,713 thousand (31 December 2023: BD 95,826 thousand). The commitments are expected to be settled within 1 to 5 years from the reporting date.

Letters of credit

At 31 March 2024, the Group has outstanding letters of credit to counterparties of BD 4,227 thousand (31 December 2023: BD 4,439 thousand)

u
MN

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

9 COMMITMENTS AND CONTINGENCIES (continued)**b) Contingencies**

- i) Under an employee scheme, the Group has issued guarantees to financial institutions in the Kingdom of Bahrain in relation to the mortgage loans of its employees to the extent of their cumulative balance in the Alba saving scheme. The total value of these letters of guarantee is BD 14,509 thousand (31 December 2023: BD 14,820 thousand).
- ii) At 31 March 2024, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 20,559 thousand (31 December 2023: BD 15,420 thousand) from which it is anticipated that no material liabilities will arise.

10 RELATED PARTY TRANSACTIONS AND BALANCES

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

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

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

| | <i>Three months ended</i> | |
|--|---|---|
| | <i>31 March 2024 BD '000 (Reviewed)</i> | <i>31 March 2023 BD '000 (Reviewed)</i> |
| <i>Other related parties</i> | | |
| <i>Revenue and other income</i> | | |
| Sale of aluminium | 28,083 | 15,534 |
| Sale of water | 216 | 292 |
| Interest income | 112 | 75 |
| Realised gain on settlement of cash flow hedge | - | 8,272 |
| | 28,411 | 24,173 |

M NN

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

| | <i>Three months ended</i> | |
|--------------------------------------|---|---|
| | 31 March 2024 BD '000 (Reviewed) | 31 March 2023 BD '000 (Reviewed) |
| <i>Other related parties</i> | | |
| <i>Cost of revenue and expenses</i> | | |
| Purchase of natural gas and diesel | 61,398 | 57,183 |
| Purchase of aluminium scrap | - | 6,653 |
| Net power exchange import | 4,443 | 6,877 |
| Interest on loans and borrowings | 662 | 1,063 |
| Purchase of raw materials | 190 | 48 |
| Amortisation of deferred cost on IRS | 298 | 3,101 |
| Others | 146 | 339 |
| | 67,137 | 75,264 |

Balances with related parties

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

| | 31 March 2024 BD '000 (Reviewed) | 31 December 2023 BD '000 (Audited) |
|---|---|---|
| | <i>Other related parties</i> | |
| Assets | | |
| Trade receivables | 6,725 | 6,566 |
| Other receivables - net of allowance for expected credit loss of BD 6,240 thousand (31 December 2023: BD 6,240 thousand) | 2,674 | 2,674 |
| Bank balances | 951 | 1,195 |
| Derivative financial instruments - interest rate swap | 17,136 | 13,901 |
| | 27,486 | 24,336 |
| Liabilities | | |
| Trade payables | 25,725 | 22,102 |
| Loans and borrowings | 34,492 | 34,492 |
| Interest payable on loans and borrowings | 1,081 | 440 |
| | 61,298 | 57,034 |

Outstanding trade payables balances at period/ year end arise in the normal course of business are interest free, unsecured and payable on demand.

Compensation of key management personnel

The remuneration of members of key management during the period was as follows:

Handwritten initials: "N" and "NW"

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Compensation of key management personnel (continued)

| | <i>Three months ended</i> | |
|--|---|---|
| | <i>31 March 2024 BD '000 (Reviewed)</i> | <i>31 March 2023 BD '000 (Reviewed)</i> |
| Short term benefits | 968 | 1,027 |
| End of service benefits | 23 | 28 |
| Contributions to Alba Savings Benefit Scheme | 24 | 24 |
| SIO Contribution (ALBA share) | 11 | 9 |
| | 1,026 | 1,088 |

11 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments

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

Financial assets consist of bank balances and cash, short term deposits and trade and other receivables. Financial liabilities consist of trade and other payables, loans and borrowings and lease liabilities. Derivative financial instruments consist of the interest rate swaps and commodity future.

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

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

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

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

As at 31 March 2024 and as at 31 December 2023, the Group's derivative financial instruments, related to interest rate swaps and commodity and trade receivables (subject to provisional pricing) are measured at fair value and categorised as Level 2 as per the hierarchy. The Group does not have any financial instruments categorised as Level 1 or Level 3.

The fair values of other financial instruments are not materially different from their carrying values as of the reporting date largely due to the short term maturities and floating rate of borrowings which are similar to observed market rate of the Group's liabilities.

During the period ended 31 March 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Handwritten initials: "N" and "NN" in the bottom right corner.