

Aluminium Bahrain B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 SEPTEMBER 2024 (REVIEWED)

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

Introduction

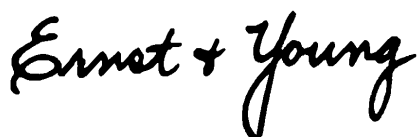
We have reviewed the accompanying interim condensed consolidated financial statements of Aluminium Bahrain B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 September 2024, comprising of the interim consolidated statement of financial position as at 30 September 2024 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and nine-month periods then ended and the related interim consolidated statements of cash flows and changes in equity for the nine-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

12 November 2024

Manama, Kingdom of Bahrain

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2024 (Reviewed)

	Note	30 September 2024 (Reviewed) BD '000	31 December 2023 (Audited) BD '000
ASSETS			
Non-current assets			
Property, plant and equipment		1,868,666	1,899,031
Derivative financial instruments	4	8,824	8,526
Trade and other receivables		5,150	5,422
Deferred tax assets		90	90
		1,882,730	1,913,069
Current assets			
Inventories		408,190	349,797
Trade and other receivables		298,007	225,688
Derivative financial instruments	4	2,941	5,375
Bank balances and cash		67,764	59,632
		776,902	640,492
TOTAL ASSETS		2,659,632	2,553,561
EQUITY AND LIABILITIES			
Equity			
Share capital		142,000	142,000
Treasury shares		(4,943)	(4,591)
Statutory reserve		71,000	71,000
Capital reserve		249	249
Cash flow hedge reserve	4	11,765	13,901
Retained earnings		1,665,579	1,566,673
TOTAL EQUITY		1,885,650	1,789,232
Non-current liabilities			
Loans and borrowings		360,250	383,184
Lease liabilities		7,065	7,607
Employees' end of service benefits		1,078	1,643
		368,393	392,434
Current liabilities			
Loans and borrowings		197,091	202,654
Lease liabilities		993	904
Trade and other payables		207,250	167,229
Derivative financial instruments	4	255	1,108
		405,589	371,895
TOTAL LIABILITIES		773,982	764,329
TOTAL EQUITY AND LIABILITIES		2,659,632	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.



Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2024 (Reviewed)

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
		BD '000	BD '000	BD '000	BD '000
Revenue from contracts with customers	6	433,466	399,969	1,174,989	1,156,934
Cost of revenue		(350,083)	(351,365)	(932,386)	(960,549)
GROSS PROFIT		83,383	48,604	242,603	196,385
Other income - net		1,357	2,021	4,193	5,086
Foreign exchange gain (loss) - net		4,447	(1,669)	2,840	(543)
General and administrative expenses		(10,249)	(8,861)	(34,478)	(30,767)
Selling and distribution expenses		(14,612)	(10,700)	(41,660)	(42,863)
Finance costs		(10,597)	(12,102)	(30,022)	(42,237)
Realised gain on settlement of cash flow hedge for interest rate swap (IRS)	4	-	-	3,148	10,060
Changes in fair value of derivatives financial instruments	4	779	(269)	853	(216)
PROFIT FOR THE PERIOD BEFORE TAX		54,508	17,024	147,477	94,905
Income tax expense		-	264	-	(272)
PROFIT FOR THE PERIOD		54,508	17,288	147,477	94,633
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	8	39	12	104	67



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Chairman



Isa Bin Khalid Bin Abdulla Al Khalifa
Director



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Chief Executive Officer

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Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2024 (Reviewed)

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
		BD '000	BD '000	BD '000	BD '000
PROFIT FOR THE PERIOD		54,508	17,288	147,477	94,633
OTHER COMPREHENSIVE (LOSS) INCOME					
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>					
Effective portion of changes in fair values of cash flow hedge	4	(3,539)	3,461	1,012	5,894
Net gains on interest rate swap (IRS) reclassified to profit or loss	4	-	-	(3,148)	(10,060)
		(3,539)	3,461	(2,136)	(4,166)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		50,969	20,749	145,341	90,467



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 CHANGES IN EQUITY

For the nine months ended 30 September 2024 (Reviewed)

	Note	Share capital BD '000	Treasury Shares BD '000	Statutory reserve BD '000	Capital reserve BD '000	Cash flow hedge reserve BD '000	Retained earnings BD '000	Total equity BD '000
Balance at 1 January 2024		142,000	(4,591)	71,000	249	13,901	1,566,673	1,789,232
Profit for the period		-	-	-	-	-	147,477	147,477
Effective portion of changes in fair values of cash flow hedge	4	-	-	-	-	1,012	-	1,012
Net gains on interest rate swap (IRS) reclassified to profit or loss	4	-	-	-	-	(3,148)	-	(3,148)
Total comprehensive (loss) income for the period		-	-	-	-	(2,136)	147,477	145,341
Net movement in treasury shares		-	(352)	-	-	-	260	(92)
Final dividend for 2023 approved and paid	5	-	-	-	-	-	(22,516)	(22,516)
Interim dividend for 2024 approved and paid	5	-	-	-	-	-	(26,315)	(26,315)
Balance at 30 September 2024		142,000	(4,943)	71,000	249	11,765	1,665,579	1,885,650
Balance at 1 January 2023		142,000	(4,831)	71,000	249	25,209	1,588,831	1,822,458
Profit for the period		-	-	-	-	-	94,633	94,633
Effective portion of changes in fair values of cash flow hedge	4	-	-	-	-	5,894	-	5,894
Net gains on interest rate swap (IRS) reclassified to profit or loss	4	-	-	-	-	(10,060)	-	(10,060)
Total comprehensive (loss) income for the period		-	-	-	-	(4,166)	94,633	90,467
Net movement in treasury shares		-	376	-	-	-	(65)	311
Final dividend for 2022 approved and paid	5	-	-	-	-	-	(121,345)	(121,345)
Interim dividend for 2023 approved and paid	5	-	-	-	-	-	(18,805)	(18,805)
Balance at 30 September 2023		142,000	(4,455)	71,000	249	21,043	1,543,249	1,773,086

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

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2024 (Reviewed)

	Note	Nine-month period ended 30 September	
		2024	2023
		BD '000	BD '000
OPERATING ACTIVITIES			
Profit for the period before tax		147,477	94,905
<i>Adjustments for:</i>			
Depreciation and amortisation		101,563	98,561
Provision for employees' end of service benefits		1,401	1,377
Allowance for expected credit losses		776	1,063
Provision for slow moving inventories		153	330
Loss on disposal of property, plant and equipment		1,197	256
Changes in fair value of derivative financial instruments		(853)	216
Interest income		(1,576)	(2,473)
Foreign exchange (gain) loss of loans and borrowings and bank balances - net		(375)	1,017
Realised gain on settlement of cash flow hedge for interest rate swap (IRS)	4	(3,148)	(10,060)
Finance costs		30,022	42,237
Operating profit before changes in working capital		276,637	227,429
Working capital changes:			
Inventories		(58,546)	(33,030)
Trade and other receivables		(72,907)	(4,804)
Trade and other payables		33,287	(1,863)
Net cash generated from operations		178,471	187,732
Employees' end of service benefits paid		(1,966)	(979)
Income tax paid		-	(272)
Net cash flows from operating activities		176,505	186,481
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(72,424)	(69,975)
Proceeds from disposal of property, plant and equipment		29	87
Interest received		1,660	2,537
Net cash flows used in investing activities		(70,735)	(67,351)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		929,081	349,330
Repayment of loans and borrowings		(962,663)	(300,133)
Interest on loans and borrowings paid		(17,980)	(22,921)
Payment of lease liabilities		(453)	(397)
Dividends paid	5	(48,831)	(140,150)
Settlement of derivatives	4	3,148	10,060
Purchase of treasury shares		(7,615)	(6,255)
Proceeds from resale of treasury shares		7,523	6,566
Net cash flows used in financing activities		(97,790)	(103,900)
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,980	15,230
Cash and cash equivalents at 1 January		59,632	93,617
Effect of movement in exchange rates on bank balances and cash		152	(2,102)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		67,764	106,745

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

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Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the nine months ended 30 September 2024 (Reviewed)

	<i>Nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>
	<i>BD '000</i>	<i>BD '000</i>
Cash and cash equivalents comprise:		
Bank balances	67,733	86,921
Short term deposits with original maturities of three months or less	-	19,755
Cash in hand	31	69
Bank balances and cash in interim consolidated statement of financial position	67,764	106,745

Non-cash items:

Amortisation of deferred cost amounting to BD 5,308 thousand (30 September 2023: BD 6,920 thousand) has been excluded from the movement of finance cost paid.

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

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

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.

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

In addition, the Company has entered into a non-binding agreement on 16 September 2024 with Ma'aden to explore potential business combination with Ma'aden's Aluminium Strategic Business Unit, subject to regulatory and corporate approvals, due diligence and valuation assessments. This would include Ma'aden contributing the entire share capital of two of its subsidiaries, Ma'aden Aluminium Company (MAC) and Ma'aden Bauxite and Alumina Company (MBAC), along with the contractual rights concerning the marketing and sale of products produced by MAC, to the Company. In exchange, the Company would issue new shares to be allotted to Ma'aden. The Company and Ma'aden have also agreed to discuss the cross-listing of the Company on the Saudi Exchange during the next phase of the proposed business combination.

The Group comprises the Company and the following subsidiaries:

Name	Country of incorporation	Ownership interest		Principal activities
		30 September 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	Guemsey	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 12 November 2024.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the nine month period ended 30 September 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

2 MATERIAL ACCOUNTING POLICIES (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 nine months ended 30 September 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 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; and*
- *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.*

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.

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 30 September 2024, there is no need to recognise any liability at the balance sheet date.

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

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

	30 September 2024		31 December 2023	
	(Reviewed)		(Audited)	
	BD '000		BD '000	
<i>Classified in the interim consolidated statement of financial position:</i>				
- Positive fair values - assets arising from IRS	11,765		13,901	
Less: Non-current portion	(8,824)		(8,526)	
	2,941		5,375	
- Negative fair values - liabilities current portion arising from commodity derivatives	255		1,108	
	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	2024	2023	2024	2023
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	BD '000	BD '000	BD '000	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>				
- Interest rate swap cash flow hedge (note i)	(3,539)	3,461	1,012	5,894
- Realised gain on settlement of IRS (note ii)	-	-	3,148	10,060
- Commodity futures (FVTPL) recognised in statement of profit or loss (note iii)	779	(269)	853	(216)

(i) This represents the difference between the Mark-to-Market (MTM) value of IRS as at 30 September 2024 and 31 December 2023.

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, 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. Derivative contract expires on 29 April 2030.

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

4 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(ii) Interest rate swaps (continued)

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 (loss) income.

Existing derivative contracts expire on 29 April 2030. The notional amount outstanding as at 30 September 2024 was BD 151,741 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.

During the period ended 30 September 2024, certain interest rate swap contract designated as cash flow hedging instrument related to term loan facility has been settled and related cumulative fair value gain of BD 3,148 thousand (30 September 2023: BD 10,060 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 30 September 2024, the Group entered into commodity swaps to reduce the price risk on behalf of its customers for a total volume of 69,534 metric tonnes (2023: 65,863 metric tonnes). Outstanding contracts as of 30 September 2024 were 15,100 metric tonnes (31 December 2023: 25,600 metric tonnes) and these mature between one to six months from the period ended 30 September 2024.

During the period ended 30 September 2024, the Group entered into derivative transactions as a partial hedge (for a very small percentage of production) against LME price for a total volume of 12,500 metric tonnes (2023: 32,500 metric tonnes). Outstanding contracts as of 30 September 2024 were 14,000 metric tonnes (31 December 2023: 38,500 metric tonnes) and these mature within twelve months from the period ended 30 September 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 30 September 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).

The Board of Directors of Aluminium Bahrain B.S.C. resolved during the virtual Board meeting held on 13 August 2024, to recommend the distribution of an interim dividend of BD 0.01859 per share excluding treasury shares amounting to BD 26,320,150. Based on the outstanding shares at the 'Record Date' of 28 August 2024, a total of BD 26,315,135 has been paid as on 30 September 2024 (31 December 2023: interim dividend of BD 0.01328 per share excluding treasury shares amounting to BD 18,805,356 for the year ended 31 December 2023 approved and paid during the year).

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	2024	2023	2024	2023
	BD '000	BD '000	BD '000	BD '000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
a) Type of goods				
Billet	154,282	133,092	408,054	403,739
Slab	52,689	32,873	119,601	99,215
Foundry	117,655	118,493	326,934	311,385
Liquid	73,039	67,358	209,033	205,311
Ingots	37,286	49,395	98,248	138,633
Alumina trading	-	3,963	8,861	3,963
	434,951	405,174	1,170,731	1,162,246
Pricing adjustments	(1,485)	(5,205)	4,258	(5,312)
	433,466	399,969	1,174,989	1,156,934

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

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	2024	2023	2024	2023
	BD '000	BD '000	BD '000	BD '000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
b) Geographical markets				
Kingdom of Bahrain	102,272	93,850	301,515	276,864
Europe	134,591	100,800	321,552	277,232
Rest of the Middle East and North Africa	68,057	67,397	195,050	258,607
Asia	63,862	63,239	190,490	151,692
Americas	64,684	74,683	166,382	192,539
	433,466	399,969	1,174,989	1,156,934

c) Customer concentration

Revenue from sale of aluminium to the three major customers of the Group amounted to BD 283,215 thousand with one of the customers individually accounting for more than 10% of the total revenue from contracts with customers for the nine months period ended 30 September 2024 (the three major customers amounted to BD 281,693 thousand with one of the customers individually accounting for more than 10% of the total revenue from contracts with customers for the nine month period ended 30 September 2023).

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.

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributed to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period, excluding the number of shares repurchased by the Group and held as treasury shares which is as follows:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	2024 <i>(Reviewed)</i>	2023 <i>(Reviewed)</i>	2024 <i>(Reviewed)</i>	2023 <i>(Reviewed)</i>
Profit for the period (BD '000)	54,508	17,288	147,477	94,633
Weighted average number of shares net of treasury shares - thousands of shares	1,415,720	1,415,875	1,415,946	1,415,743
Basic and diluted earnings per share (fils)	39	12	104	67

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

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 82,399 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 30 September 2024, the Group has outstanding letters of credit to counterparties of BD 4,378 thousand (31 December 2023: BD 4,439 thousand).

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 13,749 thousand as at 30 September 2024 (31 December 2023: BD 14,820 thousand).

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

9 COMMITMENTS AND CONTINGENCIES (continued)

b) Contingencies (continued)

ii) At 30 September 2024, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 22,559 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-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Other related parties				
<i>Revenue and other income</i>				
Sale of aluminium	24,331	23,021	78,666	61,257
Sale of water	275	354	905	858
Interest income	110	117	334	325
Realised gain on settlement of cash flow hedge	-	-	3,148	10,060
	24,716	23,492	83,053	72,500
	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
Other related parties				
<i>Cost of revenue and expenses</i>				
Purchase of natural gas and diesel	69,845	69,575	197,008	192,349
Purchase of aluminium scrap	-	-	652	7,887
Net power exchange (export) import	(406)	(2,610)	4,144	3,919
Interest on loans and borrowings	648	386	2,017	2,010
Purchase of raw materials	411	292	1,529	775
Amortisation of deferred cost on IRS	298	361	894	3,760
Others	280	164	452	485
	71,076	68,168	206,696	211,185

Aluminium Bahrain B.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Balances with related parties

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

	30 September 2024	31 December 2023
	BD '000	BD '000
	(Reviewed)	(Audited)
Other related parties		
Assets		
Trade receivables	6,568	6,566
Other receivables - net of allowance for expected credit loss of BD 6,068 thousand (31 December 2023: BD 6,240 thousand)	2,753	2,674
Bank balances	604	1,195
Derivative financial instruments - interest rate swap	11,765	13,901
	21,690	24,336
Liabilities		
Trade payables	24,414	22,102
Loans and borrowings	33,383	34,492
Interest payable on loans and borrowings	1,046	440
	58,843	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:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	2024	2023	2024	2023
	BD '000	BD '000	BD '000	BD '000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Short term benefits	288	585	1,488	1,860
End of service benefits	26	30	69	86
Contributions to Alba Savings Benefit Scheme	31	31	79	79
SIO Contribution (ALBA share)	11	11	32	29
	356	657	1,668	2,054

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2024 (Reviewed)

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 30 September 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/ year ended 30 September 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.