



Aluminium
for the world

Aluminium Bahrain B.S.C.
C.R. No.999



النيوم
للعالم

النيوم البحرين ش.م.ب.
سجل تجاري رقم: ٩٩٩

Supplementary Disclosure – Reporting on Financial Impact of COVID-19

Further to the CBB letter dated 14 July 2020 (ref. OG/259/2020), Aluminium Bahrain B.S.C. provides the following information:

A. The overall impact on the financial statements	
The overall impact on the financial statements of Aluminium Bahrain BSC (Alba) as at 30 September 2020 has been assessed by Management and it has concluded that there is no material impact on the overall financial statements.	
B. The impact on Income Statement	
Revenues	It's not easy to estimate the impact of COVID-19 outbreak on Alba's revenue; however, COVID-19 had a negative effect on commodity prices and Aluminium is not an exception. To-date, the global Aluminium supply-chain witnessed shockwaves and disruptions on the back of low Aluminium demand by end-users which resulted in dampening market sentiment. Global demand is expected to remain contracted in the short-term due to COVID-19 disruptions of automotive, engineering and construction sectors – this will put pressure on LME price in the short term.

Expenses	<p>We have a positive impact on the expenses mainly due to the Government support provided on Salaries, Utilities and Lease on Gov't owned land (Salaries BD12.4M, Utility BD300K and Lease BD28K).</p> <p>The above expenses were partially offset by the Company's donation in aid to the Government's effort to combat COVID-19 (Donation BD 3.5M).</p>
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C. The impact on Balance Sheet	
Assets	
(specify sub-categories, ex. Cash and balances with banks)	<p>Certainly the squeezed revenues put pressure on our liquidity position unfavorably. To calculate the real impact is near to impossible due to many factors involved as explained above in revenues section. However, due to better liquidity management, our cash position as of end of Q3 is strong. In addition, we have unused short-term facilities available from Banks, which can still be used anytime if needed.</p> <p>We have assessed the impact of COVID-19 on our receivables after incorporating the necessary changes in the ECL model resulting no material change in ECL provision.</p> <p>There is no material impact on any other assets of the Company as at September 30, 2020.</p>
Liabilities	
(specify sub-categories, ex. Loans)	<p>Alba carries on its balance sheet several loans both short and long-term. There were no breach or defaults on the loan agreements and we expect to continue to meet the payment obligations as and when they become due.</p>

Equity	
Net equity attributable to shareholders	No material change
Other material impact on the Balance Sheet	None other attributable to COVID-19

D. The impact on the company's ability to continue as going concern

The management and the Board of Directors (BOD) have been closely monitoring the potential impact of the COVID 19 developments on the Company's operations and its financial position; including possible loss of revenues, impact on asset valuations, impairment, review of onerous contracts and debt covenants, outsourcing arrangements etc. The Company has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans including its liquidity requirements.

Based on their assessment, the BOD is of the view that the Company will continue as a going concern entity for the next 12 months from the date of the latest Reviewed condensed consolidated interim financial information 30 September 2020.



Ali Al Baqali

Chief Executive Officer