



Aluminium  
for the world

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



ألمنيوم  
للعالم

المنيوم 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 (reference EDFIS/C/069/2020), Aluminium Bahrain B.S.C. (Alba) provides the following information:

### A. The Overall Impact on the Financial Statements

The overall impact on the financial statements of Aluminium Bahrain B.S.C. (Alba) as at 30 June 2020 has been assessed by the Management and is described as per the below:

### B. The Impact on Income Statement

Revenues	<p>It's not easy to estimate the impact of COVID-19 outbreak on Alba's revenue; however, COVID-19 has been dragging-down the commodity prices and Aluminium is not an exception. To-date, the entire Aluminium supply-chain has been witnessing shockwaves and disruptions on the back of low Aluminium demand by end-users and LME price has been trading at the lower range in the last couple of months.</p> <p>Global demand is expected to contract in the short-term by about 6% due to COVID-19 disruptions of automotive, engineering and construction sectors – this will put pressure on LME price to be depressed in the short future.</p>
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>Above expenses were partially offset by the Company's donation in aid to the Government's effort to combat COVID-19 (Donation BD3.5M).</p>

<b>C. The Impact on Balance Sheet</b>	
<b>Assets</b>	
(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 Q2 is strong. In addition, we have unused short-term facilities available from Banks, which can 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. The resulting provision after the changes in ECL model was BD156K. There is no material impact on any other assets of the Company as at 30 June 2020.</p>
<b>Liabilities</b>	
(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>
<b>Equity</b>	
Net Equity attributable to shareholders	No material change
Other material impact on the Balance Sheet	None other attributable to COVID-19



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#### 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 June 2020.



Ali Al Baqali

Chief Executive Officer