

Aluminium Bahrain B.S.C.

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

30 SEPTEMBER 2020 (REVIEWED)

Aluminium Bahrain B.S.C.

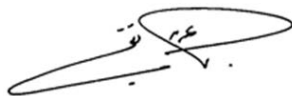
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

At 30 September 2020 (Reviewed)


	30 September 2020 Reviewed BD '000	31 December 2019 Audited BD '000
ASSETS		
Non-current assets		
Property, plant and equipment	1,957,087	1,962,150
Deferred tax assets	162	162
	<u>1,957,249</u>	<u>1,962,312</u>
Current assets		
Inventories	211,617	221,155
Trade and other receivables	121,385	155,455
Bank balances and cash	92,023	81,329
	<u>425,025</u>	<u>457,939</u>
TOTAL ASSETS	<u>2,382,274</u>	<u>2,420,251</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	142,000	142,000
Treasury shares	(2,821)	(3,994)
Statutory reserve	71,000	71,000
Capital reserve	249	249
Cash flow hedge reserve (note 4)	(9,250)	-
Retained earnings	844,991	869,316
Total equity	<u>1,046,169</u>	<u>1,078,571</u>
Non-current liabilities		
Loans and borrowings	824,516	850,537
Lease liabilities	5,806	5,160
Employees' end of service benefits	1,395	1,627
Other payables	6,117	24,466
Derivative financial instruments	7,688	2,998
	<u>845,522</u>	<u>884,788</u>
Current liabilities		
Loans and borrowings	218,277	151,944
Lease liabilities	1,006	961
Trade and other payables	269,881	302,853
Derivative financial instruments	1,419	1,134
	<u>490,583</u>	<u>456,892</u>
Total liabilities	<u>1,336,105</u>	<u>1,341,680</u>
TOTAL EQUITY AND LIABILITIES	<u>2,382,274</u>	<u>2,420,251</u>



Daij Bin Salman Bin Daij Al Khalifa
Chairman



Yousif Taqi
Director



Ali Al Baqali
Chief Executive Officer


The attached notes 1 to 11 form part of this condensed consolidated interim financial information.

Aluminium Bahrain B.S.C.

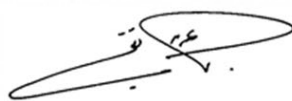
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

For the nine months ended 30 September 2020 (Reviewed)

	Note	Three months ended		Nine months ended	
		30 September	30 September	30 September	30 September
		2020	2019	2020	2019
		BD '000	BD '000	BD '000	BD '000
Revenue from contracts with customers	6	262,661	287,121	782,635	735,705
Cost of sales	7	(236,985)	(257,922)	(701,758)	(690,258)
GROSS PROFIT		25,676	29,199	80,877	45,447
Other income		1,238	1,071	2,286	1,619
(Loss) / gain on foreign exchange		(9,848)	4,652	(10,500)	8,169
Selling and distribution expenses		(8,556)	(6,470)	(22,799)	(21,501)
General and administrative expenses		(9,867)	(8,990)	(35,411)	(25,831)
Impairment loss on trade and other receivables - net		4	-	(2,806)	-
Finance costs		(9,909)	(5,904)	(30,932)	(7,708)
Changes in fair value of derivative financial instruments		166	(2,579)	(2,727)	(8,478)
(LOSS) / PROFIT FOR THE PERIOD BEFORE TAX		(11,096)	10,979	(22,012)	(8,283)
Tax		(526)	(279)	(247)	(160)
(LOSS) / PROFIT FOR THE PERIOD		(11,622)	10,700	(22,259)	(8,443)
Basic and diluted (loss) / earnings per share (fils)	3	(8)	8	(16)	(6)



Daij Bin Salman Bin Daij Al Khalifa
Chairman



Yousif Taqi
Director



Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 11 form part of this condensed consolidated interim financial information.

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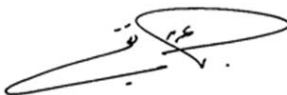
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2020 (Reviewed)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	30 September 2020	<i>30 September 2019</i>	30 September 2020	<i>30 September 2019</i>
Note	BD '000	<i>BD '000</i>	BD '000	<i>BD '000</i>
(LOSS) / PROFIT FOR THE PERIOD	(11,622)	10,700	(22,259)	(8,443)
Other comprehensive loss				
<i>Items that are or may be reclassified to profit or loss</i>				
Effective portion of changes in fair value of cash flow hedge 4	(72)	-	(9,250)	-
TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD	(11,694)	10,700	(31,509)	(8,443)



Daij Bin Salman Bin Daij Al Khalifa
Chairman



Yousif Taqi
Director



Ali Al Baqali
Chief Executive Officer

The attached notes 1 to 11 form part of this condensed consolidated interim financial information.

Aluminium Bahrain B.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020 (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 BD '000
Balance at 1 January 2020	142,000	(3,994)	71,000	249	-	869,316	1,078,571
Loss for the period	-	-	-	-	-	(22,259)	(22,259)
Other comprehensive loss:							
Effective portion of changes in fair value of cash flow hedge	-	-	-	-	(9,250)	-	(9,250)
Total comprehensive loss for the period	-	-	-	-	(9,250)	(22,259)	(31,509)
Net movement in treasury shares	-	1,173	-	-	-	(654)	519
Final dividend for 2019 approved and paid (note 9)	-	-	-	-	-	(1,412)	(1,412)
Balance at 30 September 2020	142,000	(2,821)	71,000	249	(9,250)	844,991	1,046,169
Balance at 1 January 2019	142,000	(4,800)	71,000	249	-	865,021	1,073,470
Total comprehensive loss for the period	-	-	-	-	-	(8,443)	(8,443)
Net movement in treasury shares	-	1,385	-	-	-	(1,025)	360
Balance at 30 September 2019	142,000	(3,415)	71,000	249	-	855,553	1,065,387

The attached notes 1 to 11 form part of this condensed consolidated interim financial information.

Aluminium Bahrain B.S.C.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2020 (Reviewed)

	<i>Nine months ended</i>	
	30 September	30 September
	2020	2019
<i>Note</i>	BD '000	BD '000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before tax	(22,012)	(8,283)
<i>Adjustments for:</i>		
Depreciation and amortisation	89,173	55,490
Provision for employees' end of service benefits	1,144	1,230
Provision for slow moving inventories	237	67
Provision for impairment of trade receivables - <i>net</i>	2,806	-
Loss on disposal of property, plant and equipment	551	1,302
Changes in fair value of derivative financial instruments	2,727	8,478
Interest income	(362)	(942)
Forex loss/(gain) on revaluation of borrowings	12,193	(10,703)
Finance costs	30,932	7,708
Operating profit before working capital changes	117,389	54,347
Working capital changes:		
Inventories	9,301	20,736
Trade and other receivables	31,264	(26,856)
Trade and other payables	(57,237)	67,196
Cash generated from operations	100,717	115,423
Employees' end of service benefits paid	(1,376)	(1,126)
Tax paid	(247)	(160)
Net cash flows generated from operating activities	99,094	114,137
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(83,270)	(236,835)
Proceeds from disposal of property, plant and equipment	51	55
Interest received	362	942
Net cash flows used in investing activities	(82,857)	(235,838)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans and borrowings availed	590,411	765,001
Loans and borrowings paid	(565,665)	(613,004)
Interest on loans, borrowings and leases paid	(21,643)	(34,517)
Leases liabilities paid	(751)	-
Dividends paid	(1,412)	-
Settlement of derivative	(7,002)	-
Purchase of treasury shares	(3,037)	(1,762)
Proceeds from resale of treasury shares	3,556	2,122
Net cash flows (used in) / generated from financing activities	(5,543)	117,840
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10,694	(3,861)
Cash and cash equivalents at 1 January	81,329	103,684
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	92,023	99,823

The attached notes 1 to 11 form part of this condensed consolidated interim financial information

Aluminium Bahrain B.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

1 REPORTING ENTITY

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, Commerce and Tourism under commercial registration (CR) number 999.

Subsequent to the Initial Public Offering (IPO), the Company became a Bahrain Public Joint Stock Company effective 23 November 2010 and its shares are listed on Bahrain Bourse and Global Depository Receipts are listed on the London Stock Exchange. The Company has its registered office at 150 Askar Road, Askar 951, 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, which holds 69.38% of the Company's share capital.

The Company is engaged in the manufacture 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 of the Company and the following subsidiaries:

<i>Name</i>	<i>Effective ownership</i>		<i>Country of incorporation</i>	<i>Principal activity</i>
	<i>2020</i>	<i>2019</i>		
Aluminium Bahrain US, Inc.	100%	100%	United States of America (USA)	Selling and distribution of aluminium throughout the Americas
ALBA Club S.P.C.	100%	100%	Kingdom of Bahrain	Provider of recreational and sports facilities
ALBACAP Insurance Limited	100%	100%	Guernsey	Captive insurance entity to insure risks of the Group

The Group also has representative sales branch offices in Zurich, Switzerland and Hong Kong.

The condensed consolidated interim financial information was authorised for issue in accordance with a resolution of the Directors on 26 October 2020.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The condensed consolidated interim financial information of the Group for the three-month and nine-month periods ended 30 September 2020 has been prepared in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting".

The condensed consolidated interim financial information does not contain 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 as at 31 December 2019. In addition, the results for the three-month and nine-month periods ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

Aluminium Bahrain B.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Impact of COVID-19

On 11 March 2020, the COVID 19 outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The pandemic as well as the resulting measures and policies have had some impact on the Group. The Group is actively monitoring the COVID 19 situation, and in response to this outbreak, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance. The Group has also made a one-off donation of BD 3,500 thousand to National Taskforce for combating COVID-19.

The Group's products are priced by reference to London Metal Exchange (LME) cash settlement prices for aluminium, which has exhibited a decline during the reporting period. The management expects that the forecasted revenue and net profit for the year 2020 will be affected by this.

Governments and central banks across the world have responded with monetary and fiscal interventions to stabilize economic conditions. The Government of Kingdom of Bahrain has announced various economic stimulus programmes ("Packages") to support businesses in these challenging times. The Group has received certain benefits from these Packages mainly in the form of partial waiver of Electricity and Water Authority utility bills, reimbursement of salaries of national employees from the Unemployment Fund and exemption of government-owned industrial land rental fees for three months from April 2020 to June 2020. These Packages have been included under cost of sales (note 7).

The management and the Board of Directors (BOD) has been closely monitoring the potential impact of the COVID 19 developments on the Group's operations and financial position; including possible loss of revenue, 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 this condensed consolidated interim financial information.

In preparing the condensed consolidated interim financial information, judgements made by management in applying the Group's accounting policies and sources of estimation are subject to uncertainty regarding the potential impacts of the current economic volatility and these are considered to represent management's best assessment based on available or observable information.

c) New and amended standards and interpretations

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019 except for the initial adoption of Interest Rate Benchmark Reform by the Group from 01 January 2020 as disclosed in note 2(d).

Following amendments to existing standards and framework are effective from 01 January 2020 but these do not have a material effect on the Group's condensed consolidated interim financial information:

Description	Effective from
Definition of Material - Amendments to IAS 1 and IAS 8	1 January 2020
Definition of Business - Amendments to IFRS 3	1 January 2020
Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Change in accounting policy

The Group has initially adopted Interest Rate Benchmark Reform (Amendment to IFRS 9 and IFRS 7) from 01 January 2020. This change in accounting policy is also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2020.

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationships that existed at 01 January 2020 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss recognised in OCI that existed at 01 January 2020.

A. Managing interest rate benchmark reform and any risks arising due to reform:

(i) Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition across the jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management and hedge accounting.

(ii) Derivative

The Group holds interest rate swap for risk management purposes, which is designated in cash flow hedging relationships. The interest rate swap has floating leg that is indexed to dollar LIBOR. The Group's derivative instruments are governed by the International Swaps and Derivatives Association (ISDA)'s Master Agreement. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the inclusion of new fallback clauses with its derivative counterparties. No derivative instruments have been modified as at 30 September 2020.

(iii) Hedge accounting

The Group evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 30 September 2020. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rate which is dollar LIBOR. IBOR benchmark rates are quoted each day and IBOR cash flows are exchanged with its counterparties as usual.

However, the Group's cash flow hedging relationships extend beyond the anticipated cessation date for dollar LIBOR. The Group expects that dollar LIBOR will be discontinued after the end of 2021. The alternative reference rate is Secured Overnight Financing Rate (SOFR). However, there is uncertainty as to when and how replacement may occur with respect to the relevant hedged item and hedging instrument. Such uncertainty may impact the hedging relationship e.g. its effectiveness assessment and highly probable assessment. The Group applies the amendments to IFRS 9 issued in September 2019 to those hedging relationships directly affected by IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instrument indexed to dollar LIBOR using available quoted market rates for LIBOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in present value of hedged cash flows on a similar basis.

The Group's exposure to dollar LIBOR designated in a hedging relationship is USD 727 million nominal amount at 30 September 2020 attributable to the interest rate swap hedging dollar LIBOR cash flows on the principal amount of USD 1,455 million of the Group's dollar-denominated secured bank loan liability maturing in 2027.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Change in accounting policy (continued)

The Group is actively engaging with lenders to include appropriate fallback provisions in its floating-rate liabilities with maturities after 2021. We expect that the hedging instrument will be modified as outlined under Derivatives above.

B. Specific policies applicable from 01 January 2020 for hedges directly affected by IBOR reform:

For the purpose of evaluating whether there is an economic relationship between the hedged item and the hedging instrument, the Group assumes that the benchmark interest rate is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its assessment of the economic relationship between the hedged item and the hedging instrument when the uncertainty arising from IBOR reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

e) Seasonability

The Group does not have significant income of seasonal nature.

f) Judgements and estimates

In preparing these condensed consolidated interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2019 except for impacts of COVID 19 outbreak as explained in Note 2b) and changes in key assumption relating to impairment of property, plant and equipment as described below.

Following the general decline in LME prices due to disruptions of global markets due to COVID 19 and its impact on the Company's performance during the nine months ended 30 September 2020, the Management assessed the recoverable amount of the property, plant and equipment considering the Company as a single cash generating unit (CGU). The recoverable amount of the CGU was determined to be higher than its carrying amount and no impairment loss was recognised as on 30 September 2020. The recoverable amount of the CGU was based on its value-in-use.

Consistent with its method of impairment assessment as of 31 December 2019, the Group estimated the value-in-use of its CGU by using a discounted cash flow method that considers a 5 year cash-flow projection and a terminal value beyond the forecast period. As compared to 31 December 2019, the weighted average cost of capital used in calculating the CGU's value-in-use as on 30 September 2020 increased from 8.2% to 8.6% to reflect the change in overall risk assessment as at the reporting date. Other key assumptions that impact the forecast include the future London Metal Exchange (LME) cash settlement prices for aluminium which were updated using the most recent forecasts from various market sources.

Sensitivity to changes in assumptions

With regard to the assessment of value in use, management believes that reasonably possible changes in the weighted average cost of capital would cause a material change to the recoverable amount. An increase in weighted average cost of capital by 50 basis point (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

Similarly, an increase in alumina index by 0.55% (with all other variables remain unchanged) throughout the forecast period and a reduction in LME price by USD 37/MT (with all other variables remain unchanged) throughout the forecast period could result in the recoverable amount of the CGU to be lower than its carrying value.

Aluminium Bahrain B.S.C.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

3 EARNINGS PER SHARE

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	2020	2019	2020	2019
(Loss) / profit for the period - BD '000	(11,622)	10,700	(22,259)	(8,443)
Weighted average number of shares outstanding - thousands of shares	1,412,543	1,413,627	1,413,080	1,412,846
Basic and diluted loss/earnings per share – fils	(8)	8	(16)	(6)

No separate figure for diluted loss per share has been presented as the Group has not issued financial instruments which may have a dilutive effect.

4 DERIVATIVE FINANCIAL INSTRUMENTS

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 and forward commodity contracts, to hedge its interest rate risks and commodity price risks, respectively.

Interest rate swaps

In March 2020, the Group has designated these derivatives as cash flow hedging instruments to hedge the variability in cash flows arising from changes in interest rates. These derivatives qualify for hedge accounting under IFRS 9 and consequently effective portion gains or losses resulting from the re-measurement of fair value of these derivatives are recognised in the condensed consolidated interim statement of comprehensive income as other comprehensive income / (loss).

Prior to March 2020 and in comparative period, fair value gains or losses relating to these derivatives were recognised in the condensed consolidated interim statement of profit or loss.

The Group entered into interest rate swap transactions for BD 282,000 thousand floating rate borrowings for financing the line 6 project to manage overall financing costs. These contracts expire on 29 October 2027. The notional amount outstanding as at 30 September 2020 was BD 273,540 thousand (31 December 2019: BD 282,000 thousand).

Commodity futures

These derivatives 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 condensed consolidated interim statement of profit or loss.

The Group entered into commodity futures contracts to reduce the price risk on behalf of its customers for 2,540 metric tonnes (31 December 2019: 480 metric tonnes).

5 FINANCIAL INSTRUMENTS

Fair values

The Group's derivative financial instruments are measured at fair value using Level 2 inputs. The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and commodity forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and forward rates, interest rate curves and forward rate curves of the underlying commodity. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

5 FINANCIAL INSTRUMENTS (continued)

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.

The Group does not have financial instruments qualifying for Level 1 or Level 3 classification. During the nine month period ended 30 September 2020, 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 (31 December 2019: none).

6 OPERATING SEGMENT INFORMATION

For management 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 disclosure of profit or loss, assets and liabilities is provided as this disclosure will be identical to the condensed consolidated interim statement of financial position and condensed consolidated interim statement of profit or loss of the Group.

a) Product

An analysis of the revenue from contracts with customers by product is as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Sale of aluminium	262,658	283,261	777,893	731,413
Sale of alumina	-	3,860	3,273	4,292
Sale of calcined coke	3	-	1,469	-
Total revenue from contracts with customers	262,661	287,121	782,635	735,705

b) Geographic information

An analysis of the revenue from contracts with customers by geographic location is as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Kingdom of Bahrain	46,154	59,109	145,316	179,993
Europe	77,172	79,017	205,585	174,630
Rest of the Middle East and North Africa	51,367	51,674	126,644	129,571
Asia	27,290	63,331	197,376	143,861
Americas	60,678	33,990	107,714	107,650
Total revenue from contracts with customers	262,661	287,121	782,635	735,705

The revenue information above is based on the location of the customers.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

6 OPERATING SEGMENT INFORMATION (continued)

c) Customers

Revenue from sale of aluminium to the three major customers of the Group amounted to BD 411,511 thousand with all three customers accounting for more than 10% of total revenue from contracts with customers for the nine months period ended 30 September 2020 (30 September 2019: three major customers of the Group amounted to BD 214,871 thousand with two of the customers accounting for more than 10% of total revenue from contracts with customers for the Nine months period).

7 Cost of sales

It also includes COVID-19 related government grants / assistance of BHD 12.74 million received from the Government of Kingdom of Bahrain, for the reimbursement of salaries of the national employees, partial waiver of Electricity and Water Authority utility bills and exemption of government-owned industrial land rental fees from April 2020 to June 2020. In accordance with IAS 20, the Group has recognised these grants in profit or loss on a systematic basis in the periods in which compensated expenses are recognised. These government grants have been deducted from the related expenses in cost of sales.

8 COMMITMENTS

As of 30 September 2020, the Group had commitments amounting to BD 43,099 thousand relating to the capital expenditure contracted for at the reporting date (31 December 2019: BD 27,604 thousand).

9 DIVIDEND

At the Annual General Meeting held on 8 March 2020, the Company's shareholders approved the Board of Directors' proposal to pay a final dividend of BD 0.001 per share (excluding treasury shares) totalling BD 1,412 thousand relating to the year 2019 which has been fully paid as of 30 September 2020.

At the Annual General Meeting held on 7 March 2019, the Company's shareholders approved the Board of Directors' proposal for not distributing any cash dividends to shareholders for the year 2018.

10 RELATED PARTY TRANSACTIONS

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

Transactions with shareholders

The Company qualifies as a government related entity under the definitions provided in IAS 24. The Company makes purchases, supplies and services to/from parties related to the Government of the Kingdom of Bahrain, principally natural gas and public utility services, under the ordinary course of business.

Transactions with related parties included in the condensed consolidated interim statement of profit or loss are as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Other related parties				
Revenue and other income				
Sale of metal	8,333	8,377	18,217	26,890
Sale of water	261	387	970	836
Interest on receivable	155	205	634	575
	8,749	8,969	19,821	28,301

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

For the nine months ended 30 September 2020 (Reviewed)

10 RELATED PARTY TRANSACTIONS (continued)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Cost of sales and expenses				
Purchase of natural gas and diesel	88,337	78,069	220,153	180,403
Interest on loans and borrowings	243	-	328	-
Others	756	220	1,209	693
	89,336	78,289	221,690	181,096

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

	<i>30 September</i>	<i>31 December</i>
	<i>2020</i>	<i>2019</i>
	<i>Reviewed</i>	<i>Audited</i>
	<i>BD '000</i>	<i>BD '000</i>
Other related parties		
Assets		
Trade receivables (net of impairment)	7,788	8,673
Bank balances	1,024	906
Other receivable	710	710
	9,522	10,289
Liabilities		
Trade payables	141,083	38,547
Loans and borrowings	60,179	78,272
Interest payable on loans and borrowings	1,376	548
	202,638	117,367

Outstanding balances at the end of the period arise in the normal course of business are interest free, unsecured and payable on demand. For the nine-month period ended 30 September 2020, the Group has recorded an additional impairment of BD 2,909 thousand on amounts due from related parties (31 December 2019: BD nil).

Compensation of key management personnel

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September (Reviewed)</i>		<i>30 September (Reviewed)</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Short term benefits	250	323	1,486	1,149
End of service benefits	10	11	30	46
Contributions to Alba Savings Benefit Scheme	28	28	87	80
	288	362	1,603	1,275

11 CORRESPONDING FIGURES

The corresponding's prior period figures have been regrouped, where necessary, in order to conform to current period's presentation. Such regroupings did not affect the previously reported net profit and comprehensive income for the period or total equity.

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