

Disclosure of Information

Aluminium Bahrain B.S.C. (Alba) would like to announce the following information in relation to its Q2 2021 Financial Results' Conference Call.

الإفصاح عن معلومات

تعلن شركة ألمنيوم البحرين ش.م.ب. (البا) عن المعلومات التالية التي تمت مناقشتها خلال الاجتماع الهاتفي للأداء المالي للربع الثاني لعام 2021.

Date	02 August 2021 02 أغسطس 2021	التاريخ
Company Name	Aluminium Bahrain B.S.C. (Alba) ألمنيوم البحرين ش.م.ب. (البا)	إسم الشركة
Trading Code	ALBH	رمز التداول
Information	<p>Aluminium Bahrain B.S.C. (Alba) has conducted its Q2 2021 Financial Results' Conference Call on Monday 02 August 2021 at 3 PM.</p> <p>Attached for reference is the Q2 2021 Investor Relations (IR) presentation along with Alba's feedback on the questions discussed during the conference call.</p> <p>عقدت ألمنيوم البحرين ش.م.ب. (البا) اجتماعاً هاتفياً لمناقشة الأداء المالي للشركة للربع الثاني لعام 2021 يوم الإثنين الموافق 02 أغسطس 2021 في تمام الساعة 03 ظهراً.</p> <p>تجدون في المرفقات العرض التقديمي لعلاقات المستثمرين للربع الثاني لعام 2021 بالإضافة الى ردود البا على الأسئلة التي تمت مناقشتها خلال الاجتماع الهاتفي.</p>	الموضوع
Name	Ms. Eline Hilal	الإسم
Title	Director - Investor Relations, Insurance and Corp. Secretary	المسمى الوظيفي
Company Seal ختم الشركة		التوقيع Signature
		

**Aluminium Bahrain B.S.C. (Alba) Q2 & H1 2021 Financial Results'
Conference Call
02 August 2021**



MINUTES OF THE Q2 & H1 2021 FINANCIAL RESULTS'CONFERENCE CALL

Opening Remarks

The Chief Executive Officer Mr. Ali Al Baqali led the Aluminium Bahrain B.S.C. (Alba) Q2 & H1 2021 Financial Results' Conference Call. The meeting was called to order at 03:00 PM.

Director - Investor Relations, Insurance & Corporate Secretary, Ms. Eline Hilal welcomed all attendees to Alba's IR Conference Call and informed the audience that the first two sections of the IR presentation will be covered by herself: 1. Industry Highlights based on CRU Market Intel; 2. Alba Highlights based on Alba's official news which have been made public while Manager Financial Accounting & Controlling, Mr. Ahmed A. Qader, will go through Section 3 to provide more insights on Alba's Q2 2021 results then followed by the CEO's updates on Section 4 in relation to Industry Perspectives in 2021 (based on CRU Market Intel) and Section 5 for the Company's Priorities which are based on Alba's 5-Year Strategic Initiatives.

Below are the questions put forth by Mr. Anoop Fernandes from SICO B.S.C. ©:

- 1. What are the reasons behind high Trade Receivables? Will Alba see a partial cash recovery by the end of 2021?**

Mr. Ali Al Baqali replied that Alba's Trade Receivables have been high since the beginning of 2021. One of the main reasons is the volume increase in Value Added Sales where the payment terms are different (major contracts' terms are 45/60/90 days for VAP sales) when compared to Standard ingots/P1020 (payment terms are on cash basis). Another reason for the increase in Trade Receivables goes to higher LME prices.

- 2. Should we expect that Alba will continue to generate cash/improve its cash position in the second half of the year?**

Mr. Ahmed A. Qader replied that Alba will continue to generate cash from its operations with higher LME prices and the Company is expected to have more flow in its cash/liquidity position.

- 3. Is there a change in Alba policies with respect to its Accounts Payable days since its payable days have reduced in comparison to previous quarters?**

Mr. Al Baqali responded that Alba did not have any major change in its Accounts Payable (AP) policy; Mr. A. Qader added that AP function processes payments depending on the vendor and activities where payments are done in batches.

Mr. Anoop further inquired if the improvement in AP days relate to the factoring agreement that Alba has in place with Alcoa to which Mr. A. Qader confirmed that the improvement in AP days is partly related to the aforementioned factoring agreement. Ms. Hilal added that if there was any major change in AP policy, this would have been reflected in the notes attached to the financials.

Below are the questions put forth by Mr. Nitin Garg from SICO B.S.C. ©:

- 4. What are the reasons behind the strong demand in aluminium which have led LME prices to increase from US\$1,800/MT – US\$2,200/MT? Is it demand driven or supply driven?**

Mr. Al Baqali replied that there was a rebound in metal demand since the beginning of 2021 underpinned by recovery in major economies and as lockdowns have eased in major markets. There is no supply issue; in fact, the world market is in deficit with/without China and the demand is coming mainly from Europe, China and US and it is mainly driven by spending on infrastructure (building construction), auto (electric cars), and manufacturing activity owing to substitution from plastic to aluminium (for reference, Bahrain will ban 250 ml plastic water bottles effective 2022) -- this is a clear indication that aluminium is the metal of the future. Furthermore, the aluminium

demand is expected to remain strong post recovery from COVID-19; consumption in Europe will continue to be strong as Russia's temporary export tax will add fizz in the market and eventually push-up European premiums. In addition, Ms. Hilal stated that stimulus packages initiated by Governments across the globe since early 2021 will translate in strong metal consumption in key markets in the future.

5. What is the size of the scrap/recycling market to-date and will it recover in 2022?

Mr. Al Baqali confirmed Nitin's understanding that the scrap market will normalise and play a major role in 2022/post COVID-19 to close the gap between demand and supply. To-date the scrap market is 5%-7% of the world market.

6. By Mr. Anoop Fernandes - Alba's Green House Gas (GHG) Emissions intensity ratio dropped from 9.3 in 2019 to 7.9 in 2020. Will GHG Emissions intensity ratio continue to drop in the future?

Mr. Al Baqali replied that by relying on natural gas, Alba cannot reduce its GHG Emissions intensity ratio below 7 even with the best power technology. As per Aluminium Stewardship Initiative (ASI), Alba is still considered in the Green Zone. For reference, below are the CO₂ emission levels in relation to power sources:

- 1) Natural Gas: 7t - 10t of CO₂ per tonne of Aluminium;
- 2) Coal: 11t - 20t of CO₂ per tonne of Aluminium; and
- 3) Hydro: < 4t of CO₂ per tonne of Aluminium

7. By Mr. Fernandes - Can we see a green premium on the metal?

Mr. Al Baqali stated that there is no green premium yet; however, we note that many are pushing for hydro power and for emissions level to be below 4 tonnes of CO₂ per tonne of Aluminium. Ms. Hilal added that there are no available technologies in the market today that Alba can invest in to reduce its carbon footprint.

Mr. Fernandes inquired about the single digit price which he has seen in articles in reference to the carbon tax to which the CEO advised that the potential carbon tax is estimated to range between US\$25/MT – US\$45/MT and if imposed, it will start in Europe. Given the strong appetite for the metal in Europe along with the current deficit in the market, this tax will be passed to the customers through premiums.

Below is one question put forth by Mr. Deepak Babu from Bahrain National Holding B.S.C.

8. Alumina/tonne for Alba looks to be on the higher range when compared to public indices. Is it due to elevated freight costs?

Mr. Al Baqali responded that Alba budget for alumina requirements is based on the landed cost which includes alumina price + freight cost.

Mr. Ali Al Tareef, Alba's Shareholder, congratulated Alba's Chairman of the Board, BoD, Alba Executive Management led by the CEO Mr. Ali Al Baqali as well as the Company employees on the excellent financial results and the strong IR presentation. Mr. Al Tareef tabulated 2 questions as follows:

9. The reason behind not paying dividends since he had previously requested at the AGM in 2021 fil 20/share if Alba achieves or exceeds BD 60 million in its H1 2021 Net Profit. Is Alba trying to deleverage its position?

Mr. Al Baqali replied that Alba was not able to pay dividends as it did not meet the lenders covenants.

10. The reason(s) for the decrease in Sales volume in Q2 2021.

Mr. Al Baqali responded that the drop in Sales volume is due to the logistics issue; however, Alba plans to meet its Sales' target of 1.54 million by end of 2021.

The meeting adjourned at 03:55 PM.

Note: The IR Presentation has been attached for reference



INVESTOR RELATIONS PRESENTATION

Q2 2021



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01

INDUSTRY HIGHLIGHTS¹



INDUSTRY HIGHLIGHTS

Strong Rebound for Global Demand Underpinned by V-Shape Economic Recovery (+12% YoY)

- 🌐 Stimulus packages by Governments across the globe [US\$1.2 trillion in US over 8-year period to revive infrastructure and transition to a greener economy; €750 billion recovery program launched by EU] translated in strong metal consumption in key markets
- 🌐 Strong come-back for Aluminium consumption in North America (+49% YoY) with manufacturing activity reaching an all-time high
- 🌐 Rebound in World ex-China consumption (+33% YoY) and Europe's +29% YoY owing to strong market recovery
- 🌐 Middle East demand up by 17% YoY, a double-digit increase, owing to higher demand in UAE
- 🌐 Chinese market is no longer the bullish driver it used to be with Chinese authorities urging SHFE futures exchange to avoid excessive speculation. Chinese consumption almost flat (+1% YoY)



INDUSTRY HIGHLIGHTS

Higher Metal Demand Accelerate Supply Growth (+7% YoY)

- 🌐 An all-high record smelting margins enhanced higher capacity utilization rates as smelters are back to normal production after COVID-19
- 🌐 Strong come-back for SHFE price (highest level in 13 years) has boosted Chinese production with +9% YoY
- 🌐 North America supply down by 5,000 MT (1,032 Kt in 2Q20 vs. 1,027 Kt in 2Q21) owing to the gradual closure of Alcoa's Ferndale smelter
- 🌐 Primary supply in GCC almost flat owing to 2% YoY supply cuts in UAE
- 🌐 World market in deficit with China (-615Kt) and without China in deficit (-93Kt)

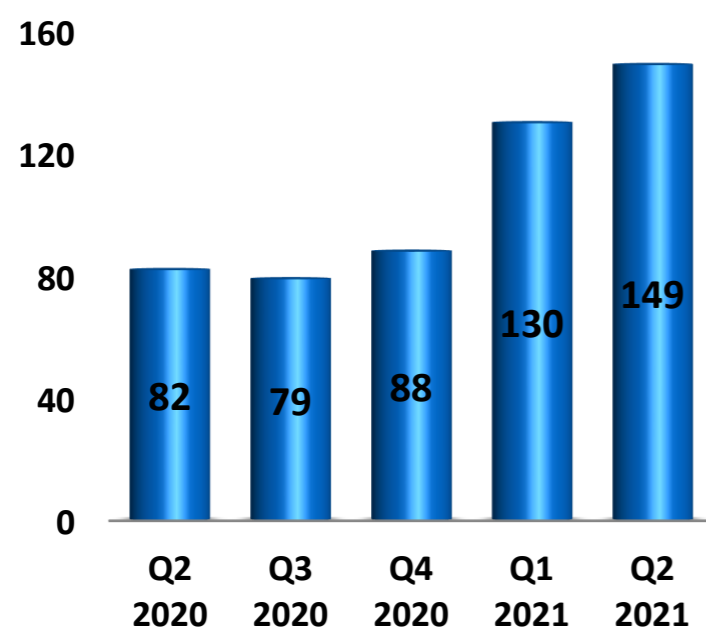


INDUSTRY HIGHLIGHTS

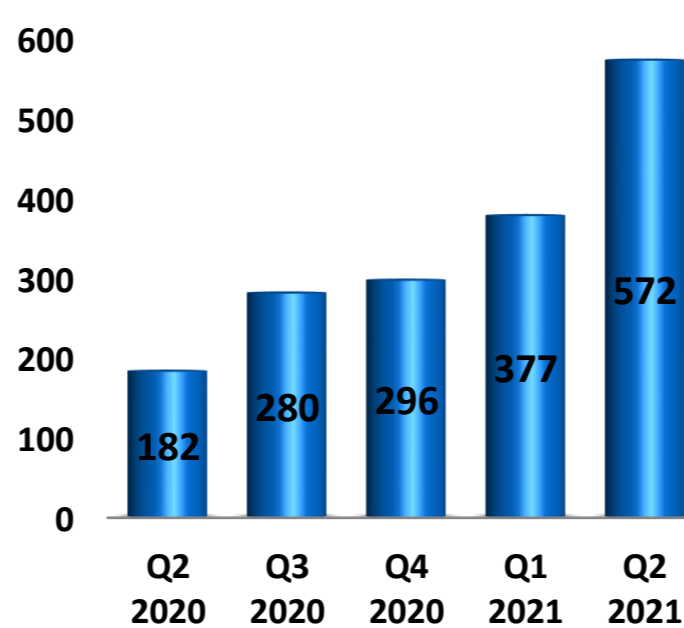
LME Price & Premia

- LME inventories at ~1.597 million MT as of 30 June 2021 (down by 16% YoY)
- LME-Cash averaged US\$2,399/t - up by 61% YoY [lowest: US\$2,212.50/t on 1 April and highest: US\$2,565/t on 10 May]
- Regional premia surge higher supported by freight costs

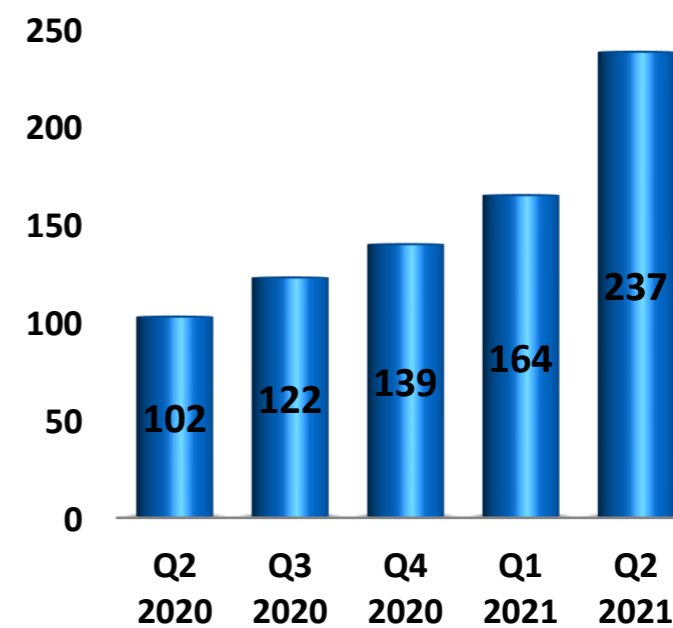
Major Japanese Ports (MJP¹)



US Midwest



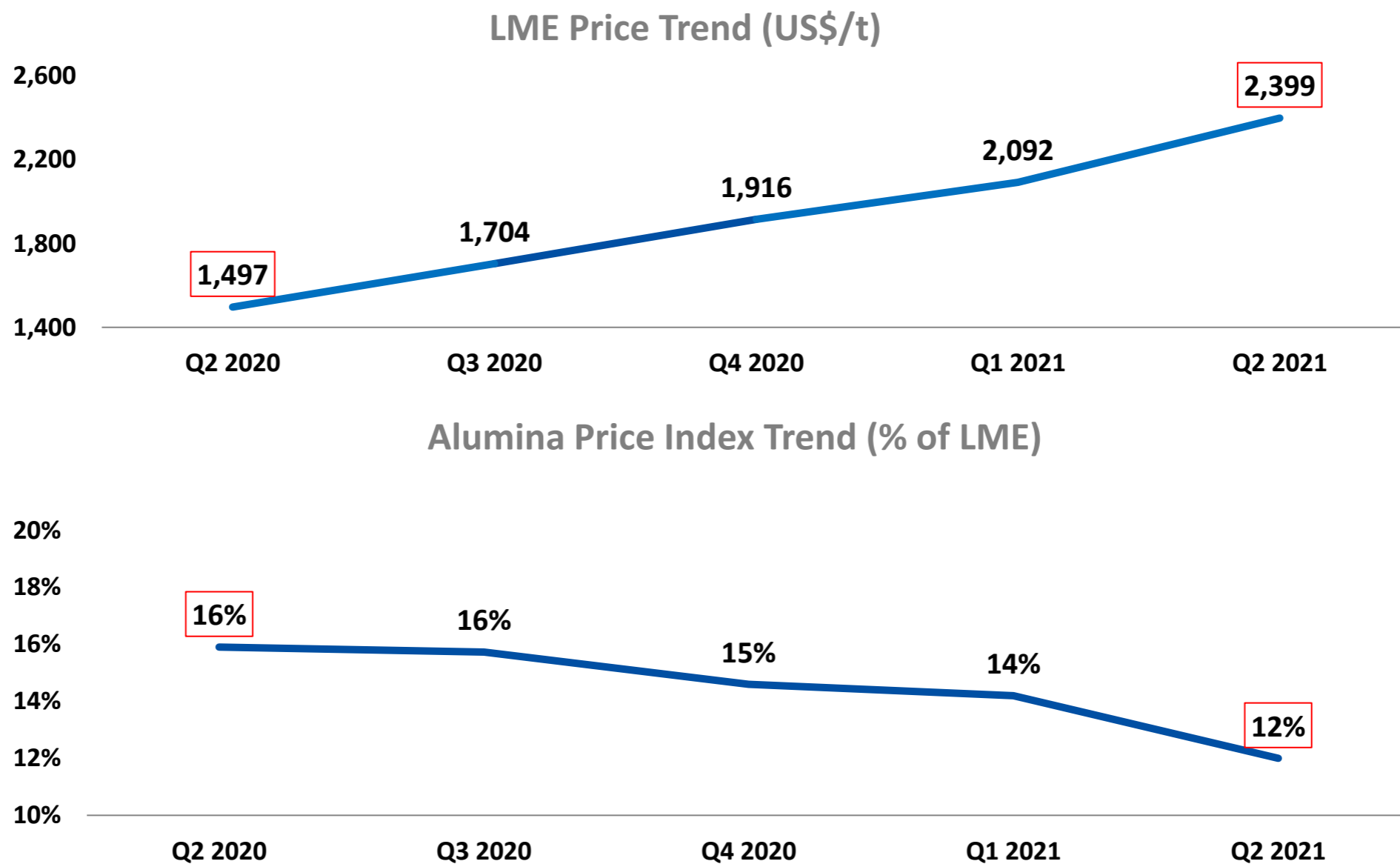
DDP Rotterdam



¹Major Japanese Ports (MJP) is based on Cost, Insurance and Freight (CIF)

INDUSTRY HIGHLIGHTS

Alumina Price - 12% of LME Price [US\$277/t]





02

ALBA HIGHLIGHTS¹

¹ Alba Highlights relate to Alba official news



ALBA HIGHLIGHTS

#Commit4Bahrain

Driving Safety Excellence Amidst COVID-19 Pandemic

- 🌐 Plant Safety: 2 Safety Campaigns were launched: 'The Right Choice' on 05 Apr'21 and first ESG Campaign 'Achieving the Balance' by mid-June 2021
- 🌐 > 99% of Alba employees vaccinated
- 🌐 To ensure its People's Safety, random rapid tests were carried-out on a daily basis at the Company's gates to Alba employees and contractors' personnel; only vaccinated guests were allowed on Alba premises
- 🌐 Recipient of the Royal Society for the Prevention of Accidents Gold Award for 8th consecutive year in a row
- 🌐 Recipient of ISO 22301:2012 certification for Business Continuity Management System (BCMS)
- 🌐 Alba achieved 13 million safe working-hours w/o LTI on 29 Jun'21



THE RIGHT CHOICE CAMPAIGN

For our
Safety
لسلامتنا



For our
Health
لصحتنا



For our
Environment
ليئتنا



ACHIEVING THE BALANCE CAMPAIGN



Strengthening Environmental, Social, & Governance Practices

تعزيز ممارسات البيئة
والمسؤولية
الاجتماعية والحوكمة

A. Nasser Hasan
Cathouse 3 Op



TOGETHER for our Planet

معاً من أجل كوكبنا

Qambar Mahboob
Power Maint

Maryam Muneer
Finance



Enabling Best Governance Practices

تفعيل أفضل ممارسات
الحوكمة

Sara Ebrahim
Engineering

Aref Nowrooz
Carbon Maint 1 & 2



الشفافية
Transparency

المسؤولية
Accountability

الأخلاقيات
Ethics

ACHIEVING THE BALANCE CAMPAIGN



Maintaining a Healthy Lifestyle

الحفاظ على نمط حياة صحي

Mohd Marjan
HR & Training



Producing Responsibly

نتج بمسؤولية

Fouad Ali
Reduction Lines 1-3



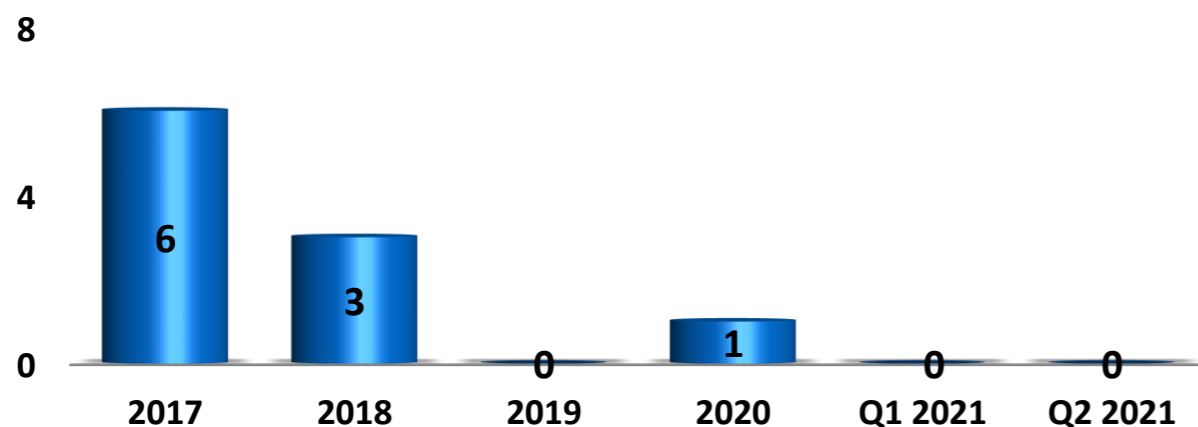


ALBA HIGHLIGHTS – THINK SAFETY FIRST & ALWAYS

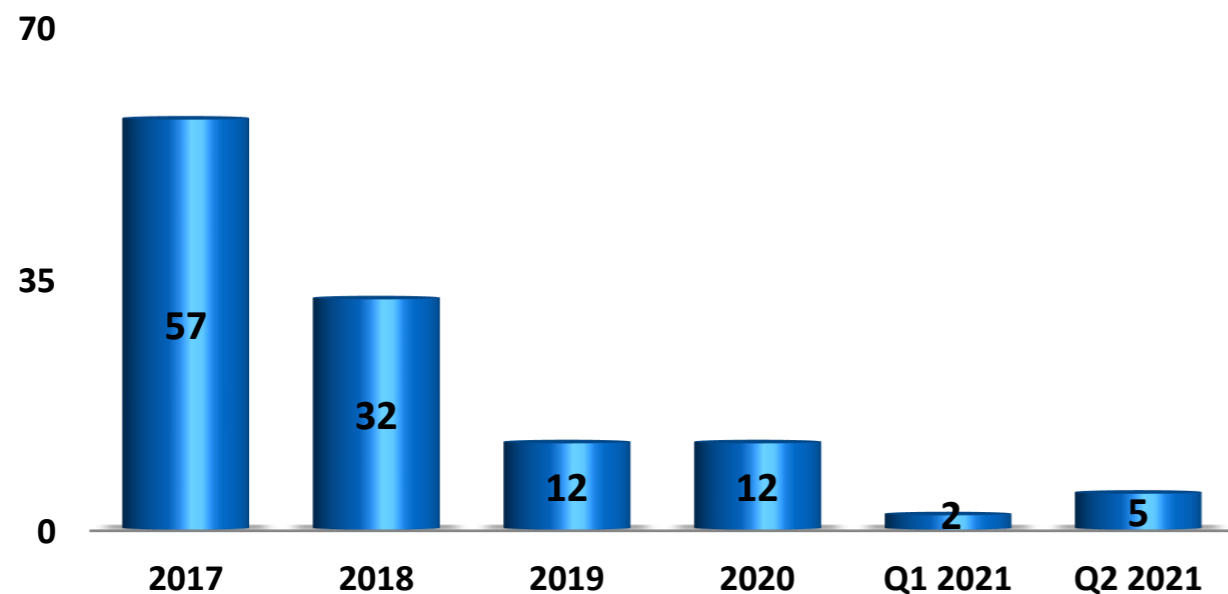
ecovadis

asi Aluminium
Stewardship
Initiative

Lost Time Injury (LTI) Trend



Total Recordable Injuries





Aluminium
for the world

14 Million

SAFE-WORKING
HOURS WITHOUT LTI

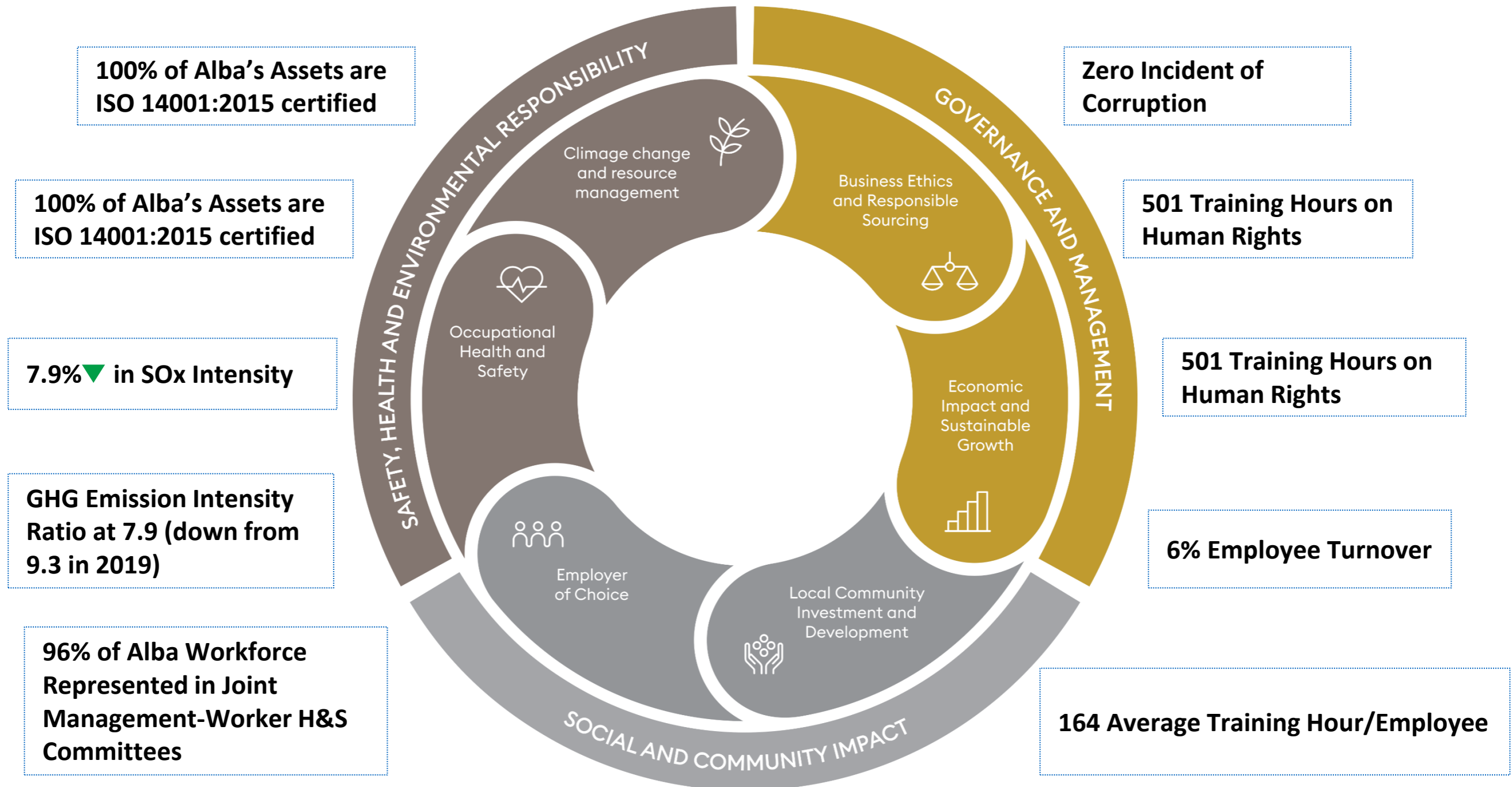
on 27 Jul'21



Vaccinated Staff
الموظفون الحاصلون على التطعيم

99.4%

ALBA SUSTAINABILITY FRAMEWORK



ALBA HIGHLIGHTS: THE COMEBACK IS STRONGER THAN THE SETBACK



Operational Highlights & Milestones

- 🌐 Sales' volume topped 388,149 metric tonnes (MT), down by 1% YoY while Production reached 391,954 MT, up by 3.5% YoY
- 🌐 Value Added Sales averaged 65% of the total shipments (vs. 62% in 1Q21)
- 🌐 Recipient of Best Corporate Governance Award in Bahrain by Ethical Boardroom for 2021
- 🌐 Natural gas price set at US\$3.75/MMBTU till 31 March 2022
- 🌐 Environmental Conservation Project - Spent Pot Lining (SPL) Treatment Plant in progress (>91%)

ALBA HIGHLIGHTS IN Q2 & H1 2021

Financial Key Performance Indicators

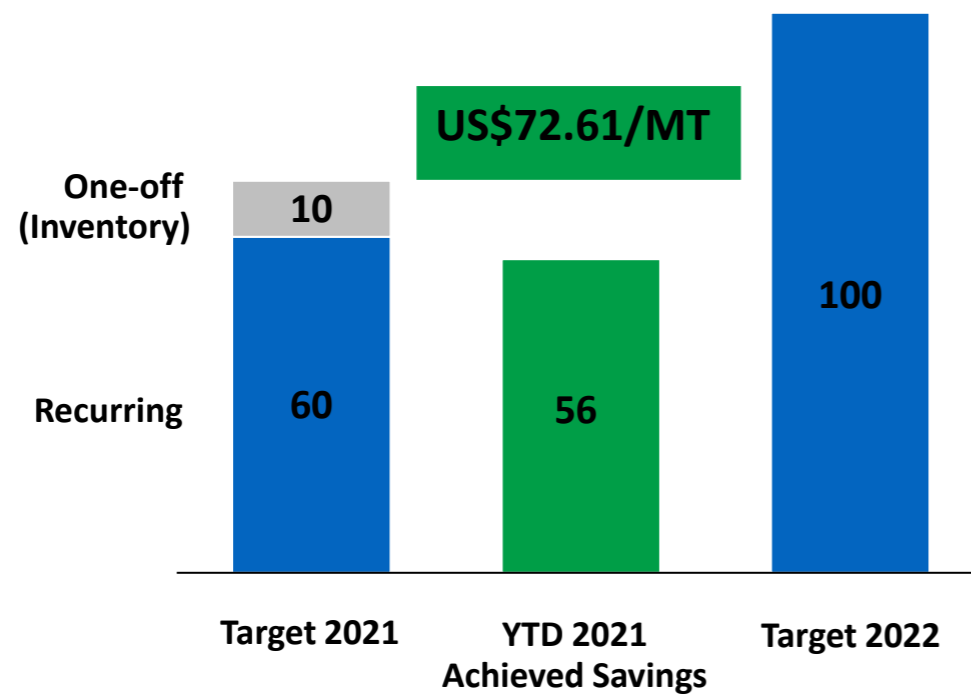
- 🌐 **EBITDA driven by higher LME prices**
 - 🌐 Q2: US\$350 million up by 483% YoY
 - 🌐 H1: US\$591 million up by 206% YoY
- 🌐 **Net Income driven by high EBITDA levels**
 - 🌐 Q2: US\$246 million up by 659% YoY
 - 🌐 H1: US\$385 million up by 1,475% YoY
- 🌐 **Free-Cash Flow* impacted by changes in the Working Capital**
 - 🌐 Q2: US\$51 million up by 313% YoY
 - 🌐 H1: US\$47 million down by 25% YoY



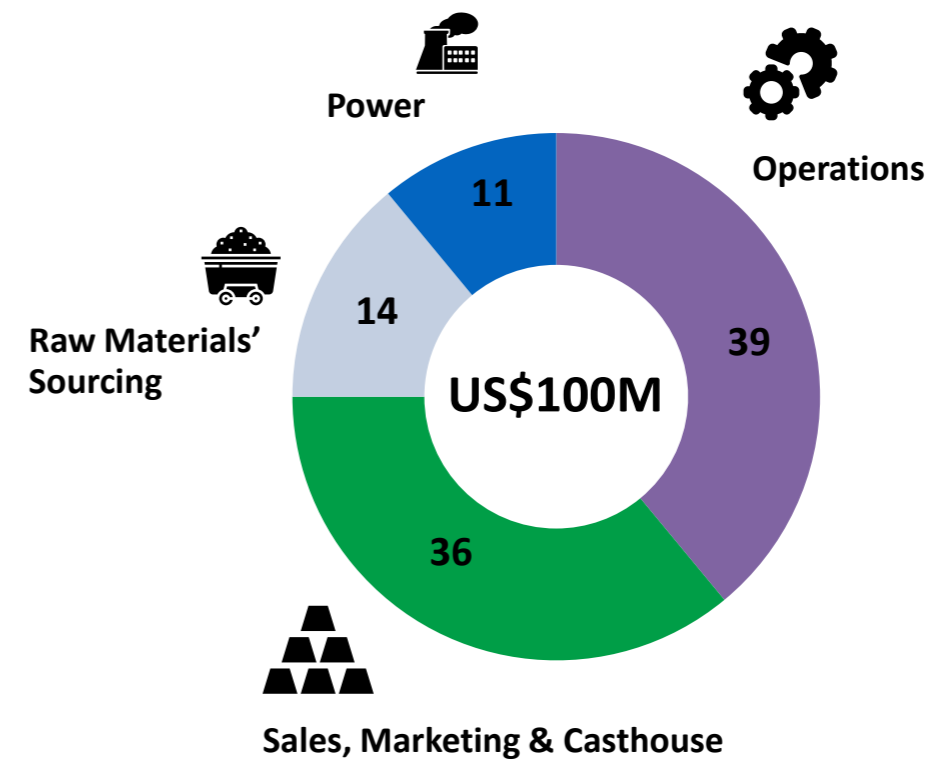
ALBA HIGHLIGHTS

AL HASSALAH Initiative (2-Year): Save US\$100 Million by 2022

AL HASSALAH (US\$ Million)



Breakdown by Value Chain



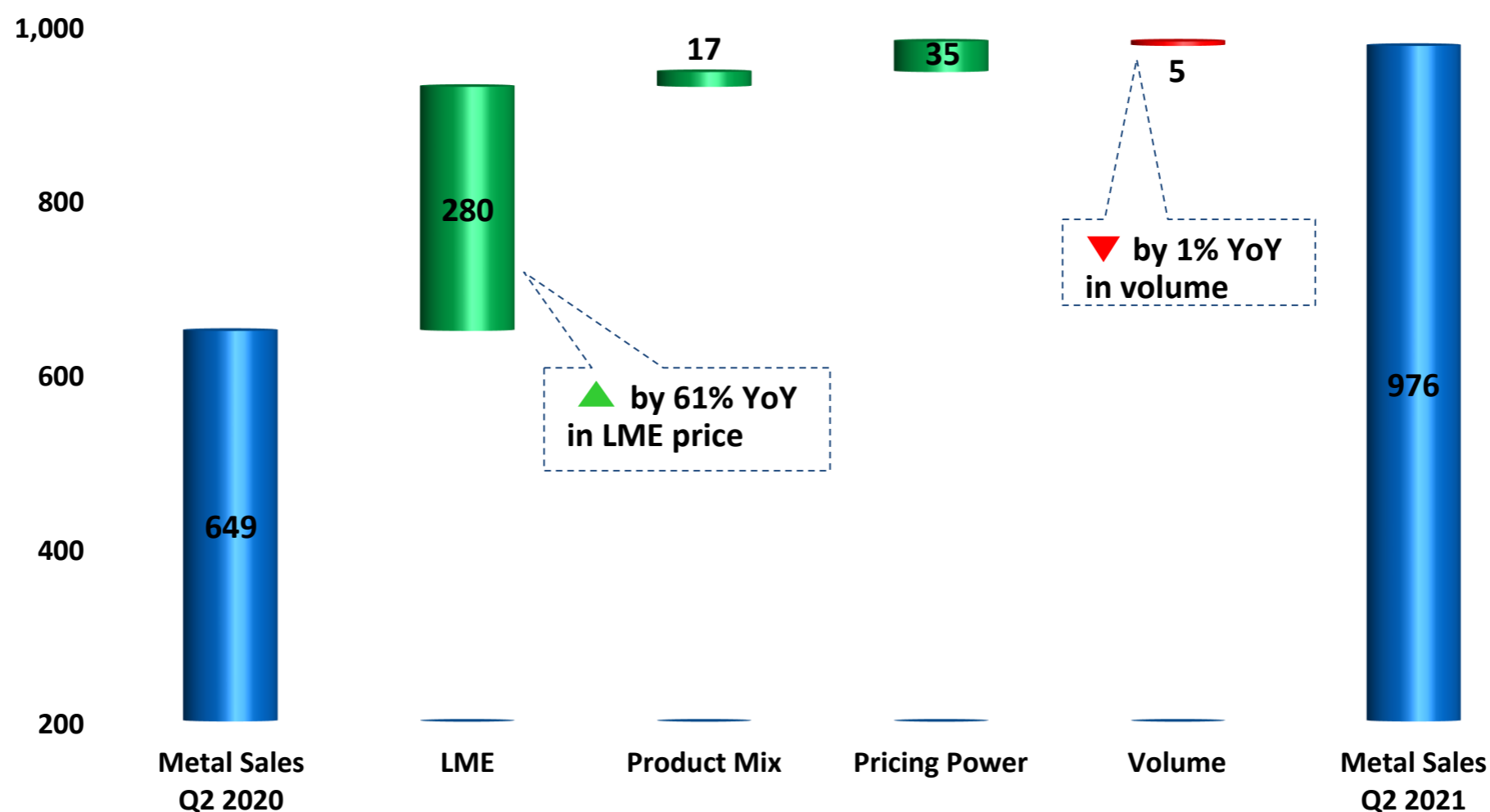
03

Q2 2021 RESULTS

ALUMINIUM INDUSTRY: STRONG COMEBACK LIFT LME PRICES

Higher Metal Sales Thanks to Higher LME Prices, Higher VAP & Higher Premiums

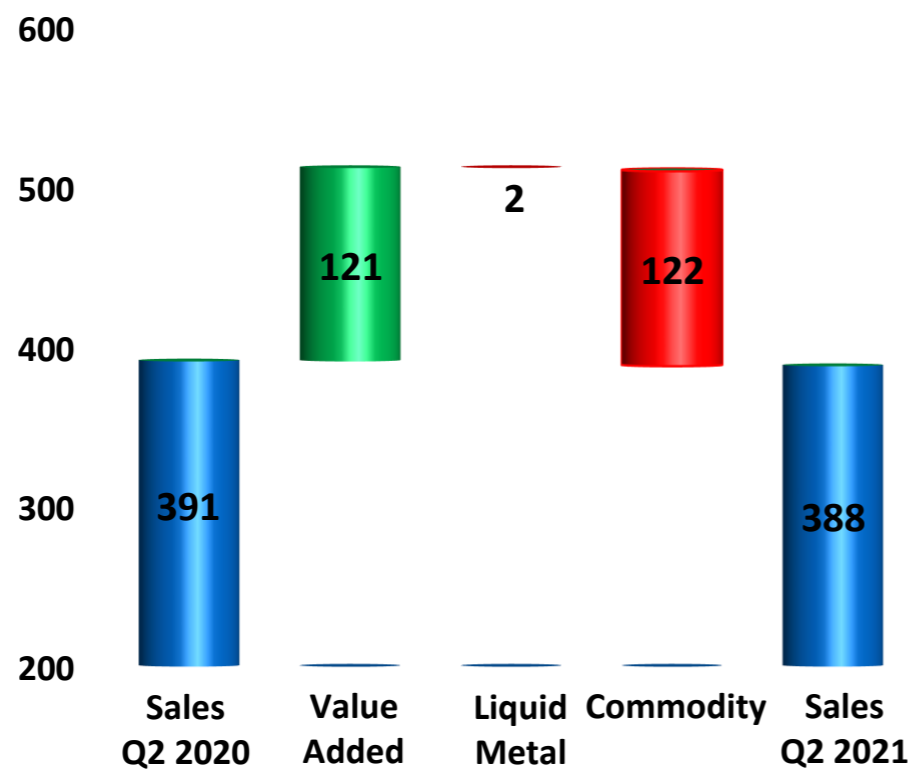
Metal Sales' Bridge (US\$M) – Q2 2021 vs. Q2 2020



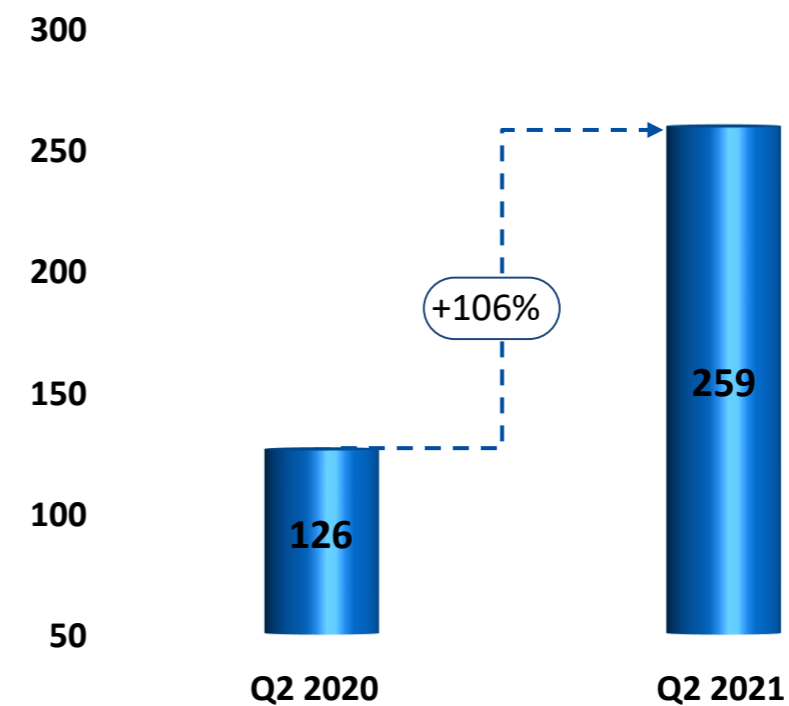
ALUMINIUM INDUSTRY: STRONG COMEBACK LIFT LME PRICES

Higher VAP | Lower Commodities' Volume | Higher Premiums

Sales by Product-Line Bridge (MT'000)
Q2 2021 vs. Q2 2020

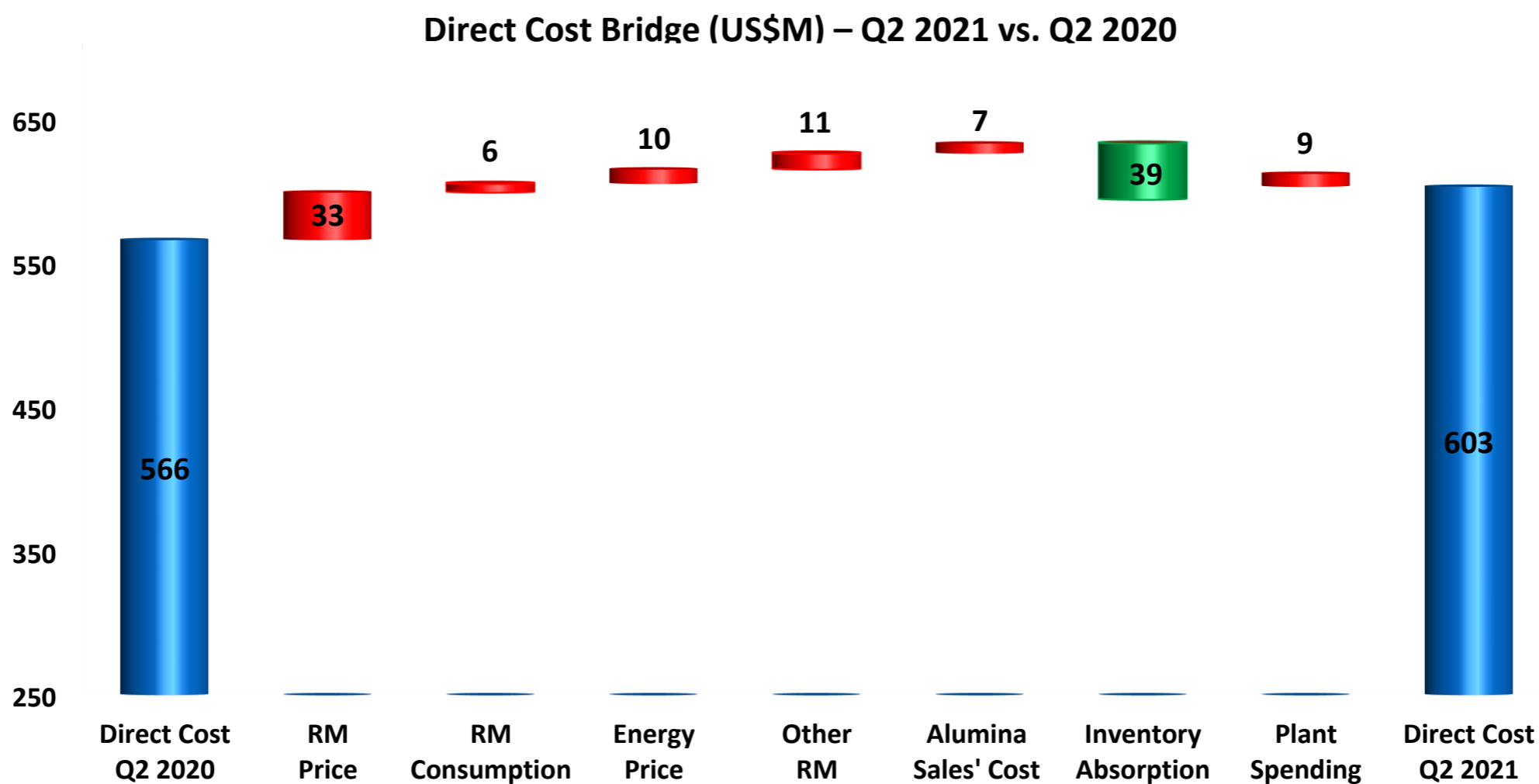


Premium Above LME Trend US\$ Per MT



ALUMINIUM INDUSTRY: STRONG COMEBACK LIFT LME PRICES

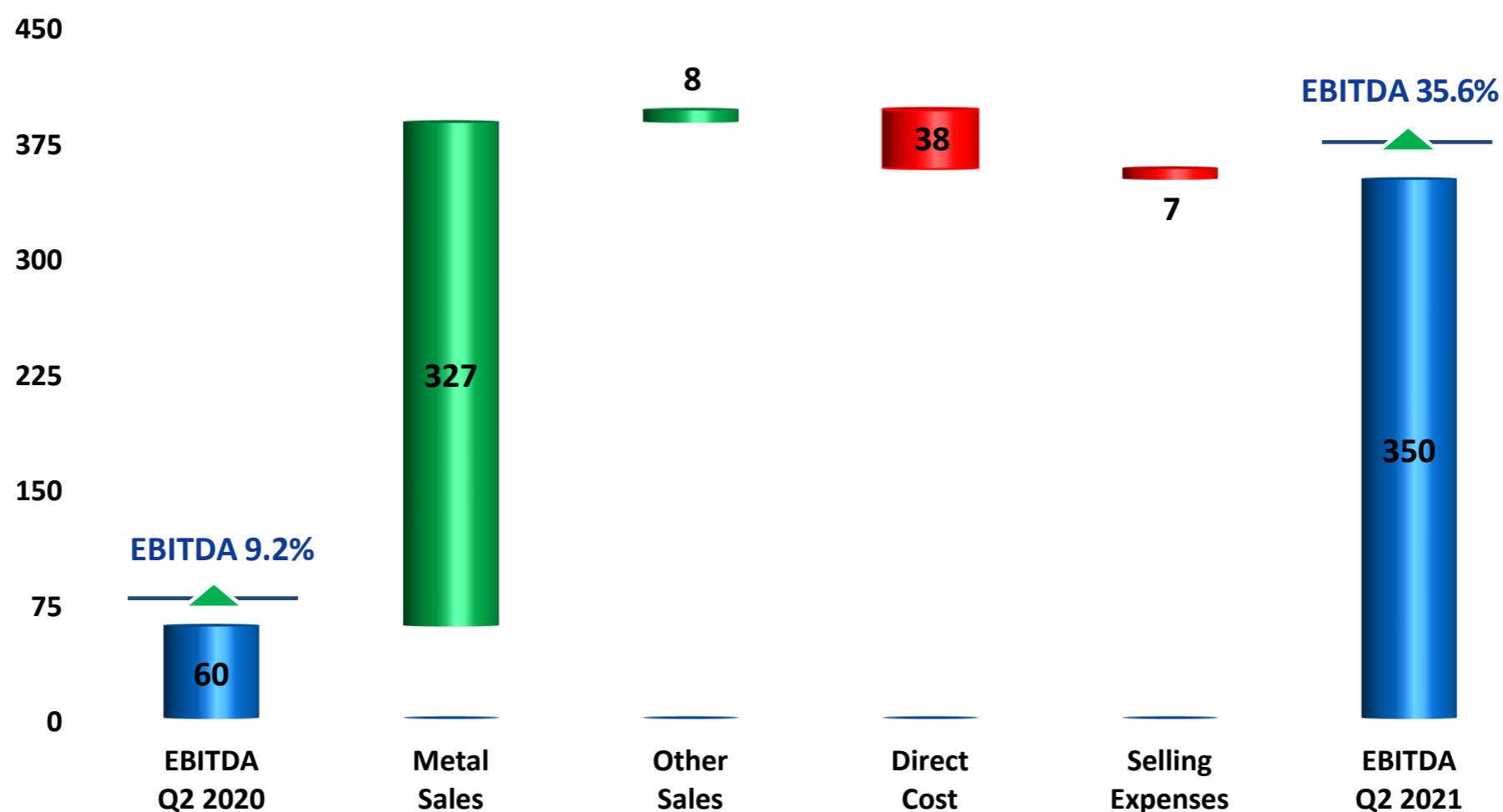
Higher Direct Cost Due to Higher Production, Higher Raw Materials' Cost and Offset by Lower Sales' Volume



ALUMINIUM INDUSTRY: STRONG COMEBACK LIFT LME PRICES

Higher EBITDA Thanks to Higher VAP Sales and Higher LME Prices
Strong EBITDA % at 35.6%

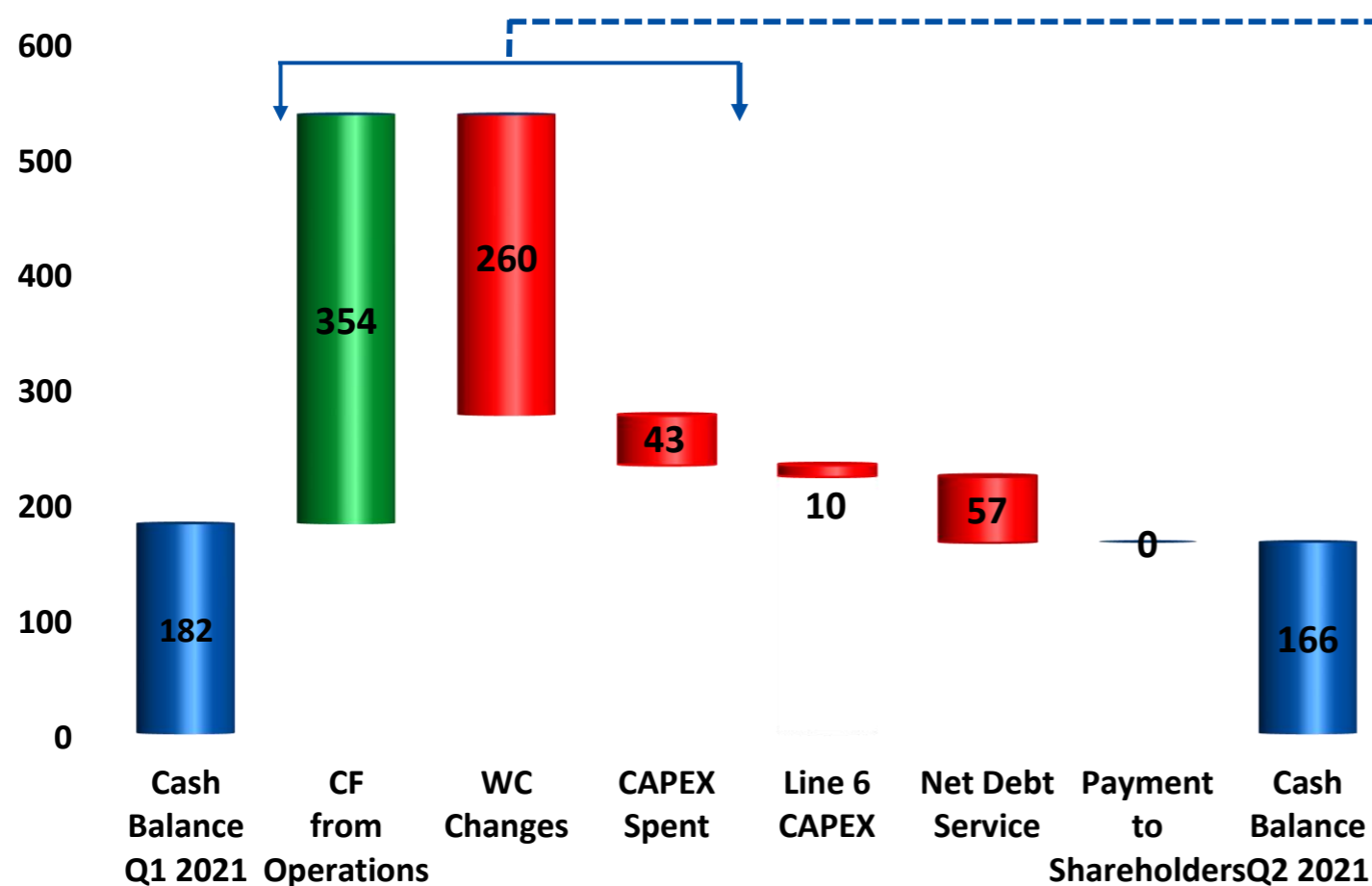
EBITDA Bridge (US\$M) – Q2 2021 vs. Q2 2020



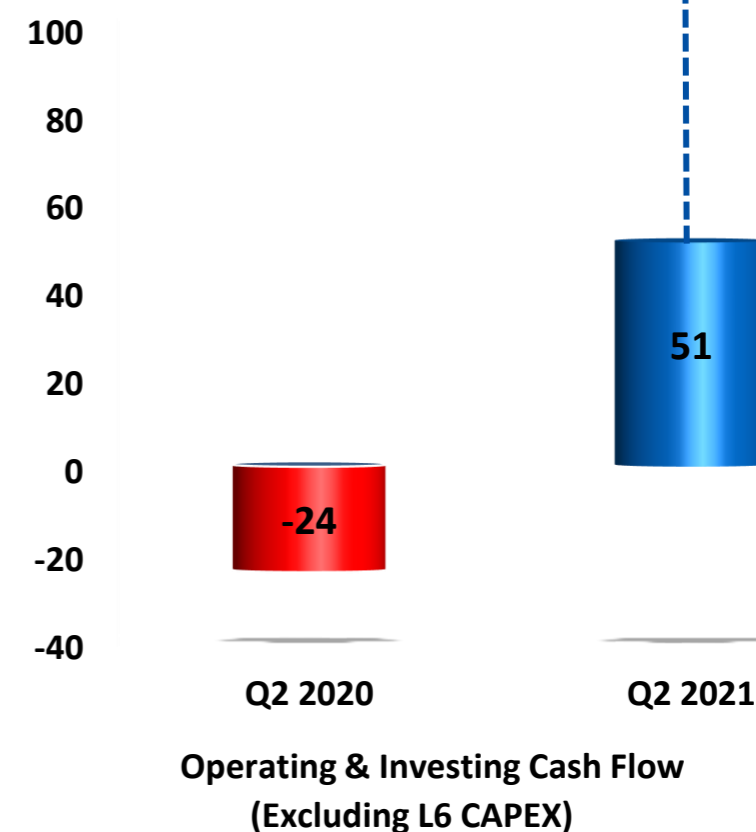
ALUMINIUM INDUSTRY: STRONG COMEBACK LIFT LME PRICES

Cash-Flow Bridge Analysis – Q1 2021 to Q2 2021

Q1 2021 to Q2 2021 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



ALUMINIUM INDUSTRY: STRONG COMEBACK LIFT LME PRICES

Strong Financial Performance Thanks to High LME Prices

Financial Summary	Q2 2021	Q2 2020	H1 2021	H1 2020
Average Cash LME (US\$/MT)	2,399	1,494	2,245	1,592
Average Alumina Price (US\$/MT)	310	286	304	291
Total Sales (US\$M)	984	649	1,789	1,383
EBITDA (US\$M)	350	60	591	193
EBITDA%	35.6%	9.2%	33.0%	14.0%
Net Income/(Loss) (US\$M)	246	(44)	385	(28)
Gain/(Loss) Unrealised Derivatives	-	-	-	(8)
Adjusted Net Income / (Loss)*	246	(44)	385	(20)



04

INDUSTRY PERSPECTIVES¹ IN 2021

INDUSTRY PERSPECTIVES IN 2021

Global Demand to Remain Healthy

- 🌐 Global market is expected to be in deficit of 0.35 million MT in 2021
- 🌐 US and Europe infrastructure deals will support demand recovery
- 🌐 Physical premiums to further increase to compensate for freight costs
- 🌐 Russia's temporary export tax to add fizz in the market and push-up European premiums. US Midwest to rally to attract imports from duty-paying countries with the increase in European premiums
- 🌐 Environmental policies and regulations are expected to evolve rapidly
- 🌐 LME price to range between US\$2,300/t – US\$2,400/t

INDUSTRY PERSPECTIVES IN 2021

Raw Materials Price Trends

- Alumina spot prices are expected to rally up in Q3 & Q4 due to smelting ramp-ups especially in China
- Green Petroleum Coke (GPC) prices expected to reach historical heights amidst shortages and increased appetite from China
- Liquid Pitch prices to remain at the higher range owing to shortage of coal tar and increased demand
- Aluminium Fluoride (AlF_3) prices are to remain stable



05

2021 ALBA PRIORITIES¹

2021 ALBA PRIORITIES

ESG Focus & Journey Towards Safety Excellence

- 🌐 Evolve Towards Safety Excellence & Keep Alba's Human Capital Safe Amidst COVID-19
- 🌐 Support the Government's Initiatives & aim is to have 100% vaccinated workforce
- 🌐 Meet 2021 Production Target of 1,540,000 metric tonnes & Deliver on AL HASSALAH Savings' Target of US\$70 Million by 2021-end
- 🌐 Screen Potential Upstream Opportunities to Secure 1/3 Alumina Requirements & Continue Dialogue with Hangzhou Jinjiang Group Co. Ltd
- 🌐 Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to Penetrate New Markets & Increase VAP Sales
- 🌐 Complete Environmental Conservation Project, 1st of its Kind in the Region, Spent Pot Lining Treatment (SPL) Plant
- 🌐 Focus on Green and Sustainable Initiatives
- 🌐 Release Alba's Fifth Edition of Sustainability Report after Quality Assurance



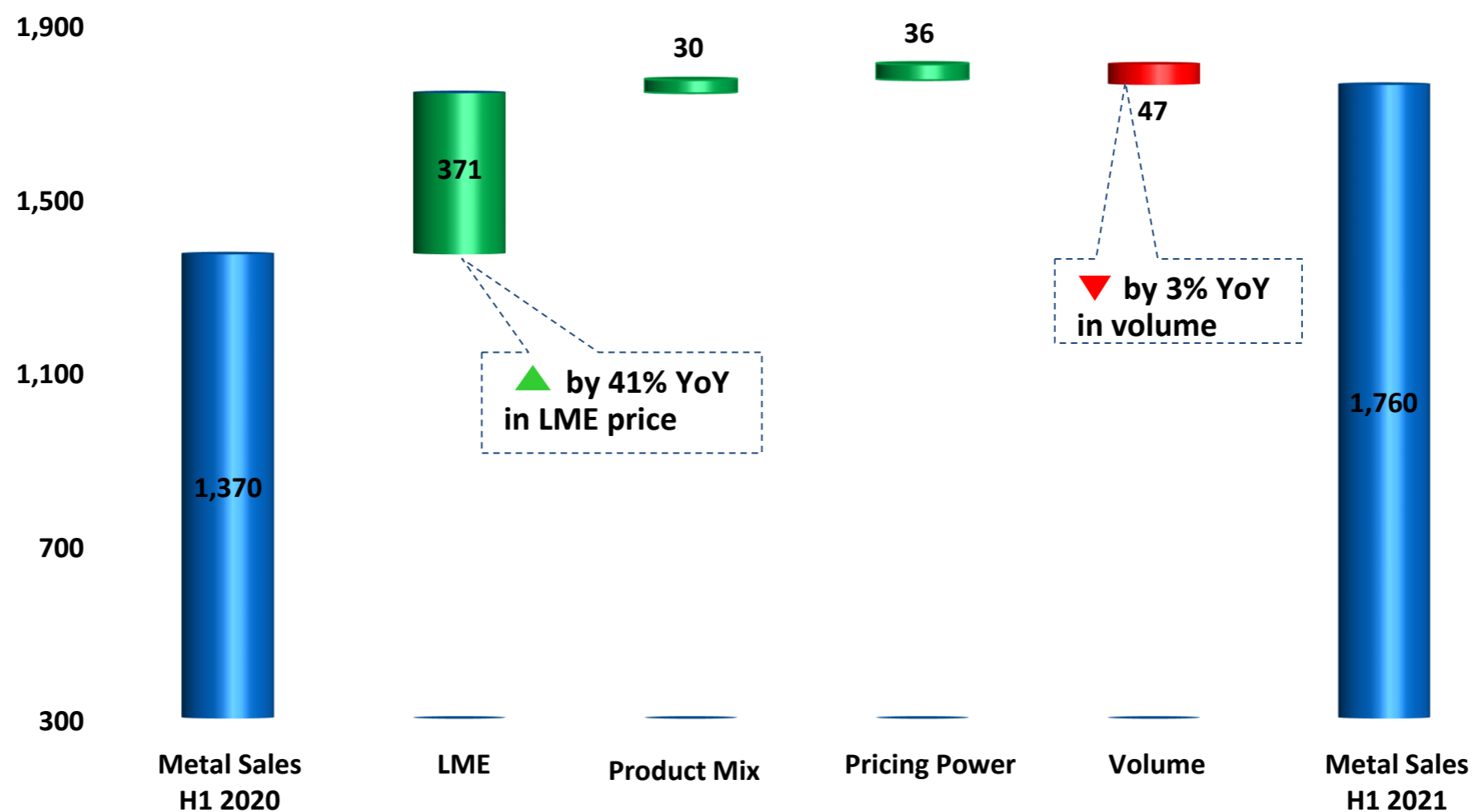
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APPENDIX

ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

Higher Metal Sales Thanks to Higher LME Prices, Higher VAP & Higher Premiums

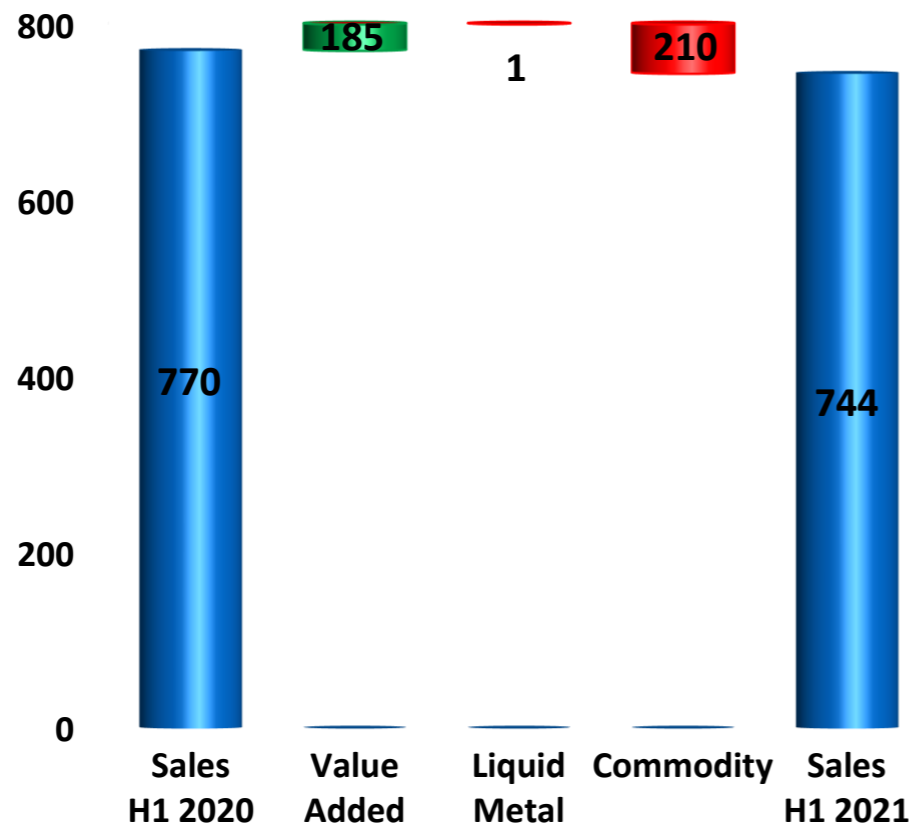
Metal Sales' Bridge (US\$M) – H1 2021 vs. H1 2020



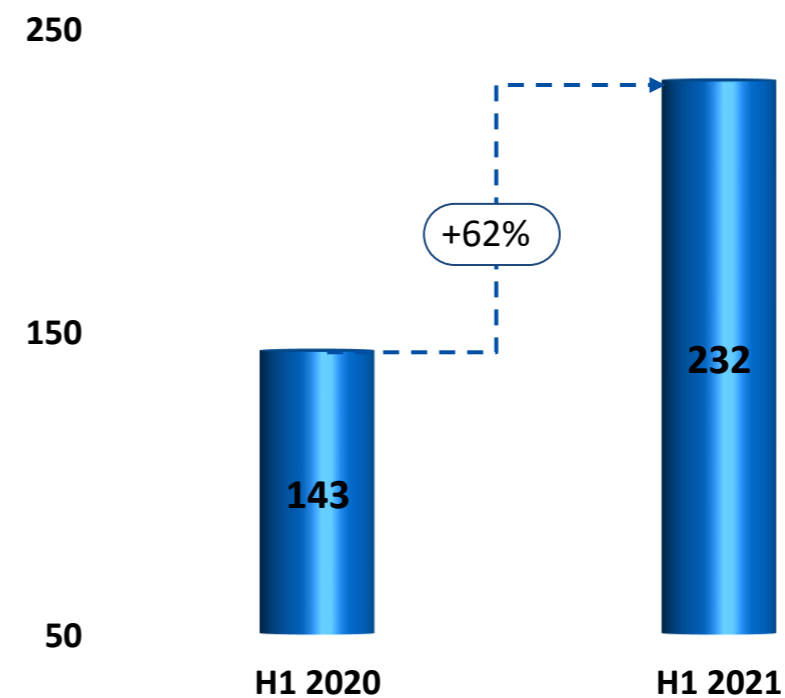
ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

Higher VAP | Lower Commodities' Volume | Higher Premiums

**H1 2021 vs. H1 2020
Sales by Product-Line Bridge (MT'000)**



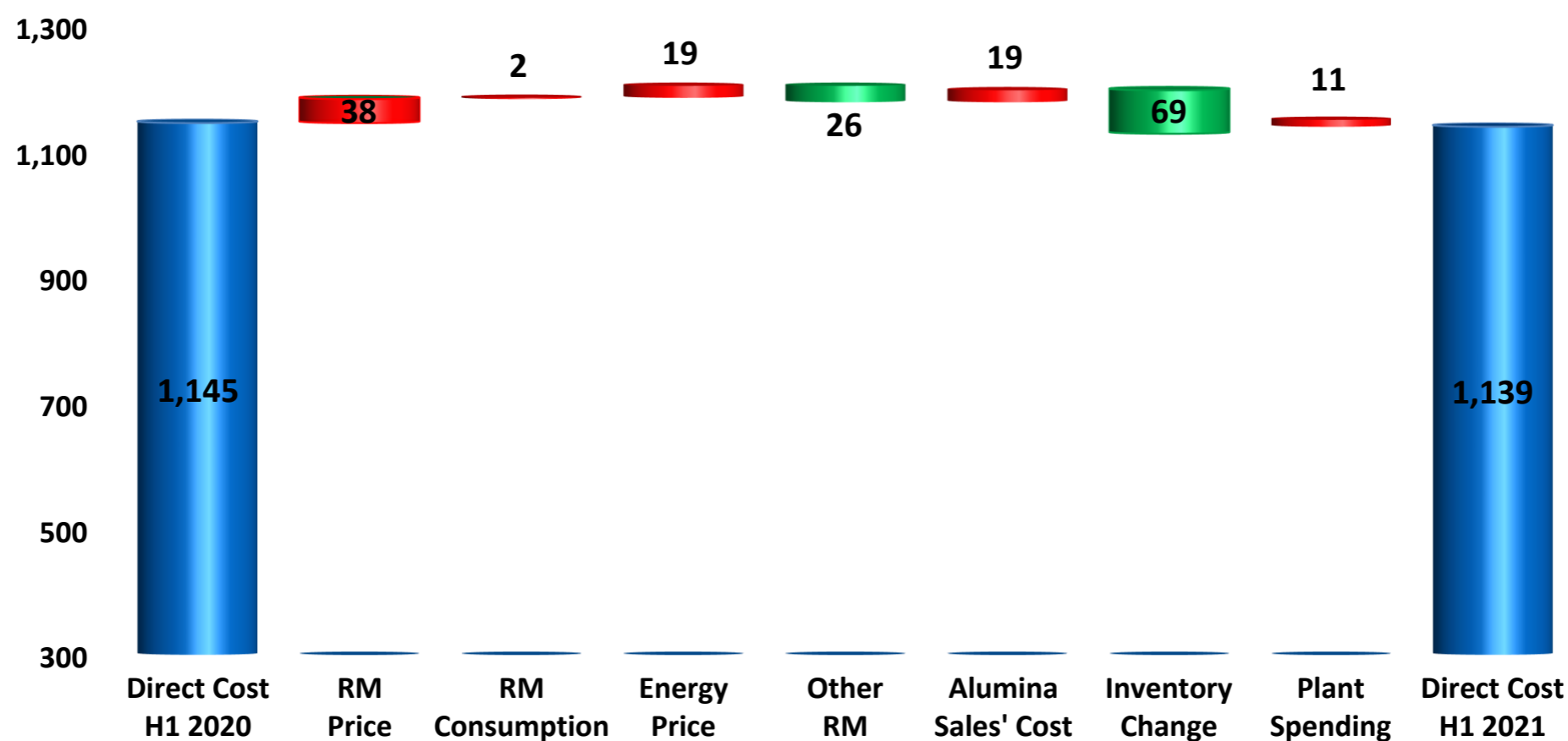
Premium Above LME Trend US\$ Per MT



ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

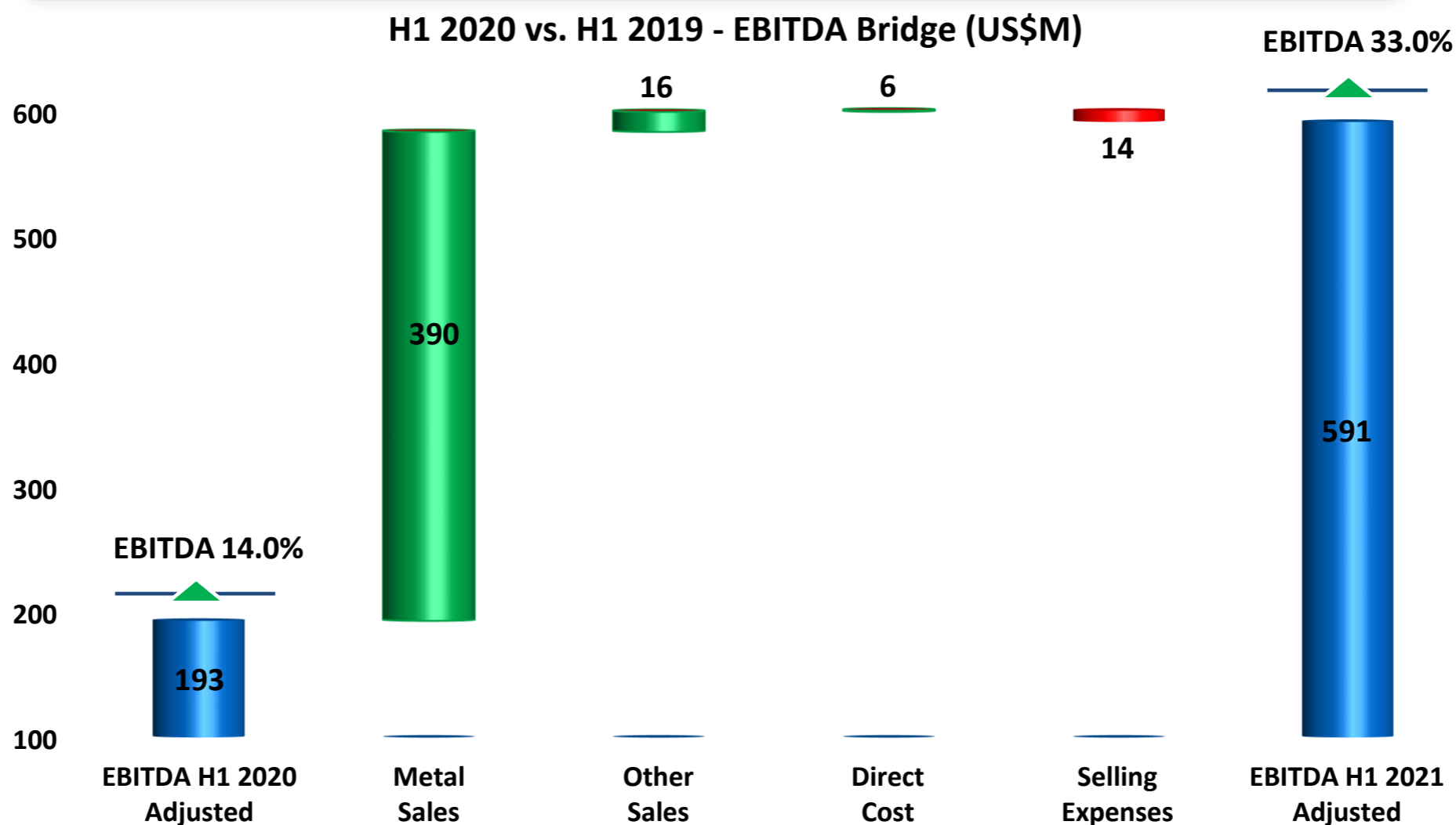
Lower Direct Cost Due to Lower Sales' Volume, Lower Other RM Prices Despite Higher Production

H1 2021 vs. H1 2020 - Direct Cost Bridge (US\$M)



ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

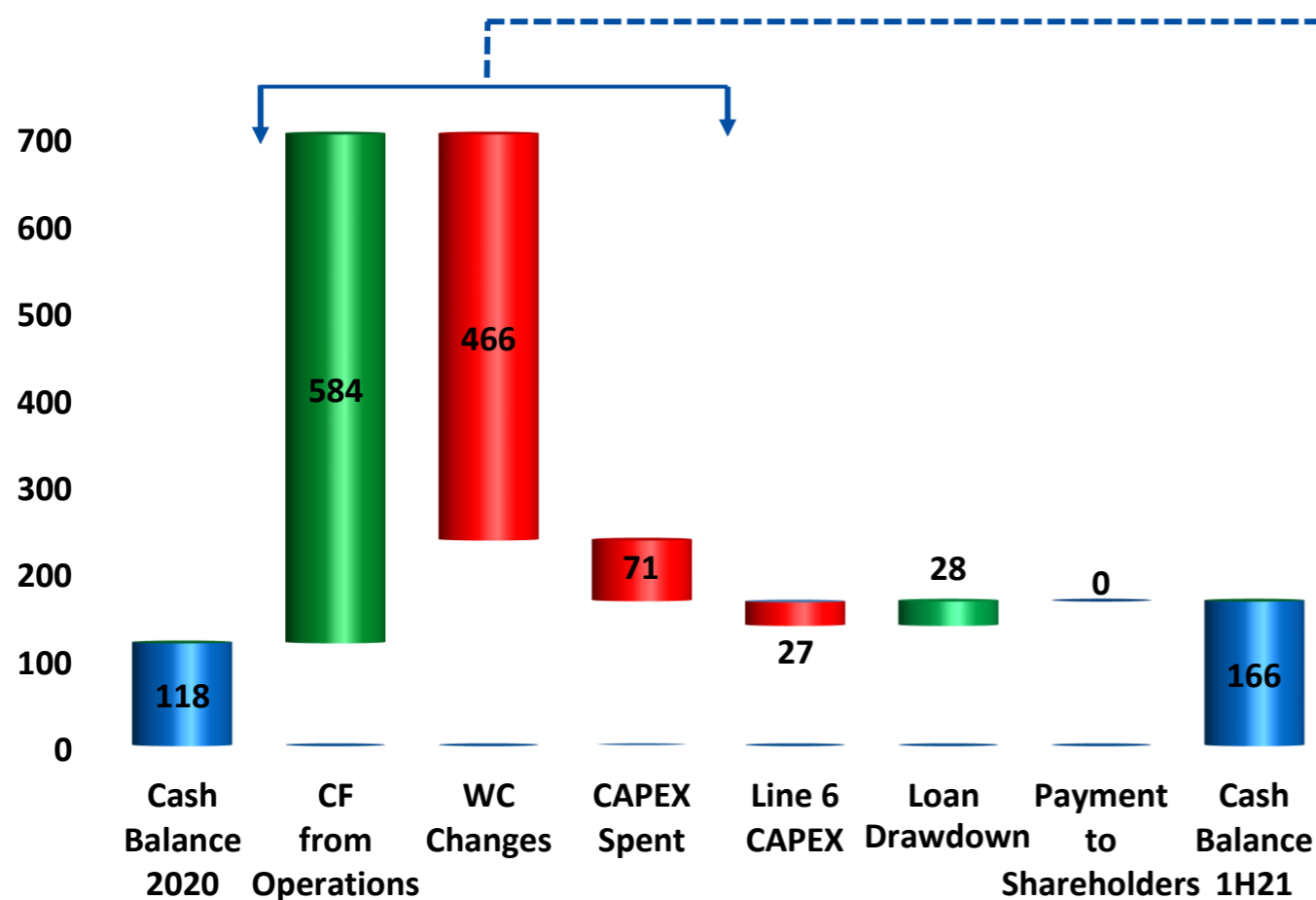
Higher EBITDA Thanks to Higher VAP Sales and Higher LME Prices
Strong EBITDA % at 33.0%



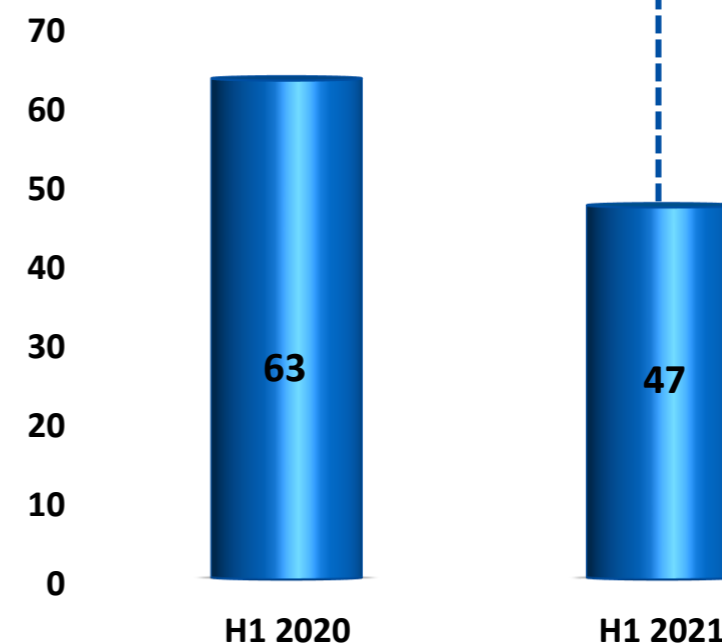
ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

Cash Flow Bridge: H1 2021 vs. FY 2020

FY 2020 to H1 2021 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



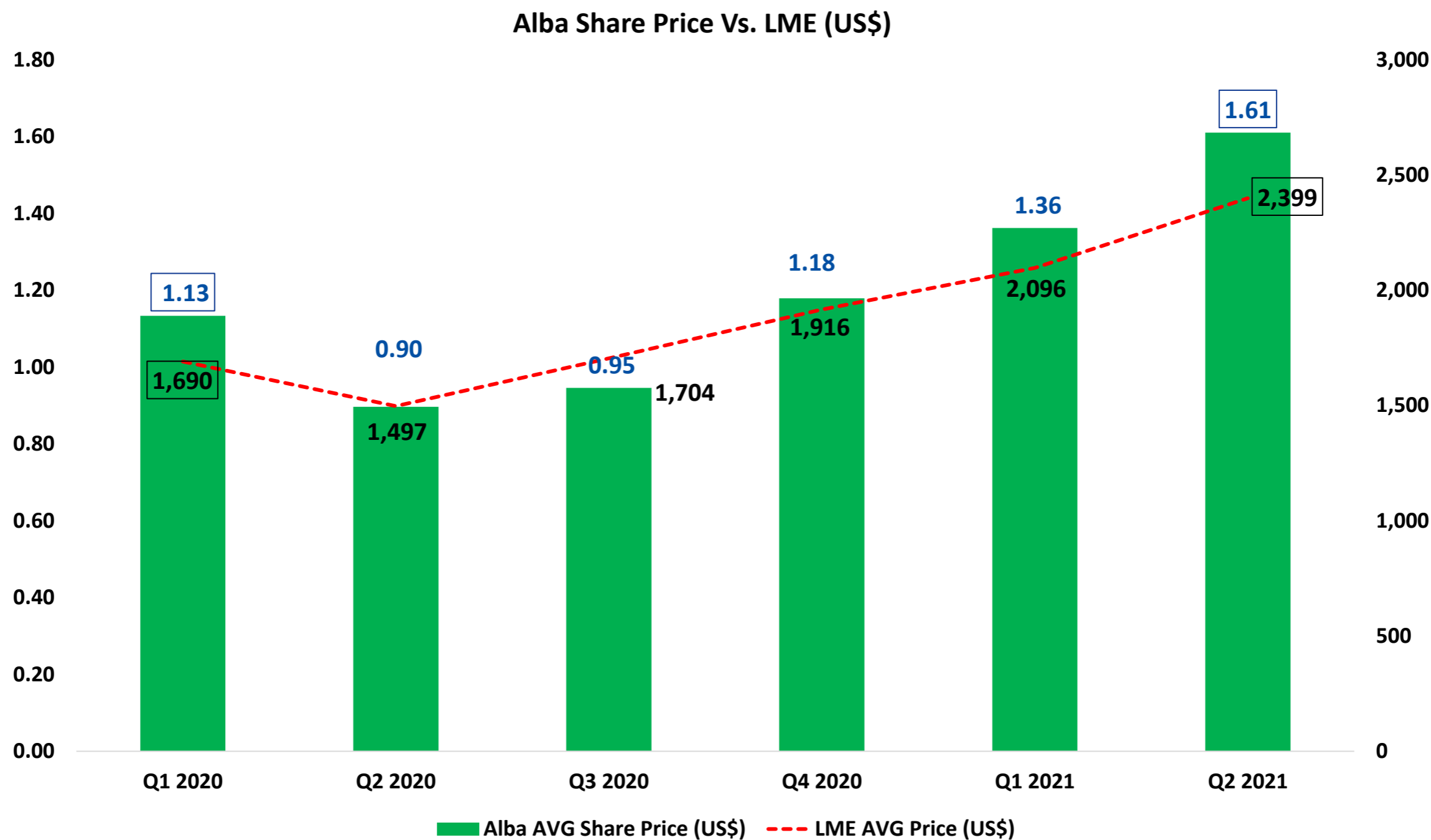
Operating & Investing Cash Flow
(Excluding L6 CAPEX)

ALBA SHAREHOLDERS' STRUCTURE



- Alba was converted into a Bahrain Public Joint Stock Company on 23 November 2010
- Alba shares are listed on two exchanges: Ordinary Shares on Bahrain Bourse and Global Depository Receipts (GDRs) on the London Stock Exchange – Alternative Investment Market
- Alba Ticker [BHB: ALBH, Fils 643 on 30 June 2021]

ALBA SHARE PRICE YoY PERFORMANCE





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