

Disclosure of Material Information**To: Bahrain Bourse**

Aluminium Bahrain B.S.C. (Alba) would like to announce the following material information:

الإفصاح عن معلومات جوهرية

السادة / بورصة البحرين

تعلن ألمنيوم البحرين ش.م.ب. (البا) عن الإفصاح عن معلومات جوهرية المبين تفاصيلها أدناه:

Date	21 February 2024 21 فبراير 2024	التاريخ
Company Name	Aluminium Bahrain B.S.C. (Alba) ألمنيوم البحرين ش.م.ب. (البا)	إسم الشركة
Trading Code	ALBH	رمز التداول
Subject	Aluminium Bahrain B.S.C. (Alba) has conducted its Full Year and Q4 2023 Financial Results' Conference Call on Monday 19 February 2024 at 2 PM. Attached for reference is the Investor Relations (IR) Presentation along with the transcript for the call/webcast. عقدت ألمنيوم البحرين ش.م.ب. (البا) اجتماعاً هاتفياً لمناقشة الأداء المالي للربع الرابع والسنة الكاملة 2023 يوم الإثنين الموافق 19 فبراير 2024 في تمام الساعة 02 ظهراً. تجدون في المرفقات العرض التقديمي لعلاقات المستثمرين للربع الرابع والسنة الكاملة 2023 بالإضافة الى المحضر المفصل لمجريات الاجتماع الهاتفي.	الموضوع
Name	Ms. Eline Hilal	الإسم
Title	Director – Investor Relations, Insurance & Corporate Secretary	المسمى الوظيفي
Company Seal	ختم الشركة	Signature
		Hilal



Aluminum Bahrain Webcast

Monday, 19th February 2024

Introduction

Eline Hilal

Director of Investor Relations, Aluminum Bahrain

Welcome

Speaker [?]: Good afternoon, everyone. On behalf of Sico, I welcome you all to Aluminum Bahrain's 4Q 23 and FY 23 conference call. So we have with us today as always, Alba's management, Ali Al Baqali, CEO, Ahmed Ishaq[?], acting CFO, and Eline Hilal, Director of Investor Relations. So without further ado, let me hand over the call to Eline.

Eline Hilal: Many thanks Anoop for the nice introduction to Alba Management and thanks goes to Melanie for introducing this call. I want to appreciate everyone in attendance today for Alba's Web. We appreciate the time that you'll take in advance by e-meeting with us for the upcoming one hour as we take through Alba financial results for the year ended 2023. Every year quarter, we will start, we have five main sections within the IR presentation. The first section is about the industry major highlights, and I would like to note that all the highlights that you are seeing in these sections are extracted from CRU market intelligence.

After that, we are going to get deeper into Alba's activities for the full year of 2023 with a major focus on the last quarter of 2023. After that, our acting CFO will give us some detailed insights on Alba's financial performance for the full year of 2023, post which our CEO will give us more insights on the industry perspective for the year of 2024 and Alba's priorities for the remainder of the year. And without further ado, can we please move into slide five of the IR presentation?

World Market Demand +1% YoY

In this slide, we are going to explore what has happened for the aluminum consumption worldwide over the course of 2023. As you'll note from the first bullet points, the aluminum consumption saw a very modest growth of 1% year over year. This is mainly due to status economies curbed by rising interest rates, and we have seen back in 2023 as well as inflation ongoing supply chain disruptions and weak consumer confidence from all markets worldwide. We know that the Chinese economies have shown signs of stability, mainly thanks to resilient manufacturing sector and a rebound in the auto and consumer good spending. And this has led to 5% increase in their aluminum consumption year over year.

If we move now to the kingdom of Saudi Arabia, the kingdom of Saudi Arabia's consumption has plunged by 6% year over year, and that has dragged down the demand in the Middle East by about 7% year over year. Moving now to the economy in the United States, we have seen that the economy has been transitioning to a slower pace with labor market easing and

consumers facing increased cost pressure due to the higher interest rates. All of that have led to a drop of 6% year over year in the aluminum demand.

As for Europe, the economy has been sluggish and that was caused by tighter controls on spending. Rising prices in particular, high inflation and a weaker consumer interest have led to a contraction in the aluminum consumption of 8% year over year.

World Market Supply +2% YoY

Moving now to the world market supply, the world market supply has seen a modest increase of plus 4% year over year. If we look first at China, we note that the growth in production has slowed due to winter disruption in the South. So, we have seen the production in China up by 3% year over year, when the consumption was up by 6% year over year, as per the previous slide.

For North America, the production grew by 3% year over year, and this is due to different restart. For the Middle East, the production was overall flat plus 1% year over year with gains in Bahrain and the United Arab Emirates, plus 1% year over year offset by a decline in case eight minus 6% year over year. As you see, the consumption in Saudi Arabia dropped by 7% year over year, while the production in Saudi Arabia was also dropped by 6% year over year. For Europe, the consumption was cut back by 4% year over year due to weak manufacturing activity.

For Russia, the LME stocks of Russian origin have surged to reach 9% of the total LME stocks, while the UK have imposed additional sanctions on the Russian matter. With that in mind and given them the consumption was up by 1% with the world one supply up plus 2%. The world market without China has posted the first surplus since 2020 plus 51,000 metric ton, and the world market is in deficit with China, minus 6,000 metric ton.

LME Price & Premiums

Moving further into the LME prices and the premium. For the LME, the LME cash average \$2,252 per metric ton in 2023, that was down by double digit 17% year over year. The LME price have fluctuated in the fourth quarter between a low of \$2,083 per ton on the 11th December and a high of \$2,336 per ton on the 29th of December. With regards to the inventories, the LME inventories remain low at about 565,000 metric tons by the year end 2023. Despite a 27% increase year over year, and Chinese stocks reached a six year low with regards to the different premiums that we rely on, in particular, major Japanese sports, US Midwest, and Theda[?]. As you'll note in the bottom charts, we have started seeing - we have seen the premiums dropping significantly specifically in the last quarter owing to weak demand and embellished market sentiment.

Alumina Price: 16% of LME Price [US\$362/T]

And with that, we move to the aluminum price on slide number eight. In the first chart, you will see the LME price trend on a quarterly basis, as stated before, the LME price average towards the year end, 2023, \$2,252, while for the first quarter, it was slightly down and it averaged \$2,190 per metric ton. With regards to the price index trend, it was 16% out of the LME price

and the aluminum price for the year of 2023, it was \$362 per ton, that was the aluminum price average.

And with that, we finished from providing you with some general insight on what has happened in the aluminum industry in terms of supply production and inventories for the year of 2023. And now we dive deeper into what has happened in Aluminum Bahrain. All information that you see in this section are based on Alba's official news that have been made public on our website and on the regulator's website.

Safety in Numbers

We always like to start with safety, this is the safety in numbers. We would like to state that on the 31st of December of this year, of the previous year, Alba has achieved 12 million safe working hours without LTI. Actually, last week, Alba has also achieved 14 million safe working hours without LTI. And as we see, the numbers speak louder than words. If we take a closer look at the chart, we see that the recordable injury for the year were nine for 2023 versus nine in the previous year. And in terms of LTI, we had one LTI. As for total injuries, they were slightly higher from 32 in 2022 to reach 35 for the full year of 2023.

Major Environment, Social and Governance (ESG) Highlights

Moving closer into what has happened in Alba with respect to our updates on environment, social and governance highlights, we have reached another milestone in the construction of power station five in block four, with the arrival of the Jack gas turbine on the 16th of October, and we had disclosed that via an official press release. In terms of additional safety milestone, Alba for the seventh consecutive summer or year, we have achieved zero heated related illnesses and injuries. Alba was the first smelter in the GCC to have attained four-star audit rating by the British Safety Council, and this has never happened before in the history of all of Alba.

We have launched in the first quarter of last year, adminis[?] safety campaign. It is called Safety is Driven by Each One of Us as Alba Employees on the 10th of December. This safety campaign was in addition to the official safety and health campaign, which has occurred in the third quarter of the year. We have also released the sixth edition of our ESG report. It used to be previous called Sustainability Report, of course, with quality assurance received from Deloitte and Touche Middle East.

And with regard to our STL treatment plant, we have exceeded the target converting by converting waste into valuable High Cal[?], which is the treated product of the STL, 40,185 metric ton of High Cal produced against the NA[?] plate capacity of 30,000 to 35,000 metric tons, which is labor capacity of the Lining Treatment plan.

ESG Journey by 2035

Slide 12. This is a repackaged slide where we are refreshing you and refreshing ourselves by the major priorities underscoring our ESG roadmap. As you know, we have six major priorities, decarbonization one the second priority is green energy and aluminum. The third one is circular

economy and secondary aluminum. The fourth one is employee welfare. The fifth one is collaboration and partnership.

And the last one is transparency, communication and due diligence. And this is what we are doing as a team in terms of keeping you posted and updated at all banks. If we take a look at the nice timeline in front of you, this timeline has been made in line with the government of Bahrain directors on what we should be doing by 2035, and we have listed in the bottom what we would like to and what we are currently doing.

As you see, Alba has previously issued a tender to establish its own solar farm that has a capacity to produce 6.53 megawatt of solar energy. The tender has been awarded, and we will be giving you more updates by the CEO in Alba's priorities, the last section within the presentation. In terms of efficiency upgrade, I have noted in the previous slide that we have received the gas turbine by Mitsubishi. And we are anticipating the commissioning of power station five block four within the last quarter of this year. Once fully commissioned, that will help us reduce our greenhouse gas intensity ratio by 0.5 times. Commissioning line seven and retiring line one to three. This is going to be based on the completion of the feasibility study within the first quarter and the second quarter of this year.

In terms of what we will be doing starting from 2025 to 2027, we are looking at a resulting facility that will help us reach our green aluminum targets and government collaboration. I would like to highlight that has issued a public tender last year to establish to call vendors to establish a big solar farm, all renewable energy that has the capacity to provide us with at least 500 megawatts and through a long-term offtake agreement. More information will be shared in due course with respect to this kind of initiative.

All-Time Production (1620,665 MT; + 1.3% YoY)

Moving further into slide 13, we have happily achieved and had an all time production record of more than 1,620,000 metric ton, which is a 1.3% increase year over year. A disclosure also has been lodged in this regard.

Operational Highlights (Full Year)

Moving further into our operational highlights for the year on slide 14, our sales volume has rose to 1,603,000 metric tons despite the market challenges that we have seen previously within the industry highlights, and that is corresponding to plus 0.2% year over year.

We have closed last year with an all time net finished production of more than 1,620,000 metric tons. Our value add averaged 68% of our total shipment versus 66% in the previous year. Our vast sales volume have exceeded for the first time more than 1,090,000 metric tons, which is an increase of 5.1% year over year. We have also inked on 23 January 2024, a 10-year gas supply agreement with energies with a fixed price structure for the five year period at \$4 per MMBTU.

This year, we have been the recipient of two major investor relations award for the 2023 by the Middle East Investor Relations Association. We have also upscaled more than 650 employees through our various programs adopted in Alba, such as ER[?], skill matrix and comprehensive training and development program, which are devised for every single employee in the company. We have also celebrated our female employees on the occasion of Bahrain's Women's Day on the 8th of December of last year. And through our consistent efforts, al top

up[?], we have maintained our \$150.34 million in achieved savings exactly as for what we have achieved for the year of 2022.

Sales by Geographic Footprint

With regards to our sales by geographic footprint, we have maintained our sales in Bahrain. In fact, we have increased our sales contribution to the Kingdom of Bahrain from 25% in 2022 to 26.2% for the year of 2023. We have also have another 24% in the Europe continent, followed by the Middle East and North Africa region of 20.6%. Asia, slightly higher than Americas at 14.9%, almost 15%. While America's sales is at 14.3%. It is forced to note that as we stated before, the Bahrain 26.2% locally in Bahrain and the West, 73.8 of our product are exported worldwide to our different offices, whether it is in Zurich, in Atlanta, US as a subsidiary or sales office as well in Singapore.

All these details have been included in our report of the board of directors, which is attached to Alba Financial for the year of 2023.

Sales' Breakdown by Product-Line

With regards to Alba's breakdown by the product line, we have seen bullets at 31.9%, almost 32%. We have 5.8%, which is the high cur[?] metal. This is also considered as a value added product at 5.8%. We have sold as well a slab rolling slab. 8.6% of our products were sold in rolling slab. Foundry allo is at 22%, and the rest is divided between liquid metal when that goes directly to Alba at 18.8%, and the remaining 12.9% in terms of tender.

Financial Key Performance Indicators - Q4 & FY 2023

With regards of the financial KPI on slide number 17, this is a very high level screenshot on the major financial KPIs. Our EBITDA was impacted by a double digit drop in the LME price, it was close to 17%, and it dropped in our premium more than 30% for the full year of 2023. That has brought our EBITDA down to \$804 million, down by 46% year over year. Of course, the same also applies to Q4 because of your LME prices and premium, and you can check that in the last section of utilization within the appendix.

With regards to the net income, it was driven by lower EBITDA levels. For the full year, we had \$314 million in profit, down by 72% year over year. Again, this is owing to lower LME prices and a premium free cash flow. It was impacted by working capital changes. For the full year, it was \$652 million, down by 47% year over year, and for the first quarter, it was \$255 million, down by 50% year over year. Also, on the 14th of February last week, our board of directors have recommended a final dividend of \$60 million for the year ended 2023, noting that Alba has processed and paid to its shareholders and an interim dividend for the year of 2023, \$50 million. That was paid after the 31st of August of 2023.

With that consideration, \$50 million for the interim dividend, which was paid, and the \$60 million to be paid after the annual general meeting on 7th of March, that will have a total

dividend of \$110 million for the year ended 2023, corresponding to 35% as a dividend payout ratio.

Alba Share Price Performance [ALBH, Bahraini Dinars]

Our share price has increased by 5% year over year. The highest in 2023, it was 1.275. Today, we are not too far from that as of the trading day for today. And we have ended last year at 145 fifth[?].

Operational Productivity

In terms of our operational productivity, if we look at the total headcount for the year, our full-time employees are at 3,150, an increase of four employees versus last year. And in terms of our contractors, we have slightly, the number has slightly went up from 1,025 to 1,113. In terms of value added sales, as noted before, we have closed 2023 with 68% versus 66% for 2022. And of course, an increase or in terms of absolute numbers, it was more than 1,095,000 metric ton versus 1,042,000 metric ton for 2022.

In accounts receivable, day trends were all maintain the same and the same 46 versus 45. As for the inventory days, we have reduced our inventory days by seven days from 110 in 2022 to 103 for 2026.

Net Debt to EBITDA Ratio Trend

In terms of our red debt to EBITDA, this is in line with our covenant issue with lenders. We have ended 2023 with 1.74 times. You will see that it is slightly higher than the year end, 2022. This is of course to lower EBITDA, which is driven by lower LME price and a lower premium. And with that, I will end this section and I will leave the floor to our active CFO to take you in details into Alba's financial performance for the full year of 2023.

Financial Performance

Ahmed Ishaq

Acting CFO, Aluminum Bahrain

Aluminium Industry: Volatile and Weak Market Sentiment

Ahmed Ishaq: Thank you, Eline. And good afternoon to all. I'll be taking you through the financial highlight for the year 2023 in comparison to the year 2022. So starting at page 22, looking at our metal sales spread for the year 2023, we have total over of around \$4 billion and 85 million down from last year by around \$800 million. And this is mainly contributed because of the drop and the prices, as well as the index premium prices. This was offset against our high sales volume, and this contributed positively of around \$109 million.

Moving on, on page 23, and this is where we look at our sales volume as well as with our premium. When it comes to the sales volume, we have managed to increase our sales volume overall by 35,000 tons. This is mainly contributed because of our high value added sales of 54,000, and our liquid method as well has increased by 23,000 ton. When it comes to the premium, our average premium in the year 2023 reported at \$289 per metric ton reduced from last year by 35%.

Moving on, on our operating and direct cost overall has been a slight improvement from last year by around \$20 million. And this is mainly contributed positively because of the drop in the

raw material prices, as well as we have seen the prices drop. We have also seen the raw material prices drop after the inflation, and this was offset against the height spending in our conception, mainly because our partner finished project has increased from this year comparing to last year. We are also noting that on the energy price in 2023, our gas price were four from January at the end of the year, whereas in 2022, the gas price of \$4 started from April on.

Looking at the EBITDA position, our EBITDA for the year is \$804 million. Our EBITDA margin is 20%, as we highlighted in the previous slide. The main reason of the drop is mainly because of the LME and the premium index prices. But also, there has been favorable changes when come to the freight charges in comparing to the year 2022. On our cashflow bridge, we ended the year 2023 with our cash position of \$159 million. This contributed positively from our operation, mainly from the EBITDA and even the working capital changes that has been side to improvement comparing to last year.

Our spending continued on the maintenance activity of 281. Block four relating spending for the year is \$115 million, and also the dividend for the year 2023, we paid in total of \$373 million. Now, looking at the summary highlight on page 27, so the key event here we had the price drop from last year to this year by over 400 dollar per metric ton. Also, the females indicated by Eline has dropped by double from last year to this year percentage. So this result with our EBITDA of \$804 million and our profitability for the year ended at \$314 million. This is all from my side on the financial highlight. Now, I'll hand it over to our chief executive officer to cover the remaining of the presentation. Thank you.

Mixed Macroeconomic Outlook: Supply Constraints & Demand Upturn

Al Biqali: Thank you, Ahmed. Good afternoon. Good morning, everybody. I will go through very fast on the industry perspective. I'll give a summary on what happened in the market. We feel that the market is still volatile due to many reasons. One of them, Eline already mentioned it in the beginning of the presentation about the high interest rate, disruptions in the supply chains because of the Red Sea, as well as the inflation still is in the higher side. But however, the mean lower demand comes from the construction sector, which is still, we are feeling putting pressure on the demand.

However, based on the market intelligent report and all the conferences we attended and many meetings with the customers, the market will be a little - will be start picking up from a quarter three this year, we will see that the demand as well as the five, it'll be going increased slightly.

Raw Materials Price Trends

In terms of the major raw material, for the major raw material, we have aluminum is the most important or the bigger cost for us. The price, little bit on the higher side, because of Chinese, they are importing some aluminum from the rest of the world.

But in terms of aluminum, aluminum fluoride and carbon product like GBC, CBC, I know it is the price are almost likely similar to the quarter three and quarter three prices, a liquid pitch. We feel that the price is going down a little bit, which is a good indication for us. And liquid pitch, normally it is photo, liquid pitch, as well as the carbon product. I mean, it is almost, they are following the oil price.

Evolving Beyond ESG & Safety Standards

If we move to Alba priorities in 2024, definitely our top priority is 50. We completed the 14 million hours without LTI, we entered the year with the good momentum in safety, and we are pushing all the shop floor people, all the employees, all the contractors to maintain the same motivations to increase our safety, because we believe that if you have a good record in safety, if you are in a player[?], definitely this will reflect directly on your productions efficiency as well as profitability.

We are already progressing, as I mentioned to you in the update on our ESG roadmap, to achieve the target of net carbon zero. But for you to understand that our big challenge is to secure the renewable energy, either from the solar farms or from the wind, but this is a big challenge for us in terms of efficiency. We are doing a lot of things inhouse to improve. One of them ensure the explain about the block four in the power station, and despite itself, it reduced almost half ton of our carbon intensity.

We are going to push our productions to achieve at least higher than what we achieved in 2023. This is a challenge for us, but this is really the mandate and objective for all Alba employees and the management to achieve it. As we also we launch a new program, Eline has at three years programs to achieve \$150 million. In terms of other certificates like SI, and we are doing and recertified for this one. But we are heading to complete the Power Station five block four by quarter 4 this year.

And for nine seven, actually, nine seven, we give new mandate to back to complete a class three estimate by a quarter two. This should be happened in February this year. But our board requested more information from back to provide in order to make a final decision on line seven to go ahead or not by this.

CEO Annual Majlis 2024

Also, I would like just to highlight, there is some objectives. We have it in mind, I make list beginning of this year. These are the four main objectives for the company and these objectives getting every executive and department in order to draw their own objective to achieve this thing.

The 50 is the top one, which means we want help all employees to come from their home, stay, work at Alba for eight hours daily, and they leave to their houses also. This is the main objective for us. Then strategy refresh. We are already working with the management and with the board to refresh our strategy because we have the five year strategy. We'd like also to refresh it. That one we, which we achieved, we have to Annie[?] let's focus on it, and the new challenges because of the CA[?] and other environmental issue, we have also, to put it adaptable priority for us in order to achieve it in the coming three years.

Here is a new program. It is a digitalization one. We are going to introduce the industry 4.0, and we have to cope with all these things in the future in order to certify Alba for industry 4.0. Definitely our human capital is the most important for us. We are plan to upscale and reskill all the employees, especially the longest standing employee, the one who are not getting the opportunity to continue their studies. We are going to support them with this technical studies in order to increase their skills to cope with the challenges we have in the future. By this, I think we are ending the IR presentation. I will leave the floor for Eline to handle the Q&A session. Thank you.

Q&A

Eline Hilal: Thank you. Thank you, Batan[?]. Melanie?

Operator: Thank you. As a reminder, to ask a question, you will need to press star one and one on your telephone and wait for your name to be announced. To withdraw your question, please press star one and one again. If you wish to ask a question by the webcast, please type it into this box and click submit. Please stand by while we compile the Q&A queue. Yes, our first question comes from the line of Akash Tomar from Sico. Please go ahead with your question.

Akash Tomar (Sico Bank): Hi, thank you management for the time and for the call. Congratulations on your result.

Eline Hilal: Akash, if you do not mind can you please increase the tone of your voice because we are not able to hear it?

Akash Tomar (Sico Bank): Yes. Hi, can you hear me now?

Eline Hilal: Yes.

Akash Tomar (Sico Bank): Yes. I was saying thank you for the call and congratulations on the result. I have two questions. First one is on block four. Can you give us some colors on how much efficiency gains you are expecting, either in dollar terms or any indication on the efficiency gains from block four and second is on the Coke and pitch liquid pitch costs. Are you seeing a declining trend there? So these two questions please.

Al Biqali: Yeah. For the power station block four, the efficiency is increasing. Our efficiency overall will increase as our gas consumption will reduce. This is the main thing for you to understand. Once block four is in operation, it'll reduce our consumption in natural gas. In terms of the liquid pitch, yes, the price is declining. And if you compare it to quarter four, because we secure quarter one and the quarter one supply, because we have a long term supply agreement, but the price is on a quarterly basis, we see there is a big drop from quarter four to quarter one.

Eline Hilal: Thank you. I would like to add too, Akash, one thing, and the efficiency of power station five is %54. We will start seeing the benefits once block four is fully commissioned. So we will see the benefits by the end of 2025, because it'll be commissioned hopefully within Q4 of this year. So you will need to wait one year to see the full results of the benefits or the efficiency that alba experience with the conditioning of a block four. And that will also lead to a reduction in our greenhouse gas emission intensity ratio by 0.5 tons of C2 per one ton of aluminum produce.

Akash Tomar (Sico Bank): Oh, that is very helpful. Thank you.

Operator: Thank you. There are no further questions from the audio, so I'll hand back to you for some other questions.

Speaker [?]: Yeah. Melanie, I have a couple of questions. First is on the aluminum price, can you please tell us what are you all seeing in the index right now? What is the price right now that you are seeing in the index? And secondly, just a follow up to Akash's question. The Coke and pitch prices have dropped a lot over the year. I mean, in the 4Q results, was the entire gain realized from the drop, or do you think there is still some potential for cost to fall in those raw material costs to fall in the first quarter?

Al Biqali: Yeah, for the aluminum, the index price is within the range of \$350 per metric tons. Okay. And we are using almost two tons to produce one ton of aluminum for the liquid pitch and other major raw material. You will see realize the price will be coming because we are buying the material. The impact will be two months or three months life value, you'll see. Our cost there is improvement and we do foresee the price continue to drop will have even further improvement in our margin.

Speaker [?]: Okay, understood. And regarding the 500 megawatt solar park, have you seen any expressions of interest so far? I mean, what is the progress on that? Any timelines you have in mind or anything, any update on that would be very helpful.

Al Biqali: We have many letters here from the interested investors, but the main challenge for them is to allocate the land because 500 megawatts, you need at least 10 to 13 square kilometers to secure that. Bahrain is an island, but we are open for any idea to come from these investors, either to have it in Bahrain in smaller scale, not necessarily 500 megawatt, even if we get 200, 300 or whatever we available, we are going to take it from the market.

Speaker [?]: Okay. Understood. Thank you. Thank you so much.

Eline Hilal: Do we have any other question, Melanie?

Operator: We have one more question from the audio. We will go with that question now. Please stand by. Our next question comes from the line of Arqaam Capital. Please go ahead.

Speaker [?]: Yes, thank you for the call and for the presentation. Couple of questions for me, if I may, if you can take it one by one. So regarding the expansion of block four can you just share with us how much does represent of the current capacities and you mentioned that it should result in lower consumption of natural gas. Can we get round figure about how much of consumption in terms of percentage it could result?

Al Biqali: I can tell you what is the capacity will be generated from at block four. Block four will produce additional megawatt, 680 megawatts, and we are roughly using now our consumption for megawatts is around 2,700 megawatts, which is a big contribution almost, and we are going to close any efficient power stations. This will contribute in our efficiency and reduction in the gas consumption.

Speaker [?]: Yes. Okay. That's clear. And can you give us guidance on the CapEx for 2024?

Al Biqali: So CapEx, the total CapEx on yearly basis, we are around \$100 million. The maintenance CapEx.

Speaker [?]: Yeah, that is maintenance. Regarding total, does this include the block four, the remaining CapEx?

Al Biqali: Block four is separate CapEx.

Ahmed Ishaq: So, for block four, we have almost paid the majority when it comes to the milestone, I think what is left for last year, so in 2023, we had paid around \$100 something million. So in 2024, we expect it to be the last milestone payment, but there will be some retention until the commissioning is done upon call requirement, then the last payment would be made as a common sort of practice of any major project.

Speaker [?]: Yes, clear. And on dividends, I've seen that it is came lower for 2023, which makes sense because of lower earnings, but the payout ratio was even lower. So, can you give

us a reason? Do you see that the balance sheet is already stretched? How would you see the dividends going forward?

Al Biqali: No, for the dividends, yes, you are right, as the dividends payout ratio, 2023 is lower than 2022. But the reason, the main reason because we are planning to go for extension and this is only expected by the shareholders that we have to be reasonable in paying dividends. And this isn't the operation, 35% is not a small percentage. I feel within this industry norm higher, more than the area, 35% also is good.

Eline Hilal: Then just to give you some market intel. Oh go ahead, proceed with the question.

Speaker [?]: No, just on the expansion, line seven. So do, do you think that would be mainly from debt and the free cash flow generation of the firm?

Ahmed Ishaq: We still not decide because this is part of the bankable study. We are in the process also to assign or to award a bank to see the feasibility, how to finance line seven, either from, as you said, what will be the contribution for equity side, conventional loan or ECS. This will be provided at later stage. Once the feasibility study is completed, we can share it with the bank and the bank, they will give us the proposal.

Speaker [?]: Yes. Clear. I'm just testing if there is, could be lower payout ratios going forward for dividends.

Al Biqali: It depends. I cannot confirm now it depends on how we are going to finance line seven.

Speaker [?]: Okay. Clear. My last question on the supply chain, do you see any disruption from the Red Sea conflict?

Al Biqali: For impound, we don't have any issue because majority of our supply come from the major raw material come either from Australia or from China, or this is not coming through the Red Sea. But from customer side, while we are shipping to Europe yet, but we already communicated, but we don't have a problem with disruption. But the problem is increasing our insurance as well as the Fed is increasing little bit, but we are taking the longer route, which is making GA[?] little bit to our customers, but this is already communicated to the customers and they revised their plan and delivery.

Speaker [?]: And the higher freight cost is on the client.

Eline Hilal: What did you say? Yeah, what did you say would be?

Speaker [?]: The freight cost is mainly on the client?

Al Biqali: No, the freight cost actually for the short period, it will not be on the client, but if this continues, it'll be reflected directly in the premium because the premium or just automatically, because part of the premium is cover the insurance and the freight cost.

Speaker [?]: Yes. Clear. Okay. Thank you.

Operator: Thank you. There are no further audio questions at this time, so I'll hand the call back to Eline.

Eline Hilal: Thank you, Melanie. We have received a question on the screen from Bahrain National Holding from Aditya Dugar. So the first question is, despite VAP share increasing, why declining LME premiums in the last quarter? So the premium, of course, it'll decline if you check

the IR presentation a quarter over quarter, the LME price has been going down. So this is one reason. Another reason is the market sentiment, the consumer spending is not as high as before, so people are extremely cautious and spending, and that has led to lower consumption quarter over quarter. And this is why the premium has gone down.

Why have the Sales in US decreased year-on-year? We have mentioned earlier in the industry highlights that US economy has been slowly transitioning into a very slow pace with consumers facing increased cost pressure due to higher interest rate – this has led to a 6% drop in consumption in 2023. While we shipped less to US, we have been nimble in shifting the volume to other regions.

In terms of the insurance and transportation cost pressure. That has already been addressed by the CEO indirectly. If we are going to see a persistent pressure on the freight or what's happening today in the Red Sea, the premium will be adjusted accordingly. And will the insurance cost be borne by Alba or FOB? So that has already been addressed. For the case, a cost system update. There is no update as of today. For any further, we will have to wait until you hear from us officially on any progress with respect to the KSA process.

Any other questions, Melanie?

Operator: There are no questions from the audio at this time. Thank you.

Eline Hilal: Thank you very much. We take the opportunity on behalf of the CEO and the acting CFO to thank you for joining us for the last one hour for this webcast. If you have any questions, please feel free and drop us your questions into IR at [Alba.com.bh](mailto:IR@Alba.com.bh), and we will address them. Thank you very much and we will connect with you for the first quarter of 2024 webcast.

[END OF TRANSCRIPT]



INVESTOR RELATIONS PRESENTATION

2023



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01

INDUSTRY HIGHLIGHTS¹



World Market Demand +1% YoY

- Aluminium consumption saw a modest growth globally due to stagnant economies curbed by rising interest rates and inflation, ongoing supply chain disruptions and weak consumer confidence
- Chinese economy showed signs of stability fueled by resilient manufacturing sector and a rebound in auto sector and consumer goods spending (+ 5% YoY)
- KSA's aluminium consumption plunged by 6% YoY, dragging down the demand in Middle East by 7% YoY
- US economy is transitioning to a slower pace with labor market easing and consumers facing increased cost pressure due to higher interest rates – led to a drop of 6% YoY in aluminium demand
- Europe: sluggish economy caused by tighter controls on spending, rising prices (high inflation) and weaker consumer interest have led to a contraction in aluminium consumption (-8% YoY)



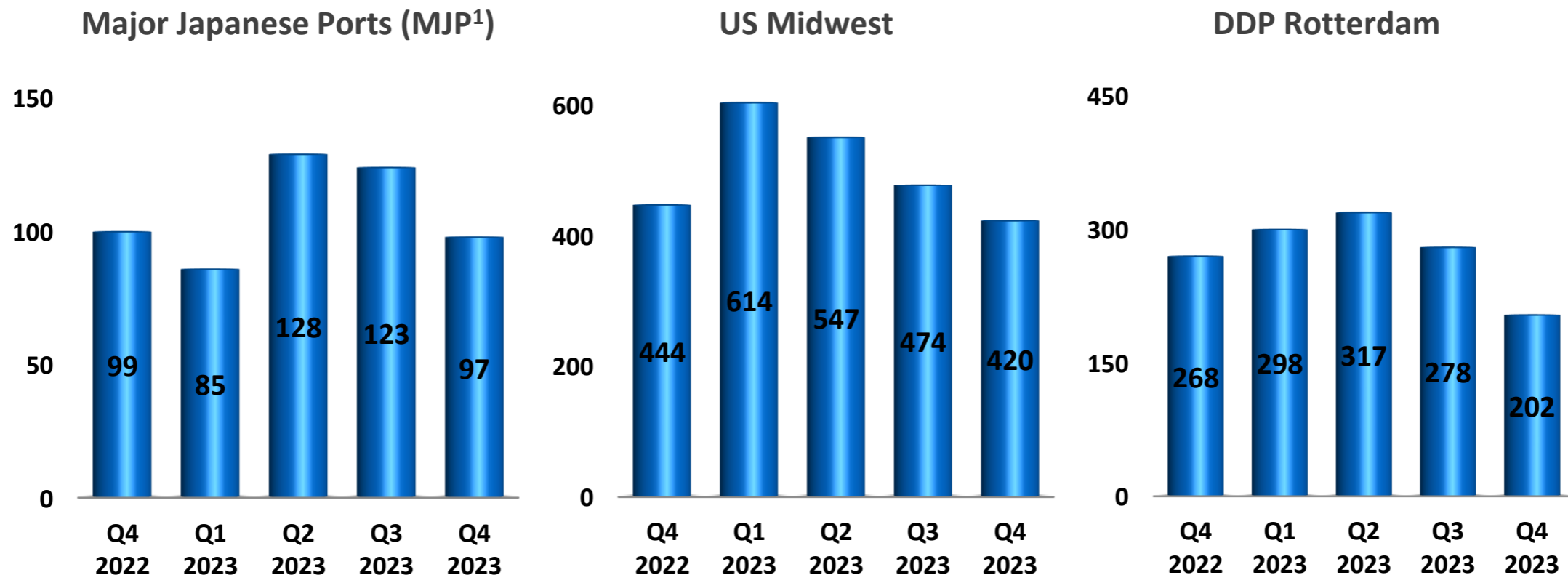
World Market Supply +2% YoY

- China: growth in production slowed due to winter disruptions in the South (+3% YoY)
- North America: production rose by 3% YoY with smelters' restarts
- Middle East: overall flat (+1% YoY) with gains in Bahrain & UAE (+1% YoY) offset by a decline in KSA (-6% YoY)
- Europe: primary production cut back (-4% YoY) due to weak manufacturing activity
- Russia: LME stocks of Russian origin surged to reach 90% of total LME stocks. UK imposed additional sanctions on Russian metal
- World market w/o China posts first surplus since 2020 (+51,000 MT) & in deficit with China (-6,000 MT)



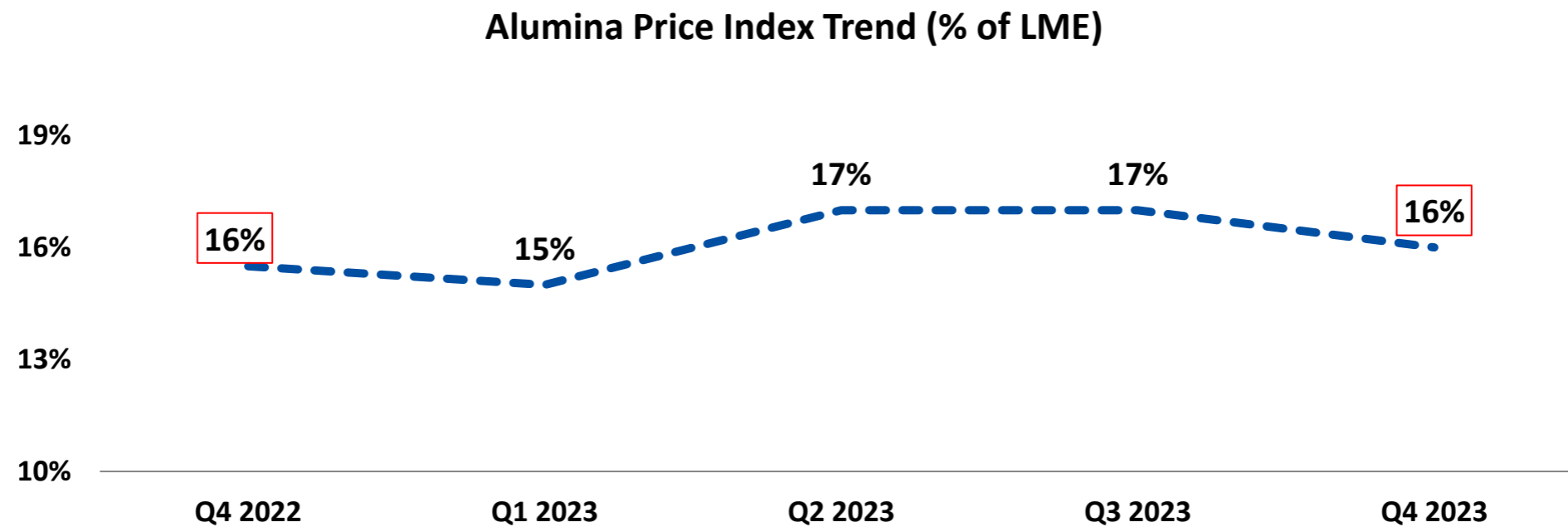
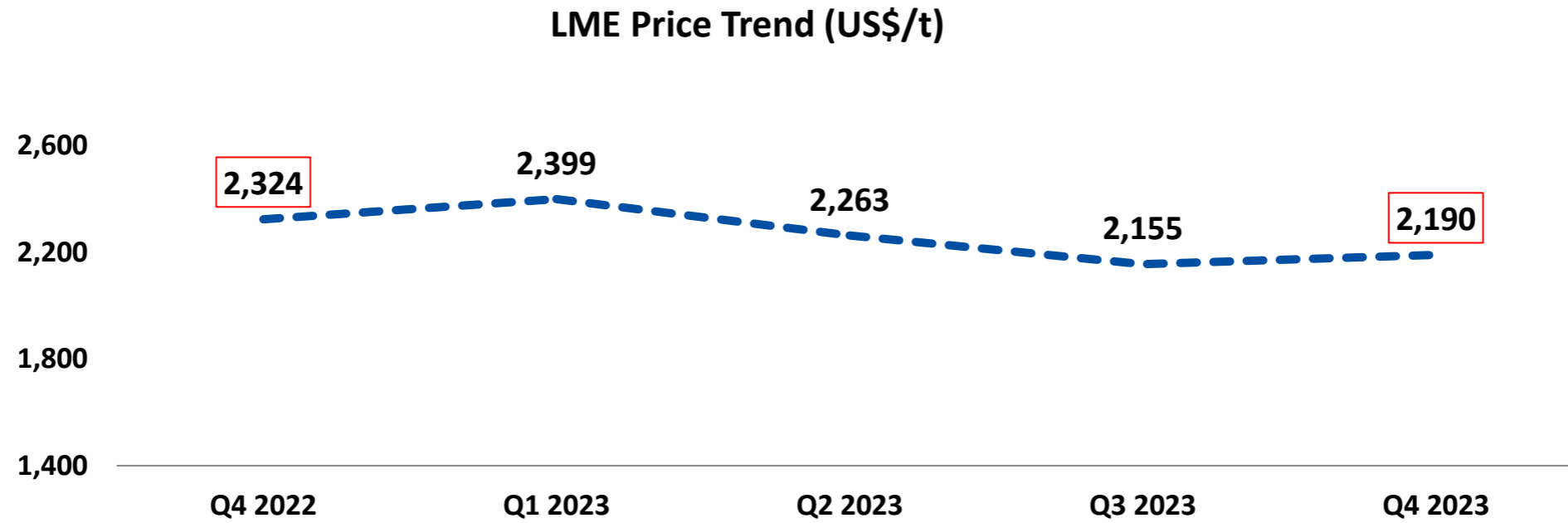
LME Price & Premiums

- LME Cash averaged US\$2,252/t in 2023 - down by 17% YoY. LME price fluctuated in the fourth quarter between a low of US\$2,082.50/t on 11 December and a high of US\$2,335.50/t on 29 December
- LME inventories remained low at 566,000 MT by year-end despite a 27% increase YoY. Chinese stocks reached a 6-year low
- Premiums dropped significantly owing to weak demand and bearish market sentiment



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

Alumina Price: 16% of LME Price [US\$362/t]

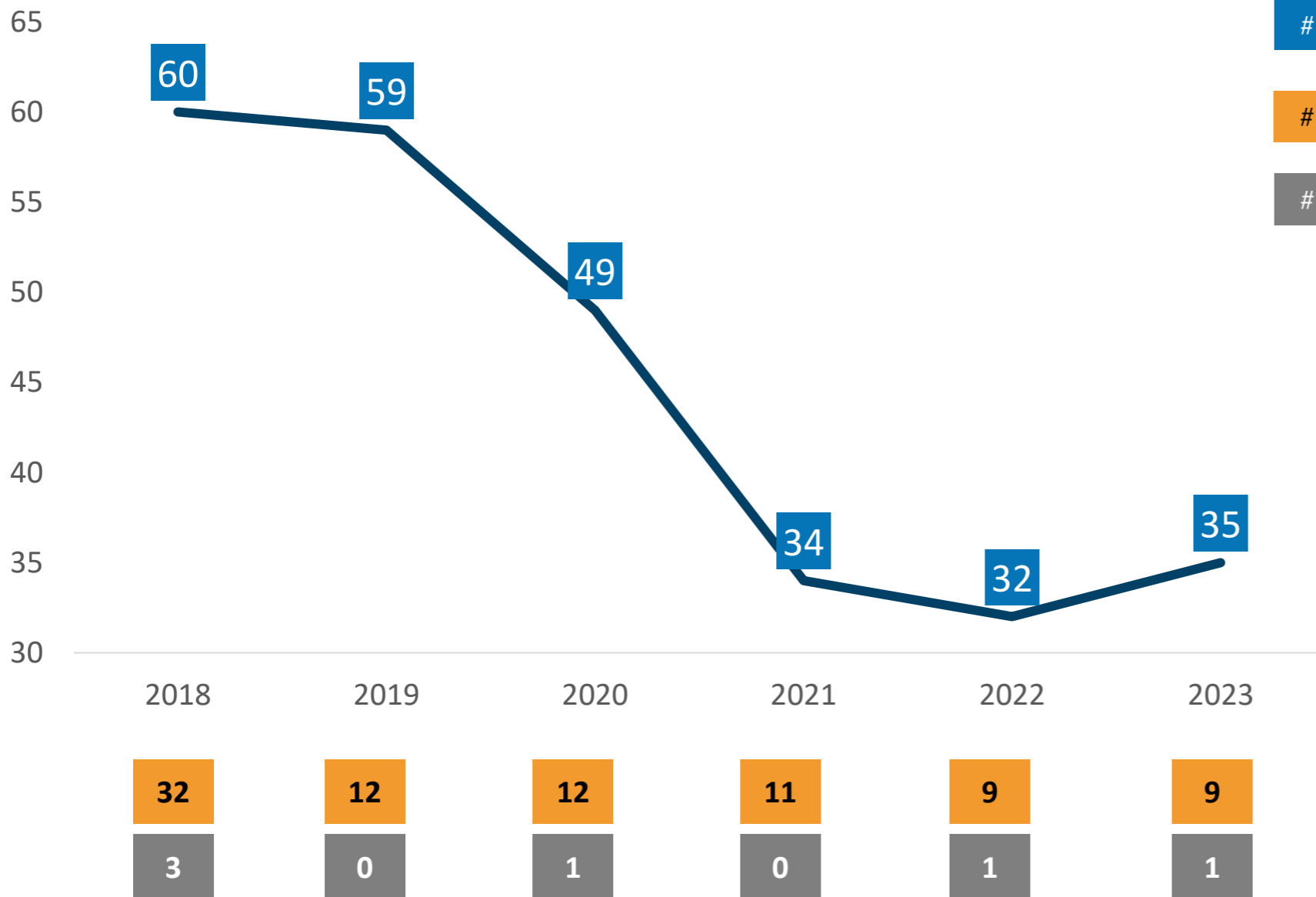




02

ALBA HIGHLIGHTS¹

Safety in Numbers



13 Million Safe Hours without any LTI
(on 23 January 2024)







Major Environment, Social and Governance (ESG) Highlights

- 🌐 Milestone reached in Power Station 5 Block 4 with the arrival of M701JAC Gas Turbine on 16 October 2023
- 🌐 Safety Milestone: 7th consecutive summer of zero heat-related illnesses and injuries
- 🌐 Alba: 1st smelter in the GCC to attain 4-star audit rating by the British Safety Council
- 🌐 Launch of a mini-Safety Campaign ‘Safety is Driven by You’ on 10 December 2023
- 🌐 Safety First, Safety Always: 13 million safe working hours w/o LTI on 23 January 2024
- 🌐 Sixth edition of ESG Report (with Quality Assurance) released in Q4 2023
- 🌐 Sustainability Triumph: SPL Treatment Plant exceeds target, converting waste into valuable HiCal -- 40,185 MT of HiCal produced against nameplate capacity of 30kMT – 35kMT

ESG Journey by 2035



	Q2 2024	Q4 2024	Q2 2027*	2025-2027	2030	2035
	 Alba Solar Farm	 Efficiency Upgrades		 Recycled Material	 Government Collaboration	
Initiative	6.23 MW Solar Farm Capacity [Tender Awarded]	Commissioning Power Station 5 Block 4 & Retiring Older Power Stations *Commissioning Line 7 & Retiring Lines 1-3		Remelting 15kMT - 30kMT of Secondary per Year	500-1,000 MW of Imported Grid Renewable Energy (offtake) with Public Tender Already Issued for 500 MW	

* Subject to Government Approvals & Completion of Feasibility Study by Q1-Q2 2024



All-Time Production (1,620,665 MT; + 1.3% YoY)



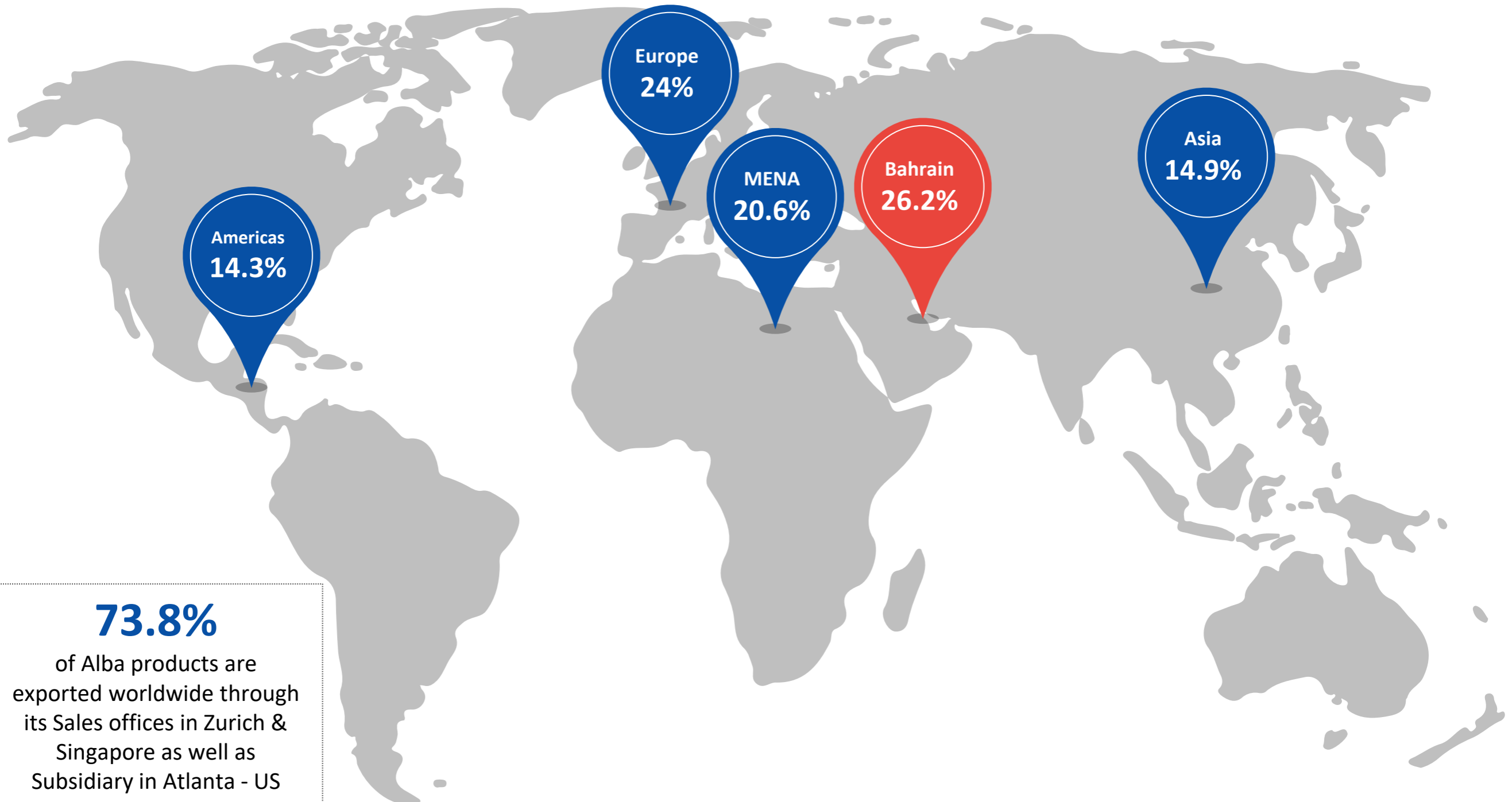
Operational Highlights (Full Year)



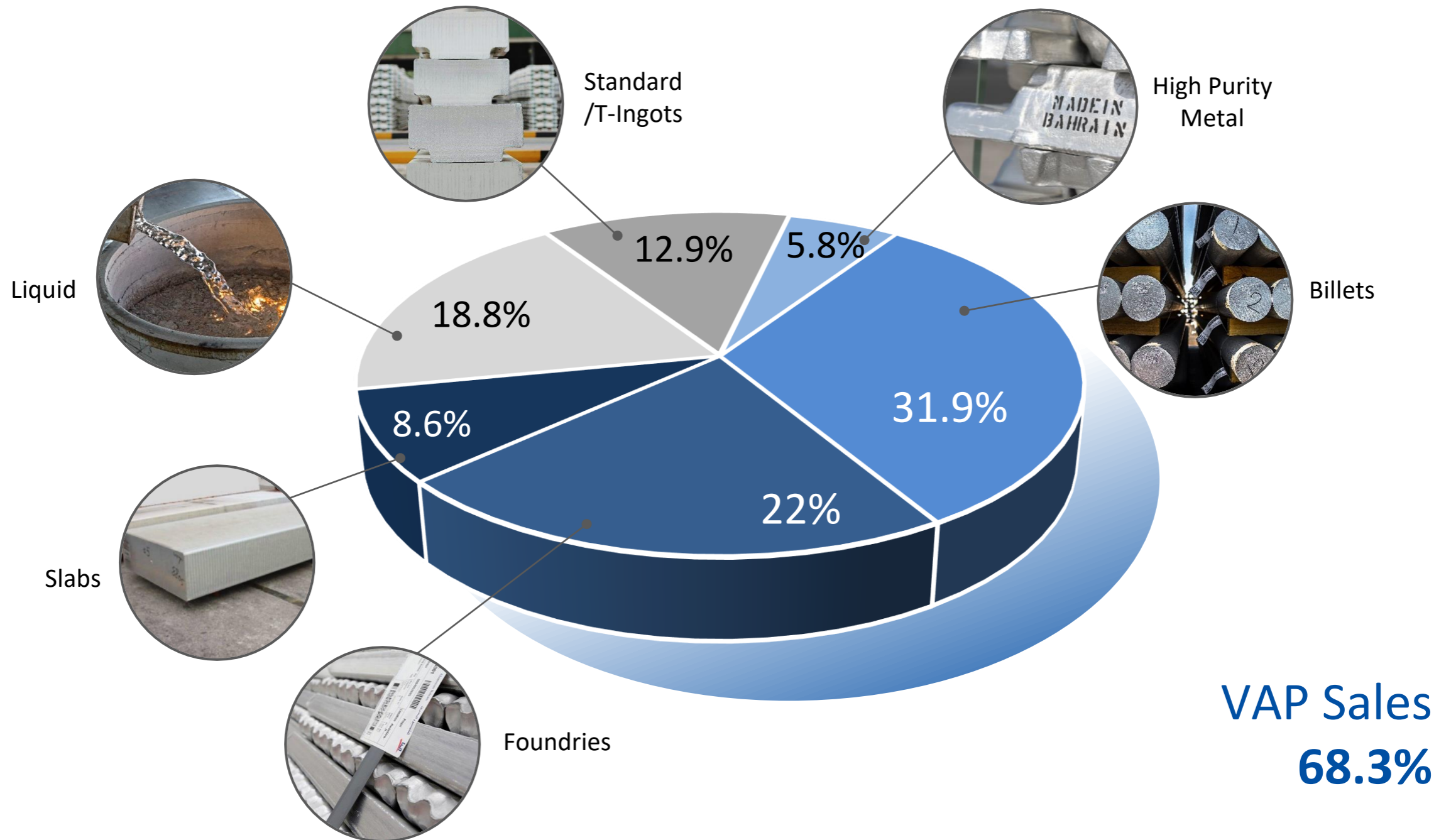
- 🌐 Sales' volume rose to 1,603,011 metric tonnes (MT) despite market challenges (+2.2% YoY)
- 🌐 Closed 2023 with an all-time Net Finished Production of 1,620,665 MT (+1.3% YoY)
- 🌐 Value Added Sales averaged 68% of the total shipments vs. 66% in 2022. VAP Sales' volume exceeds 1,095,000 MT (+5.1% YoY)
- 🌐 Inked 10-Year Gas Supply Deal with Bapco Energies with fixed price structure for the first 5-year period at US\$4/MMBTU on 23 January 2024
- 🌐 Recipient of two major Investor Relations Awards for 2023 by Middle East Investor Relations Association (MEIRA)
- 🌐 Upskilling more than 660 employees through programmes like Al Jisr, Skill Matrix and comprehensive Training and Development Programme
- 🌐 Alba celebrates its female employees on the occasion of Bahraini Women's Day
- 🌐 Through consistent efforts, AL HASSALAH Top up maintains US\$115.34M achieved savings in 2022



Sales by Geographic Footprint

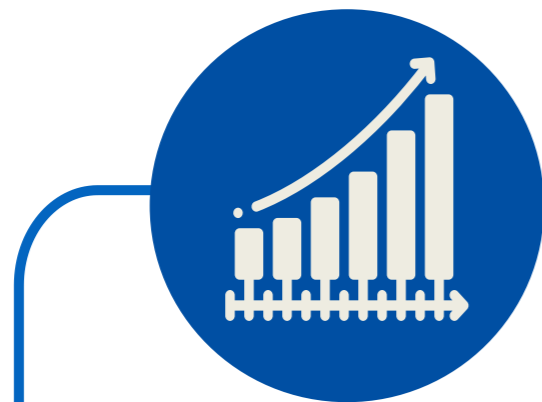




Sales' Breakdown by Product-Line





Financial Key Performance Indicators – Q4 & FY 2023

EBITDA impacted by lower LME price & premiums





-  **FY: US\$804 million**
down by 46% YoY
-  **Q4: US\$203 million**
down by 9% YoY

-  **FY: US\$314 million**
down by 72% YoY
-  **Q4: US\$62 million**
down by 41% YoY

Free Cash Flow¹ impacted by working capital changes



-  **FY: US\$652 million**
down by 47% YoY
-  **Q4: US\$255 million**
down by 50% YoY

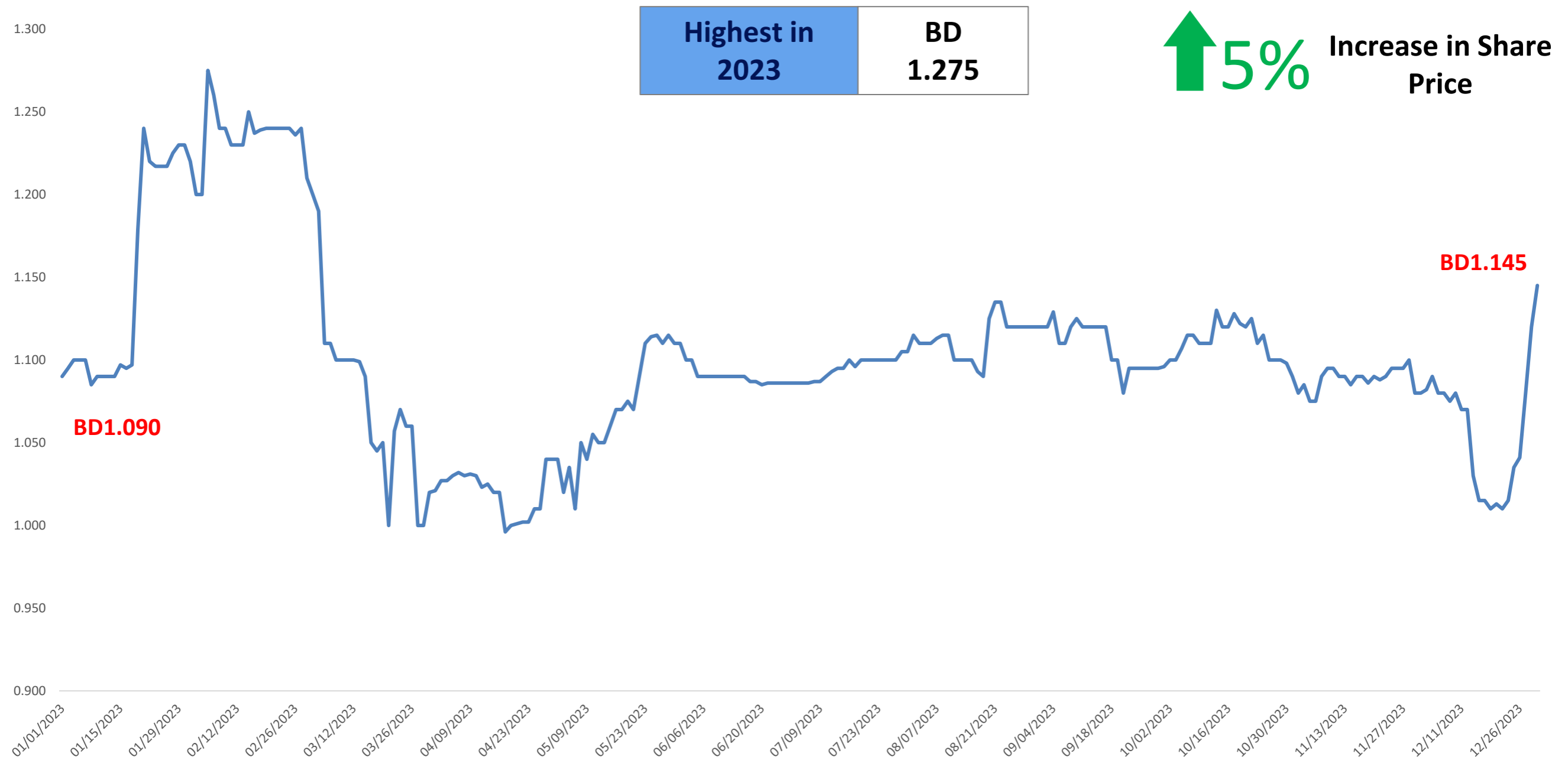


Net Income driven by lower EBITDA

Alba BoD recommend **Final Dividend of US\$60 million** to be paid on 31 March 2024 [2023 Dividend Pay-out Ratio: **35%**]

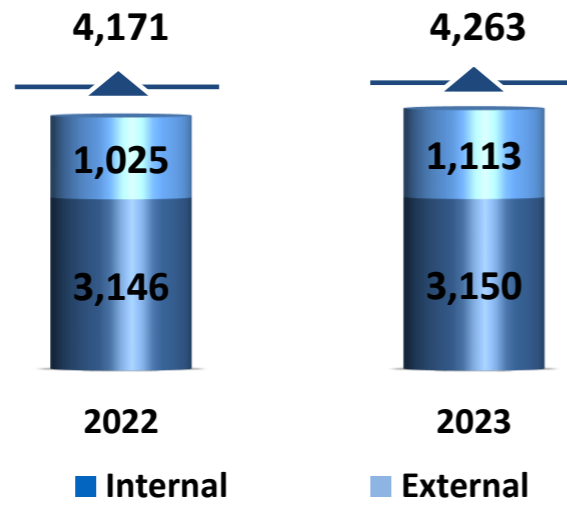


Alba Share Price Performance [ALBH, Bahraini Dinars]

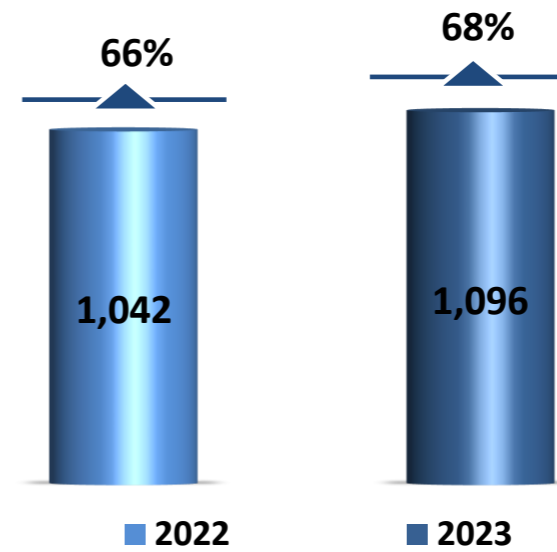


Operational Productivity

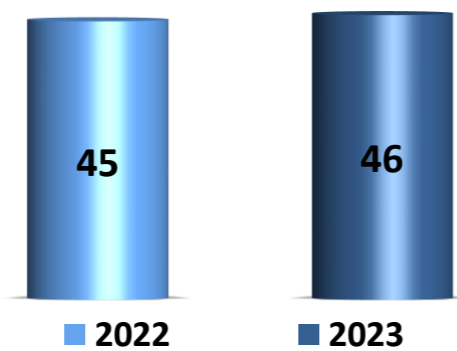
Total Head Count



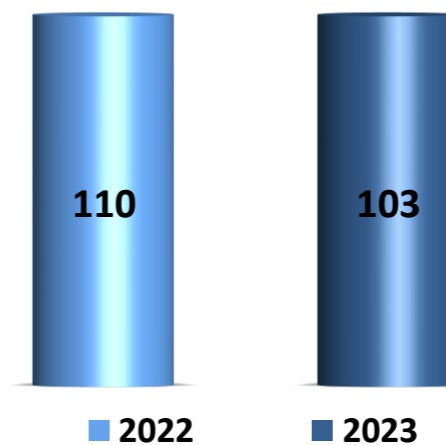
Value Added Sales (MT'000) as a % of Total Sales (MT)



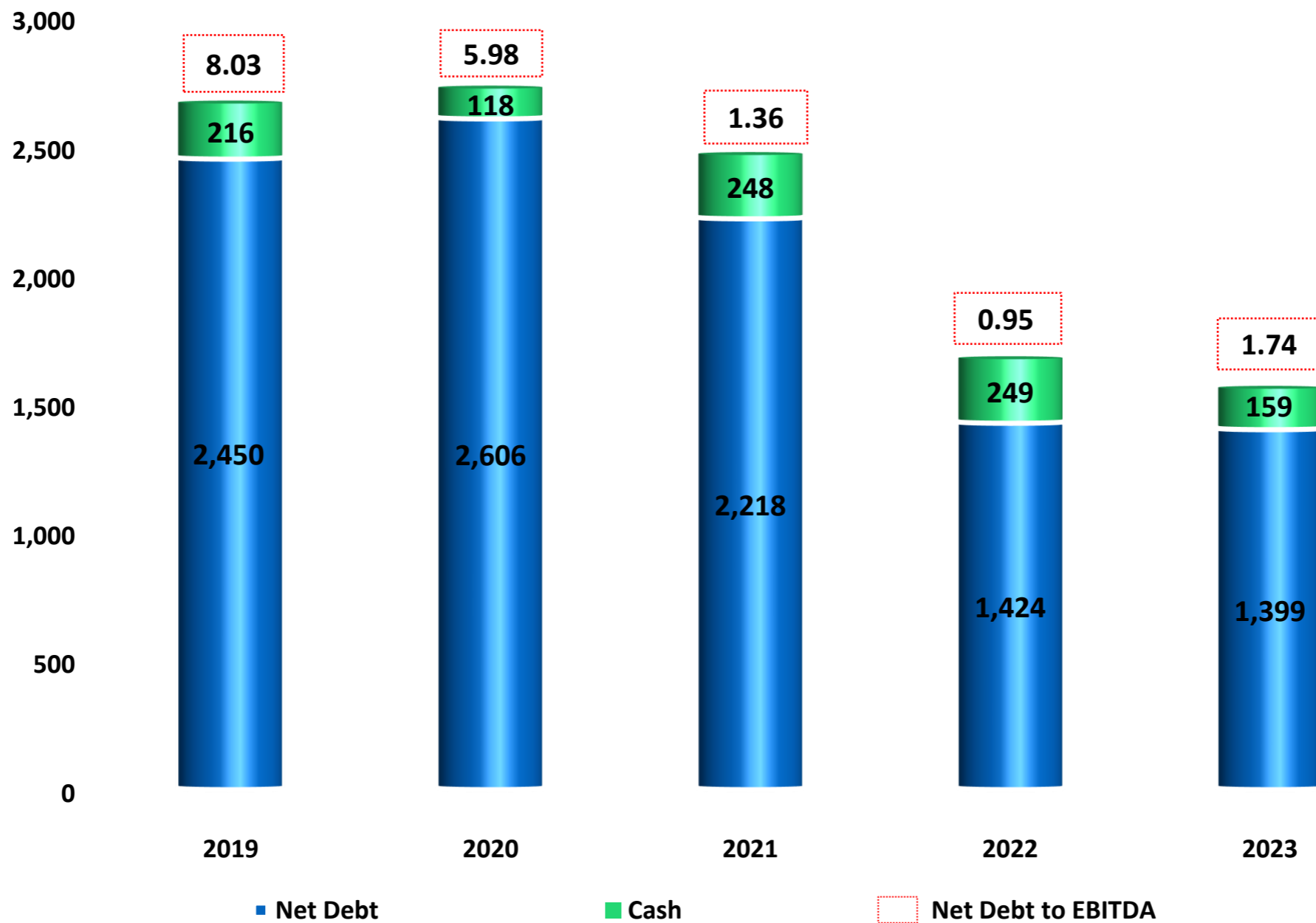
Account Receivable Days' Trend



Inventory Days' Trend



Net Debt to EBITDA Ratio Trend



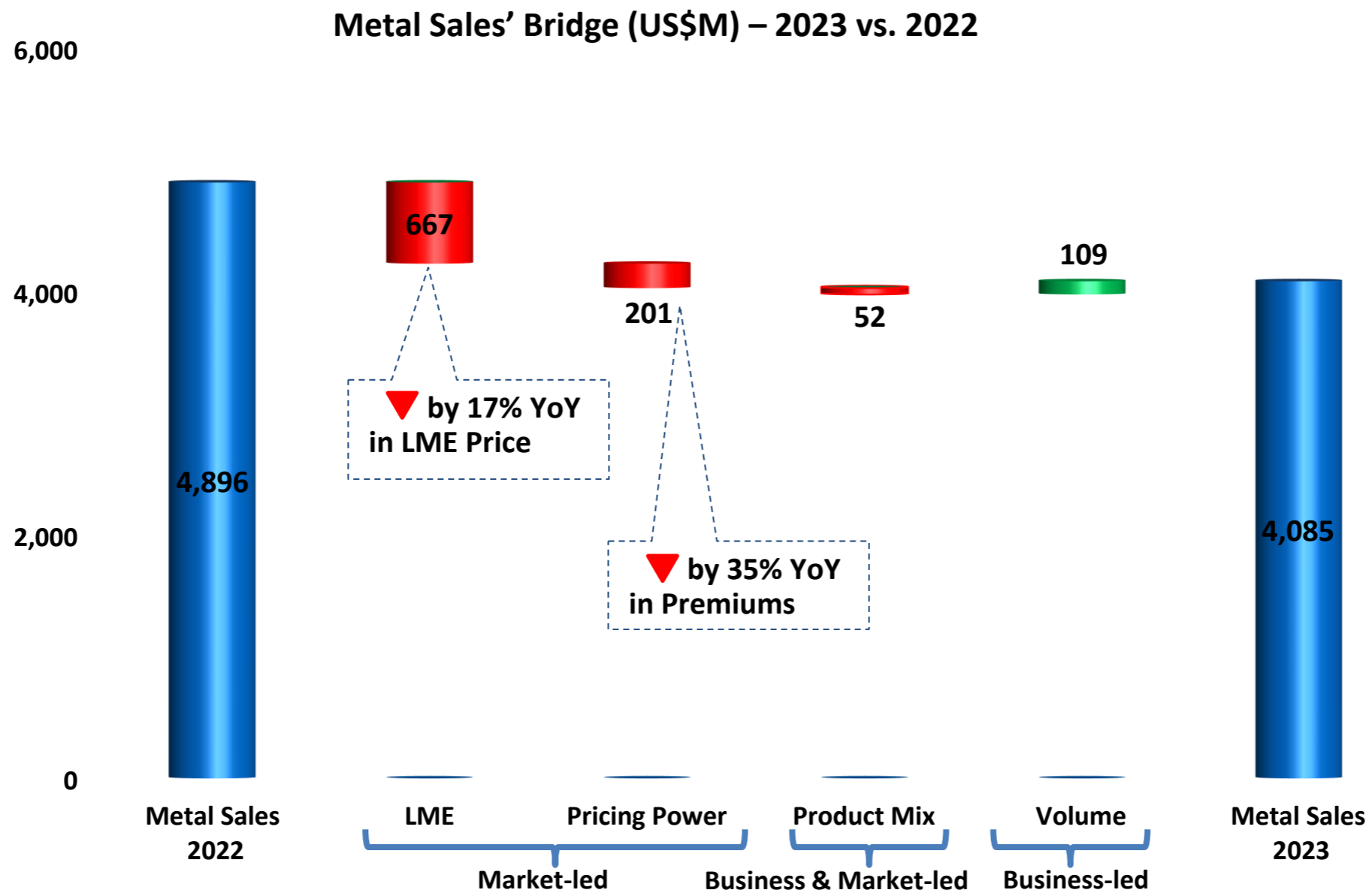


03

2023 RESULTS

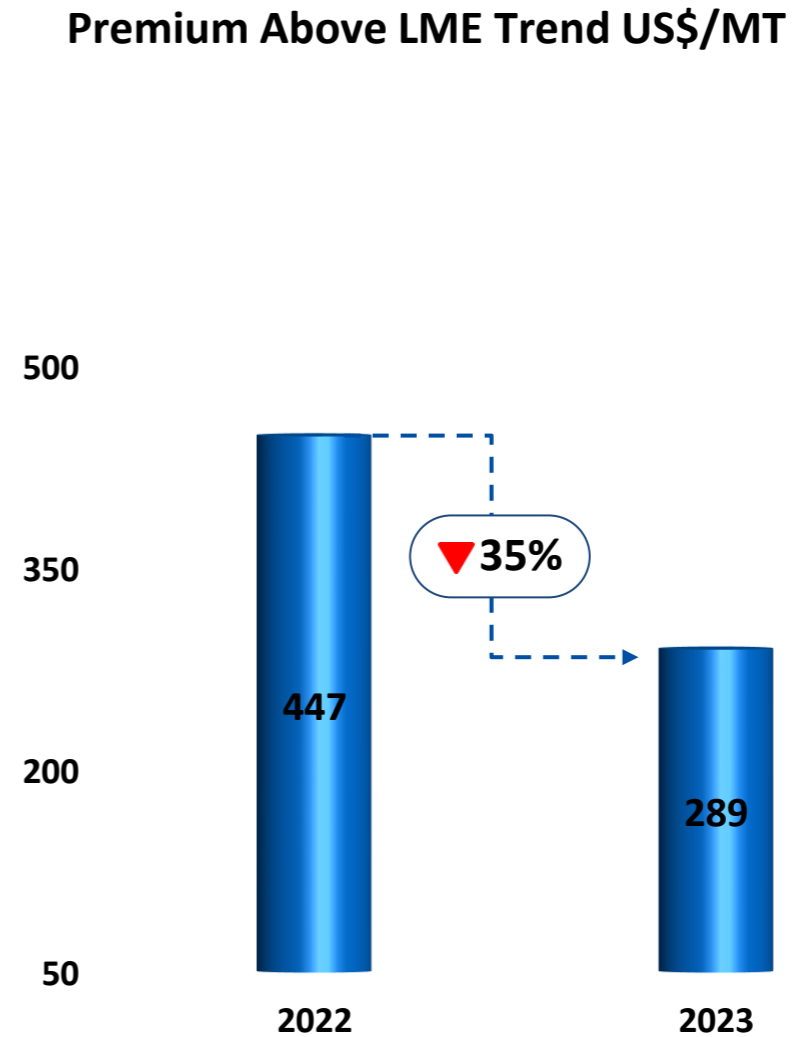
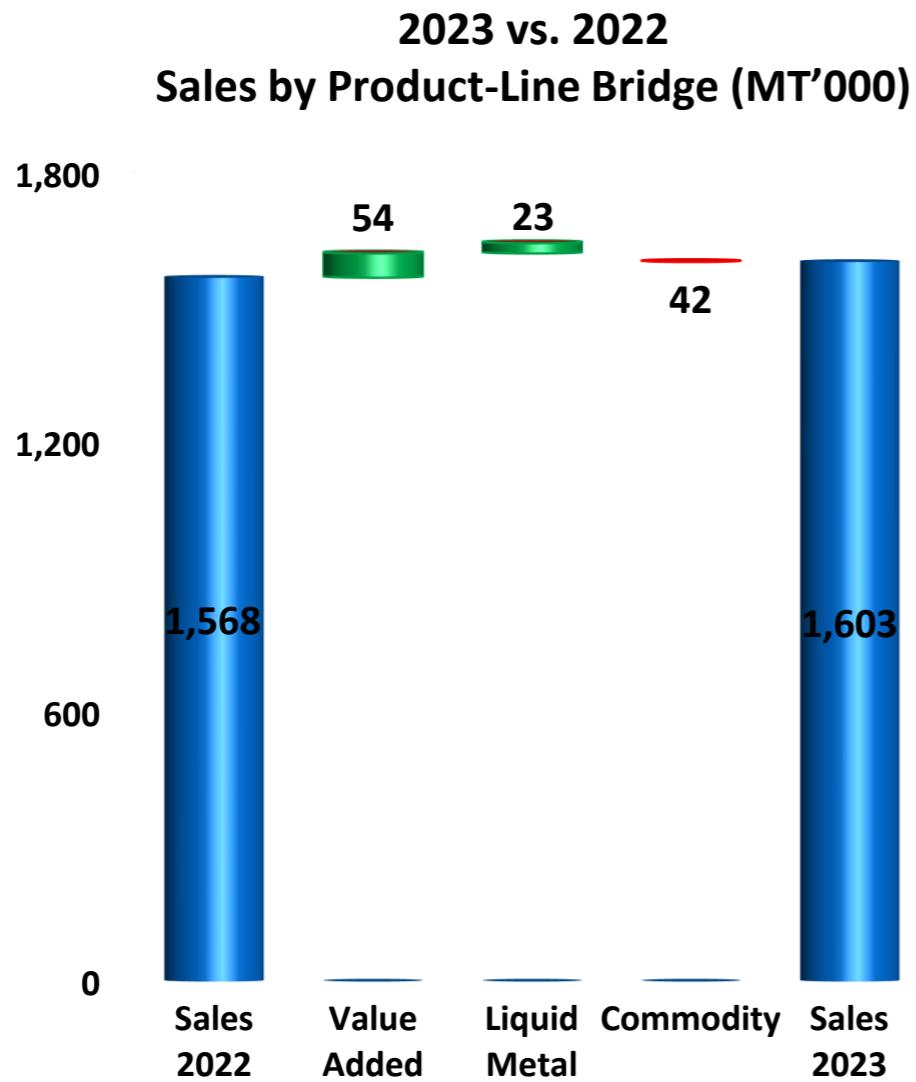
Aluminium Industry: Volatile and Weak Market Sentiment

Lower Metal Sales Owing to Lower LME Price & Premiums



Aluminium Industry: Volatile and Weak Market Sentiment

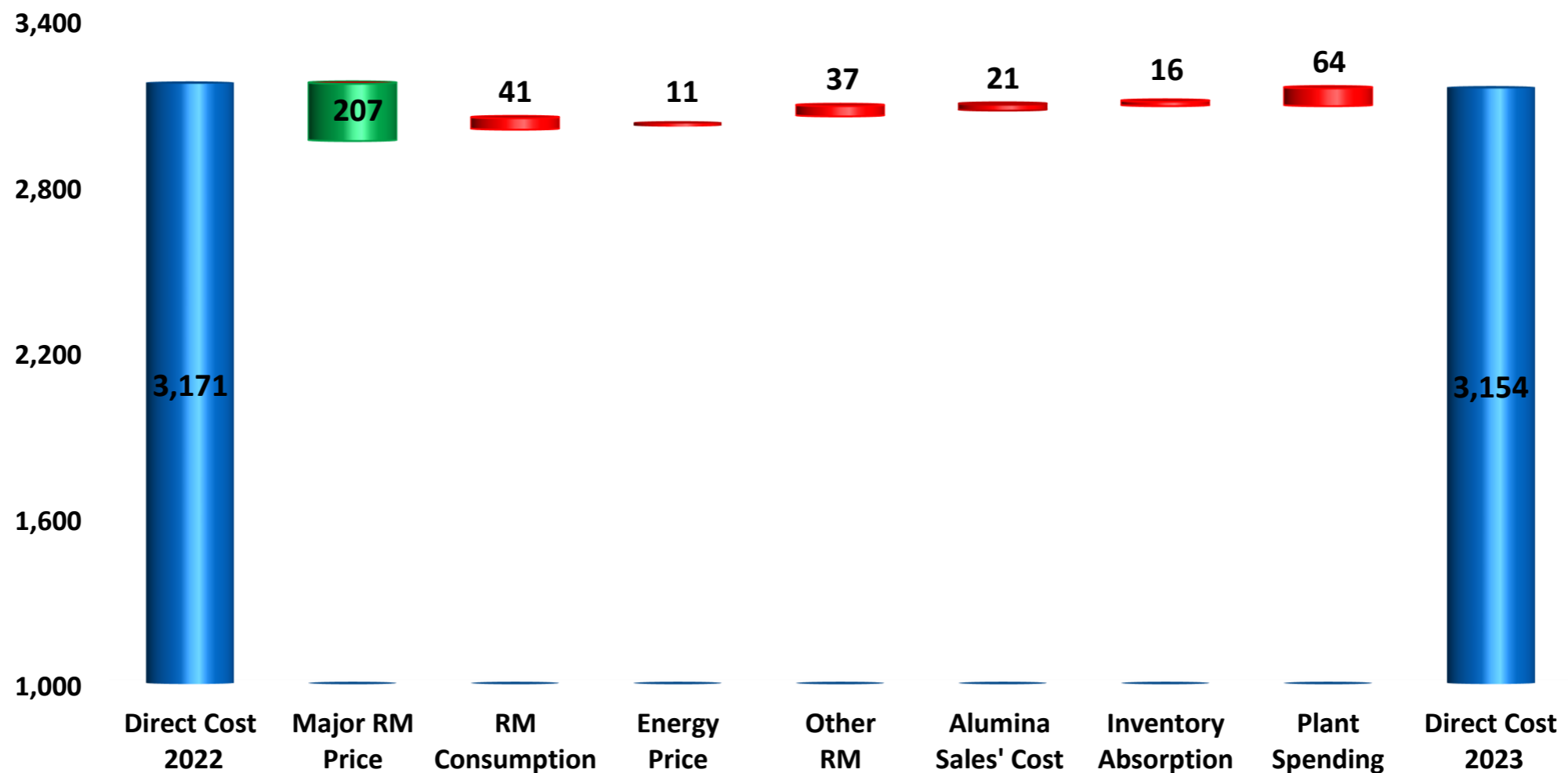
Higher VAP | Higher Liquid Metal | Lower Commodities' Volume



Aluminium Industry: Volatile and Weak Market Sentiment

Production Costs Lower Due to Lower Alumina Prices Despite Higher Throughput

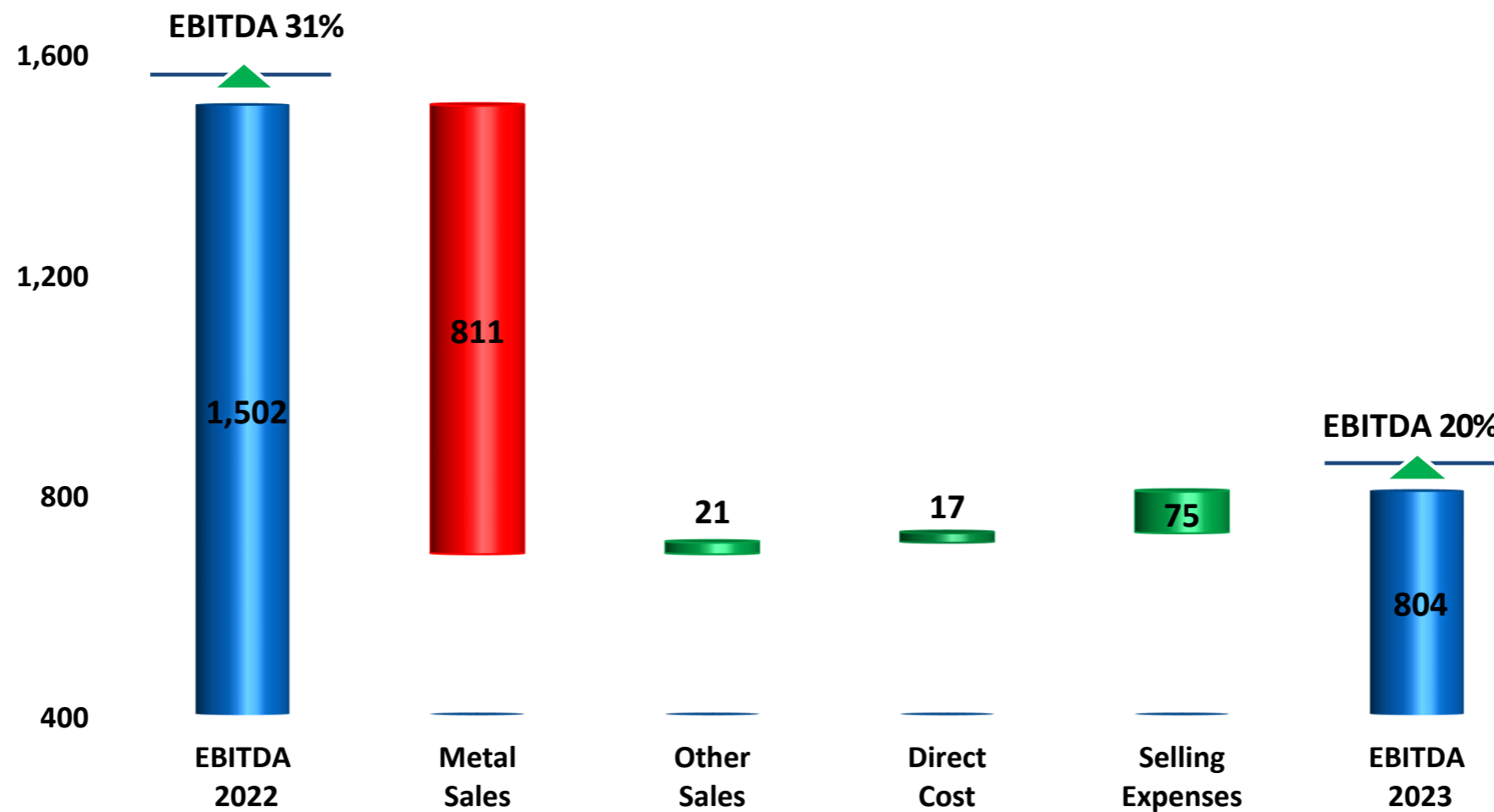
2023 vs. 2022 - Direct Cost Bridge (US\$M)



Aluminium Industry: Volatile and Weak Market Sentiment

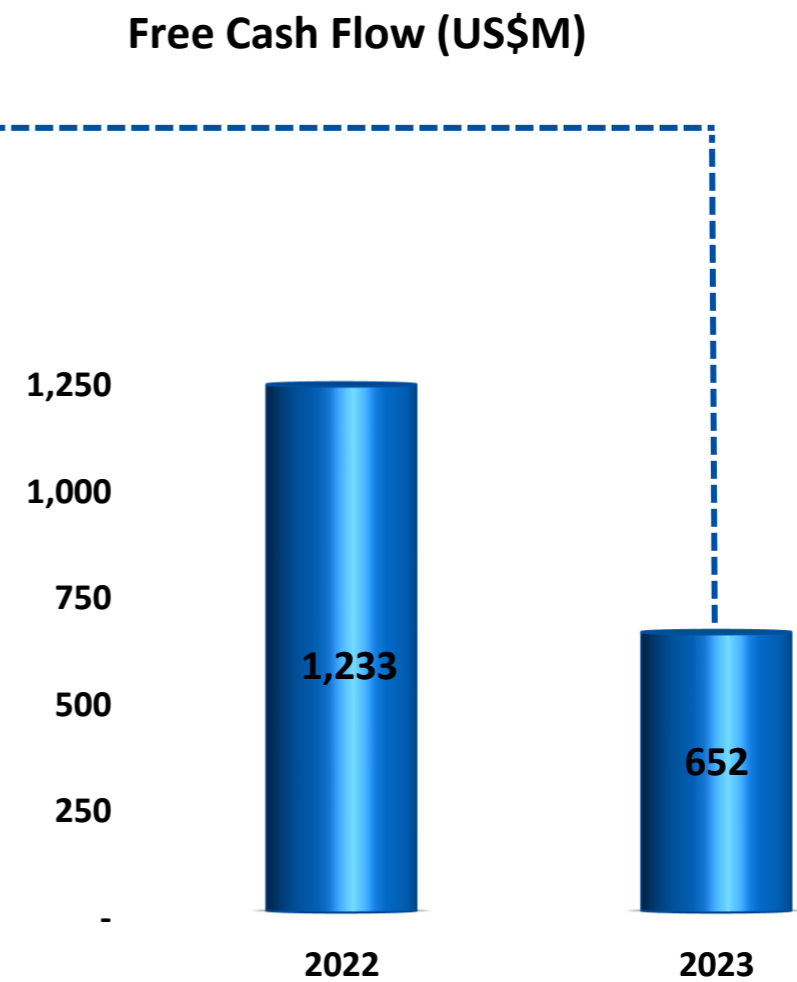
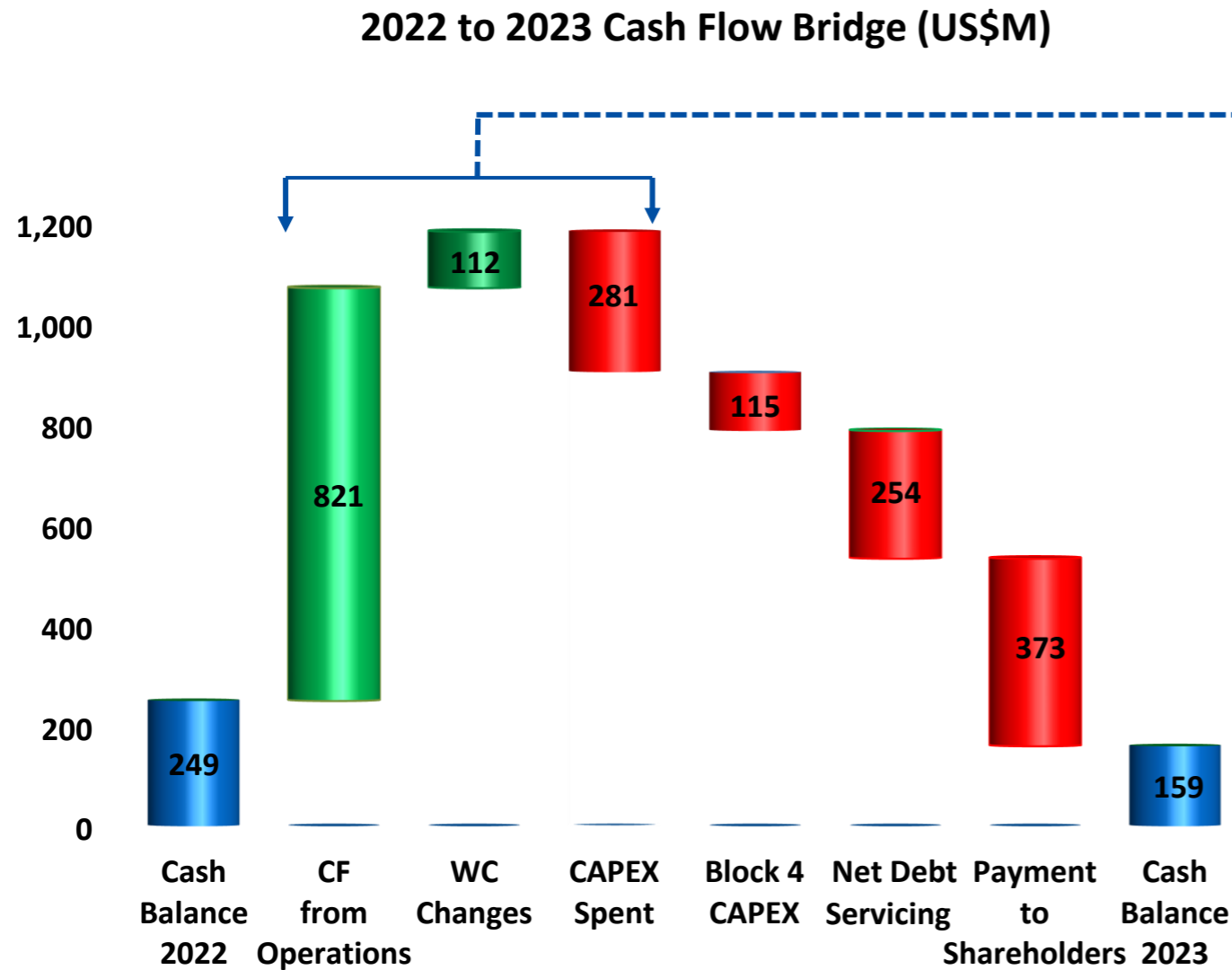
Lower EBITDA Owing to Double-Digit Drop-in LME Price & Premiums

2023 vs. 2022 - EBITDA Bridge (US\$M)



Aluminium Industry: Volatile and Weak Market Sentiment

Cash Flow Bridge 2022 to 2023



Aluminium Industry: Volatile and Weak Market Sentiment

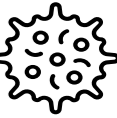
Double Digit Fall in LME Price and Premiums Impact Financial Performance

Financial Summary	Q4 2023	Q4 2022	FY 2023	FY 2022
Average Cash LME (US\$/MT)	2,190	2,324	2,252	2,707
Average Alumina Price (US\$/MT)	361	370	362	420
Revenue ¹ (US\$M)	1,029	1,230	4,106	4,896
EBITDA (US\$M)	203	222	804	1,502
EBITDA%	20%	18%	20%	31%
Profit (US\$M)	62	105	314	1,107
(Loss)/Gain Unrealised Derivatives	(2)	2	(3)	-
Adjusted Profit ²	64	103	317	1,107



04

INDUSTRY PERSPECTIVES¹ IN 2024



Mixed Macroeconomic Outlook: Supply Constraints & Demand Upturn

- Global demand is expected to see a gradual rebound in the latter half of 2024 fueled by anticipated Chinese stimulus measures into their economy, prospects of interest rate cuts in the US boosting consumer spending and gradual recovery in Europe as consumption picks up after a sluggish start
- Russian aluminum exports to EU are likely to decline due to expected trade sanctions against Russia diverting exports to Asia particularly China
- US aluminum offtake is projected to grow in 2024 despite anticipated GDP slowdown, mainly driven by investments and expansions in casting, extrusions, and rolling sectors
- European demand is likely to remain passive in H1 2024 due to stagnant construction activity & high interest rates dampening business and consumer confidence
- Demand in China is expected to expand, despite a weak construction sector, thanks to growth in auto and renewable energy sectors
- Global supply chain challenges have improved, but some risks remain on routes like Panama and Suez Canals
- Bearish market sentiment is likely to persist with LME prices ranging between US\$2,000/t - US\$2,200/t

Raw Materials Price Trends

- Alumina (Al_2O_3) -- modest price hikes driven by increased demand China in anticipation of potential bauxite disruptions from West Africa
- Aluminium Fluoride (AlF_3) -- prices to remain stable thanks to lower offers from China's downstream aluminium industry
- Carbon products (GPC, CPC & Anodes) -- prices are likely to remain low due to reduced downstream demand
- Liquid Pitch -- prices are to be in a downward trend (continuing from Q4 2023) and expected to remain soft due to reduced demand



05

2024 ALBA PRIORITIES¹

Evolving Beyond ESG & Safety Standards

- ① Advance a culture of Safety where every action reflects our commitment to zero harm
- ① Align with Bahrain's Objectives for 'Net Zero Emissions' by 2060 & embrace sustainability (from sourcing to delivery) across our operations
- ① Exceed 2023 Net Finished Production of 1,620,665 MT in 2024 and launch e-AL HASSALAH Savings Program
- ① Maintain active pursuit for sourcing Upstream to secure 1/3 Alumina Needs
- ① Leverage Aluminium Stewardship Initiative (ASI) and Ecovadis Certifications to unlock new markets and boost VAP Sales
- ① Complete PS5 Block 4 Project by Q4 2024 and Solar Farm by Q2 2024 to scale up our efficiency
- ① Complete Bechtel's Feasibility Study for Line 7 Class III by Q2 2024

CEO Annual Majlis 2024



SAFETY MIRROR

مرآة
السلامة



STRATEGY REFRESH

تطوير
الاستراتيجية



e-AL HASSALAH الحصالة الرقمية



UPSKILLING & RESKILLING

تعزير وصقل
المهارات

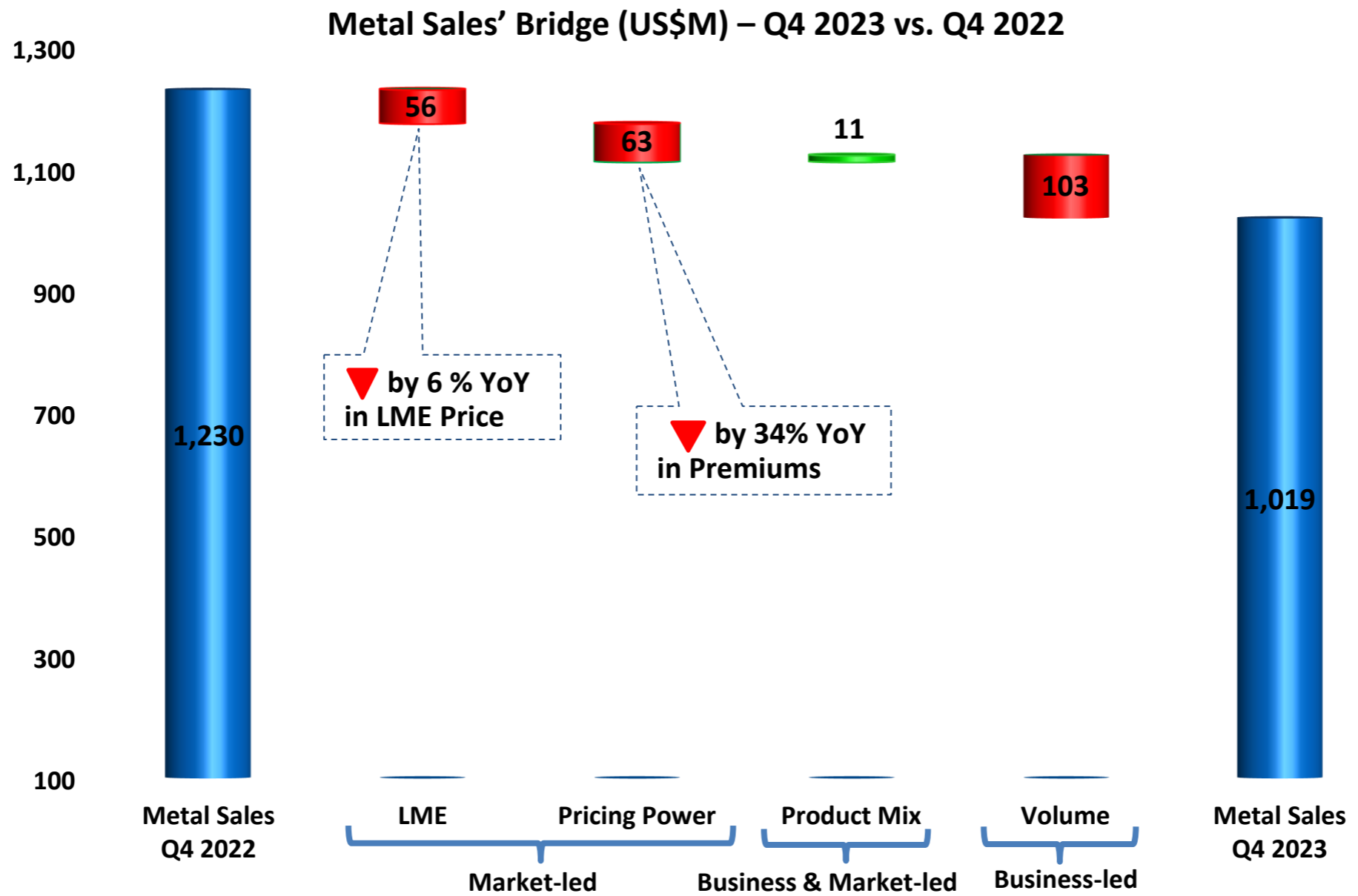


06

APPENDIX – Q4 2023

Aluminium Industry: Volatile and Weak Market Sentiment

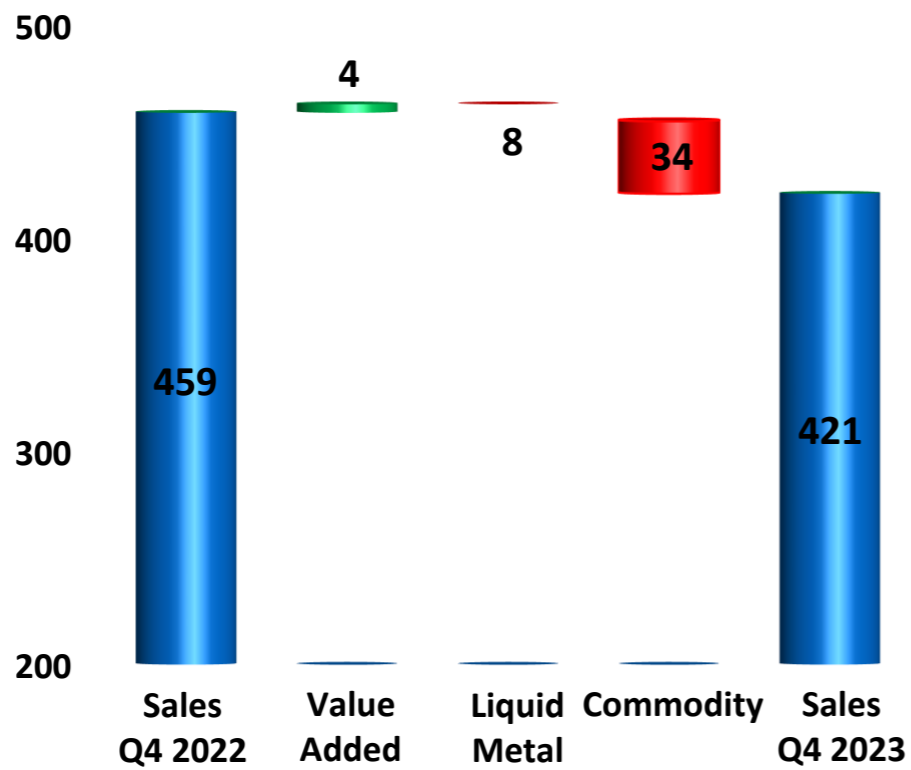
Lower Metal Sales due to Lower LME Price & Premiums



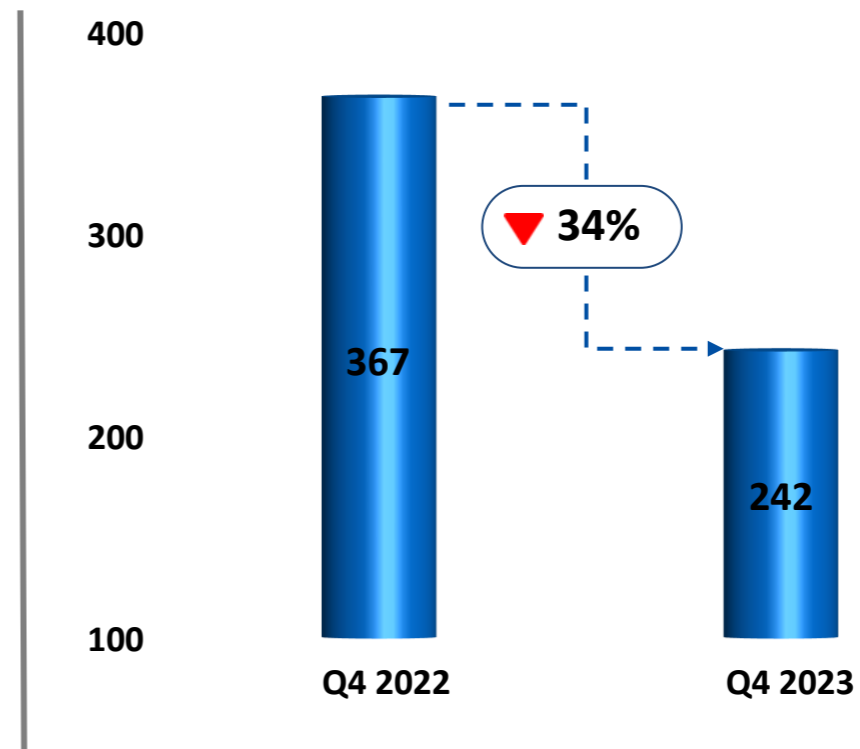
Aluminium Industry: Volatile and Weak Market Sentiment

Higher VAP | Lower Liquid Metal | Lower Commodities' Volume

Sales by Product-Line Bridge (MT'000)
Q4 2023 vs. Q4 2022



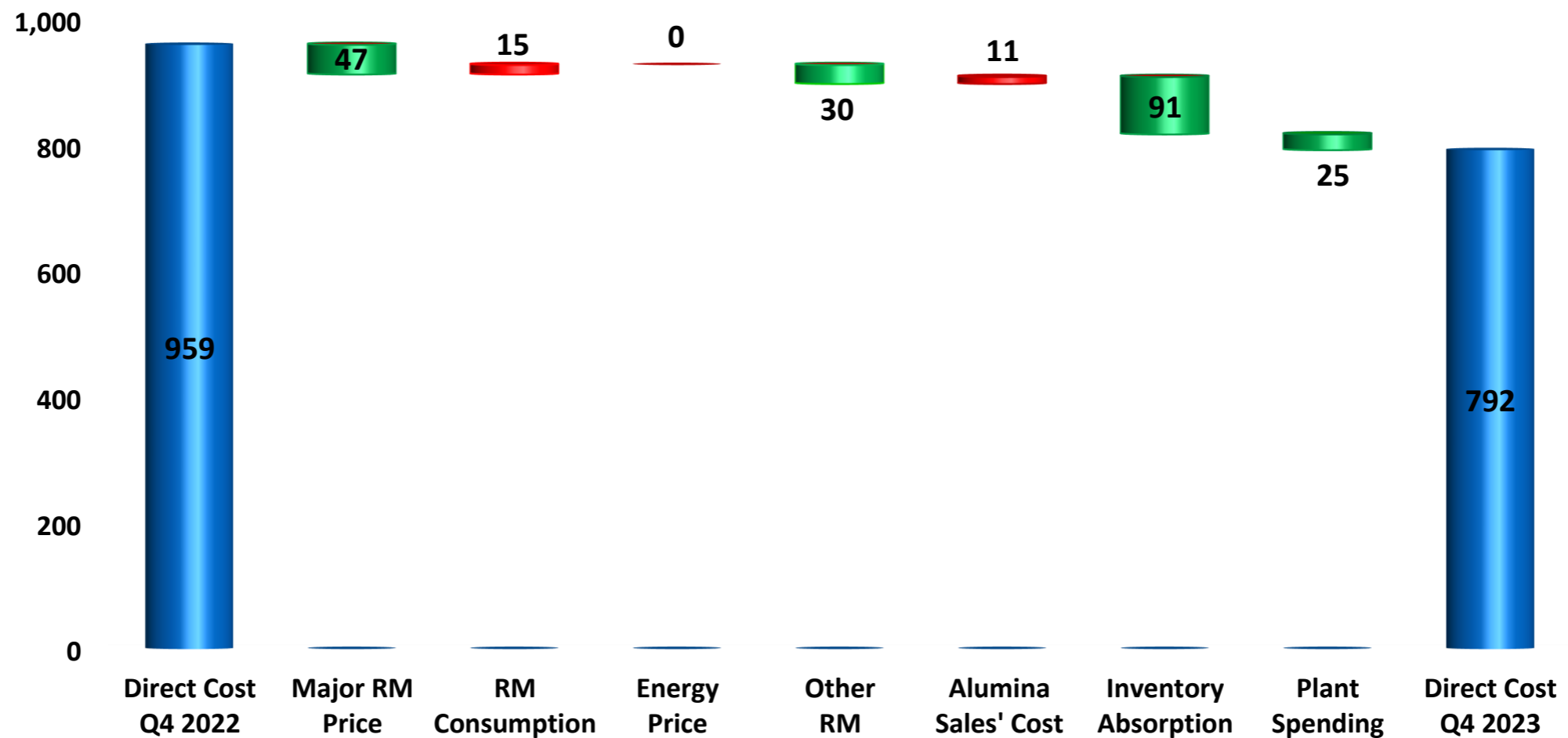
Premium Above LME Trend US\$ Per MT



Aluminium Industry: Volatile and Weak Market Sentiment

Production Costs Lower Due to Lower Alumina Prices Despite Higher Throughput

Q4 2023 vs. Q4 2022 - Direct Cost Bridge (US\$M)

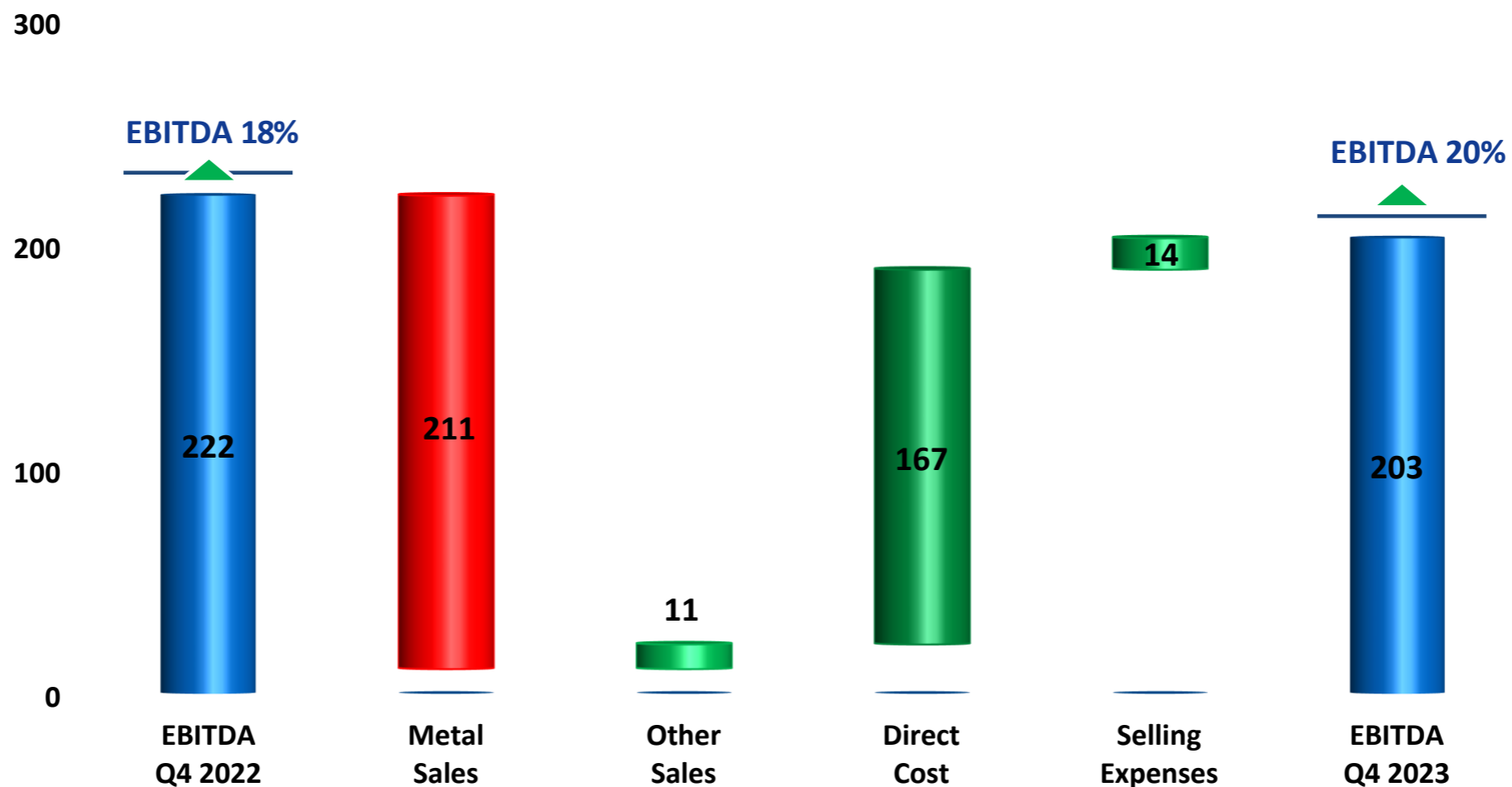


* RM stands for Raw Materials

Aluminium Industry: Volatile and Weak Market Sentiment

Lower EBITDA Owing to Double-Digit Drop-in LME Price & Premiums Partially Offset by Lower Cost

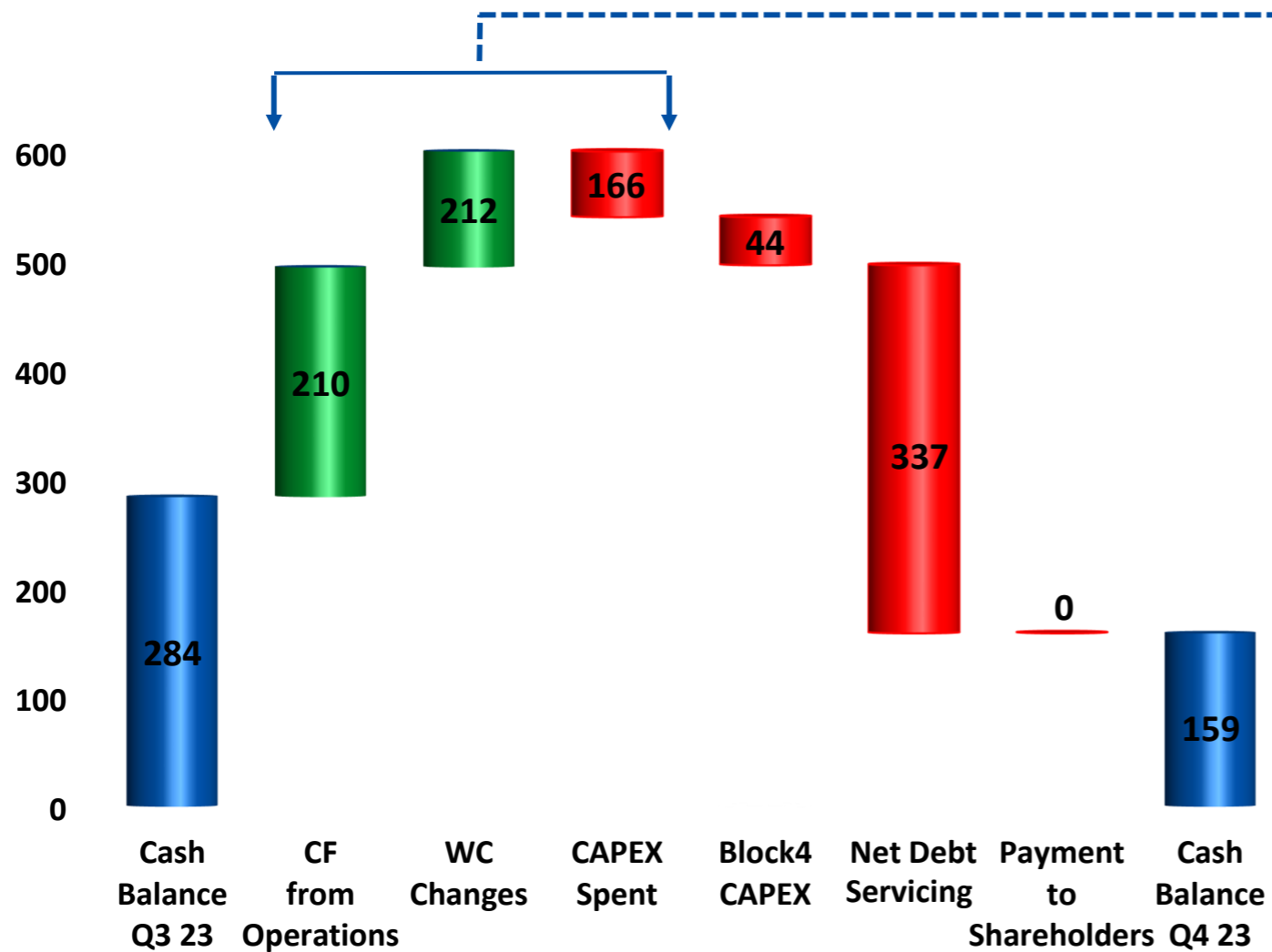
EBITDA Bridge (US\$M) – Q4 2023 vs. Q4 2022



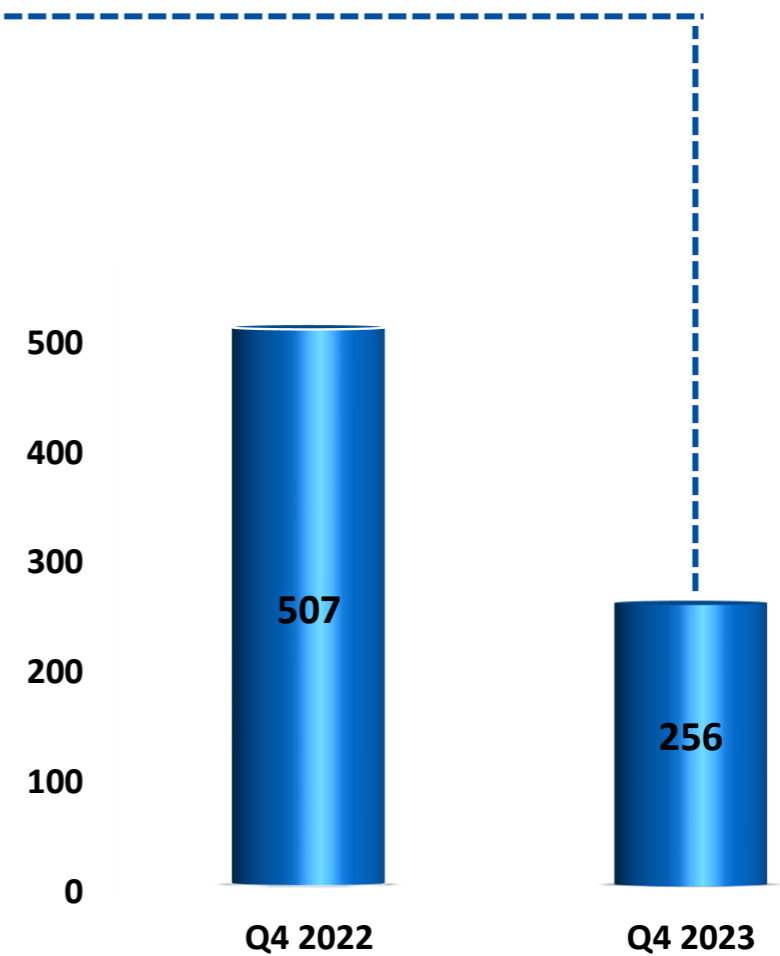
Aluminium Industry: Volatile and Weak Market Sentiment

Cash-Flow Bridge Q3 2023 to Q4 2023

Q3 2023 to Q4 2023 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Alba Shareholder's 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, BD 1.145 on 31 December 2023]



For more information, please contact us on:

IR@alba.com.bh

