Aluminium Bahrain B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026 (REVIEWED)

Ernst & Young - Middle East
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REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ALUMINIUM BAHRAIN B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Aluminium Bahrain B.S.C. ("the Company") and its subsidiaries (together "the Group") as at 30 June 2026, comprising of the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and six-month periods then ended and the related interim consolidated statements of cash flows and changes in equity for the six-month period then ended and explanatory notes. The Group's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst + Young

Partner's Registration No. 115
4 August 2026
Manama, Kingdom of Bahrain

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 (Reviewed)

	Note	***30 June 2026 (Reviewed) BD '000***	*31 December 2025 (Audited) BD '000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,759,545**	1,812,601
Derivative financial instruments	6	**6,310**	4,662
Trade and other receivables		**3,554**	3,684
Deferred tax assets		**57**	57
		1,769,466	1,821,004
Current assets			
Inventories		**343,931**	381,626
Trade and other receivables		**242,982**	264,298
Derivative financial instruments	6	**1,361**	2,594
Bank balances and cash		**509,474**	153,748
		1,097,748	802,266
TOTAL ASSETS		**2,867,214**	2,623,270
EQUITY AND LIABILITIES			
Equity			
Share capital		**142,000**	142,000
Treasury shares		**(4,007)**	(3,981)
Statutory reserve		**71,000**	71,000
Capital reserve		**249**	249
Cash flow hedge reserve	6	**7,671**	7,256
Retained earnings		**1,946,544**	1,868,113
Equity attributable to owners of Aluminium Bahrain B.S.C.		**2,163,457**	2,084,637
Non-controlling interest		**945**	950
TOTAL EQUITY		**2,164,402**	2,085,587
Non-current liabilities			
Loans and borrowings		**265,437**	291,062
Lease liabilities		**10,227**	11,171
Employees' end of service benefits		**1,297**	1,344
		276,961	303,577
Current liabilities			
Loans and borrowings		**254,850**	74,754
Lease liabilities		**2,149**	2,131
Trade and other payables		**168,032**	156,838
Derivative financial instruments	6	**820**	383
		425,851	234,106
TOTAL LIABILITIES		**702,812**	537,683
TOTAL EQUITY AND LIABILITIES		**2,867,214**	2,623,270

Khalid Al Rumaihi Chairman	Isa Bin Khalid Bin Abdulla Al Khalifa Director	Ali Al Baqali Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026 (Reviewed)

		Three-month period ended		*Six-month period ended*	
		30 June 2026	*30 June 2025*	***30 June 2026***	*30 June 2025*
	Note	***BD '000***	*BD '000*	***BD '000***	*BD '000*
Revenue from contracts with customers	8	**423,416**	434,062	**843,000**	843,014
Cost of revenue		**(343,642)**	(389,771)	**(645,277)**	(750,367)
GROSS PROFIT		**79,774**	44,291	**197,723**	92,647
Other income		**26,235**	1,482	**29,006**	3,493
Foreign exchange (loss) / gain - net		**(1,179)**	3,630	**(2,021)**	5,337
General and administrative expenses		**(17,784)**	(7,418)	**(40,297)**	(17,021)
Selling and distribution expenses		**(16,389)**	(11,577)	**(27,845)**	(25,269)
Finance costs		**(8,064)**	(9,106)	**(13,754)**	(18,423)
Realised gain on settlement of cash flow hedge for interest rate swap (IRS)	6	**1,509**	2,197	**1,509**	2,197
Changes in fair value of derivatives financial instruments	6	**3,197**	620	**(437)**	429
PROFIT FOR THE PERIOD BEFORE TAX		**67,299**	24,119	**143,884**	43,390
Income tax (expense) / benefit		**(2,423)**	446	**(3,708)**	(707)
PROFIT FOR THE PERIOD		**64,876**	24,565	**140,176**	42,683
Attributable to:					
Equity holders of Aluminium Bahrain B.S.C.		**64,879**	24,565	**140,181**	42,683
Non-controlling interest		**(3)**	-	**(5)**	-
		64,876	24,565	**140,176**	42,683
BASIC AND DILUTED EARNINGS PER SHARE (FILS)	10	**46**	17	**99**	30

Khalid Al Rumaihi Chairman	Isa Bin Khalid Bin Abdulla Al Khalifa Director	Ali Al Baqali Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026 (Reviewed)

	Note	*Three-month period ended* **30 June 2026 BD '000**	*30 June 2025 BD '000*	*Six-month period ended* **30 June 2026 BD '000**	*30 June 2025 BD '000*
PROFIT FOR THE PERIOD		**64,876**	24,565	**140,176**	42,683
OTHER COMPREHENSIVE INCOME / (LOSS)					
Other comprehensive income / (loss) that may be reclassified to profit or loss in subsequent periods:					
Effective portion of changes in fair value of cash flow hedge	6	**1,113**	(508)	**1,924**	(1,837)
Net gain on interest rate swap (IRS) reclassified to the profit or loss	6	**(1,509)**	(2,197)	**(1,509)**	(2,197)
		(396)	(2,705)	**415**	(4,034)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**64,480**	21,860	**140,591**	38,649
Attributable to:					
Equity holders of Aluminium Bahrain B.S.C.		**64,483**	21,860	**140,596**	38,649
Non-controlling interest		**(3)**	-	**(5)**	-
		64,480	21,860	**140,591**	38,649

Khalid Al Rumaihi Chairman	Isa Bin Khalid Bin Abdulla Al Khalifa Director	Ali Al Baqali Chief Executive Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026 (Reviewed)

		Six-month period ended	
	Note	***30 June 2026 BD '000***	*30 June 2025 BD '000*
OPERATING ACTIVITIES			
Profit for the period before tax		**143,884**	43,390
Adjustments for:			
Depreciation and amortisation		**80,765**	75,364
Provision for employees' end of service benefits		**700**	1,441
Allowance for expected credit losses		**1,117**	227
Provision for slow moving inventories		**431**	1,311
Loss on disposal of property, plant and equipment		**8,646**	628
Changes in fair value of derivative financial instruments	6	**437**	(429)
Interest income		**(4,579)**	(545)
Foreign exchange loss / (gain) on bank balances		**1,739**	(562)
Realised gain on settlement of cash flow hedge for interest rate swap (IRS)		**(1,509)**	(2,197)
Finance costs		**13,754**	18,423
Operating profit before changes in working capital		**245,385**	137,051
Working capital changes:			
Inventories		**37,264**	(1,572)
Trade and other receivables		**20,640**	(37,775)
Trade and other payables		**5,048**	(403)
Net cash generated from operations		**308,337**	97,301
Employees' end of service benefits paid		**(747)**	(1,281)
Net cash flows generated from operating activities		**307,590**	96,020
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(35,292)**	(52,746)
Proceeds from disposal of property, plant and equipment		**15**	5
Deposits matured with original maturity of more than three months		**2,421**	-
Interest received		**4,268**	558
Net cash flows used in investing activities		**(28,588)**	(52,183)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**265,068**	545,851
Repayment of loans and borrowings		**(112,393)**	(559,994)
Interest on loans and borrowings paid		**(10,028)**	(18,897)
Payment of lease liabilities		**(1,496)**	(1,013)
Dividends paid	7	**(61,594)**	(37,629)
Settlement of derivatives		**1,509**	2,197
Purchase of treasury shares		**(2,902)**	(2,569)
Proceeds from resale of treasury shares		**2,720**	2,043
Net cash flows from / (used in) financing activities		**80,884**	(70,011)

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2026 (Reviewed)

	Six-month period ended	
	30 June 2026 BD '000	*30 June 2025 BD '000*
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**359,886**	(26,174)
Cash and cash equivalents at 1 January	**145,354**	113,800
Effect of movement in exchange rates on bank balances and cash	**(1,739)**	562
CASH AND CASH EQUIVALENTS AT 30 JUNE	**503,501**	88,188
Cash and cash equivalents comprise of:		
Bank balances	**334,892**	67,206
Short term deposits	**174,557**	20,908
Cash in hand	**25**	74
Bank balances and cash in interim consolidated statement of financial position	**509,474**	88,188
Less: short-term deposits with original maturity of more than three months	**(5,973)**	-
CASH AND CASH EQUIVALENTS AT 30 JUNE	**503,501**	88,188

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

Aluminium Bahrain B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026 (Reviewed)

	Note	*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*	*Non-controlling interest BD '000*	*Total equity BD '000*
Balance at 1 January 2026		142,000	(3,981)	71,000	249	7,256	1,868,113	2,084,637	950	2,085,587
Profit for the period		-	-	-	-	-	140,181	140,181	(5)	140,176
Effective portion of changes in fair values of cash flow hedge	6	-	-	-	-	1,924	-	1,924	-	1,924
Net gain on interest rate swap (IRS) reclassified to profit or loss	6	-	-	-	-	(1,509)	-	(1,509)	-	(1,509)
Total comprehensive income / (loss) for the period		-	-	-	-	415	140,181	140,596	(5)	140,591
Net movement in treasury shares		-	(26)	-	-	-	(156)	(182)	-	(182)
Final dividend for 2025 approved and paid	7	-	-	-	-	-	(61,594)	(61,594)	-	(61,594)
Balance at 30 June 2026		**142,000**	**(4,007)**	**71,000**	**249**	**7,671**	**1,946,544**	**2,163,457**	**945**	**2,164,402**

	Note	*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*	*Non-controlling interest BD '000*	*Total equity BD '000*
Balance at 1 January 2025		142,000	(4,939)	71,000	249	12,782	1,702,849	1,923,941	-	1,923,941
Profit for the period		-	-	-	-	-	42,683	42,683	-	42,683
Effective portion of changes in fair values of cash flow hedge	6	-	-	-	-	(1,837)	-	(1,837)	-	(1,837)
Net gain on interest rate swap (IRS) reclassified to profit or loss	6	-	-	-	-	(2,197)	-	(2,197)	-	(2,197)
Total comprehensive (loss) / income for the period		-	-	-	-	(4,034)	42,683	38,649	-	38,649
Net movement in treasury shares		-	(365)	-	-	-	(161)	(526)	-	(526)
Final dividend for 2024 approved and paid	7	-	-	-	-	-	(37,629)	(37,629)	-	(37,629)
Balance at 30 June 2025		142,000	(5,304)	71,000	249	8,748	1,707,742	1,924,435	-	1,924,435

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

1 CORPORATE INFORMATION

Aluminium Bahrain B.S.C. ("the Company" & "Alba") was incorporated as a Bahrain Joint Stock Company (closed) in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce (MOIC) under commercial registration (CR) number 999.

Subsequent to the Initial Public Offering ("IPO") on 23 November 2010, the Company became a Bahrain Public Joint Stock Company with a dual listing on the Bahrain Bourse (primary listing) as well as the Global Depository Receipts on the London Stock Exchange - Main Market. The Company has its registered office at Building 150, Road 94, Block 951, Askar, Kingdom of Bahrain.

The Company's majority shareholder is Bahrain Mumtalakat Holding Company B.S.C. (c) ("Mumtalakat") which is also the ultimate parent, a company wholly owned by the Government of the Kingdom of Bahrain through the Ministry of Finance and National Economy, which holds 69.38% of the Company's share capital.

The Company is engaged in manufacturing 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.

During the year ended 31 December 2025, SABIC Industrial Investments Company (SIIC) sold its total 20.62% shareholding in the Company to Saudi Arabian Mining Company (Ma'aden) which then became a shareholder in Alba.

The Group comprises the Company and the following subsidiaries:

		Ownership interest		
Name	***Country of incorporation***	***30 June 2026***	*31 December 2025*	***Principal activities***
Aluminium Bahrain US, Inc.	United States of America (USA)	**100%**	100%	Selling and distribution of aluminium throughout the South and North America
AlbaCap Insurance Limited	Guernsey	**100%**	100%	Captive insurance entity to insure risks of the Group
* Alba-Daiki Sustainable Solutions W.L.L.	Kingdom of Bahrain	**70%**	70%	Aluminium dross processing (under construction)

* During the year ended 31 December 2025, the Company and Daiki Aluminium Industry Co. Limited ("Daiki") established a new subsidiary, Alba-Daiki Sustainable Solutions W.L.L. ("Alba-Daiki"), which was registered on 6 March 2025. The Company and Daiki hold 70% and 30% shareholding, respectively. Alba-Daiki proposes to operate an aluminium dross processing plant, which is currently under construction.

The Group also has representative branch offices in the Kingdom of Bahrain, Zug (Switzerland) and Singapore.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 4 August 2026.

2 ACQUISITION OF ALUMINIUM DUNKERQUE INDUSTRIES FRANCE

On 28 February 2026, Alba entered into a put-option agreement with AIP VII Europe S.à r.l., a wholly owned subsidiary of AIP Fund VII Europe S.a.r.l, managed by American Industrial Partners (AIP), to acquire 100% of Aluminium Dunkerque Industries France ("Acquiree"), located in Loon Plage, France. The proposed transaction was approved by the shareholders of Alba at the Annual General Meeting held on 12 March 2026. The Share Purchase Agreement (SPA) was executed on 6 May 2026. However, the completion of the transaction remains subject to the completion of required regulatory approvals and administrative processes.

On 22 April 2026, Alba entered into a financing agreement with a syndicate of banks for a facility of up to USD 2.25 billion to fund the acquisition. The facility remained undrawn as at 30 June 2026.

As of 30 June 2026, the proposed transaction has not been closed and the ownership of the Acquiree has not been transferred to Alba and, therefore, no assets, liabilities, income or expenses of the Acquiree have been recognised in the interim condensed consolidated financial statements.

3 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include 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 for the year ended 31 December 2025. In addition, results for the six months ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

Amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of below amendments effective as of 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments apply for the first time in 2026, but do not have material impact on the interim condensed consolidated financial statements of the Group.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:

a) Clarifies that a financial liability is derecognised on the 'settlement date';

b) Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features;

c) Clarifies the treatment of non-recourse assets and contractually linked instruments; and

d) Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

3 MATERIAL ACCOUNTING POLICIES (continued)

Amendments adopted by the Group (continued)

Annual improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

Contracts Referencing Nature-dependent Electricity

Amendments to IFRS 9 and IFRS 7 – In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

i) Clarify the application of the 'own-use' requirements for in-scope contracts.

ii) Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.

iii) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Provisional pricing adjustments

Adjustments to sale price occur based on movements in market prices from the date of sale to the end of the period agreed with the customer. The period can range between 1-2 months. Estimates are made on likely price adjustments using available market rates of underlying commodity price benchmarks. Actual results are determined on the date of price confirmation with the customers.

Seasonality of operations

The Group does not have significant income of seasonal nature.

Contingencies

The Group discloses its contingent liabilities for the pending litigations and claims against the Group based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognised at the balance sheet date. However, based on the best judgment of the Group and the likely outcome of these litigations and claims as at 30 June 2026, there is no need to recognise any liability at the balance sheet date.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The significant accounting judgements and estimates used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

5 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

Since 28 February 2026, the geopolitical developments in the Middle East have resulted in heightened uncertainty across the region, including in the Kingdom of Bahrain. These developments have contributed to increased volatility in regional operating conditions and have affected supply chains, logistics networks, energy markets and broader economic activity.

5 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST (continued)

During the period, the Company invoked force majeure provisions under certain contractual arrangements where management determined that prevailing regional circumstances constituted events beyond the Company's reasonable control and affected its ability to perform specific contractual obligations.

In addition, during the period, the Group experienced a security-related incident affecting certain operational facilities. The management responded in accordance with established emergency response, business continuity and incident management procedures. The incident was contained and the affected operations were stabilised through the implementation of contingency measures. Relevant stakeholders were informed through appropriate public disclosures.

In response to the evolving geopolitical environment, the Group has enhanced its monitoring and risk management activities and activated business continuity measures to mitigate potential operational, supply chain, credit and liquidity risks. The management continues to assess the impact of these developments on the Group's operations, financial performance, cash flows and financial position.

As of the date of approval of these condensed consolidated interim financial statements, the ultimate nature and extent of the financial effects arising from these geopolitical developments remain uncertain. Accordingly, management will continue to monitor the situation and assess any implications for future reporting periods.

Impact on Expected Credit Losses (ECL)
In light of the prevailing economic uncertainty, management has assessed expected credit losses ("ECL") based on the latest macroeconomic scenarios and probability weightings used as per the simplified approach method to estimate as at 30 June 2026, in accordance with IFRS 9 – Financial Instruments. These assumptions reflect the management's current view of the increased downside risks in the current economic environment.

The credit risk relating to trade receivables is managed by the Group through a combination of advance payments from customers and the use of letters of credit or bank guarantees to secure payments. As at the reporting date, the Group has not experienced any significant collection issues, and the credit risk associated with trade receivables is considered limited.

Credit risk arising from other financial assets of the Group including bank balances, bank deposits and derivative financial instruments, is considered low. The Group deals only with reputable banks, financial institutions and brokers with strong credit profiles.

Assessment of asset carrying values and other financial statement impacts
As at 30 June 2026, management has assessed the carrying values of the Group's financial and non-financial assets for indicators of impairment or the need of valuation adjustments, taking into account the current geopolitical environment and recorded a write down provision of BD 7,264 thousand due to the security related incident. Based on the information available at the reporting date, the management has concluded that the carrying values of these assets reasonably reflect the conditions and risks existing as at 30 June 2026.

Given the evolving nature of the situation, the management acknowledges that further developments may affect economic assumptions, credit risk assessments, and asset valuations in future reporting periods. Any impacts arising from new information or changes in circumstances will be recognised prospectively, as appropriate, in accordance with the applicable IFRS Accounting Standards requirements, including through updates to ECL estimates, valuation assumptions, or impairment assessments in subsequent periods.

6 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2026 (Reviewed) BD '000	*31 December 2025 (Audited) BD '000*
Classified in the interim consolidated statement of financial position:		
- Positive fair values - assets arising from IRS		
Non-current portion	**6,310**	4,662
Current portion	**1,361**	2,594
	7,671	7,256
- Negative fair values - liability arising from commodity derivatives- current portion	**(820)**	(383)

	Three-month period ended		*Six-month period ended*	
	30 June 2026 (Reviewed) BD '000	*30 June 2025 (Reviewed) BD '000*	***30 June 2026 (Reviewed) BD '000***	*30 June 2025 (Reviewed) BD '000*
Recognised in interim consolidated statements of profit or loss and other comprehensive income:				
Changes in fair value of derivative financial instruments related to:				
- Interest rate swap cash flow hedge (note i)	**1,113**	(508)	**1,924**	(1,837)
- Realised gain on settlement of IRS (note i)	**1,509**	2,197	**1,509**	2,197
- Commodity futures (FVTPL) recognised in interim consolidated statement of profit or loss (note ii)	**3,197**	620	**(437)**	429

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 to hedge its interest rate risks, commodity futures and forward swaps to meet customer pricing requirement.

(i) This represents the difference between the Mark-to-Market (MTM) value of IRS as at 30 June 2026 and 31 December 2025.

Interest rate swaps
On 22 February 2023, the Group entered into a new amortising interest rate swap contract with the National Bank of Bahrain B.S.C., to hedge USD-denominated floating interest rate (SOFR) cash flows attributable to a term loan, for the notional amount of BD 175,780 thousand out of the total refinancing amount of BD 351,560 thousand. The derivative contract is set to expire on 29 April 2030.

The Group has designated this derivative as cash flow hedging instrument which qualifies for hedge accounting under IFRS 9. Accordingly, the effective portion of the gains or losses resulting from the re-measurement of fair value of the derivative is recognised in the interim consolidated statement of comprehensive income under other comprehensive income.

As of 30 June 2026, the notional amount outstanding was BD 120,667 thousand at a fixed rate of 1.4830% (31 December 2025: BD 128,875 thousand at the same fixed rate).

6 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest rate swaps (continued)
During the period ended 30 June 2026, a portion of the interest rate swap contract designated as a cash flow hedging instrument for the term loan facility was settled and the cumulative fair value gain of BD 1,509 thousand (30 June 2025: BD 2,197 thousand), was reclassified from the cash flow hedge to the interim consolidated statement of profit or loss.

Realised gains or losses are reclassified from the cash flow hedge reserve to the interim consolidated statement of profit or loss as a reclassification adjustment in the periods during which interest expense on the hedged borrowings is recognised or paid.

(ii) Commodity derivatives
The Group enters into derivative contracts to reduce the price risk on behalf of its customers and a portion of its production. These 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 the interim consolidated statement of profit or loss.

During the period ended 30 June 2026, the Group entered into commodity future and forward swap contracts to reduce the price risk on behalf of its customers for 15,175 metric tonnes (30 June 2025: 55,425 metric tonnes). Outstanding contracts as of 30 June 2026 were 1,600 metric tonnes (31 December 2025: 12,900 metric tonnes) mature within one to twelve months from the period ended 30 June 2026.

During the period ended 30 June 2026, the Group did not enter into derivative transactions as a strategic hedge against LME price (30 June 2025: 8,000 metric tonnes). Outstanding contracts as of 30 June 2026 were 30,750 metric tonnes (31 December 2025: 53,500 metric tonnes) and these mature within one to twelve months from the period ended 30 June 2026.

7 DIVIDEND

At the Annual General Meeting held on 12 March 2026, the Company's shareholders approved a final cash dividend of BD 0.04351 per share, excluding treasury shares, amounting to BD 61,612,237 for the year ended 31 December 2025. Based on the outstanding shares at the 'Dividend Record date' of 25 March 2026, a total dividend distribution amounted to BD 61,594,409 has been fully paid as of 30 June 2026 to Bahrain Clear B.S.C. (c) for onward distribution to shareholders. For comparative purposes, the final cash dividend for the year ended 31 December 2024 amounted to BD 0.02658 per share, excluding treasury shares, totaling BD 37,629,258, which was approved and paid to Bahrain Clear B.S.C. (c) during the year ended 31 December 2025.

8 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Three-month period ended		*Six-month period ended*	
	30 June 2026 BD '000 (Reviewed)	*30 June 2025 BD '000 (Reviewed)*	***30 June 2026 BD '000 (Reviewed)***	*30 June 2025 BD '000 (Reviewed)*
a) Type of goods				
Billet	**149,685**	166,535	**305,292**	311,502
Slab	**63,760**	61,856	**128,028**	118,168
Foundry	**82,637**	117,859	**156,437**	214,918
Liquid	**83,166**	81,142	**170,922**	162,285
Ingots	**27,086**	11,989	**43,465**	40,230
Alumina trading	**15,207**	-	**26,289**	-
Calcined petroleum coke	**-**	-	**6,860**	-
	421,541	439,381	**837,293**	847,103
Pricing adjustments *	**1,875**	(5,319)	**5,707**	(4,089)
	423,416	434,062	**843,000**	843,014

* Pricing adjustments represent Mark-to-Market (MTM) adjustments on initial estimate of provisionally priced sales.

	Three-month period ended		*Six-month period ended*	
	30 June 2026 BD '000 (Reviewed)	*30 June 2025 BD '000 (Reviewed)*	***30 June 2026 BD '000 (Reviewed)***	*30 June 2025 BD '000 (Reviewed)*
b) Geographical markets				
Kingdom of Bahrain	**153,197**	115,271	**283,071**	231,251
Europe	**84,827**	120,569	**182,412**	215,874
Rest of the Middle East and North Africa	**98,439**	69,364	**193,959**	142,551
Asia	**28,075**	49,198	**70,520**	100,298
Americas	**58,878**	79,660	**113,038**	153,040
	423,416	434,062	**843,000**	843,014

c) Customer concentration

Revenue from sale of aluminium to the three major customers of the Group amounted to BD 277,540 thousand with one of the customers individually accounting for more than 10% of the total revenue from contracts with customers for the six month period ended 30 June 2026 (three major customers of the Group amounted to BD 201,176 thousand with one of the customers individually accounting for more than 10% of the total revenue from contracts with customers for the six month period ended 30 June 2025).

9 SEGMENT INFORMATION

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

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributed to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period, excluding the average number of shares purchased by the Group and held as treasury shares which is as follows:

	Three-month period ended		*Six-month period ended*	
	30 June 2026 (Reviewed)	*30 June 2025 (Reviewed)*	***30 June 2026 (Reviewed)***	*30 June 2025 (Reviewed)*
Profit for the period attributable to equity holders of Aluminium Bahrain B.S.C. (BD '000)	**64,879**	24,565	**140,181**	42,683
Weighted average number of shares net of treasury shares - thousands of shares	**1,415,538**	1,415,428	**1,415,808**	1,415,499
Basic and diluted earnings per share (fils)	**46**	17	**99**	30

Basic and diluted earnings per share are the same since the Group has not issued any instruments that would have a dilutive effect.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these interim condensed consolidated financial statements.

11 COMMITMENTS AND CONTINGENCIES

a) Commitments

Raw material supply agreements
In the ordinary course of business the Group has entered into long-term commitments to purchase raw materials. These contracts are based on the market price of the raw material at the time of delivery.

Capital expenditure
Estimated capital expenditure contracted for at the reporting date amounted to BD 66,505 thousand (31 December 2025: BD 59,696 thousand). The commitments are expected to be settled within 1 to 5 years from the reporting date.

b) Contingencies

i) Under an employee scheme, the Group has issued guarantees to financial institutions in the Kingdom of Bahrain in relation to the mortgage loans of its employees to the extent of their cumulative balance in the Alba saving scheme. The total value of these letters of guarantee is BD 11,159 thousand as at 30 June 2026 (31 December 2025: BD 11,966 thousand).

ii) At 30 June 2026, the Group had contingent liabilities in respect of the bank guarantees amounting to BD 18 thousand (31 December 2025: BD 20,423 thousand) from which it is anticipated that no material liabilities will arise.

12 RELATED PARTY TRANSACTIONS AND BALANCES

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

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The Group purchases gas and receives services from various Government and semi-government organisation and companies in the Kingdom of Bahrain. Other than purchase of natural gas, such other transactions are in the normal course of business and are not considered to be individually significant in terms of size.

Transactions with other commercial non-government related parties related to the controlling shareholder and significant transactions with Government related entities included in the interim consolidated statement of profit or loss are as follows:

	Three-month period ended		*Six-month period ended*	
	30 June 2026 BD '000 (Reviewed)	*30 June 2025 BD '000 (Reviewed)*	***30 June 2026 BD '000 (Reviewed)***	*30 June 2025 BD '000 (Reviewed)*
Other related parties				
Revenue and other income				
Sale of aluminium	**66,149**	34,750	**114,774**	78,087
Sale of calcined petroleum coke and others	**1,380**	-	**4,191**	-
Sale of water	**93**	260	**371**	527
Interest income	**55**	95	**121**	198
Other income	**4**	-	**8**	-
Realised gain on settlement of cash flow hedge	**1,509**	2,197	**1,509**	2,197
	69,190	37,302	**120,974**	81,009

	Three-month period ended		*Six-month period ended*	
	30 June 2026 BD '000 (Reviewed)	*30 June 2025 BD '000 (Reviewed)*	***30 June 2026 BD '000 (Reviewed)***	*30 June 2025 BD '000 (Reviewed)*
Other related parties				
Cost of revenue and expenses				
Purchase of natural gas and diesel	**31,435**	64,398	**90,637**	120,792
Purchase of aluminium scrap	**455**	7	**455**	7
Net power exchange import	**(916)**	(260)	**2,300**	6,427
Interest on loans and borrowings	**558**	465	**558**	978
Purchase of raw materials	**4,413**	63	**8,423**	238
Amortisation of deferred cost on IRS	**298**	298	**596**	596
Others	**68**	109	**605**	477
	36,311	65,080	**103,574**	129,515

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	30 June 2026 BD '000 (Reviewed)	*31 December 2025 BD '000 (Audited)*
Other related parties		
Assets		
Trade receivables	**24,703**	11,385
Other receivables - net of allowance for expected credit loss of BD 4,769 thousand (31 December 2025: BD 4,769 thousand)	**2,044**	2,055
Bank balances	**15,024**	29,027
Property, plant and equipment	**-**	350
Derivative financial instruments - interest rate swap (note 6)	**7,671**	7,256
	49,442	50,073

	30 June 2026 BD '000 (Reviewed)	*31 December 2025 BD '000 (Audited)*
Liabilities		
Trade payables	**17,787**	20,333
Lease liabilities	**3,133**	3,453
Loan and borrowings	**37,700**	-
	58,620	23,786

Outstanding trade payables balances at period / year end arise in the normal course of business are interest free, unsecured and payable on demand.

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

	Three-month period ended		*Six-month period ended*	
	30 June 2026 BD '000 (Reviewed)	*30 June 2025 BD '000 (Reviewed)*	***30 June 2026 BD '000 (Reviewed)***	*30 June 2025 BD '000 (Reviewed)*
Short term benefits	**288**	270	**1,575**	1,214
End of service benefits	**33**	28	**66**	56
Contributions to Alba Savings Benefit Scheme	**26**	25	**52**	52
SIO Contribution (ALBA share)	**13**	12	**26**	24
	360	335	**1,719**	1,346

13 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of financial instruments
Financial instruments comprise financial assets, financial liabilities and derivative financial instruments.

Financial assets consist of bank balances and cash, short term deposits and trade and other receivables. Financial liabilities consist of trade and other payables, loans and borrowings and lease liabilities. Derivative financial instruments consist of the interest rate swaps and commodity derivatives.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 : Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

As at 30 June 2026 and as at 31 December 2025, the Group's derivative financial instruments, related to interest rate swaps and commodity derivatives and trade receivables (subject to provisional pricing) are measured at fair value and categorised as Level 2 as per the hierarchy. The Group does not have any financial instruments categorised as Level 1 or Level 3.

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 rates of the group's liabilities.

During the period / year ended 30 June 2026 and 31 December 2025, 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.

14 DOMESTIC MINIMUM TOP-UP TAX

The Global Anti-Base Erosion Pillar Two Model Rules ("GloBE rules") established by the Organization for Economic Cooperation and Development ("OECD") apply to multinational enterprise ("MNE") groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ("Bahrain DMTT law") on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities within the Group for fiscal years beginning on or after 1 January 2025.

The Company is domiciled and operates in the Kingdom of Bahrain and has assessed that it falls under the scope of the Bahrain DMTT law effective 1 January 2025. Under similar regulations enacted in other countries (based on GloBE rules), the Group's subsidiaries may also be subject to a top-up tax in 2025 in relation to its operations in United States and Guernsey. Based on the Group's assessment of applicability of the Bahrain DMTT law and GloBE rules, while it is within the scope of the DMTT law and GloBE rules, the tax liability for the period ended 30 June 2026 is expected to be nil, as the Group expects to meet the following conditions for a temporary relief - Exclusion for Initial Phase of International Activity:

14 DOMESTIC MINIMUM TOP-UP TAX (continued)

- The Group shall be present in less than 6 jurisdictions.
- The net book value of tangible assets (outside of Bahrain) shall not exceed EUR 50 million.
- The Company ownership shall not be held in any jurisdiction applying OECD Income Inclusion Rule.

The management will continue to monitor compliance with the conditions for the Exclusion for the Initial Phase of International Activity on an ongoing basis.