

FOR IMMEDIATE RELEASE

QAMCO posts net profit of QR 95 million for the financial year ended 31 December 2020

Board of Directors recommends a cash dividend of QR 0.035 per share, equating to a payout ratio of 206% of 2020 net earnings

- *QAMCO's share of JV's revenue for the year ended 31 December 2020 amounted to QR 2.2 billion*
- *QAMCO's share of the JV's EBITDA remained robust at QR 652 million, achieving an EBITDA margin of ~30%*
- *Earnings per share of QR 0.017 for the year ended 31 December 2020*
- *Q4-20 profitability of QR 82 million, significantly recovered versus Q3-20 and posted the best quarterly profit till date since QAMCO's incorporation, amid product prices recovery*
- *QAMCO JV's dynamic shift of product mix to adjust market volatilities supported resilient sales volumes and improved margins for the financial year 2020*
- *Swift response to operational cost and CAPEX optimization led to a continued low-cost operating base, while cash conservation remained robust*
- *Robust cash position with QAMCO's closing cash balance¹ (including share of cash in QAMCO's JV) stood at QAR 740 million*

Doha, Qatar; 14 February 2021: Qatar Aluminium Manufacturing Company Q.P.S.C., a 50% joint venture partner in one of the world's most efficient, low-cost smelters that produces premium high quality aluminium products, today reported a net profit of QR 95 million for the year ended 31 December 2020, with an earnings per share (EPS) of QR 0.017.

¹ Cash and bank balances after excluding restricted cash balance pertaining to dividend payable of last year amounting to QR 31.6 million

Financial and operational highlights

A summary of QAMCO's key financial indicators as reported in the financial statements and the financial indicators used for the purpose of current year's variance analysis is as follows:

Key financial indicators (Figures in QR Millions)	YE-2020	YE-2019² (as reported in the financial statements; includes 13 months data from the date of incorporation)	YE-2019³ (used for the purpose of current period's variance analysis; includes 12 months data from 01 January 2019)
Share of revenue	QR 2,197	QR 2,669	QR 2,476
Share of EBITDA	QR 652	QR 704	QR 668
Net profit	QR 94.7	QR 80.0	QR 95.8
EBITDA margins	29.7%	26.4%	27.0%

Financial performance in 2020 witnessed unforeseen operational challenges and market volatilities due to ongoing global pandemic. These uncertainties reflected on the lowest selling prices, imbalances in demand and supply cycle, apart from hampered global GDP growth. All of which weighed on QAMCO's performance for the year ended 31 December 2020.

QAMCO's net profit stood at QR 95 million, with QAMCO's share of the joint venture's EBITDA at QR 652 million for the year 2020, compared to net profit of QR 96 million and share of EBITDA of QR 668 million for the year 2019³. QAMCO's share of revenue for the financial year 2020 amounted to QR 2.2 billion, down by 11% compared to last year².

Sales volumes for the year were marginally higher than last year, as QAMCO's JV swiftly shifted the production to standard ingots (SI), as the demand for value added products (VAP) and alloys used by various industries declined during peak of pandemic due to lockdowns and lack of industrial activity. The channeling of production volumes swiftly from VAP to SI supported in ensuring achieving maximum sales volumes. Though, lower VAP volumes resulted in lower realized LME premiums. On the other hand, given the demand for VAP showed signs of recovery, especially towards end of Q3-20, QAMCO's JV successfully shifted the product mix back to VAP from SI in Q4-20, resulting in higher premiums and better margins for the quarter.

During the year, profitability remained under pressure mainly on account of lowered revenues from declining selling prices, which declined by 12% year-on-year basis and contributed QR 289 million negatively to the net profits for the year ended 31 December 2020, as compared to last

² Company's first financial year was from the date of its incorporation i.e. from 3 December 2018. Hence financial data reported in the financial statements for the period ended 31 December 2019, comprised of 12 months period from the date of its incorporation.

³ For purpose of comparability, 2019 financial data relates to the period from 01 January 2019 till 31 December 2019. Whereas, in actual, the published financial statements of December 2019 included financial data for the period from the date of QAMCO's incorporation (i.e. 3 December 2018) till 31 December 2019.

year. This was partially offset by the sales volumes, which positively contributed QR 10 million to net profits for the financial year 2020, as compared to last year.

However, during Q4-20 a significant recovery of 16% in selling prices was noted, compared to Q3-20, on the back of improved macroeconomic sentiments while most of the economies were easing out lockdowns coupled with unprecedented stimulus announcements and vaccine optimism, created a surge in demand from construction and automotive sectors, which immensely contributed towards posting the best quarterly profits amounting to QR 82 million since QAMCO's incorporation.

The overall cost of goods sold remained lower on account of declining raw material prices, energy costs and cost optimization initiatives helped to realize savings in staff costs, plant maintenance and technical services costs. On overall basis, decline in cost of goods sold contributed QR 255 million positively to the net profits for the year ended 31 December 2020, as compared to last year.

QAMCO's total assets as at 31 December 2020 stood at QR 5.8 billion against QR 5.7 billion as at 31 December 2019. QAMCO's share of net debt in the JV increased marginally by QR 5 million during 2020, to reach QR 1.9 billion as at 31 December 2020, after considering share of cash and bank balances amounting to QR 332 million. Share of debt declined by 8% on account of repayment of principal debt amounting to QR 222 million.

QAMCO's financial position continued to remain robust despite several macroeconomic headwinds, with the liquidity position at the end of 31 December 2020 reaching QR 740 million in cash and bank balances (including proportionate share of cash and bank balances of the joint venture, after excluding restricted cash balance pertaining to dividend payable). During the year, QAMCO's JV generated positive share of operating cash flows of QR 684 million, marginally down by 1% compared to 2019, with a share of free cash flows of QR 226 million

Commenting on the financial and operational highlights, **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors, QAMCO**, said:

"Despite momentous macroeconomic headwinds since the outbreak of COVID-19 pandemic, QAMCO continued to rely on its solid strategic foundations of cost efficiency, operational excellence and flexibility, with a firm commitment to HSE and managed to maintain same levels of production and sales, in a market where some of the global aluminium players continued to depict sluggish trends due to disruptive environment apart from stymied demand and declining prices of aluminium.

The potential threats of COVID-19 pandemic on joint venture's operations and business continuity were successfully contained by proactive measures in relation to supply chain activities and safety. Our sales and marketing partner, worked diligently and acted decisively to achieve sales volumes as last year, while our resilience remained in our flexibility towards the product mix.

Going forward, banking on the efficient operational excellence in all key business areas will successfully safeguard against market volatilities, while ensuring our flexible approach towards our supply chain and marketing capabilities, to better position us for our long-term goals.”

Business performance and outlook

Aluminum industry continued its downward trajectory since mid-2018, on the back of US China trade conflict, Chinese and Middle Eastern capacity expansions and weakening global aluminium demand due to slow down in global economies and GDP growth. Prices continued to hit new lows in 2020, after the outbreak of COVID-19 pandemic, as the demand for aluminium witnessed an enormous pressure, due to lockdowns across all the regions globally, where manufacturing subsided in many countries.

However, aluminum industry showed a significant recovery during Q4-20, where positive rebalancing was noted in response to continuous unprecedented stimulus by most of the governments, lifting of lockdowns in major markets and optimism around vaccine roll-out. However, on overall basis, the price trends remained negative throughout 2020 compared with the previous years, and on an average a decline of 9% in global aluminium prices was noted as compared to 2019.

QAMCO responded to these adverse market conditions by increasing the efficiency of its joint venture, with sales and production volumes remaining largely stable and at par compared with 2019's levels. This is a testament to the Company's global marketing partnership, which provided access to strategic markets to compete with international players, while ensuring the facilities remained above the name-plate capacity throughout the year, despite dampening market conditions. As a measure of its efficiency, the joint venture achieved optimum utilization in terms of production volumes during 2020, without compromising on quality and focused safety targets during on-going challenging pandemic environment.

QAMCO's JV continues to maintain efficiency and cost competitiveness for its production and operations. The Company's JV acted swiftly on cost optimization initiatives despite tackling additional pressure from ongoing pandemic situation and deferred major CAPEX to conserve cash for unforeseen vulnerabilities. These efforts have reflected positively on the JV's operating costs, while keeping QAMCO's JV as one of the lowest cost smelters in the world.

QAMCO's JV successfully ensured safety for all its staff from global pandemic by taking timely measures in form of changing shifts cycles and implementing travel restrictions, which directly contributed to ensure uninterrupted operations throughout the year.

Going forward, QAMCO's JV is well prepared to implement pro-active measures for optimizing its production cost, in response to volatile market conditions. Nonetheless, QAMCO's JV continued to remain profitable, a testament to the JV's efficient cost base, mainly due to its lower input cost

elements, including the power costs and long term raw materials agreements, which allows production flexibility and output maximization.

Dividend Distribution

Given the financial performance of the Company which was broadly affected by the macroeconomic conditions throughout the period, and pressured the overall performance of the Company, the Board of Directors proposed a dividend distribution of QR 195.3 million for the year ended 31 December 2020, representing a payout ratio of 206% of 2020's net earnings, equivalent to a dividend of QR 0.035 per share i.e. 3.5% of the nominal value of the shares.

Earnings Call

QAMCO will host an IR earnings call to discuss the results, business outlook and other matters on Wednesday, 17th February 2021 at 1:30 p.m. Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section of IQ's website.

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About QAMCO

Qatar Aluminium Manufacturing Company Q.P.S.C. (QAMCO) was incorporated on 3 December 2018 as a Qatari shareholding company. The registered office is located at P.O. Box 3212, Doha, State of Qatar. QAMCO is a 50% shareholder in Qatalum (a joint venture of QAMCO), which is a producer and marketer of primary aluminium. QAMCO owns 50% of Qatalum's issued capital with the remaining 50% being held by Hydro Aluminium Qatalum Holding B.V.

For more information about this press release, email gamco@gp.com.qa or gamco.investorrelations@gp.com.qa or visit www.gamco.com.qa

DISCLAIMER

The company in which Qatar Aluminium Manufacturing Company Q.P.S.C. directly owns investment is a separate entity. In this press release, "QAMCO" and "the Company" are sometimes used for convenience in reference to Qatar Aluminium Manufacturing Company Q.P.S.C.

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Qatar Aluminium Manufacturing Company Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the Company to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the Company's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this document.

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GENERAL NOTES

Qatar Aluminium Manufacturing Company's accounting year follows the calendar year. However, QAMCO's first financial year was consisted of 13 months from 3 December 2018 to 31 December 2019. No adjustment has been made for leap years. Where applicable, all values refer to Qatar Aluminium Manufacturing Company's share of interest in its joint venture. Values expressed in QR millions and/or billions. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 100 • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation calculated as (Net Profit + Interest Expense + Depreciation + Amortisation) • **EPS:** Earnings per Share (Net Profit / Weighted number of Ordinary Shares outstanding at the year-end/period end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **KMT:** Thousand Metric Tons • **LME:** London Metal Exchange • **MT PA:** Metric Tons Per Annum • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market Capitalisation / Net Profit) • **Utilization:** Production Volume / Rated Capacity x 100 • **\$:** United States Dollar