

# Notice to the Shareholders of Qatar Aluminium Manufacturing Company Q.P.S.C.

We are pleased to invite you to attend the Company's Ordinary and Extraordinary General Assembly Meetings to be held on Wednesday, 2<sup>nd</sup> March 2022 at 3:30 pm Doha Time, electronically using Zoom application platform. In the case a quorum is not met, a second meeting will be held on Sunday, 6<sup>th</sup> March 2022 at 3:30 pm Doha Time, electronically using Zoom application platform.

## Agenda of the Ordinary General Assembly Meeting

1. Listen to the Chairman's message for the financial year ended 31 December 2021.
2. Listen and approve the Board of Directors' Report on QAMCO's operations and financial performance for the financial year ended 31 December 2021 and future plan of the Company.
3. Listen and approve the Auditors' Report on QAMCO's financial statements for the financial year ended 31 December 2021.
4. Discuss and approve QAMCO's financial statements for the financial year ended 31 December 2021.
5. Present and approve 2021 Corporate Governance Report.
6. Approve the Board's recommendation for a dividend payment of QR 0.08 per share for 2020, representing 8% of the nominal share value
7. Absolve the Board of Directors from liability for the financial year ended 31 December 2021 and fix their remuneration.
8. Appoint the external auditor for the financial year ending 31 December 2022 and approve their fees.

## Agenda of the Extraordinary General Assembly

1. Approve the proposed amendments to the Company's Articles of Association published on QAMCO's website (www.qamco.com.qa).

**Mr. Abdulrahman Ahmad Al-Shaibi**  
Chairman of the Board of Directors  
Qatar Aluminium Manufacturing Company

## Notes

1. Each shareholder shall have the right to attend the meeting of the General Assembly and shall have a number of votes that equals the number of shares owned thereby. Resolutions shall be passed by an absolute majority of shares duly represented therein, without prejudice to the provisions of the Company's Articles of Association.
2. Minors and the interdicted persons shall be represented by their legal guardians.
3. Any shareholder that is a company may authorize any one person to act as its representative at any meeting of the General Assembly.
4. Attendance by proxy at the General Assembly meeting is permitted, provided that the proxy is a shareholder and that the proxy is specific and in writing. A shareholder may not appoint a Board Director to act as his proxy at the meeting of the General Assembly. Proxy form can be downloaded from the Company's website: www.qamco.com.qa.
5. A shareholder may act as proxy for one or more shareholders of the Company as contemplated under the Company's Articles of Association. In all cases, the number of shares held by the proxy in this capacity shall not exceed (5%) of the Company's share capital.
6. Once completed, instruments appointing authorized persons and proxies must be provided to the Company no less than forty-eight (48) hours prior to the commencement of the General Assembly.

## Clarification on Participation and voting procedures for the meetings

Shareholders intending to attend the meetings virtually are requested to provide the following information and documents through an email to the email address: [qamco@qp.com.qa](mailto:qamco@qp.com.qa)

1. Copy of Identification document (Qatar ID or passport)
2. Mobile number
3. NIN number
4. A copy of proxy and supporting documents for representatives of individuals and corporate entities

At first, a Zoom application link will be sent electronically via email to those shareholders, who expressed their interest in attending these meetings and whose contact details are received. Based on the link, the shareholders will be required to register for the meetings. Based on the completion of the registration process, the shareholder will be sent another link which will direct him/her to a virtual meeting room based on Zoom application platform.

Registration process will start at 2:30 pm Doha Time on the date of the meetings. Shareholders intending to attend meetings can share their details earlier, so that they can join the registration process on time.

Attendees will be able to discuss the agenda items, address their questions, if any, to the Board of Directors or the External Auditor, virtually by sending their questions or comments in the chat box, available within the Zoom application, during the course of the meetings.

As for the voting on the meetings' agenda items, a shareholder who has an objection on an item must press the "Raise Hand" button on Zoom application, at the time of voting on the agenda item to express his/her objection. In the event that the shareholder does not press "Raise Hand" button, this will be considered as an endorsement for the agenda item.

## Board of Directors' Report

The Board of Directors is pleased to present its annual review of the financial and operational performance of QAMCO for the year ended 31 December 2021.

### Our strategy

Our base case strategy at the JV level has centered around achieving operational excellence and build a robust, competent and sustainable organization. This has been achieved by expanding our position as a strategic supplier of high-quality primary aluminium products, while operating at world-class HSE levels. Moreover, optimization efforts - particularly in operating cost management - will continue until the JV achieves its full potential.

### Macroeconomic conditions

During 2021 prices of aluminium demonstrated strength on the back of renewed global demand, with sectors such as construction and automotive industries witnessing a rebound, as global economies sequentially recovered on the back of market reopening with successful ongoing vaccination drive. Also, with aluminium being a key input for electric vehicles (EVs), wind turbines and solar power, bringing an additional layer of long-term demand for primary aluminium.

On supply side, power crisis in major markets, along with decarbonization linked output cuts, remained evident since the start of the year, and led to a significant aluminium capacity curtailment aiding accelerated inventory draws.

On overall basis, as demand remained buoyant, with supply deficits along with lower inventory levels, have sent primary aluminium prices to a multi-year high and led to improved margins for efficient producers.

### Our competitive strengths

Being cost competitive aluminium smelters, QAMCO's JV has successfully delivered on output efficiency with its technologically advanced facilities, coupled with assured long term feedstock supply and an intense HSE compliance.

QAMCO JV's global marketing partnership with the other JV partner, provided access to strategically important markets, which makes the Company more competitive in comparison to other international players, despite supply chain challenges which remained evident throughout the year. In addition, the JV is capable of fast transitioning its product mix in line with market conditions, which provides an additional layer of flexibility to the JV in terms of production process and supply chain management, while ensuring products are produced and sold in line the market demand.

These competitive strengths have remained pivotal in enabling QAMCO's JV to improve its operating asset base along with a strong cash position.

### Health, Safety and Environment (HSE) realizations

Focusing on health and safety standards by ensuring process safety remains a core value for the Company. QAMCO's JV progressed throughout the year towards its HSE goal of ensuring all workplaces are safe for everyone.

Workplace safety delivered steadfast production targets as per the plan, while Company's JV rolled-out a successful vaccination campaign for majority of its workforce. Other key HSE achievements during the year included, no recordable heat related incidents were recorded; delivering the best safety performance in the aluminium industry; and

achieve a target of becoming most efficient energy consumer.

The JV's strategy has been designed to persistently enhance its existing HSE standards. While working to retain leading HSE position in the region, JV has a strategy to benchmark its HSE program with Aluminium Stewardship Initiatives, while aiming to deliver continued operational excellence.

### Lower carbon footprints

QAMCO's JV has been successful in maintaining lowest carbon footprints compared to industry standard in terms of CO<sub>2</sub> per metric tonnes of aluminium produced through gaining advantage for use of natural gas, as its source of energy compared to other types of fuel such as coal and oil. Nevertheless, JV's carbon footprints are marginally higher than smelters which uses renewable energy, such as hydropower or solar energy.

With technological enhancements, QAMCO JV is continuously improving its energy generation efficiency from natural gas feedstock, while realizing lower carbon footprints. During the year, QAMCO's JV signed an agreement with General Electric to provide five Advanced Gas Path (AGP) upgrade sets to generate more sustainable and secure power, coupled with reducing carbon dioxide emissions.

### Achieving cost efficiencies and output optimization

QAMCO JV's focused approach on furthering cost optimization and efficiency targets through its in-house "Qatalum Improvement Program (QIP)" since 2015 has enabled the JV to cement its positioning as cost competitive aluminium producers, without compromising its safety and operational excellence.

Continued implementation of QIP during the year resulted in cost savings in line with defined annual targets. During the year, with the roll-out of innovative AGP project, it is expected that JV's power output would enhance and improve overall plant efficiency, while increasing the availability of gas turbines and lowering operational expenses by increasing the interval between their planned maintenance cycles. Also, QAMCO's JV successfully produced larger carbon anodes to enable improved amperage, thus improving overall production capabilities.

### Selling and marketing activities

Supply chain challenges remained evident throughout the year. However, QAMCO JV's strategic partnership on marketing and distribution of JV's products, not only gave the JV a greater access to global markets, but also provided continued support in steering through currently prevailing supply chain challenges with optimal costs, while ensuring robust volumes and business continuity.

### Financial and operational performance

QAMCO recorded a net profit of QR 835 million for the year ended 31 December 2021, as compared to QR 95 million for last year, with an earnings per share (EPS) of QR 0.15 for the current year versus QR 0.017 for last year.

Share of JV's revenue increased by 42% to reach QR 3.1 billion as compared to QR 2.2 billion for last year. EBITDA increased by 106% and reached QR 1.4 billion for 2021 as compared to QR 667 million for last year.

QAMCO's improved financial results for the financial year 2021 in comparison to last year, was largely attributed to an overall growth in average realized selling prices which

increased by 42% during the current year versus last year, and contributed QR 932 million positively towards net earnings of QAMCO for the year ended 31 December 2021 as compared to last year.

Production activity remained stable with volumes marginally increased by 1% during the current year, as compared to last year. Sales volumes slightly declined by 0.4% reflecting timing of shipments, consequently contributed QR 11 million negatively to QAMCO's net profits for the current year versus 2020. Although sales volumes were slightly lower than last year, QAMCO's JV remained successful in selling higher value-added products (VAP), while sales of standard ingots remained minimal during the current year. This production shift since latter part of last year has positively supported margins' evolution for the JV.

JV's cost of goods sold for the financial year 2021 was higher compared to last year, mainly on account of higher raw material costs, partially offset by favorable inventory movements and cost optimization initiatives. On overall basis, increase in cost of goods sold contributed QR 179 million negatively to QAMCO's net profits for the financial year 2021 versus last year.

Finance cost for the current year witnessed a decline of 32% versus last year, on account of decline in interest rates and absence of unamortized portion of financing cost being written-off last year. The decline in finance cost contributed QR 33 million positively to QAMCO's net earnings for the financial year 2021 in comparison to 2020.

### Financial position

QAMCO's financial position strengthened on account of higher realized selling prices by the JV, and supported in boosting liquidity position at the end of 31 December 2021, with cash and bank balances (including proportionate share of cash and bank balances of the joint venture) amounting to QR 1.5 billion. During the year, the Company's JV generated positive share of operating cash flows of QR 917 million, with a share of free cash flows of QR 693 million.

### CAPEX updates

QAMCO's JV continue to reline 3rd generation of pots and replace fluewalls to ensure sustainable operations, while minimization the risk for disruption in production. During the year, QAMCO JV incurred QR 224 million (QAMCO's share) on account of CAPEX outlays, which included routine operations, such as pot relining and other maintenance pertaining to power plant and anode plant.

### Proposed Dividend Distribution

The Board of Directors proposes an annual dividend distribution for the year ended 31 December 2021 amounting to QR 446 million, equivalent to QR 0.08 per share, representing a payout ratio of 53%, and a dividend yield of 4.4% based on year-end's closing share price.

### Conclusion

The Board of Directors expresses its gratitude to H.E. Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, for his vision and leadership, and to the senior management team of our joint venture for their hard work, commitment and dedication. We would also like to thank our esteemed shareholders for their greater reliance and trust in us

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended 31 December 2021

### Independent auditor's report to the shareholders of Qatar Aluminium Manufacturing Company Q.P.S.C.

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Our opinion

In our opinion, the financial statements of Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company") present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence

We are independent of the Company in accordance with the International Code of Ethics

for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the State of Qatar.

We have fulfilled our other ethical responsibilities in accordance with the IESBA code and ethical requirements of the State of Qatar.

##### Our audit approach

Overview

Key audit matter • Revenue Recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

##### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>REVENUE RECOGNITION</b>	
As disclosed in note 3 to the financial statements, the Company's share of the results of its joint venture ("Qatalum") of QR 832 million for the year ended 31 December 2021 represents 98% of total income of the Company. The revenue generated by the joint venture amounted to QR 6,237 million for the year ended 31 December 2021.	Our procedures in relation to revenue recognition from sales made by the joint venture included: <ul style="list-style-type: none"> <li>• Reviewing the terms of the relevant Marketing Offtake Agreement with the customers;</li> <li>• Evaluating the joint venture's accounting policy in relation to revenue recognition to determine whether or not they dealt appropriately with the sales made under the Marketing Offtake Agreement;</li> <li>• Understanding, evaluating and testing internal controls over revenue recognition at the joint venture level, including the timing of revenue recognition;</li> <li>• Analysing revenue transactions using computer aided audit and data analysis techniques to identify any unusual transactions;</li> <li>• Substantively testing revenue transactions on a sample basis by tracing them to invoices, receiving documents and other corroborating evidence; and</li> <li>• Performing cut-off testing of sales transactions, on a sample basis, to test whether the revenue of the joint venture has been recognised in the correct period.</li> </ul>
According to the revenue recognition policy applied by the joint venture, revenue from sales of products is recognised when the joint venture has transferred the control of the products to the customers at the point of delivery, as per the terms of delivery specified in the Marketing Offtake Agreement.	
We focused our audit on the sales revenue of the joint venture because of the large product volumes and high values of individual shipments, as we determined that errors in revenue recognition at the joint venture level could result in material misstatements in the financial statements of the Company when it recognises its share of results from its joint venture under the equity method of accounting.	



## Other information

The Directors are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As disclosed in Note 1 to the financial statements, during the year Law Number 8 of 2021 came into effect, amending certain provisions of the Qatar Commercial Companies Law number 11 of 2015. As of the year ended 31 December 2021, the Company is in the process of assessing the impact of these amendments.

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has maintained proper books of account and the financial statements are in agreement therewith;
- The financial information included in the Annual Report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its financial position as at 31 December 2021.

For and on behalf of PricewaterhouseCoopers – Qatar Branch  
Qatar Financial Market Authority registration number 120155

## Mark Menton

Auditor's registration number 364  
Doha, State of Qatar  
3 February 2022

## STATEMENT OF FINANCIAL POSITION

As at 31 December

(All amounts expressed in Qatari Riyals ('000') unless otherwise stated)

	Notes	2021	2020
<b>Assets</b>			
<b>Non-current asset</b>			
Investment in a joint venture	3	5,214,525	5,357,147
<b>Current assets</b>			
Other receivables		9,532	530
Cash and cash equivalents	4	437,153	233,361
Deposits and other bank balances	4.1	785,238	206,298
<b>Total current assets</b>		<b>1,231,923</b>	<b>440,189</b>
<b>Total assets</b>		<b>6,446,448</b>	<b>5,797,336</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	5	5,580,120	5,580,120
Legal reserve	6	268	-
Retained earnings		793,088	174,980
<b>Total equity</b>		<b>6,373,476</b>	<b>5,755,100</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	10	66,322	37,510
Due to related parties	9	6,650	4,726
<b>Total current liabilities</b>		<b>72,972</b>	<b>42,236</b>
<b>Total equity and liabilities</b>		<b>6,446,448</b>	<b>5,797,336</b>

The financial statements were authorised for issue by the Board of Directors on 3 February 2022, and were signed on its behalf by:

<b>Abdulrahman Ahmad Al-Shaibani</b> Chairman	<b>Ahmad Saeed Al-Amoodi</b> Vice Chairman
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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

(All amounts expressed in Qatari Riyals ('000') unless otherwise stated)

	Notes	2021	2020
Share of results from a joint venture	3	831,871	101,485
General and administrative expenses		(10,967)	(10,539)
Finance income		11,528	2,478
Other income		2,112	1,292
<b>Net profit for the year</b>		<b>834,544</b>	<b>94,716</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>834,544</b>	<b>94,716</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (expressed in QR per share)	7	0.150	0.0170

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

(All amounts expressed in Qatari Riyals ('000') unless otherwise stated)

	Share Capital	Legal reserve	Retained earnings	Total
<b>Balance at 1 January 2020</b>	5,580,120	-	138,433	5,718,553
Contribution to Social and Sports Development Fund	-	-	(2,368)	(2,368)
Profit for the year	-	-	94,716	94,716
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>94,716</b>	<b>94,716</b>
<i>Transaction with owners in their capacity as owners:</i>				
Dividends approved	-	-	(55,801)	(55,801)
<b>Balance at 31 December 2020</b>	5,580,120	-	174,980	5,755,100
<b>Balance at 1 January 2021</b>	<b>5,580,120</b>	-	<b>174,980</b>	<b>5,755,100</b>
Transfer to legal reserve (Note 6)	-	268	(268)	-
Contribution to Social and Sports Development Fund	-	-	(20,864)	(20,864)
Profit for the year	-	-	834,544	834,544
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	<b>834,544</b>	<b>834,544</b>
<i>Transaction with owners in their capacity as owners:</i>				
Dividends approved	-	-	(195,304)	(195,304)
<b>Balance at 31 December 2021</b>	<b>5,580,120</b>	<b>268</b>	<b>793,088</b>	<b>6,373,476</b>

## STATEMENT OF CASH FLOWS

For the year ended 31 December

(All amounts expressed in Qatari Riyals ('000') unless otherwise stated)

	Notes	2021	2020	
<b>Cash flows from operating activities</b>				
Profit for the year		834,544	94,716	
Adjustments for:				
Share of profit from joint venture	3	(831,871)	(101,485)	
Finance income		(11,528)	(2,478)	
<b>Cash used in operations</b>		<b>(8,855)</b>	<b>(9,247)</b>	
Social and sports fund contribution paid		(2,368)	(2,001)	
<b>Net cash used in operating activities</b>		<b>(11,223)</b>	<b>(11,248)</b>	
<i>Movement in working capital:</i>				
Due to related parties		1,924	358	
Other receivables		(9,002)	1,303	
Other payables		(24)	706	
<b>Net cash flows used in operating activities</b>		<b>(18,325)</b>	<b>(8,881)</b>	
<b>Cash flows from investing activities</b>				
Dividend received from joint venture	3	651,560	391,300	
Tax benefit received from joint venture	3	322,933	-	
Placement of fixed term deposits		(1,179,410)	(174,740)	
Maturity of fixed term deposits		610,810	73,600	
Finance income received		11,528	2,478	
<b>Net cash flows generated from investing activities</b>		<b>417,421</b>	<b>292,638</b>	
<b>Cash flows from financing activities</b>				
Dividends paid		(184,964)	(48,538)	
Movement in unclaimed dividends account		(10,340)	(7,263)	
<b>Net cash flows used in financing activities</b>		<b>(195,304)</b>	<b>(55,801)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>203,792</b>	<b>227,956</b>	
Cash and cash equivalents at beginning of the year		233,361	5,405	
<b>Cash and cash equivalents at end of the year</b>	4	<b>437,153</b>	<b>233,361</b>	

## Notes to the financial statements

For the year ended 31 December 2021

(All amounts expressed in Qatari Riyals ('000') unless otherwise stated)

### 1. CORPORATE INFORMATION AND ACTIVITIES

Qatar Aluminium Manufacturing Company Q.P.S.C. (the "Company" or "QAMCO") is registered and incorporated in Qatar with commercial registration number 126659 as a Qatari Public Shareholding Company by its founding shareholder, QatarEnergy. The Company is listed in the Qatar Stock Exchange and is governed by the provisions of the Qatar Commercial Companies Law No. 11 of 2015, and the regulations of Qatar Financial Markets Authority and Qatar Stock Exchange.

The Company was incorporated on 3 December 2018 for an initial period of 50 years. The Company is 51% owned by QatarEnergy and 49% of the Company's shares are traded on the Qatar Stock Exchange. The Company's registered office is at P.O. Box 3212, Doha, State of Qatar. The parent of the Company is QatarEnergy.

During the year, the Qatar Commercial law number 11 of 2015 has been amended by Law number 8 of 2021. As of the year ended 31 December 2021 the Company was in the process of assessing its compliance and impact of these amendments.

The principal activity of the Company is to establish, manage, own and/or hold shares, assets and interests in companies (and their subsidiaries and/or associated undertakings), engaged in all manner of processing and/or manufacturing of metal products including aluminum, practicing and implementing various aspects and stages of activities related to minerals and mining, including the development of supply chains and products, whether inside or outside the State of Qatar.

The Company commenced commercial activities on 3 December 2018.

The joint venture of the Company, included in the financial statements is as follows:

Entity Name	Country of incorporation	Relationship	Ownership interest
Qatar Aluminium Limited Q.S.C	Qatar	Joint venture	50%

Qatar Aluminum Limited Q.S.C. ("Qatalum") was registered on 24 July 2007 as a Qatari Joint Stock Company in accordance with formerly Article 68 of the Qatar Commercial Companies Law No.5 of 2002 (replaced by Article 207 of Law No. 11 of 2015 and its amendments) and the terms of its Articles of Association under commercial registration number 36539. During 2018, QatarEnergy transferred its ownership in Qatalum to the Company.

The principal activities of Qatalum are to produce and sell the aluminum products produced by the smelter located in Mesaieed. Qatalum's plant commenced its commercial production on 1 January 2010.

The financial statements of the Company for the year ended 31 December 2021 were authorised for issue on 3 February 2022 by the Board of Directors.

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements also comply with the Company Articles of Association and the applicable provisions of Qatar Commercial Companies Law.

The financial statements have been prepared on a historical cost basis, and the accounting policies adopted are consistent with those of the previous financial year.

The financial statements are prepared in Qatari Riyals ("QR"), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (QR'000), except otherwise indicated.

#### 2.2 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 11.

(i) New and amended standards adopted by the Company

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change accounting policies or make retrospective adjustments as a result of adopting these standards

(a) Covid-19 Related Rent Concessions- amendments to IFRS 16

(b) Interest Rate Benchmark Reform- Phase 2-amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

(c) Annual Improvements to IFRS Standards 2018-2020, and

(d) Deferred Tax related to Assets and liabilities arising from a Single Transaction-amendments to IAS 12

The impact of the adoption of these standards and amendments are not material to the financial statements.

(ii) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. The company is in the process of assessing the impact of these new standards.

#### 2.3 Significant accounting policies

##### 2.3.1 Interest in joint venture

The results, assets and liabilities of joint ventures are incorporated in these financial statements

using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss of the joint venture.

When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture) the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

The Company discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale. When the Company retains an interest in the former joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. If a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, then the Company also reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

##### 2.3.2 Current versus non-current classification

The Company presents assets and liabilities based on current/non-current classification.

An asset is current when:

- It is expected to be realised or intended to sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

##### 2.3.3 Financial assets

###### a) Classification and measurement

The Company's management has assessed which business models apply to the financial assets held by the Company and ensured its financial instruments were classified into the appropriate IFRS 9 categories. The Company assessed that other receivables and deposits are debt instruments and meet the conditions for classification at amortised cost (AC) under IFRS 9 since they are cash flows solely payments of principal and interest (SPP) and the Company's business model is to hold and collect the debt instrument. Cash and cash equivalents' definition as per IAS 7 remains unchanged with the application of IFRS 9, short-term investments and time deposits continued to be presented under cash and cash equivalents, being highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. No reclassification resulted from the implementation of IFRS 9.

###### b) Impairment of financial assets

The Company has the following financial assets that are subject to IFRS 9's expected credit loss model:

- Cash and cash equivalents
- Other receivables (excluding non-financial assets)
- Deposits and other bank balances

To measure the expected credit losses, other receivables that are measured at amortised cost are grouped based on shared credit risk characteristics and the days past due. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all other receivables. While cash and cash equivalents and fixed deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

##### 2.3.4 Investment and other financial assets

###### a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

###### b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

##### 2.3.5 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise of bank balances and fixed term deposits with an original maturity of less than three months.

##### 2.3.6 Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in exchange and other gains. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in exchange and other gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in exchange and other gains and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within exchange and other gains in the period in which it arises.

As of 31 December 2021, all of the Company's financial assets were classified and measured at amortised cost.

##### 2.3.7 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### 2.3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### 2.3.9 Foreign currency translation

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried



### 2.3.10 Dividend distributions

Liabilities for dividend distributions are recognised for the amount of any dividend declared, being appropriately authorised and amount set aside in restricted dividend distribution bank account of the Company, on or before the end of the reporting period but not claimed by the shareholders at the end of the reporting period. Dividend distribution liabilities are recognised as an appropriation from retained earnings in the statement of changes in equity, with any unpaid amount is presented under other payables in the statement of financial position.

### 2.3.11 Social and Sports Fund Contribution

Pursuant to the Qatar Law No. 13 of 2008 and the related clarifications issued in 2011, which is applicable for all Qatari listed shareholding companies with publicly traded shares, the Company has made an appropriation of 2.5% of its net profit to a state social fund.

### 2.3.12 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

### 2.3.13 Non-financial assets

Non-financial assets are initially measured at cost, which equates to fair value at inception, and subsequently measured at amortised cost, less provision for impairment.

## 3. INVESTMENT IN A JOINT VENTURE

The movements in the investment in the joint venture is as follows:

For the year/ period ended	2021	2020 (Restated)*
Balance at beginning of the year	5,357,147	5,646,962
Share of profit after tax from the joint venture	541,755	75,303
Tax benefit from joint venture (Note 15)	290,116	26,182
Tax benefit received	(322,933)	-
Dividends received from joint venture	(651,560)	(391,300)
<b>At 31 December</b>	<b>5,214,525</b>	<b>5,357,147</b>

The below financial statements present amounts shown in the financial statements of the joint venture as of 31 December 2021, which are presented in US\$'000 and are translated using an exchange rate of 3.64 (2020: 3.64):

Statement of financial position of the joint venture (Qatalum)

As at 31 December	2021	2020 (Restated)*
Current assets	3,461,036	2,336,640
Non-current assets	12,327,932	12,829,891
Current liabilities	(1,277,659)	(512,701)
Non-current liabilities	(5,211,948)	(5,134,871)
<b>Equity</b>	<b>9,299,361</b>	<b>9,518,959</b>
Company's share in equity - 50%	4,649,681	4,759,479
Tax benefit from joint venture	(258,766)	(225,942)
Goodwill on acquisition	823,610	823,610
<b>Company's carrying amount of the investment</b>	<b>5,214,525</b>	<b>5,357,147</b>

Statement of profit or loss and comprehensive income of the joint venture (Qatalum)

	2021	2020 (Restated)*
Revenue from contracts with customers	6,236,667	4,394,474
Other income	14,855	14,309
<b>Total income</b>	<b>6,251,522</b>	<b>4,408,783</b>

Raw material and energy consumption	(2,661,448)	(2,279,776)
Salaries and related costs	(364,389)	(389,298)
Depreciation and amortisation	(877,251)	(893,391)
Loss on disposal of property, plant and equipment	(65,513)	(30,649)
Technical service cost	(56,518)	(47,709)
Net finance cost	(142,269)	(207,738)
Other expenses	(420,393)	(357,252)
<b>Profit before tax</b>	<b>1,663,741</b>	<b>202,970</b>
Current income tax	(583,099)	(62,772)
Deferred tax	2,868	10,407
<b>Net profit</b>	<b>1,083,510</b>	<b>150,605</b>

Proportion of the Company's (QAMCO) ownership	50%	50%
<b>Company's share of profit for the year in the joint venture before tax benefit</b>	<b>541,755</b>	<b>75,303</b>
<b>Tax benefit from joint venture (Note 15)</b>	<b>290,116</b>	<b>26,182</b>
<b>Company's share of profit for the year in the joint venture</b>	<b>831,871</b>	<b>101,485</b>

### Other comprehensive income

Items to be reclassified to profit or loss in subsequent:

Net gain on cash flow hedges	-	-
Proportion of the Company's ownership	50%	50%
<b>Company's share of other comprehensive income for the year in the joint venture</b>	<b>-</b>	<b>-</b>

<b>Company's share of profit before interest, tax, depreciation and amortisation, and loss on disposal of property, plant and equipment</b>	<b>1,374,387</b>	<b>667,374</b>
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Additional disclosures of the joint venture

As at 31 December	2021	2020 (Restated)*
Cash and bank balances	712,879	663,073
Current financial liabilities (excluding trade and other payables and provisions)	124,896	133,209
Non-current financial liabilities (excluding Employees' end of service benefits and other long-term liabilities)	5,135,359	5,053,801
Depreciation and amortisation	877,251	893,391
Tax payable	583,099	62,772

By virtue of the joint venture agreement, the joint venture benefitted from a tax holiday until the tenth anniversary of commercial operations which expired on 19 September 2020. After the expiry of the tax holiday the joint venture incurs tax in accordance with the Qatar Income Tax Law.

\*During the year, the joint venture restated its comparative financial statements in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors to account for deferred tax assets as per IAS 12 – Income tax arising out temporary differences which was previously unrecorded.

The restatement did not have any impact on the Company's share of the joint venture's results as the Company accounts for its earnings before tax in accordance with the Memorandum of Understanding (Note 15).

Capital commitments and contingent liabilities

The Company's share in the joint venture's commitments and contingent liabilities are as follows:

As at 31 December	2021	2020
<b>Capital commitments</b>	<b>334,390</b>	<b>87,899</b>
<b>Contingent liabilities</b>		
Bank guarantees	3,050	50,150

## 4. CASH AND CASH EQUIVALENTS

As at 31 December	2021	2020
Cash and cash equivalents	437,153	233,361

## 4.1 DEPOSITS AND OTHER BANK BALANCES

As at 31 December	2021	2020
Fixed deposits maturing after 90 days	743,340	174,740
Restricted bank balances on unclaimed dividend call accounts	41,898	31,558
	<b>785,238</b>	<b>206,298</b>

## 5. SHARE CAPITAL

As at 31 December	2021	2020
Authorised, issued and fully paid-up: 5,580,120,000 shares of QR 1 each	5,580,120	5,580,120

QatarEnergy transferred its entire equity interest in Qatar Aluminium Limited Q.S.C. ("Qatalum"), to QAMCO based on an Instrument of Transfer of Shares dated 3 December 2018 at an agreed amount of QAR 5,580,120,000. The consideration for the transfer of shares was the allotment and issuance of shares ("swap shares") by QAMCO to QatarEnergy including (a) 284,586,119 Ordinary Shares and 1 Special Share (representing 51% of the total issued share capital of QAMCO) at a price of QR 10 per share and (b) the balance was settled from the proceeds of the initial public offering of 49% shares of QAMCO to the public.

QatarEnergy owns a Special Share of the Company and as per the Articles of Association, the Special Share is always to be owned by QatarEnergy, and it may only be transferred to government, any government Corporation or any QatarEnergy affiliate. The Special Share cannot be cancelled or redeemed without the prior written consent of the Special Shareholder.

## 6. LEGAL RESERVE

As at 31 December	2021	2020
Legal reserve (transferred from retained earnings)	268	-

The Articles of Association of the Company states that prior to recommending any dividend for distribution to the Shareholders, the Board shall ensure proper reserves are established in respect of voluntary and statutory reserves considered by the Board to be necessary or appropriate.

## 7. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) are calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share computation:

	2021	2020
Profit attributable to the equity holders of the company for the year (QR) ('000')	834,544	94,716
Weighted average number of shares outstanding during the year ("in thousands") (Note 5)	5,580,120	5,580,120
Basic and diluted earnings per share (expressed in QR per share)	0.150	0.0170

The figures for basic and diluted earnings per share are the same, as the Company has not issued any instruments that would impact the earnings per share when exercised.

## 8. DIVIDEND

At the Annual General Meeting held on 3 March 2021, the shareholders approved cash dividends of QR 0.035 per share totaling to QR 195,304 to be distributed to the shareholders as dividend for 2020.

## 9. RELATED PARTIES

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

Transactions with related party:

Transactions with related party included in the statement of profit or loss and other comprehensive income for the year ended are as follows:

	2021	2020
Service fees to QatarEnergy	4,910	4,676

Balances with related party included in the statement of financial position are as follows:

Due to related parties:

As at	Nature of relationship	2021	2020
Qatar Energy	Shareholder	4,959	4,726
Qatalum	Joint venture	1,691	-
		<b>6,650</b>	<b>4,726</b>

Compensation of key management personnel:

The remuneration of key management personnel during the year was as follows:

	2021	2020
Short-term benefits' provision (includes board sitting fees)	3,300	3,300

## 10. OTHER PAYABLES

As at 31 December	2021	2020
Dividends payable	41,898	31,558
Social contribution payable	20,864	2,368
Accruals	3,560	3,584
	<b>66,322</b>	<b>37,510</b>

## 11. CRITICAL JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Classification of the investment as joint venture

Management evaluated the Company's interest in Qatar Aluminium Limited Q.S.C. (Qatalum), and concluded that the joint arrangement is joint venture where Qatalum is jointly controlled. Hence, management accounted for this investment under the equity method.

### Coronavirus (COVID-19) pandemic

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of the financial statements.

Management has developed various accounting estimates in the financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 December 2021 about future events that the management believes are reasonable in the circumstances.

The underlying assumptions to arrive at those estimates are subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may impact accounting estimates included in the financial information. The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to investment in joint venture.

### Site restoration obligations

As required by IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Company assess whether the following criteria is met to recognise provisions:

- whether the Company has a present obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and;
- a reliable estimate can be made of the amount of the obligation.

Qatalum's Joint Venture Agreement and its land lease agreement with QatarEnergy includes provisions relating to the decommissioning of the joint venture's facilities, plant and machineries. Qatalum's is required to submit a decommissioning plan to the relevant government authority in Qatar which includes a cost estimate and funding proposal for such plan 10 years prior to conclusion of the JVA.

Management has assessed this obligation based on currently available information and concluded that this will not result in a future reduction of QAMCO's investment in the joint venture as at the current reporting date. The requirement of site restoration depends on what is to be agreed in the plan, which will only be available during the last ten years of the joint venture agreement that is from FY 2040 to FY 2050.

## 12. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on their products and services, and has one reportable operating segment which is the aluminium segment from its interest in the joint venture, which produces and sells aluminium products produced by the smelter located in Mesaieed.

Geographically, the Company only operates in the State of Qatar.

## 13. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise other payables and due to related parties. The Company has various financial assets, namely, other receivables and bank balances, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The management reviews and agrees policies for managing each of these risks which are summarised below:

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is as indicated

by the carrying amount of its financial assets which consist principally of other receivables and bank balances, as follows:

As at 31 December	2021	2020
Other receivables	9,532	530
Bank balances	1,222,391	439,659
	<b>1,231,923</b>	<b>440,189</b>

The tables below show the distribution of bank balances at the date on which the financial statements are issued:

Rating as at 31 December	2021	2020
A1	634,166	15,026
A2	142,877	13,476
A3	109,203	182,048
Aa3	336,145	229,109
	<b>1,222,391</b>	<b>439,659</b>

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation and is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. All financial liabilities will mature within 12 months from the end of the reporting period.

## Capital management

The Company manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and shareholders' expectation. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. Capital comprises share capital and retained earnings and is measured at QR 6.37 billion (2020: QR 5.76 billion).

## 14. FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Bank balances, interest receivable, trade and other payables, and amount due to related parties approximate their carrying amounts largely due to the short-term maturities of these instruments.

## 15. INCOME TAX

The Company's profits are exempt from income tax in accordance with the provisions of Qatar's Income Tax Law No. 24. of 2018.

Furthermore, the Company's joint venture benefited from a tax holiday period which expired on 19 September 2020. Post expiry, the joint venture's profits were subject to income tax in accordance with the applicable law in Qatar as stated in its joint venture agreement which is ratified by a Council of Ministers' Resolution No. 38 of 2008.

During 2020, QatarEnergy (representing the Company), the Ministry of Finance and the General Tax Authority have reached an agreement through a Memorandum of Understanding (hereby referred to as the "MOU"). The MOU gives the Company the right to a refund on its portion of tax from the joint venture, which amounted to QR 290.1 million in 2021 (QR 26.2 million in 2020).

As such, the Company is entitled to the pre-tax profits from the underlying joint venture, therefore, applying the principles of equity accounting under IAS 28 "Investments in Associates and Joint Ventures", the Company accounted for its underlying interest on a pre-tax basis. The Ministry of Finance will then pay QAMCO's share of tax to the General Tax Authority.

## 16. COST METHOD

The Company's statement of financial position and statement of profit or loss and other comprehensive income prepared using the cost method is presented below to only assist the Company in its reporting to the Qatar Financial Markets Authority.

Statement of financial position

As at 31 December	2021	2020
<b>Non-current asset</b>		
Investment in a joint venture	5,697,161	5,697,161
<b>Total</b>	<b>5,697,161</b>	<b>5,697,161</b>

As at 31 December	2021	2020
<b>Current assets</b>		
Other receivables	9,532	530
Bank balances	1,222,391	439,659
<b>Total current assets</b>	<b>1,231,923</b>	<b>440,189</b>
<b>Total assets</b>	<b>6,929,084</b>	<b>6,137,350</b>

As at 31 December	2021	2020
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	5,580,120	5,580,120
Legal reserve	268	-
Retained earnings	1,275,724	514,994
<b>Total equity</b>	<b>6,856,112</b>	<b>6,095,114</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other payables	66,322	37,510
Due to related parties	6,650	4,726
<b>Total liabilities</b>	<b>72,972</b>	<b>42,236</b>
<b>Total equity and liabilities</b>	<b>6,929,084</b>	<b>6,137,350</b>

Statement of profit or loss and other comprehensive income

	2021	2020
Income from joint venture	974,493	391,300
General and administrative expenses	(10,967)	(10,539)
Finance income	11,528	2,478
Other income	2,112	1,292
<b>Net profit for the year</b>	<b>977,166</b>	<b>384,531</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>977,166</b>	<b>384,531</b>