

FOR IMMEDIATE RELEASE

QAMCO posts net profit of QR 10.7 million for the three months period ended 31 March 2020

- *QAMCO's share of the JV's revenue for the three months period ended 31 March 2020 amounted to QR 565 million and share of EBITDA reached QR 166 million*
- *Sales and production levels remained resilient, despite pronounced volatility in global aluminium demand and prices*
- *Global aluminium prices continued to be pressured due to declining aluminium demand amid uncertainty over unprecedented spread of COVID-19 pandemic*
- *QAMCO's JV concluded refinancing of USD 1.3 billion to boost free cash flows and maximize shareholder value*
- *QAMCO's JV initiated numerous measures including activation of business continuity plan, in response to contain the impacts of COVID-19 pandemic*

Doha, Qatar; 28 April 2020: Qatar Aluminium Manufacturing Company Q.P.S.C. (the Company or "QAMCO", QE: QAMC), a 50% joint venture partner in a successful smelter that produces premium high quality primary aluminum products in Qatar, today reported a net profit of QR 10.7 million for the three months period ended 31 March 2020.

Financial and operational highlights

Financial performance of QAMCO during first quarter of 2020 has continued to be impacted by external macroeconomic factors beyond the Company's control, which weighed on the Company's financial performance since 2019.

During the period, QAMCO reported a net profit of QR 10.7 million, while earnings per share (EPS) stood at QR 0.002. QAMCO's share of revenue for the financial period amounted to QR

565 million, down by 14%, compared to Q1-2019¹, as the pressure continued on the global aluminium prices and uncertainty building supply surplus on account of decreased global demand.

QAMCO's share of joint venture's EBITDA stood at QR 166 million for the three months period ended 31 March 2020, down by 11%, compared to Q1-2019¹, but the EBITDA margins remained resilient in the current turbulent market conditions and stood at 29.4%, as compared to 28.2% of Q1-2019.

QAMCO's average selling prices during Q1-2020 fell by 14%, compared to Q1-2019, which is largely driven by the decline in global market prices for aluminum.

The Company's JV was able to successfully contain cost of goods sold, comprising of lowered raw materials and energy consumption. However, this was negatively offset primarily by the decline in realized average selling price.

A summary of QAMCO's 2019 key financial indicators as reported in the financial statements and the financial indicators used for the purpose of current period's variance analysis is as follows:

Key financial indicators (Figures in QAR Millions)	Q1-2020	Q1-2019² (as reported in the financial statements; includes 4 months from the date of incorporation)	Q1-2019¹ (used for the purpose of current period's variance analysis; includes 3 months from 01 January 2019)
Share of revenue	QR 565	QR 852	QR 658
Share of EBITDA	QR 166	QR 222	QR 186
Net profit	QR 10.7	QR 13.3	QR 29.1
EBITDA margins	29.4%	26.1%	28.2%

QAMCO's share of debt in the JV declined by 7% to reach QR 2,236 million as at 31 March 2020, compared to the balance as at 31 December 2019, on account of principal repayment during the quarter amounting to QR 222 million.

QAMCO's JV concluded refinancing of its outstanding loan amounting to USD 1.3 billion during the first quarter of 2020. The refinancing of QAMCO's JV's debt will boost free cash flows to the extent of USD 1.3 billion over the new tenor of 5 years, as there is no obligation to pay any recurring instalments unlike the previous loan, with the entire loan amount will be payable in form of a balloon payment at the end of the new tenor. The Company's JV is also relieved from the compliance of stringent financial covenants previously required as per the old terms. This

¹ For purpose of comparability, Q1-2019 financial data relates to the period from 01 January 2019 till 31 March 2019. Whereas, in actual, the first quarter published financial statements of 2019 included financial data for the period from the date of QAMCO's incorporation (i.e. 3 December 2018) till 31 March 2019.

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 March 2019, comprised of four months from the date of its incorporation.

refinancing deal is not only expected to bring free cash flows to the JV, but also will provide new avenues of growth and flexibility to endure the market volatilities, which in turn is expected to maximize shareholder value.

Commenting on the financial and operational highlights, **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors, QAMCO**, said: *“Although the macroeconomic environment was challenging since the start of 2020, the Company managed to demonstrate its underlying strength as a key investor in one of the world’s lowest-cost, most-efficient aluminium smelters. During the period, in an adverse market, QAMCO’s JV managed to continue with profits in the face of falling aluminium prices and unprecedented headwinds of COVID-19 pandemic.*

In response to limit the spread of COVID-19 pandemic and ensure our operations remained resilient, our joint venture implemented several measures to ensure safety of employees and business continuity. Our sales and marketing partner, is diligently monitoring the market position, as the pandemic evolves, and acting effectively to minimize the risk of disruptions to the supply chain activities. Going forward, adaptation to ever evolving market forces will allow us more flexibility and better position the Company for long-term future growth and maintain its market standing as one of the world’s lowest cost aluminium smelters.”

Key product analysis

The Company’s JV has witnessed unprecedented shift in product mix from value added products towards standard ingots during the current period of declining global demand for aluminium products. This shift in product mix not only assisted QAMCO’s JV in maintaining its sales volumes, but also assisted in uninterrupted production. Although, this shift in product mix from value added primary metals to standard aluminium ingots has resulted in lowered LME premiums for the Company’s JV.

Business performance and outlook

Prior to COVID-19 market uncertainties, aluminium industry was witnessing surplus inventory from aluminium smelters across the world, apart from declining demand due to environmental restrictions and sanctions which lead to substantial decline in global aluminium prices and premiums during 2019.

QAMCO’s JV business performance for Q1-2020 continued to witness the challenging macroeconomic environment attributable to declining demand for aluminium products on account of prevailing uncertainty over COVID-19 pandemic and slowdown across all leading industries such as automotive and construction. The declining demand had a direct impact on global aluminium prices, which on an average declined by 10% compared to Q1-2019.

The Company managed to maintain the sales volume which slightly declined by 1% compared Q1-2019, which is a testament to the Company’s strategic marketing partnership, which assured

continued sales during this difficult economic environment and assisted in generating robust EBITDA margins.

QAMCO's JV is well prepared to implement pro-active measures for optimizing its production cost, corresponding to the declining sales price. Nonetheless, QAMCO's JV continued to remain profitable, compared to the other peers in the industry, which are currently struggling to maintain their production capacity and profit margins in these challenging macroeconomic circumstances. This is 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.

Impacts of COVID-19

To address concerns for impact of COVID-19, QAMCO's JV have initiated numerous measures including activation of business continuity plan and has implemented all safety measures for safeguarding its direct staff and contractors' staff's health by initiating various awareness campaigns.

There is clear uncertainty around factors to identify any costs and revenues impacts of COVID-19 and hence it is too early to forecast the impact at this point of time for the rest of the year. Although, during Q1-2020, QAMCO's JV operated at its optimum level with minimal impact from COVID-19.

In general, the full effects of COVID-19 outbreak has not been fully realized until 31 March 2020, as the effects began to realize in commodity markets from February 2020, as the pandemic started to widespread. In addition, the product prices have not yet factored in fully the prevailing depressed conditions, including shutdown of several automobile and airline manufacturers, delays or slowdowns in construction projects and others, until 31 March 2020. Going forward, QAMCO's JV will continuously monitor the developments over COVID-19 situation and expect to provide further impact details, if any, during Q2-2020.

Earnings Call

QAMCO will host an IR earnings call to discuss its first quarter 2020 results, business outlook and other matters with investors on Tuesday, 05 May 2020 at 1:30 p.m. Doha Time. The IR presentation that accompanies the conference call will be posted on the publications page of QAMCO's website.

-Ends-

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 qamco@qp.com.qa or visit www.qamco.com.qa

DISCLAIMER

The companies in which Qatar Aluminium Manufacturing Company Q.P.S.C. directly and indirectly owns investments are separate entities. 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.

Qatar Aluminium Manufacturing Company Q.P.S.C., its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Qatar Aluminium Manufacturing Company Q.P.S.C., its subsidiary, joint ventures and associated companies are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Qatar Aluminium Manufacturing Company Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

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 / 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