

FOR IMMEDIATE RELEASE

QAMCO posts net profit of QR 80.0 million for the financial period ended 31 December 2019

Board of Directors recommends cash dividend of QR 0.01 per share

- *QAMCO's share of the JV's revenue for the financial period amounted to QR 2.7 billion and share of EBITDA reached QR 704 million*
- *Earnings per share of QR 0.014 for 13-month period ended 31 December 2019*
- *Sales and production levels remained largely stable, despite pronounced volatility in global aluminium prices*
- *LME price premiums were maintained even as global aluminium prices continued to fall*
- *Global partnerships and operational efficiencies led to a continued low-cost operating base*
- *HSE success achieved with zero lost-time injuries and heat stress incidents for directly supervised staff and contractors in 2019*

Doha, Qatar; 12 February 2020: 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 aluminium products, today reported a net profit of QR 80.0 million for the thirteen-month financial period ended 31 December 2019.

Financial and operational highlights

Financial performance in 2019 was largely impacted by external macroeconomic factors beyond the Company's control. These adverse conditions – which included trade conflicts, overcapacities and slowing global GDP growth - directly translated into declining prices for aluminium, which led to a decrease in QAMCO's earnings.

For the first financial year consisting of the 13-month period that ended 31 December 2019, QAMCO net profit stood at QR 80.0 million, with QAMCO's share of the joint venture's EBITDA at QR 704 million for 2019. QAMCO's share of revenue for the financial period amounted to QR 2.7 billion. The Company recorded an earnings per share (EPS) of QR 0.014 for the first financial period ended 31 December 2019.

During the year, profitability remained resilient despite a combination of factors affecting performance, including lowered revenues, one-off impairment losses and increased financing costs on account of interest costs recognized in leases capitalized under IFRS 16, which were partially offset by one-off sale of alumina and insurance claims.

QAMCO's average selling prices fell by 12% during 2019, which was largely attributable to the decline in global market prices for aluminium, which led to a decrease of QR 365 million in net earnings when compared with the last pro-forma period. This was slightly offset by the positive variance in sales volumes, which marginally increased by 2%, and translated into an increase of QR 45 million in the net earnings. Environmental restrictions and sanctions played a vital role in affecting aluminium prices. Also, the channeling of historically built excess inventories by aluminium producers into the market pressured prices. By contrast, QAMCO's LME price premiums remained stable which is a reflection of the JV's resilience in the negative environment. LME premiums averaged approximately 12% of LME realized prices.

The overall cost of goods sold remained stable on account of declining raw material prices, which was offset primarily by high energy cost consumption during steam turbine overhauls.

Alumina prices declined at a slower rate than aluminium prices, which depressed the industry margins. At the same time, QAMCO's JV leveraged its contracts for alumina supplies to outperform the market, which led to supply chain optimization. This competitive advantage will continue to contribute sustained growth and will support the JV to maintain its market standing.

QAMCO's total assets as of 31 December 2019 stood at QR 5.7 billion, with bank balances amounting to QR 103 million.

QAMCO's share of net debt in the JV decreased by 17% during 2019, to reach QR 1.9 billion as of 31 December 2019, after considering share of cash and bank balances amounting to QR 497 million.

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 in 2019, the Company in its first full year of operation demonstrated its underlying strength as a key investor in one of the world's lowest-cost, most-efficient aluminium smelters."*

QAMCO Financial Results – 13-month period ended 31 December 2019. QAMCO's accounting year follows the calendar year, however, its first financial year consists of 13 months, from 3 December 2018 to 31 December 2019.

Throughout the year, in an adverse market, QAMCO's JV managed to continue with profits in the face of falling aluminium prices. This was accomplished by rolling out a number of cost-conservation measures, while ensuring that the Company remained well-placed to maximize value for shareholders."

Business performance and outlook

QAMCO's business performance in 2019 was impacted by the challenging macroeconomic environment. Most of the demand for aluminium was met by excess inventories built up over previous years, which was sold at lower market rates and which exerted downward pressure on aluminium prices. Global aluminium prices on average declined by 13% compared to the last year.

QAMCO responded to the adverse market climate by increasing the efficiency of its joint venture, with sales and production volumes remaining largely stable compared with 2018 levels, recording marginal increases of 2% and 1%, respectively. The increase in sales volume is a testament to the Company's global marketing partnership, which provided access to strategic markets to compete with international players.

QAMCO's JV places a pronounced emphasis on the need for efficiency and cost competitiveness to maintain its position as an efficient operator. The Company's JV has rolled out initiatives to further optimize cost structures. These efforts have reflected positively on the JV's operating costs, where going forward, the JV will continue to work toward becoming leaner. The JV will also continue to capture arbitrage opportunities in newer markets to create shareholder value.

As a measure of its efficiency, the joint venture achieved optimum utilization in terms of production during 2019, without compromising on quality or safety standards, as claims and complaint rates fell to record-low levels with excellent customer feedback.

QAMCO's JV also made progress during the year towards its HSE goal of ensuring all workplaces are safe, achieving zero Lost Time Injuries (LTIs) and no major heat stress incidents.

Dividend Distribution

Given the financial performance of the Company which was broadly affected by the macroeconomic conditions throughout the period, which pressured the overall profitability of the Company, the Board of Directors proposed a dividend distribution for the period ended 31 December 2019 of QR 55.8 million, equivalent to a payout of QR 0.01 per share.

This is in addition to the interim dividend of QR 111.6 million paid on 5 May 2019, equivalent to QR 0.02 per share, which was distributed to shareholders during the year in relation to the six-month period ended 31 December 2018.

The total dividends paid during the period amounted to QR 167.4 million representing a payout of 3% of the nominal value of the shares.

Earnings Call

QAMCO will host an IR earnings call to discuss the results of its fourth-quarter of 2019 and the financial period ended 31 December 2019 and outlook with investors on Tuesday, 18 February 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.

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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@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 report 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 consists 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. Percentages have been rounded to nearest zero decimal point. 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 • **DRI:** Direct Reduced Iron • **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) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **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