

QAMCO posts a record net profit of QR 919 million for the year ended 31 December 2022

Board of Directors recommends a cash dividend of QR 0.09 per share, equating to a payout ratio of 55% of net earnings for 2022

- *QAMCO's share of revenue from the JV amounted to QR 3.98 billion for the year ended 31 December 2022*
- *QAMCO's share of EBITDA from the JV stood at QR 1.46 billion, with an EBITDA margin of 37%*
- *Earnings per share amounted to QR 0.165 for the year ended 31 December 2022*
- *Year to date prices remained elevated versus last year, however, realized prices for the JV declined during 4Q-22 versus 3Q-22*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 2.06 billion*

Doha, Qatar; 2 February 2023: Qatar Aluminum Manufacturing Company Q.P.S.C. ("QAMCO" or "the Company"; QE Ticker: QAMC), a 50% joint venture partner in Qatar Aluminum Company (Qatalum), today reported a record net profit of QR 919 million for the year ended 31 December 2022, with an earnings per share (EPS) of QR 0.165.

Commenting on the financial and operational performance for the year ended 31 December 2022, **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors, QAMCO**, said:

"While macroeconomic context remained uneven, we continued our focus on operational excellence, cost optimization, operational flexibility, safety & sustainability, which resulted in an excellent set of financial results. Our firm belief and commitment to HSE has successfully positioned our JV to meet our health, environmental and social responsibility targets. Going forward, we will continue to leverage our core business strengths with an aim to create long-term shareholder value, considering all sustainability measures."

Updates on macroeconomic environment

The macroeconomic environment for the aluminium markets remained volatile throughout this year. Several factors impacted the commodity markets at the macro level, which cascaded to the supply-demand dynamics of aluminium and led to volatilities in prices.

In the start of the year, demand for primary aluminium demonstrated strength across key aluminium intensive sectors, like automobiles (especially electric vehicles), construction, renewable energy and packaging industries. However, during second half of the year demand for aluminium was impacted by China's strict COVID related lockdowns, coupled with slowdown in the Chinese construction sector. In parallel, higher-than-expected inflation led to monetary tightening by most of the Central Banks, impacting industrial demand for most of the commodities.

On the other hand, exorbitant energy prices in Europe has put pressure on most of the European smelters in maintaining capacities. Also, trade disengagements from Russia, amid geo-political tensions, is persistently creating uncertainty in the commodity markets with a growing risk of inventory builds.

On an overall basis, aluminium prices demonstrated essentially bullish trends during early parts of 2022, amid constructive demand and supply shortages. However, since the mid-year LME prices softened on account of uncertainties over recessionary fears and limited demand.

Financial performance updates – YE-22 vs YE-21

Key financial indicators	YE-22	YE-21	Variance (%)
Share of JV's revenue (QR' million)	3,985	3,118	+28%
Share of JV's EBITDA (QR' million)	1,456	1,374	+6%
Net profit (QR' million)	919	835	+10%
Earnings per share (QR per share)	0.165	0.150	+10%
EBITDA margin (%)	37%	44%	--
Realized average selling prices (USD/MT)	3,279	2,638	+24%

QAMCO recorded a net profit of QR 919 million for the year ended 31 December 2022, as compared to QR 835 million for the last year, with an earnings per share (EPS) of QR 0.165 versus QR 0.150 for the last year.

Share of JV's revenue increased by 28% to reach QR 3,985 million for the current year, as compared to QR 3,118 million for the last year. EBITDA increased by 6% and reached QR 1,456 million in comparison to QR 1,374 million for the last year.

QAMCO's improved set of financial results for the current year versus last year, were largely attributed to an overall growth in average realized selling prices, along with marginal growth in sales volumes. Average realized selling price witnessed an increase of 24% during the financial year 2022 versus last year to reach USD 3,279/MT and contributed QR 748 million positively to the net profit for year ended 31 December 2022 in comparison to the last year.

Production levels remained relatively flat and an increase of 1% was noted in the production volumes for the current year versus last year. Sales volumes increased by 3% versus last year, due to comparatively higher sales of standard ingots versus last year. However, as a primary strategy, QAMCO's JV strive to maximize sales of value-added products (VAP). Higher premiums were realized during the current year versus last year, mainly linked to better market sentiments which prevailed on a year-on-year basis, mostly during early part of the year.

Cost of goods sold for the current year remained higher versus last year, mainly on account higher raw material costs and unfavorable inventory movements due to higher sales volumes. On overall basis, the increase in cost of goods sold contributed QR 697 million negatively to the net profits for the year ended 31 December 2022 versus last year.

Financial performance updates – 4Q-22 vs 3Q-22

Key financial indicators	4Q-22	3Q-22	Variance (%)
Share of JV's revenue (QR' million)	965	914	+6%
Share of JV's EBITDA (QR' million)	248	325	-24%
Net profit (QR' million)	116	192	-39%
Earnings per share (QR per share)	0.021	0.034	-39%
EBITDA margin (%)	26%	36%	--
Realized average selling prices (USD/MT)	2,699	3,286	-18%

Compared to 3Q-22, QAMCO's net profits for 4Q-22 declined by 39%. A key contributor towards this decline in profitability was the lower selling prices realized during 4Q-22 versus 3Q-22, which decreased by 18% on quarter-on-quarter basis. Additionally, the bottom-line profitability was negatively affected due to higher operating cost reported during 4Q-22 versus 3Q-22, mainly linked to unfavorable inventory movements on account of higher sales volumes reported during 4Q-22.

Decline in selling prices, was mainly linked to continued macroeconomic headwinds negatively affecting market prices for primary aluminium. On the other hand, sales volumes increased by 29%, positively affecting the overall financial performance on a quarter-on-quarter basis. Higher sales volumes were mainly due to higher standard ingot sales made during 4Q-22 in comparison to the previous quarter. On overall basis, higher sales volumes led to an overall growth in QAMCO JV's topline for 4Q-22 in comparison to 3Q-22.

Financial performance updates – 4Q-22 vs 4Q-21

Key financial indicators	4Q-22	4Q-21	Variance (%)
Share of JV's revenue (QR' million)	965	991	-3%
Share of JV's EBITDA (QR' million)	248	456	-46%
Net profit (QR' million)	116	313	-63%
Earnings per share (QR per share)	0.021	0.056	-63%
EBITDA margin (%)	26%	46%	--
Realized average selling prices (USD/MT)	2,699	3,087	-13%

Compared to 4Q-21, QAMCO's net profits for 4Q-22 declined by 63%, while share of JV's revenue declined by 3%. One of the key contributors towards this decline in bottom-line profitability was JV's higher operating cost which affected QAMCO's net earnings for 4Q-22 versus 4Q-21. Additionally, lower selling prices realized during 4Q-22 versus 4Q-21, which declined by 13%, affected QAMCO's net earnings for 4Q-22 versus 4Q-21. On the other hand, sales volumes increased by 11%, mainly due to higher extrusion and standard ingot sales made during 4Q-22 in comparison to 4Q-21.

Financial position updates

Key performance indicators	As at 31-Dec-22	As at 31-Dec-21	Variance (%)
Total Assets (QR' million)	6,926	6,446	+7%
Cash and bank balances (QR' million)*	2,065	1,537	+34%
Share of JV's debt (QR' million)	2,295	2,299	-0%

*Note: Cash and bank balances includes proportionate share of cash and bank balances of the joint venture and excludes restrictive cash balances.

QAMCO's financial position continued to remain robust with the liquidity position at the end of 31 December 2022 reaching QR 2,065 million in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During the financial year ended 31 December 2022, QAMCO's JV generated share of operating cash flows of QR 1,318 million, with a share of free cash flows of QR 1,086 million.

Operational performance updates

QAMCO's JV continue to maintain high efficiency and cost competitiveness in terms of its production and operations. Health and safety measures continue to remain a priority to ensure reliability of assets, while achieving operational excellence. HSE achievements during the year included, no recordable heat related incidents were recorded involving Qatalum employees; delivering among the best safety performance in the aluminium industry; and continued focus on minimizing JV's energy consumption.

CAPEX projects were conducted as planned and in line with the operational requirements. QAMCO's JV continue to reline 3rd generation of pots and replace fluewalls to ensure sustainable operations, while minimizing the risk for disruption in production. During the year, QAMCO JV

incurred QR 229 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. The CAPEX programs will support JV's drive for operational efficiency, while reducing carbon footprints.

Proposed dividend distribution

After reviewing current year's robust financial performance, with the present and forecasted liquidity position, and considering current and future macroeconomic conditions, business outlook, CAPEX, long term loan repayment plan of the Company, the Board of Directors proposed a total annual dividend distribution of QR 502 million for the year ended 31 December 2022, representing a payout ratio of 55% of current year's net earnings. A dividend of QR 0.09 per share represent 9% of par value resulting in a dividend yield of 5.9% on the closing share price as of 31 December 2022.

Earnings Call

QAMCO will host an IR earnings call with investors to discuss its results for the financial year 2022, business outlook and other matters, on Monday, 6th February 2022 at 1:30 p.m. Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at 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 gamco@qatarenergy.qa or gamco.investorrelations@qatarenergy.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.

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

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GENERAL NOTES

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

DEFINITIONS

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