

FOR IMMEDIATE RELEASE

MPHC reports a net profit of QR 1.4 billion for the nine-month period ended 30 September 2021

- Year to date results benefitted from strong product prices, underpinned by improved macroeconomic environment, supply constraints and higher energy prices
- Earnings per share (EPS) amounted to QR 0.114 for the nine-month period ended 30 September 2021
- Group revenues expanded by 88% versus 9M-20 to reach QR 3.0 billion for the nine-month period ended 30 September 2021
- Robust liquidity position with closing cash and cash equivalents amounting to QR 3.2 billion as of 30 September 2021

Doha, Qatar; 27 October 2021: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHC), today announced a net profit of QR 1.4 billion for the nine-month period ended 30 September 2021, representing an increase of 335% compared to the same period last year.

Updates on macroeconomic environment

Constructive macroeconomic drivers carried forward from the latter part of last year, on the back of satisfactory vaccination drive linking to easing out of lockdowns in major markets, led to a sequential recovery in demand for petrochemicals and chlor-alkali products, and positively reflected on the commodity prices. Industry-wide supply constraints marked by extreme weather calamities and global logistical bottlenecks also played a part in keeping the product prices favourable. Although, petrochemical prices have softened specifically in the later part of Q2-21 following improved supply, but overall year-to-date price trajectory remained buoyant.

Updates on operational performance

Key performance indicators	9M-21	9M-20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Production (MT' 000)	891	730	+22%	303	308	-2%
Plant utilization rates (%)	105%	82%	--	108%	111%	--

MPHC’s operations continue to remain robust and resilient with total production for the period reaching 891 thousand MTs, up by 22% versus 9M-20. The overall increase in production volumes was mainly attributed to improved plant operating rates during 9M-21, as major planned turnarounds and preventive maintenance shutdowns were carried out at certain MPHC’s joint venture facilities during 9M-20. On a quarter on quarter basis, marginal decline of 2% in production volumes was mainly attributed to a slight decline in plant operating rates within chlor-alkali segment amid plant maintenance.

Financial performance updates – 9M-21 vs 9M-20

Key financial performance indicators	9M-21	9M-20	Variance (%)
Average selling price (\$/MT)	941	601	+56%
Sales volumes (MT' 000)	877	730	+20%
Revenue (QR' million)	3,004	1,598	+88%
EBITDA (QR' million)	1,737	620	+180%
Net profit (QR' million)	1,438	330	+335%
Earnings per share (QR)	0.114	0.026	+335%
EBITDA margin (%)	58%	39%	--

Note: Revenue and EBITDA have been reported based on non-IFRS based proportionate consolidation

MPHC reported a net profit of QR 1.4 billion for the nine-month period ended 30 September 2021, significantly up by 335% compared to 9M-20. Group revenue improved by 88% to reach QR 3.0 billion, as compared to QR 1.6 billion for 9M-20. Earnings per share (EPS) amounted to QR 0.114 for the nine-month period ended 30 September 2021, compared to QR 0.026 for 9M-20.

During the period, blended product prices on an average increased by 56% compared to 9M-20, translating into an increase of QR 1.1 billion in MPHC's bottom line earnings, compared to the same period last year. Renewed product demand supplemented by supply constraints resulted in improved commodity prices. Sales volumes increased by 20% versus 9M-20, driven by improved plant operating rates. The overall growth in sales volumes translated into an increase of QR 307 million in MPHC's bottom line earnings.

Positive trajectory in product prices and improved volumes were slightly offset by increase in variable costs, which contributed QR 263 million negatively towards MPHC's 9M-21 net earnings in comparison to the same period last year. Current period net earnings were positively impacted by favorable variance amounting to QR 33 million, in relation to inventory differentials, due to lesser drawdowns during the period in comparison to 9M-20.

Financial performance – Q3-21 vs Q2-21

Key financial performance indicators	Q3-21	Q2-21	Variance (%)
Average selling price (\$/MT)	972	1,003	-3%
Sales volumes (MT' 000)	305	282	+8%
Revenue (QR' million)	1,080	1,031	+5%
EBITDA (QR' million)	625	632	-1%
Net profit (QR' million)	529	530	-0.3%
Earnings per share (QR)	0.042	0.042	-0.3%
EBITDA margin (%)	58%	61%	--

Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

Compared to Q2-21, MPHC revenue improved by 5%, while net profit remained flat. The key contributor towards a growth in revenue mainly as result of improved sales volumes which increased by 8%. However, selling prices declined by 3% during Q3-21 compared to Q2-21, mainly on account of supply side ease outs particularly for the petrochemical products.

Financial position

Key performance indicators	As at 30-Sep-21	As at 31-Dec-20	Variance (%)
Cash and cash equivalents (QR' billion)	3.2	2.4	+37%
Total Assets (QR' billion)	17.0	16.1	+6%
Total Equity (QR' billion)	16.7	15.8	+6%

Note: Cash and cash equivalents has been reported based on non-IFRS based proportionate consolidation

Liquidity remained robust with cash and cash equivalents reaching QR 3.2 billion as at 30 September 2021. Total assets as at 30 September 2021 amounted to QR 17.0 billion and total equity amounted to QR 16.7 billion as at 30 September 2021.

Segmental performance highlights**Petrochemicals:**

Key performance indicators	9M-21	9M-20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Average selling price (\$/MT)	1,112	746	+49%	1,127	1,210	-7%
Sales volumes (MT' 000)	526	449	+17%	184	173	+6%
Revenue (QR' million)	2,131	1,221	+75%	753	761	-1%
Net profit (QR' million)	1,008	236	+327%	358	400	-11%
Production (MT' 000)	537	444	+21%	183	183	+0%

Note: The above figures have been reported based on non-IFRS based proportionate consolidation

Petrochemicals segment reported a net profit of QR 1.0 billion for 9M-21, up by 327% versus 9M-20. This notable increase in profitability was primarily driven by improved product prices owing to improved macro environment and supply shortages. Sales volumes also increased by 17%, compared to the same period last year, against a backdrop of higher plant operating days in the current period versus 9M-20. The growth in product prices coupled with improved sales volumes led to an overall rise in revenue by 75% within the segment, to reach QR 2.1 billion for the current period. Production volumes increased by 21% versus 9M-20, as the segment had planned periodic turnaround of Q-Chem II facilities during Q1-20, which affected overall operating rates for 9M-20 in comparison to 9M-21.

Q3-21 segmental profitability declined by 11% mainly on account of decline in selling prices, amid supply side ease outs across petrochemical markets. Segmental revenue declined by 1% mainly on account of lowered selling prices which declined by 7%. Decline in selling prices was partially offset by increased sales volumes which increased by 6% during the current quarter in comparison to Q2-21.

Chlor-alkali:

Key performance indicators	9M-21	9M-20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Average selling price (\$/MT)	683	369	+85%	738	676	+9%
Sales volumes (MT' 000)	351	281	+25%	122	110	+11%
Revenue (QR' million)	874	377	+132%	327	270	+21%
Net profit (QR' million)	418	42	+895%	165	128	+29%
Production (MT' 000)	354	286	+24%	120	125	-4%

Note: The above figures have been reported based on non-IFRS based proportionate consolidation

Chlor-alkali segment reported a net profit of QR 418 million for 9M-21, increased significantly compared to the same period of last year. This notable growth was primarily driven by a significant improvement in blended average selling prices, which increased by 85% versus 9M-20, complemented by renewed demand of end products (PVC, aluminium, polymers) on the back of constructive macroeconomic drivers and supply shortages, amid supply chain crunch and weather linked disruption in certain regions. Sales volumes also increased by 25%, compared to the same period last year, against a backdrop of better utilization rates in the current period versus 9M-20. Growth in product prices coupled with sales volumes led to an overall increase in revenue by 132% within the segment, to reach QR 874 million for the current period. Production volumes rose by 24% versus 9M-20, as the segment had more planned periodic shutdown days during 9M-20.

On a quarter-on-quarter basis, profitability improved by 29% mainly on account of continued strong selling price trajectory which increased by 9% versus Q2-21, coupled with 11% increase in sales volumes. Growth in selling prices and sales volumes led to 21% increase in segmental revenue for Q3-21 versus last quarter.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its 9M-21 results, business outlook and other matters on 2nd November 2021 at 1:30 p.m. Doha Time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at MPHC's website.

-Ends-

About MHPC

Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC") was incorporated as a Qatari joint stock company on May 29, 2013 with an agreed effective date for the transfer of QatarEnergy's (formerly known as Qatar Petroleum) previous shareholding in the joint ventures of September 1, 2013. The registered office is located at P.O. Box 3212, Doha, State of Qatar.

The main activity of MPHC is to act as a holding company: (i) Q-Chem is currently owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. ("CPCIQH") (49%) and QatarEnergy (2%), and has one wholly-owned subsidiary, Q-Chem Distribution Company Limited, (ii) Q-Chem II is currently owned by MPHC (49%), CPCIQH (49%) and QatarEnergy (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited, and an effective ownership interest of 53.85% in a joint venture, Ras Laffan Olefins Company Limited, which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHC (55.2%), Qapco (31.9%) and QatarEnergy (12.9%).

For more information about the earnings announcement, e-mail mphc@qp.com.qa or visit www.mphc.com.qa

DISCLAIMER

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "MPHC" and "the Group" are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Mesaieed Petrochemical Holding 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 group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation 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 group'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 presentation are made as of the date of this presentation.

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GENERAL NOTES

Mesaieed Petrochemical Holding Company's accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in QR billions and percentages have been rounded to 1 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.

Amounts relating to income statement, including revenue, net profits, production, sales volumes, have been computed and reported for the purposes of this press release on proportionate basis, based on the share of ownership of MPHC in its respective joint ventures.

DEFINITIONS

Cash Realisation Ratio: $\text{Cash Flow From Operations} / \text{Net Profit} \times 100$ • Debt to Equity: $(\text{Current Debt} + \text{Long-Term Debt}) / \text{Equity} \times 100$ • Dividend Yield: $\text{Total Cash Dividend} / \text{Closing Market Capitalisation} \times 100$ • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow: $\text{Cash Flow From Operations} - \text{Total CAPEX}$ • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio: $\text{Total Cash Dividend} / \text{Net Profit} \times 100$ • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation: $\text{Production Volume} / \text{Rated Capacity} \times 100$ • VCM: Vinyl Chloride Monomer