

FOR IMMEDIATE RELEASE

MPHC reports a net profit of QR 1.8 billion for the year ended 31 December 2022

Board of Directors recommends a cash dividend of QR 0.11 per share, equating to 11% of the nominal share value

- Earnings per share (EPS) amounted to QR 0.141 for the year ended 31 December 2022
- Both segments reported resilient set of financial results, despite macroeconomic headwinds which weighed on the product prices
- Robust liquidity position with closing cash and bank balances¹ amounting to QR 4.5 billion as of 31 December 2022
- Logging a 15th consecutive year without a single recordable incidence of heat stress at Q-Chem and Q-Chem II

Doha, Qatar; 15 February 2023: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHIC), today announced a net profit of QR 1.8 billion for the year ended 31 December 2022, representing a decline of 5% compared to YE-21.

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

“We successfully navigated macroeconomic obstacles that challenged our business dynamics, and we were able to achieve a resilient set of financial results. In a volatile market, our teams worked relentlessly to mitigate any operational disruptions, and continued to focus on our business strengths, while building our reputation of delivering solid results in achieving operational excellence. On the sustainability front, we continue to reduce our environmental footprints, while building our operations with a focus on energy efficiency and conservation pillars.

Striving for sustainable growth, MPHIC gave a go-ahead to the Qatar Vinyl Company (QVC) to construct Qatar’s first Polyvinyl Chloride (PVC) facility, being value accretive to MPHIC, as well as the national industrial sector.

Going forward, we will continue to focus on our productivity along with achieving efficiency gains, while selectively invest in capital projects that would increase our competitiveness and create shareholder value.”

Updates on macroeconomic environment

Macroeconomic climate remained wavered throughout the year, marked by geopolitical conflicts and recessionary fears linked to inflationary pressures and higher interest rate environment. Unprecedentedly high energy prices in Europe persistently weighed on European producers. Also, China’s strict zero-Covid policy is bringing additional layer of pressures to the commodities.

On overall, commodity prices slightly declined on a year-on-year basis, especially within the petrochemicals segment, following last year’s significantly high price environment mainly due to cautious approach from buyers amid macro-headwinds coupled with comparatively lower crude prices.

¹ Cash and bank balances are reported based on non-IFRS based proportionate consolidation, including share of cash and bank balances from joint ventures

Updates on operational performance

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Production (MT' 000) – MPHC share	1,139	1,135	+0%	289	302	-4%
Plant utilization rates (%)	99%	98%	--	99%	104%	--

MPHC's operations continue to remain robust and resilient with total production for the current year reaching 1,139 thousand MTs. Production for the current year remained flat versus the last year, mainly due to a large-scale turnaround carried out at Q-Chem's facilities during 1Q-22, entirely offset the lowered volumes due to a planned preventive maintenance shutdown carried out at the chlor-alkali facilities during 4Q-21.

On a quarter-on-quarter basis production volumes for 4Q-22 declined by 4% in comparison to 3Q-22, mainly due to a decline noted in production volumes from chlor-alkali segment, while production within the petrochemicals segment slightly inched higher on a quarter-on-quarter basis.

HSE realizations

MPHC demonstrated superior operational agility by achieving its production targets, while ensuring HSE standards remained buoyant. Q-Chem and Q-Chem II improved safety processes while logging a 15th consecutive year without a single recordable incident of heat stress. At MPHC's petrochemicals segment, Q-Chem completed the largest turnaround in the entity's history with excellent safety results.

Financial performance updates – YE-22 vs YE-21

Key financial performance indicators	YE-22	YE-21	Variance (%)
Average selling price (\$/MT)	949	968	-2%
Sales volumes (MT' 000)	1,143	1,121	+2%
Revenue (QR' million)	3,948	3,950	-0%
EBITDA (QR' million)	2,185	2,265	-3%
Net profit (QR' million)	1,767	1,862	-5%
Earnings per share (QR)	0.141	0.148	-5%
EBITDA margin (%)	55%	57%	--

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

MPHC reported a net profit of QR 1.8 billion for the year ended 31 December 2022, down by 5% compared to the last year. Group revenue remained flat as compared to the last year, to reach QR 3.9 billion. Earnings per share (EPS) amounted to QR 0.141 for the year ended 31 December 2022, compared to QR 0.148 for YE-21.

During the year, average blended product prices decreased by 2% compared to YE-21, translating into a decline of QR 40 million in MPHC's current year net earnings as compared to last year. Subdued product demand along with excess supply resulted in lowered commodity prices. On the other hand, sales volumes improved by 2% versus YE-21, mainly driven by better plant operating rates. Positive growth in sales volumes translated into an increase of QR 53 million in MPHC's 2022 net earnings versus the last year.

EBITDA for the current period amounted to QR 2.2 billion with a decline of 3% versus YE-21, mainly due to flattish revenue and higher operating cost. EBITDA margins for YE-22 reached 55% versus 57% achieved during 2021.

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

Key financial performance indicators	4Q-22	3Q-22	Variance (%)
Average selling price (\$/MT)	798	854	-7%
Sales volumes (MT' 000)	294	316	-7%
Revenue (QR' million)	855	984	-13%
EBITDA (QR' million)	407	536	-24%
Net profit (QR' million)	296	433	-32%
Earnings per share (QR)	0.024	0.034	-32%
EBITDA margin (%)	48%	55%	--

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

Compared to 3Q-22, MPHC revenue decreased by 13% and net profit declined by 32%. Key contributor towards the downward trend in revenue and net earnings was mainly lower selling prices realized during the current period versus 3Q-22. Decline in selling prices was mainly linked to downward trajectories noted in commodity prices amid macro-headwinds affecting global markets and comparatively lower crude prices. Sales volumes also declined by 7% compared to 3Q-22, due to lowered production predominantly linked to lower volumes reported by the chlor-alkali segment.

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

Key financial performance indicators	4Q-22	4Q-21	Variance (%)
Average selling price (\$/MT)	798	1,065	-25%
Sales volumes (MT' 000)	294	244	+21%
Revenue (QR' million)	855	946	-10%
EBITDA (QR' million)	407	528	-23%
Net profit (QR' million)	296	423	-30%
Earnings per share (QR)	0.024	0.034	-30%
EBITDA margin (%)	48%	56%	--

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

In comparison to 4Q-21, a 10% decline was noted in MPHC revenue for 4Q-22. This decline was primarily attributed to softening of selling prices against a backdrop of relatively negative macroeconomic fundamentals. Product prices on average declined by 25% versus same quarter of the last year. Sales volumes, on the other hand, improved by 21% due higher production volumes, as the Group's Chlor-alkali segment was on a planned periodic largescale shutdown during the fourth quarter of 2021 which affected 4Q-21 production volumes at the MPHC level. Due to an overall decline in revenue, consequently net earnings for 4Q-22 also declined by 30% versus 4Q-21.

Financial position

Key performance indicators	As at 31-Dec-22	As at 31-Dec-21	Variance (%)
Cash and bank balances (QR' billion)	4.5	3.9	+15%
Total Assets (QR' billion)	17.8	17.4	+2%
Total Equity (QR' billion)	17.4	17.1	+2%

Note: Cash and bank balances is reported based on non-IFRS based proportionate consolidation

Liquidity remained robust with cash and bank balances standing at QR 4.5 billion as at 31 December 2022. Total assets as at 31 December 2022 amounted to QR 17.8 billion and total equity amounted to QR 17.4 billion.

Segmental performance highlights**Petrochemicals:**

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Average selling price (\$/MT)	1,128	1,124	+0%	969	1,073	-10%
Sales volumes (MT' 000)	666	709	-6%	188	176	+7%
Revenue (QR' million)	2,736	2,901	-6%	663	688	-4%
Net profit (QR' million)	1,194	1,365	-13%	228	302	-24%
Production (MT' 000)	665	719	-7%	180	177	+1%

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

Petrochemicals segment reported a net profit of QR 1.2 billion for the current year, down by 13% versus last year. This decline in profitability was primarily driven by lowered segmental revenue which declined by 6% on a year-on-year basis.

Segment's sales volumes declined by 6% on a year-on-year basis, as the segment carried out a large-scale turnaround at Q-Chem facilities during 1Q-22 which affected segment's production volumes, which in turn declined by 7%. Product prices remained flattish and partially offset the negative impacts of lowered sales volumes to an extent. Current year realized selling prices remained affected throughout the year by overall macro-volatilities which affected current year's price trajectories for most of the commodities.

On a quarter-on-quarter basis, segmental profits declined by 24%, mainly linked to lower selling prices realized during 4Q-22, down by 10% versus 3Q-22. Decline in average selling prices was primarily driven by a general decline in the global petrochemical prices, amid macroeconomic challenges. On the other hand, sales volumes inched higher and a growth of 7% was noted on a quarter-on-quarter basis, with better plant operating rates.

Chlor-alkali:

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Average selling price (\$/MT)	698	700	-0%	496	580	-14%
Sales volumes (MT' 000)	477	412	+16%	106	140	-24%
Revenue (QR' million)	1,211	1,049	+15%	192	296	-35%
Net profit (QR' million)	504	476	+6%	33	114	-71%
Production (MT' 000)	474	416	+14%	109	125	-13%

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

Chlor-alkali segment reported a net profit of QR 504 million for YE-22, increased by 6% compared to last year. Growth in bottom-line profitability was primarily driven by improvement in sales volumes, which increased by 16%, amid better plant operating rates as last year volumes were affected by a largescale shutdown carried out during 4Q-21. On the other hand, average realized selling prices remained flat versus last year, as end-product industries (alumina/ aluminium, PVC, etc) remained under pressure due to macro-volatilities.

On a quarter-on-quarter basis, profitability for 4Q-22 declined by 71% versus 3Q-22 mainly on account of lower segmental revenue which declined by 35%. Decline in revenue was mainly linked to lower sales volumes which declined by 24%, amid lowered production. Average selling prices realized during 4Q-22 also had shortfall of 14% during 4Q-22 versus 3Q-22. Negative movement in selling prices was mainly due to lower prices across most of the segment's product line amid lowered end-product prices.

Proposed Dividend Distribution

After reviewing current year's financial performance, with present and potential liquidity position, and considering the current and future macroeconomic conditions, business outlook, CAPEX, investing and financing needs of the Group, the Board of Directors proposed a total annual dividend distribution of QR 1.38 billion for the year ended 31 December 2022, representing a pay-out ratio of 78% of current year's net earnings. A dividend of QR 0.11 per share representing a dividend yield of 5.2% on the closing share price as of 31 December 2022, subject to the approval of General Assembly.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its results, business outlook and other matters on Tuesday, 21st February 2023 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@qatarenergy.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.

Mesaieed Petrochemical Holding 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. Mesaieed Petrochemical Holding Company Q.P.S.C., its 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. Mesaieed Petrochemical Holding Company Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

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: 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 • 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: Cash Flow From Operations - Total CAPEX • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • 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) • Utilisation: Production Volume / Rated Capacity x 100 • VCM: Vinyl Chloride Monomer