

FOR IMMEDIATE RELEASE

MPHC reports a net profit of QR 1.0 billion for the six-month period ended 30 June 2022

- Results reflected constructive product price momentum
- Earnings per share (EPS) amounted to QR 0.083 for the six-month period ended 30 June 2022
- Robust liquidity position with closing cash and bank balances¹ amounting to QR 3.5 billion as of 30 June 2022

Doha, Qatar; 10 August 2022: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHC), today announced a net profit of QR 1.0 billion for the six-month period ended 30 June 2022, representing an increase of 14% compared to 1H-21.

Updates on macroeconomic environment

Macroeconomic environment remained uneven during the first half of 2022, where demand for certain downstream products slightly inched downward mainly due to China’s COVID linked lockdowns and cautious approach from buyers. On the other hand, supply side was affected by Russia-Ukraine conflict enforcing sharp rise in energy prices challenging plant economics specially for the European producers.

On an overall basis, commodity prices were essentially balanced during 1Q-22, except for NAOs and caustic soda, where strength was noted on the back of elevated end-product prices. During Q2-22, despite uncertainties over recessionary fears, prices slightly improved on back of persistent higher energy prices and supply side constraints. Price trajectories on a year-on-year basis, remained elevated underpinned by better economic activity, resilient consumer spending, higher industrial output, robust GDP growth and limited supply.

Updates on operational performance

Key performance indicators	1H-22	1H-21	Variance (%) [1H-22 vs 1H-21]	2Q-22	1Q-22	Variance (%) [2Q-22 vs 1Q-22]
Production (MT’ 000)	548	588	-7%	304	245	+24%
Plant utilization rates (%)	95%	104%	--	105%	85%	--

MPHC’s operations continue to remain robust and resilient with total production for the six-month period reaching 548 thousand MTs. Current six-month period’s production volumes declined by 7% versus 1H-21, mainly due to a large-scale turnaround carried out at Q-Chem’s facilities during 1Q-22.

On a quarter-on-quarter basis production volumes for 2Q-22 increased by 24% in comparison to 1Q-22, as the first quarter’s volumes were affected by the large-scale turnaround carried out at Q-Chem’s facilities.

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

Financial performance updates – 1H-22 vs 1H-21

Key financial performance indicators	1H-22	1H-21	Variance (%)
Average selling price (\$/MT)	1,088	924	+18%
Sales volumes (MT' 000)	532	572	-7%
Revenue (QR' million)	2,109	1,925	+10%
EBITDA (QR' million)	1,242	1,112	+12%
Net profit (QR' million)	1,038	909	+14%
Earnings per share (QR)	0.083	0.072	+14%
EBITDA margin (%)	59%	58%	--

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

MPHC reported a net profit of QR 1.0 billion for the six-month period ended 30 June 2022, up by 14% compared to the same period last year. Group revenue improved by 10% to reach QR 2.1 billion, as compared to QR 1.9 billion for 1H-21. Earnings per share (EPS) amounted to QR 0.083 for the six-month period ended 30 June 2022, compared to QR 0.072 for 1H-21.

During the period, average blended product prices increased by 18% compared to 1H-21, translating into an increase of QR 324 million in MPHC's net earnings, as compared to 1H-21. Firm product demand supplemented by supply constraints resulted in improved commodity prices. Sales volumes decreased by 7% versus 1H-21, mainly driven by lowered plant operating rates, amid large scale turnaround carried at Q-Chem facilities during 1Q-22. Decline in sales volumes translated into a decrease of QR 134 million in MPHC's net earnings.

EBITDA for the current period amounted to QR 1.2 billion with an increase of 12% versus 1H-21, mainly due to improvement in revenue along with contained operating cost. EBITDA margins for 1H-22 reached 59% versus 58% achieved during 1H-21.

Financial performance – 2Q-22 vs 1Q-22

Key financial performance indicators	2Q-22	1Q-22	Variance (%)
Average selling price (\$/MT)	1,106	1,068	+4%
Sales volumes (MT' 000)	283	250	+13%
Revenue (QR' million)	1,139	970	+17%
EBITDA (QR' million)	699	543	+29%
Net profit (QR' million)	595	443	+34%
Earnings per share (QR)	0.047	0.035	+34%
EBITDA margin (%)	61%	56%	--

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

Compared to 1Q-22, MPHC revenue increased by 17%, while net profit increased by 34%. Key contributor towards the improvement in revenue and net earnings was mainly linked to better sales volumes which increased by 13%, amid higher plant operating rates, as the first quarter's volumes were affected by the large-scale turnaround carried out at Q-Chem's facilities. Selling prices also inched higher during 2Q-22 with a growth of 4% noted compared to 1Q-22, on back of persistently higher energy prices and supply side constraints, despite recent demand related concerns.

Financial position

Key performance indicators	As at 30-Jun-22	As at 31-Dec-21	Variance (%)
Cash and bank balances (QR' billion)	3.5	3.9	-11%
Total Assets (QR' billion)	17.1	17.4	-2%
Total Equity (QR' billion)	16.7	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 3.5 billion as at 30 June 2022. Total assets as at 30 June 2022 amounted to QR 17.1 billion and total equity amounted to QR 16.7 billion as at 30 June 2022.

Segmental performance highlights**Petrochemicals:**

Key performance indicators	1H-22	1H-21	Variance (%) [1H-22 vs 1H-21]	2Q-22	1Q-22	Variance (%) [2Q-22 vs 1Q-22]
Average selling price (\$/MT)	1,260	1,105	+14%	1,288	1,224	+5%
Sales volumes (MT' 000)	302	342	-12%	169	133	+27%
Revenue (QR' million)	1,386	1,378	+1%	792	594	+33%
Net profit (QR' million)	665	650	+2%	418	247	+70%
Production (MT' 000)	308	354	-13%	179	130	+37%

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

Petrochemicals segment reported a net profit of QR 665 million for 1H-22, up by 2% versus 1H-21. This marginal increase in profitability was primarily driven by marginal growth in segmental revenue which increased by 1%, as higher selling prices were offset by lowered sales volumes.

Segmental sales volumes declined by 12% on a year-on-year basis, as the segment carried out a large-scale turnaround at Q-Chem facilities during 1Q-22, and also affected segment's production volumes which declined by 13%. On the contrary, product prices improved by 14% and offset the negative impacts relating to lowered sales volumes to an extent. Selling prices improved mainly on account of continued momentum from positive macro-drivers carried from latter part of last year.

On a quarter-on-quarter basis, segmental profits significantly improved by 70%, mainly linked to higher sales volumes noted during 2Q-22 which grew by 27% versus 1Q-22. Also, average selling prices improved by 5%, mainly on account of higher HDPE prices which increased by 9%, as well as NAO prices which increased by 8% versus 1Q-22.

Chlor-alkali:

Key performance indicators	1H-22	1H-21	Variance (%) [1H-22 vs 1H-21]	2Q-22	1Q-22	Variance (%) [2Q-22 vs 1Q-22]
Average selling price (\$/MT)	863	654	+32%	837	888	-6%
Sales volumes (MT' 000)	230	230	+0%	114	116	-2%
Revenue (QR' million)	723	547	+32%	347	376	-8%
Net profit (QR' million)	356	252	+41%	168	189	-11%
Production (MT' 000)	240	235	+2%	125	115	+9%

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

Chlor-alkali segment reported a net profit of QR 356 million for 1H-22, increased significantly by 41% 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 32% versus 1H-21, complemented by strength from end-product industries (alumina/ aluminium, PVC, etc). Sales volumes remained flat compared to 1H-21. On overall basis revenue grew by 32% within the segment. Production volumes marginally rose by 2% versus 1H-21.

On a quarter-on-quarter basis, profitability declined by 11% mainly on account of lower segmental revenue which declined by 8% versus 1Q-22. Decline in revenue was mainly linked to lower selling prices realized during 2Q-22 and a shortfall of 6% was noted in selling prices versus 1Q-22. Negative movement in selling prices was mainly due to lower EDC and VCM prices, amid lowered end-product prices. However, caustic soda prices continue to remain elevated.

Also, sales volumes marginally declined by 2% versus 1Q-22, on account of subdued product demand. On the other hand, production volumes increased by 9% during 2Q-22 in comparison to 1Q-22, amid better plant operating rates achieved during 2Q-22.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its results, business outlook and other matters on Monday, 15th August 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 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.

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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: 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