

FOR IMMEDIATE RELEASE

MPHC reports a net profit of QR 1.5 billion for the nine-month period ended 30 September 2022

- Earnings per share (EPS) amounted to QR 0.117 for the nine-month period ended 30 September 2022
- Year-to-date results reflected constructive product price momentum from last year, however, macroeconomic headwinds weighed on third quarter results compared to previous quarter
- Robust liquidity position with closing cash and bank balances¹ amounting to QR 4.0 billion as of 30 September 2022
- Council of Ministers approved increasing the ownership percentage of non-Qatari shareholders in MPHC up to 100%

Doha, Qatar; 25 October 2022: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHC), today announced a net profit of QR 1.5 billion for the nine-month period ended 30 September 2022, representing an increase of 2% compared to 9M-21.

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 declined on a quarter-on-quarter basis, mainly due to cautious approach from buyers amid macro-headwinds, coupled with comparatively lower crude prices. However, product prices for the Group’s basket of products remained strong versus last year, mainly due to positive momentum carried forward from the latter part of last year.

Updates on operational performance

Key performance indicators	9M-22	9M-21	Variance (%) [9M-22 vs 9M-21]	3Q-22	2Q-22	Variance (%) [3Q-22 vs 2Q-22]
Production (MT’ 000)	850	891	-5%	302	304	-1%
Plant utilization rates (%)	98%	105%	--	104%	105%	--

MPHC’s operations continue to remain robust and resilient with total production for the nine-month period reaching 850 thousand MTs. Nine-month’s production for the current year declined by 5% versus same period of last year, 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 3Q-22 slightly inched downward with a decline of 1% in comparison to 2Q-22 mainly due to slight decline in production volumes of petrochemicals segments, while production of chlor-alkali segment remained flat on a quarter-on-quarter basis.

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 – 9M-22 vs 9M-21

Key financial performance indicators	9M-22	9M-21	Variance (%)
Average selling price (\$/MT)	1,001	941	+6%
Sales volumes (MT' 000)	849	877	-3%
Revenue (QR' million)	3,093	3,004	+3%
EBITDA (QR' million)	1,778	1,737	+2%
Net profit (QR' million)	1,471	1,438	+2%
Earnings per share (QR)	0.117	0.114	+2%
EBITDA margin (%)	57%	58%	--

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

MPHC reported a net profit of QR 1.5 billion for the nine-month period ended 30 September 2022, up by 2% compared to the same period last year. Group revenue improved by 3% to reach QR 3.1 billion, as compared to QR 3.0 billion for 9M-21. Earnings per share (EPS) amounted to QR 0.117 for the nine-month period ended 30 September 2022, compared to QR 0.114 for 9M-21.

During the period, average blended product prices increased by 6% compared to 9M-21, translating into an increase of QR 253 million in MPHC's net earnings, as compared to 9M-21. Firm product demand supplemented by supply constraints resulted in improved commodity prices. Sales volumes decreased by 3% versus 9M-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 160 million in MPHC's net earnings.

EBITDA for the current period amounted to QR 1.8 billion with a marginal increase of 2% versus 9M-21, mainly due to improvement in revenue. EBITDA margins for 9M-22 reached 57% versus 58% achieved during 9M-21.

Financial performance – 3Q-22 vs 2Q-22

Key financial performance indicators	3Q-22	2Q-22	Variance (%)
Average selling price (\$/MT)	854	1,106	-23%
Sales volumes (MT' 000)	316	283	+12%
Revenue (QR' million)	984	1,139	-14%
EBITDA (QR' million)	536	699	-23%
Net profit (QR' million)	433	595	-27%
Earnings per share (QR)	0.034	0.047	-27%
EBITDA margin (%)	55%	61%	--

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

Compared to 2Q-22, MPHC revenue decreased by 14% and net profit declined by 27%. Key contributor towards the downward trend in revenue and net earnings was mainly lower selling prices realized during the current period versus 2Q-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. However, sales volumes improved by 12% compared to 2Q-22, despite demand related concerns, where both the segments reported growth in sales volumes in comparison to the previous quarter.

Financial position

Key performance indicators	As at 30-Sep-22	As at 31-Dec-21	Variance (%)
Cash and bank balances (QR' billion)	4.0	3.9	+2%
Total Assets (QR' billion)	17.5	17.4	+1%
Total Equity (QR' billion)	17.2	17.1	+1%

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 4.0 billion as at 30 September 2022. Total assets as at 30 September 2022 amounted to QR 17.5 billion and total equity amounted to QR 17.2 billion as at 30 September 2022.

Segmental performance highlights**Petrochemicals:**

Key performance indicators	9M-22	9M-21	Variance (%) [9M-22 vs 9M-21]	3Q-22	2Q-22	Variance (%) [3Q-22 vs 2Q-22]
Average selling price (\$/MT)	1,191	1,112	+7%	1,073	1,288	-17%
Sales volumes (MT' 000)	478	526	-9%	176	169	+4%
Revenue (QR' million)	2,074	2,131	-3%	688	792	-13%
Net profit (QR' million)	966	1,008	-4%	302	418	-28%
Production (MT' 000)	486	537	-9%	177	179	-1%

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

Petrochemicals segment reported a net profit of QR 966 million for 9M-22, down by 4% versus 9M-21. This marginal decline in profitability was primarily driven by lowered segmental revenue which declined by 3% on a year-on-year basis.

Segment's sales volumes declined by 9% 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 9%. On the contrary, product prices improved by 7% and offset the negative impacts of lowered sales volumes to an extent. Selling prices improved mainly on account of continued momentum carried forward from latter part of last year.

On a quarter-on-quarter basis, segmental profits declined by 28%, mainly linked to lower selling prices realized during 3Q-22, down by 17% versus 2Q-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 slightly inched higher and a growth of 4% was noted on a quarter-on-quarter basis.

Chlor-alkali:

Key performance indicators	9M-22	9M-21	Variance (%) [9M-22 vs 9M-21]	3Q-22	2Q-22	Variance (%) [3Q-22 vs 2Q-22]
Average selling price (\$/MT)	756	683	+11%	580	837	-31%
Sales volumes (MT' 000)	371	351	+5%	140	114	+23%
Revenue (QR' million)	1,019	874	+17%	296	347	-15%
Net profit (QR' million)	471	418	+12%	114	168	-32%
Production (MT' 000)	364	354	+3%	125	125	0%

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

Chlor-alkali segment reported a net profit of QR 471 million for 9M-22, increased by 12% compared to the same period of last year. Growth in bottom-line profitability was primarily driven by improvement in blended average selling prices, which increased by 11% versus 9M-21, complemented by year-on-year strength from end-product industries (alumina/ aluminium, PVC, etc). Sales volumes increased by 5% compared to 9M-21, amid better plant operating rates. On overall basis revenue grew by 17% within the segment on a year-on-year basis. Production volumes also marginally rose by 3% versus 9M-21.

On a quarter-on-quarter basis, profitability declined by 32% mainly on account of lower segmental revenue which declined by 15% versus 2Q-22. Decline in revenue was mainly linked to lower selling prices realized during 3Q-22 and a shortfall of 31% was noted in selling prices versus 2Q-22. Negative movement in selling prices was mainly due to lower prices across the segment's product line, amid lowered end-product prices. On the other hand, sales volumes significantly increased by 23%, reducing the impact of lowered selling prices on segment's profitability to an extent.

Updates on Foreign ownership limit

In accordance with the proposed amendments to the Articles of Association approved during the Company's Extraordinary General Assembly meeting held in March 2022, the Board of Directors can decide on the foreign ownership limit, as per applicable laws and regulations, and may increase the foreign ownership limit up to 100%. Accordingly, a decision was made by the Company's Board of Directors at its meeting held in April 2022 to increase the ownership limit for non-Qatari shareholders to 100%.

Pursuant to a decision made by the Council of Ministers in its meeting held on 12 October 2022, it was approved to increase the percentage of ownership of a non-Qatari investor in the Company's capital up to 100%. All necessary measures will be taken in this regard with the relevant authorities.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its results, business outlook and other matters on Tuesday, 1st November 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.

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