

FOR IMMEDIATE RELEASE

MPHC reports the highest operating net profit since incorporation, amounting to QR 1.9 billion for the year ended 31 December 2021

Board of Directors recommends a cash dividend of QR 0.11 per share, equating to 11% of the nominal share value, with a payout ratio of 74% of 2021 net earnings

- 2021 results benefitted from strong product prices, underpinned by improved macroeconomic environment, supply constraints and higher energy prices
- Earnings per share (EPS) amounted to QR 0.148 for the year ended 31 December 2021
- Group revenues expanded by 62% versus 2020 to reach QR 4.0 billion for the year ended 31 December 2021
- Robust liquidity position with closing cash and bank balances¹ amounting to QR 3.9 billion as of 31 December 2021
- Logging a 14th consecutive year without a single recordable incidence of heat stress at Q-Chem and Q-Chem II

Doha, Qatar; 21 February 2022: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHC), today announced a net profit of QR 1.9 billion for the year ended 31 December 2021, representing an increase of 250% compared to last year.

Commenting on the financial and operational performance for the year ended 31 December 2021, **Mr. Ahmad Saif Al-Sulaiti, Chairman of the Board of Directors, MPHC**, said:

“The main highlight for this year, was a sequential macroeconomic recovery which led us to report one of the strongest set of financial results. Despite global supply-chain headwinds, our marketing and logistics team came out strongly to steer us and insulated our activities from any operational disruptions.

While macroeconomic sentiments remained positive, we continued our journey to capitalize on our robust business strategies and building our reputation of delivering solid results in achieving operational excellence. Going forward, we will continue to focus on productivity and achieving efficiency gains, while selectively invest in capital projects that would increase our competitiveness and create shareholder value.”

Updates on macroeconomic environment

During the year, accelerated global GDP recovery on the back of positive macro drivers led to an increase in demand for downstream commodities. Industry supply remained tight on account of weather calamities in the US, higher energy prices in Europe, dual policy measures in China. Global supply chain challenges remained evident throughout the year. All of these factors led to wider supply-demand imbalances across commodities and resulted in elevated commodity prices for the year.

¹ Cash and bank balances are reported based on non-IFRS based proportionate consolidation

Updates on operational performance

Key performance indicators	YE-21	YE-20	Variance (%) [YE-21 vs YE-20]	Q4-21	Q3-21	Variance (%) [Q4-21 vs Q3-21]
Production (MT' 000)	1,135	1,039	+9%	244	303	-20%
Plant utilization rates (%)	98%	88%	--	78%	110%	--

MPHC's operations continue to remain robust and resilient with total production for the period reaching 1,135 thousand MTs, up by 9% versus 2020. The overall increase in production volumes was mainly attributed to improved plant operating rates during 2021, despite a planned preventive maintenance shutdown which was carried out at the chlor-alkali facilities during Q4-21. On a quarter on quarter basis, decline of 20% in production volumes was mainly attributed to chlor-alkali segment's planned plant maintenance.

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 14th consecutive year without a single recordable incident of heat stress. At MPHC's chlor-alkali segment, the QVC venture completed a challenging maintenance shutdown with excellent safety results.

Financial performance updates – YE-21 vs YE-20

Key financial performance indicators	YE-21	YE-20	Variance (%)
Average selling price (\$/MT)	968	637	+52%
Sales volumes (MT' 000)	1,121	1,051	+7%
Revenue (QR' million)	3,950	2,435	+62%
EBITDA (QR' million)	2,265	1,293	+75%
Net profit (QR' million)	1,862	532	+250%
Earnings per share (QR)	0.148	0.042	+250%
EBITDA margin (%)	57%	53%	--

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

MPHC reported a net profit of QR 1.9 billion for the year ended 31 December 2021, significantly up by 250% compared to last year. Group revenue improved by 62% to reach QR 4.0 billion, as compared to QR 2.4 billion for the financial year 2020. Earnings per share (EPS) amounted to QR 0.148 for the year ended 31 December 2021, compared to QR 0.042 for last year.

During the year, average blended product prices increased by 52% compared to 2020, translating into an increase of QR 1.3 billion in MPHC's net earnings, as compared to last year. Renewed product demand supplemented by supply constraints resulted in improved commodity prices. Sales volumes increased by 7% versus last year, driven by improved plant operating rates and healthy product demand. The overall growth in sales volumes translated into an increase of QR 191 million in MPHC's net earnings.

Positive trajectory in product prices and improved volumes were slightly offset by an increase in variable costs, which contributed QR 282 million negatively towards MPHC's current year's net earnings in comparison to last year. Current year's net earnings were positively impacted by a favorable variance amounting to QR 43 million, in relation to inventory differentials, due to lesser inventory drawdowns during the year in comparison to last year.

Financial performance – Q4-21 vs Q3-21

Key financial performance indicators	Q4-21	Q3-21	Variance (%)
Average selling price (\$/MT)	1,065	972	+10%
Sales volumes (MT' 000)	244	305	-20%
Revenue (QR' million)	946	1,080	-12%
EBITDA (QR' million)	528	625	-16%
Net profit (QR' million)	423	529	-20%
Earnings per share (QR)	0.034	0.042	-20%
EBITDA margin (%)	56%	58%	--

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

Compared to Q3-21, MPHC revenue declined by 12%, while net profit fell 20%. Key contributor towards the decline in revenue and net earnings was mainly due to lowered sales volumes which declined by 20%, amid large scale planned maintenance shutdown at the chlor-alkali facilities carried out during Q4-21, which affected the Group's production and sales volumes. However, selling prices were up 10% during Q4-21 compared to Q3-21 mainly on account of higher energy prices and firm demand.

Financial position

Key performance indicators	As at 31-Dec-21	As at 31-Dec-20	Variance (%)
Cash and bank balances (QR' billion)	3.9	2.4	+66%
Total Assets (QR' billion)	17.4	16.1	+8%
Total Equity (QR' billion)	17.1	15.8	+8%

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

Liquidity remained robust with cash and bank balances at QR 3.9 billion as at 31 December 2021. Total assets as at 31 December 2021 amounted to QR 17.4 billion and total equity amounted to QR 17.1 billion as at 31 December 2021.

Segmental performance highlights

Petrochemicals:

Key performance indicators	YE-21	YE-20	Variance (%) [YE-21 vs YE-20]	Q4-21	Q3-21	Variance (%) [Q4-21 vs Q3-21]
Average selling price (\$/MT)	1,124	783	+44%	1,153	1,127	+2%
Sales volumes (MT' 000)	709	637	+11%	184	184	+0%
Revenue (QR' million)	2,901	1,818	+60%	771	753	+2%
Net profit (QR' million)	1,365	454	+201%	357	358	-0.1%
Production (MT' 000)	719	632	+14%	183	183	-0.2%

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

Petrochemicals segment reported a net profit of QR 1.4 billion for 2021, up by 201% versus 2020. 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 11%, compared to last year, against a backdrop of higher plant operating days during current year versus 2020. The increase in product prices coupled with improved sales volumes led to an overall growth in revenues by 60% within the segment, to reach QR 2.9 billion for the current year. Production volumes increased by 14% versus 2020, as the segment had a planned periodic turnaround of Q-Chem II facilities during Q1-20, which affected the overall operating rates for last year.

Q4-21 segmental profitability marginally declined by 0.1%. However, segmental revenue improved by 2% mainly on account of higher selling prices which increased by 2%, amid inflated energy prices supporting downstream commodities coupled with healthy product demand. However, sales volumes remained flat on last quarter.

Chlor-alkali:

Key performance indicators	YE-21	YE-20	Variance (%) [YE-21 vs YE-20]	Q4-21	Q3-21	Variance (%) [Q4-21 vs Q3-21]
Average selling price (\$/MT)	700	409	+71%	798	738	+8%
Sales volumes (MT' 000)	412	414	-1%	60	122	-50%
Revenue (QR' million)	1,049	617	+70%	175	327	-46%
Net profit (QR' million)	476	125	+281%	58	165	-65%
Production (MT' 000)	416	407	+2%	61	120	-49%

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

Chlor-alkali segment reported a net profit of QR 476 million for 2021, increased significantly by 281% compared to last year. This notable growth was primarily driven by a significant improvement in blended average selling prices, which increased by 71% versus 2020, complemented by renewed demand of end products (PVC, alumina/aluminium, polymers) on the back of constructive macroeconomic drivers and supply shortages. Sales volumes marginally declined by 1% compared to last year. On overall basis revenue grew by 70% within the segment, and marginally surpassed QR 1.0 billion for the current year. Production volumes marginally rose by 2% versus 2020, despite a planned periodic shutdown carried out during Q4-21.

On a quarter-on-quarter basis, profitability declined by 65% mainly on account of lowered sales volumes which decreased by 50%. Decline in sales volumes was attributed to lower plant operating days noted during Q4-21, amid planned maintenance shutdown. Due to the same reason, production volumes also decreased by 49% during Q4-21 in comparison to Q3-21. Selling prices for Q4-21 remained higher and an increase of 8% was noted versus Q3-21, amid continued positive macro drivers coupled with higher energy prices. Segmental revenue declined by 46% during Q4-21 versus Q3-21, mainly on account of lower sales volumes partially offset by higher selling 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 2021, representing a payout ratio of 74% of current year's net earnings. A dividend of QR 0.11 per share representing a dividend yield of 5.3% on the closing share price as of 31 December 2021.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its results, business outlook and other matters on Wednesday, 23rd 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 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 MPHIC 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