

FOR IMMEDIATE RELEASE

MPHC reports a net profit of QR 585 million for the six-month period ended 30 June 2023

- Group revenue reached QR 1.5 billion for the six-month period ended 30 June 2023
- Earnings per share (EPS) amounted to QR 0.047 for the six-month period ended 30 June 2023
- Macroeconomic headwinds continue to pressure commodity prices affecting current period's financial performance
- Production volumes for 1H-23 were affected by QVC's maintenance turnaround
- Robust liquidity position with closing cash and bank balances¹ amounting to QR 3.5 billion as of 30 June 2023

Doha, Qatar; 9th August 2023: Mesaieed Petrochemical Holding Company ("MPHC" or "the Group"; QE ticker: MPHC), today announced a net profit of QR 585 million for the six-month period ended 30 June 2023, representing a decline of 44% compared to 1H-22.

Updates on macroeconomic environment

Macroeconomic context remained wavered by several challenges affecting the commodity markets, including geopolitical uncertainty, recessionary fears linked to inflation related pressures and higher interest rate environment. Additionally, slower than expected global economies recovery, along with reduced energy prices is bringing an additional layer of uncertainty to the commodity markets. Furthermore, a cautious approach from buyers is weighing on the commodity prices globally. On overall, commodity prices for MPHC's basket of products declined on a year-on-year basis, following last couple of year's significantly high price environment.

Updates on operational performance

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Production (MT' 000)	533	548	-3%	294	240	+23%
Plant utilization rates (%)	93%	95%	-2%	101%	83%	18%

MPHC's operations continue to remain robust and resilient with total production for the current period reaching 533 thousand MTs. Production for 1H-23 slightly declined versus 1H-22, mainly due to a maintenance turnaround carried out at QVC facilities during 1Q-23 which affected production volumes for 1H-23.

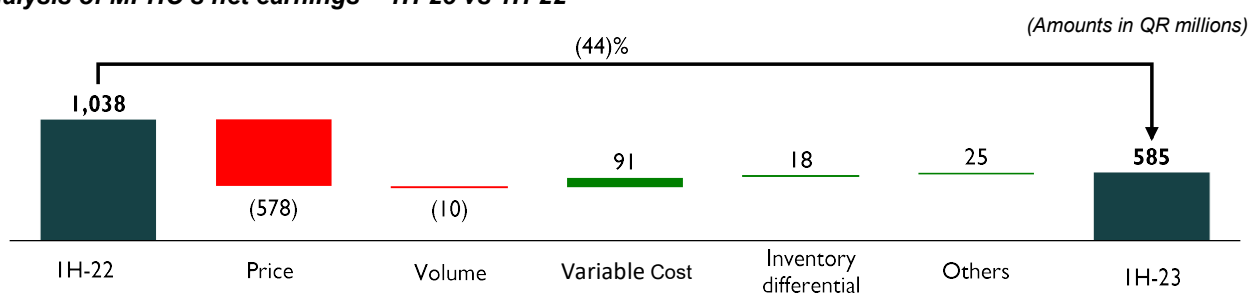
On a quarter-on-quarter basis production volumes for 2Q-23 increased by 23% in comparison to 1Q-23, mainly due to an increase noted in production volumes from petrochemical and chlor-alkali segment, linked to lower shutdown days during the 2Q-23.

Financial performance updates – 1H-23 vs 1H-22

Key financial performance indicators	1H-23	1H-22	Variance (%)
Average selling price (\$/MT)	813	1,088	-25%
Sales volumes (MT' 000)	518	532	-3%
Revenue (QR' million)	1,535	2,109	-27%
EBITDA (QR' million)	797	1,242	-36%
Net profit (QR' million)	585	1,038	-44%
Earnings per share (QR)	0.047	0.083	-44%
EBITDA margin (%)	52%	59%	--

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

Analysis of MPHC's net earnings – 1H-23 vs 1H-22



MPHC reported a net profit of QR 585 million for the six-month period ended 30 June 2023, down by 44% compared to the same period of last year. This decline in profitability was mainly linked to lowered Group revenue, which declined by 27% and reached QR 1.5 billion.

Decline in Group revenue was mainly linked to the decrease noted in average blended product prices, which declined by 25% compared to 1H-22, translating into a decline of QR 578 million in MPHC's current period net earnings as compared to the same period of last year. Suppressed commodity demand linked to macro- headwinds, coupled with additional supply resulted in lowered commodity prices.

Sales volumes also declined marginally by 3% versus 1H-22, mainly driven by lowered sales volumes reported by the chlor-alkali segment, being partially offset by higher volumes reported by the petrochemicals segment. Negative movement in sales volumes translated into a decline of QR 10 million in MPHC's 1H-23 net earnings versus the same period of last year.

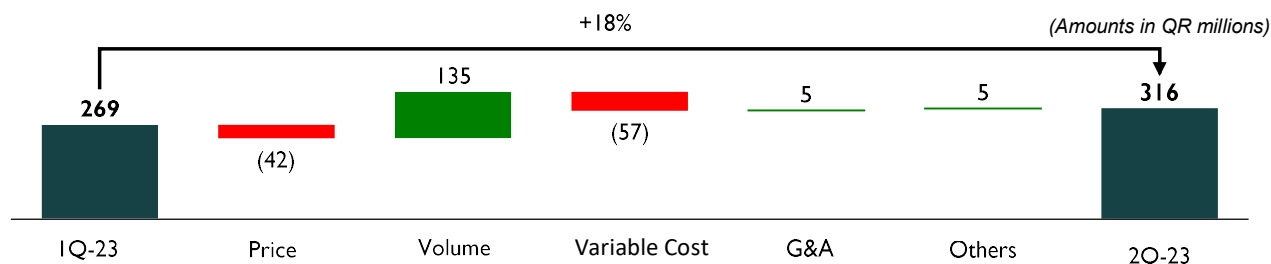
EBITDA for the current period amounted to QR 797 million with a decline of 36% versus 1H-22, mainly due to lower revenue. EBITDA margins for 1H-23 reached 52% versus 59% achieved during 1H-22.

Financial performance – 2Q-23 vs 1Q-23

Key financial performance indicators	2Q-23	1Q-23	Variance (%)
Average selling price (\$/MT)	802	840	-5%
Sales volumes (MT' 000)	283	236	20%
Revenue (QR' million)	814	721	13%
EBITDA (QR' million)	424	372	+14%
Net profit (QR' million)	316	269	18%
Earnings per share (QR)	0.025	0.021	18%
EBITDA margin (%)	52%	52%	--

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

Analysis of MPHC's net earnings - 2Q-23 vs 1Q-23



MPHC's bottom-line profitability increased by 18% sequentially, mainly due to higher revenue noted on a quarter-on-quarter basis which increased by 13%.

Increase in revenue was mainly linked to higher sales volumes by 20%, offset by lower selling prices which decreased by 5% versus 1Q-23, as lowered demand continues to affect most of commodity prices globally. This downward movement in selling prices led to a negative contribution of QR 42 million to MPHC's net earnings for 2Q-23 in comparison to 1Q-23.

On the other hand, higher production volumes led to an overall growth in sales volumes, which increased by 20% sequentially. Higher sales volumes contributed by QR 135 million positively to MPHC's net earnings on a quarter-on-quarter basis.

Financial performance – 2Q-23 vs 2Q-22

Key financial performance indicators	2Q-23	2Q-22	Variance (%)
Average selling price (\$/MT)	802	1,106	-28%
Sales volumes (MT' 000)	283	283	0%
Revenue (QR' million)	814	1,139	-29%
EBITDA (QR' million)	424	699	-39%
Net profit (QR' million)	316	595	-47%
Earnings per share (QR)	0.025	0.047	-47%
EBITDA margin (%)	52%	61%	--

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

Compared to 2Q-22, MPHC revenue for the current quarter decreased by 29%, primarily due to decrease in average selling price which declined by 28%.

Profitability, as measured by EBITDA declined by 39% predominantly linked to lower product prices. Net earnings for 2Q-23 decreased versus 2Q-22 due to lower revenue.

Financial position

Key performance indicators	As at 30-Jun-23	As at 31-Dec-22	Variance (%)
Cash and bank balances (QR' billion)	3.5	4.5	-23%
Total Assets (QR' billion)	17.0	17.8	-4%
Total Equity (QR' billion)	16.6	17.4	-5%

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 2023. Decline in cash and bank balances was mainly due to dividend payment for the financial year 2023, being partially offset by positive cash flow generation during 1H-23. Total assets as at 30 June 2023 amounted to QR 17 billion and total equity amounted to QR 16.6 billion.

Segmental performance highlights

Petrochemicals:

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Average selling price (\$/MT)	999	1,260	-21%	1,007	991	2%
Sales volumes (MT' 000)	342	302	13%	179	163	10%
Revenue (QR' million)	1,242	1,386	-10%	656	586	12%
Net profit (QR' million)	502	665	-24%	277	225	23%
Production (MT' 000)	352	308	14%	182	169	8%

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

Segmental performance analysis – 1H-23 vs 1H-22

Petrochemicals segment reported a net profit of QR 502 million for the current period, down by 24% versus 1H-22. This decline in profitability was primarily driven by lower selling prices coupled with comparatively higher operating cost linked to higher production and higher sales volumes leading to unfavourable inventory movements.

Segment's revenue declined by 10% to reach QR 1.2 billion during 1H-23 versus 1H-22, as lowered selling prices is being partially offset by higher sales volumes. Growth in sales volumes was mainly linked to higher production which increased by 14%, as the segment carried out a large-scale turnaround at Q-Chem facilities during 1Q-22 which affected segment's production volumes for last year's same period. On the other hand, product prices declined by 21%, mainly due to macro-volatilities echoed from last year, which affected current period's price trajectories for most of the commodities in comparison to the same period of last year.

Segmental performance analysis - 2Q-23 vs 1Q-23

On a quarter-on-quarter basis, segmental profits increased by 23%, mainly linked to improvement in segmental revenue which increased by 12%. Selling prices marginally increased by 2% on a quarter-on-quarter basis. On the other hand, sales volumes increased by 10% on a quarter-on-quarter basis, amid higher production due to better plant availability.

Chlor-alkali:

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Average selling price (\$/MT)	454	863	-47%	418	506	-17%
Sales volumes (MT' 000)	177	230	-23%	104	73	41%
Revenue (QR' million)	293	723	-60%	158	135	17%
Net profit (QR' million)	31	356	-91%	13	18	-21%
Production (MT' 000)	182	240	-24%	112	70	+60%

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

Segmental performance analysis – 1H-23 vs 1H-22

Chlor-alkali segment reported a net profit of QR 31 million for 1H-23, significantly decreased by 91% compared to 1H-22. Decline in bottom-line profitability was primarily driven by lowered selling prices and sales volumes, which decreased by 47% and 23%, respectively.

Selling prices declined as end-product industries (alumina/ aluminium, PVC, etc) have dampened demand and remained challenged, especially for products linked to construction. Sales volumes declined mainly due to lowered production impacted by planned turnaround at chlor-alkali facilities carried out during cha1Q-23. Decline in selling prices and sales volumes, led to an overall decline in segmental revenues, which declined by 60% on a year-on-year basis, and reached QR 293 million for 1H-23.

Segmental performance analysis - 2Q-23 vs 1Q-23

On a quarter-on-quarter basis, profitability for 2Q-23 declined by 21% versus 1Q-23 mainly due to increase in operating costs. Increase in revenue was mainly linked to higher sales volumes which has contributed by 41%.

Earnings Call

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

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