

FOR IMMEDIATE RELEASE

MPHC reported QR 379 million net profit for the three-month period ended 31 March 2021

- Significant product price recovery underpinned by improved macroeconomic environment and supply shortages resulting in strong bottom-line growth
- Earnings per share (EPS) amounted to QR 0.030 for the three-month period ended 31 March 2021, as compared to QR 0.005 for the same period in the previous year
- Group revenues surged by 73% versus Q1-20 to reach QR 893 million for the three-month period ended 31 March 2021
- Robust liquidity position with closing cash and cash equivalents of QR 1.6 billion as at 31 March 2021

Doha, Qatar; 27 April 2021: Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE: MPHC), one of the region’s premier diversified petrochemical conglomerates, today announced a net profit of QR 379 million for the three-month period ended 31 March 2021.

Updates on macroeconomic environment

During the quarter, macroeconomic conditions continued the upward trend that started from Q4-20 backed by vaccine rollout, easing of lockdowns in major economies, together with continued stimulus by major sovereigns. This continuous uptick in macroeconomic sentiments acted as primary catalyst for a renewed demand for commodity markets.

On the other side, supply shortages remained evident throughout the period, especially unplanned plant outages on account of unprecedented winter storm in certain parts of U.S. which persisted for almost two months, and created an overall supply shortage for petrochemicals and chlor-alkali products.

Updates on operational performance

Key operational performance indicators	Q1-21	Q1-20	Q4-20	Variance (%) [Q1-21 vs Q1-20]	Variance (%) [Q1-21 vs Q4-20]
Production (MT’ 000)	280	190	309	+47%	-9%
Utilization rates (%)	97%	64%	104%	--	--

MPHC’s operations continue to remain robust and resilient with total production for the period reaching 280 thousand MTs, up by 47% versus Q1-20. The overall increase in production volumes was mainly attributed to improved plant operating rates in Q1-21, as major planned turnarounds and preventive maintenance shutdowns were carried out in certain MPHC’s joint venture facilities during Q1-20.

Compared to Q4-20, the production volumes declined by 9%, as there were lesser operating days available during Q1-21 compared to Q4-20, amid maintenance shutdown within chlor-alkali segment.

Financial performance – Q1-21 vs Q1-20

Key financial performance indicators	Q1-21	Q1-20	Variance (%)
Average selling price (\$/MT)	847	625	+36%
Sales volumes (KMT)	290	227	+28%
Revenue (QR' million)	893	516	+73%
Net profit (QR' million)	379	57	+564%
Earnings per share (QR)	0.030	0.005	+564%

Note: Revenue has been reported based on non-IFRS based proportionate consolidation

MPHC reported a net profit of QR 379 million for the three-month period ended 31 March 2021, significantly up by 564% compared to Q1-20. Group revenue improved by 73% to reach QR 893 million (assuming proportionate consolidation) as compared to QR 516 million for Q1-20. Earnings per share (EPS) amounted to QR 0.030 for the three-month period ended 31 March 2021, as compared to QR 0.005 for Q1-20.

During the period, product prices on average increased by 36% compared to Q1-20, translating into an increase of QR 239 million in MPHC's bottom line earnings. The renewed product demand supplemented by supply constraints resulted in a significant growth in commodity prices. Sales volumes furthered by 28% versus Q1-20, driven by improved operating rates. The overall growth in sales volumes translated into an increase of QR 142 million in MPHC's bottom line earnings.

The positive trajectory in product prices and improved volumes was slightly offset by increase in variable costs, which contributed QR 80 million negatively towards the Q1-21 net earnings in comparison to Q1-20. Current period net earnings were also positively impacted by favorable variance amounting to QR 48 million, in relation to inventory differentials, due to lesser drawdowns in comparison to Q1-20.

Financial performance – Q1-21 vs Q4-20

Key financial performance indicators	Q1-21	Q4-20	Variance (%)
Average selling price (\$/MT)	847	716	+18%
Sales volumes (KMT)	290	321	-10%
Revenue (QR' million)	893	837	+7%
Net profit (QR' million)	379	202	+88%
Earnings per share (QR)	0.030	0.016	+88%

Note: Revenue has been reported based on non-IFRS based proportionate consolidation

Compared to Q4-20, MPHC revenue improved by 7%, while net profit significantly improved by 88%. The key contributor towards the growth was the overall increase in average selling prices, which continued their positive trajectory on the back of continued macroeconomic recovery and supply shortages. Average selling prices increased by 18% in Q1-21 versus Q4-20. Sales volumes on the other hand declined by 10% versus Q4-20, affected by higher maintenance shutdown days compared to Q4-20.

Financial position

Key performance indicators	As at 31-Mar-21	As at 31-Dec-20	Variance (%)
Cash and cash equivalents (QR' billion)	2.38	2.36	+1%
Total Assets (QR' billion)	16.0	16.1	-1%
Total Equity (QR' billion)	15.6	15.8	-1%

Note: Cash and cash equivalents has been reported based on non-IFRS based proportionate consolidation

Liquidity remained robust as cash and cash equivalents of MHPC stood at QR 2.4 billion as at 31 March 2021, marginally increased by 1%. The total assets as at 31 March 2021 amounted to QR 16.0 billion, marginally down by 1% compared to 31 December 2020.

Segmental performance highlights

Petrochemicals:

Key performance indicators	Q1-21	Q1-20	Q4-20	Variance (%) [Q1-21 vs Q1-20]	Variance (%) [Q1-21 vs Q4-20]
Average selling price (\$/MT)	997	764	872	+31%	+14%
Sales volumes (KMT)	170	132	188	+29%	-10%
Revenue (QR' million)	617	367	597	+68%	+3%
Net profit (QR' million)	250	27	218	+827%	+15%
Production (KMT)	170	114	188	+49%	-9%

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

Performance of the petrochemicals segment bounced back with a net profit of QR 250 million, with an increase of more than 800% compared to Q1-20. This notable increase was primarily driven by improved products prices, which increased by 31% versus Q1-20, amid improved macroeconomic dynamics.

Sales volumes also increased by 29%, compared to the same period last year, against a backdrop of higher operating days in the current period versus Q1-20. The growth in product prices coupled with sales volumes led to an overall rise in revenue by 68% within the segment, to reach QR 617 million for the current period.

Production volumes increased by 49% versus Q1-20, as the segment had planned periodic turnaround of Q-Chem II facilities during Q1-20, which affected the overall operating rates for Q1-20 in comparison to Q1-21.

Net profit for Q1-21 was up by 15% compared to Q4-20. This was primarily driven by continued positive trajectory of product prices, on the back of sequential macroeconomic recovery carried forward from the latter part of 2020 and supply constraints.

Chlor-alkali segment:

Key performance indicators	Q1-21	Q1-20	Q4-20	Variance (%) [Q1-21 vs Q1-20]	Variance (%) [Q1-21 vs Q4-20]
Average selling price (\$/MT)	633	431	496	+47%	+28%
Sales volumes (KMT)	120	95	133	+26%	-10%
Revenue (QR' million)	277	149	240	+86%	+15%
Net profit (QR' million)	125	22	83	+467%	+50%
Production (KMT)	110	76	121	+44%	-9%

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

Chlor-alkali's segmental performance recorded significant recovery with a net profit of QR 125 million, compared to a net profit of QR 22 million reported in Q1-20. This notable growth was primarily driven by significant improvement in blended average selling prices, which increased by 47% versus Q1-20, complemented by renewed product demand and supply side shortages. Sales volumes also increased by 26%, compared to the same period last year, against the backdrop of better utilization rates in the current period versus Q1-20. The growth in product prices coupled with sales volumes led to an overall increase in revenue by 86% within the segment, to reach QR 277 million for the current period.

Production volumes rose by 44% versus Q1-20, as the segment had more planned periodic shutdowns during Q1-20 versus Q1-21.

Net profit for Q1-21 was up by 50% compared to Q4-20, mainly on the back of continued positive trajectory of selling prices.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its Q1-21 results, business outlook and other matters on 4th May 2021 at 12:30 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 of 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 Qatar Petroleum's 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 QP (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 QP (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 QP (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 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