

FOR IMMEDIATE RELEASE

MPHC reports a net profit of QR 909 million for the six-month period ended 30 June 2021

- Ongoing sequential product price recovery, underpinned by improved macroeconomic environment and supply constraints resulted in solid bottom-line growth
- Earnings per share (EPS) amounted to QR 0.072 for the six-month period ended 30 June 2021, as compared to QR 0.011 for 1H-20
- Group revenues enhanced by 97% versus 1H-20 to reach QR 1.9 billion for the six-month period ended 30 June 2021
- Robust liquidity position with closing cash and cash equivalents stood at QR 2.8 billion as of 30 June 2021

Doha, Qatar; 5 August 2021: Mesaieed Petrochemical Holding Company ("MPHC" or "the Group"; QE ticker: MPHC), today announced a net profit of QR 909 million for the six-month period ended 30 June 2021, representing an increase of 573% compared to the same period last year.

Commenting on the financial and operational performance for 1H-21, **Mr. Ahmad Saif Al-Sulaiti, Chairman of the Board of Directors, MPHC**, said:

"The main highlight of MPHC's performance was a sequential macroeconomic recovery which led to a solid demand relating to basket of our products coupled with supply constraints, and resulted in an improved set of financial results. While macroeconomic sentiments remained positive, we continued to capitalize on our robust business strategies and operational excellence. Going forward, we would continue to focus on productivity and efficiency gains while selectively invest in capital projects that would increase our competitiveness and create shareholder value."

Updates on macroeconomic environment

The economic momentum carried from the latter part of last year, on the back of satisfactory vaccination drive and easing out of geographical lockdowns in major markets, led to a sequential recovery in demand for petrochemicals and chlor-alkali products, and positively reflected on selling prices. Industry-wide supply constraints and global logistical bottlenecks also played a part in keeping the product prices favourable for the downstream producers.

Updates on operational performance

Key performance indicators	1H-21	1H-20	Variance (%) [1H-21 vs 1H-20]	Q2-21	Q1-21	Variance (%) [Q2-21 vs Q1-21]
Production (MT' 000)	588	443	+33%	308	280	+10%
Plant utilization rates (%)	104%	74%	--	111%	97%	--

MPHC's operations continue to remain robust and resilient with total production for the period reaching 588 thousand MTs, up by 33% versus 1H-20. The overall increase in production volumes was mainly attributed to improved plant operating rates in 1H-21, as major planned turnarounds and preventive maintenance shutdowns were carried out at certain MPHC's joint venture facilities during 1H-20.

Financial performance updates – 1H-21 vs 1H-20

Key financial performance indicators	1H-21	1H-20	Variance (%)
Average selling price (\$/MT)	924	588	+57%
Sales volumes (MT' 000)	572	456	+26%
Revenue (QR' million)	1,925	975	+97%
EBITDA (QR' million)	1,111	501	+122%
Net profit (QR' million)	909	135	+573%
Earnings per share (QR)	0.072	0.011	+573%
EBITDA margin (%)	58%	51%	--

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

MPHC reported a net profit of QR 909 million for the six-month period ended 30 June 2021, significantly up by 573% compared to 1H-20. Group revenue improved by 97% to reach QR 1.9 billion (assuming proportionate consolidation) as compared to QR 975 million for 1H-20. Earnings per share (EPS) amounted to QR 0.072 for the six-month period ended 30 June 2021, compared to QR 0.011 for 1H-20.

During the period, blended product prices on an average increased by 57% compared to 1H-20, translating into an increase of QR 721 million in MPHC's bottom line earnings, compared to the same period last year. Renewed product demand supplemented by supply constraints resulted in significant growth in commodity prices. Sales volumes increased by 26% versus 1H-20, driven by improved operating rates. The overall growth in sales volumes translated into an increase of QR 238 million in MPHC's bottom line earnings.

The positive trajectory in product prices and improved volumes were slightly offset by increase in variable costs, which contributed QR 191 million negatively towards the 1H-21 net earnings in comparison to the same period last year. Current period net earnings were positively impacted by favorable variance amounting to QR 75 million, in relation to inventory differentials, due to lesser drawdowns during the period in comparison to 1H-20.

Financial performance – Q2-21 vs Q1-21

Key financial performance indicators	Q2-21	Q1-21	Variance (%)
Average selling price (\$/MT)	1,003	847	+18%
Sales volumes (MT' 000)	282	290	-2%
Revenue (QR' million)	1,031	893	+15%
EBITDA (QR' billion)	632	479	+32%
Net profit (QR' million)	530	379	+40%
Earnings per share (QR)	0.042	0.016	+40%
EBITDA margin (%)	61%	54%	--

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

Compared to Q1-21, MPHC revenue improved by 15%, while net profit significantly improved by 40%. The key contributor towards this growth was an overall increase in average selling prices, which continued their positive trajectory on the back of continued macroeconomic tailwinds. Although, petrochemical prices have softened to an extent specifically in the later part of Q2-21 following improved supply, the overall price trend remained buoyant. Average selling prices increased by 18% in Q2-21 versus Q1-21. Sales volumes on the other hand marginally declined by 2% versus Q1-21.

Financial position

Key performance indicators	As at 30-Jun-21	As at 31-Dec-20	Variance (%)
Cash and cash equivalents (QR' billion)	2.8	2.4	+18%
Total Assets (QR' billion)	16.5	16.1	+2%
Total Equity (QR' billion)	16.1	15.8	3%

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

Liquidity remained robust with cash and cash equivalents reaching QR 2.8 billion as at 30 June 2021. Total assets as at 30 June 2021 amounted to QR 16.5 billion and total equity amounted to QR 16.1 billion as at 30 June 2021.

Segmental performance highlights**Petrochemicals:**

Key performance indicators	1H-21	1H-20	Variance (%) [1H-21 vs 1H-20]	Q2-21	Q1-21	Variance (%) [Q2-21 vs Q1-21]
Average selling price (\$/MT)	1,104	732	+51%	1,210	997	+21%
Sales volumes (MT' 000)	343	279	+23%	173	170	+2%
Revenue (QR' million)	1,378	743	+85%	761	617	+23%
Net profit (QR' million)	650	81	+702%	400	250	+60%
Production (MT' 000)	354	266	+33%	183	170	+8%

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

The segment reported a net profit of QR 650 million for 1H-21, up by 702% versus 1H-20. 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 23%, compared to the same period last year, against a backdrop of higher operating days in the current period versus 1H-20. The growth in product prices coupled with improved sales volumes led to an overall rise in revenue by 85% within the segment, to reach QR 1.4 billion for the current period.

Production volumes increased by 33% versus 1H-20, as the segment had planned periodic turnaround of Q-Chem II facilities during Q1-20, which affected the overall operating rates for 1H-20 in comparison to 1H-21.

Chlor-alkali:

Key performance indicators	1H-21	1H-20	Variance (%) [1H-21 vs 1H-20]	Q2-21	Q1-21	Variance (%) [Q2-21 vs Q1-21]
Average selling price (\$/MT)	654	360	+82%	676	633	+7%
Sales volumes (MT' 000)	230	177	+30%	110	120	-9%
Revenue (QR' million)	547	232	+136%	270	277	-2%
Net profit (QR' million)	252	5	+4,949%	128	125	+2%
Production (MT' 000)	235	177	+32%	125	110	+14%

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

Chlor-alkali segment reported a net profit of QR 252 million for 1H-21, increased significantly 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 82% versus 1H-20, complemented by renewed demand of end products (PVC, aluminium, polymers) on the back of constructive macroeconomic drivers and supply shortages in certain regions. Sales volumes also increased by 30%, compared to the same period last year, against a backdrop of better utilization rates in the current period versus 1H-20. The growth in product prices coupled with sales volumes led to an overall increase in revenue by 136% within the segment, to reach QR 547 million for the current period. Production volumes rose by 32% versus 1H-20, as the segment had more planned periodic shutdown days during 1H-20.

Earnings Call

MPHC will host an IR earnings call with investors to discuss its 1H-21 results, business outlook and other matters on 8th August 2021 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 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