FOR IMMEDIATE RELEASE

Industries Qatar posts a record net profit of QR 8.8 billion for the year ended 31 December 2022, representing an increase of 9% compared to YE-21

Board of Directors recommends a cash dividend of QR 1.1 per share, equating to 110% of the nominal share value

- IQ sets another record with highest net earnings since incorporation in 2003, despite an uneven market context
- Group operations continued to remain robust with all the operational performance indicators improved over the last year
- Earnings per share (EPS) of QR 1.46 for YE-22 compared to QR 1.34 for the last year
- Year-on-year product price trends continue to remain positive, however, declined on a quarter-on-quarter basis amid recent macro-volatilities
- Liquidity continues remain robust with a total cash and bank balance of QR 19.2 billion, with a significant free cash flow generation of QR 8.8 billion during the current year

Doha, Qatar; 9 February 2023: Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a record net profit of QR 8.8 billion for the year ended 31 December 2022, representing an increase of 9% compared to YE-21.

Commenting on the Group's financial and operational performance for the year, **His Excellency Mr. Saad Sherida Al-Kaabi, Chairman of the Board of Directors**, said:

"Industries Qatar had a remarkable operational and financial year, despite a challenging global economic climate. Our focus on operational excellence and HSE, as well as our strength in the global supply chain, aided in our seamless operations. We also made strategic investment decisions, including investing in a new environmentally responsible World's largest blue ammonia train leading to a sustainable future growth.

As we report a strong performance for 2022, I would like to thank the Board of Directors, Chief Executive Officers, senior management and all the employees of QAPCO, QAFAC, QAFCO and Qatar Steel, without whom we would not have achieved these excellent results.

Going forward, we will continue to thrive for operational excellence, by focusing on our human capital and environment, along with responsible growth and creating long term value for our shareholders."

Updates on macroeconomic environment

Macroeconomic environment remained volatile throughout most of the year, as a result of geopolitical uncertainty amid Russian-Ukraine conflict, recessionary fears on account of inflationary pressures and hawkish stance on interest rates by most of the Central banks.

Also, exceptionally high energy prices in Europe are persistently weighing on most of the European producers. Additionally, China's zero-Covid policy and related lockdowns, coupled with slowdown in Chinese construction sector remained key catalysts for volatile global economic context during 2022. Specifically on the domestic steel market front, recently concluded activities related to FIFA 2022 World Cup weighed on the domestic steel demand, amid muted construction activity that led to lower price trajectories.

On overall basis, product prices across the Group's basket of products declined during 4Q-22 versus 3Q-22 due to cautious consumer demand on account of macro-headwinds, coupled with comparatively lower crude prices. However, on a year-on-year basis product price trends remained positive on account of post-pandemic recovery phase, despite macroeconomic fundamentals remained mostly unstable throughout the year.

Operational performance updates

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Production (MT' million)	16.7	15.3	+9%	4.3	4.3	+1%
Plant utilization rates (%)	100%	95%	--	104%	102%	--
Average reliability factor (%)	98%	97%	--	98%	99%	--

Group's operations continue to remain stable and strong as production volumes for the current year improved by 9% to reach 16.7 million MT's. This improvement in production was largely driven by (a) higher operating days in polyethylene segment, as the segment was on major planned maintenance during the fourth quarter of 2021; (b) higher production within the fuel additive facilities during the current year, as the MTBE facility was on a commercial maintenance during first quarter of 2021, along with overall operational improvement across the fuel additive facilities; (c) increased fertilizer production volumes on account of higher plant availability; and (d) restart of the previously mothballed DR-2 facility within steel segment with a larger capacity. Plant utilization rates for YE-22 reached 100%, while average reliability factor stood at 98%.

Production volumes during 4Q-22 slightly increased by 1% compared to the previous quarter, amid improvement in production volumes noted across all the segments.

Financial performance updates – *YE-22 vs YE-21*

Key financial performance indicators	YE-22	YE-21	Variance (%)
Average selling price ($/MT)	711	603	+18%
Sales volumes (MT' 000)	10,212	9,416	+8%
Revenue (QR' billion)	25.8	20.2	+28%
EBITDA (QR' billion)	11.0	10.2	+7%
Net profit (QR' billion)	8.8	8.1	+9%
Earnings per share (QR)	1.46	1.34	+9%
EBITDA margin (%)	43%	51%	--

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

Group reported a consolidated net profit of QR 8.8 billion for the year ended 31 December 2022, demonstrating a growth of 9% versus last year. The reported net profit for 2022 remains Group's highest profit, since the Group's incorporation in 2003. Earnings per share (EPS) for 2022 was QR 1.46 versus QR 1.34 for 2021.

Group revenue for the year grew significantly by 28% to reach QR 25.8 billion as compared to QR 20.2 billion reported for the last year. The Group's consolidated revenue for 2022 also remained the highest, since inception.

Group's financial performance for the year ended 31 December 2022 was largely attributed to the following factors:

- Product prices
  Blended average product prices significantly surged by 18% versus last year and reached USD 711/MT. Growth in product prices contributed to an increase of QR 3.7 billion in the Group's net earnings. The increase in product prices was mainly linked to elevated market prices across the segments, on account of constructive macroeconomic drivers carried forward from the latter part of the last year. However, macro-economic fundamentals remained volatile during most part of the current year with signs of economic slowdown.

- Sales volumes
  Sales volumes for the year increased by 8% versus the last year, primarily driven by higher plant operating rates and restarting of certain production facilities. Improved sales volumes contributed QR 2.1 billion in the overall growth of Group's net earnings for the current year compared to last year.

- Other operating income
  Group's financial performance for the current year also improved by QR 1.0 billion in comparison to the last year, due to higher other operating income mainly due to higher share of income from associates (QR 0.4 billion) and better net finance income (QR 0.6 billion).

- Operating cost
  Operating cost for the year ended 31 December 2022 increased by 44% versus last year. The increase in the operating cost was primarily linked to higher variable cost on account of increased sales volumes and end-product price indexed raw material cost, together with a general increase in inflation linked fixed costs.

Financial performance updates – *4Q-22 vs 3Q-22*

Key financial performance indicators	4Q-22	3Q-22	Variance (%)
Average selling price ($/MT)	637	635	+0%
Sales volumes (MT' 000)	2,501	2,595	-4%
Revenue (QR' billion)	5.7	5.9	-3%
EBITDA (QR' billion)	2.3	2.2	+6%
Net profit (QR' billion)	1.8	1.6	+10%
Earnings per share (QR)	0.29	0.27	+10%
EBITDA margin (%)	41%	37%	--

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

During 4Q-22, the Group revenue marginally declined due to slightly lower sales volumes, while the average selling prices remained relatively flat, despite global economic context remained under stress due to recessionary fears and continuing geopolitical tensions, which kept most of the macroeconomic indicators volatile throughout latter part of 2022. On the other hand, net profit improved by 10% due to lower operating costs, partially offset by lowered sales volumes.

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Industries Qatar

Financial performance updates – *4Q-22 vs 4Q-21*

Key financial performance indicators	4Q-22	4Q-21	Variance (%)
Average selling price ($/MT)	637	798	-20%
Sales volumes (MT' 000)	2,501	2,124	+18%
Revenue (QR' billion)	5.7	6.0	-6%
EBITDA (QR' billion)	2.3	3.2	-28%
Net profit (QR' billion)	1.8	2.5	-28%
Earnings per share (QR)	0.29	0.41	-28%
EBITDA margin (%)	41%	53%	--

Compared to 4Q-21, the Group revenue for 4Q-22 decreased by 6% primarily due to softening of selling prices on the backdrop relatively negative macroeconomic fundamentals. Product prices on average declined by 20% versus same quarter of the last year, where lower price trajectories were noted across all operating segments. Sales volumes, on the other hand, improved by 18% due higher production as the Group's polyethylene segment was on a planned periodic largescale shutdown during the fourth quarter of 2021, in addition to the fertilizer segment which witnessed higher number of planned and unplanned maintenance days during 4Q-21. Profitability, as measured by EBITDA declined by 28% predominantly linked to lower product prices, along with the Group's operating costs which increased due to persistent inflationary pressures. Net earnings for 4Q-22 also declined versus 4Q-21 due to lowered revenue and higher operating costs.

Financial position

Key performance indicators	As at 31-Dec-22	As at 31-Dec-21	Variance (%)
Cash and bank balances (QR' billion)	19.2	16.0	+20%
Total Assets (QR' billion)	45.0	42.3	+6%
Total Equity (QR' billion)	42.0	39.5	+6%

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

Group's financial position continue to remain robust, with cash and bank balances at QR 19.2 billion as of 31 December 2022, after accounting for a dividend payout relating to the financial year 2021 amounting to QR 6.05 billion. Currently, the Group has no long-term debt obligations.

Group's reported total assets and total equity reached QR 45.0 billion and QR 42.0 billion, respectively, as at 31 December 2022. The Group generated positive operating cash flows[1] of QR 9.9 billion, with free cash flows[1] of QR 8.8 billion during the reporting period of 2022.

[1] Reported based on non-IFRS based proportionate consolidation

Segmental performance highlights

Petrochemicals:

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Production (MT' 000)	3,026	2,640	+15%	781	781	-0%
Average selling price ($/MT)	942	924	+2%	775	852	-9%
Sales volumes (MT' 000)	2,096	1,835	+14%	542	545	-1%
Revenue (QR' million)	6,976	5,981	+17%	1,483	1,639	-10%
Net profit (QR' million)	2,460	2,479	-1%	388	568	-32%

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

Petrochemicals segment reported a net profit of QR 2.5 billion for the year ended 31 December 2022, marginally down by 1% versus last year. This marginal decrease was mainly due to a slight decline in gross margins, as growth in segmental revenue being almost offset against higher operating costs.

Blended product prices for the segment improved by 2% versus last year, as result of recovery of demand following post-pandemic recovery, higher energy prices coupled with supply bottlenecks. Sales volumes also improved by 14% compared to last year, in line with growth in production volumes on the backdrop of higher facility availability. Growth in selling prices combined with higher sales volumes, led segmental revenue to reach QR 7.0 billion for the current year, with an improvement of 17% versus last year.

On a year-on-year basis, production volumes increased by 15%, as the segment's polyethylene segment was on a periodic large scale maintenance shutdown during the fourth quarter of 2021, while segment's fuel additive operations were on a commercial shutdown during early parts of last year which affected last year's production volumes.

Revenue for the current quarter declined by 10% versus 3Q-22. This decline was primarily driven by a general decline in the petrochemical prices at the macro-level due to combined effect of declining crude prices and weakened consumer demand against a backdrop of deteriorating macroeconomic fundamentals. As a result, on overall basis average selling prices within the segment declined 9% versus 3Q-22. Sales volumes on the other hand remained relatively unchanged versus the previous quarter with stable plant operations. On overall basis, decline in segmental revenue led segmental profits to decline by 32% to reach QR 388 million for 4Q-22.

Fertilizers:

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Production (MT' 000)	9,722	9,614	+1%	2,535	2,495	+2%
Average selling price ($/MT)	656	488	+34%	615	572	+8%
Sales volumes (MT' 000)	6,277	5,973	+5%	1,575	1,563	+1%
Revenue (QR' million)	14,532	10,283	+41%	3,422	3,157	+8%
Net profit (QR' million)	5,348	5,106	+5%	1,184	857	+38%

Fertilizer segment reported a net profit of QR 5.3 billion for the year ended 31 December 2022, with an increase of 5% versus 2021. This increase was primarily driven by growth in segmental revenue. Segment's revenue grew by 41% for YE-22 versus last year, primarily due to higher selling prices. Restricted supply from key exporting regions, together with inflationary pressures amid higher crop, along with higher energy prices and geopolitical conflicts remained key factors for an elevated year-on-year price trajectories for the nitrogen-based fertilizers. Sales volumes also increased during the year, mainly due to timing of shipments and improved productions. Production within the segment improved marginally as segments' trains were available for higher operating days due to lower maintenance during the current year.

On a quarter-on-quarter basis, segmental revenue increased by 8% versus the previous quarter owing to higher selling prices. Selling prices increased by 8% on a quarter-on-quarter basis, despite recent macro-pressures affecting fertilizer markets. On the other hand, sales volumes marginally improved due to slightly higher production volumes and a growth of 1% was noted in sales volumes on a quarter-on-quarter basis. Segment's net profit for 4Q-22 increased by 38% mainly due to comparatively higher selling prices realized during 4Q-22 versus the previous quarter, as well as the segment reported lower operating cost.

Steel:

Key performance indicators	YE-22	YE-21	Variance (%) [YE-22 vs YE-21]	4Q-22	3Q-22	Variance (%) [4Q-22 vs 3Q-22]
Production (MT' 000)	3,985	3,035	+31%	1,015	991	+2%
Average selling price ($/MT)	637	664	-4%	535	595	-10%
Sales volumes (MT' 000)	1,839	1,608	+14%	384	487	-21%
Revenue (QR' million)	4,262	3,886	+10%	748	1,055	-29%
Net profit (QR' million)	888	716	+24%	115	153	-25%

Steel segment reported a net profit of QR 888 million up by 24% versus last year. Improved segmental earnings were mainly driven by higher revenues, which increased by 10% versus YE-21. Additionally, segment's one of the associates that primarily produces and sell iron oxide pellets, Foulath Holdings, reported commendable financial results against a backdrop of improved operations. Qatar Steel's share of net earnings in Foulath increased by three folds versus last year and reached QR 0.4 billion for the year ended 31 December 2022.

Growth in revenue was primarily driven by improved sales volumes by 14% mainly linked to higher production volumes. Production ramped up during this year, as the segment restarted DR-2 facility; a relatively larger facility that was previously mothballed and decided to mothball a smaller DR-1 facility. Restarting of DR-2 allowed the segment to have greater operational flexibility and improved output optimization. Selling prices on average marginally decreased by 4%, mainly due to softening domestic demand, coupled with slowdown in international steel prices.

On a quarter-on-quarter basis, segmental profit decreased by 25% versus 3Q-22 mainly on account of lower revenues. Segment revenue declined by 29% mainly due to decline in sales volumes which were down by 21% due to limited construction activities. Although, most of these volumes were diverted to the international markets, where margins tend to be comparatively lower than the domestic market. International sales volumes also remained somewhat lower, due to weaker Chinese demand. Also, selling prices remained subdued where a shortfall of 10% was noted on a quarter-on-quarter basis, mainly linked lower steel demand. On the other hand, operating costs had declined versus the previous quarter due to lower sales volumes leading to better margins.

Proposed Dividend Distribution

After reviewing Group's current year financial performance, with present and potential liquidity position, and considering the current and future macroeconomic conditions, business outlook, CAPEX, investing and financing requirements of the Group, the Board of Directors proposed a total annual dividend distribution of QR 6.7 billion for the year ended 31 December 2022, subject to the approval of General Assembly, representing a payout ratio of 75% of current year's net earnings. A dividend of QR 1.1 per share represent a dividend yield of 8.6% on the closing share price as of 31 December 2022.

Earnings Call

Industries Qatar will host an Earnings call with investors to discuss the latest results, business outlook and other matters on Thursday, 16th February 2023 at 1:30 pm Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at IQ's website.

-Ends-

About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company Q.P.S.C. ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and sulphur; (iii) Qatar Fertilizer Company SAQ ("QAFCO"), a subsidiary 100% owned by IQ, engaged in the manufacture of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, engaged in the production of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

For more information about the earnings announcement, email iq@qatarenergy.qa or iq.investorrelations@qatarenergy.qa or visit www.iq.com.qa

DISCLAIMER

The companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the Group" are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar 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 realization 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 report are made as of the date of this document.

Industries Qatar Q.P.S.C., it's Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Industries Qatar Q.P.S.C., its subsidiary, joint ventures and associated companies are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Industries Qatar Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

GENERAL NOTES

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in US $'s have been translated at the rate of US $1 = QR 3.64.

Amounts relating to income statement, including revenue, net profits, production, sales volumes, have been computed and reported for the purpose of this press release on proportionate basis, based on the share of ownership of IQ in its respective joint ventures. Specifically, Petrochemical segment's revenue is computed by taking the Group share of revenue in Qapco and Qafac. Qapco's revenue is computed by taking the share of revenue in its joint ventures namely Qatofin, QVC and QPPC. This revenue may differ from the revenues reported in the consolidated financial statements.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realization 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 Capitalization x 100 • **DRI:** Direct Reduced Iron • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization calculated as (Net Profit + Interest Expense + Depreciation + Amortization) • **EPS:** Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year-end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** Hot Briquetted Iron • **LDPE:** Low Density Poly Ethylene • **LLDPE:** Linear Low Density Poly Ethylene • **mmBTU:** Million British Thermal Units • **MTPA:** Metric Tons Per Annum • **MTBE:** Methyl Tertiary Butyl Ether • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market capitalization / Net Profit) • **Utilization:** Production Volume / Rated Capacity x 100