



Industries Qatar

Investor Relations Presentation

31 December 2022

“One of the region’s industrial giants with interests in the production of a wide range of petrochemical, fertilizer and steel products.”

DISCLAIMER

The Companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “IQ” and “the Group” are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

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GENERAL NOTES

IQ's accounting year follows the Gregorian calendar year. No adjustment has been made for leap years. Where applicable, all values refer to IQ's share. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

Adjusted Free Cash Flow: Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** Compound Annual Growth Rate • **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 • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation calculated as (Net Profit + Interest Expense + Depreciation) • **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 • **mmBTU:** Million British Thermal Units • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market capitalisation / Net Profit) • **utilization:** Production Volume / Rated Capacity x 100

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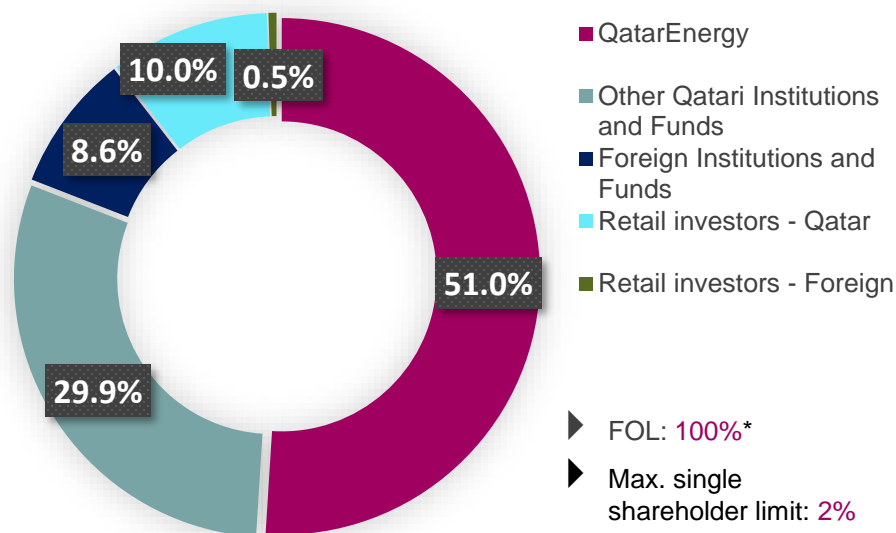
About IQ

IQ at a Glance

Overview

- Industries Qatar (IQ) was incorporated and listed on the Qatar Exchange in 2003.
- IQ is the **second largest company** at Qatar Exchange by Market Capitalization.
- IQ is credit rated by Standard & Poor's (**A+**; stable) and Moody's (**A1**; stable).
- QatarEnergy provides most head office functions through a comprehensive service-level agreement.
- The operations of subsidiaries and joint ventures remain independently managed by their respective Boards of Directors and senior management teams.

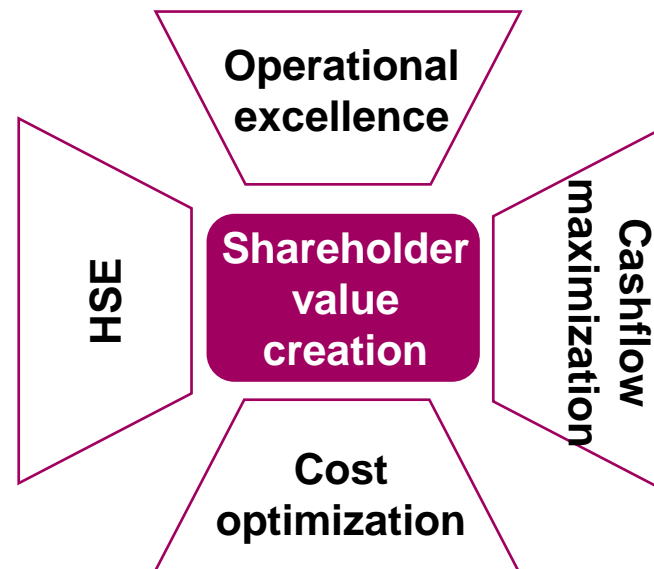
IQ's shareholding structure



Note: Shareholder data as of 31-Dec-22

* Board of Directors approved to increase the FOL to 100%. Council of Ministers approval received; all necessary measures will be taken in this regard with the relevant concerned authorities.

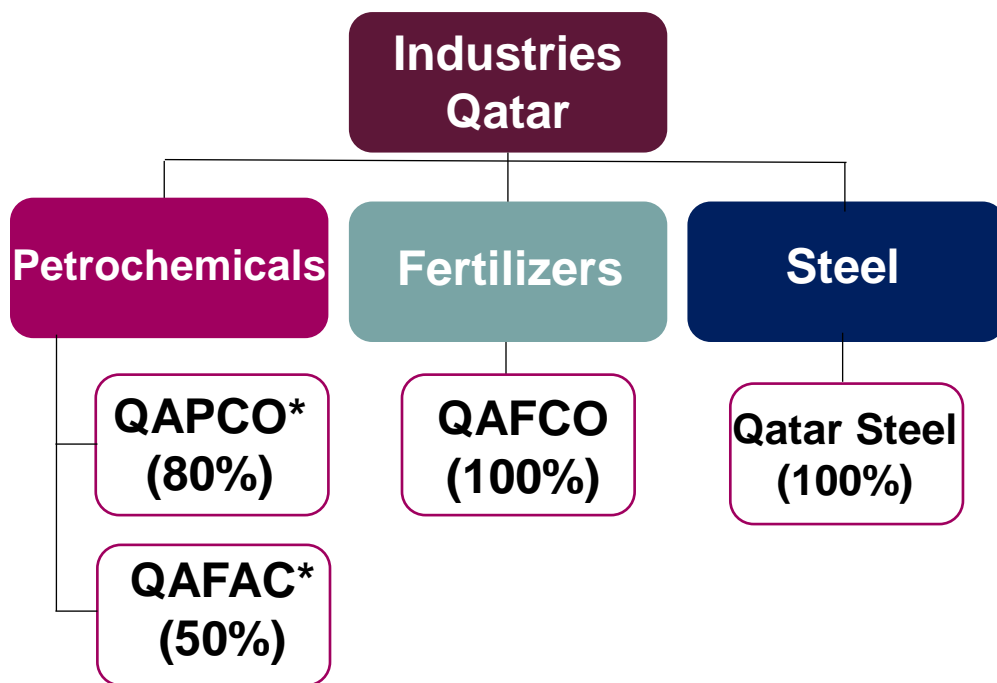
Core values



IQ business segments at a glance

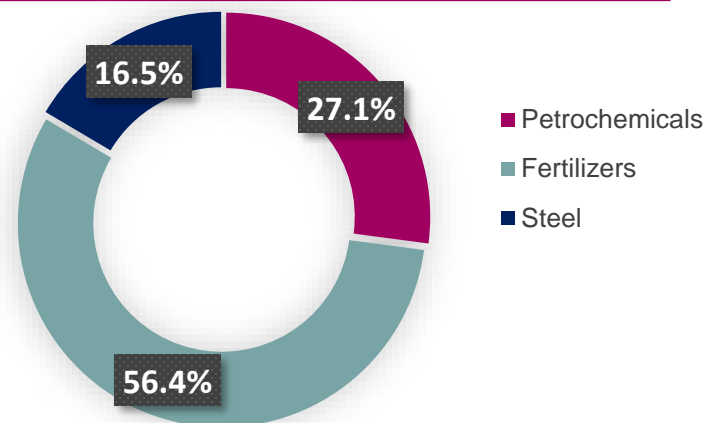
Business segments overview

- Through its group companies, IQ operates in **three** distinct business segments: **Petrochemical**, **Fertilizer** and **Steel**;
- Production facilities are principally located in the State of Qatar.

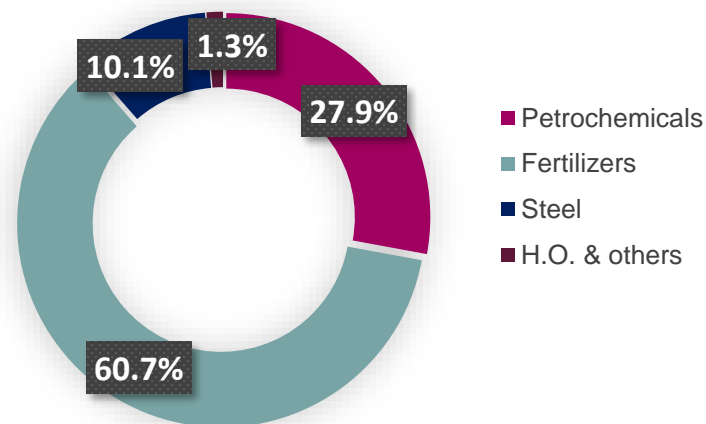


*Joint venture stake

Segment size by Revenue



Segment size by Net Profits



Note: Revenue and net profit data as of 31-Dec-22

Competitive strengths

Competitive strengths

Low-cost producer

- Assured feedstock supply
- Economies of scale and operationally diversified
- Synergy benefits

Strong financial position

- Solid liquidity position, with no long-term debt
- Strong cash flow generation with stable EBITDA margins
- Sound dividend record

Market leadership

- Major steel producer in the region
- World's largest single site urea producer
- Dedicated marketing support in form of Muntajat

Experienced team

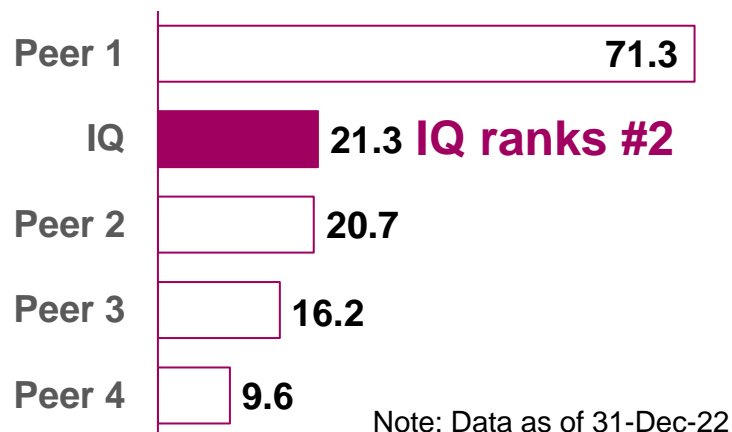
- Industry experts in the senior management team
- Reputable JV partners

Regional peer review

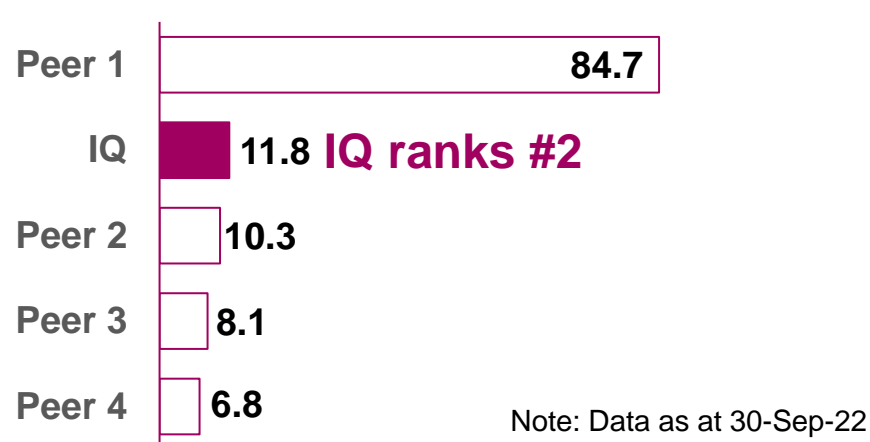
IQ ranked **#24** among
“2022 Forbes List of Top 100 Listed Companies in the Middle East”

Competitive positioning versus regional peers

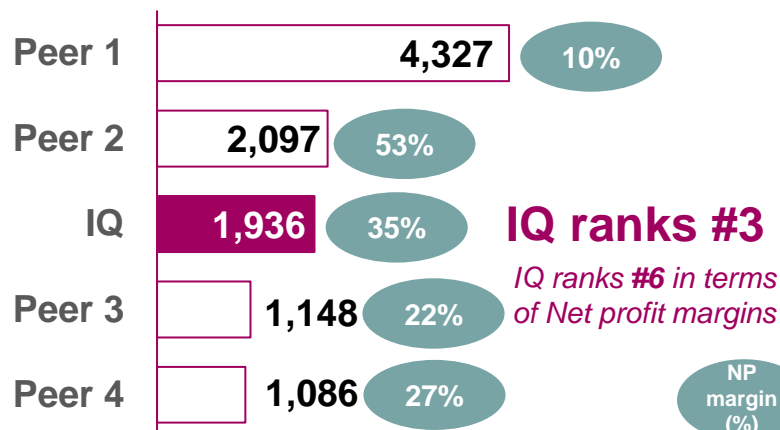
Market Cap. (USD' billion)



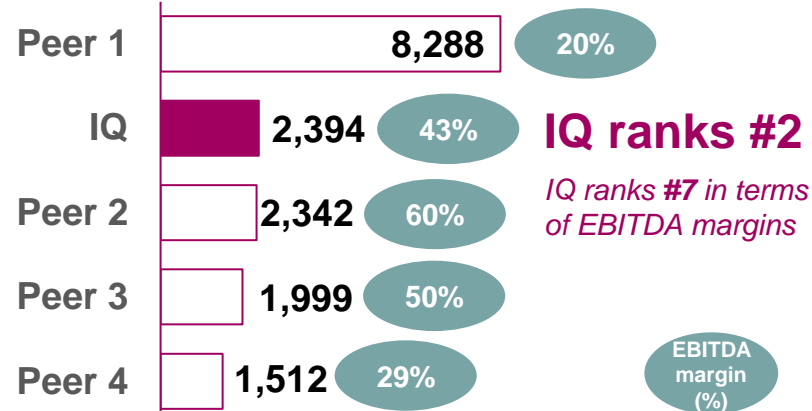
Total Assets (USD' billion)



Net profit (USD' million)



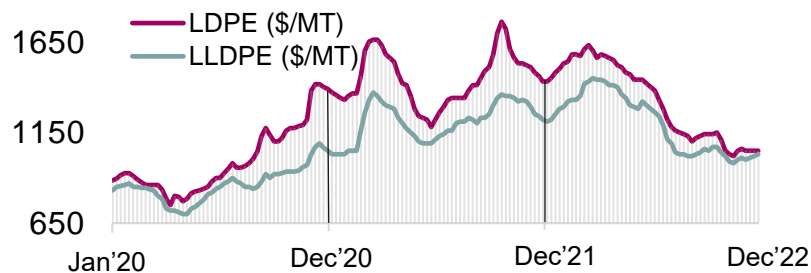
EBITDA (USD' million)



Macroeconomic updates

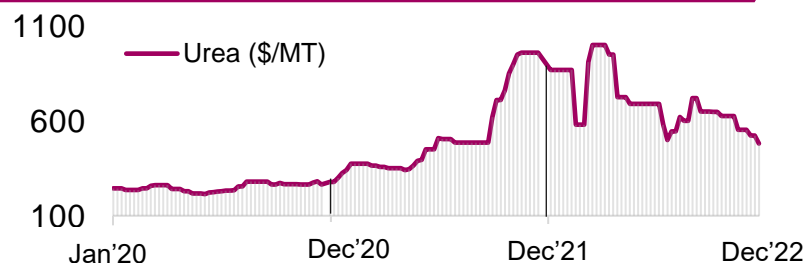
Macroeconomic updates

Petrochemicals



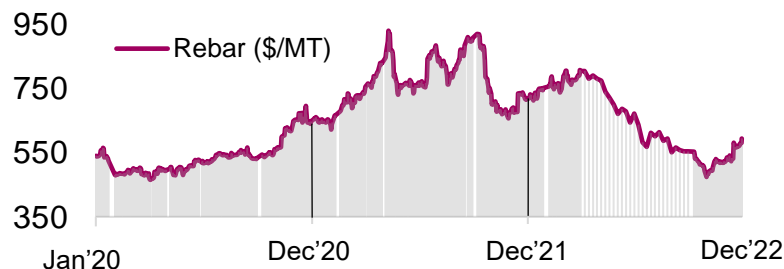
- Prices for petrochemicals declined on a quarter-on-quarter basis, on account of persistently cautious consumer demand linking to macro-headwinds, coupled with comparatively lower crude prices. However, year-on-year price trends continue to remain positive.

Fertilizers



- Fertilizer prices remained volatile, as markets remained cautious in a significantly high energy price environment. Also, restricted supply from key exporting regions, together with inflationary pressures amid higher crop and energy prices, and geopolitical conflicts continue to affect the supply-demand dynamics of the fertilizer markets.

Steel



- Global steel prices continued to remain uneven during the year, where the supply-side remained constrained mainly due to Russia-Ukraine conflict, while steel demand softened on account of weaker Chinese construction sector linked to zero-Covid policy and restrictions on construction lending.
- Specifically on the domestic steel market front, recently concluded FIFA 2022 World Cup weighed on the domestic steel demand, amid muted construction activity and led to lower price trajectories.

Group results

(For the year ended 31 December 2022)

YE-22 results at a Glance

Growth vs. YE-21

Revenue  **28%**
QR 25.8 billion

EBITDA  **7%**
QR 11.0 billion

Net profit  **9%**
QR 8.8 billion

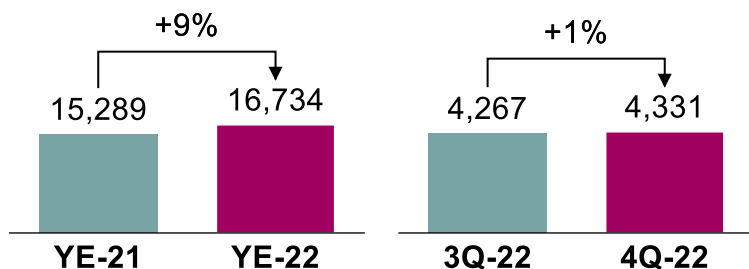
EBITDA Margin: 43%

EPS: QR 1.46 RoAE: 21.5%

- 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
- Year-on-year price trends continue to remain positive, however, product prices 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

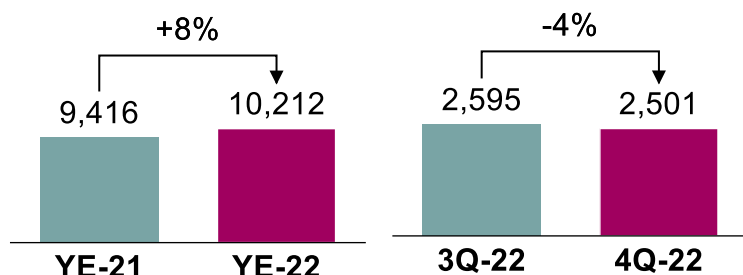
Operational performance review

Production (MT' 000)



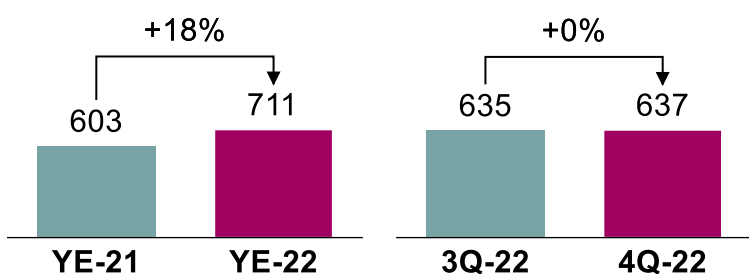
- YE-22 vs YE-21: production volumes increased, mainly driven by higher volumes from (a) fuel additives facilities (commercial shutdown during 1Q-21); (b) higher steel volumes due to restart of DR-2 facilities while mothballing DR-1 facilities; (c) higher operating days in polyethylene segment as the segment was on major planned maintenance during fourth quarter of 2021; and (d) increased fertilizer production volumes on account of higher plant availability.
- 4Q-22 vs 3Q-22: production levels improved, amid improvement in production volumes noted across all the segments.

Sales volume (MT' 000)



- YE-22 vs YE-21: sales volumes increased primarily driven by higher plant operating rates and restarting of certain production facilities.
- 4Q-22 vs 3Q-22: sales volumes declined mainly due to lower sales volumes noted within the steel segment.

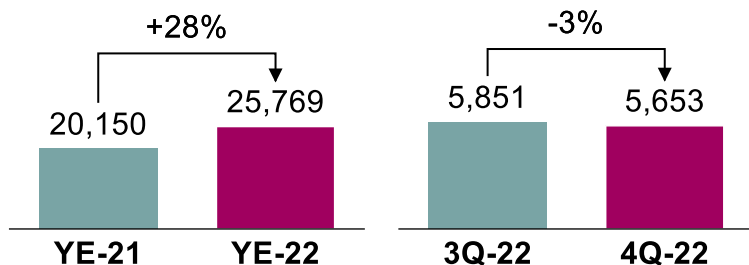
Selling prices (\$/MT)



- YE-22 vs YE-21: year-on-year price trajectories remain elevated on account of constructive macro-drivers carried forward from latter part of last year.
- 4Q-22 vs 3Q-22: av. blended selling prices remained 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 the latter part of 2022.

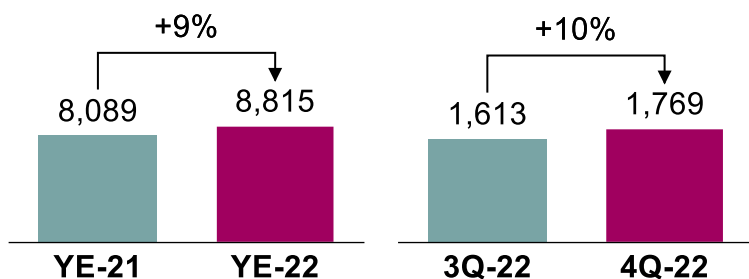
Financial performance review

Revenue (QR' million)



- YE-22 vs YE-21: Group revenue increased significantly, mainly on account of overall increase in blended selling prices and higher sales volumes.
- 4Q-22 vs 3Q-22: Group revenue declined due to lower sales volumes with flattish selling prices.

Net profit (QR' million)

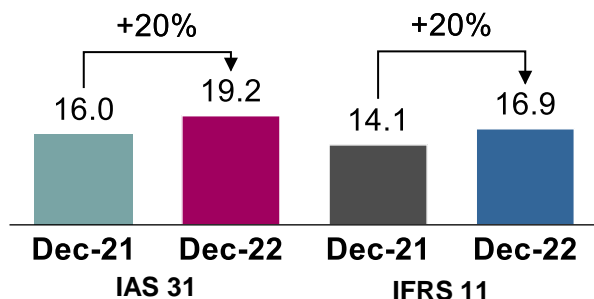


- YE-22 vs YE-21: results significantly improved due to:
 - Better price trajectory across the product range; and
 - Higher sales volumes.
 - Higher other income (income from associates & finance income)

Partially offset by higher OPEX due to increased sales volumes and end-product price indexed raw material cost.

- 4Q-22 vs 3Q-22: profitability improved, on account of lower OPEX partially offset by lowered revenue.

Net cash (QR' billion)



- Total cash across the Group stood at QR 19.2 billion (under IAS 31). Cash increased from last year mainly due to better free cash flow generation (QR 8.8 billion), partially offset by payment of 2021 dividends (QR 6.05 billion).
- There is no long-term debt across the Group.

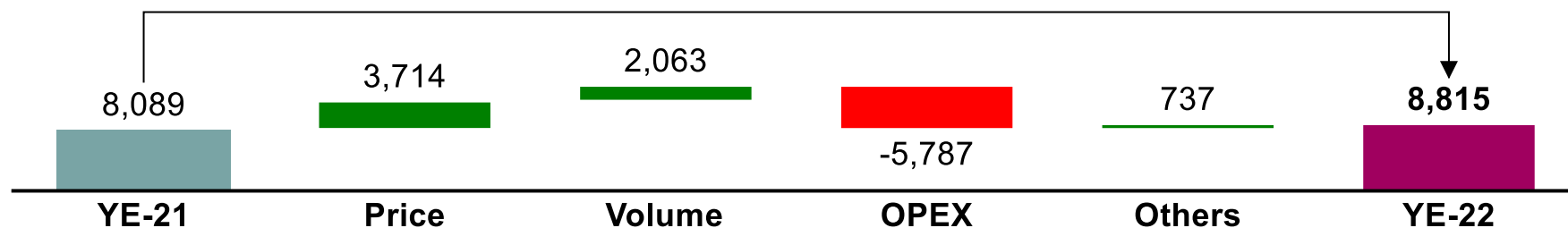
Net profit variance analysis

YE-22 vs YE-21

IQ continue to benefit from higher product prices coupled with better sales volumes reflected in Group's bottom-line profitability

+9%

Amounts in QR 'millions

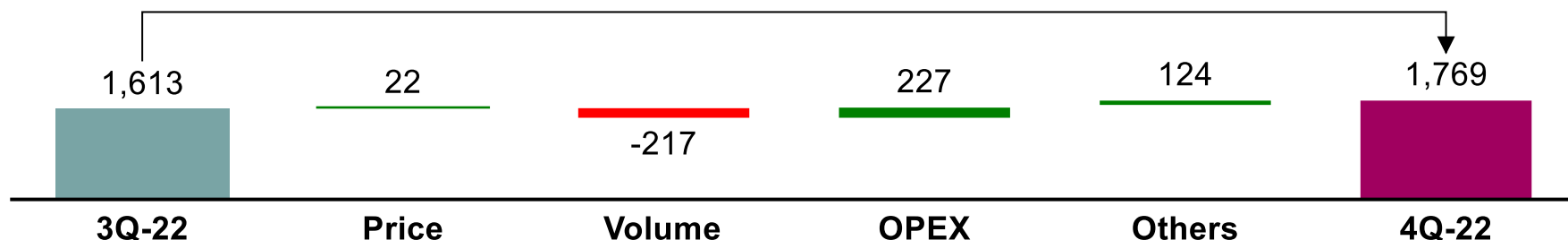


4Q-22 vs 3Q-22

Profitability improved on account of lower OPEX partially offset by lowered sales volumes

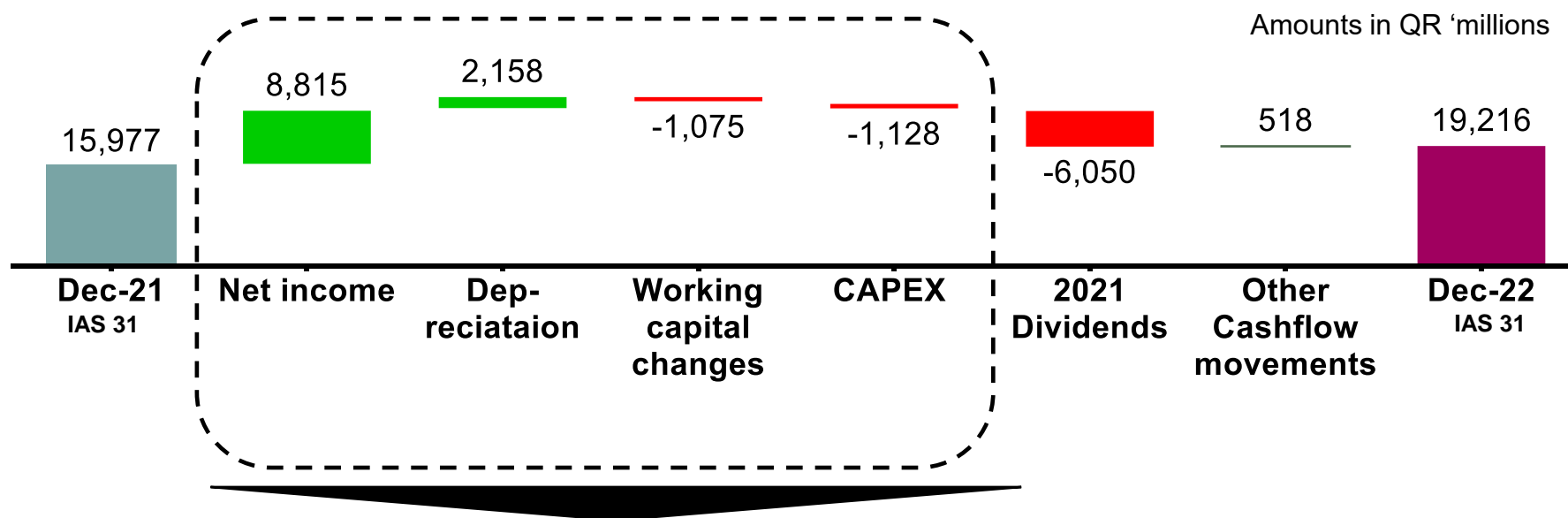
+10%

Amounts in QR 'millions



IQ cash flow generation

IQ's free cash flow generation capability continue to remain robust

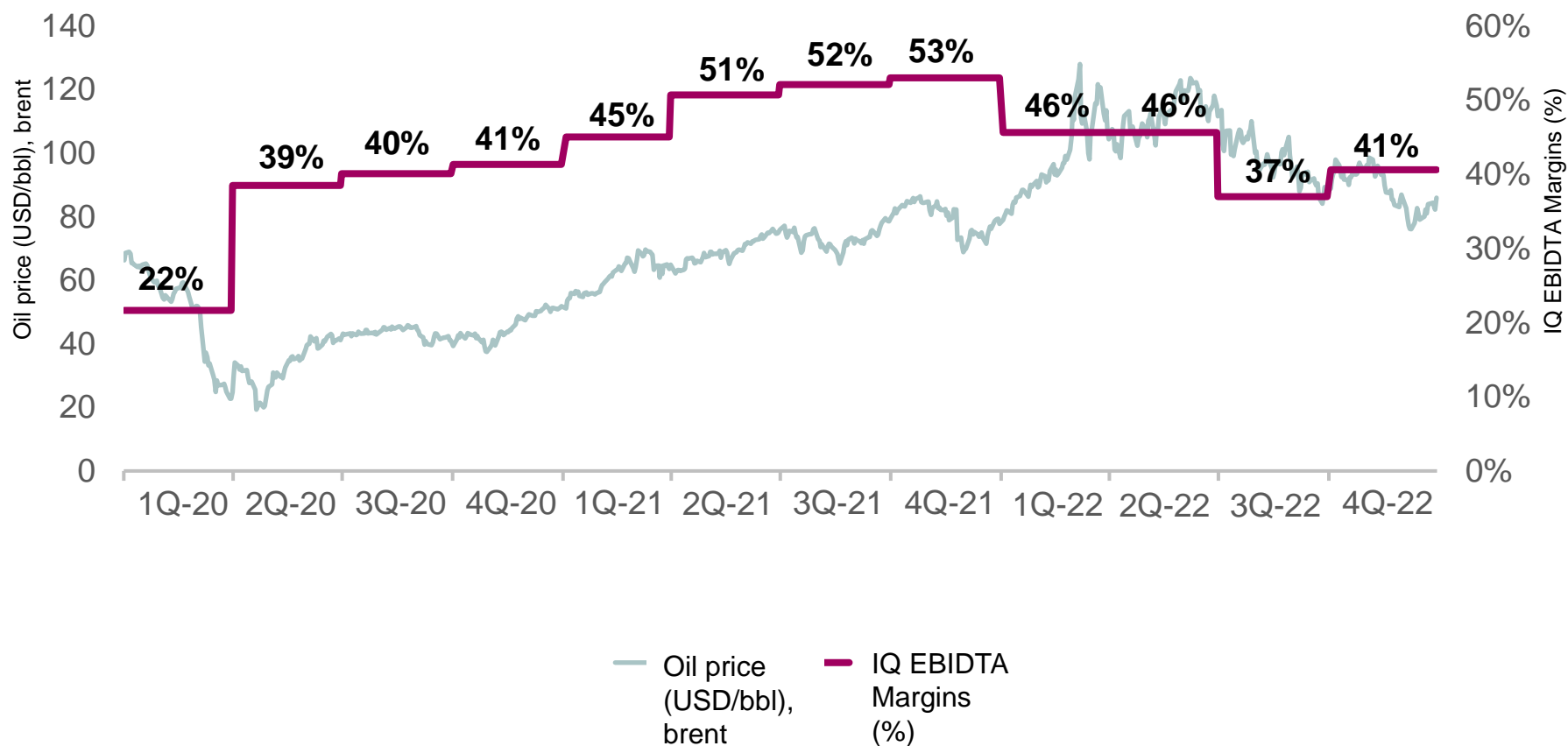


Free cash flows generated during the year ended 31 December 2022:
QR 8.8 billion

Free cash flows generated during 4Q-22:
QR 1.9 billion

Robust EBITDA margins

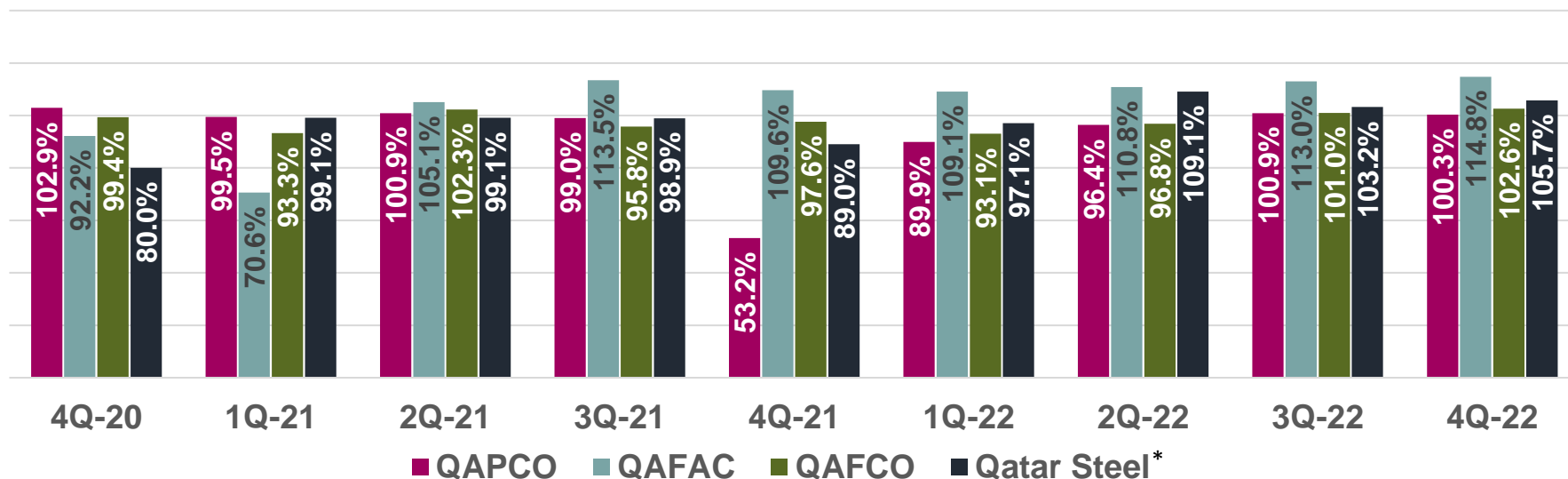
Despite the volatile trends in commodity prices, IQ's EBITDA margins continue to remain robust



Source: Oil price (USD/bbl), brent;
EBIDTA margins – Company data

IQ's plant operating rates

IQ's plant operating rates remained stable

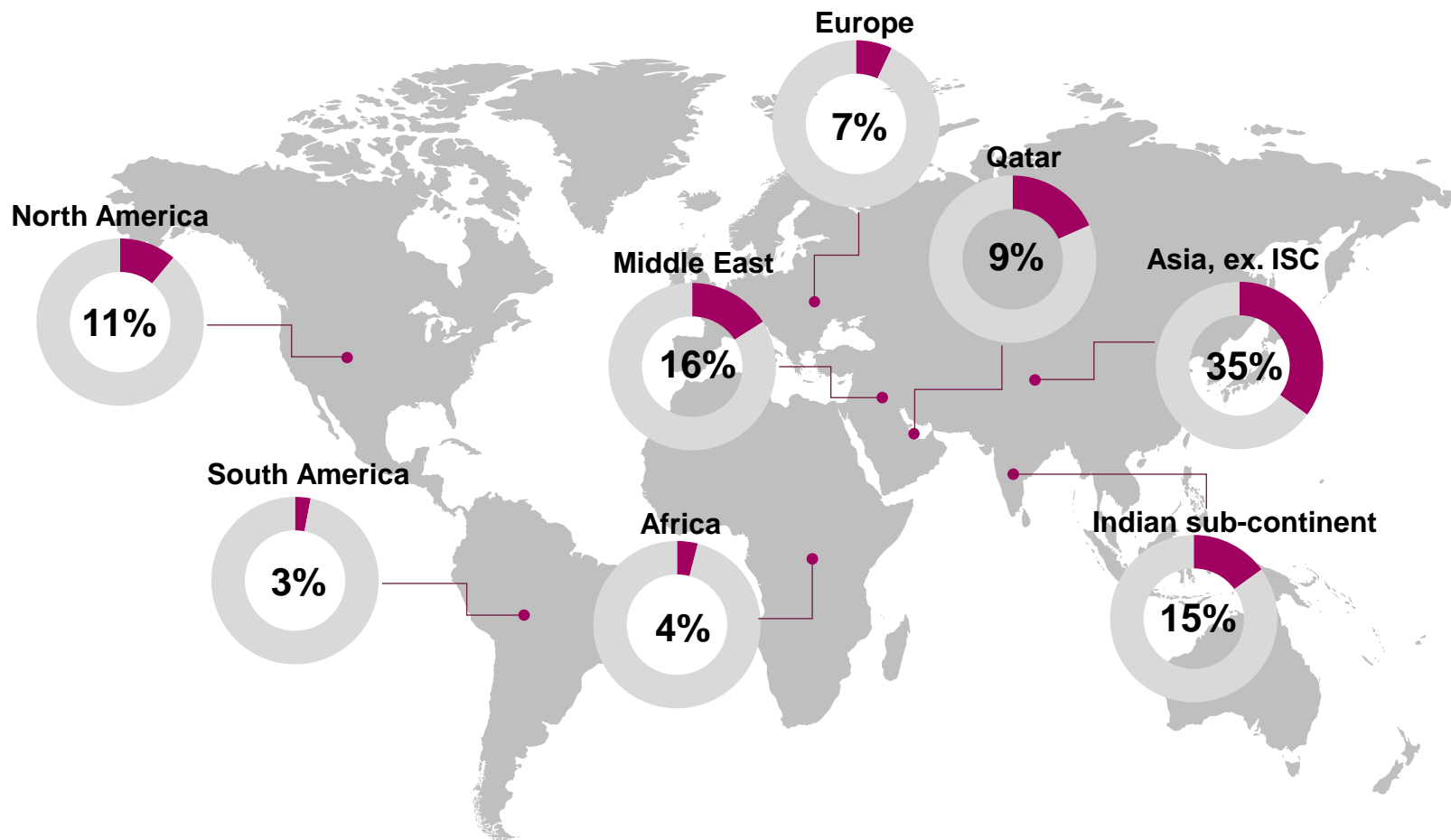


***Note:** With effect from 01 April 2020, management decided to mothball certain facilities of Qatar Steel, hence, the nameplate capacity was accordingly adjusted to reflect the new capacity levels post mothballing.

Also, from 1Q-22, Qatar Steel decided to switch mothballing of DR facilities by restarting a DR facility with larger capacity, as the segment restarted DR-2 facility during 1Q-22, as against DR-1 which was operational until the end of 2021. DR-2 has a production capacity of 1,500k MT's per annum compared to DR-1 that has an annual capacity of 800k MT's per annum.

Geographic analysis – IQ Group revenue

Asia remained Group's largest market, while its presence in Americas and Middle East continued to be substantial



Segment results

(For the year ended 31 December 2022)

Segmental Details: Petrochemicals

- The companies in the Petrochemical segment (**Qapco**, **Qatofin**, **Qafac** and **QVC**) are engaged in the production of:

Product	(in 000 MT PA)
Capacity ¹	
Ethylene	920
LDPE	600
LLDPE	280
Methanol	500
MTBE	305
Total	2,605

- The segment's primary feedstocks are **methane gas** (which is used for the production of methanol), **ethane gas** (ethylene) and **butane gas** (MTBE);

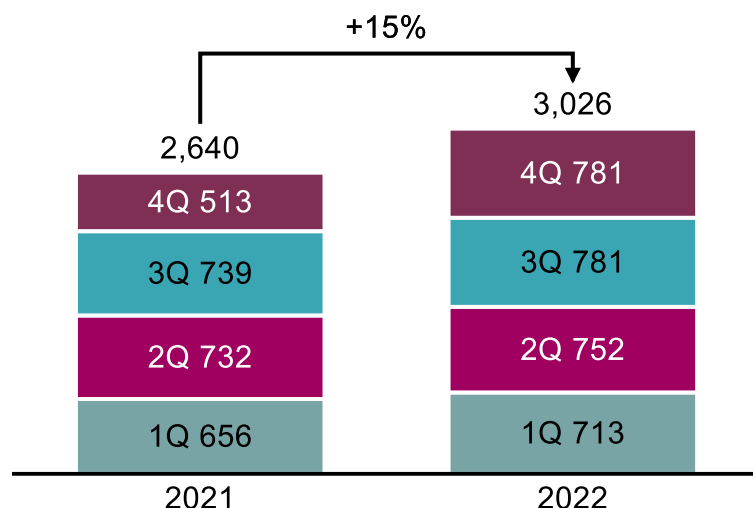


Results: Petrochemicals

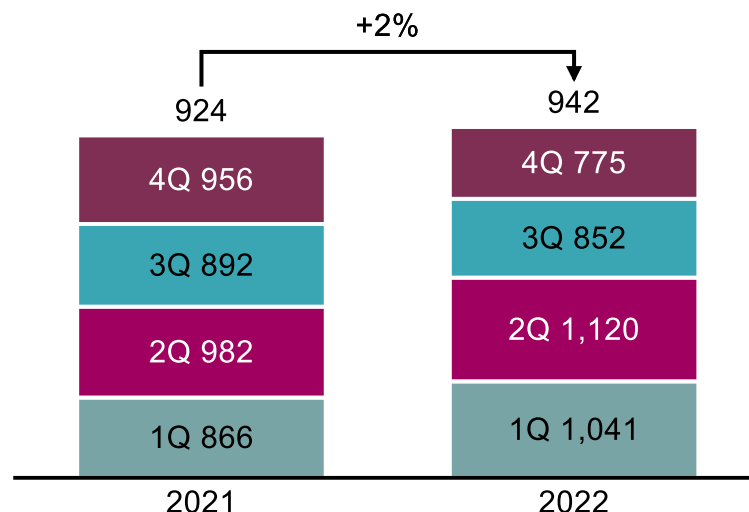
Analysis of production & selling prices

- **Production:** Production volumes up by **15%** compared to YE-21, mainly due to a largescale turnaround carried out at PE facilities during 4Q-21 which affected last year's production volumes. Also, better volumes reported from MTBE facilities, as the same was on a commercial shutdown during 1Q-21, which affected YE-21 production volumes;
 - 4Q-22 production volumes remained flat versus 3Q-22.
- **Selling Prices:** Up on YE-21 by **2%**, as a result of recovery of demand following post-pandemic recovery, higher energy prices coupled with supply bottlenecks.
 - 4Q-22 selling prices declined by **9%** compared to 3Q-22, largely attributable to challenging macroeconomic environment.

Production (MT' 000)



Selling prices (\$/MT)

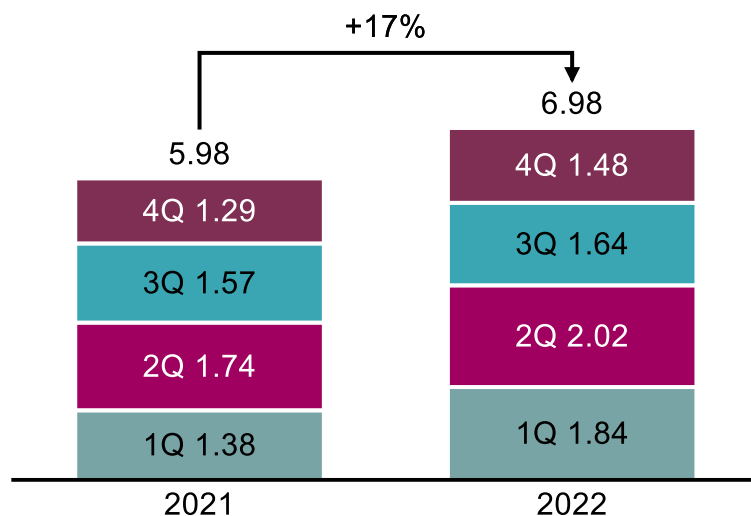


Results: Petrochemicals

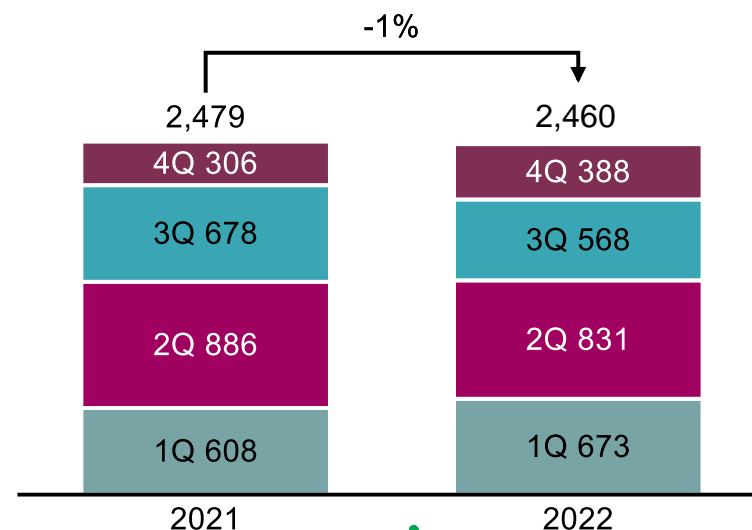
Analysis of segment revenue & net profit

- **Revenue:** QR 7.0 billion, up by 17% compared to YE-21. This increase in revenue was mainly linked to better sales volumes (+14%) along with higher product prices (+2%). Growth in sales volumes was mainly in line with growth in production volumes;
 - Revenue for the current quarter declined by 10% versus 3Q-22. This decline was primarily driven by lower selling prices which decreased by 9%, along with marginal decline in sales volumes (-1%) mainly due to flattish production volumes.
- **Net profit:** QR 2.5 billion, down by 1% compared to YE-21. 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.
 - 4Q-22 net profit decreased by 32% compared to 3Q-22, mainly due to lower segmental revenue.

Revenue (QR' billion)



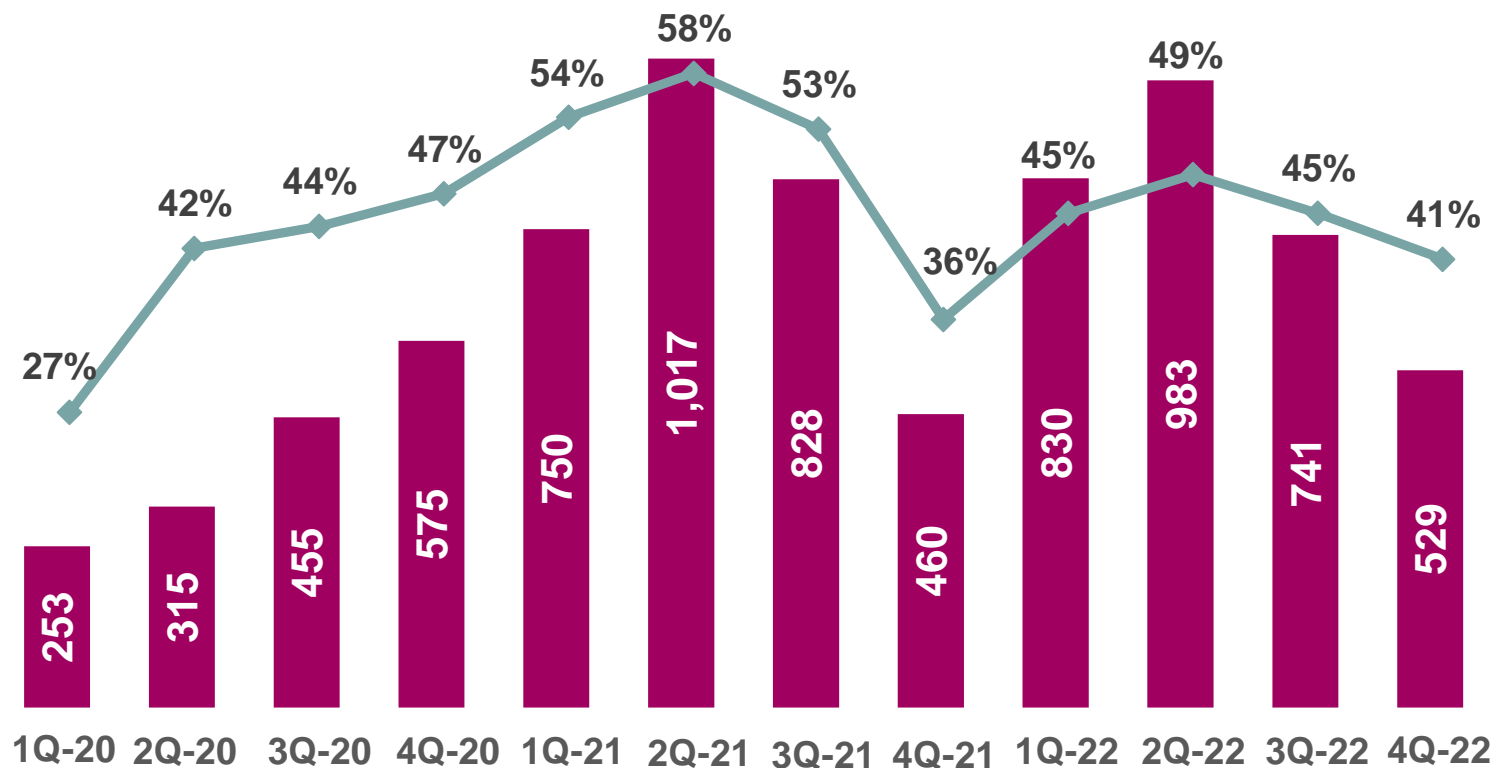
Net profit (QR' million)



Results: Petrochemicals

*Analysis of segment
EBITDA margins*

Segment's EBITDA margins continue to remain strong

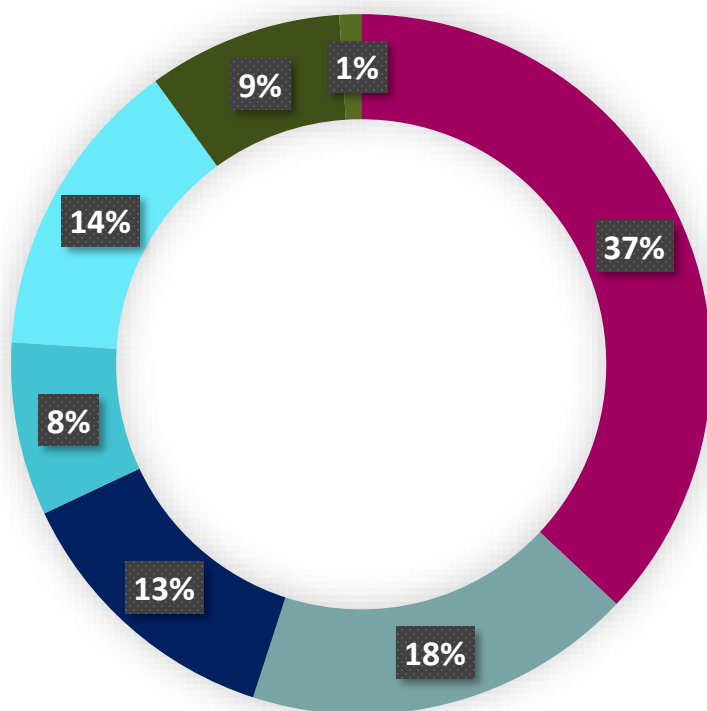


Results: Petrochemicals

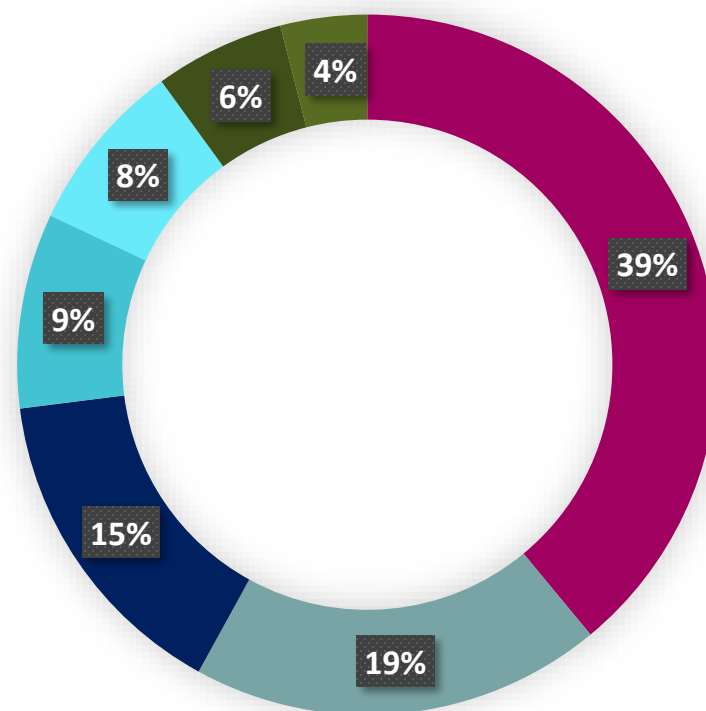
*Geographical analysis of
segment revenue*

- Asia remains a main market for IQ for Polyethylene (LDPE and LLDPE) and MTBE

YE-22 Segment Revenue (%)



YE-21 Segment Revenue (%)



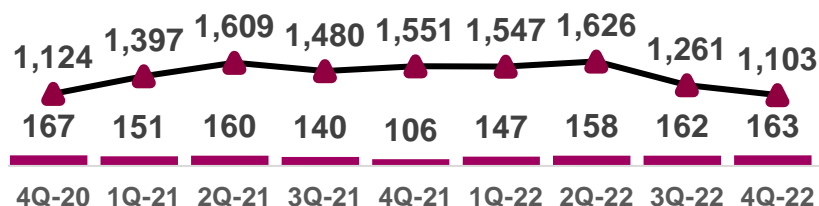
● Asia, ex. ISC ● Africa ● Americas
 ● Indian sub-continent ● Middle East
 ● Europe ● Qatar

Results: Petrochemicals

Key segment
products analysis

LDPE

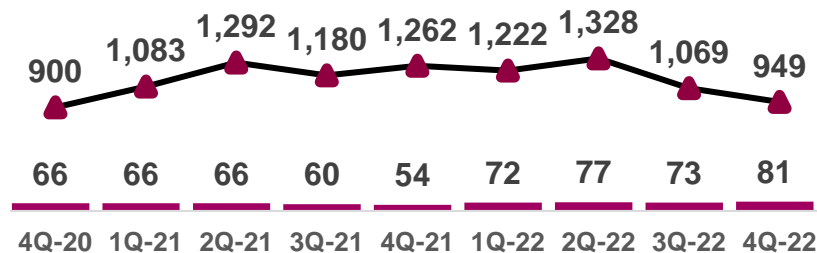
(contributed ~44% of the segment revenue in YE-22)



Sales volumes slightly improved during 4Q-22. Selling prices declined, on the back of continued macroeconomic uncertainties.

LLDPE

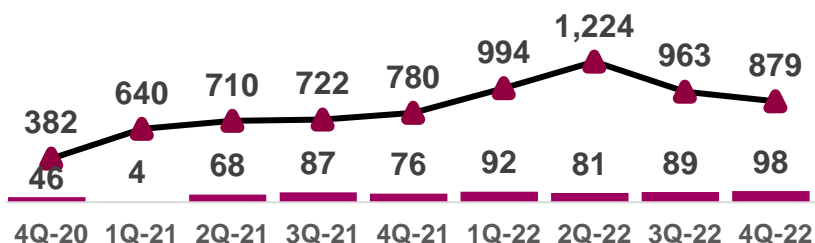
(contributed ~17% of the segment revenue in YE-22)



Sales volumes slightly improved during 4Q-22. Selling prices moved downward during 4Q-22 amid cautious demand.

MTBE

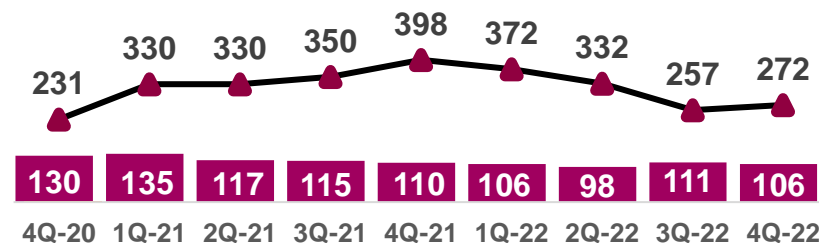
(contributed ~18% of the segment revenue in YE-22)



Sales volumes improved during 4Q-22 with higher plant utilization rates. Selling price declined due to lower crude prices.

Methanol

(contributed ~7% of the segment revenue in YE-22)



Sales volumes inched lower during 4Q-22 versus 3Q-22. 4Q-22 selling prices slightly improved amid comparatively better demand.

Segmental Details: Fertilizers

- Qatar Fertiliser Company has six ammonia and six urea production trains all of which are located in Qatar.

Product	(in 000 MT PA) Capacity ¹
Ammonia	3,840
Urea	5,957
Melamine	60
Total	9,922

- The segment's primary feedstock is methane gas (which is used for the production of ammonia) and ammonia (which is used for production of urea).

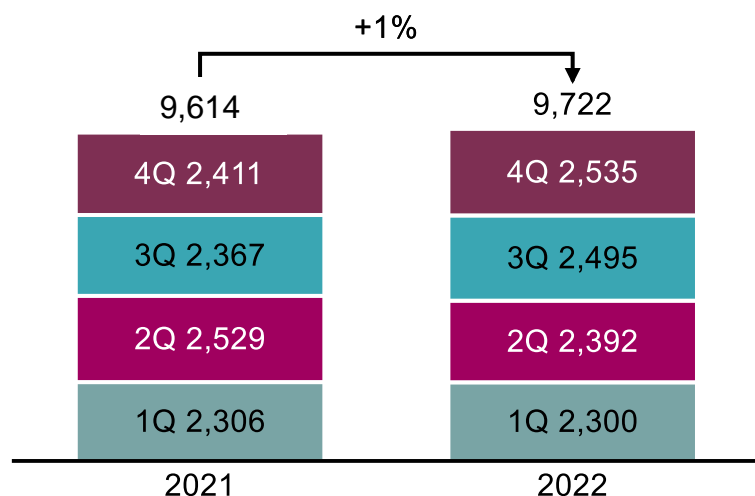


Results: Fertilizers

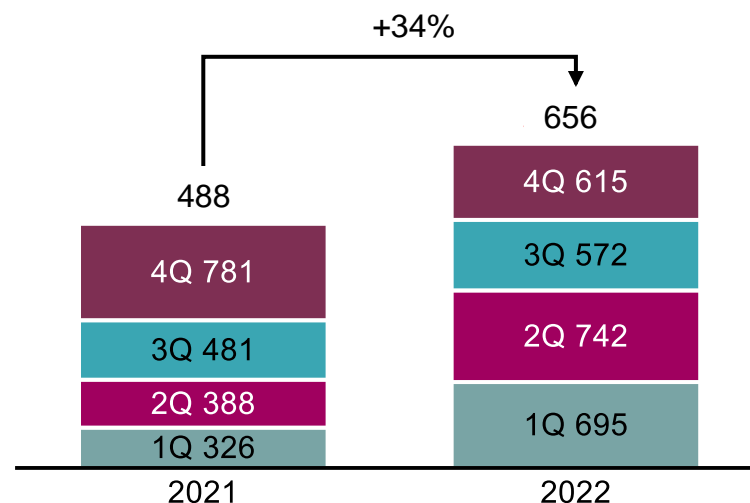
Analysis of production & selling prices

- **Production:** YE-22 production volumes slightly improved by **1%** versus last year;
 - 4Q-22 production improved by **2%** compared to 3Q-22, mainly on account of comparatively better plant utilization rates achieved during the current quarter.
- **Selling Prices:** Prices up by **34%** compared to YE-21, as a result of persistent restricted supply from key exporting regions, together with inflationary pressures amid higher crop and energy prices.
 - Prices up by **8%** during 4Q-22 compared to 3Q-22, despite recent macro-pressures affecting fertilizer markets.

Production (MT' 000)



Selling prices (\$/MT)

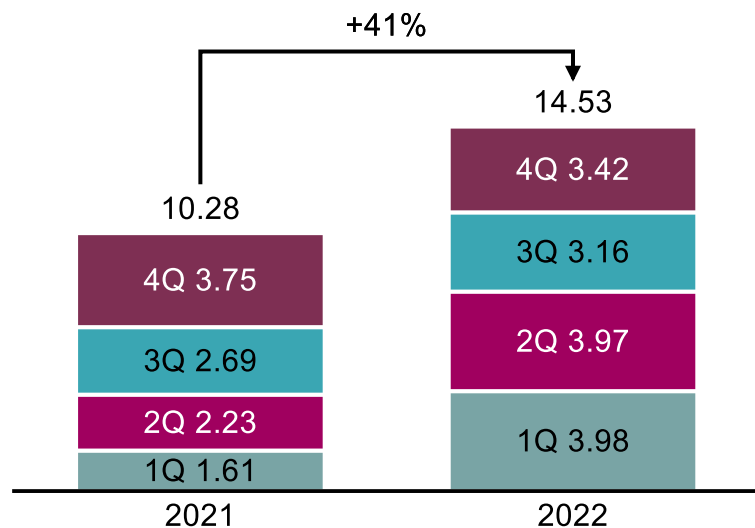


Results: Fertilizers

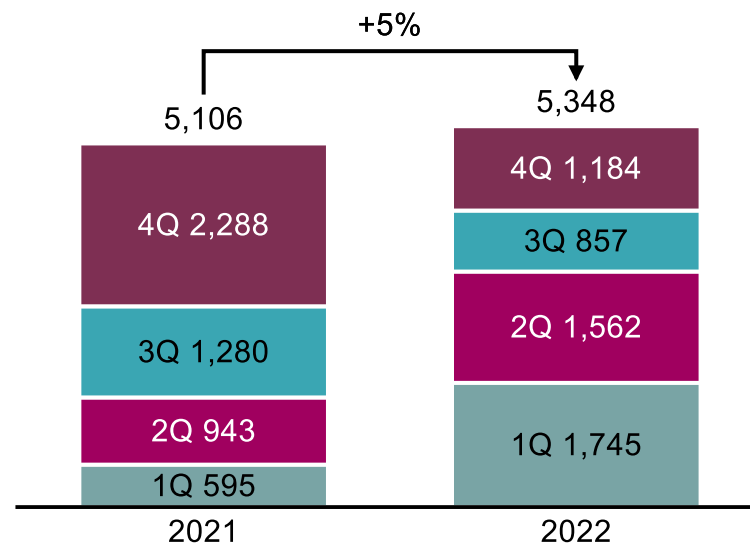
Analysis of segment revenue & net profit

- **Revenue:** QR 14.5 billion, up by 41% compared to YE-21, mainly due to positive growth in product prices (+34%) along with higher sales volumes (+5%);
 - Revenue improved by 8% during 4Q-22 compared to the 3Q-22, due to higher selling prices (+8%), along with slight growth in sales volumes (+1%).
- **Net profit:** QR 5.3 billion, up by 5% compared to YE-21, due to overall increase in segmental revenues;
 - Net profit increased by 38% during 4Q-22 compared to 3Q-22, due to comparatively higher segmental revenue reported for the current quarter, as well as the segment reported lower operating cost.

Revenue (QR' billion)



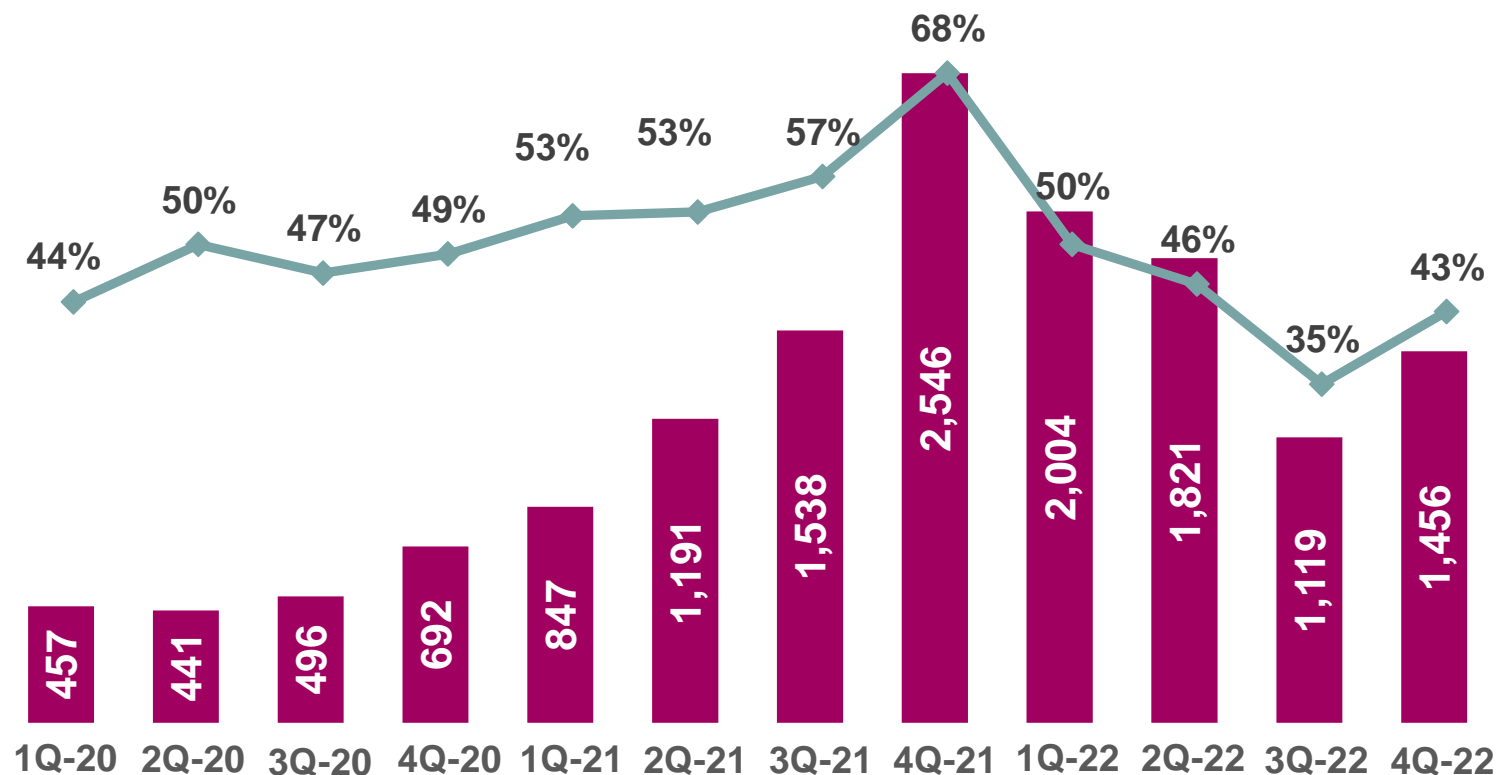
Net profit (QR' million)



Results: Fertilizers

Analysis of segment
EBITDA margins

Segment's EBITDA margins continue to remain robust

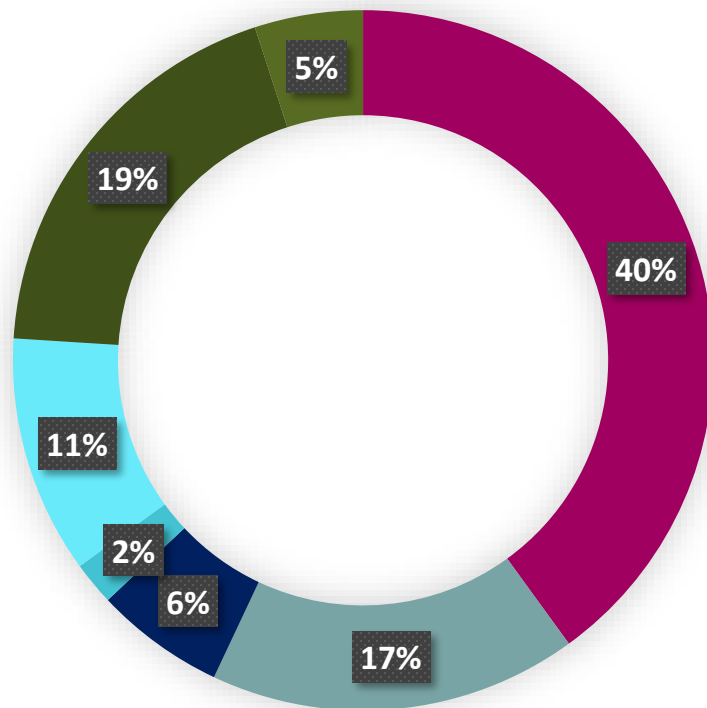


Results: Fertilizers

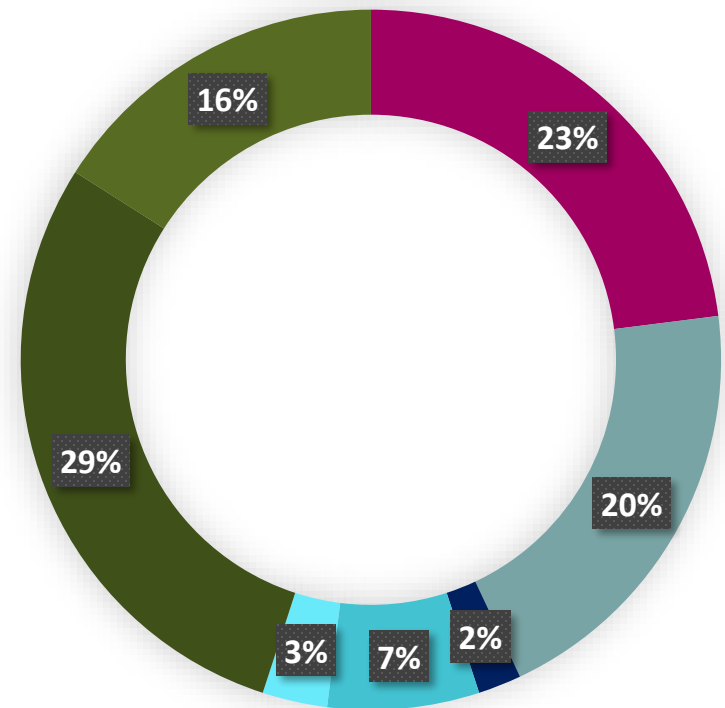
*Geographical analysis of
segment revenue*

- Asia is a key market for fertilizers along with Americas and Indian sub-continent

YE-22 Segment Revenue (%)



YE-21 Segment Revenue (%)



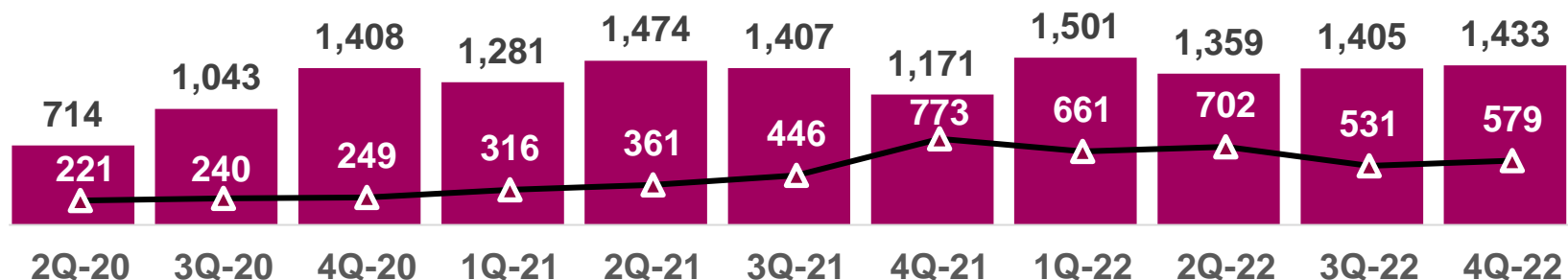
● Asia, ex. ISC ● Africa ● South America
● Indian sub-continent ● Middle East
● Europe ● North America

Results: Fertilizers

Key segment
products analysis

Urea

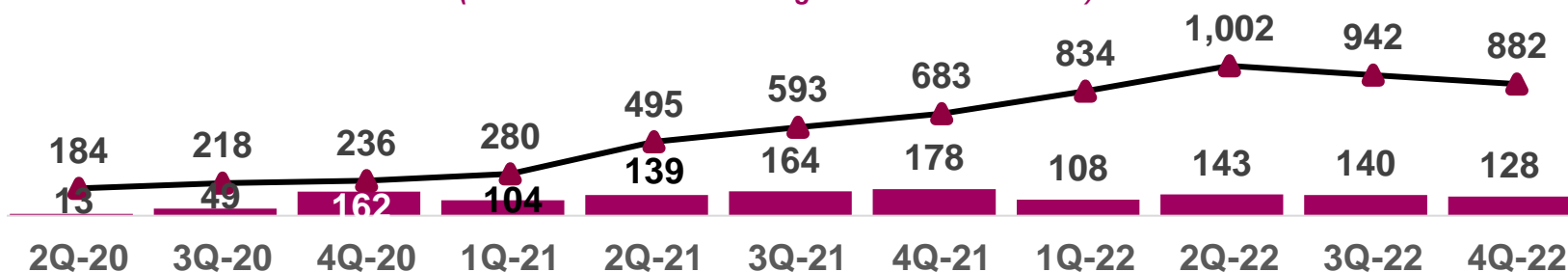
(contributed ~86% of the segment revenue in YE-22)



Sales volumes improved during 4Q-22 mainly linked better plant operating rates. Prices of urea also improved during 4Q-22, despite recent macro-pressures affecting fertilizer markets.

Ammonia

(contributed ~12% of the segment revenue in YE-22)



Sales of ammonia depends on the availability of excess ammonia, as most of the ammonia production is used for Urea production.

■ Sales Volumes (MT '000) ▲ Selling price (\$/MT)

Segmental Details: Steel

- Qatar Steel Company Q.S.C. produces a number of intermediate steel products.

The production capacity of the plants are:

Product	(in 000 MT PA)
	Capacity ¹
DRI / HBI	2,300*
Rebar	1,800*
Billets	2,520*
Coil	240
Total	6,860

¹ Production capacity reflect IQ's share in the respective entities

- The segment's primary raw material is **oxide pellets** and **scraps**.



* **Note:** Based on the recent decision to mothball certain facilities of Qatar Steel, wef 01 April 2020, the name plate capacities have resized with current target capacities at: DRI/ HBI: 1,500k MT; Billets: 1,000k MT; Rebars: 1,100k MT per annum (incl. 300k

35 MT Rebars from UAE ops).

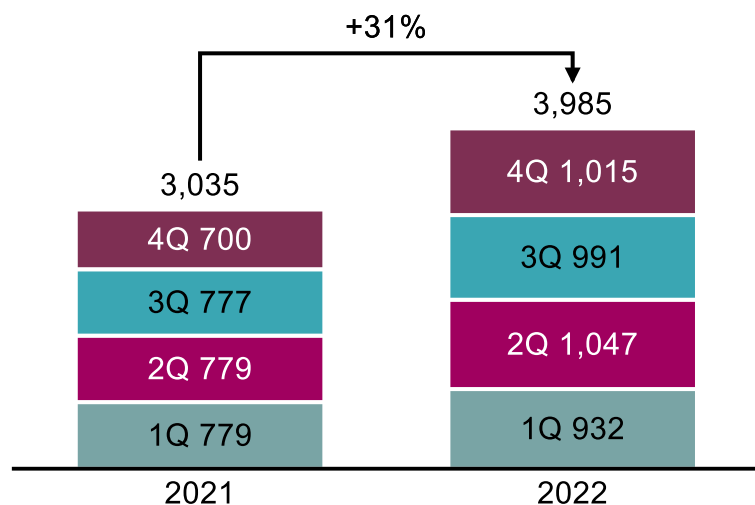


Results: Steel

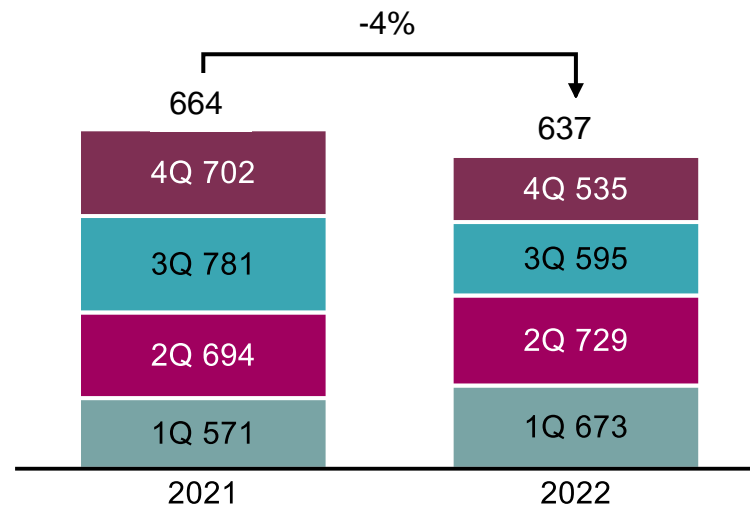
Analysis of production & selling prices

- **Production:** Production increased by **31%** compared to YE-21, as the segment restarted larger DR-2 facility during 1Q-22, as against smaller DR-1 which was operational until the end of 2021;
 - Production volumes increased by **2%** during 4Q-22 in comparison to 3Q-22, on account better plant operating rates.
- **Selling Prices:** marginally declined by **4%** versus YE-21, on account of softening domestic demand coupled with slowdown in international steel prices;
 - Prices declined during 4Q-22 by **10%** compared to the 3Q-22, as most of the sales volumes were diverted to international markets, where margins tend to be comparatively lower than domestic market. Also, domestic demand was on a lower side during 4Q-22 on account of muted construction activity linked to FIFA 2022 World Cup preparations.

Production (MT' 000)



Selling prices (\$/MT)

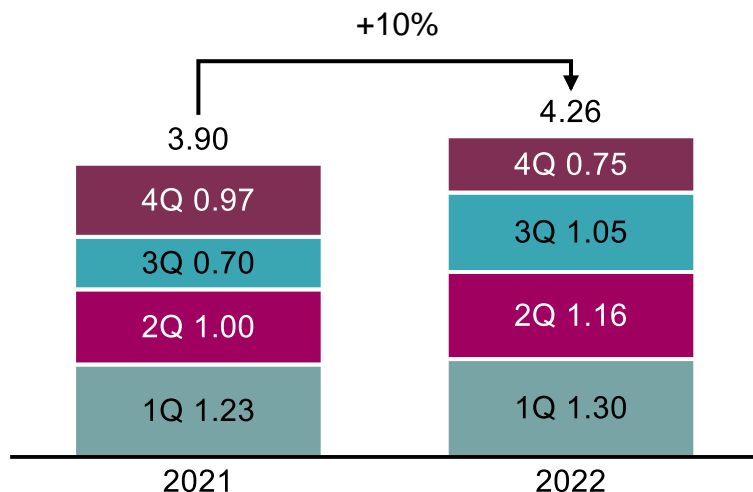


Results: Steel

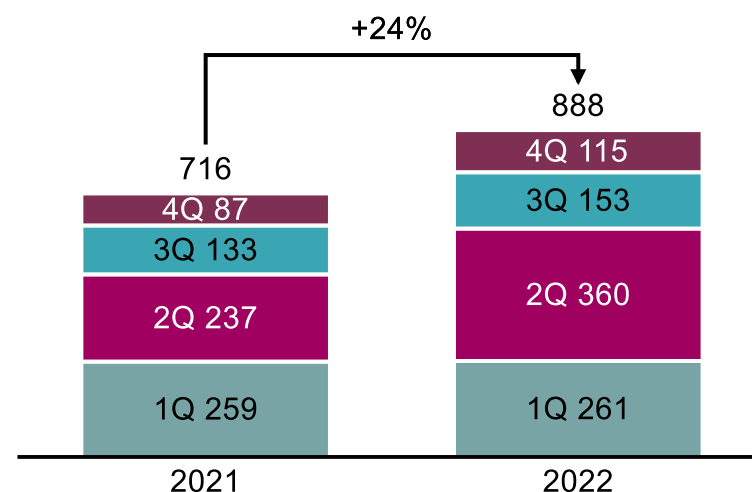
Analysis of segment revenue & net profit

- **Revenue:** QR 4.3 billion, up by 10% on YE-21 amid increase in sales volumes (+14%), partially offset by slightly lower selling prices (-4%);
 - Revenue decreased by 29% during 4Q-22 compared to 3Q-22, due to lower selling prices (-10%) along with lower sales volumes (-21%).
- **Net Profit:** Net profit of QR 888 million for YE-22 with 24% growth compared YE-21, primarily due to growth in revenues and better results from Foulath Holdings.
 - Profitability declined by 25% during 4Q-22 compared to 3Q-22, mainly on account of lower segmental revenue. However, margins improved due to lower OPEX mainly linked lower sales volumes.

Revenue (QR' billion)



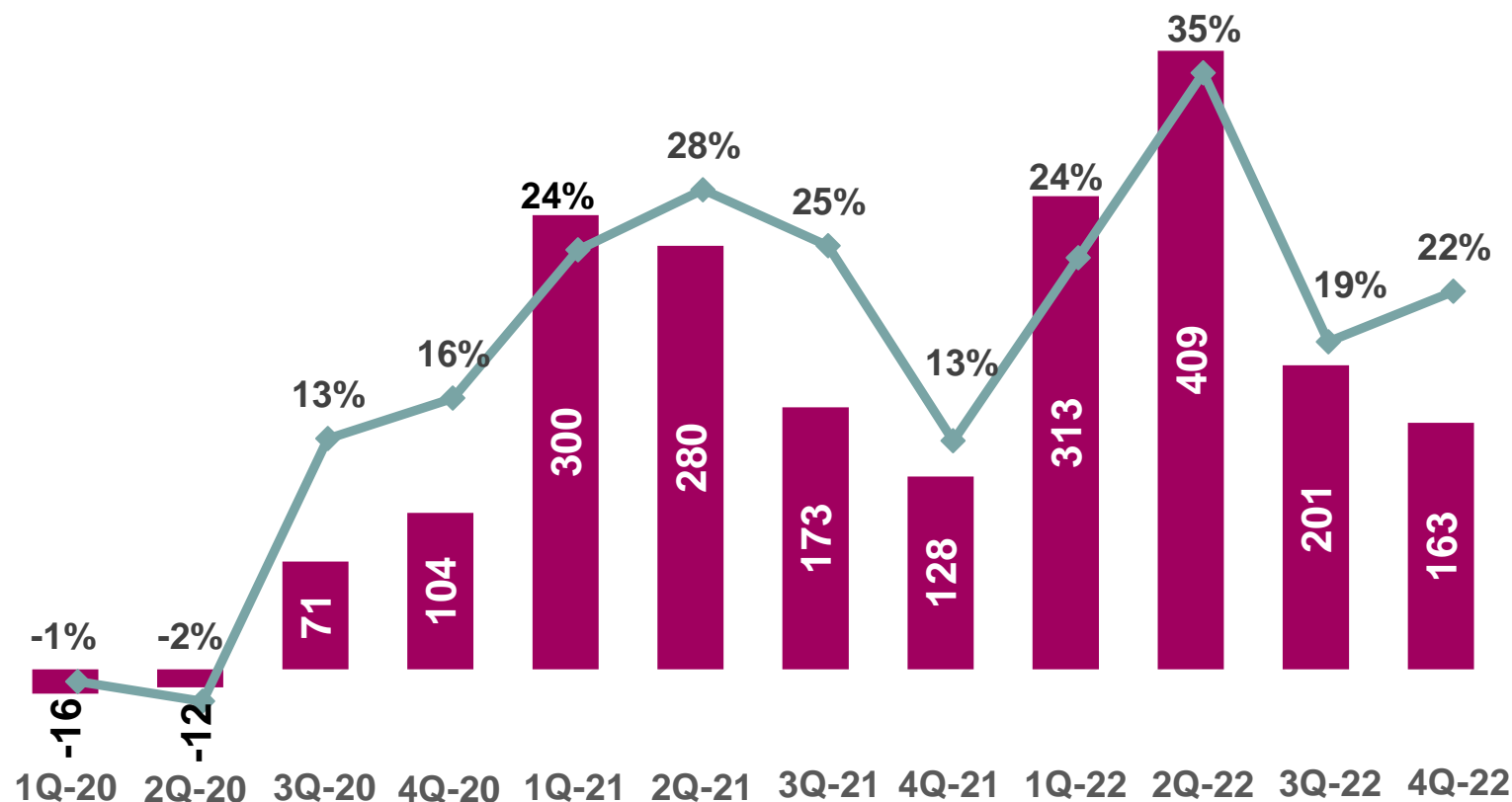
Net profit (QR' million)



Results: Steel

Analysis of segment
EBITDA margins

EBITDA margins recovered following segment's mothballing decision

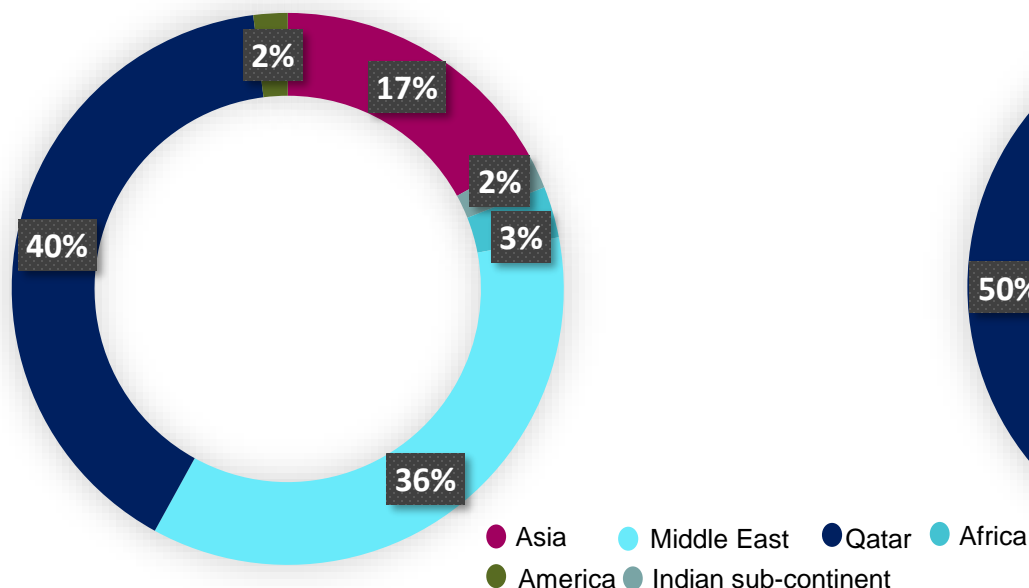


Results: Steel

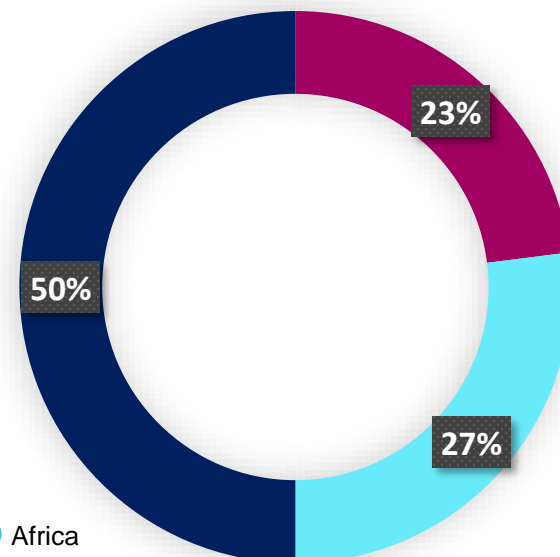
Geographical analysis of segment revenue

- Starting from 2Q-20, the Group decided to temporarily resize capacity of domestic operations within the Steel segment to 0.8 million MT per annum of rebar (applicable to Qatar Operations) with an intent to primarily cater local sector demand, amid higher competition and declining margins internationally. However, due to the improvement in the international prices, the segment was also able to sell some of the quantities outside the domestic market.
- The segment restarted DR-2 facility during 1Q-22, as against DR-1 which was operational until the end of 2021. DR-2 has a production capacity of 1,500k MT's per annum of DR compared to DR-1 that has an annual capacity of 800k MT's per annum. Switch in mothballing of facilities would provide an opportunity of approximately 400k MT's of DR per annum to be sold directly in the market.

YE-22 Segment Revenue (%)



YE-21 Segment Revenue (%)

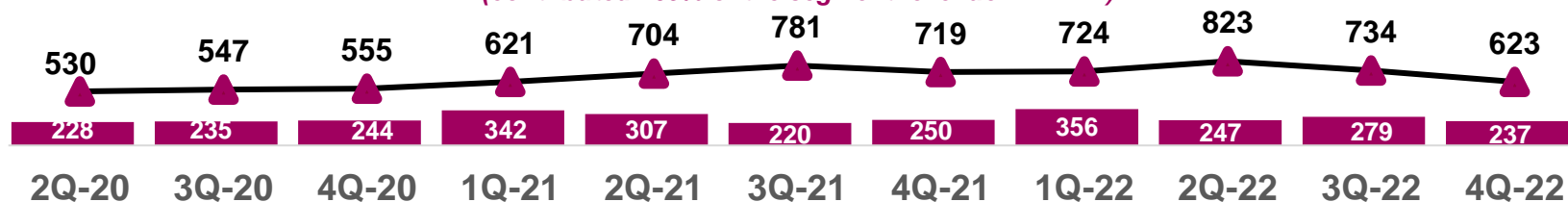


Results: Steel

Key segment
products analysis

Rebars

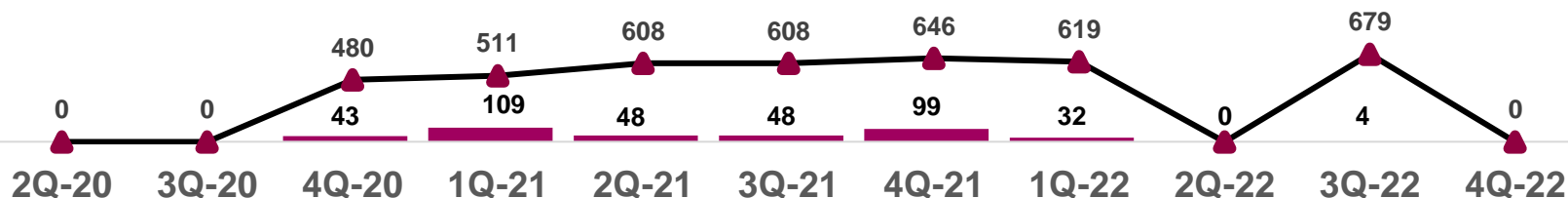
(contributed ~69% of the segment revenue in YE-22)



Selling prices declined during 4Q-22 inline with international steel prices. Sales volumes also declined due to subdued demand.

Billets

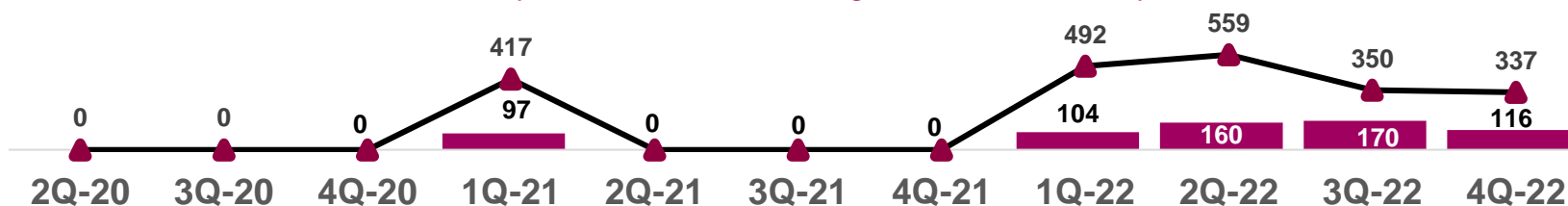
(contributed ~2% of the segment revenue in YE-22)



Sales of billets remained opportunistic depending on the market conditions and availability of excess billets, where most of the production of billets is used for Rebar production.

DRI/HBI

(contributed ~20% of the segment revenue in YE-22)



Sales volumes for DRI/HBI increased significantly since the start of 2022, following restart of DR-2 facility.

CAPEX (2023F – 2027F)

CAPEX (2023F – 2027F)

- CAPEX / PUD spend of **QR 11.0 billion** ▪ major capacity addition in fertilizer segment (QR 4.4 bn in Qafco 7), PVC in QAPCO (via QVC) ▪ other CAPEX include turnaround (QR 1.9 bn), investment projects (QR 3.3 bn)
- **QAPCO (capex of QR 1.0 billion)**
 - QR 0.3 billion of related to major projects / operations related projects;
 - Turnaround / reliability related CAPEX of QR 0.1 billion;
 - PUD / Capacity additions QR 0.3 billion.
- **QAFAC (capex of QR 0.3 billion)**
 - Turnaround & annual maintenance (2023 / 2027) QR 0.1 billion, other routine CAPEX of QR 0.2 billion ▪ no capacity related CAPEX;
- **Qafco (capex of QR 9.2 billion)**
 - Qafco 7 (QR 4.4 billion, fully equity funded);
 - Investment Projects (QR 3.4 billion) ▪ major projects include NZLD QR 0.2 bn, Avon Power (QR 0.1 bn, New Desalination Unit (0.1 bn)
 - Turnaround expenses QR 1.4 billion
- **Qatar Steel (capex of QR 0.5 billion)**
 - CAPEX mainly related to turnaround, IT and other routine capital expenditures;
 - Turnaround CAPEX (0.3 billion), and others (QR 0.2 billion)

CAPITAL EXPENDITURE BY TYPE

QR Mn	2023	2024	2025	2026	2027	Total
Turnaround	0.56	0.29	0.32	0.23	0.47	1.87
Major Project / Inv /PUD	2.26	2.93	1.53	0.76	0.31	7.79
Ops / Tech Road Map	0.15	0.07	0.03	0.01	0.00	0.27
IT, IS & Support	0.04	0.02	0.01	0.01	0.01	0.09
Routine Capex	0.33	0.24	0.12	0.18	0.10	0.97
Group	3.34	3.55	2.01	1.20	0.90	11.00

CAPITAL EXPENDITURE BY VENTURE

QR Mn	2023	2024	2025	2026	2027	Total
QAPCO	0.56	0.28	0.06	0.08	0.01	0.98
QAFAC	0.10	0.06	0.01	0.01	0.06	0.26
QAFCO	2.54	3.12	1.84	1.01	0.73	9.22
QS	0.14	0.10	0.10	0.10	0.10	0.53
Group	3.34	3.55	2.01	1.20	0.90	11.00

Note: The CAPEX figures for the years 2023-27 are based on the 2023 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2023 budget & business plan.

With current market conditions and commodity price trends, the forecasts as disclosed in the above table cannot be relied on with absolute certainty, where, the actual realization of these figures might significantly differ as compared to these projections, subject to the macroeconomic conditions, including, among other factors, business environment, market dynamics, product prices etc. prevailing in that specific year. The Board may defer, delay or cancel projects based on market outlook and economics.

Blue Ammonia Project

Blue Ammonia is produced when the CO₂ generated during conventional Ammonia production is captured and stored

Key Highlights

Building World's largest Blue Ammonia facility

New Ammonia Train
100% owned
by IQ (via QAFCO)

EPC awarded
valued at
USD 1.06 bn

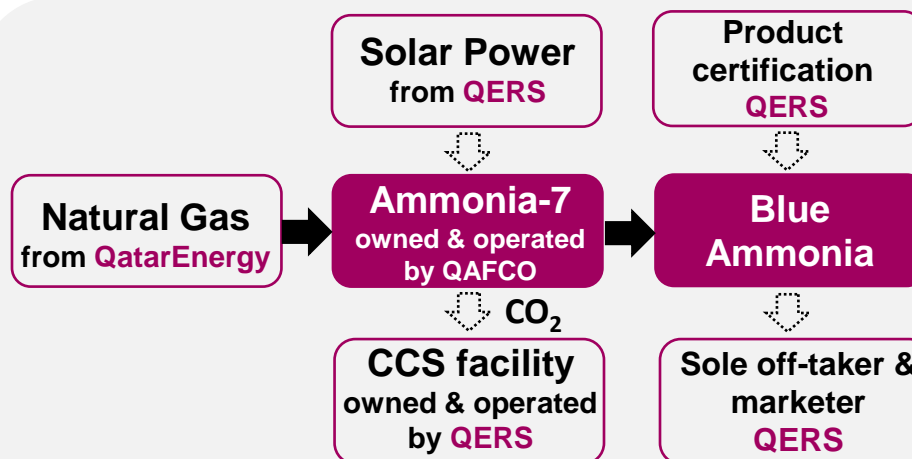
Capacity up to
1.2 million
mtpa of Blue
Ammonia

Ready for
startup
Q1 2026

Project fully
integrated
with QAFCO

Fully funded
by QAFCO's
internal
sources of
funds

Strategic Partnership with QERS¹



Key uses of Blue Ammonia

Existing uses

Fertilizers, Refrigeration, Textiles & Pharmaceuticals

Expanded uses

Electricity generation, Transport fuel & Heat transfer

43 1: QatarEnergy Renewable Solutions is a wholly owned affiliate of QatarEnergy entrusted with investing in and marketing of renewable energy and sustainability products & solutions within the State of Qatar and across the globe.



New PVC Project & QVC restructuring

Key Highlights of New PVC project

First PVC plant in the State of Qatar

Nameplate capacity of **350k mtpa** Suspension PVC

EPC awarded valued at **USD 239 million**/
Total project cost **USD 279 million***

Project **fully integrated** with existing QVC facilities

Construction expected to be completed by **mid-2025**

Source feedstock (i.e., Vinyl Chloride Monomer (VCM)) from the existing facilities

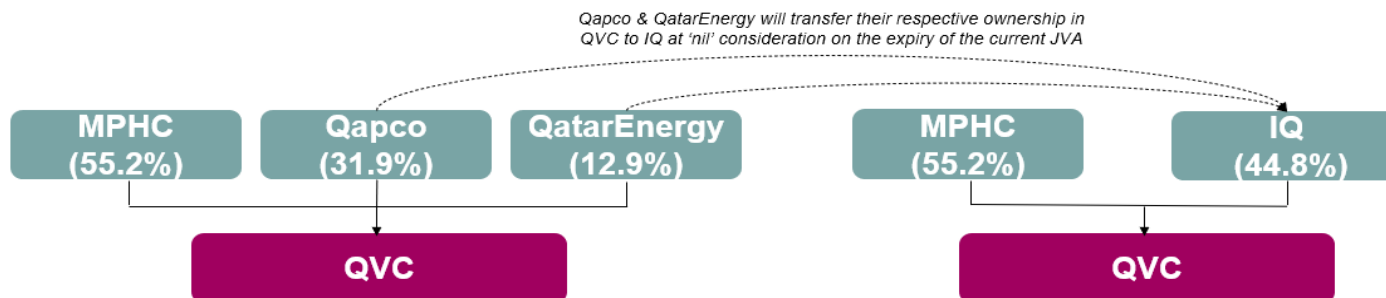
IQ will fund 44.8% of the project; remaining funding by MPHC

QVC restructuring

after expiry of current JVA on 1st May 2026

Current ownership structure of QVC

New ownership structure of QVC – with effect from the date of the new JVA

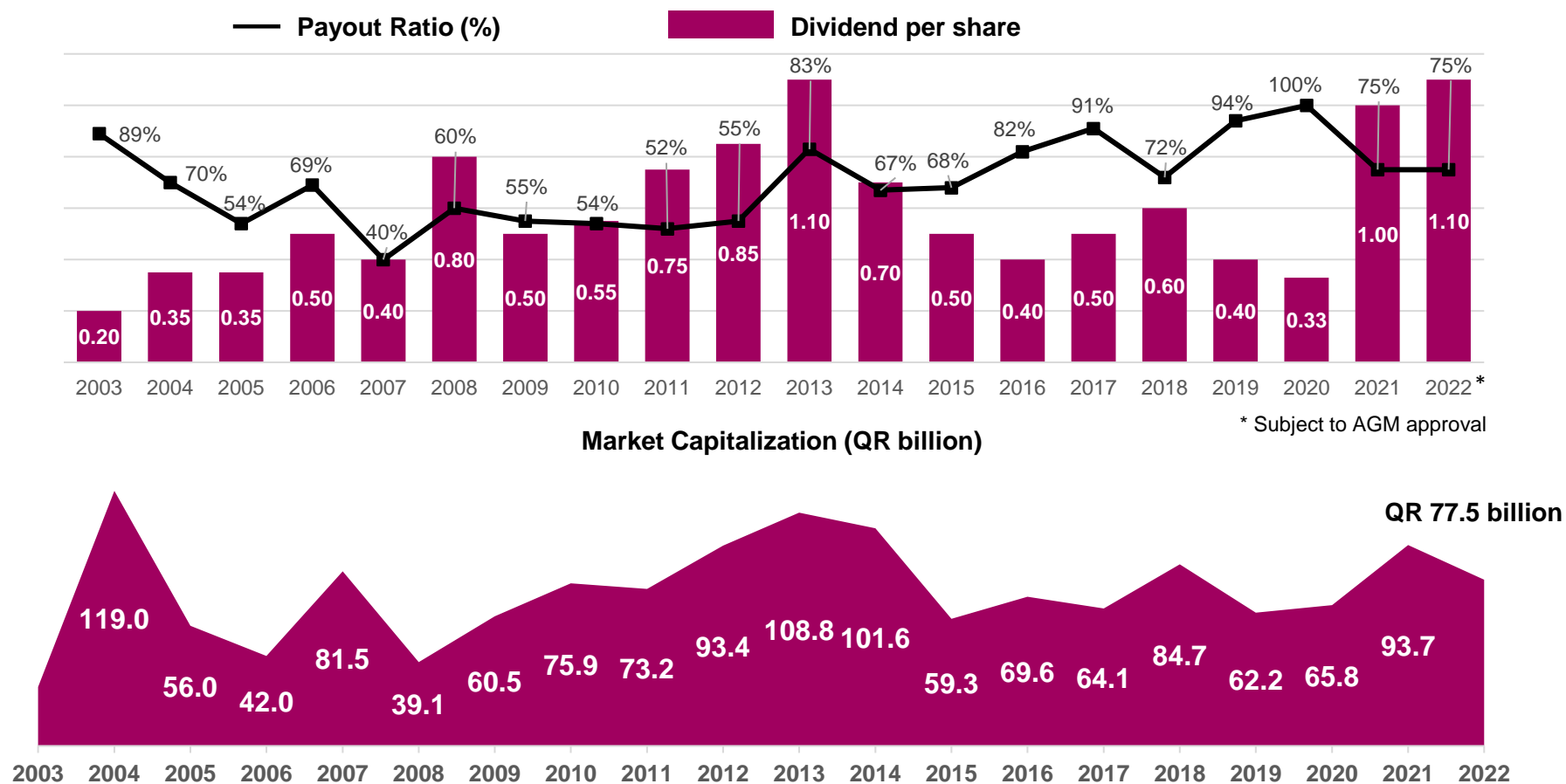


NOTE: QAPCO will continue to operate QVC, including the new PVC plant, under a plant operating and services agreement.

* Total project cost of USD 279 million includes EPC contract value, owner cost (allocation of shared service cost) and other contingencies.

Dividends and market capitalization

Dividends & Market Capitalization

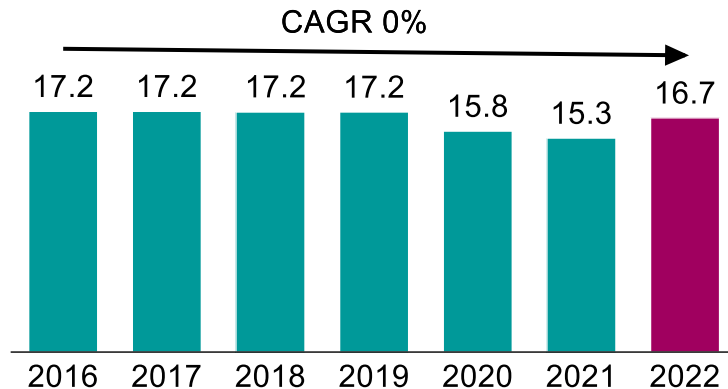


- To date, cash dividends totaling QR 61.4 billion have been distributed (excl. dividends announced for 2022), equivalent to QR 10.8 per share;
- The Company was included on the MSCI Qatar Index in May 2014.

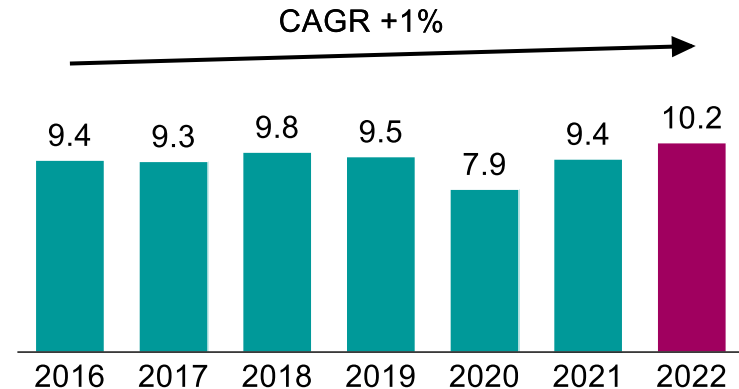
Historical performance (2016 - 2022)

Historical performance (2016 - 2022)

Production (M MT's)

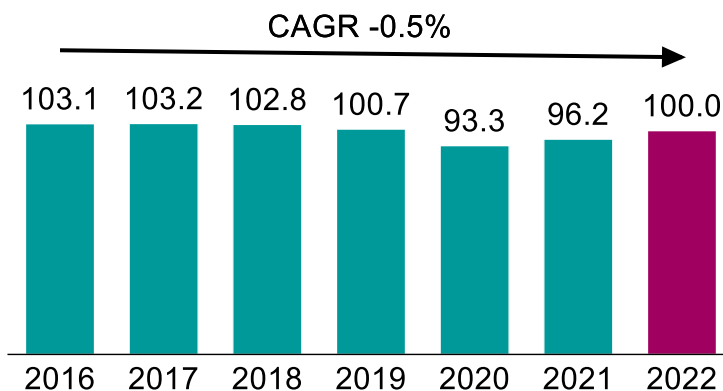


Sales Volumes (M MT's)

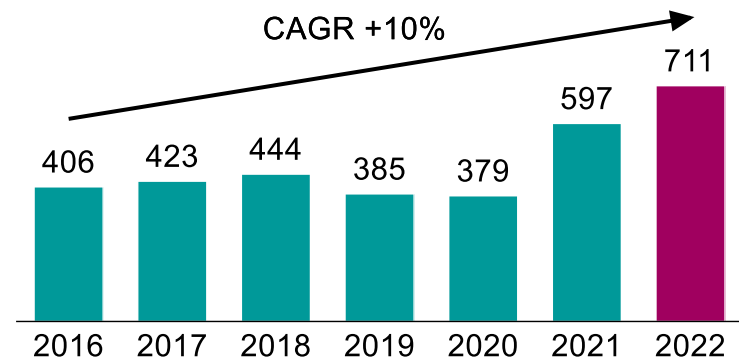


- Production volumes and utilization rates remained steady since 2016
- Movement sales volumes remained inline with the overall movement in production volumes
 - Selling prices were influenced by macroeconomic cycles

Utilization (%)

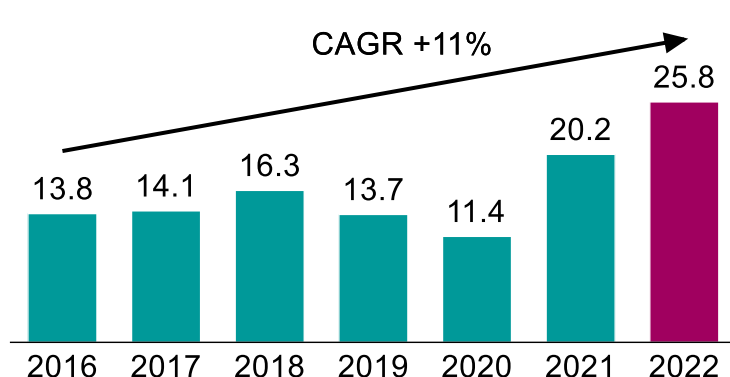


Selling Prices (USD / MT)

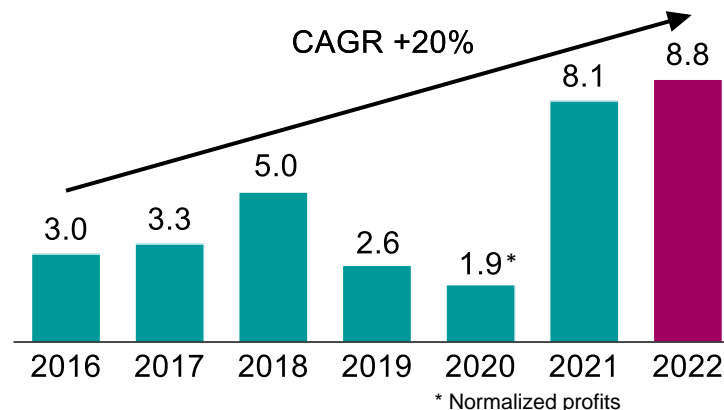


Historical performance (2016 - 2022)

Revenue (QR Bn)

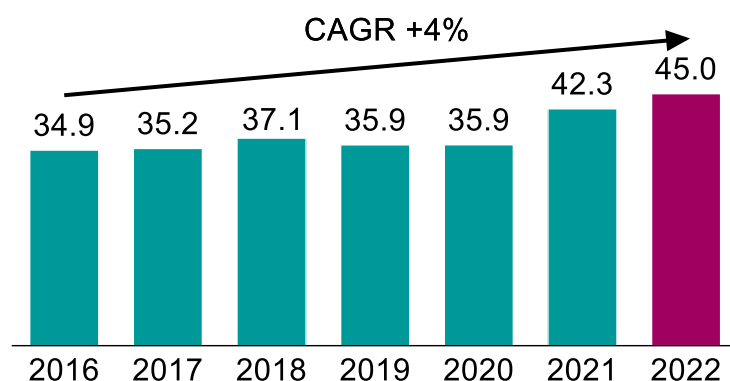


Net income (QR Bn)

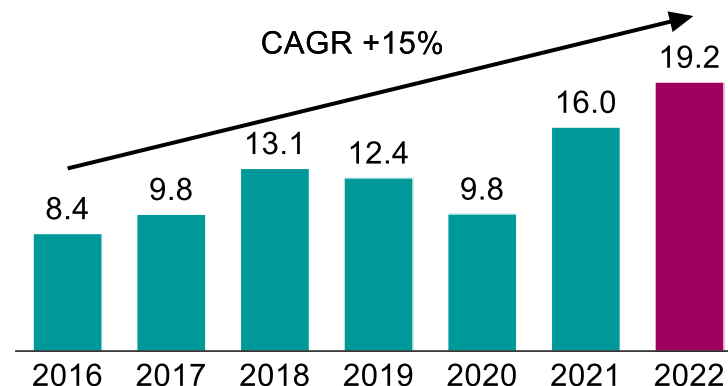


- Revenue trends moved in line with the selling prices
- Movements in revenue together with operating costs affected the net income growth
- Cash flow generation for the Group remained robust, despite cyclical profitability.

Total Assets (QR Bn)



Net Cash / (Debt) (QR Bn) under IAS31



Governance Structure

Governance Structure

Board Structure

- IQ Board of Directors consists of eight (8) Directors, of whom seven (7) were appointed by the Special Shareholder, which is QatarEnergy and one (1) by General Retirement and Social Insurance Authority (GRSIA).
- QatarEnergy & GRSIA appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

Board Committees

- The Board of Directors established Board Committees and Special Committees to carry out specific tasks. The Board remains liable for all the powers and authorities so delegated. Currently, Board Committees are Audit Committee and Remuneration Committee.

Governance and Compliance

- IQ is firmly committed to implementing the principles of good governance set out in the Governance Code for Companies Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA), that are consistent with the provisions of the Company's AoA.
- The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance implementation whenever required.

Authorities

- No one person in the Company has unfettered powers of decision. Decision-making process is always done in accordance with the Company's Manual of Authorities and the relevant regulations.

Governance Structure

Remuneration

Board of Directors

- The Company has developed a periodically revisited remuneration policy for Board members. The policy has fixed component for Board membership and attending meetings and performance-related variable component. The proposed remuneration of Board members shall be presented to the General Assembly for approval.

Executive Management

- All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement. Accordingly, the salary of the Company's Managing Director, who represents the Executive Management of Industries Qatar, is determined and approved by the Company's Board of Directors. IQ Managing Director do not receive remuneration in his capacity.

Shareholders rights

- The Company's Articles of Associations provide for the rights of shareholders, particularly the rights to receive dividends, attend the General Assembly and participate in its deliberations and vote on decisions, tag along rights as well as the right to access information and request it with no harm to the Company's interests.

Disclosure and Transparency

- The Board ensures that all disclosures are made in accordance with the requirements set by regulatory authorities, and that accurate, complete and non-misleading information is provided to all shareholders in an equitable manner.

Company's control system

- The Company adopted an internal control system that consists of policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.
- The internal control framework is overseen by the senior Executive Management, the Audit Committee and the Board of Directors.

Sales and Marketing

Sales and Marketing

- Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. (“Muntajat”), a wholly-owned company of the government of the State of Qatar, has the exclusive rights to purchase, market, sell and distribute the State’s production of Petrochemical and Fertilizer regulated products.
- Marketing and distribution of Steel Products have been shifted to Muntajat in early 2018 after showing positive benefits to the other segments.
- Muntajat integration with QatarEnergy completed during 2020, only related to the operational level, where the marketing team would still be independently managed, hence, this integration will not have any impacts on Industries Qatar.
- Qatar Steel’s marketing activities has now moved back to Qatar Steel with effect from 1st September 2020, in line with the new operational strategy, where there will be very limited international component.



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Please refer to www.iq.com.qa for the latest information, publications, press releases and presentations about Industries Qatar and group companies.