



Industries Qatar

Investor Relations Presentation

31 March 2024

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

DISCLAIMER

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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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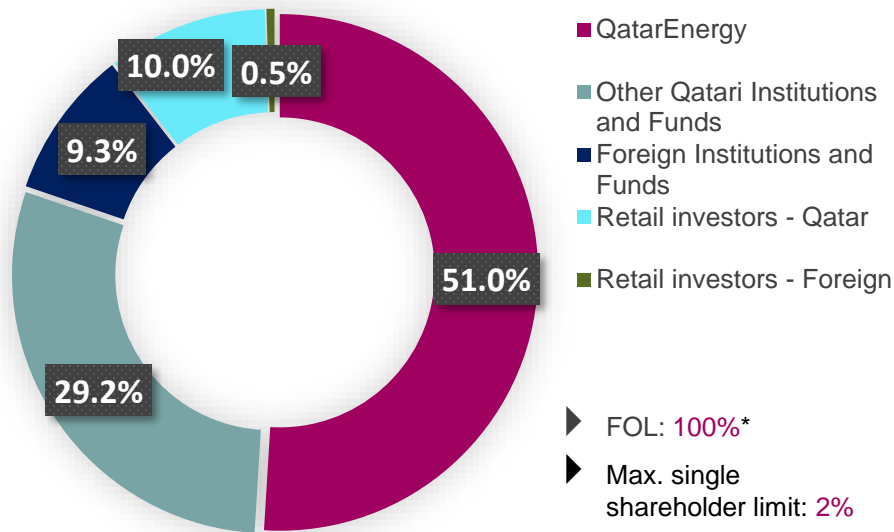
About IQ

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 (AA-; stable) and Moody's (Aa3; 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.

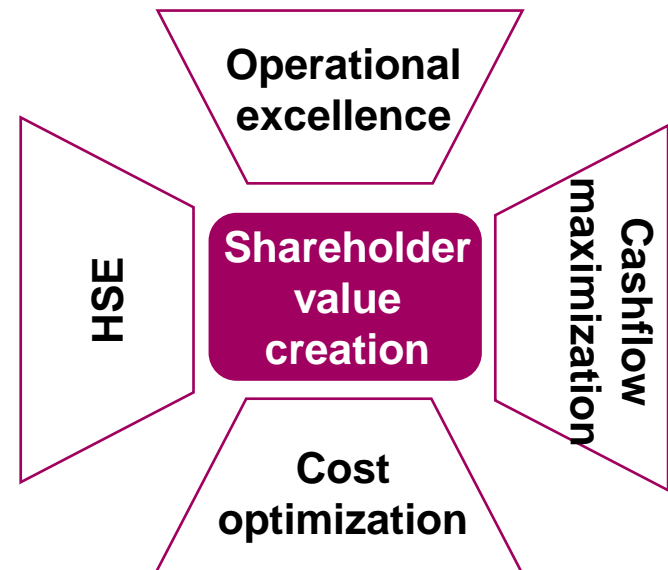
IQ's shareholding structure



Note: Shareholder data as of 31-Mar-24

* All necessary measures have been taken with relevant authorities and subsequently IQ increased its FOL to 100%

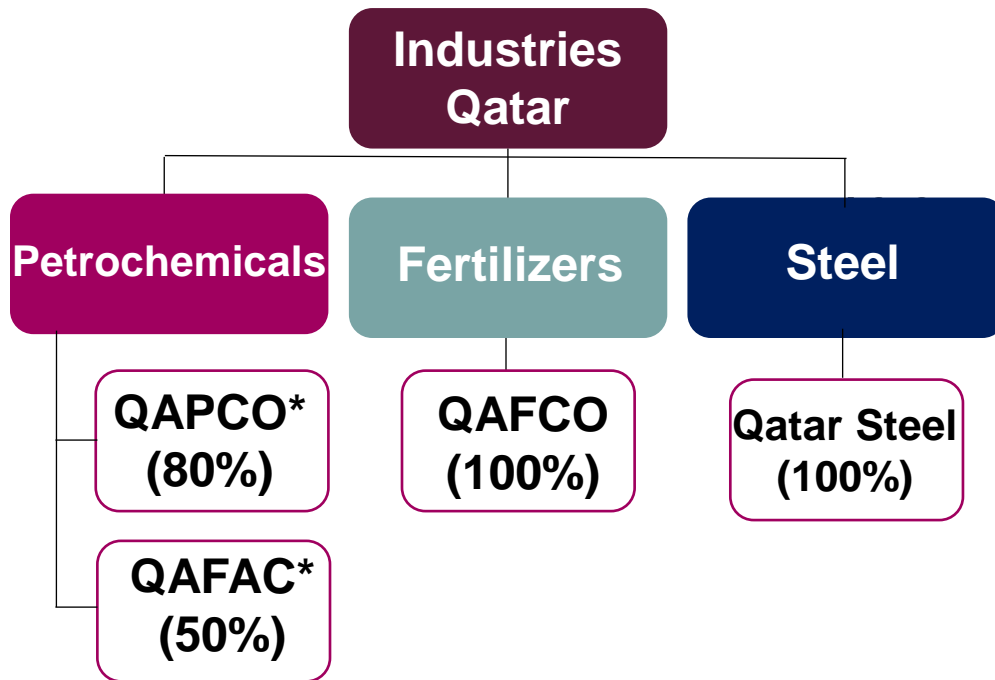
Core values



IQ business segments at glance (FY 2023)

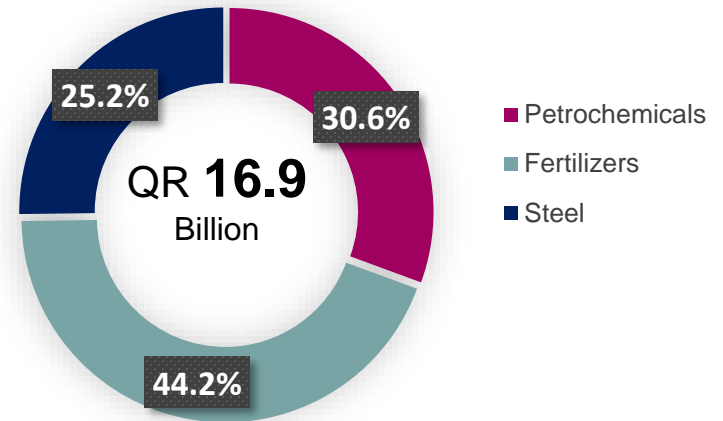
Business segments overview

- 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.

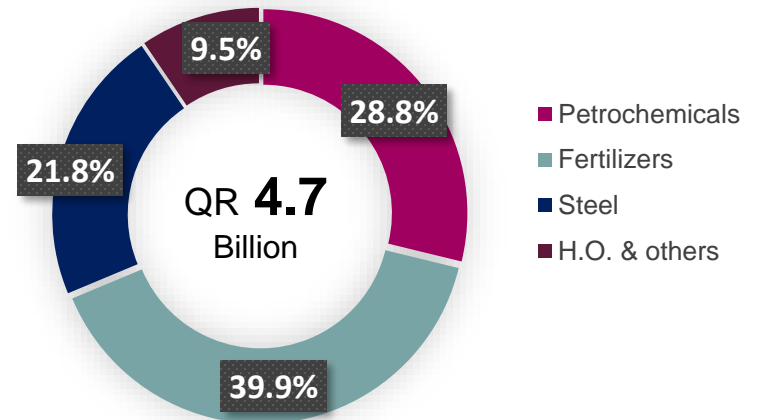


*Joint venture stake

Segment size by Revenue



Segment size by Net Profits



Note: Revenue and net profit data as of 31-Dec-23

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

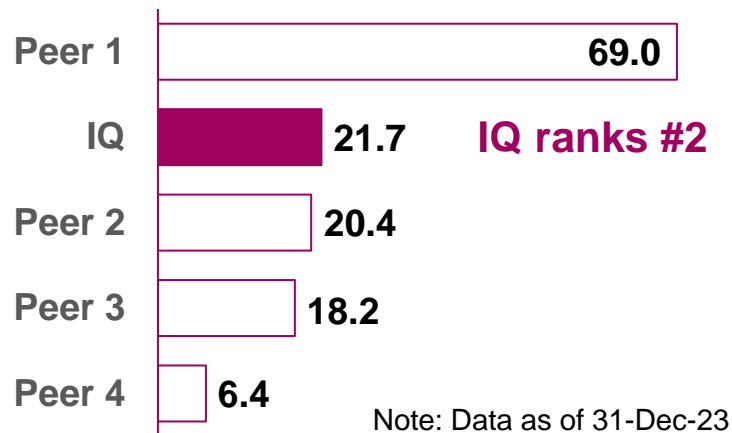
- Industry experts in the senior management team
- Reputable JV partners

Regional peer review

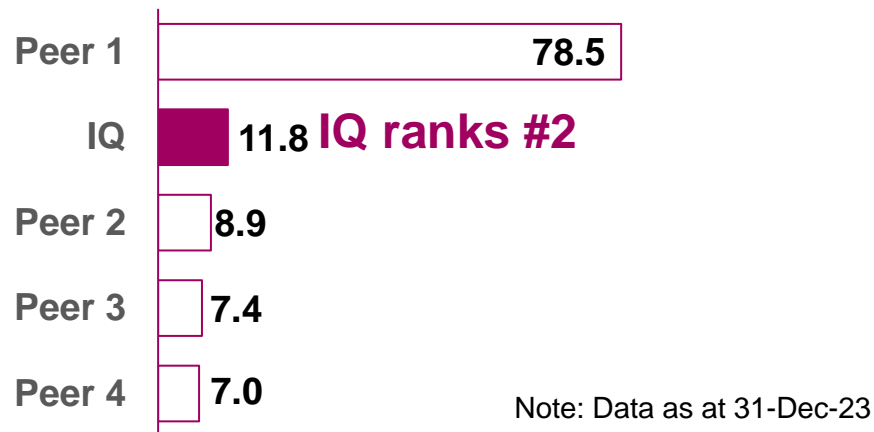
IQ ranked **#23** among
“2023 Forbes List of Top 100 Listed Companies in the Middle East”

Competitive positioning versus regional peers

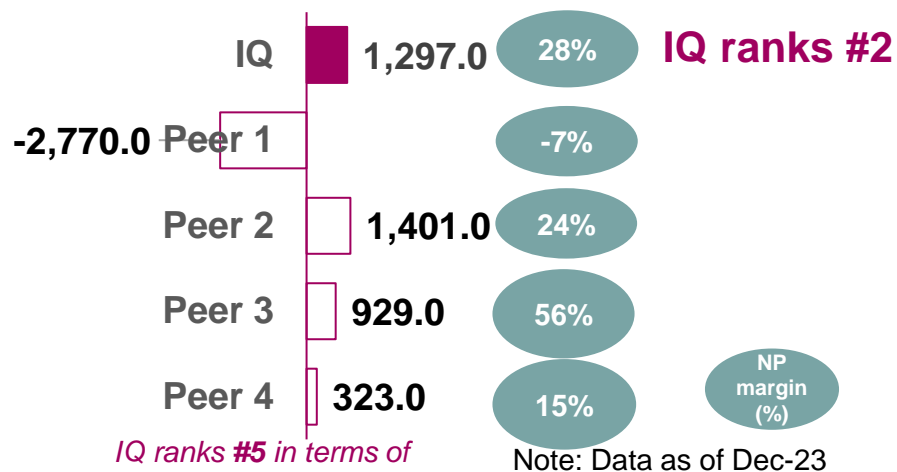
Market Cap. (USD' billion)



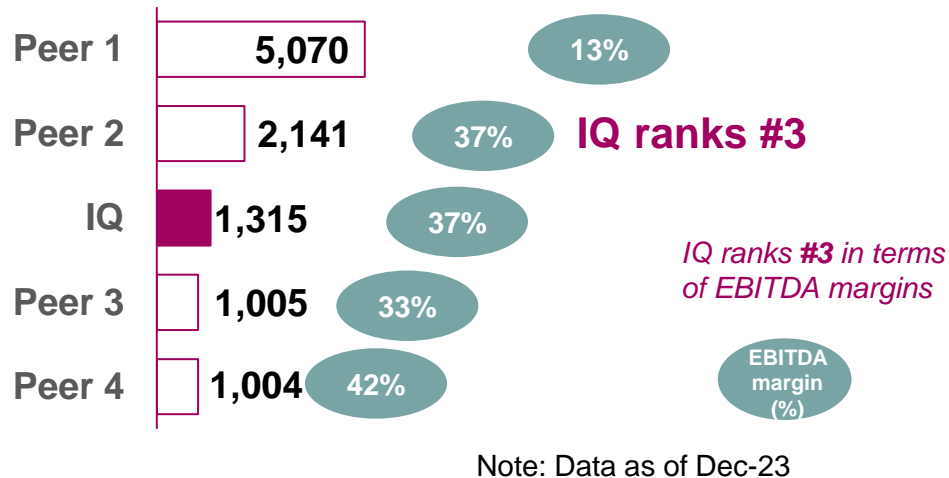
Total Assets (USD' billion)



Net profit (USD' million)



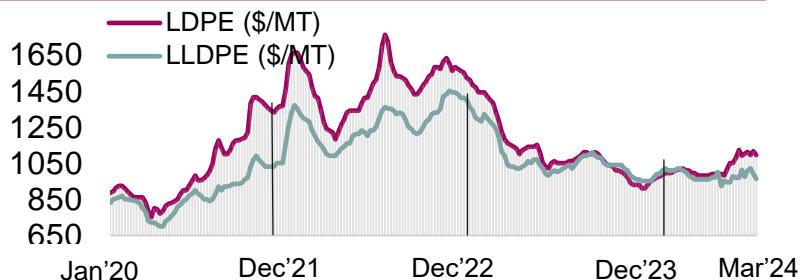
EBITDA (USD' million)



Macroeconomic updates

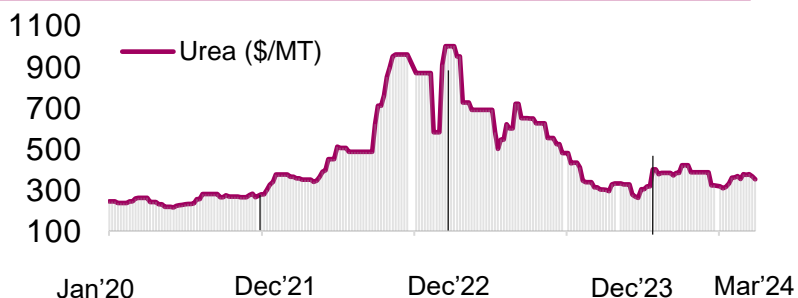
Macroeconomic updates

Petrochemicals



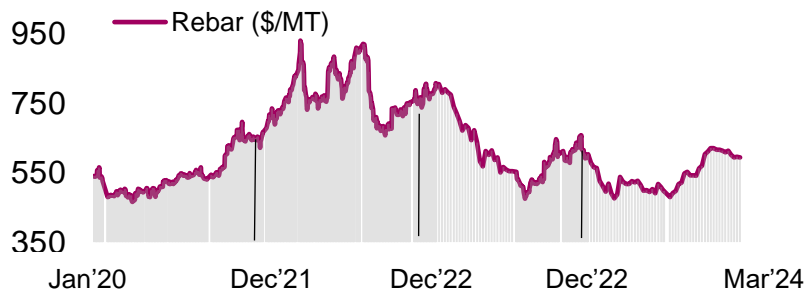
- Uncertainty surrounding the petrochemical markets continued to persist in 1Q-2024 as there have been no real demand stimuli for the petrochemical segment. The macro-economic outlook for the segment during 1Q-24 was markedly impacted by several factors including stable crude prices, regional geopolitical instability, weaker demand, and structural capacity additions. As a result, average product prices for key petrochemical products remained relatively depressed versus last year and last quarter.

Fertilizers



- Macro-economic environment for the fertilizer segment achieved stability after reaching its historical peak in 22. Restoration of supplies, return of production of European production facilities were aiding prices to adjust towards their long-term trends, while recent stoppages due to facility shutdowns and improved farmer affordability have aided the fertilizer prices to stabilize over the last few quarters. On an overall basis, nitrogen fertilizer prices have marginally declined versus 1Q-23 amid normalization of supply.

Steel



- Macro-economic outlook for the steel segment remained somewhat challenging with an ailing property sector in larger economies albeit higher interest rate environment, limited demand, with slowdown in regional construction activities. Steel prices were further impacted by sharp decline in raw material prices such as iron ore / scrap materials.

Group results

(For the quarter ended 31 March 2024)

1Q-24 results at Glance

vs. 1Q-23

Revenue  -11%
QR 4.3 billion

EBITDA  +9%
QR 1.8 billion

Net profit  +10%
QR 1.3 billion

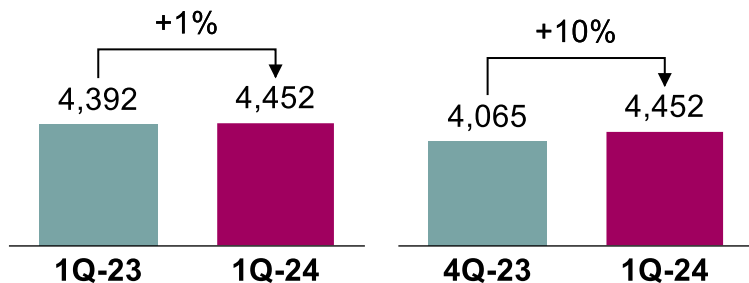
EBITDA Margin: 42%

EPS: QR 0.78

- 1Q-24 results improved an account of better gross margins on account lower operating costs amid challenging macroeconomic context continued to weigh on the results.
- Group operations continued to remain robust as all the operational performance indicators improved versus last year
- Liquidity continues remain robust with a total cash and bank balance of QR 12.1 billion after paying 2023 dividend of QR 4.7 billion, with a free cash flow generation of ~QR 400 billion during this year.

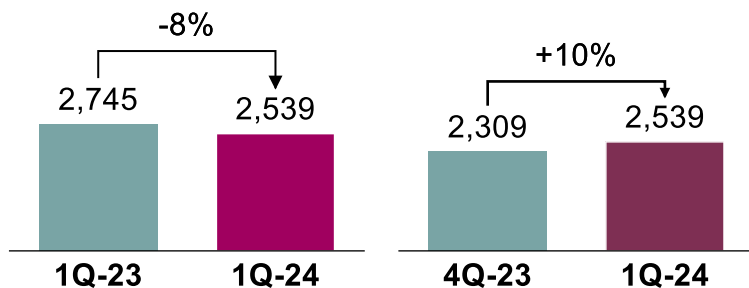
Operational performance review

Production (MT' 000)



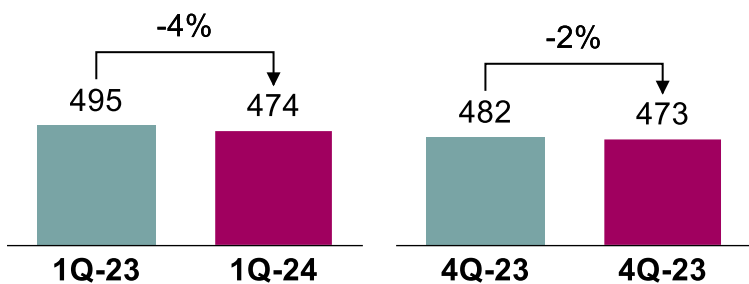
- **1Q-23 vs 1Q-24:** Production volumes marginally improved versus 1Q-23 due to improved steel volumes.
- **4Q-23 vs 1Q-24:** Production notably increased versus previous quarter primarily due to higher operating days across all segments (except PE segment) as most segments were on maintenance shutdown during 4Q-23.

Sales volume (MT' 000)



- **1Q-23 vs 1Q-24:** Sales volumes moderately decreased primarily driven by supply-demand dynamics, and timing of shipments.
- **4Q-23 vs 1Q-24:** Sales volumes notably increased due to higher production volumes in most segments.

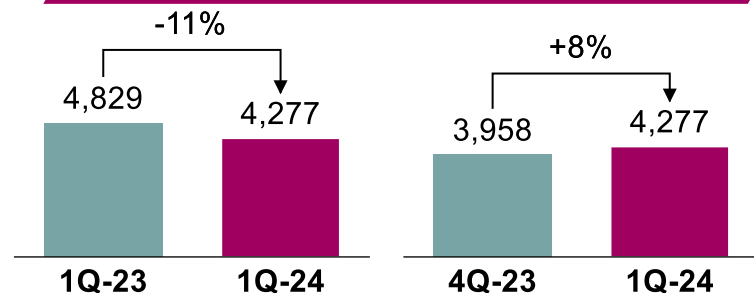
Selling prices (\$/MT)



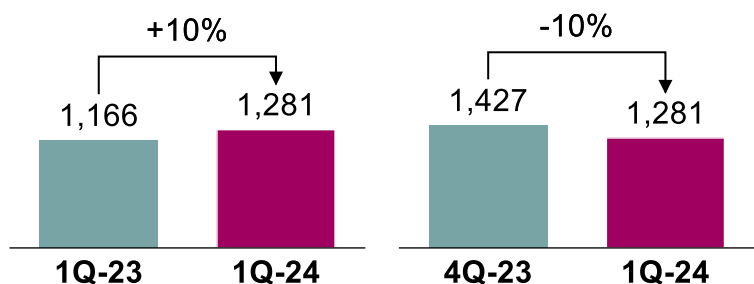
- **1Q-23 vs 1Q-24:** The marginal decline in product prices was mainly linked to downward trajectories noted across the Group's basket of product amid macroeconomic headwinds amid stabilization in prices within some segments.
- **4Q-23 vs 1Q-24:** Average selling prices slightly declined due to prevailing challenges in key markets for most segments, driven by relatively unfavorable supply-demand dynamics.

Financial performance review

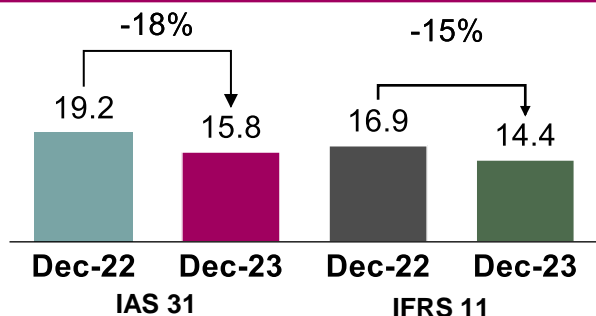
Revenue (QR' million)



Net profit (QR' million)



Net cash (QR' billion)



- **1Q-23 vs 1Q-24:** Group revenue decreased moderately, mainly on account of overall decline in blended average selling prices (-4%) & sales volumes (-8%).
- **4Q-23 vs 1Q-24:** Group revenue moderately increased, with a notable increase in sales volume being partially offset by marginal decrease in selling prices.
- **1Q-23 vs 1Q-24:** results inclined primarily due to lower OPEX primarily linked to lowered variable cost driven by end-product price indexed raw material cost, favorable inventory movements, and stable other operating income.
- **4Q-23 vs 1Q-24:** Profitability has deteriorated primarily due to lower non-operating reported in 1Q-24 income as the segment reported a reversal in 4Q-23 (QR 550 million) related to previously booked impairment within the steel facilities.
- Total cash across the Group reached at QR 12.1 billion (under IAS 31). Cash declined from year-end 31 Dec 2023 mainly due to payment of 2022 dividends (QR 4.7 billion).
- During the period, the group generated positive operating cash flows more than QR 900 million, and FCFF more than QR 400 million.
- There is no long-term debt across the Group as of 31 Mar 2024.

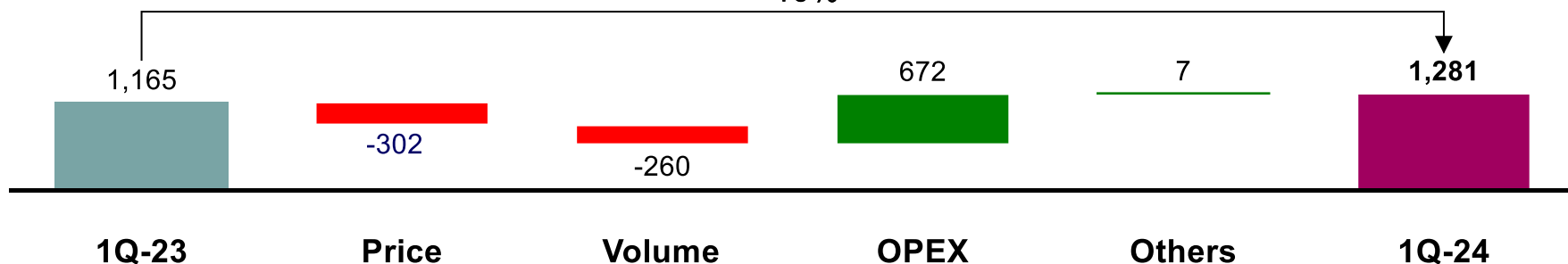
Net profit variance analysis

1Q-24 vs 1Q-23

Profits and profitability inclined moderately on account of improved operating costs amid lower revenues.

+10%

Amounts in QR 'millions

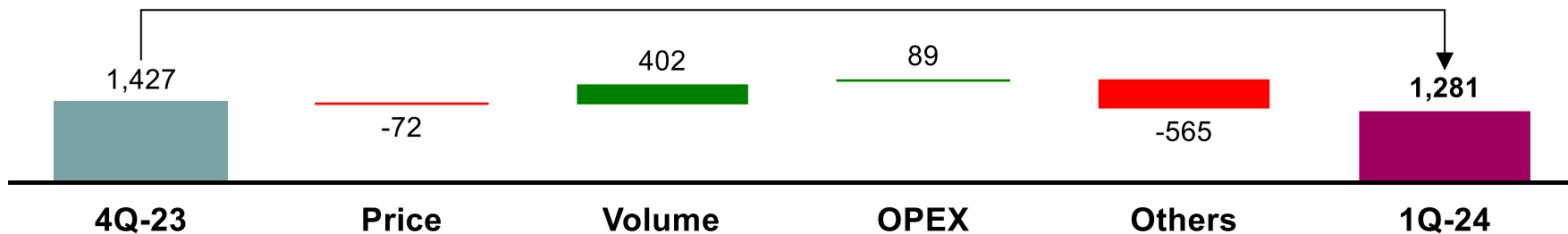


1Q-24 vs 4Q-23

1Q-24 profitability decline versus 4Q-23 due to lower other income in the current quarter (one-off other income related to reversal of impairment in the steel segment reported during 4Q-23) albeit improvement in sales volumes and operating expenses.

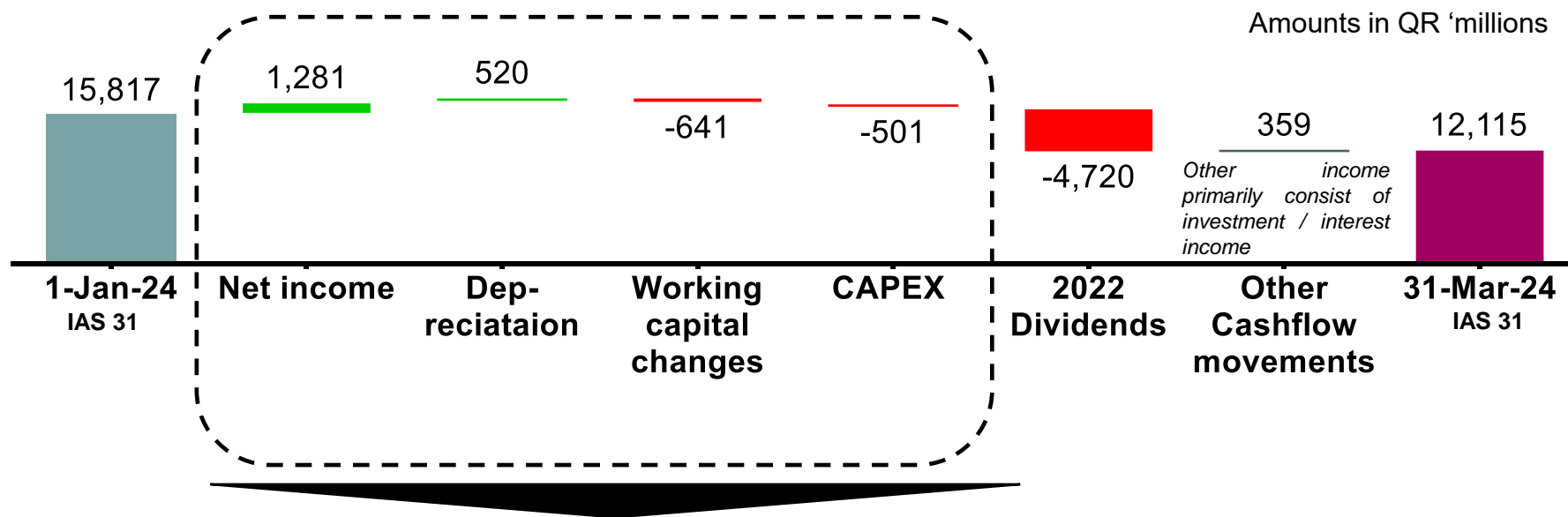
-10%

Amounts in QR 'millions



IQ cash flow generation

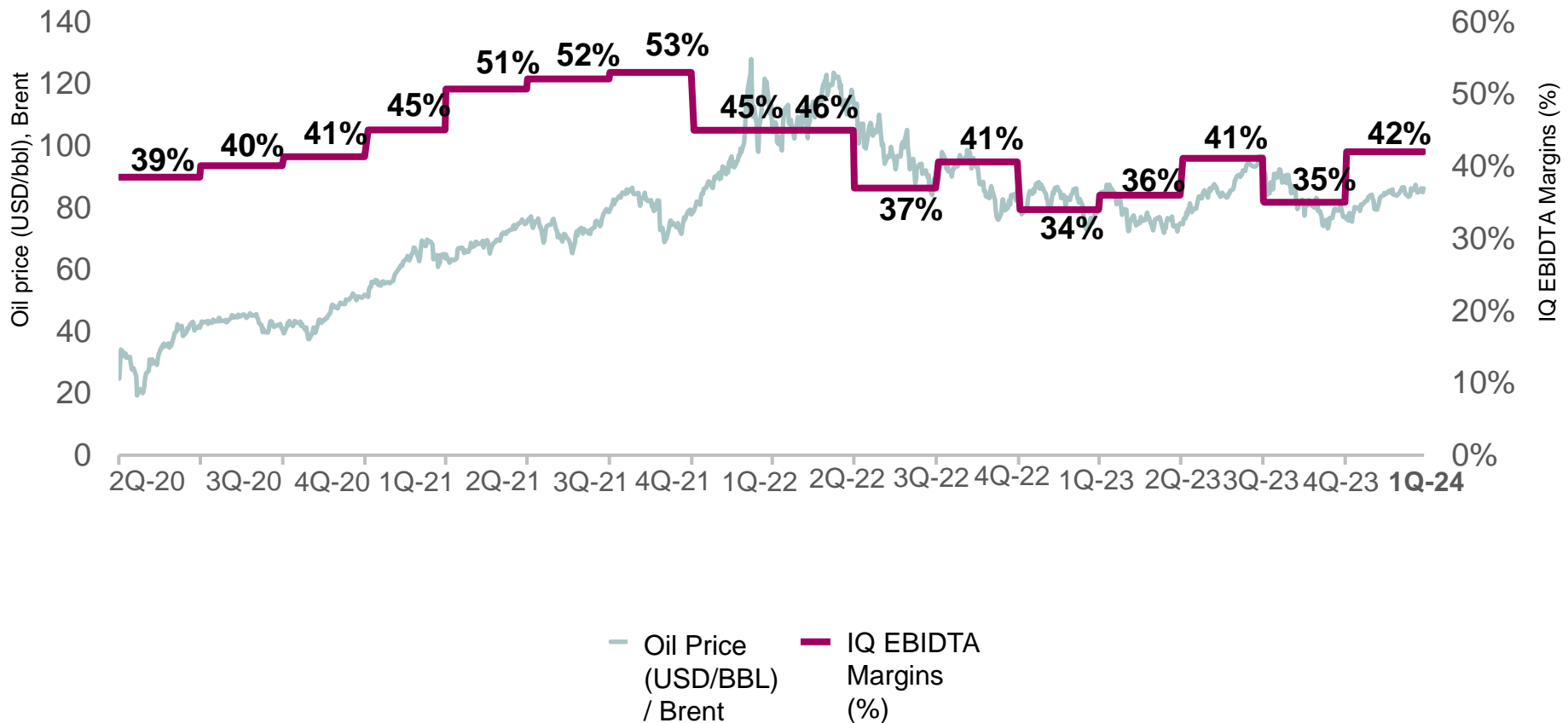
IQ's liquidity and cash flow generation capability continue to remain robust



Free Cash Flows Generated during the year ended 31 March 2024: QR 0.4 billion

Robust and Competitive EBITDA margins

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

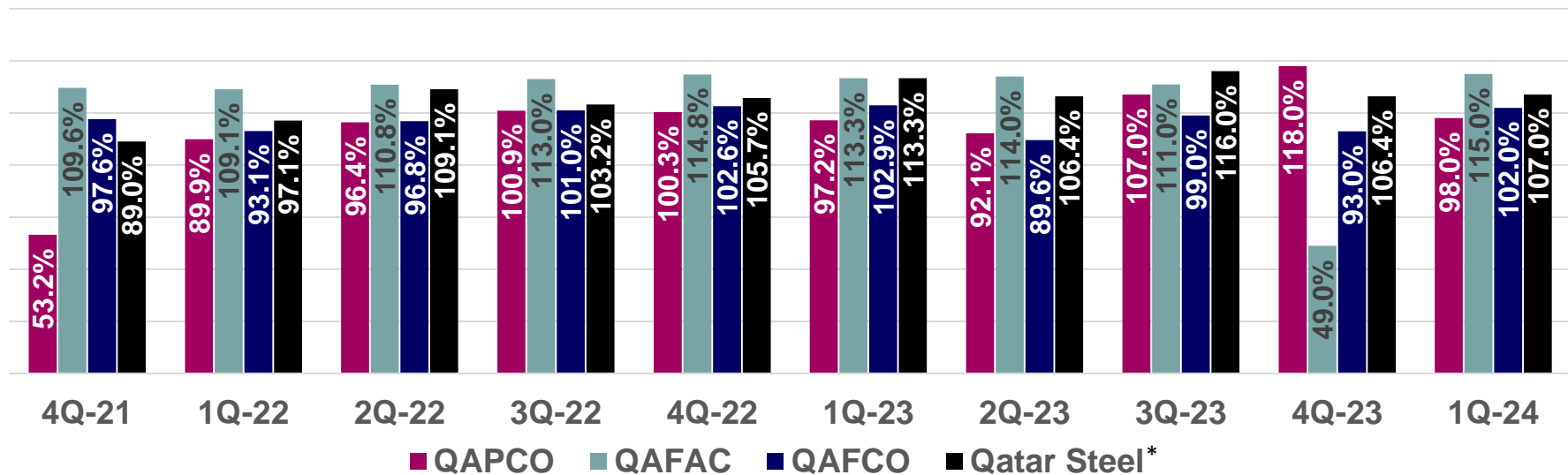


Source: Oil price (USD/BBL), Brent; EBITDA margins – Company data



IQ's plant operating rates

IQ's plant operating rates remained stable

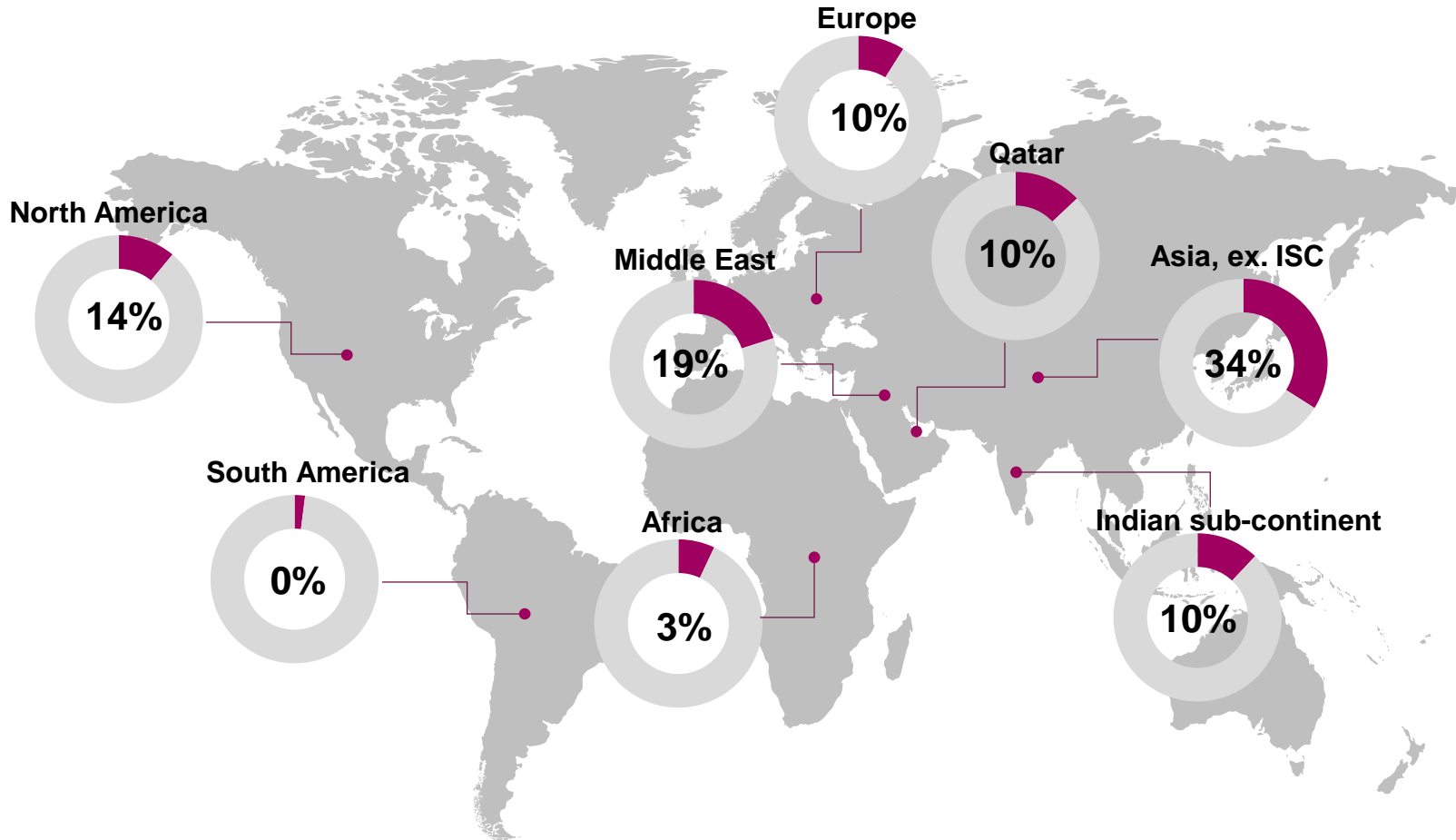


***Note:** With effect from 01 April 2020, management decided to mothball certain facilities of Qatar Steel, hence the nameplate capacity was adjusted accordingly to reflect the new capacity levels post mothballing.

Also, from 1Q-22, Qatar Steel decided to re-start its DR-2 facilities (a larger facility) as against DR-1 which was operational until the end of 2021. DR-2 has a current production capacity of ~1,700k MTs per annum compared to DR-1 that has an annual capacity of ~800k MTs per annum. The utilization figures have been restated where necessary.

Geographic analysis – IQ Group revenue

Asia remained Group's largest market



Segment results

(For the year period ended 31 Mar. 2024)

Segmental Details: Petrochemicals

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

Product	<i>(in 000 MT PA)</i>
	<u>Capacity¹</u>
Ethylene	920
LDPE	600
LLDPE	280
Methanol	500
MTBE	305
Caustic Soda	98
EDC	68
VCM	98
Total	2,869

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

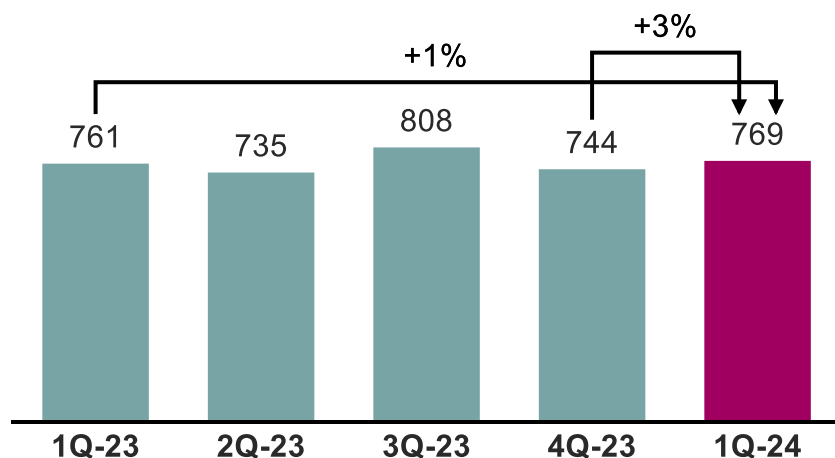


Results: Petrochemicals

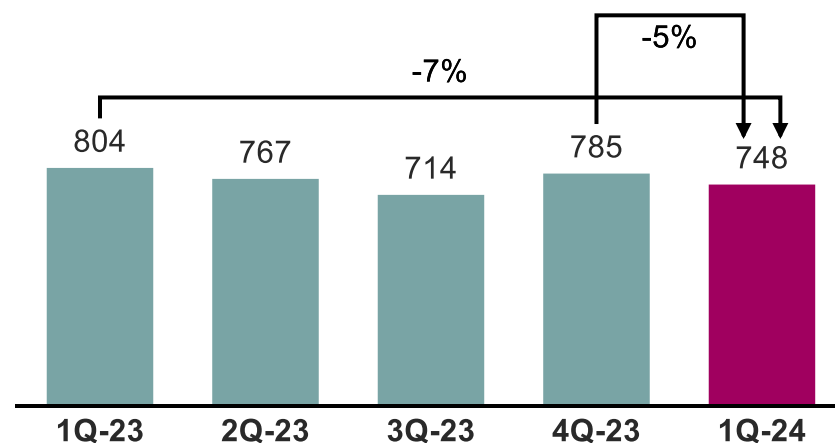
Analysis of production & selling prices

- Production:** production volumes marginally up by **1%** compared to 1Q-23, against the backdrop of stable operations (facility availability and reliability);
 - 1Q-24 production volumes increased by **3%** versus 4Q-23, mainly on account of higher operating days within fuel additive segments.
- Selling Prices:** down on marginally 1Q-23 by **7%**, as result of general decline in the petrochemical prices at the macro-level due to combined effect of declining crude prices and weakened consumer demand, and general decline against a backdrop of deteriorating macroeconomic fundamentals.
 - 1Q-24 selling prices decreased by **5%** compared to 4Q-23, mainly on the backdrop continued uneven supply-demand dynamics within polyethylene segment.

Production (MT' 000)



Selling prices (\$/MT)

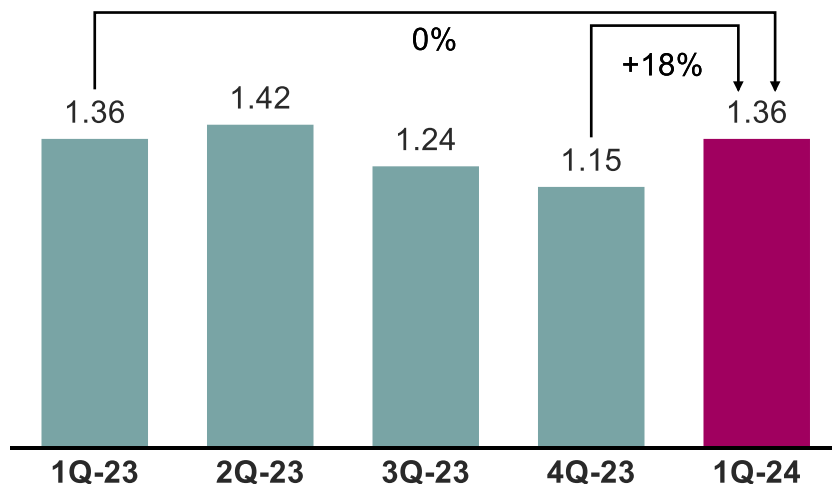


Results: Petrochemicals

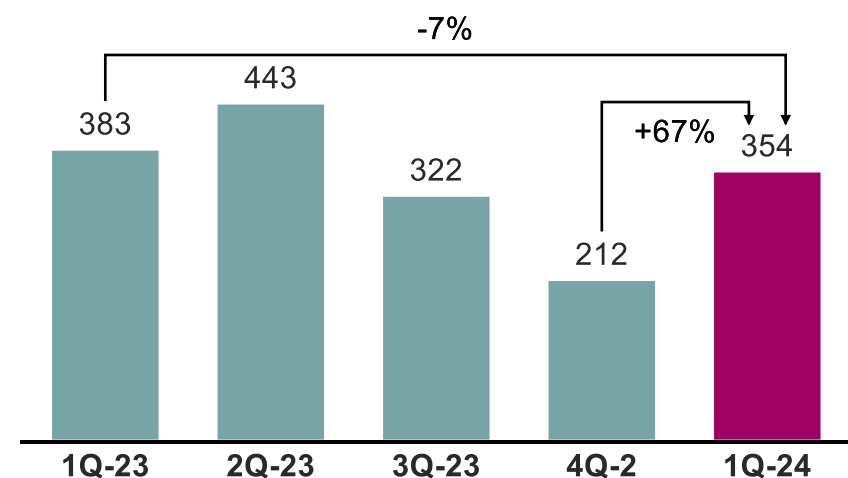
Analysis of segment revenue & net profit

- Revenue:** QR 1.36 billion, remained flat versus 1Q-23. Improvement in sales volumes (+7%) was broadly offset a decrease in selling price (-7%);
 - Revenue for the current quarter increase by 18% versus 4Q-23. This incline in segmental revenue was primarily linked to higher sales volumes reported (+25%), amid improved production.
- Net profit:** QR 354 million, marginally down by 7% compared to 1Q-23. This decrease was mainly linked to a decline gross margin that attributed to reduction average selling prices during 1Q-23.
 - 1Q-24 net profit increased significantly by 67% compared to 4Q-23, on account of improved revenue, and reduced operating costs.

Revenue (QR' billion)



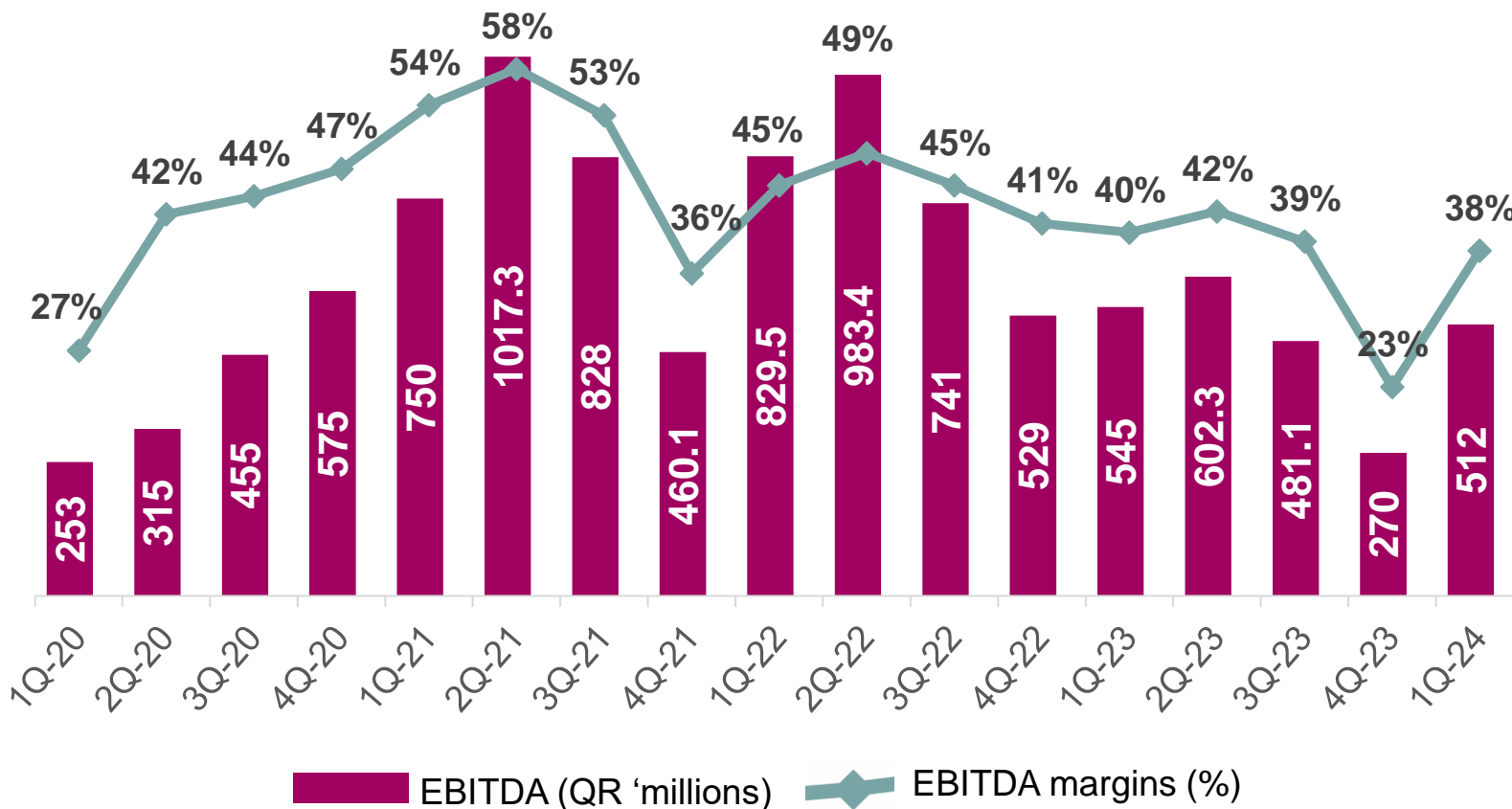
Net profit (QR' million)



Results: Petrochemicals

Analysis of segment EBITDA margins

Segment's EBITDA margins continue to remain robust

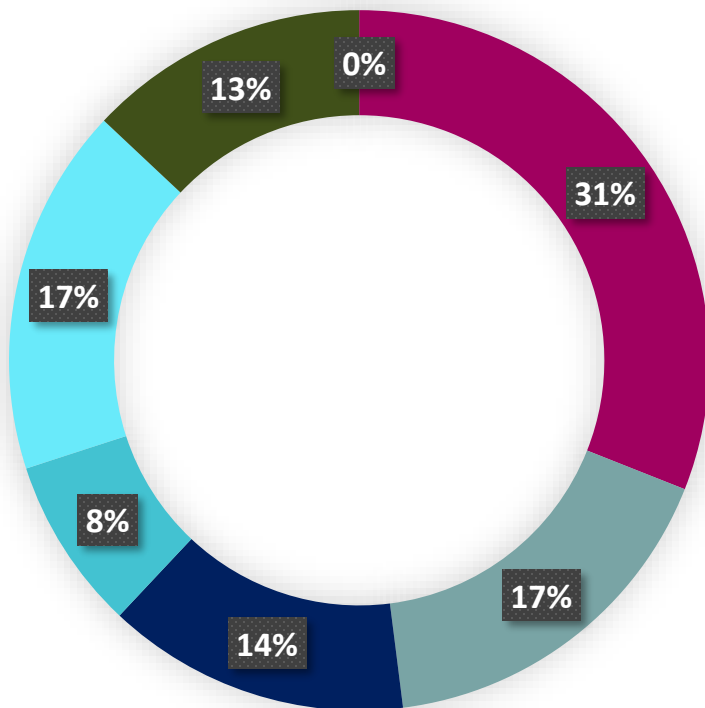


Results: Petrochemicals

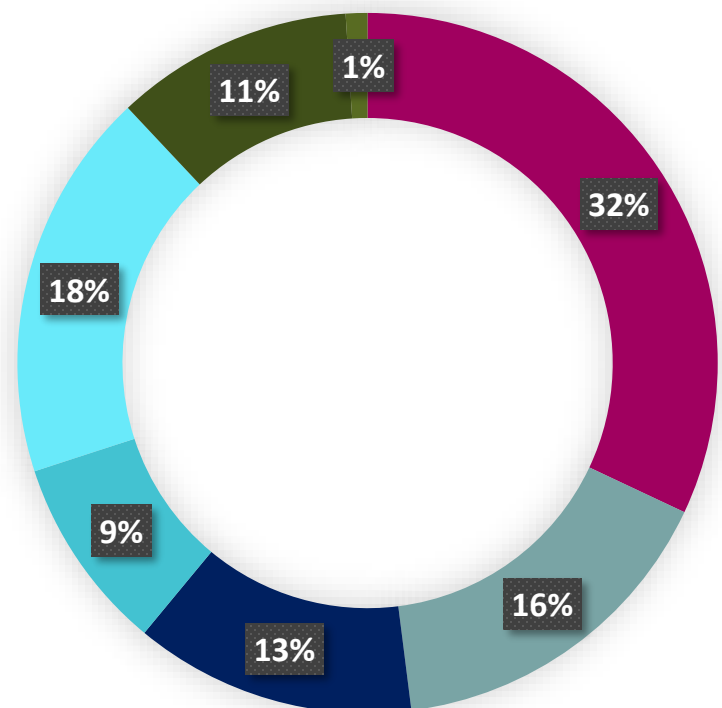
Geographical analysis of segment revenue

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

1Q-24 Segment Revenue (%)



1Q-23 Segment Revenue (%)

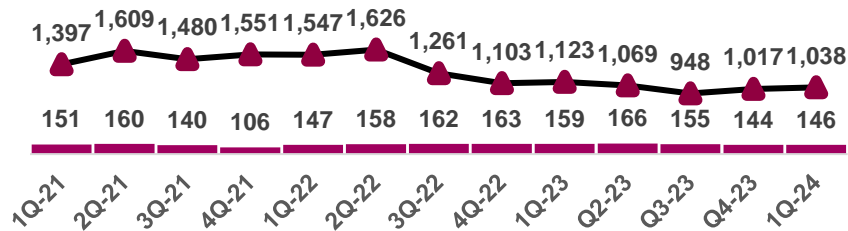


Results: Petrochemicals

Key segment products analysis

LDPE

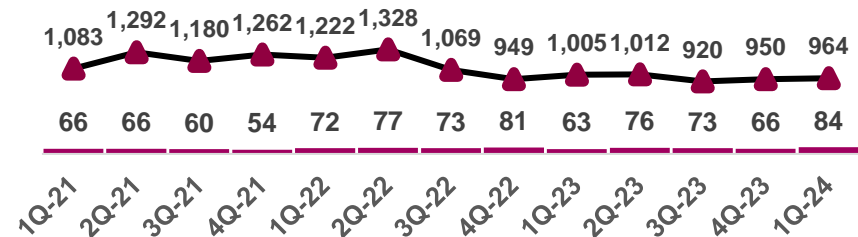
(contributed ~39% of the segment revenue in 1Q-24)



Sales volumes remained stable, while selling prices inclined marginally sequentially amid presence volatile petrochemicals market.

LLDPE

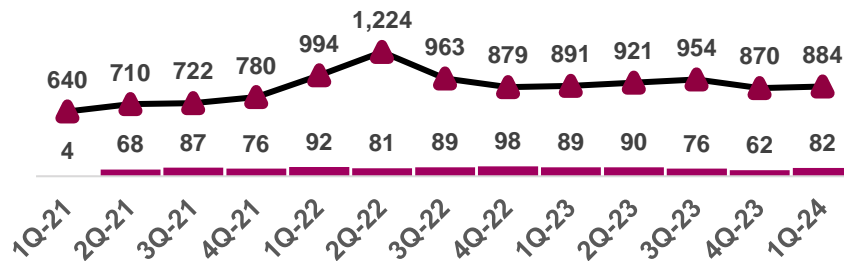
(contributed ~21% of the segment revenue in 1Q-24)



Both sales volumes and selling price inclined during 1Q-24 amid presence volatile petrochemicals market.

MTBE

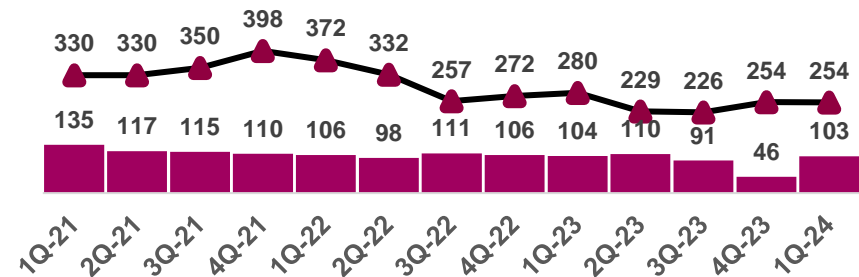
(contributed ~21% of the segment revenue in 1Q-24)



Sales volumes improved during 1Q-24 amid improved production. Selling prices slightly inclined during 1Q-24, following upward Brent trends.

Methanol

(contributed ~7% of the segment revenue in 1Q-24)



Sales volumes inclined notably during 1Q-24 versus 4Q-23 amid higher production volumes. Selling prices continued to remain stable.



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).

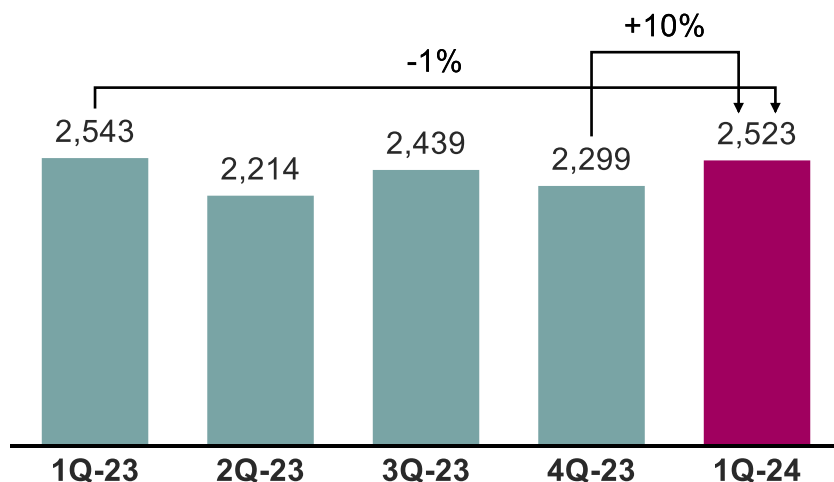


Results: Fertilizers

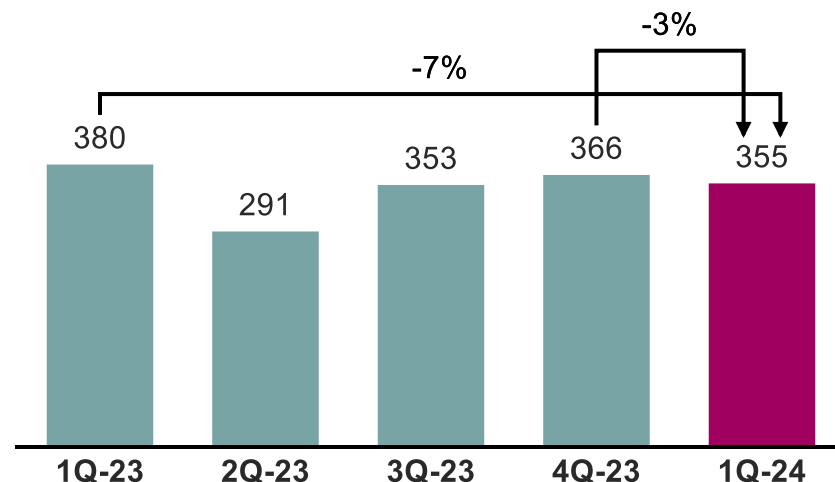
Analysis of production & selling prices

- Production:** 1Q-24 production volumes remained relatively unchanged on account of consistent facility availability, and reliability.
 - 1Q-24 production improved significantly as the segment was on planned maintenance during Q4-23.
- Selling Prices:** Prices down by 7% compared to 1Q-23 after nitrogen fertilizer prices returned to their long-term averages since peaking in 1H-22.
 - Prices marginally down by 3% in 1Q-24 compared to 4Q-24 but continue to remain within the historical range.

Production (MT' 000)



Selling prices (\$/MT)

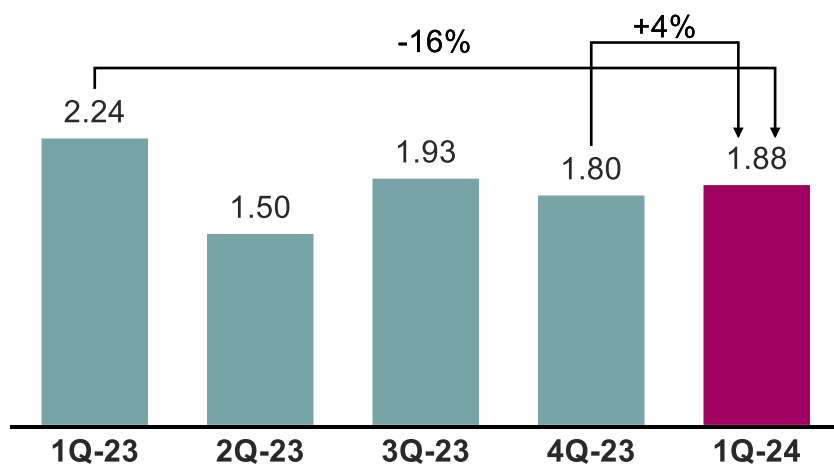


Results: Fertilizers

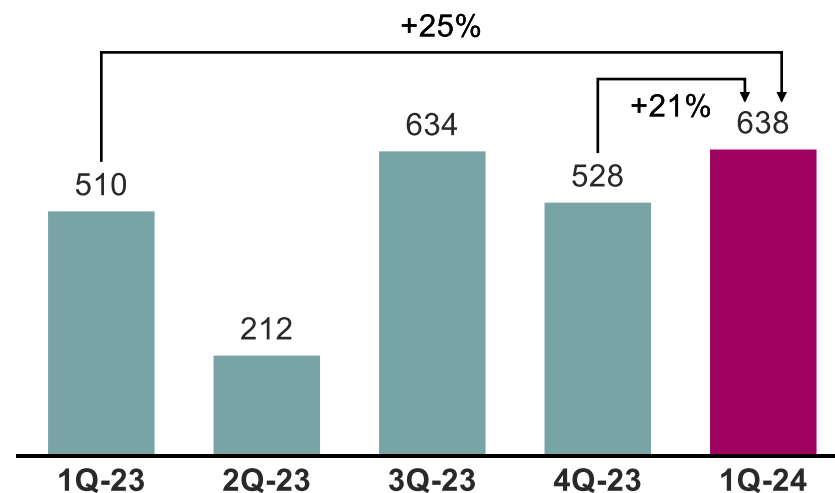
Analysis of segment revenue & net profit

- Revenue:** QR 1.9 billion, down by 16% compared to 1Q-23, mainly due to combined effect of lower selling prices (-7%) and sales volumes (-10%). Reduction driven by current demand-supply conditions, and timing of shipments.
 - Revenue increased by 4% in 1Q-24 versus 4Q-23, due to improved sales volumes, amid a marginal decline in selling prices noted.
- Net profit:** QR 638 million, up by 25% compared to 1Q-23, due to an overall improvement in operating costs driven by lower sales volumes, lower feedstock costs, and favorable inventory changes;
 - Net profit inclined by 21% during 1Q-24 compared to 4Q-23, due to lower sales volumes, and improved operating costs.

Revenue (QR' billion)



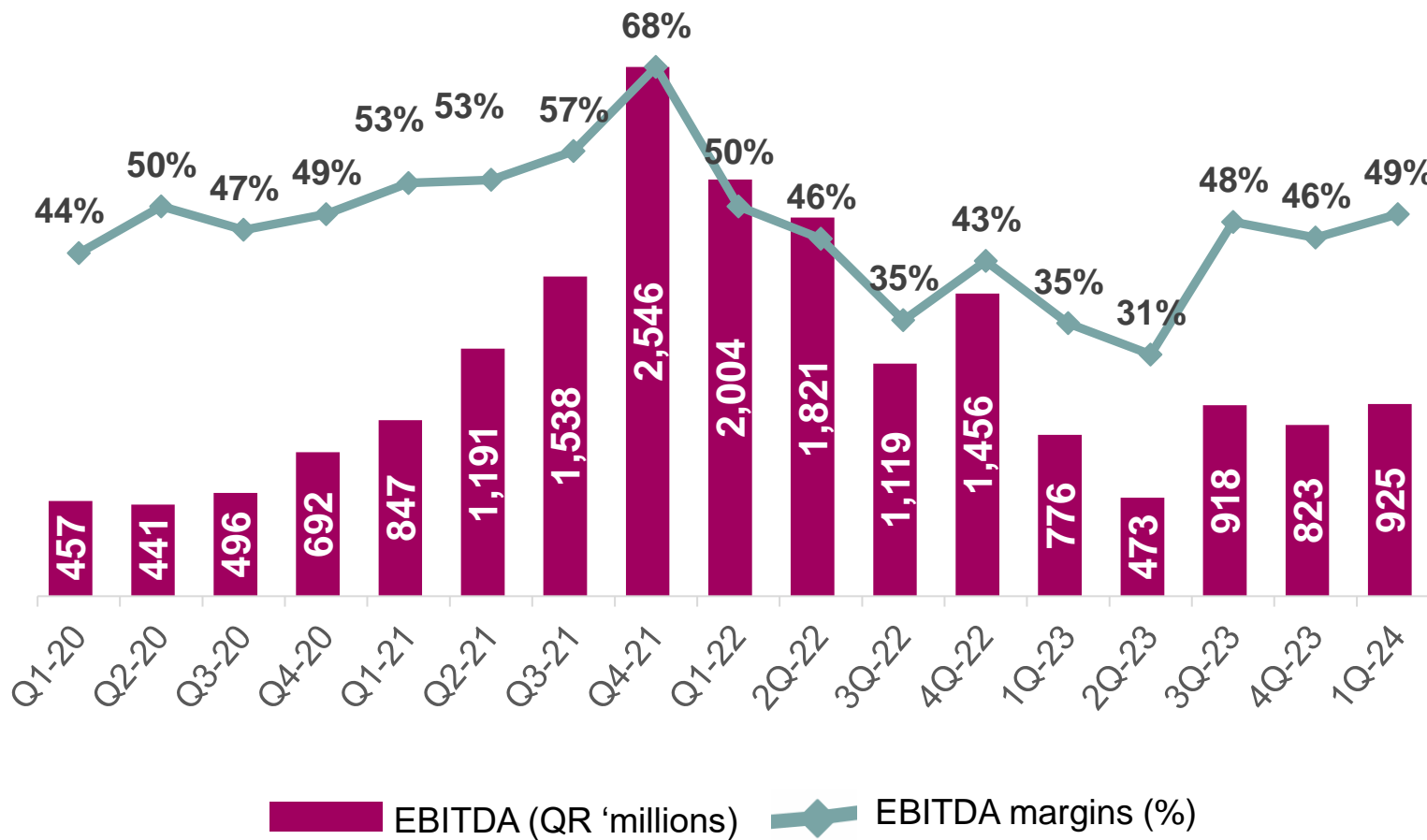
Net profit (QR' million)



Results: Fertilizers

Analysis of segment EBITDA margins

Segment's EBITDA margins continue to remain resilient

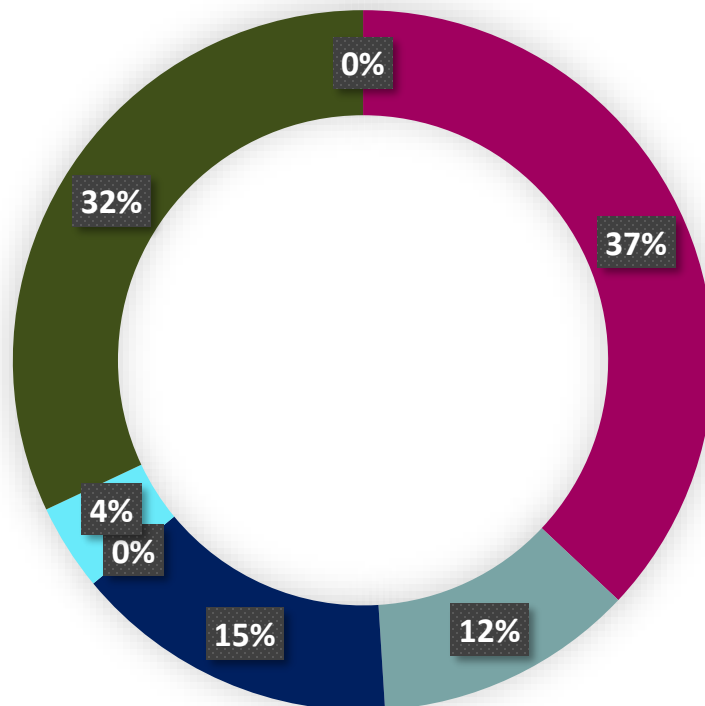


Results: Fertilizers

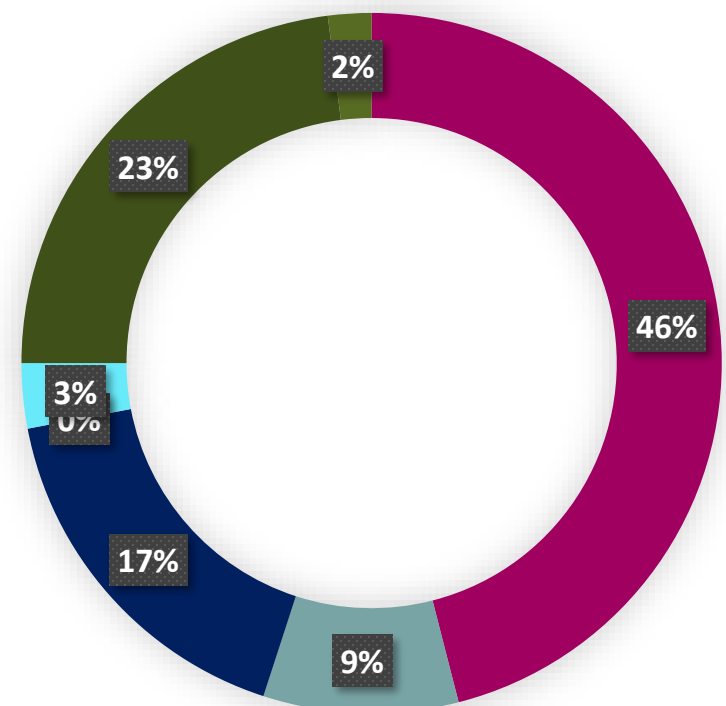
Geographical analysis of segment revenue

- Asia is a key market for fertilizers along with Americas followed by Europe.

1Q-24 Segment Revenue (%)



1Q-23 Segment Revenue (%)



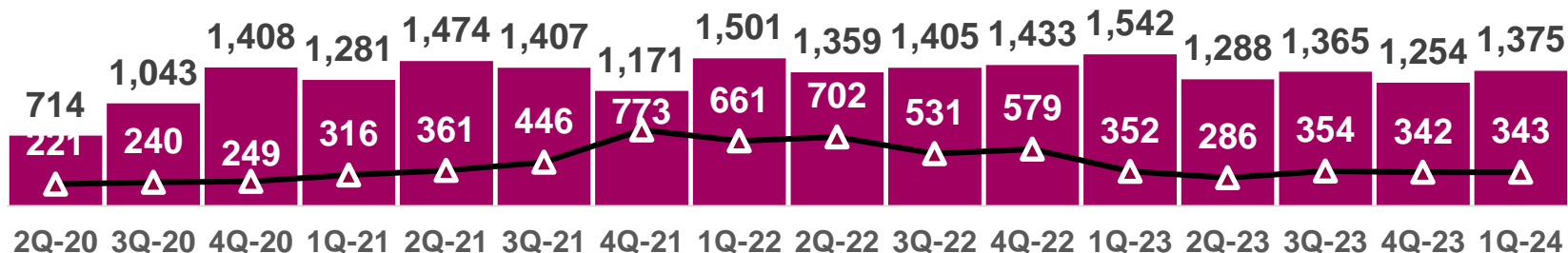
- Asia, ex. ISC
- Africa
- South America
- Indian sub-continent
- Middle East
- Europe
- North America

Results: Fertilizers

Key segment products analysis

Urea

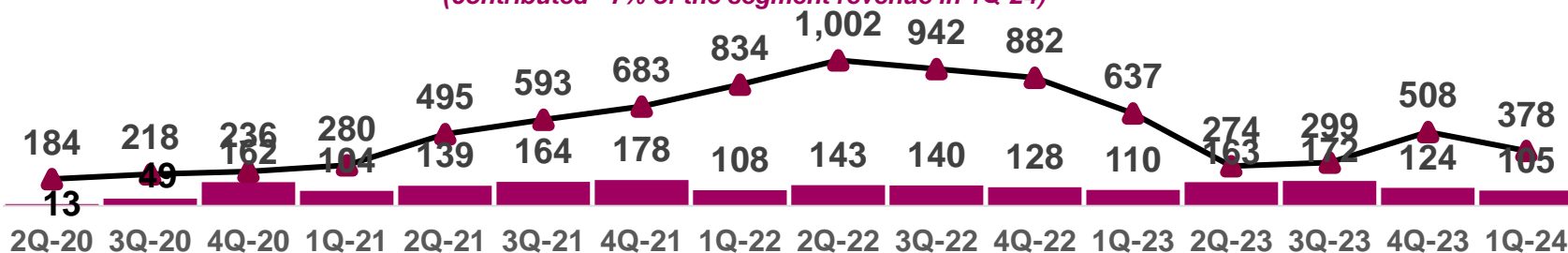
(contributed ~89% of the segment revenue in 1Q-24)



Sales volumes increased during 1Q-24 amid improved production volumes. Prices of urea continued to stabilize during 1Q-24 and to stay within the historical range.

Ammonia

(contributed ~7% of the segment revenue in 1Q-24)



Sales of ammonia (and its prices) 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	2,300 ²
Billets	2,520
Coil	240 [*]
Total	7,360

Note:

- Refers to IQ share of production capacity.
 - Includes capacity of Al-Qataria Steel.
- The segment's primary raw material is **oxide pellets** and **scraps**.



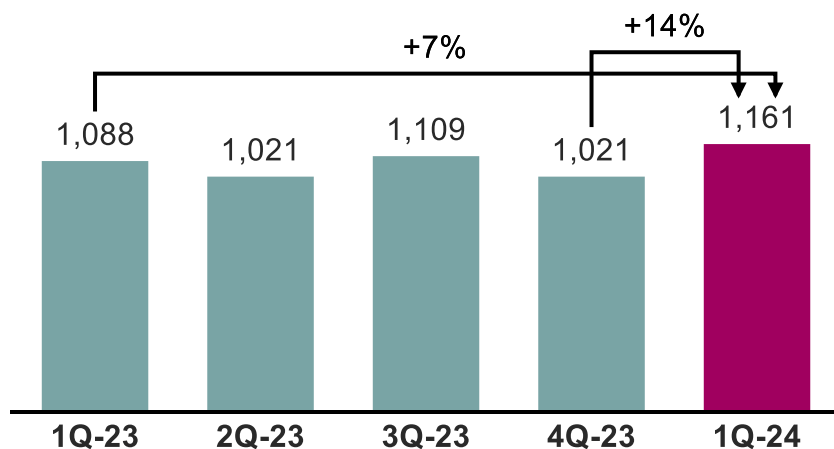
* **Note:** Based on the recent decision to mothball certain facilities of Qatar Steel, wef 01 April 2020, the name plate capacities have resized.

Results: Steel

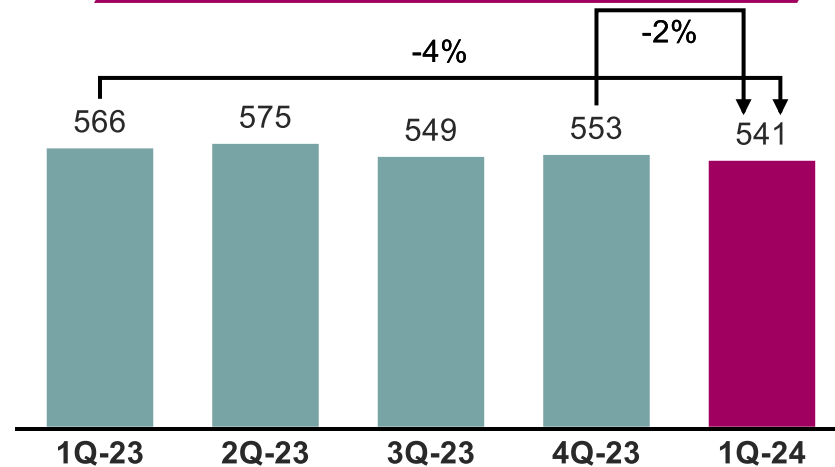
Analysis of production & selling prices

- Production:** Production increased by **7%** compared to 1Q-23 primarily due to the additional volumes from segment's newly acquired subsidiary Al-Qataria Steel;
 - Production volumes increased by **14%** during 1Q-24 in comparison to 4Q-23, on account higher plant operating rates as the segment was on maintenance in 4Q-23, and gradual ramping up of Al-Qataria operations.
- Selling Prices:** declined by **4%** versus 1Q-23, on account of softening domestic steel prices coupled with slowdown in international steel markets;
 - Prices slightly declined during 1Q-24 by **2%** compared to the 4Q-23, mainly due to subdued supply-demand dynamics within the steel markets, both domestically and internationally.

Production (MT' 000)



Selling prices (\$/MT)

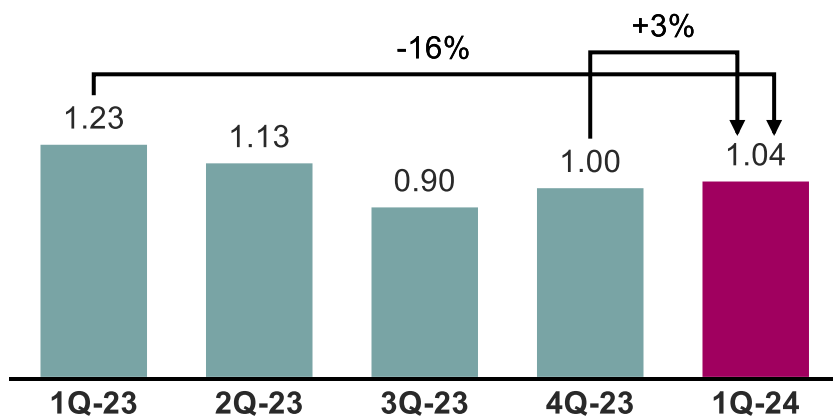


Results: Steel

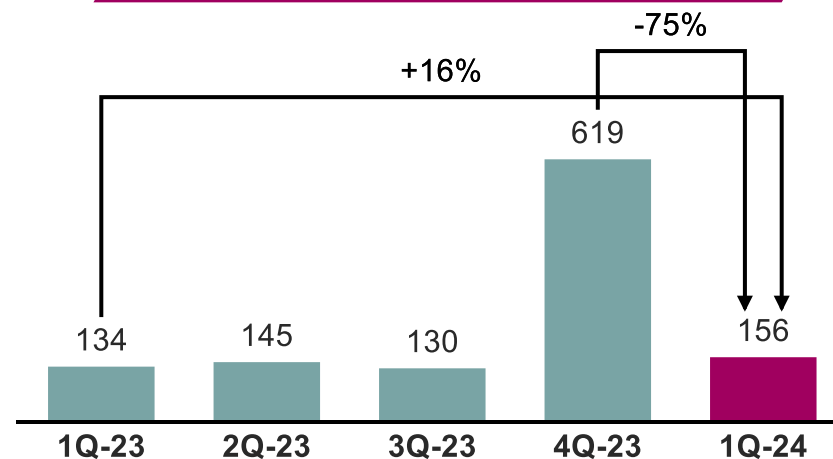
Analysis of segment revenue & net profit

- Revenue:** QR 1.04 billion, down by 16% on 1Q-23, due to combined effect of lower prices and volumes. Both prices, and volumes were impacted by challenging construction markets both internationally and domestically;
 - Revenue increased by 3% during 1Q-24 compared to 4Q-23, due to higher sales volumes (+6%) amid higher production, being partially offset by lower selling prices (-2%).
- Net Profit:** Net profit of QR 156 million for 1Q-24 with an increase of 16% compared 1Q-23, primarily due to improved gross margins on account of lowered operating costs.
 - Profitability decreased by 75% during 1Q-24 compared to 4Q-23, mainly on account of lower other income as the segment reported a significant one-off other income related to reversal of impairment in 4Q-23.

Revenue (QR' billion)

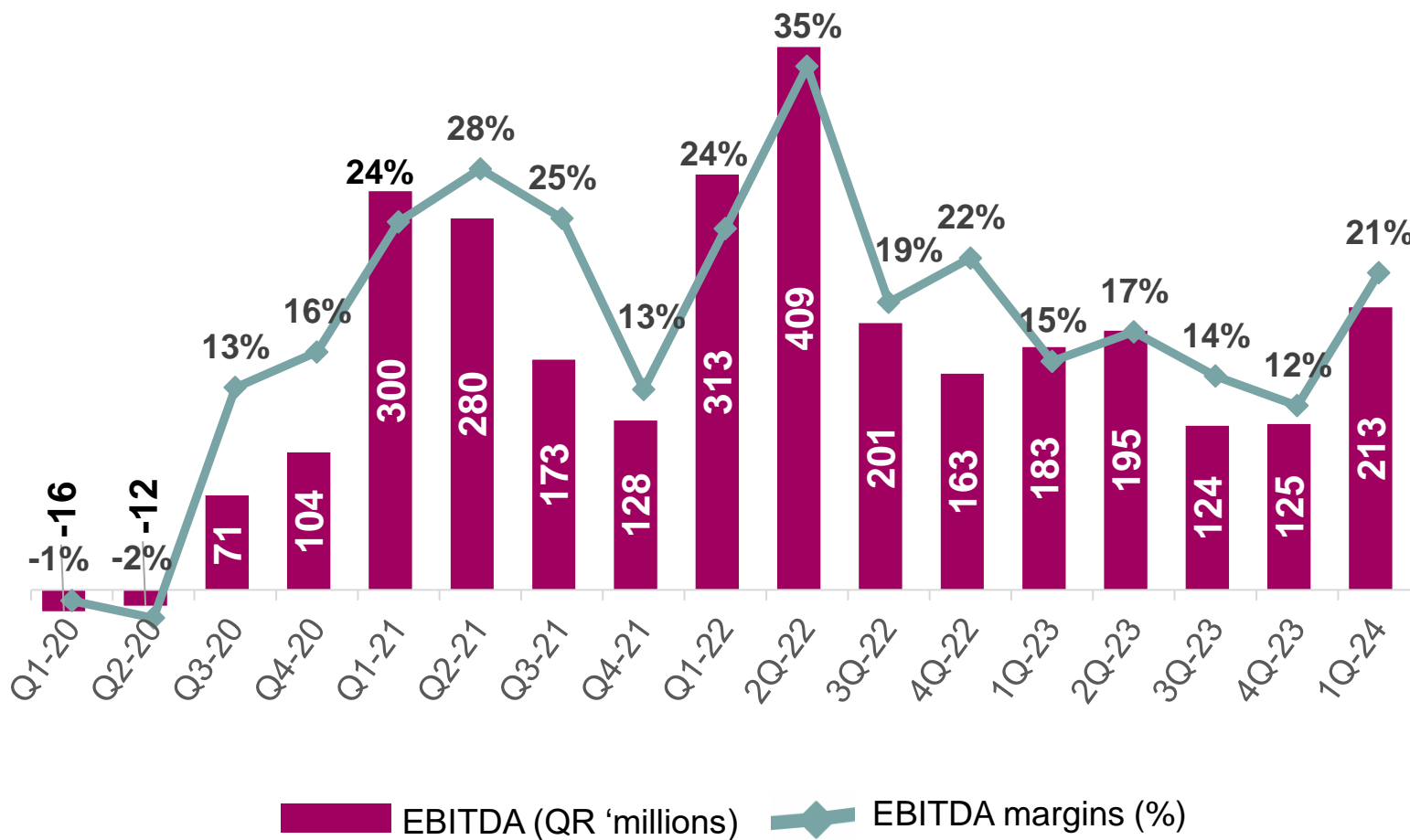


Net profit (QR' million)



Results: Steel

Analysis of segment EBITDA margins

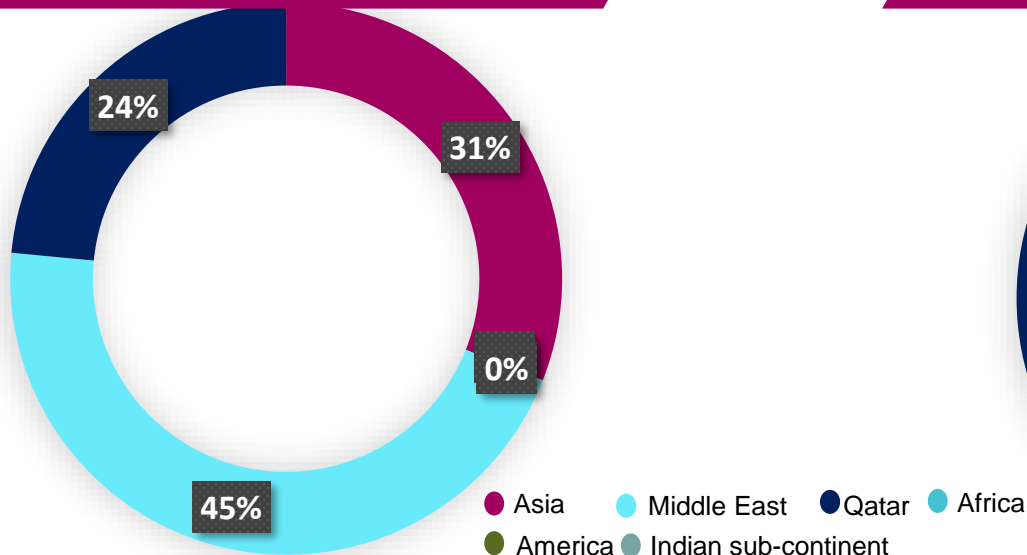


Results: Steel

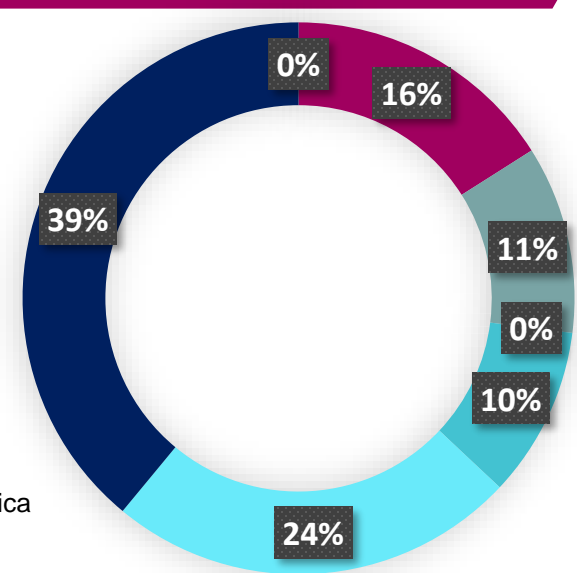
Geographical analysis of segment revenue

- Starting from 2Q-20, the Group decided to temporarily re-adjust 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 in the international market on opportunistic basis.
- The segment restarted DR-2 facility during 1Q-22, by temporarily mothballing DR-1 facility, which was operational until the end of 2021. DR-2 has a production capacity of 1,700k 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 DRI / HBI per annum to be sold directly, mostly in the international markets.

1Q--24 Segment Revenue (%)



1Q-24 Segment Revenue (%)

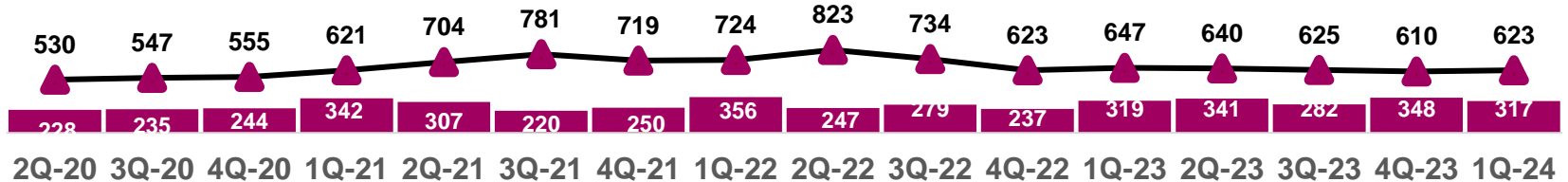


Results: Steel

Key segment products analysis

Rebars

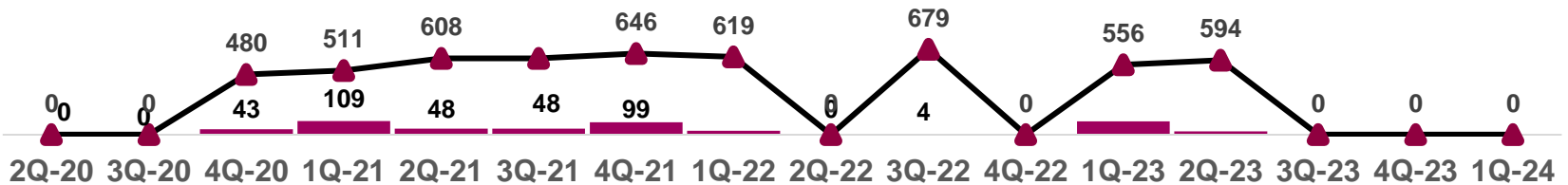
(contributed ~69% of the segment revenue in 1Q-24)



Prices have improved in 1Q-24 (v. 4Q-23) whilst the sales volumes have declined marginally.

Billets

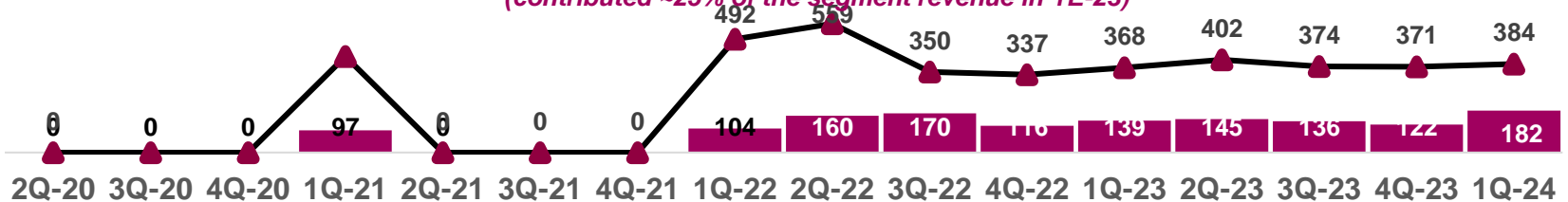
(contributed ~6% of the segment revenue in YE-23)



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 ~25% of the segment revenue in YE-23)



Qatar Steel started to sell additional DRI /HBI volumes following the restart of DR-2 facilities in 1Q-22, and the volumes continued to remain consistent since then.

CAPEX (2024F – 2028F)

CAPEX (2024F – 2028F)

- CAPEX / PUD spend of **QR 10.8** billion ▪ major capacity addition in fertilizer segment (QR 4.2 bn in Qafco 7), PVC in QAPCO (via QVC) ▪ other CAPEX include turnaround (QR 2.2 bn), investment projects (QR 3.6 bn)
- **QAPCO (capex of QR 1.4 billion)**
 - QR 0.2 billion of related to major projects / operations related projects (*Boiler and Electrical Network updates*), Operations, IT & routine CAPEX of QR 0.3 billion;
 - Turnaround / reliability related CAPEX of QR 0.5 billion;
 - PUD / Capacity additions QR 0.3 billion (PVC project).
- **QAFAC (capex of QR 0.4 billion)**
 - Turnaround & annual maintenance (2024 / 2028) QR 0.3 billion, other routine CAPEX of QR 0.1 billion ▪ no capacity related CAPEX;
- **QAFCO (capex of QR 8.3 billion)**
 - Qafco 7 (QR 4.4 billion, spent to date QR 0.2 billion, fully equity funded);
 - Investment Projects (QR 3.5 billion) ▪ projects include A2 optimization (QR 0.5 bn), NZLD (QR 0.4 bn), flame gas detection (QR 0.2 bn) & New Desalination Unit (0.2 bn)
 - Turnaround expenses QR 1.4 billion
- **Qatar Steel (capex of QR 0.7 billion)**
 - Operational improvement (QR 0.2 bn), replacement CAPEX (QR 0.1 bn), other routine capex (QR 0.3 bn)
 - Capex related to Al-Qataria Operations (QR 0.1 bn)
 - Turnaround not capitalized but expensed periodically.

CAPITAL EXPENDITURE BY TYPE

QR Bn	2024	2025	2026	2027	2028	Total
Turnaround	0.4	0.5	0.3	0.5	0.40	2.0
Major Project / Inv / PUD	2.0	1.0	0.8	0.0	0.0	3.9
Ops / Tech Road Map	1.1	1.2	0.5	0.5	0.2	3.6
IT, IS & Support	0.0	0.0	0.0	0.0	0.1	0.1
Routine Capex	0.4	0.3	0.2	0.4	0.1	1.3
Group	3.9	2.9	1.8	1.4	0.7	10.8

CAPITAL EXPENDITURE BY VENTURE

QR Bn	2024	2025	2026	2027	2028	Total
QAPCO	0.7	0.3	0.1	0.1	0.1	1.4
QAFAC	0.1	0.1	0.0	0.3	0.0	0.4
QAFCO	3.0	2.4	1.5	1.0	0.5	8.3
QS	0.1	0.2	0.2	0.1	0.1	0.7
Group	3.9	3.0	1.8	1.4	0.7	10.8

Note: The CAPEX figures for the years 2024-28 are based on the 2024 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2024 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

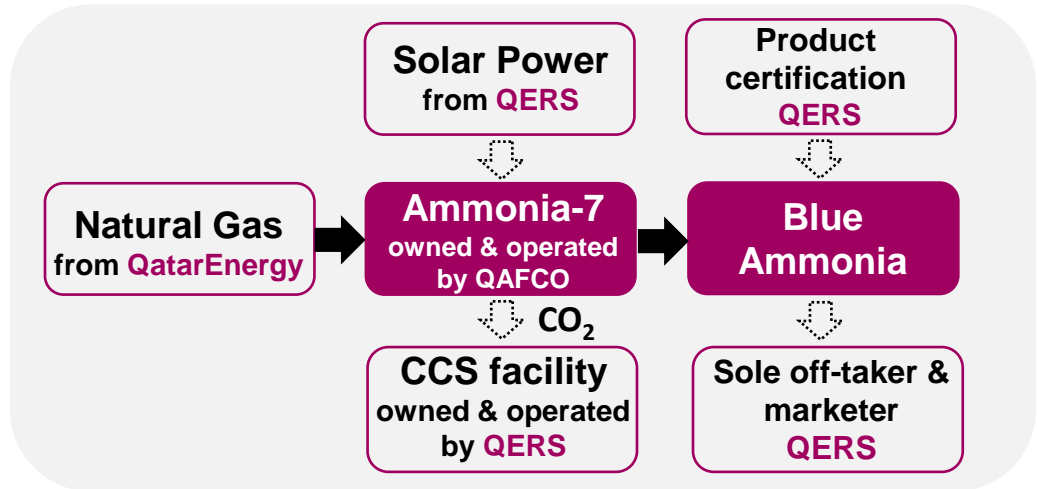
Capacity up to 1.2 million mtpa of Blue Ammonia

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

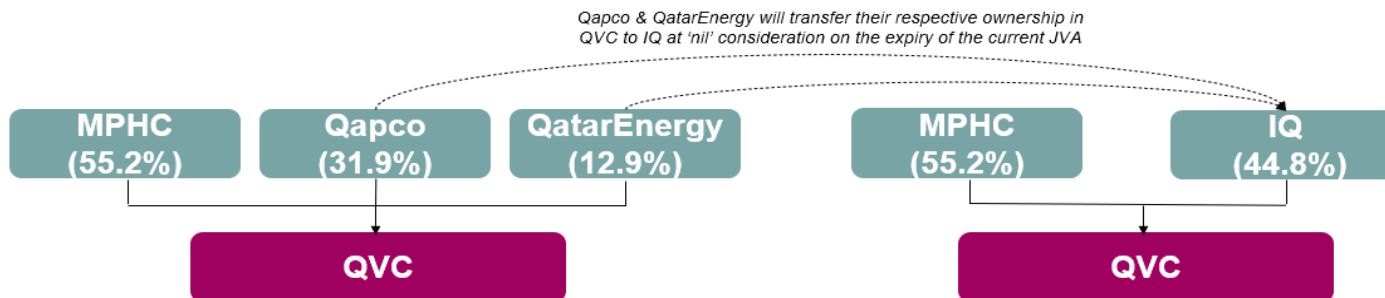
IQ will fund 44.8% of the project; remaining funding by MPHC

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

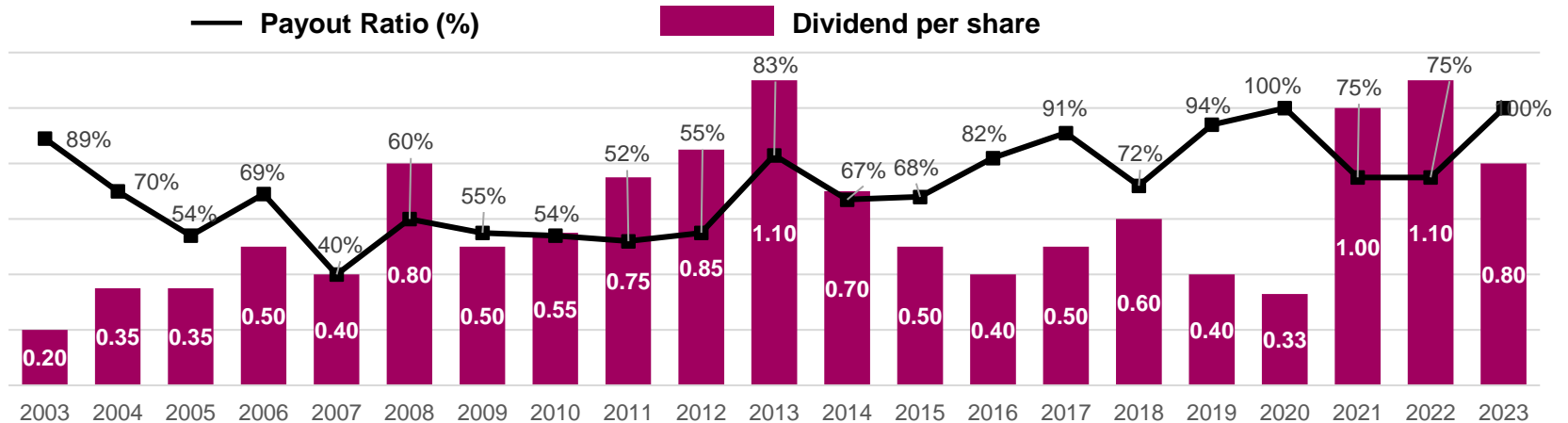


NOTE: QAPCO will continue to operate QVC, including the new PVC plant, under a plant operating and services agreement.

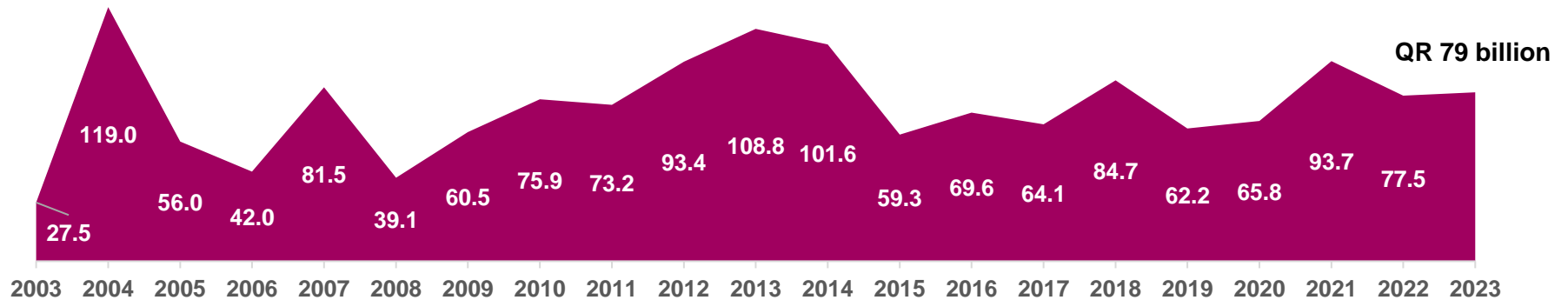
* Total project cost of USD 279 million includes EPC contract value, owner cost (allocation of shared service cost) and other contingencies.

Dividends and market capitalization

Dividends & Market Capitalization



Market Capitalization (QR billion)



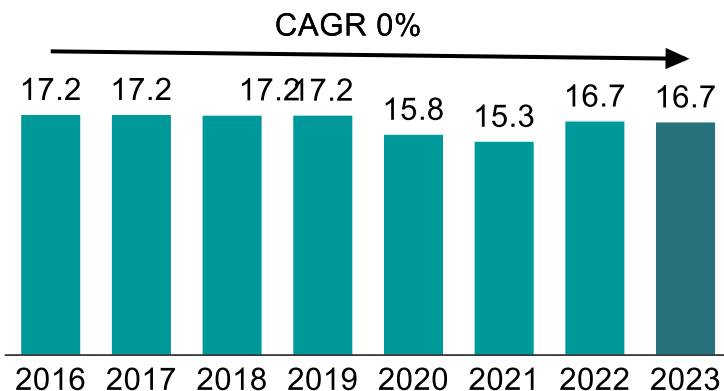
- To date, cash dividends totaling QR 71.8 billion have been distributed, equivalent to ~QR 12.0 per share;
- The Company was included on the MSCI Qatar Index in May 2014.



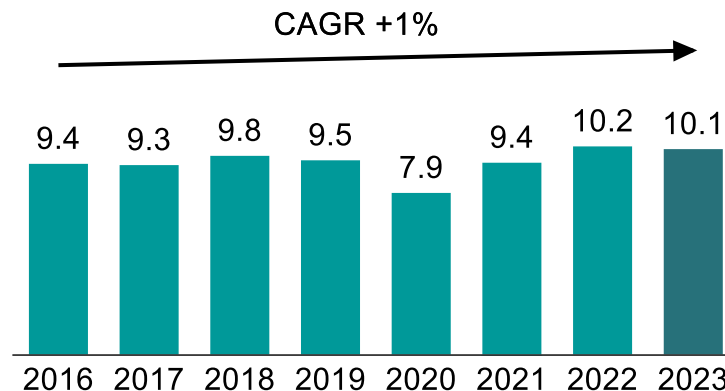
Historical performance (2016 - 2023)

Historical performance (2016 - 2023)

Production (M MT's)

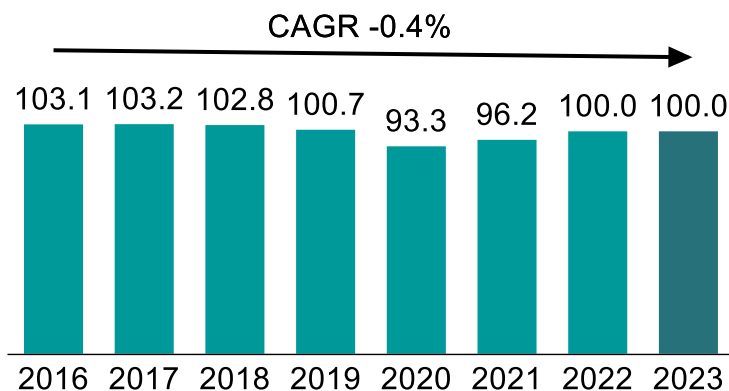


Sales Volumes (M MT's)

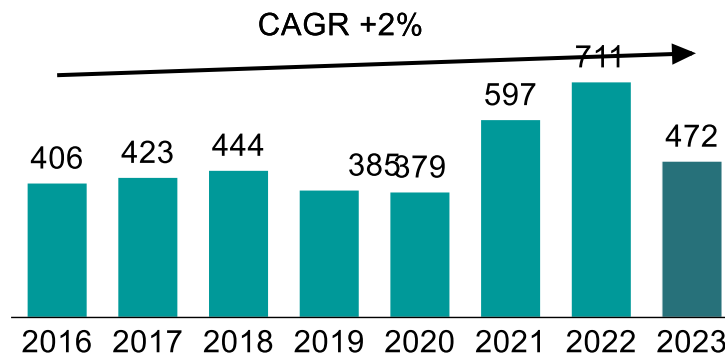


- Production volumes and utilization rates remained steady since 2016
- Movement sales volumes remained inline with the overall movement in production volumes
 - Selling prices were influenced by macroeconomic cycles

Utilization (%)

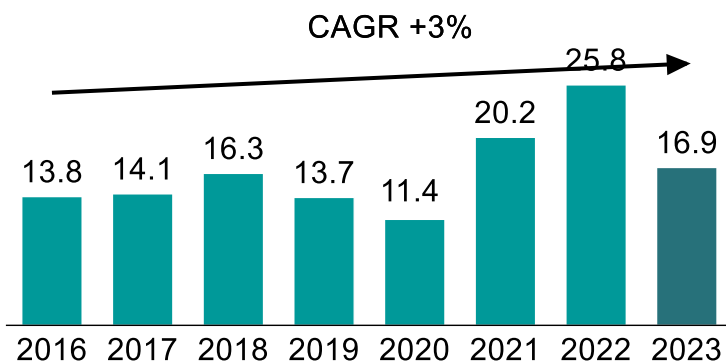


Selling Prices (USD / MT)

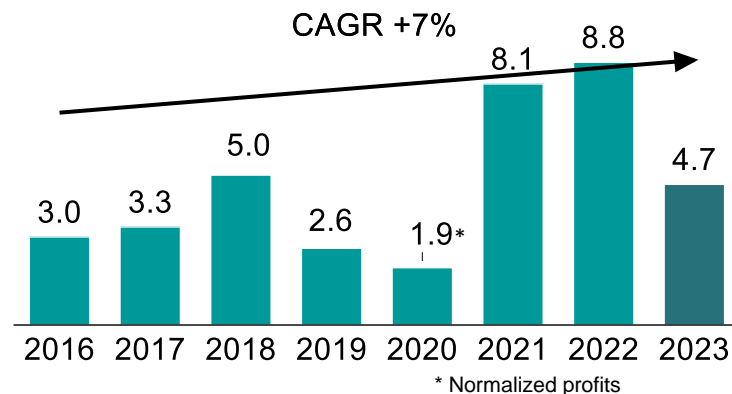


Historical performance (2016 - 2023)

Revenue (QR Bn)

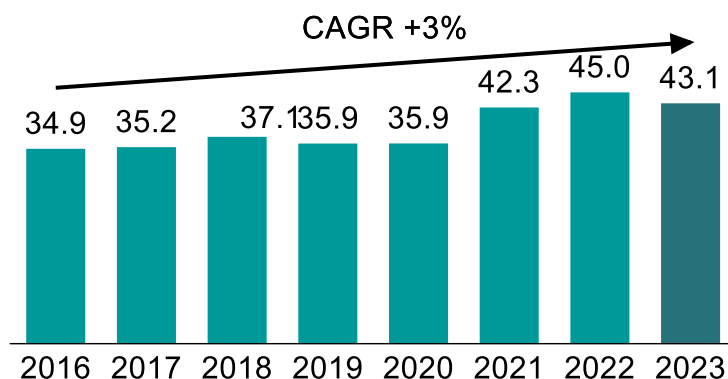


Net income (QR Bn)

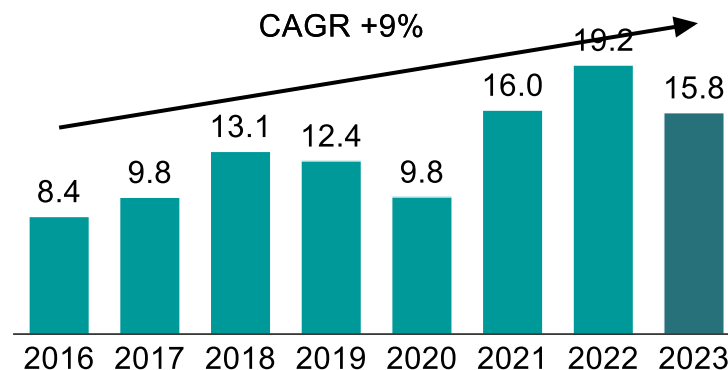


- Revenue trends moved in line with the selling prices
- Movements in revenue together with operating costs affected the net income growth
- Cash flow generation for the Group remained robust, despite cyclical profitability.

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 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.