FOR IMMEDIATE RELEASE

Industries Qatar posts a net profit of QR 2.1 billion for the six-month period ended 30 June 2023

- Group operations remained robust, and operational performance improved versus last year, with plant utilization rates reaching 100%
- Earnings per share (EPS) of QR 0.35 for 1H-23 compared to QR 0.90 for 1H-22
- Liquidity continues remain robust with a total cash and bank balance of QR 14.9 billion, with a free cash flow generation of QR 1.7 billion during 1H-23
- 1H-23 results were largely affected due to negative macroeconomic movements resulting in weaker prices and demand
- Industries Qatar raises foreign ownership limit up to 100%

Doha, Qatar; 8th August 2023: Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a net profit of QR 2.1 billion for the six-month period ended 30 June 2023, representing a decline of 62% compared to 1H-22.

Updates on macroeconomic environment:

The macroeconomic environment continues to remain challenging during the first half of 2023 as geopolitical uncertainty persisted, along with recessionary fears linked to hawkish monetary policies resulted in subdued demand for most commodities.

Concerning performance within petrochemical segment, slower than expected recovery in the global economy, oil price volatility, and uncertainty in the global macro-outlook negatively weighed on petrochemical sector performance in the first half of the year. On the other hand, buyers' cautious approach mainly linked to recessionary fears exacerbated an already oversupplied market.

On the nitrogen-based fertilizers, the prices continued its downward trajectory, mainly due to cautious approach from buyers with high inventory levels among crucial markets as supply disruptions have eased from 2022 challenges. This occurred amidst downward pressure on grain, energy, and other commodity prices along with restrictive credit policies affecting small-scale farmers in developing countries.

Demand for domestic steel continue to recover following a muted demand during later part of 2022 on the backdrop of restrictive construction activities. On the global front, steel prices remained somewhat wavered, with China's slow paced post-Covid recovery phase started to take shape on one side, subsiding by a continued sluggish phase in the construction sector mostly affected by high interest rate environment. As result, this places a severe burden on the construction sector.

Operational performance updates

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Production (MT' million)	8,362	8,135	+3%	3,970	4,393	-10%
Utilization rates (%)	100%	97%	--	95%	105%	--
Average reliability factor (%)	98%	98%	--	79%	99%	--

Group's operations continue to remain strong as production volumes for the current period improved by 3% to reach 8,362 million MT's versus 1H-22. This improvement in production was largely driven by higher operating rates, and better plant availability across the group. Plant utilization rates for 1H-23 reached 100%, while average reliability factor stood at 98%. This reflects the Group's commitment to operational excellence, while ensuring plant reliability and unwavering importance to HSE.

On a quarter-on-quarter basis, production volumes declined by 10% versus 1Q-23, with fertilizer segment reporting a notable reduction in production on account of facility maintenance shutdowns during Q2-2023. These maintenance shutdowns are of utmost importance as they ensure the reliability, continuity of operations, and enhancement of product quality.

Financial performance updates – *1H-23 vs 1H-22*

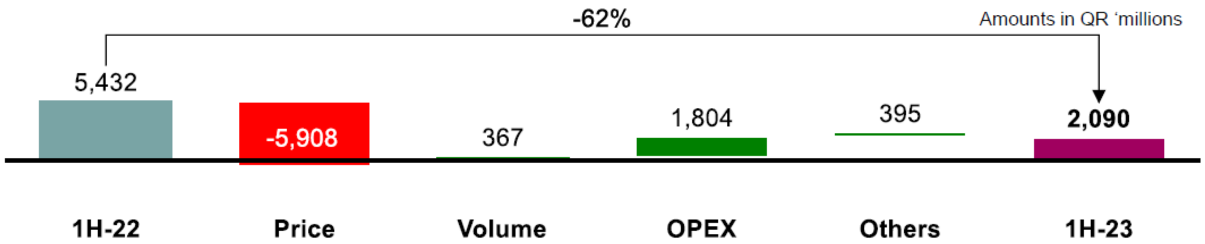
Key financial performance indicators	1H-23	1H-22	Variance (%)
Average selling price ($/MT)	473	786	-40%
Sales volumes (MT' 000)	5,276	5,116	+3%
Revenue (QR' billion)	8.9	14.3	-38%
EBITDA (QR' billion)	3.1	6.5	-52%
Net profit (QR' billion)	2.1	5.4	-62%
Earnings per share (QR)	0.35	0.90	-62%
EBITDA margin (%)	35%	46%	--

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

Group reported a consolidated net profit of QR 2.1 billion for the six-month period ended 30 June 2023, with a decline of 62% versus 1H-22. Earnings per share (EPS) for 1H-23 was QR 0.35 versus QR 0.90 for 1H-22. Group revenue for 1H-23 declined by 38% to reach QR 8.9 billion as compared to QR 14.3 billion reported for 1H-22.

Analysis of IQ's net earnings – 1H-23 vs 1H-22

Group's financial performance for the six-month period ended 30 June 2023 was largely attributed to the following factors:



Industries Qatar صناعات قطر

- Product prices
  Blended average product prices declined by 40% versus 1H-22 and reached USD 473/MT. Decrease in product prices contributed QR 5.9 billion negatively to the Group's net earnings, mainly on account of lower price trajectories noted across the Group's basket of products amid macro-challenges. Fertilizer prices remained the key contributor for overall decline in blended average product prices, as fertilizer prices witnessed a decline by more than 50% versus last year and contributed ~QR 4.3 billion to reduction in group's bottom line.

- Sales volumes
  Sales volumes increased marginally by 3% versus 1H-22, primarily driven by higher production volumes. Improved sales volumes contributed QR 0.4 billion in the overall growth of Group's net earnings for 1H-23 compared to the same period of last year.

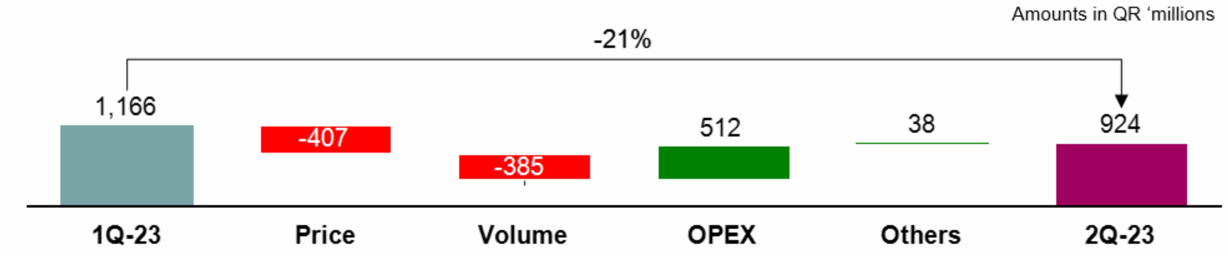
- Operating cost
  Operating cost for 1H-23 decreased by 20% versus 1H-22. The decrease in the operating cost was primarily linked to lower variable cost driven by end-product price indexed raw material cost, partially offset by increased volumes and general inflation.

Financial performance updates – *2Q-23 vs 1Q-23*

Key financial performance indicators	2Q-23	1Q-23	Variance (%)
Average selling price ($/MT)	450	494	-9%
Sales volumes (MT' 000)	2,531	2,745	-8%
Revenue (QR' billion)	4.1	4.8	-16%
EBITDA (QR' billion)	1.4	1.7	-13%
Net profit (QR' billion)	0.92	1.2	-21%
Earnings per share (QR)	0.15	0.19	-21%
EBITDA margin (%)	36%	34%	--

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

Analysis of IQ's net earnings - 2Q-23 vs 1Q-23



During 2Q-23, the Group's net earnings declined by 21% versus 1Q-23 and reached QR 0.9 billion, mainly due to lowered revenue where a decline of 16% was noted on a quarter-on-quarter basis.

Decline in Group revenue was mainly driven by a combination of both reduction in both selling prices, and sales volumes. Selling prices which declined by 9% sequentially, with global markets remained stressed resulting in downward price pressures for most of the commodities. Lower selling prices contributed QR 0.4 billion negatively to the Group's net earnings on a sequential basis. Sales volumes, on the other hand declined by 8%, and contributed QR 0.4 billion negatively to group's net earnings. The lower sales volumes were primarily attributed to lower production within the fertilizer segment during Q2-2023 due to lower operating days amid facility maintenance.

Financial performance updates – *2Q-23 vs 2Q-22*

Key financial performance indicators	2Q-23	2Q-22	Variance (%)
Average selling price ($/MT)	450	818	-45%
Sales volumes (MT' 000)	2,531	2,463	+3%
Revenue (QR' billion)	4.1	7.1	-43%
EBITDA (QR' billion)	1.4	3.3	-56%
Net profit (QR' billion)	0.9	2.7	-66%
Earnings per share (QR)	0.15	0.45	-66%
EBITDA margin (%)	36%	46%	--

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

Compared to 2Q-22, the Group revenue for the current quarter decreased by 43%, primarily due to notable decline in selling prices against a backdrop of persistent negative macroeconomic fundamentals across all operating segments of the group.

Product prices on average declined by 45% versus same quarter of the last year, where lower price trajectories were noted across all operating segments. Sales volumes, on the other hand, improved slightly by 3%, on the backdrop of improved production within the steel segment.

Profitability, as measured by EBITDA declined by 56% versus last year predominantly linked to lower product prices, being partially offset by Group's lowered operating costs. Net earnings for 2Q-23 also declined versus 2Q-22 due to lowered revenue, partially offset by lower operating costs.

Financial position

Key performance indicators	As at 30-Jun-23	As at 31-Dec-22	Variance (%)
Cash and bank balances (QR' billion)	14.9	19.2	-22%
Total Assets (QR' billion)	40.0	45.0	-11%
Total Equity (QR' billion)	37.4	42.0	-11%

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 stood at QR 14.9 billion as of 30 June 2023, after accounting for a dividend payout relating to the financial year 2022 amounting to QR 6.7 billion. Currently, the Group has no long-term debt obligations.

Group's reported total assets and total equity reached QR 40 billion and QR 37.4 billion, respectively, as of 30 June 2023. The Group generated positive operating cash flows[1] of QR 2.8 billion, with free cash flows[1] of QR 1.7 billion during 1H-23.

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

Segmental performance highlights

Petrochemicals:

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Production (MT' 000)	1,496	1,464	+2%	735	761	-3%
Average selling price ($/MT)	783	1,081	-28%	766	802	-4%
Sales volumes (MT' 000)	1,007	1,009	-0%	526	481	+9%
Revenue (QR' million)	2,785	3,853	-28%	1,423	1,362	+4%
Net profit (QR' million)	825	1,504	-45%	443	382	+16%

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

Segmental performance analysis – 1H-23 vs 1H-22

The segment reported a net profit of QR 825 million for 1H-23, down by 45% versus 1H-22. The decrease was mainly linked to a decline of 28% reported in segmental revenues, which was mainly affected by lower blended selling prices realized during 1H-23.

Blended product prices for the petrochemical segment declined by 28% against same period of last year, as result of overall decline in global petrochemical prices due to combined effect of declining crude prices and weakened consumer demand against a backdrop of deteriorating macroeconomic fundamentals. Sales volumes remained relatively flat compared to 1H-22. On the other hand, production volumes slightly improved by 2% against the backdrop of slightly improved facility availability.

Segmental performance analysis - 2Q-23 vs 1Q-23

On a sequential basis, segment's net earnings inclined by 16% being predominantly linked to improved margins. Although the segment's revenue increased only by ~4%, segment's operating costs remained broadly unchanged, resulting in notable improvement in the quarterly earnings.

Fertilizers:

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Production (MT' 000)	4,757	4,692	+1%	2,214	2,543	-13%
Average selling price ($/MT)	338	718	-53%	291	380	-24%
Sales volumes (MT' 000)	3,132	3,139	-0%	1,464	1,668	-12%
Revenue (QR' million)	3,742	7,953	-53%	1,503	2,239	-33%
Net profit (QR' million)	723	3,307	-78%	213	510	-58%

Segmental performance analysis – 1H-23 vs 1H-22

Fertilizer segment reported a net profit of QR 723 million for 1H-23, with a significant decline of 78% versus 1H-22. This decline was primarily driven by lowered segmental revenue. Segment's revenue decreased by 53% in line with lowered selling prices which declined by 53%, amid macro-challenges affecting nitrogen-based fertilizer markets globally. On the other hand, sales volumes remained relatively flat compared to 1H-22.

Segmental performance analysis - 2Q-23 vs 1Q-23.

On a sequential basis, segmental revenue decreased by 33% versus the previous quarter owing to combination of lower selling prices and sales volumes. Selling prices declined by 24% on a quarter-on-quarter basis, amid continued weakness in the fertilizer markets on account of muted demand. Additionally, sales volumes declined by 12%, as result of reduced production volume on account of facility maintenance during Q2-2023. Segment's net profit for 2Q-23 decreased by 58% mainly due to lower revenues on account of decline in prices and volumes, partially offset by lower operating expenses.

Steel:

Key performance indicators	1H-23	1H-22	Variance (%) [1H-23 vs 1H-22]	2Q-23	1Q-23	Variance (%) [2Q-23 vs 1Q-23]
Production (MT' 000)	2,109	1,979	+7%	1,021	1,088	-6%
Average selling price ($/MT)	570	698	-18%	575	566	+2%
Sales volumes (MT' 000)	1,137	968	+18%	541	596	-9%
Revenue (QR' million)	2,360	2,459	-4%	1,132	1,228	-8%
Net profit (QR' million)	278	621	-55%	145	134	+8%

Segmental performance analysis – 1H-23 vs 1H-22

Steel segment reported a net profit of QR 278 million down by 55% versus last year. Lower segmental earnings were mainly driven by lower revenues, which decreased by 4% versus 1H-22. The earnings were also impacted by higher volume related operating expenses, and marginally reduced other operating income. The combined effect of lower prices and increased operating expenses resulted in a notable decrease segment's profitability.

Decline in revenue was primarily driven by lowered selling prices which declined by 18% on year-on-year basis. This was partially offset by higher sales volumes which increased by 18% mainly linked to higher production volumes.

Segmental performance analysis - 2Q-23 vs 1Q-23

On a quarter-on-quarter basis, segmental profit improved by 8% versus 1Q-23, on the backdrop of improved operating expenses, and associate income, despite a moderate reduction in segmental revenue. On the backdrop of muted demand, revenue declined by 8% with average pricing showing a slight incline of 2% while the volumes going down by 8% during the quarter.

Foreign Ownership Limit:

Pursuant to shareholders approval for amendments to the Articles of Association during the Company's Extraordinary General Assembly meeting and decision made by the Council of Ministers in its meeting held on 12 October 2022.

In this regard, Industries Qatar has taken all the necessary measures with relevant authorities and announces that foreign ownership limit has been raised up to 100%.

Earnings Call:

Industries Qatar will host an Earnings call with investors to discuss the latest results, business outlook and other matters on Monday, 14th August 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