

FOR IMMEDIATE RELEASE

Industries Qatar reports a net profit of QR 1.3 billion for the three-month period ended 31 March 2024

- 1Q-24 results marginally up on previous year on stable product prices and improved operating costs.
- Group operations continued to remain robust amid planned maintenance within polyethylene facilities, with average reliability factor remained around 98%.
- Earnings per share (EPS) of QR 0.21 for 1Q-24 compared to QR 0.19 for 1Q-23.
- Group's liquidity continues to remain robust with a total cash and bank balances of QR 12.1 billion, after paying 2023 dividend of QR 4.7 billion.

Doha, Qatar; 30 April 2024: Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a net profit of QR 1.3 billion for the three-month period ended 31 March 2024, representing a moderate uptick of 10% compared to 1Q-23.

Updates on macroeconomic environment

Global macroeconomic environment although eased somewhat during 1Q-24 but remained challenging as experienced mostly throughout 2023. While sluggish economic growth forecasts, tightened monetary policies in key markets with high interest rates, inflationary fears have acted as constraints on demand, geo-political instability including the ongoing Red Sea conflicts, export restrictions on certain commodities, lower production in some of the production facilities have affected the supply-chain and consequently broadly offset the demand-supply effects.

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

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

Macro-economic outlook for the steel segment remained somewhat challenging with an ailing property sector in larger economies like China amid hawkish monetary policy albeit higher interest rate environment, limited domestic 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.

Operational performance updates

Key performance indicators	1Q-24	1Q-23	4Q-23	Var (%) [1Q-24 v. 1Q-23]	Var (%) [1Q-24 v. 4Q-23]
Production (MT ¹ million)	4.5	4.4	4.1	1%	+10%
Utilization rates (%)	103%	105%	97%	--	--
Average reliability factor (%)	98%	99%	0%	--	--

Group's operations continue to remain stable and strong as production volumes for the current period marginally improved by 1% to reach 4.5 million MT's versus 1Q-23. This improvement was largely driven by stable operating rates, and better plant availability across all the segments amid planned maintenance in the polyethylene segment. Plant utilization rates for 1Q-24 stood at steady 103%, while average reliability factor remained at 98%. This reflects the Group's continued commitment to operational excellence, reliable operations while ensuring unwavering importance to HSE.

On a quarter-on-quarter basis, production volumes improved by 10% versus 4Q-23. Production across all segments increased except the PE segment as these segments were on maintenance shutdowns in 4Q-23. PE segment was on planned maintenance during 1Q-24 affecting its current quarter's production.

Financial performance updates – 1Q-24 vs 1Q-23

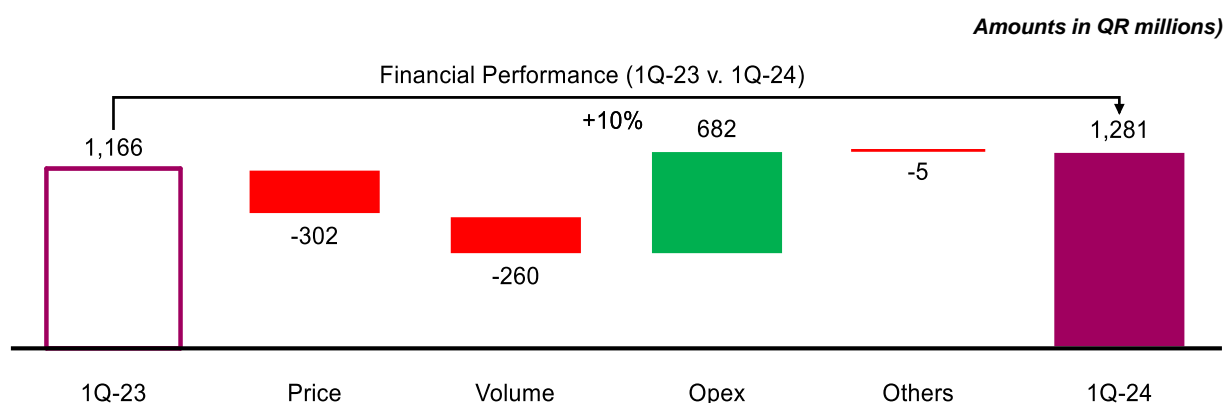
Key financial performance indicators	1Q-24	1Q-23	Variance (%)
Average selling price (\$/MT)	474	494	-4%
Sales volumes (MT ¹ 000)	2,539	2,745	-8%
Revenue (QR ¹ billion)	4.3	4.8	-11%
EBITDA (QR ¹ billion)	1.8	1.7	9%
Net profit (QR ¹ billion)	1.3	1.2	10%
Earnings per share (QR)	0.21	0.19	10%
EBITDA margin (%)	42%	34%	--

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

Group reported a consolidated net profit of QR 1.3 billion for the three-month period ended 31 March 2024, with a moderate improvement of 10% versus 1Q-23. Earnings per share (EPS) for 1Q-24 was QR 0.21 versus QR 0.19 for 1Q-23. Group revenue for 1Q-24 moderately declined by 11% to reach QR 4.3 billion as compared to QR 4.8 billion reported for 1Q-23.

Analysis of IQ's net earnings - 1Q-24 vs 1Q-23

Group's financial performance for the three-month period ended 31 March 2024 was largely attributed to the following factors:



- Product prices

Blended average product prices marginally declined by 4% versus 1Q-23 and reached USD 474/MT and accounted for QR 302 million reductions in the net earnings. Despite the prices were marginally down, the prices were continued to stabilize over the last few quarters. This price stability was supported by supply bottlenecks driven by regional geo-political uncertainty, export curtailments in larger producing economies, and production shortfall in some of the larger facilities. On the other hand, demand for downstream products were impacted by sluggish economic forecast in larger economies, aggressive monetary policies, limited domestic and regional demand.

- Sales volumes

Sales volumes for the current period decreased by ~8% versus 1Q-23, primarily driven by weaker demand due to on-going macro-economic challenges and supply-bottlenecks amid ongoing regional uncertainties and timing of shipments within some of the segments.

- Operating cost

Operating cost for 1Q-24 decreased by 17% versus 1Q-23. The decrease in the operating cost was primarily linked to lower variable cost driven by price-linked feedstock cost, lower sales volumes, and favorable inventory movements, partially offset by general cost inflation.

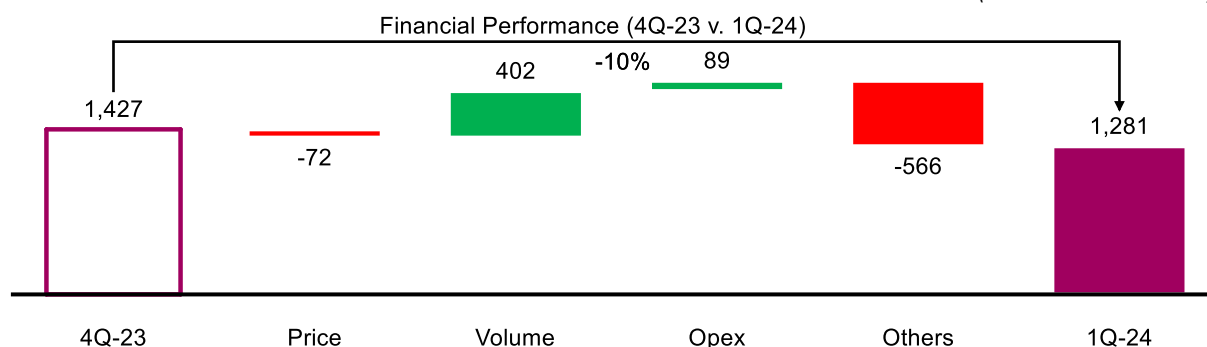
Financial performance updates – 1Q-24 vs 4Q-23

Key financial performance indicators	1Q-24	4Q-23	Variance (%)
Average selling price (\$/MT)	474	482	-2%
Sales volumes (MT' 000)	2,539	2,309	10%
Revenue (QR' billion)	4.3	4.0	8%
EBITDA (QR' billion)	1.8	1.4	30%
Net profit (QR' billion)	1.3	1.4	-10%
Earnings per share (QR)	0.21	0.24	-10%
EBITDA margin (%)	42%	35%	--

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

Analysis of IQ's net earnings - 1Q-24 vs 4Q-23

(Amounts in QR millions)



During 1Q-24, the Group's net earnings declined moderately by 10% versus 4Q-23, mainly due to reporting of lower non-operating income in 1Q-24 as the group reported a non-operating income of QR 550 million in 4Q-23 (related to reversal of impairment within group's steel facilities with respect to restart of its previously mothballed DR-2 facilities).

On a comparable basis (after adjusting for this one-off non-operating income of QR 550 million), the adjusted net income for the current period has increased significantly by 46% versus 4Q-23.

Revenue for 1Q-24 has marginally increased by 8% versus 4Q-23 primarily due to improved sales volumes that was partially offset by a slight reduction in the average selling prices. Sales volumes have increased sequentially amid improved production within all segments except polyethylene segment. Polyethylene segment was on planned and unplanned maintenance during 1Q-2024 while other segments were on maintenance shutdowns during 4Q-23 thereby affecting production during the respective quarters. On the other hand, selling prices have marginally declined with fuel additives segment absorbing the major share of the decline in the average selling prices.

Financial position

Key financial performance indicators	As at 31/3/24	As at 31/12/23	Variance (%)
Cash & Bank Balance (QR Billion)	12.1	15.8	-23%
Total Assets (QR Billion)	39.4	43.1	-9%
Total Equity (QR Billion)	36.5	40.0	-9%

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

Group's financial position continue to remain robust, with cash and bank balances at QR 12.1 billion as of 31 March 2024, after accounting for a dividend payout relating to the financial year 2023 amounting to QR 4.7 billion. Currently, the Group has no long-term debt obligations.

Group's reported total assets and total equity reached QR 39.4 billion and QR 36.5 billion, respectively, as of 31 March 2024. The Group generated positive operating cash flows¹ of QR 915 million, with free cash flows¹ of ~QR 400 million during 1Q-24.

¹ Reported based on non-IFRS based proportionate consolidation.

Segmental performance highlights

Petrochemicals:

Key performance indicators	1Q-24	1Q-23	4Q-23	Var (%) [1Q-24 v. 1Q-23]	Var (%) [1Q-24 v. 4Q- 23]
Production (MT' 000)	769	761	744	1%	+3%
Average Selling Prices (USD / MT)	750	804	785	-7%	-4%
Sales Volumes (MT'000)	517	481	414	7%	25%
Revenue (QR (Million))	1364	1362	1150	0%	19%
Net Profit (QR Million)	354	382	212	-7%	67%

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

Segmental performance analysis - 1Q-24 vs 1Q-23

Petrochemicals segment reported a net profit of QR 354 million for 1Q-24, marginally down by 7% versus 1Q-23. This decrease was mainly linked to a decline gross in margin attributed to reduction in average selling prices. Average selling prices were down which were broadly offset by improved sales volumes those were up by ~7%% resulting in segmental revenue broadly remaining at par with last year.

Blended product prices for the segment declined by 7% versus last year, due to general decline in the petrochemical demand at the macro-level due to combined effect of sluggish economic forecasts in major economies, weakened consumer appetite, and general decline in demand due to recessionary fears. On the other hand, sales volumes improved by 7% against the backdrop of marginally improved production. Production within the segment marginally improved amid maintenance shutdowns within the polyethylene segment.

Segmental performance analysis - 1Q-24 vs 4Q-23

On a quarter-on-quarter basis, segment's net earnings improved significantly by 67% being predominantly linked to improved segmental revenue which inclined by 19 % versus 4Q-23, and lowered operating costs, ultimately resulting in improved gross margin. This incline in segmental revenue was primarily linked to higher sales volumes reported, amid higher production during 1Q-24. Although selling prices have declined sequentially by 4%, mainly on the back of the relatively un-even supply-demand dynamics, operating costs have improved notably to offset the effect and generated incremental gross margins.

Fertilizers:

Key performance indicators	1Q-24	1Q-23	4Q-23	Var (%) [1Q-24 v. 1Q-23]	Var (%) [1Q-24 v. 4Q- 23]
Production (MT' 000)	2,523	2,543	2,299	-1%	+10%
Average Selling Prices (USD / MT)	355	380	366	-7%	-3%
Sales Volumes (MT'000)	1,495	1,668	1,397	-10%	7%
Revenue (QR (Million))	1,876	2,239	1,806	-16%	4%
Net Profit (QR Million)	638	510	528	25%	21%

Segmental performance analysis - 1Q-24 vs 1Q-23

Fertilizer segment reported a net profit of QR 638 million for 1Q-24, with an incline of 25% versus 1Q-23. This incline in net profit was primarily driven by improved operating costs that was declined by 28% versus 1Q-23. The improvement in operating costs were associated with reduction in sales volumes that was

lowered by ~10% amid supply challenges and prevailing demand conditions. Furthermore, operating costs were also reduced on the backdrop of improved variable costs driven by lower feedstock costs.

Segment's revenue decreased by 16% in 1Q-24 versus the same period of last year, due to combined effect of lower selling prices and sales volumes. Selling prices declined marginally by 7% versus 1Q-23, after nitrogen fertilizer prices returned to their long-term averages since peaking in 1H-22. Sales volumes were moderately decreased by 10% during 1Q-24, mainly due to supply challenges, and prevailing demand conditions, amid relatively stable production during the year. The segment reported a total production of 2.5 million metric tons marginally down by 1% amid stable operations.

Segmental performance analysis - 1Q-24 vs 4Q-23

On a quarter-on-quarter basis, segmental revenue marginally increased by 4% versus the previous quarter owing to higher sales volumes. Sales volumes improved by 7% primarily driven by demand support from the Indian Sub-Continent and improved production. Selling prices, on the other hand declined marginally, but remained within the historical range.

Segment's net profit for 1Q-24, increased by 21% mainly due to higher revenues on account of improved sales volumes, and lower operating costs.

Steel:

Key performance indicators	1Q-24	1Q-23	4Q-23	Var (%) [1Q-24 v. 1Q-23]	Var (%) [1Q-24 v. 4Q- 23]
Production (MT' 000)	1,161	1,088	1,021	7%	+14%
Average Selling Prices (USD / MT)	541	566	553	-4%	-2%
Sales Volumes (MT'000)	527	596	498	-12%	6%
Revenue (QR (Million))	1,038	1,228	1,002	-16%	4%
Net Profit (QR Million)	156	134	619	17%	-75%

Segmental performance analysis - 1Q-24 vs 1Q-23

Steel segment reported a net profit of QR 156 million, increased by 17% versus the same period of last year. Improved segmental earnings were mainly driven by higher gross margins on account of improved operating costs which is decreased by 19% versus 1Q-23 on the backdrop of improved raw material costs.

Revenue declined by 16% due to a combined effect of lower prices and volumes. Steel prices on average declined by 4% on account of lower input / raw material costs, and softening of demand. Simultaneously, sales volumes were also down by 12% on account of weaker domestic and international demand. Construction demand continued to remain challenging due to prevailing macro-economic environment with most Central Banks continued to persist with their hawkish monetary policies.

Segmental performance analysis - 1Q-24 vs 4Q-23

On a quarter-on-quarter basis, segmental profit declined by a notable 75% versus 4Q-23 mainly on account of lower non-operating income as the segment recognized a one-off non-recurring other income in 4Q-23 relating to reversal of an impairment of its operating facilities amounting to QR 550 million. On a comparable basis, normalized earnings (after adjusting for impairment reversal in 4Q-23) have improved by more than 100%. This improvement was driven by improved S,G&A, and improved performance from segment's associate.

Segment revenue increased marginally by 4% mainly due to slightly higher sales volumes which increased by 6% on account of higher production. Production improved by 14%, primarily due to higher production within Doha facilities as Doha facilities were on planned maintenance during 4Q-24, scaling up operations within Al-Qataria.

Earnings Call

Industries Qatar will host an Earnings call with investors to discuss the latest results, business outlook and other matters on Monday, 5^h May 2024 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 ig@qatarenergy.qa or ig.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., its 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