

FOR IMMEDIATE RELEASE

Industries Qatar to fund the new PVC project announced by QVC and later become direct shareholder in QVC with a larger stake

Doha, Qatar, 4 October 2022 – The Board of Directors of Industries Qatar (“IQ” or “the Group”; QE ticker: IQCD) has approved signing of a ‘Principles Agreement’, whereby IQ will be funding the construction of new Polyvinyl Chloride (PVC) plant announced during April 2022 by its indirect joint venture - Qatar Vinyl Company Q.P.J.S.C. (QVC), and later would become a direct shareholder in QVC with a larger stake, following the expiry of the current joint venture agreement (JVA).

Funding of the new PVC plant

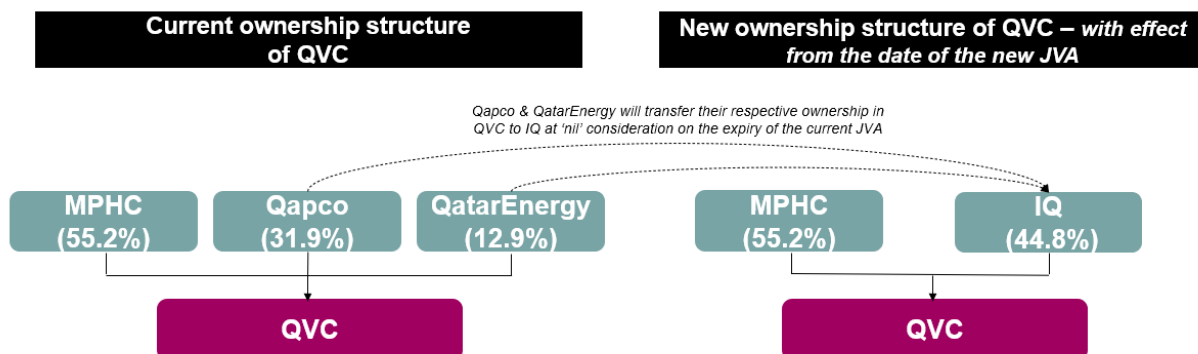
During April 2022, an EPC contract was awarded for a new PVC plant, and the plant’s construction is expected to be completed by mid-2025. As per the Principles Agreement, the total CAPEX outlay relating to the new PVC plant will be shared between IQ and Mesaieed Petrochemical Company (MPHC) in a ratio of 44.8% and 55.2%, respectively; equivalent to their share in QVC based on a new JVA. The project funding for IQ’s share will be made from its Group’s existing sources of free cash, ensuring an efficient and effective use of liquidity.

QVC’s ownership restructuring upon expiry of the current JVA

QVC’s JVA is expiring on 1st May 2026, upon which IQ will assume direct ownership in QVC with a larger shareholding percentage, with immediate effect. Qatar Petrochemical Company Q.P.J.S.C. (QAPCO) will continue to operate QVC, including the new PVC plant, under a plant operating and services agreement.

Currently, IQ owns an indirect stake in QVC via QAPCO, equivalent to 25.52%. As per the Principles Agreement, QAPCO and QatarEnergy will transfer their entire stakes in QVC to IQ at the expiry of QVC’s current JVA at nil consideration.

The below diagram explains the ownership restructuring for QVC:



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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 Q.P.J.S.C. (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 Fertiliser 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 announcement, email iq@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.

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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.

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