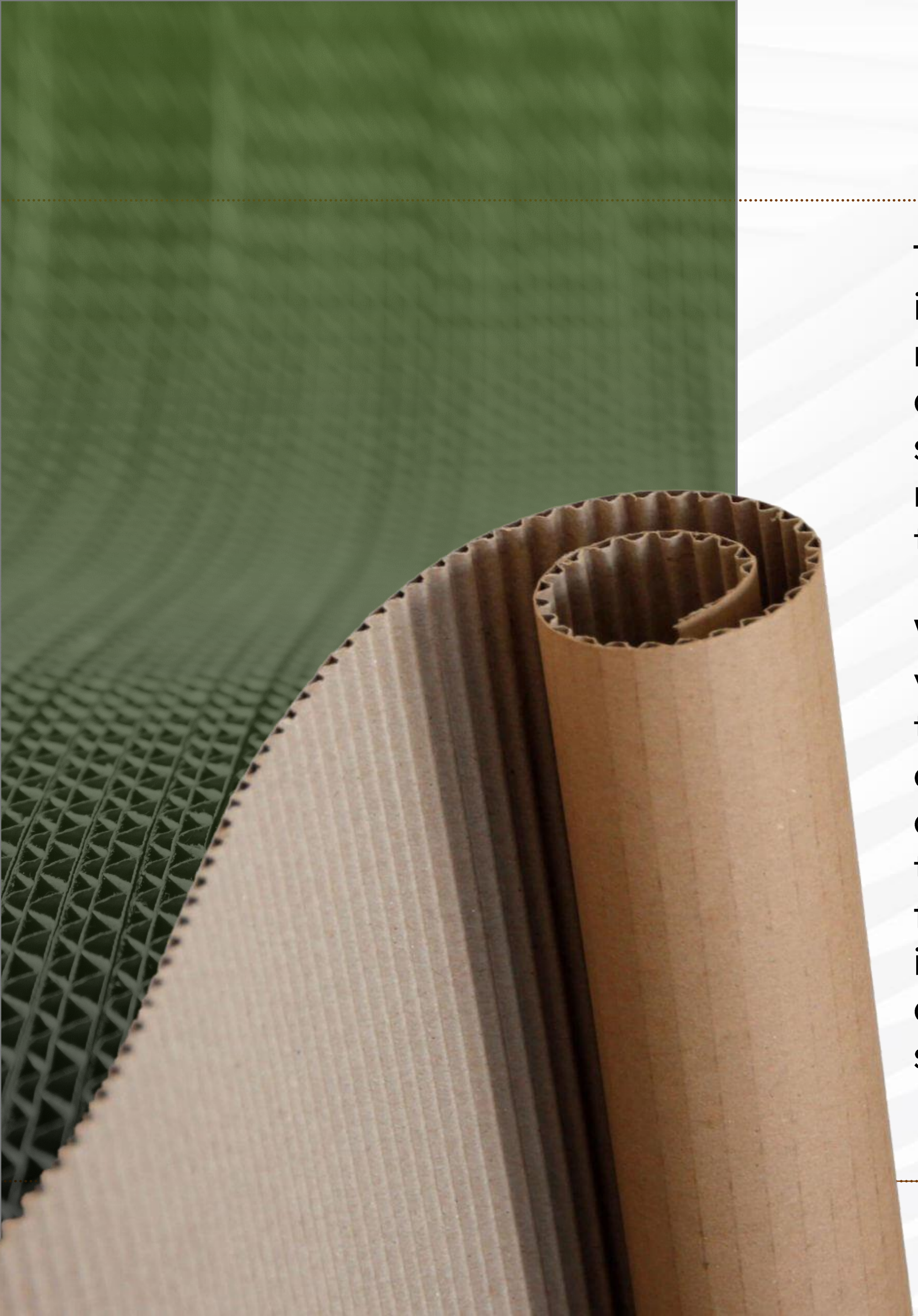
Earnings Release
Q1 FY23



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While management has made every effort to present a fair view of MEPCO's operational and financial performance in this presentation; it is important to note that expectations about the future results that come in light of prevailing operational, financial and market conditions may change in the future. Management does not recommend using such forward looking statements in financial modeling or investment decision making. It thus takes no liability to explain differences between future actual results and what was stated in the course of this presentation.

MEPCO's Executives

GROUP PRESIDENT

Over 30 years in the Paper industry and others.
Held leadership position for over 20 years in MEPCO and others.
Bachelor of Industrial Chemistry in 1992.

ENG. SAMI AL-SAFRAN

GROUP CHIEF FINANCIAL OFFICER

Over 20 years of finance of which more that 10 years as CFO with extensive experience in cost optimization and companies restructuring .
MBA from Western Michigan university USA.

ABDULLAH AL YABIS

GROUP CHIEF TRANSFORMATION OFFICER

Over 20 years of experience in multiple sectors including Energy, Petrochemical, Manufacturing, Infrastructure, Sustainability, Paper & Packaging and Waste Management.
Has worked in the Americas, Africa, Europe and the Middle East.
MBA from London business school.

JOHAN VAN VUUREN

GROUP CHIEF COMMERCIAL OFFICER

Over 20 years of international marketing and trading experience
With extensive paper industry experience and achievements
Bachelor of commerce and post graduate diploma in international trading

AHMED EL FAZARY

Outline

- Q1 FY 23 Key Performance Indicators 01
- Macro Economic review 02
- Industry & Market Container board review 03
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01

Q1 FY23 Key Performance Indicators

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Q1 FY 23 Performance*

- SALES REVENUES SAR 224 M — – 27 % YoY
- GROSS PROFIT SAR 35 M — – 75 % YoY
- EBITDA SAR 27 M — – 79 % YoY
- NET LOSS SAR 7 M — – 107 % YoY
- COST OF SALES SAR 188 M — + 17 % YoY

- GROSS PROFIT MARGIN 16 % — – 3117 bps YoY
- EBITDA MARGIN 12 % — – 2939 bps YoY
- NET INCOME MARGIN – 3 % — – 3322 bps YoY

* Consolidated financial statement for Q1 FY 2023

02

Macro Economic Review

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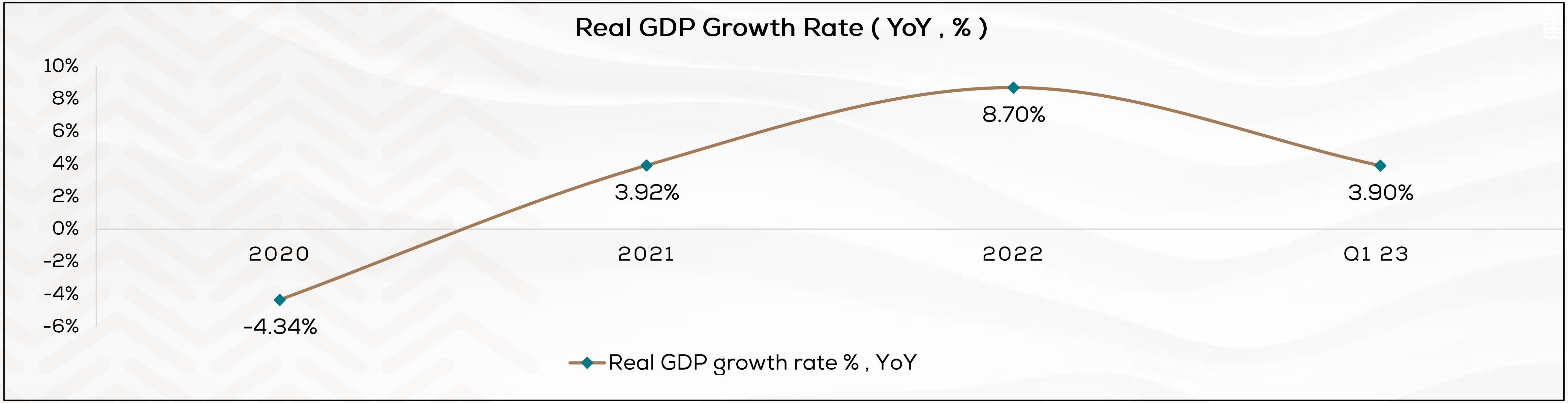
Economic Review

Saudi Arabia Economy is still growing in the non oil activities



Brent Crude Oil spot price averaged $ 81 /b in Q1 23

According to quarter estimates by the General Authority for Statistics (GASTAT), the real Gross Domestic Product (GDP) of Saudi Arabia grew by 3.9% in Q1/2023 compared to Q1/2022. This growth was due to the increase in non-oil activities by 5.8%, government services activities by 4.9%, and oil activities by 1.3% in Q1/2023 year-on-year

According to the world bank estimates the world economy is projected to grow by 1.7% , while emerging markets excluding China , growth in emerging market and developing economies is expected to decelerate from 3.8% in 2022 to 2.7% in 2023

*, General Authority for Statistics (Kingdom of Saudi Arabia) , Central Bank of Saudi , EIA , world bank

03

Industry & Market Containerboard Review

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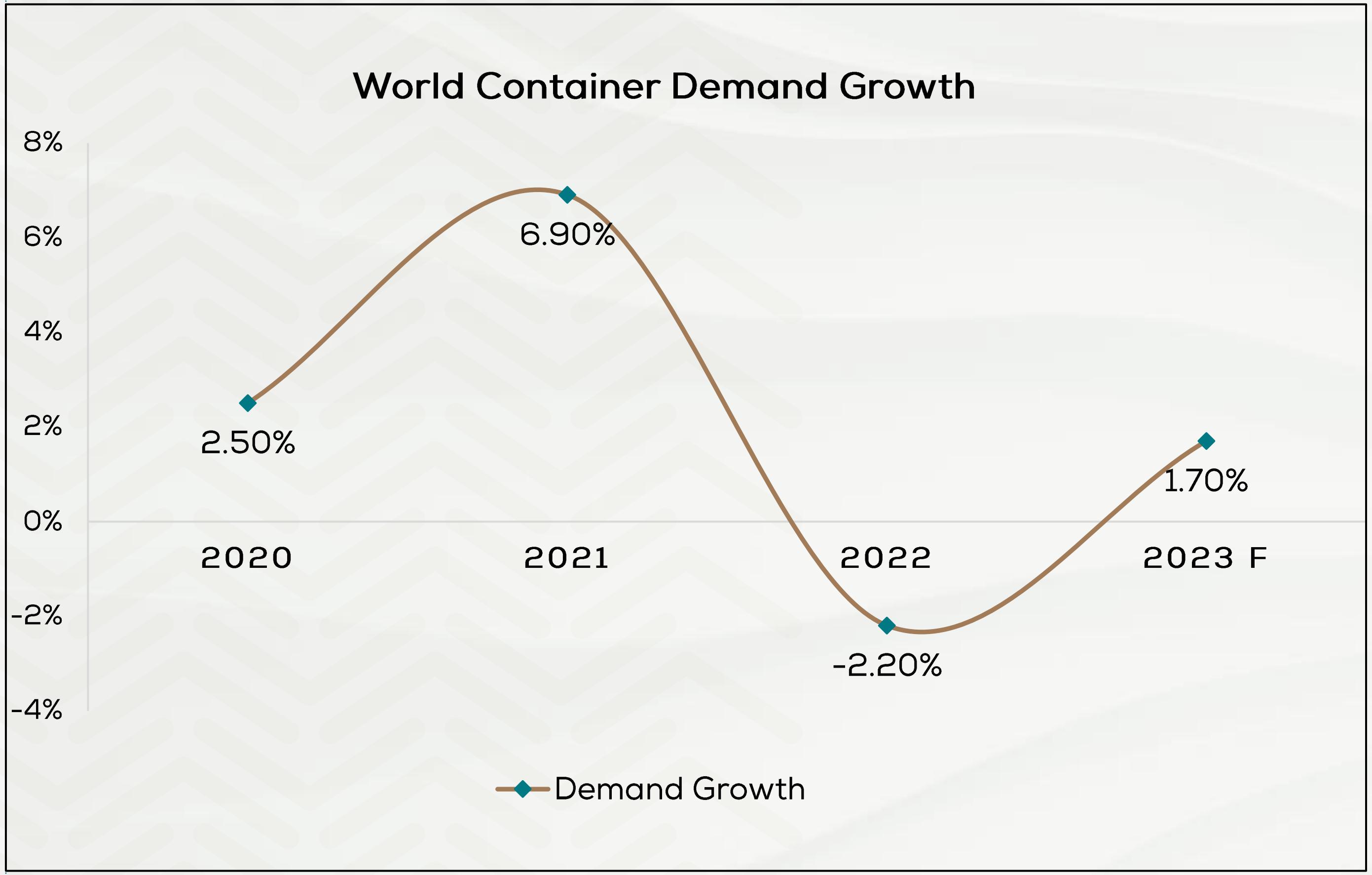
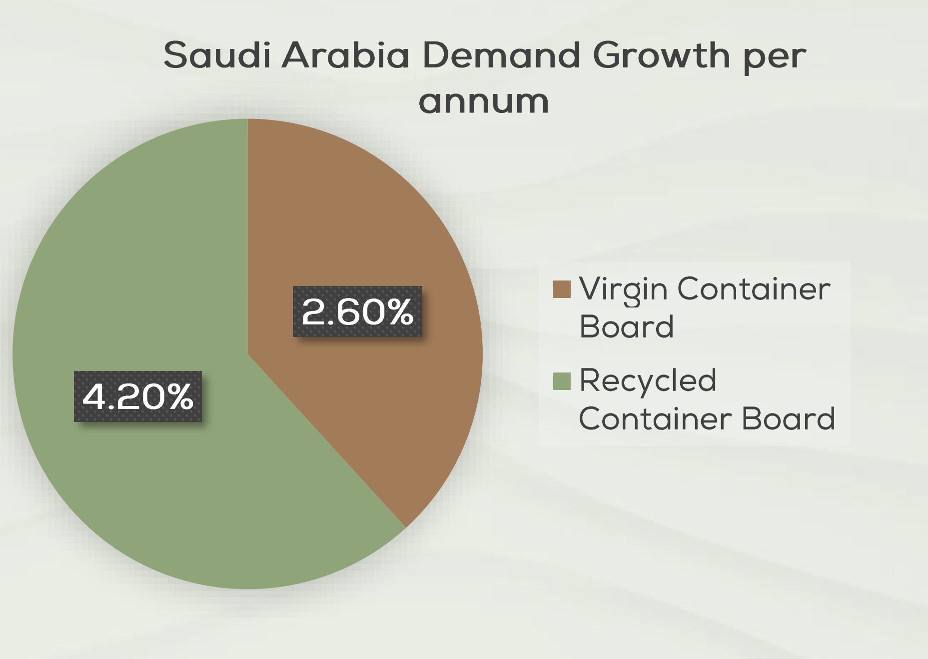
Industry & Market Review For Containerboard

Saudi Arabia Demand for Container Board backed by healthy economy



MEPCO 's current Market Share 31 % in KSA

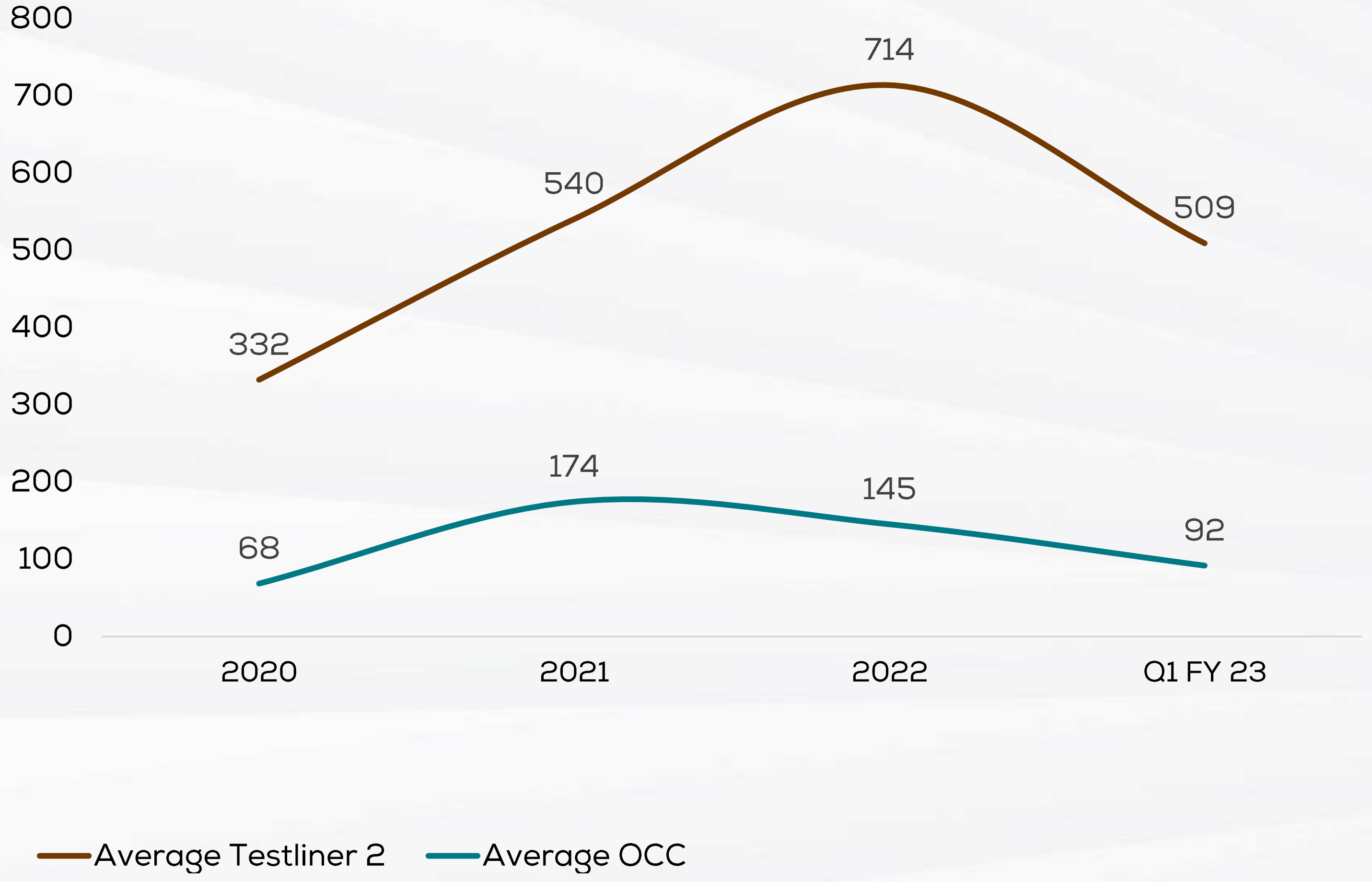
- Global Container board is c. 186 million tonnes
- MENA is c. 4.1 million tonnes
- Saudi Arabia is c. 1 million tonnes



* Company Data , RISI Pulp and Paper , Fast markets price reports

International Prices For Containerboard

Benchmarking with international prices for test liner 2 and OCC international price (**Europe**) *, USD/ton



In 2023 , the global container board demand is in lower levels versus 2022 , due to the current decline in demand globally ,as a result container board international prices are facing downward pressure

* RISI Pulp and Paper , Fast markets price reports

04

Exports & Local Sales Review

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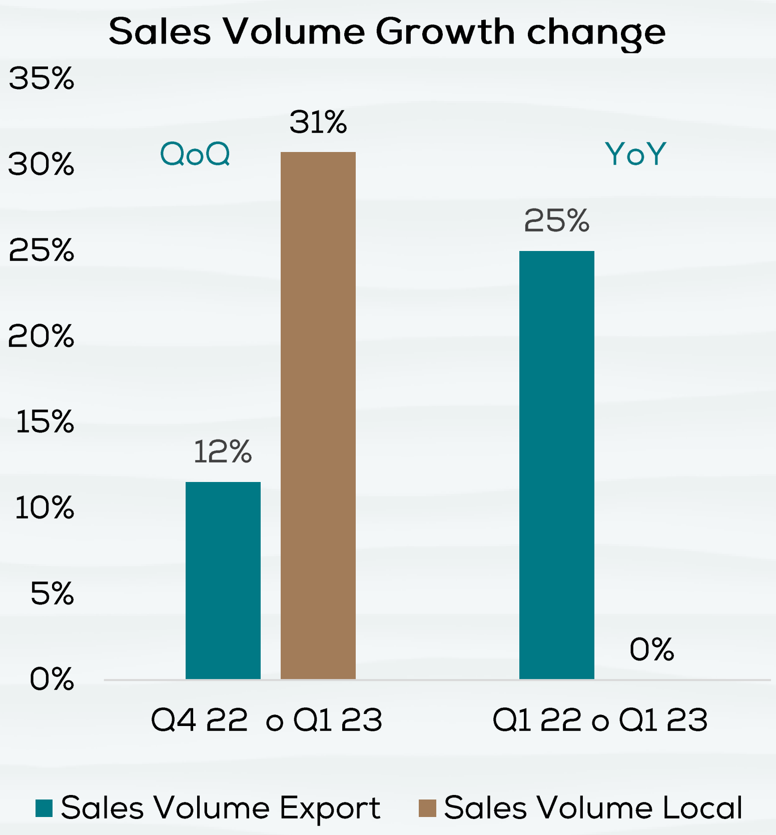
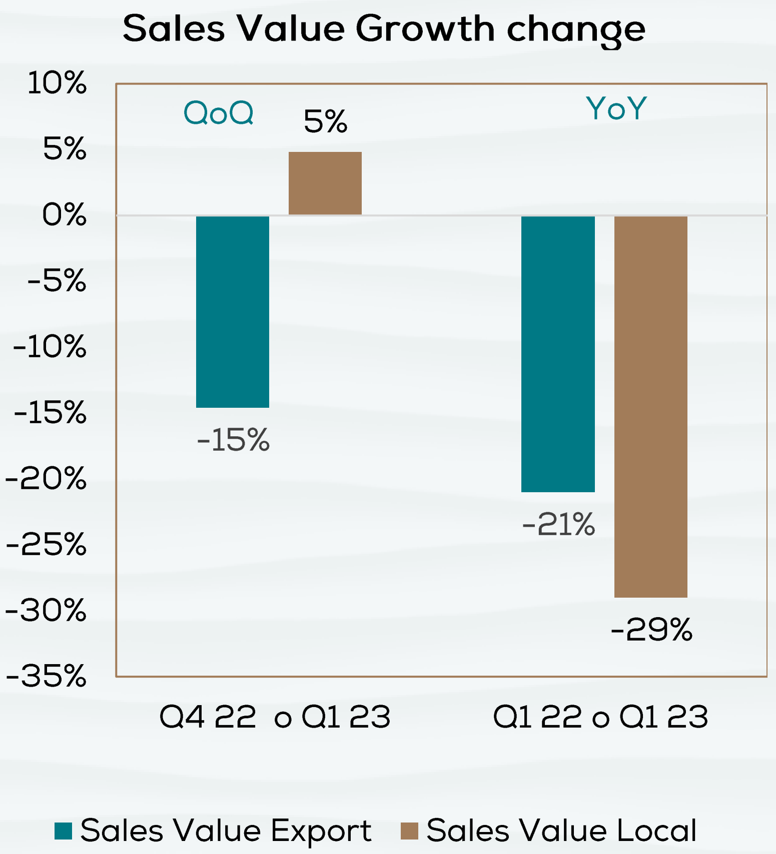
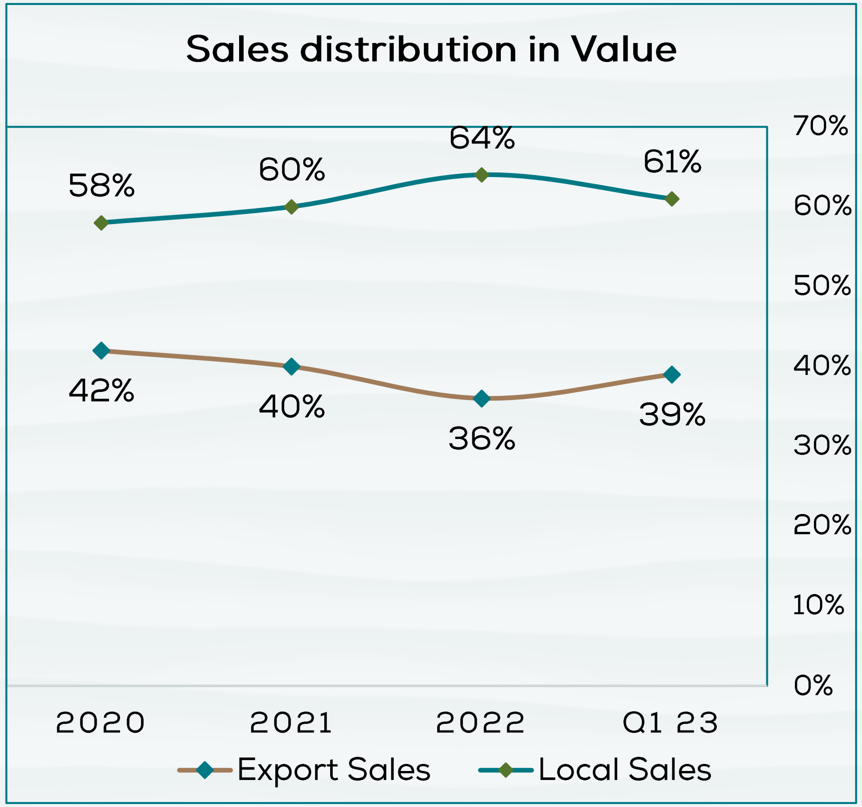
Exports and Local Sales

Despite the current global decline in the demand , MEPCO Sales & Marketing Strategy strives backed up with operational excellence







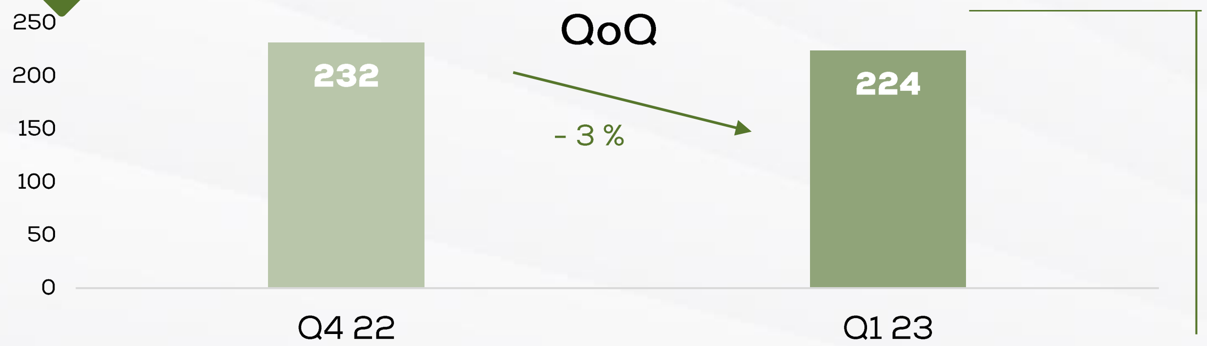
QoQ : Total Sales Volume increased by 21 %
YoY : Total Sales Volume increased by 7 %

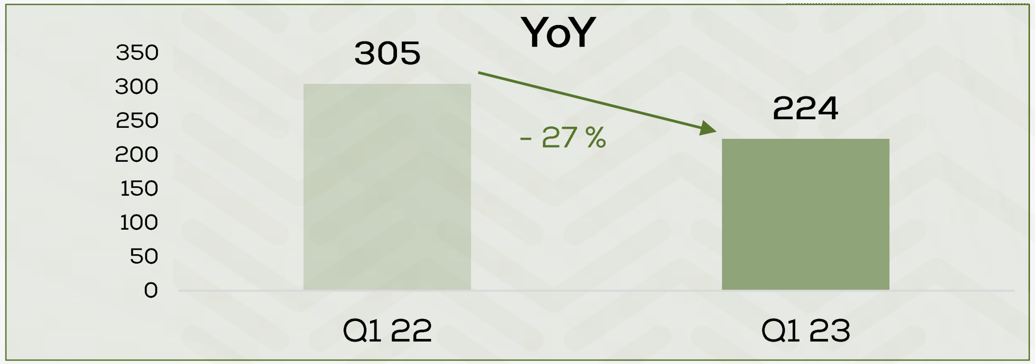
05

Financial Review

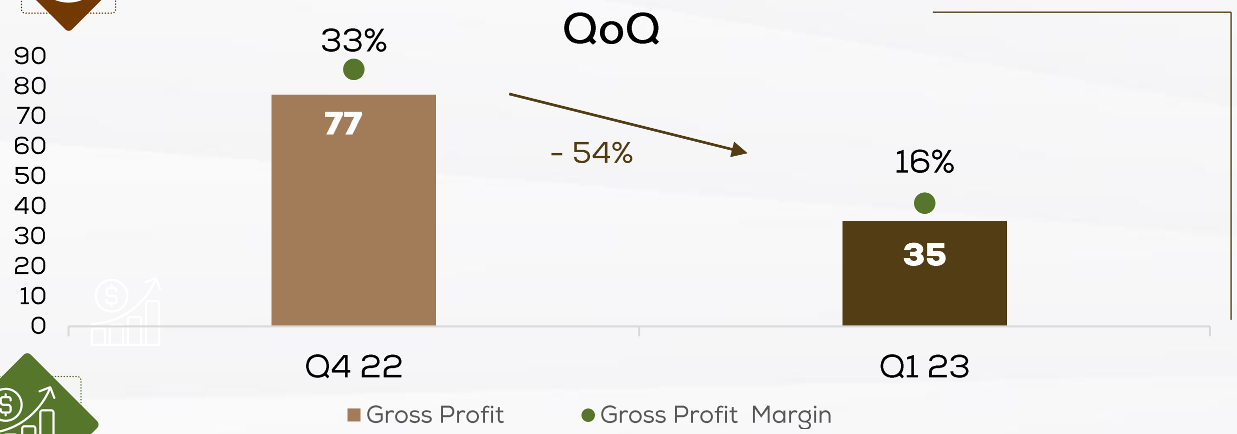
Key Financial Indicators

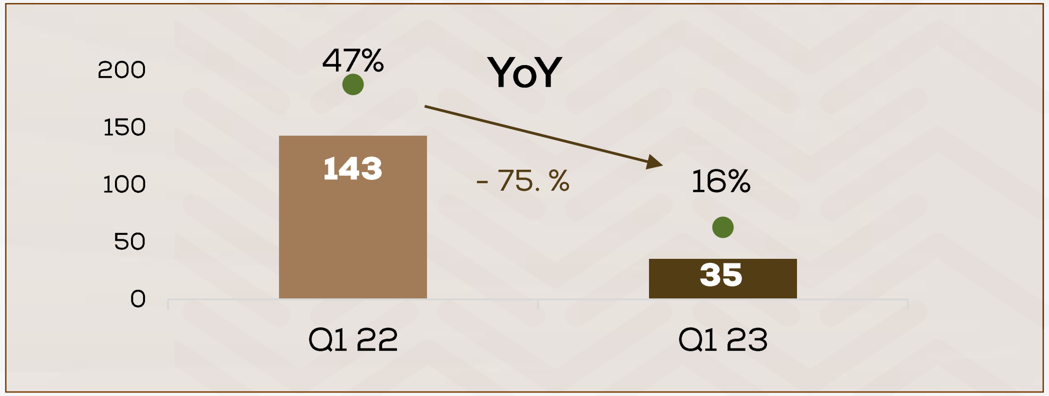
Sales Revenues , SAR M





Gross Profit & Profit Margin, SAR M, %

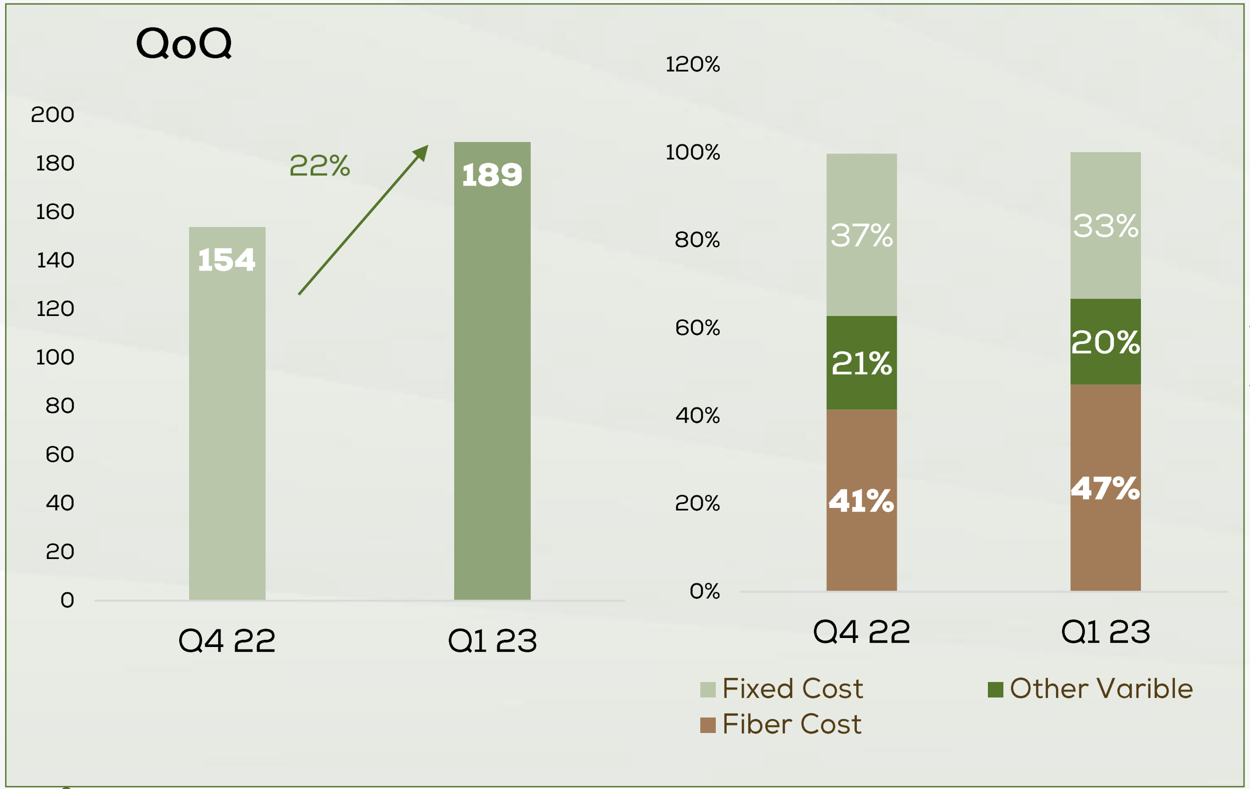


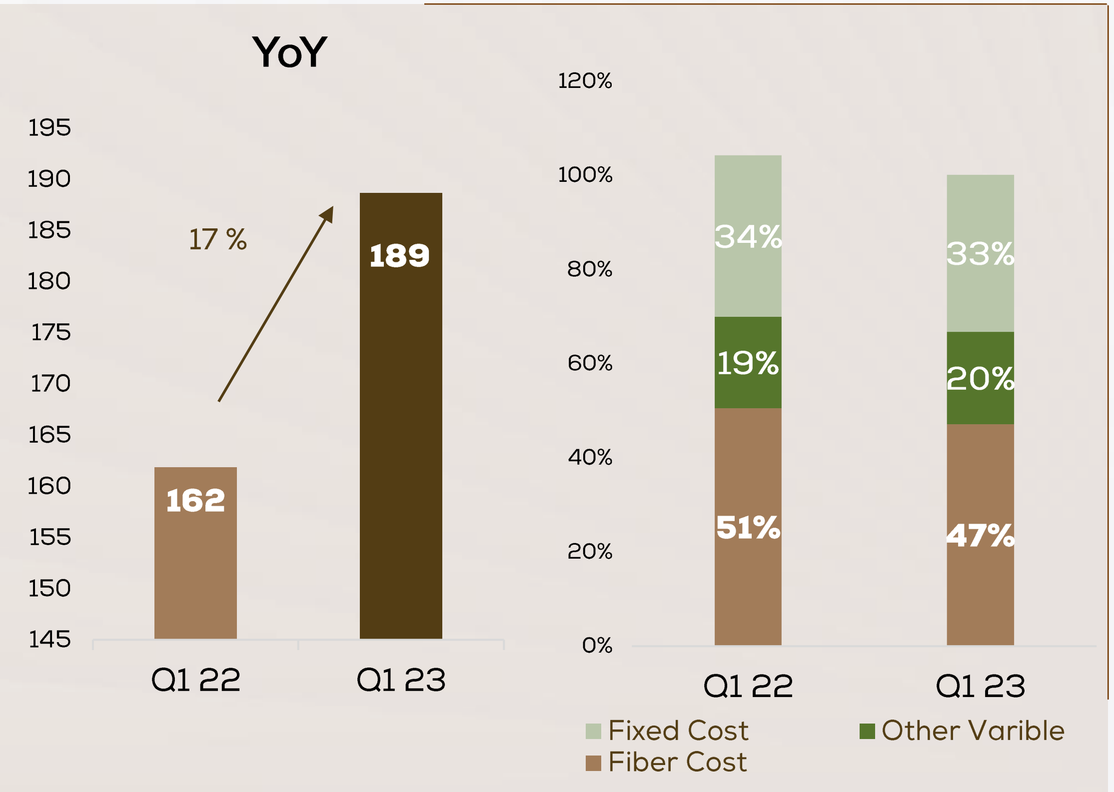


Sales Revenues QoQ decreased by 3 % , YoY decreased by 27 % due to the downward pressure in the international prices . Which impacted the gross profit YoY decreased by 75 %, QoQ decreased 54 %

Key Financial Indicators

Cost of Sales Breakdown , SAR M

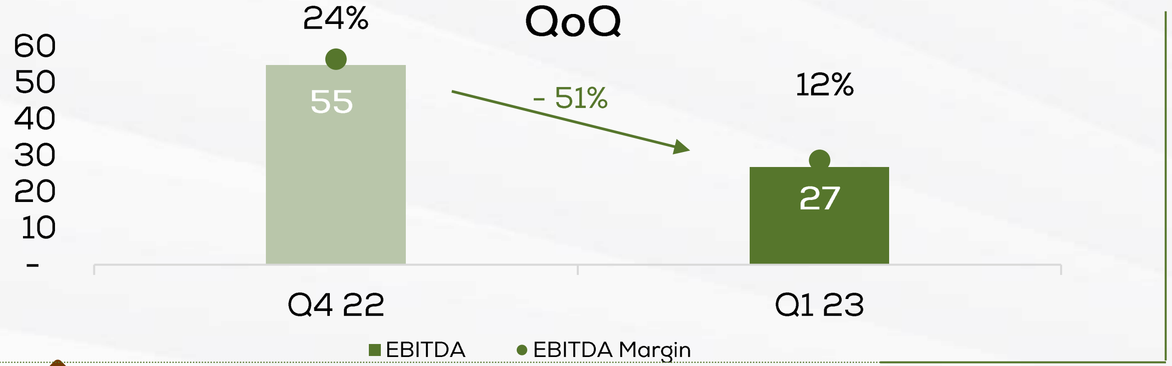


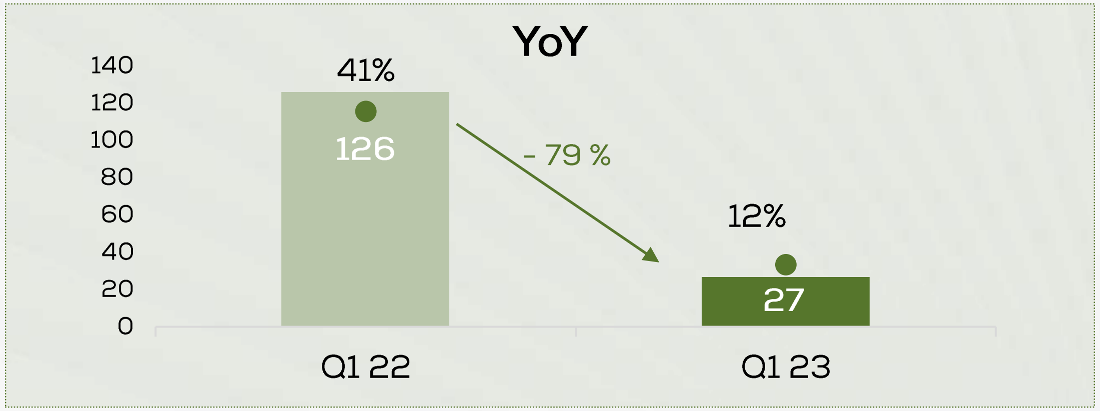


QoQ increased by cost of sales 22 % , the increase of cost of sales is due to an increase in the fiber cost by 36 % which is due to the increase of production volume (QoQ : 5 %) and some change in the product mix (higher special grades)
Cost of sales YoY increased by 17 % ,mainly due to higher volume of production by 2% and normal yearly expense increase

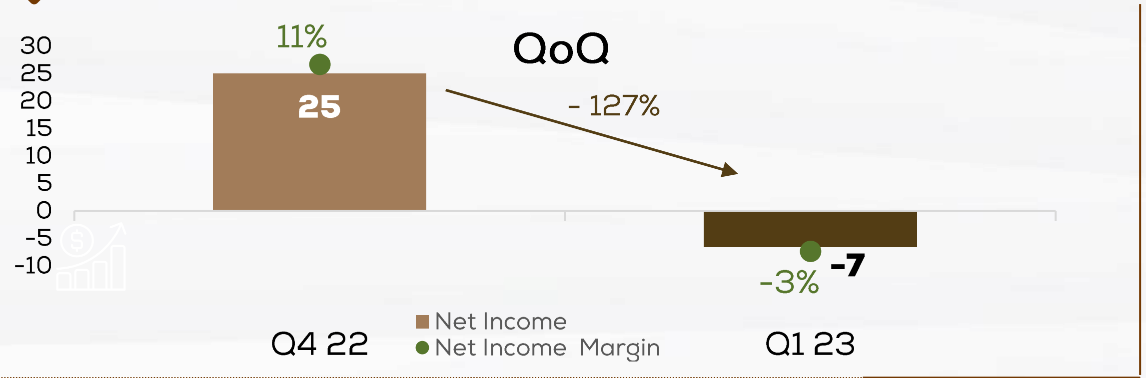
Key Financial Indicators

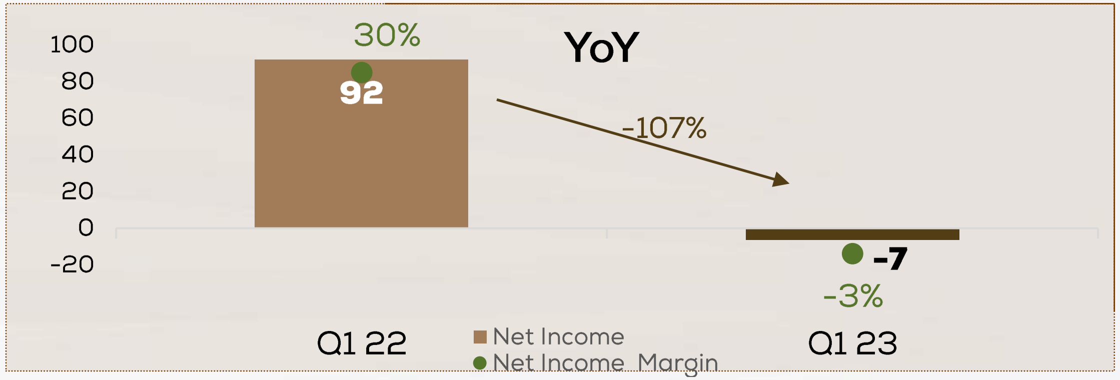
EBITDA and EBITDA margin, SAR M





Net Income and Net Income Margin SAR M , %





EBITDA decreased QoQ by 51% , YoY by 79 % , while Net income QoQ decreased 127 % & YoY decreased 107 %
On QoQ & YoY basis , yet there has been some an improvement in SG&A expenses

Key Financial Indicators

SG&A and Other expenses breakdown , SAR M

QoQ

SAR , M	Q4 FY22	Q1 FY 23	%
Selling & distribution	20	15	-20%
General & Admin	33	20	-40%
Net Impairment losses on financial assets	-7	-3	-64%
Other income/loss	11	5	-60%
Finance cost	5.5	6	8%

- A decrease in transportation and shipping cost by SAR 19 M
- A decrease in share based payment for employees
- Decrease in AR provision due to higher collection QoQ
- FX gain SAR 9 M
- Increase of SAIBOR by 6 % from average 5.3 % to 5.6%

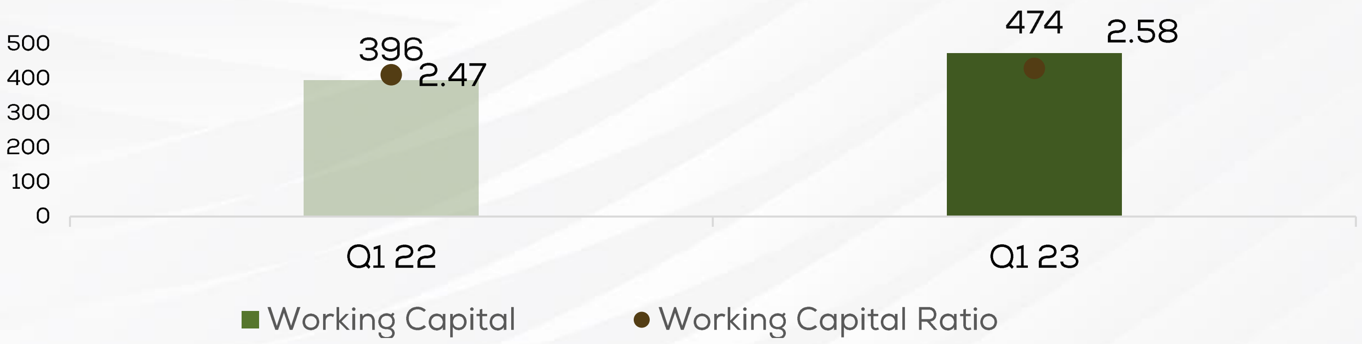
YoY

SAR , M	Q1 FY22	Q1 FY 23	%
Selling & distribution	18	15	-18%
General & Admin	19	20	5 %
Net Impairment losses on financial assets	-1	-3	143%
Other income/loss	-3	5	240%
Finance cost	3	6	73 %

- A decrease in transportation and shipping cost
- Increase in impairment loss (AR) by SAR 1.6 M due to increase in customer collection days as sales volume increased from 91 days to 116 days
- FX gain by SAR 1.8 M , Insurance recovery gain SAR 1.7 M , sales of scrap SAR 1 M
- Increase in SAIBOR by 137 % from average 2.39 % to 5.65 %

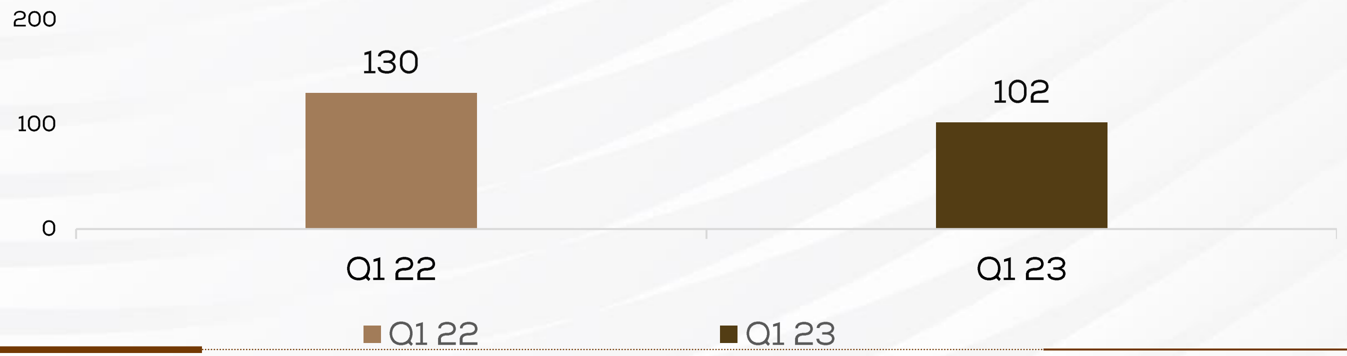
Key Financial Indicators

Working Capital And Working Capital Ratio SAR M



The working in capital increased by 20% due to improvement in AR and Inventory YoY , hence the liquidity and the working capital ratio improved

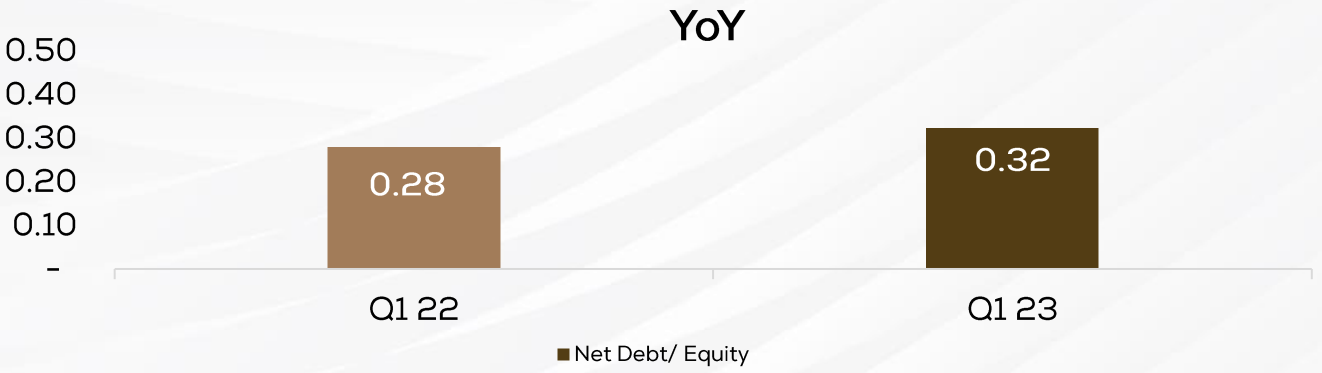
Cash Flow From Operations SAR M



Cash Flow from operations decreased **YoY** by 22% mainly due to finance costs paid in Q1 23 amounted to SAR 10 M ,

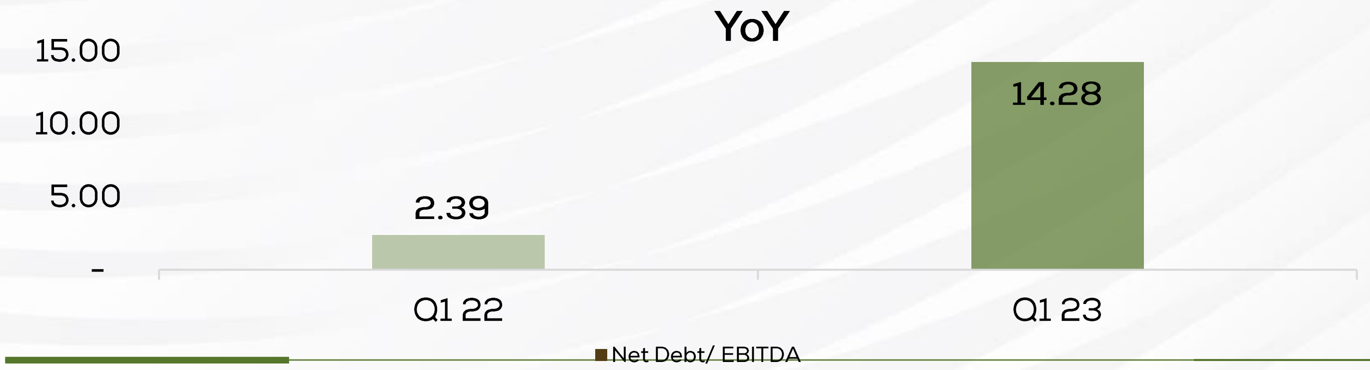
Key Financial Indicators

Net Debt to Equity SAR M

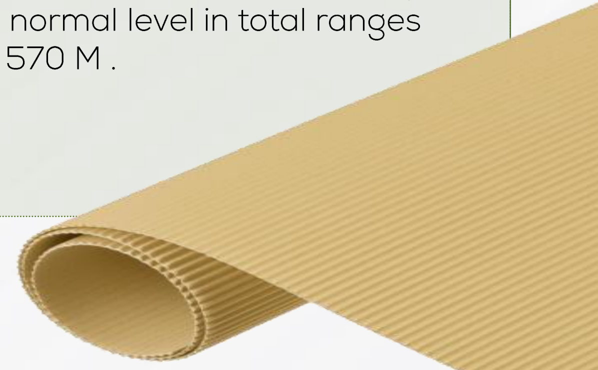


Net Debt to Equity increased by 0.04 as there is an increase in the short term debt by SAR 14 M , but still lower than the average for the short term debt that ranges in SAR 100 M .

Net Debt to EBITDA %



Net Debt to EBITDA increased by 11.89 due to the decrease in the EBITDA but total debt has increased from SAR 451 M to SAR 566 M by 25.4% , while the normal level in total ranges from SAR 560 – 570 M .



06

Macro Economic and Market Tissue Review

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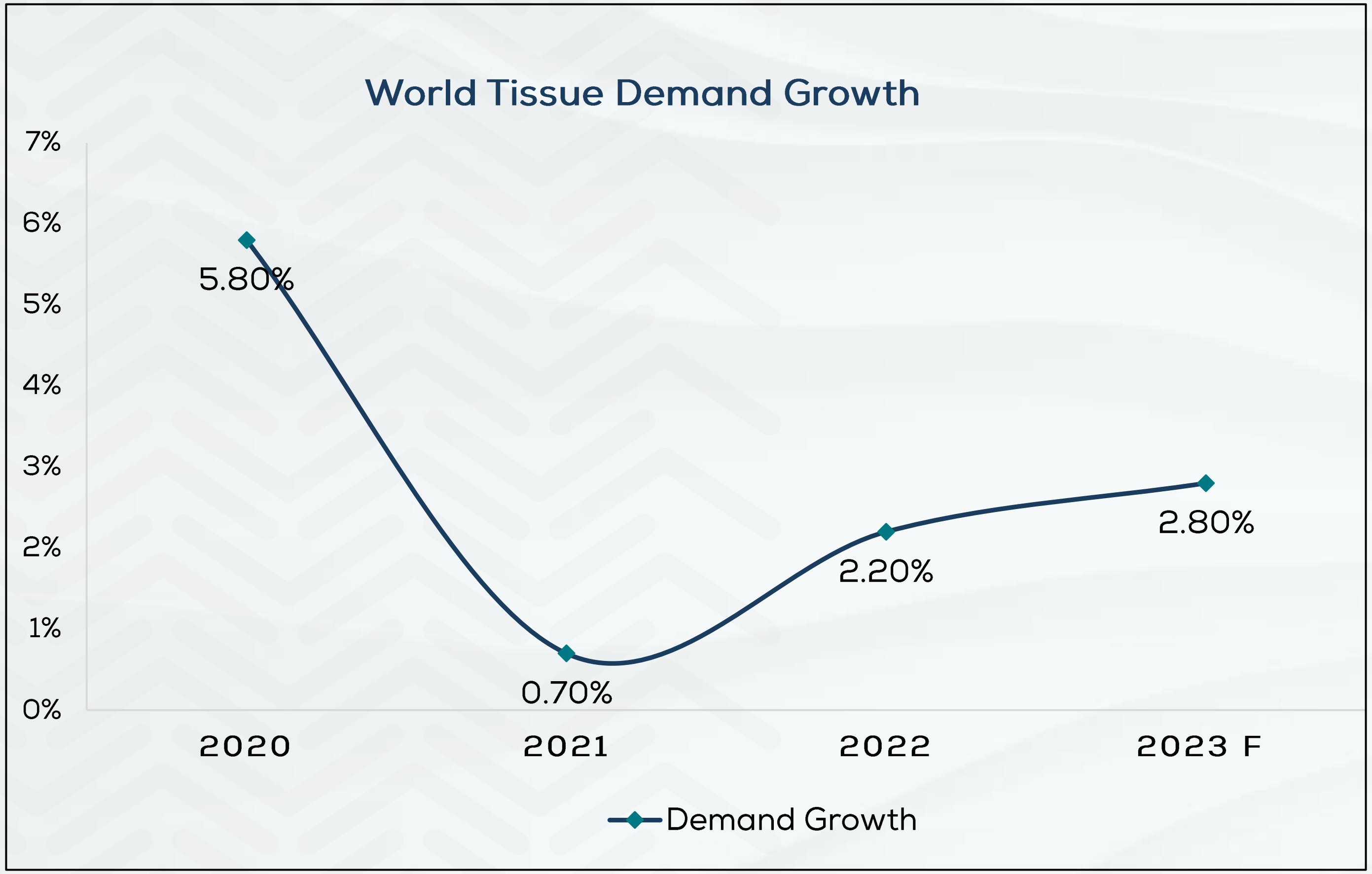
Tissue Market Review

Globally the Tissue demand is reviving , Tissues attractiveness for a local producer



JUTHOR 's Targeted Market Share c.24 % in KSA

Products : Kitchen Towels, Facial Tissues, Pocket Tissues, Napkins, C Fold

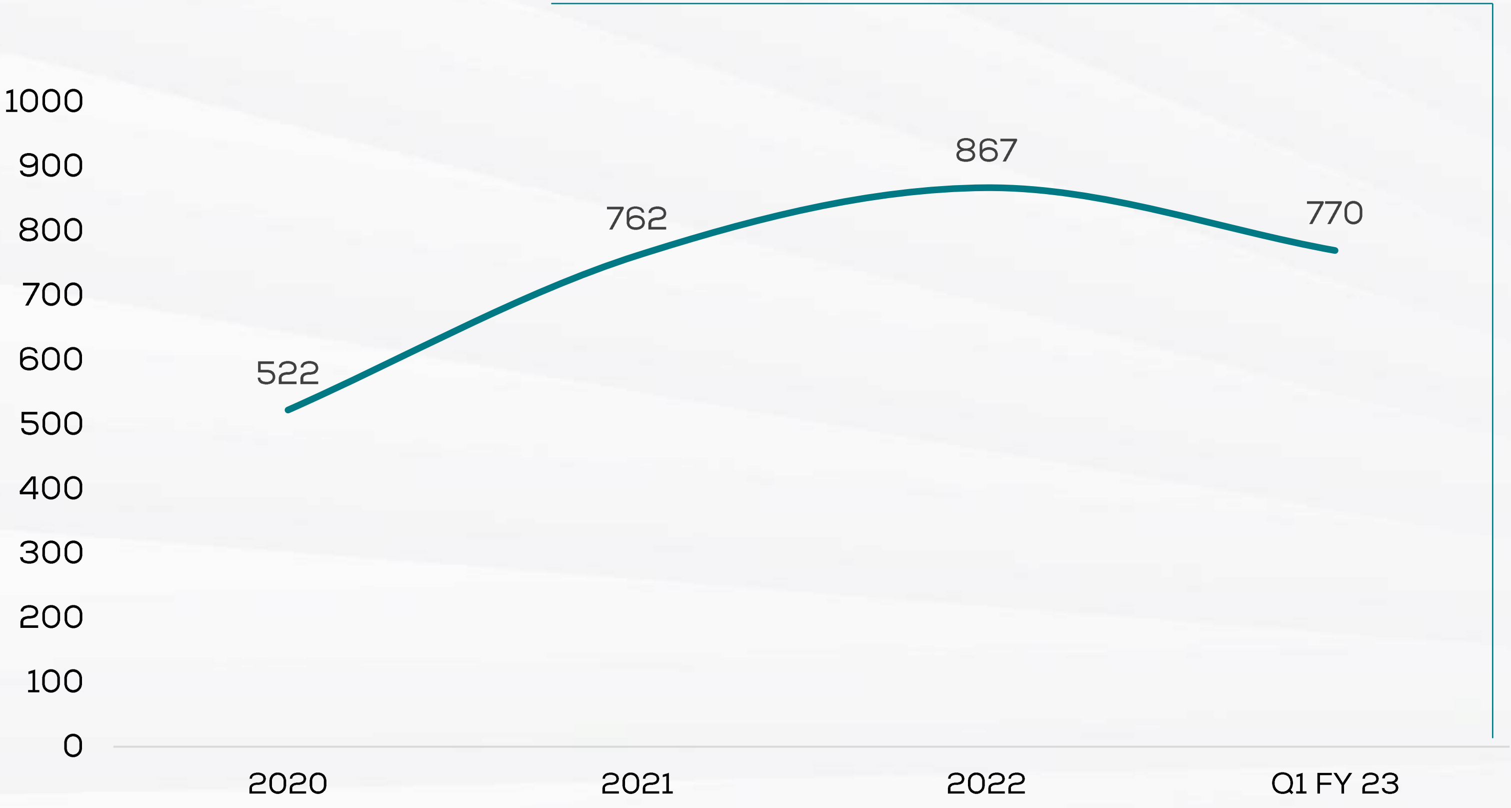
- Global Tissue consumption c.44 M ton
- Saudi Arabia is c. 250 million tonnes
- Average Global demand growth for tissue consumption : 3.3-3.4%
- Saudi demand growth : 3.5 %

- Expected to break even within Q3 2023
- Contribution to the top line for MEPCO consolidated financial statements c . 18-20%
- Expected Gross profit c. 25%-27%

* Company Data , RSI paper & pulp

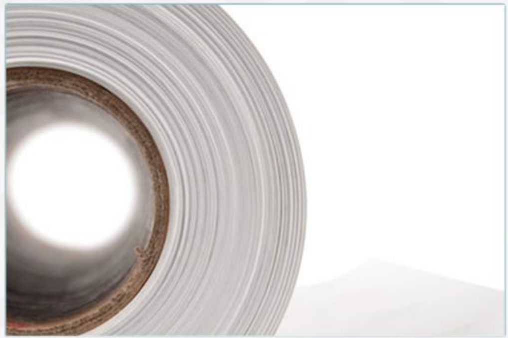
International Prices For Tissue Paper

Benchmarking with international prices for average of bleached hardwood kraft price and Northern bleached softwood kraft (China) *, USD/ton



JUTHOR end products are priced in relation to the virgin pulp prices , the bleached hardwood kraft pulp (BHKP) northern bleached softwood kraft pulp (NBSKP) are types virgin pulp that are imported from countries such as Scandinavian countries , South America .
used to provide strength , purity , superior quality.

Pulp is c. 60 % of cost base of cost of sales



* RISI Pulp and Paper , Fast markets price reports

07

Management Outlook

Mid Term Out look

- Continuous improvement in production efficiency to sustain lower production cost
- Market repositioning where higher market demand exists locally & Internationally
- JUTHOR commercial launch to start in few weeks

Middle East Paper Company
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