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August 17, 2017

1H17 Earnings Presentation

Agenda

- Group Overview
- 1H17 Financial Results Highlights
- 1H17 Financial Review
- Outlook and USGC Update
- Q&A

“ **EQUATE is the world’s second largest producer of Ethylene Glycol**, the raw material used mainly to manufacture polyester fibers. ”



Our Shareholders

EQUATE has a robust shareholder base comprising the Government of Kuwait and Dow Chemical, a global industry leader.

57.5% of owners are public shareholding companies.

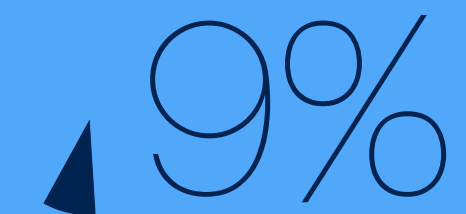
PETROCHEMICAL INDUSTRIES Co.



THE DOW CHEMICAL COMPANY



BOUBYAN PETROCHEMICAL

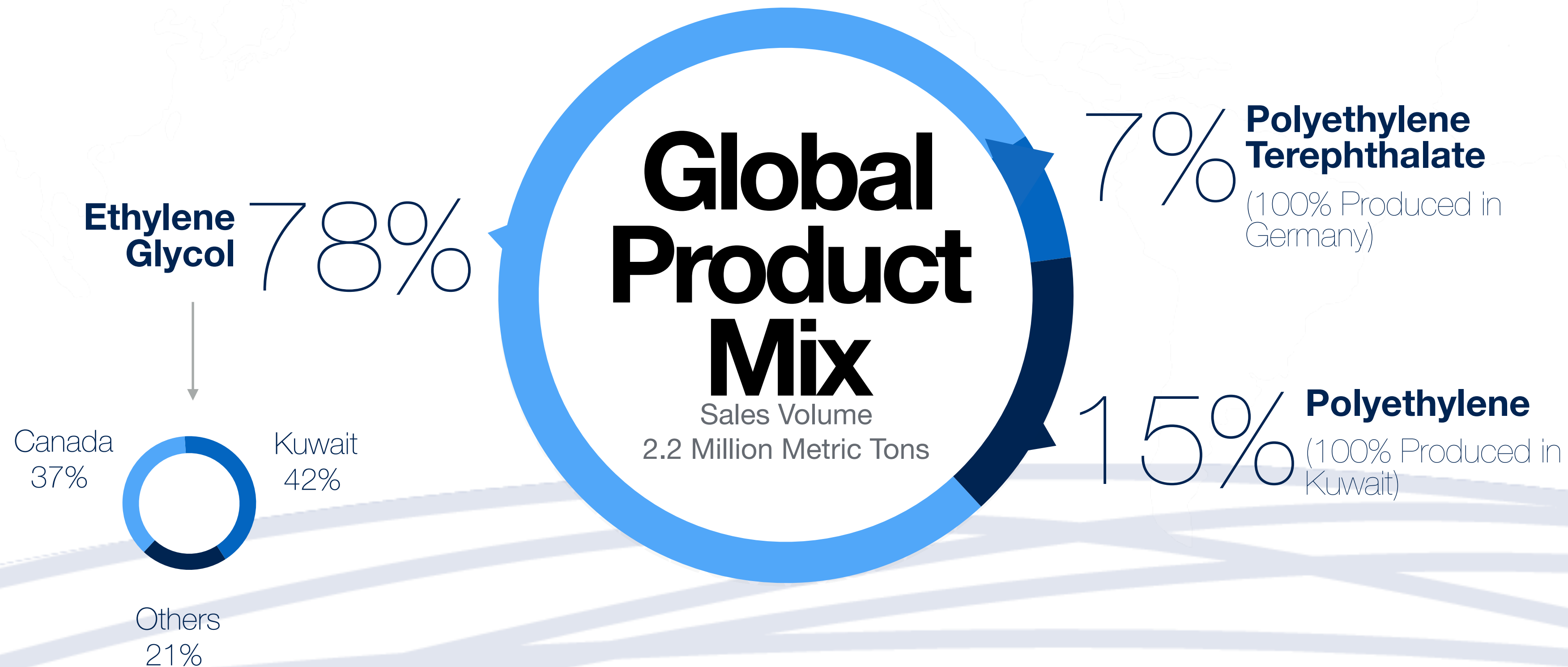


QURAIN PETROCHEMICAL



Group Overview

EQUATE Group is a global manufacturer and distributor of petrochemical products



*METIP: Middle East, Turkey, and the Indian Subcontinent region

Distribution markets

Kuwait facilities mainly distribute to Asia and METIP*



Germany facilities mainly distribute to Europe



North America facilities mainly distribute to North America, South America and Asia



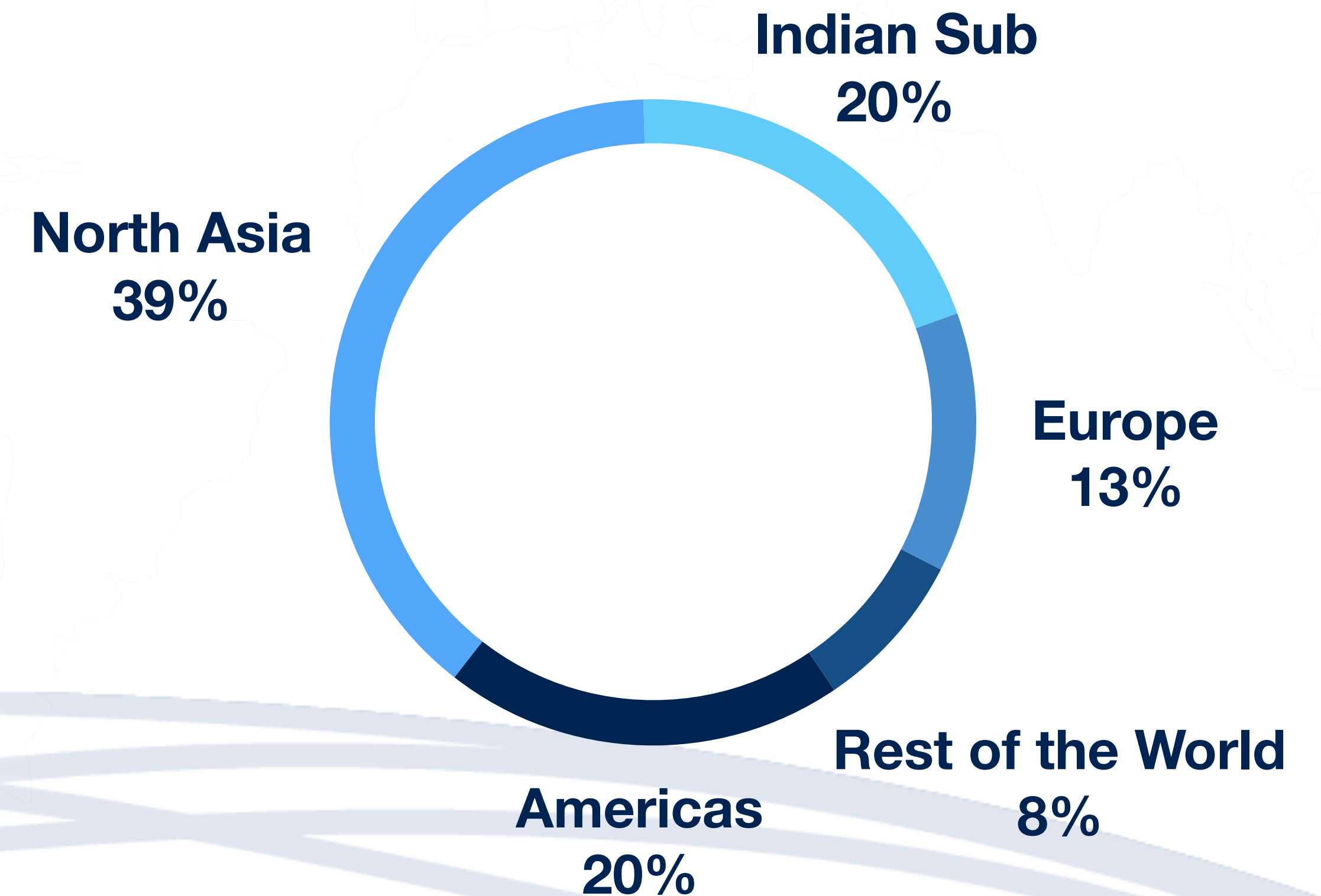
Credit Rating

MOODY's	Baa2
STANDARD & POOR'S	BBB+

Group Overview - EG

Group EG Sales by Region (1H17)

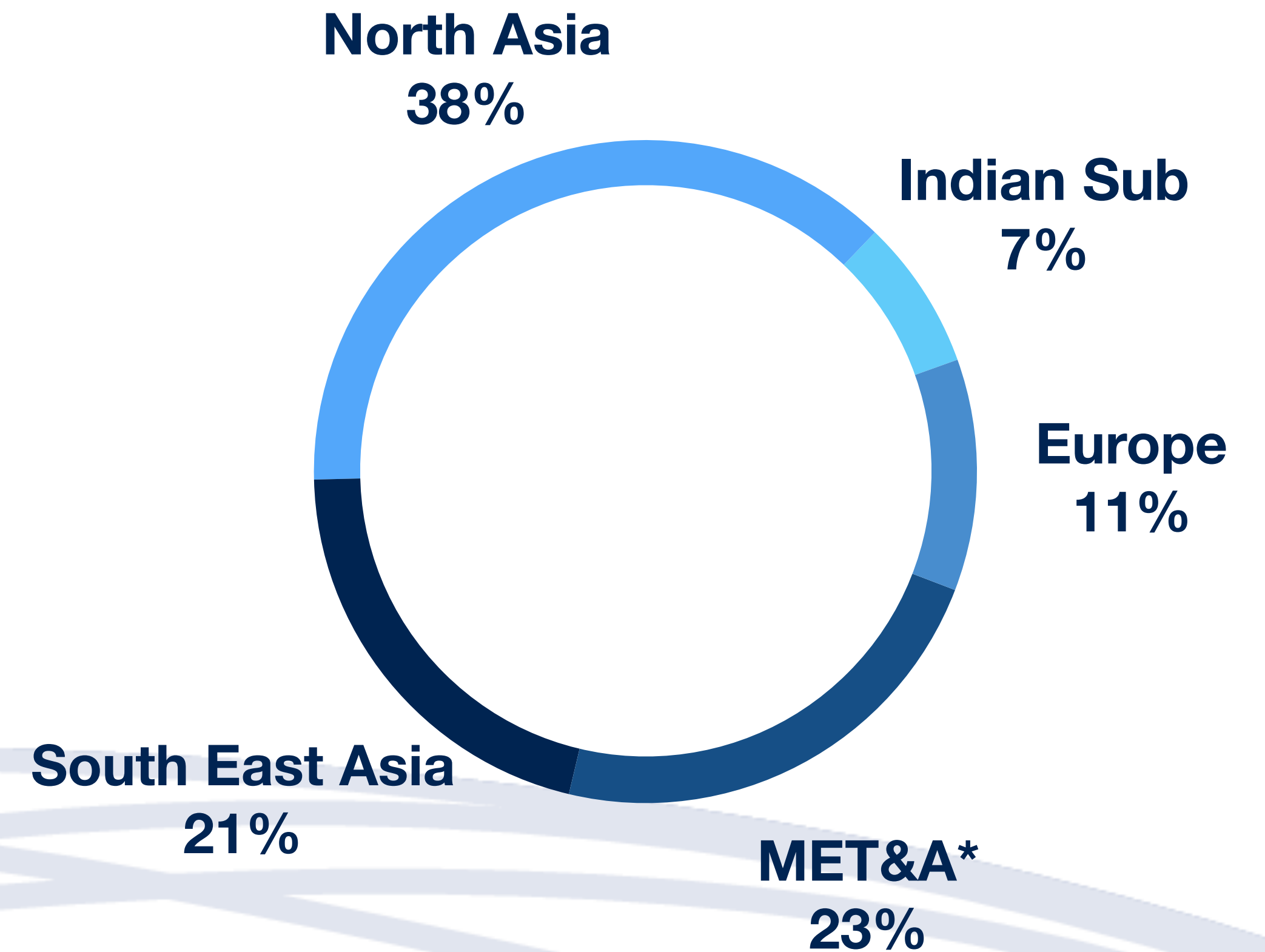
EQUATE
Maintains a
Strong Foothold in
Key EG Markets



Group Overview - PE

EQUATE is a
World Class
Producer of PE

Group PE Sales by Region (1H17)



* Middle East, Turkey & Africa

Financial Results Highlights

(USD)

Revenue

1,971 m
+16% vs 1H16

Operating Profit

677 m
+107% vs 1H16

EBITDA

855 m
+64% vs 1H16

Net Debt to EBITDA

1.95x*

Volume (Thousand MT)

2,177

Net Profit

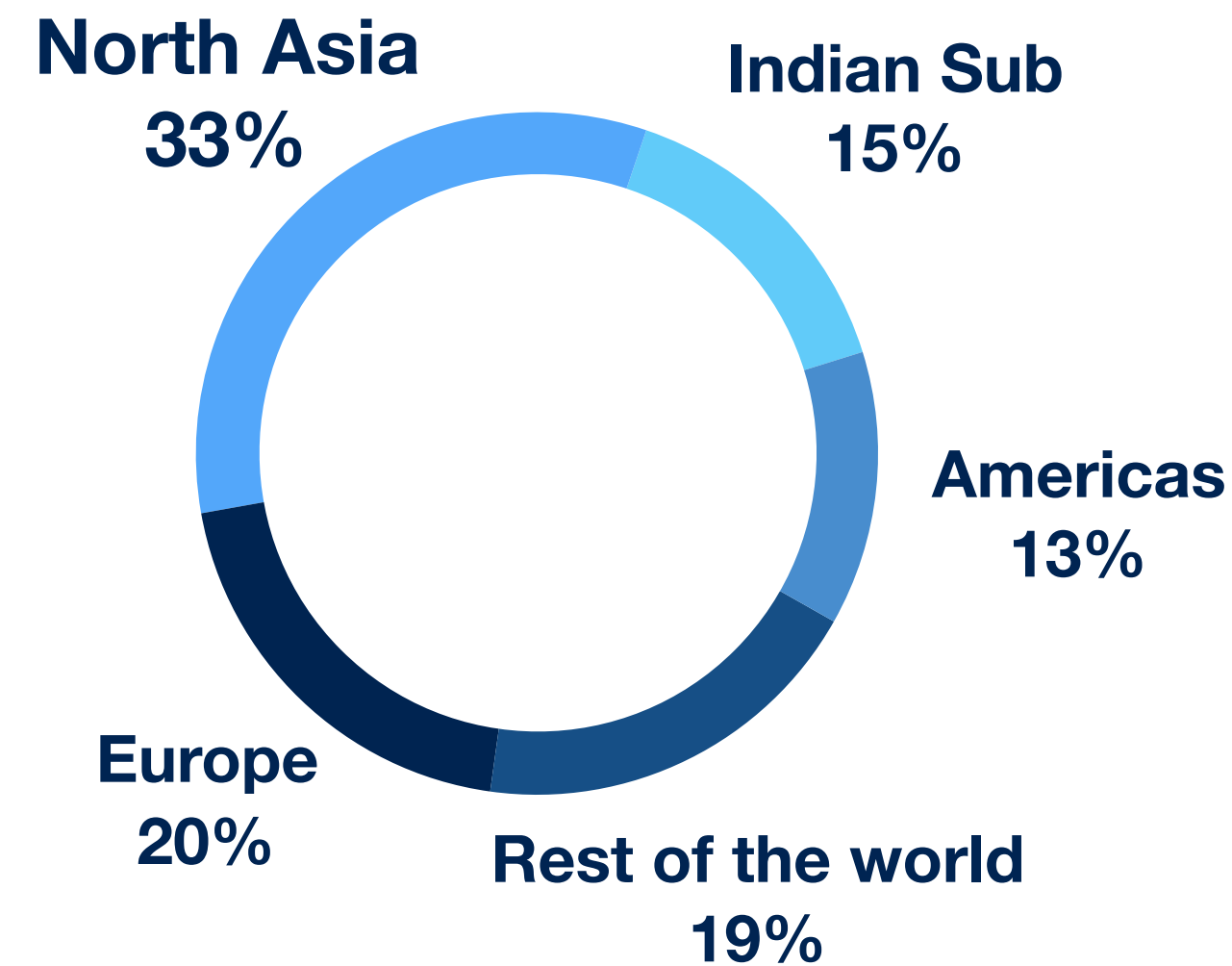
551 m
+98% vs 1H16

*12 month trailing

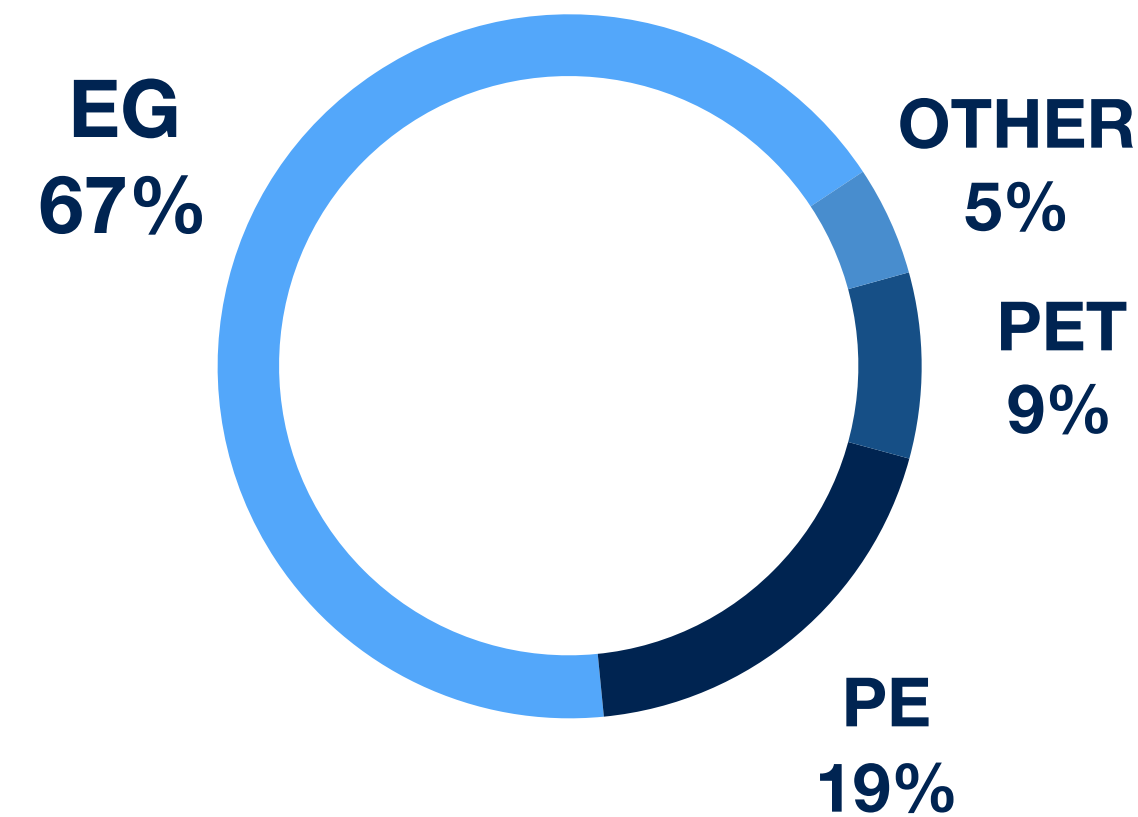
Financial Review

1H17 Revenue

Revenue by Region



Revenue by Product



A Closer Look

EG Volume: 1,688 +1%
Price: 809 +26%

PE Volume: 331 -6%
Price: 1,144 +4%

PET Volume: 157 -5%
Price: 1,068 +11%

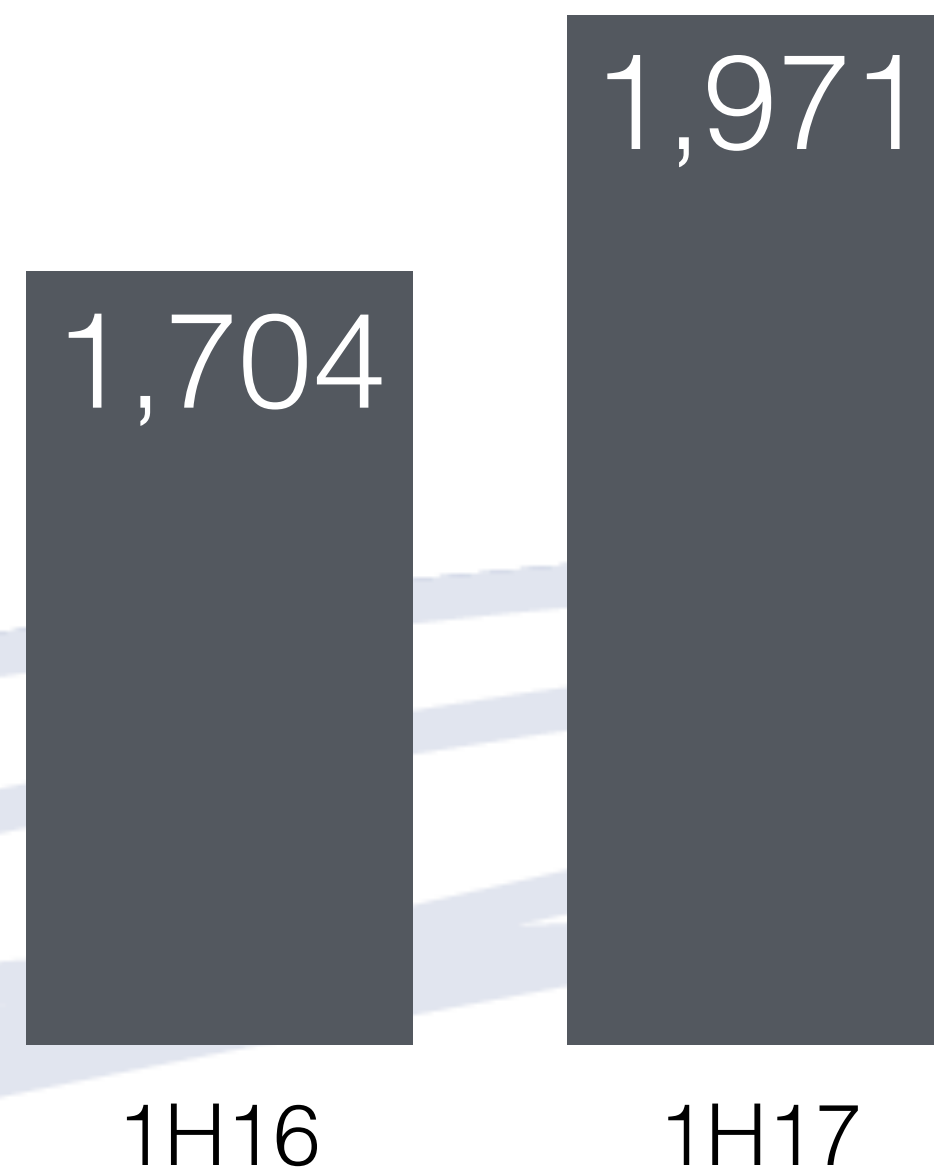
% Change compared to same period last year

The group reported 1H17 total revenue of \$1,971 million, a 16% increase compared to the same period last year.

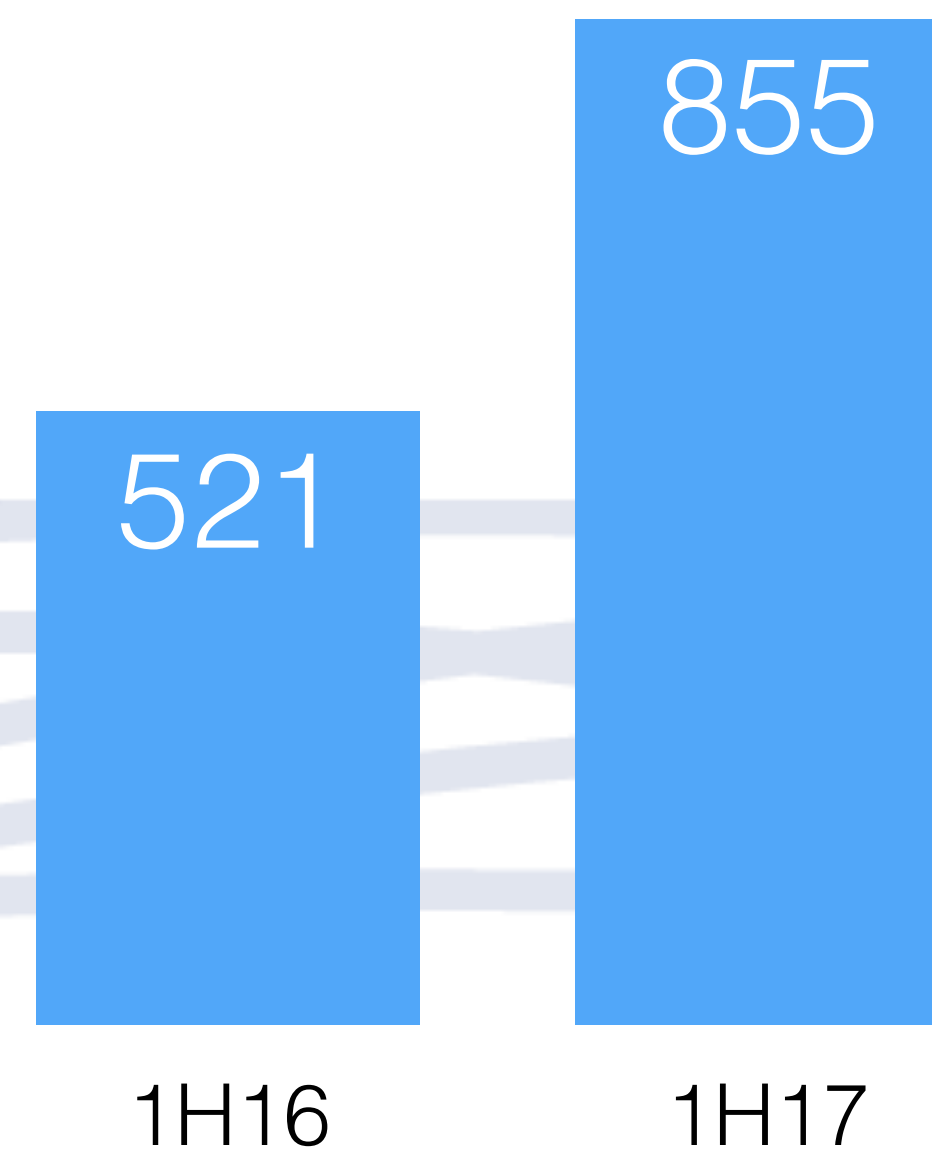
Profitability

Strong profitability with EBITDA Margin exceeding 43%, driven by operational excellence and effective cost management.

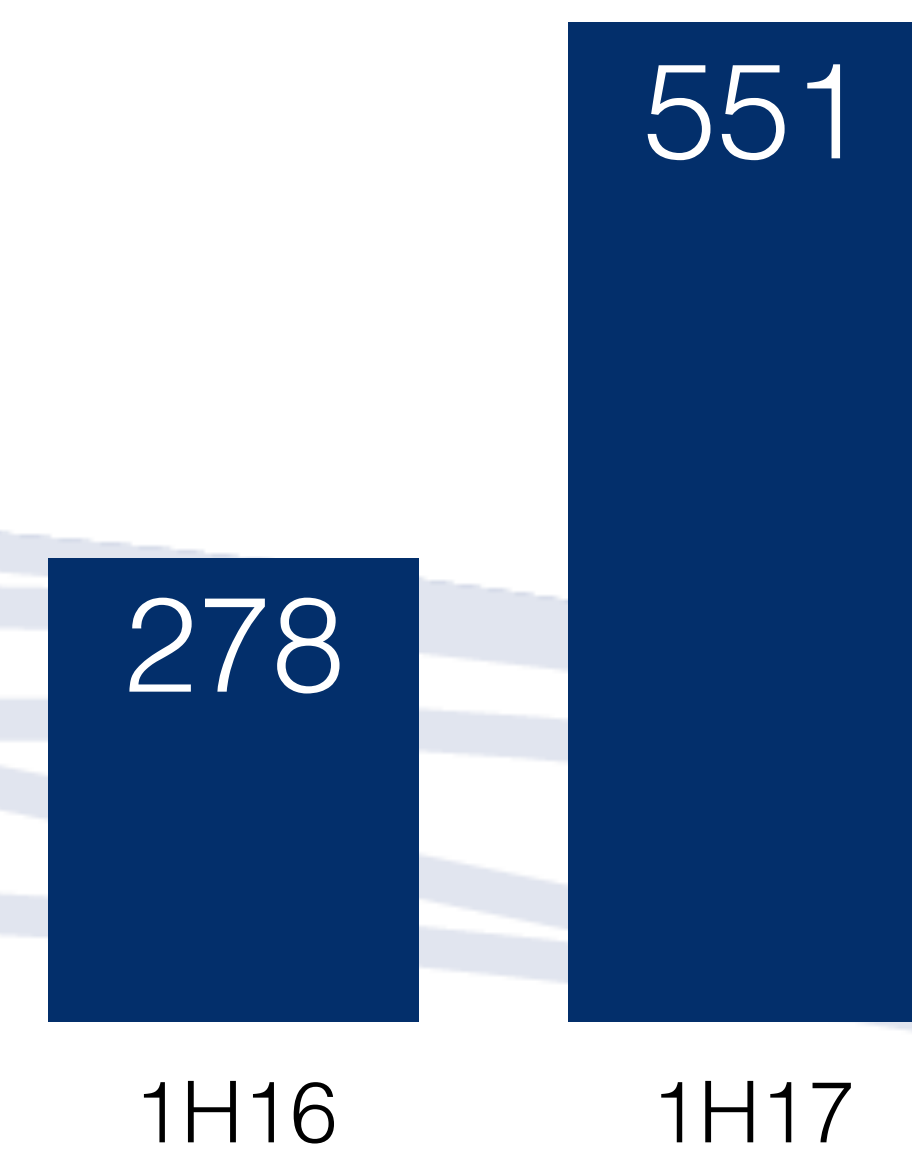
Revenue (USD m)



EBITDA (USD m)

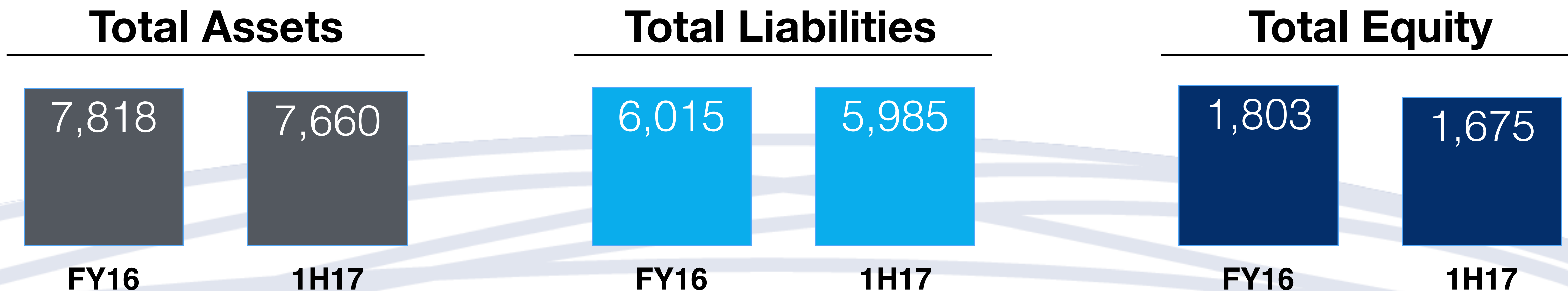


Net Profit (USD m)



Financial Position (USD m)

Cash on Hand	Gross Debt	Net Debt	EBITDA	Net Debt to EBITDA
1,744	4,750	3,006	855	1.95x*



*12 month trailing

Cash Flow and Liquidity

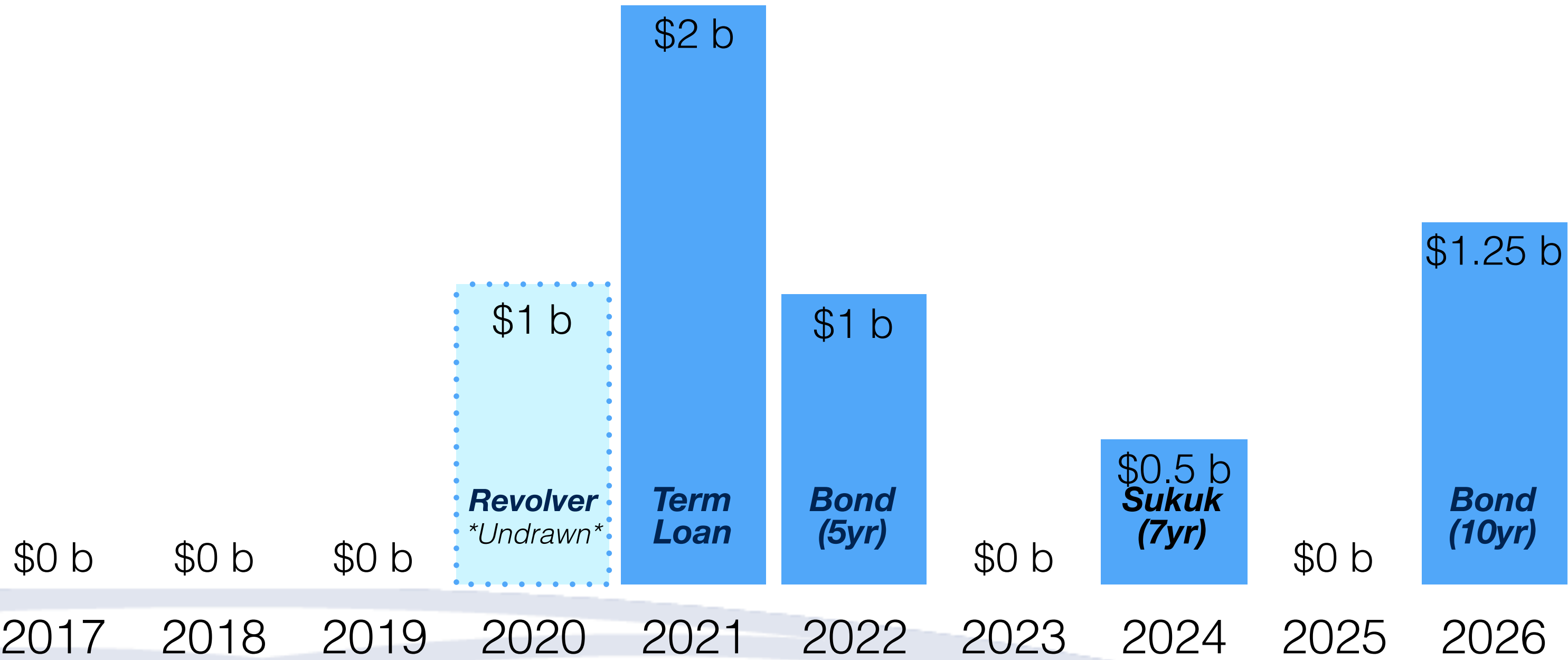


Cash Flow

(In USD millions)

Cash flow from operating activities	791
CAPEX	(108)
Dividend	(679)
Free cash flow	4

Debt Maturity Profile

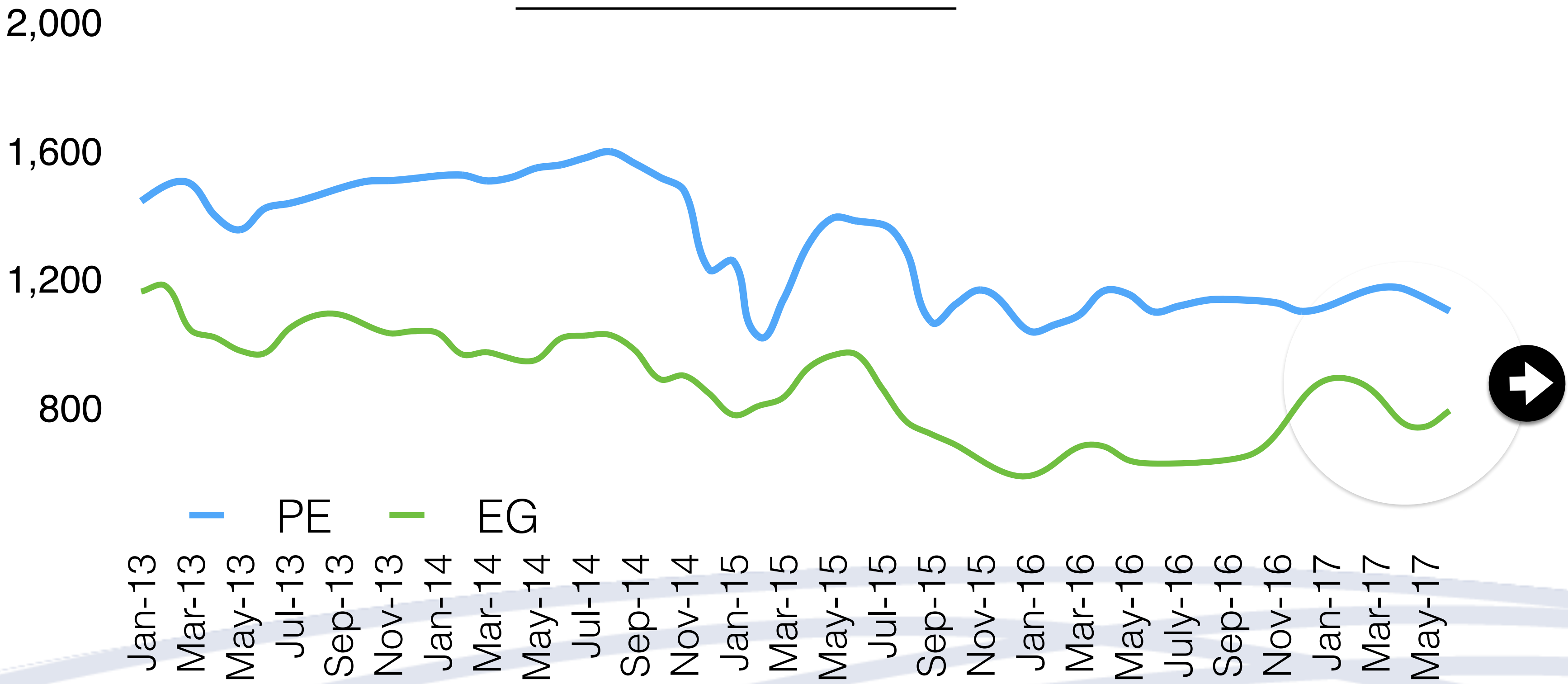


Outlook

Price Trend



PE + EG Prices



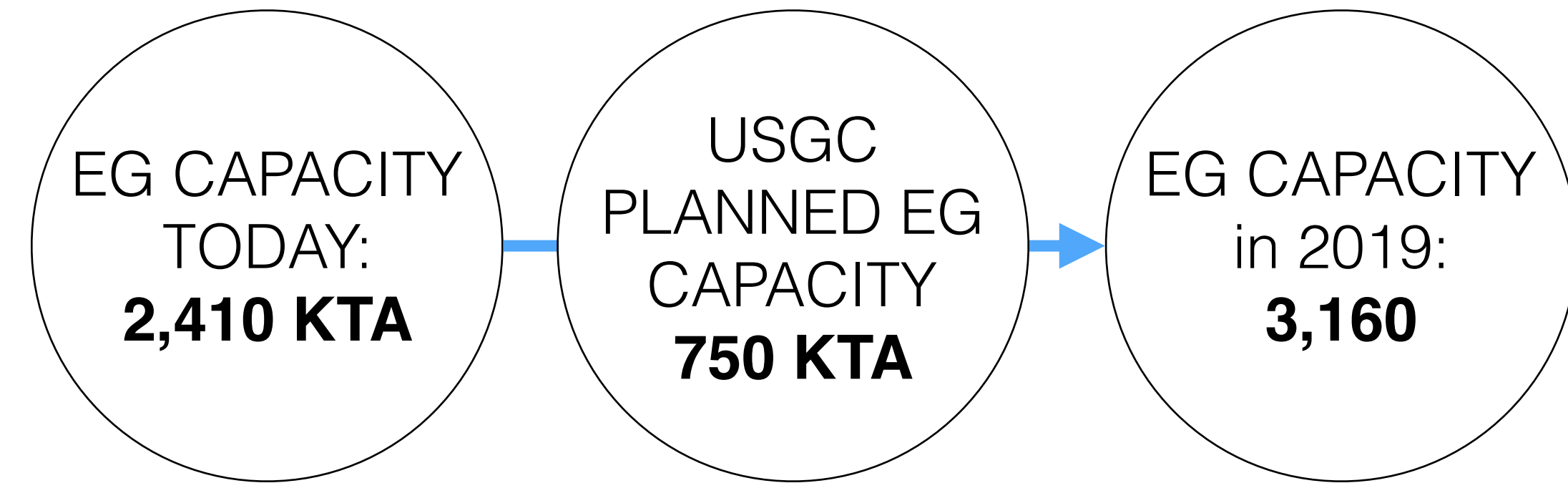
A growing market

*EQUATE Group is strongly positioned to capture the EG and PE growth prospects, high profitability levels and overall stability, **leveraging sizeable low cost competitive production capacity, high asset utilization, as well as a global and reliable distribution platform.***

USGC Update

On line in 2019, US Gulf Coast project presents significant growth opportunity for EQUATE.

- Leverages Dow's USGC infrastructure and low-cost, world-scale ethylene
- Enables further leveraging of MEGlobal's distribution footprint for EG
- USGC will further enhance asset mix and profitability



Key Dates

Authorization by EQUATE BOD	26-May-2016
Ground Breaking	8-Aug-2016
EPCm Contract Signed	5-Oct-2016
Air Permit Granted	25-Oct-2016
Award Site Entrance & Bridge Construction Contract	31-Mar-2017
Award Buildings Design/Build Contract	13-Apr-2017
Award Piling Contract	2-May-2017
Award Cooling Water Tower Contract	30-May-2017
Award HV Substation Design/Build Contract	31-May-2017
3rd Party Terminal Contract Complete	26-Jun-2017
90% of Major Equipment POs Issued	30-Jun-2017
Award Civil Contract	18-Jul-2017
Main Scope of Site Development Complete	20-Jul-2017

Safety & Sustainability

Operational Excellence

In EQUATE, operational excellence in EH&S goes hand in hand with top performance in reliability and assets utilization

1H17 EH&S KPIs

Production 99% of plan

AMR 99%
Asset Mechanical Reliability

RIR ZERO
Recordable Injury Rate, accidents per 200,000 work hours.

PSCE ZERO
Process Safety & Containment Event. This applies to containment losses, reactive chemicals events and releases of hazardous process energy.

MVA ZERO
Motor Vehicle Accidents.

Safe Work Hours 44 million
The total of safe work hours without a day away from work case. This includes all employees, contractors and visitors

NOV ZERO
Notice of Violation from EPA or any other regulatory authority due to non-compliance to the environmental regulation

Sustainability

Integration of United Nations Sustainability goals by 2025



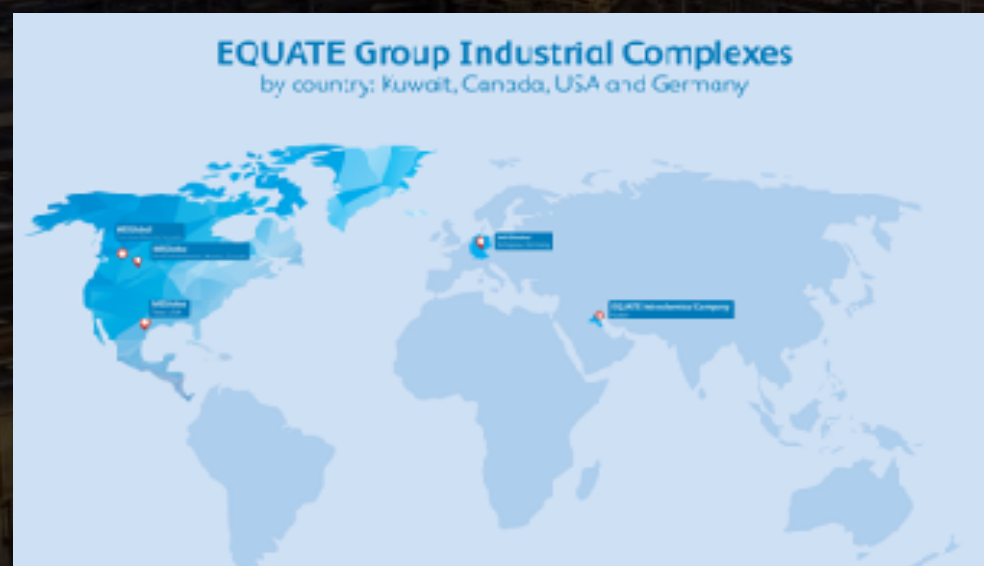
EQUATE is a responsible operator with deep-rooted commitment to the sustainability of the environment and the economic development of communities.

In 2016, EQUATE strengthened its commitment to sustainability by adopting a strategy for the integration of the United Nations' 17 Sustainability Goals across EQUATE, targeting **integration by 2025 through three primary strategic focus areas: Environment, Economy, and Society.**

EQUATE became the first petrochemical company in the Middle East to receive the Responsible Care (RC) 14001:2015 from DNV-GL. EQUATE successfully passed the Recertification & Transition Audit RC 14001:2015 standard.

Q&A

— We are —



The world's second largest producer of Ethylene Glycol, the raw material used mainly to manufacture polyester fibers.



A strong advocate for the development and diversification of the petrochemical industry in Kuwait.



A responsible operator with deep-rooted commitment to the sustainability of our environment and the economic development of our community.

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