

**INDUSTRIES QATAR Q.P.S.C.
DOHA – QATAR**

**INTERIM CONDENSED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2023**

INDUSTRIES QATAR Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended March 31, 2023

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INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at March 31, 2023

	Note	March 31, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,734,110	11,685,109
Capital project advances		192,374	192,374
Investments in associates	4	1,539,079	1,890,060
Investments in joint ventures	5	7,424,432	7,096,559
Deemed investment		50,551	35,060
Right-of-use assets		201,135	205,372
Intangible asset		1,572	1,602
Total non-current assets		21,143,253	21,106,136
Current assets			
Inventories		2,480,299	3,104,908
Trade and other receivables		3,007,183	3,477,382
Financial assets at fair value through profit or loss		369,852	397,118
Cash and bank balances		5,337,465	9,735,354
Fixed deposits		6,738,904	7,183,864
Total current assets		17,933,703	23,898,626
Total assets		39,076,956	45,004,762

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at March 31, 2023

	March 31, 2023 (Unaudited)	December 31, 2022 (Audited)
	QR' 000	QR' 000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6,050,000	6,050,000
Legal reserve	271,059	271,059
Hedging reserve	(1,993)	(8,156)
Other reserve	(49,728)	(49,728)
Retained earnings	30,254,758	35,739,722
Equity attributable to equity holders of the parent	36,524,096	42,002,897
Non-controlling interest	17,333	16,651
Total equity	36,541,429	42,019,548
LIABILITIES		
Non-current liabilities		
Lease liabilities	290,225	295,247
Employees' end of service benefits	463,960	465,977
Total non-current liabilities	754,185	761,224
Current liabilities		
Lease liabilities	30,808	91,012
Trade and other payables	1,749,361	2,132,188
Income tax payable	1,173	790
Total current liabilities	1,781,342	2,223,990
Total liabilities	2,535,527	2,985,214
Total equity and liabilities	39,076,956	45,004,762

These consolidated financial statements were approved and authorized for issue by the Board of Directors on May 07, 2023 and signed on their behalf by:



Saad Sherida Al-Kaabi
Chairman and Managing Director



Abdulaziz Mohammed Al-Mannai
Vice Chairman

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the three-month period ended March 31, 2023

	Note	For the three-month period ended March 31,	
		2023	2022
		(Unaudited) QR' 000	(Unaudited) QR' 000
Revenues		3,467,196	5,280,579
Cost of sales		(2,754,572)	(3,217,695)
Gross profit		712,624	2,062,884
General and administrative expenses		(166,532)	(175,822)
Selling and distribution expenses		(13,767)	(31,240)
Share of results of investments in associates		64,128	57,249
Share of results of investments in joint ventures		382,473	672,594
Finance costs		(7,253)	(5,494)
Other income – net		195,318	123,830
Profit before tax		1,166,991	2,704,001
Income tax		(384)	(145)
Profit for the period		1,166,607	2,703,856
Attributable to:			
Equity holders of the parent		1,165,925	2,703,618
Non-controlling interest		682	238
		1,166,607	2,703,856
Earnings per share			
Basic and diluted earnings (QR per share)	6	0.19	0.45

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the three-month period ended March 31, 2023

	For the three-month period ended March 31,	
	2023	2022
	(Unaudited)	(Unaudited)
	QR' 000	QR' 000
Profit for the period	1,166,607	2,703,856
Other comprehensive income / (loss)		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
Share of other comprehensive income / (loss) of associates	6,163	(295)
Total comprehensive income for the period	1,172,770	2,703,561
Attributable to:		
Equity holders of the parent	1,172,088	2,703,323
Non-controlling interest	682	238
	1,172,770	2,703,561

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended March 31, 2023

	Share Capital	Legal reserve	Hedging reserve	Other reserves	Retained earnings	Attributable to owners of the parent	Non- controlling interest	Total equity
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Balance as at December 31, 2022 (Audited)	6,050,000	271,059	(8,156)	(49,728)	35,739,722	42,002,897	16,651	42,019,548
Profit for the period	--	--	--	--	1,165,925	1,165,925	682	1,166,607
Other comprehensive income	--	--	6,163	--	--	6,163	--	6,163
Total comprehensive income for the period	--	--	6,163	--	1,165,925	1,172,088	682	1,172,770
Social and sport contribution fund refund	--	--	--	--	4,111	4,111	--	4,111
Dividends declared	--	--	--	--	(6,655,000)	(6,655,000)	--	(6,655,000)
Balance as at March 31, 2023 (Unaudited)	6,050,000	271,059	(1,993)	(49,728)	30,254,758	36,524,096	17,333	36,541,429

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the three-month period ended March 31, 2023

	Share Capital	Legal reserve	Hedging reserve	Other reserves	Retained earnings	Attributable to owners of the parent	Non- controlling interest	Total equity
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Balance as at December 31, 2021 (Audited)	6,050,000	195,856	(4,810)	(8,814)	33,261,035	39,493,267	17,021	39,510,288
Profit for the period	--	--	--	--	2,703,618	2,703,618	238	2,703,856
Other comprehensive loss	--	--	(295)	--	--	(295)	--	(295)
Total comprehensive (loss)/income for the period	--	--	(295)	--	2,703,618	2,703,323	238	2,703,561
Social and sport contribution fund provision reversal	--	--	--	--	4,111	4,111	--	4,111
Dividends declared	--	--	--	--	(6,050,000)	(6,050,000)	(450)	(6,050,450)
Balance as at March 31, 2022 (Unaudited)	<u>6,050,000</u>	<u>195,856</u>	<u>(5,105)</u>	<u>(8,814)</u>	<u>29,918,764</u>	<u>36,150,701</u>	<u>16,809</u>	<u>36,167,510</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the three-month period ended March 31, 2023

	For the three-month period ended March 31,	
	2023 (Unaudited) QR' 000	2022 (Unaudited) QR' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,166,991	2,704,001
<i>Adjustments for:</i>		
Depreciation and amortisation of intangibles	322,555	366,660
Amortisation of right-of-use assets	6,823	8,382
Provision for employees' end of service benefits	26,600	21,286
Share of results of investments in associates	(64,128)	(57,249)
Share of results of investments in joint ventures	(382,473)	(672,594)
Loss on disposal of property, plant and equipment	25	4,907
Finance costs	7,253	5,494
Interest income	(213,442)	(71,155)
Net movement in provision for obsolete and slow-moving inventories	(1,568)	8,886
Net remeasurement of loss allowance	(66)	(210)
Fair value loss / (gain) on financial assets at fair value through profit or loss	27,266	(31,067)
Dividends received from financial assets at fair value through profit or loss	(18,739)	(15,229)
Cash flow from operating activities before changes in working capital	877,097	2,272,112
Movements in working capital		
Inventories	626,176	304,023
Trade and other receivables	454,106	722,905
Trade and other payables	(514,912)	(72,997)
Cash generated from operating activities	1,442,467	3,226,043
Payments of employees' end of service benefits	(30,169)	(12,732)
Refund / (payment) of contribution to social and sport fund	4,111	(194,893)
Net cash generated from operating activities	1,416,409	3,018,418

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the three-month period ended March 31, 2023

	For the three-month period ended March 31,	
	2023	2022
	(Unaudited)	(Unaudited)
	QR' 000	QR' 000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment and catalysts	(361,909)	(198,587)
Movement in fixed deposits	444,960	3,569,689
Dividends received from financial assets at fair value through profit or loss	18,739	15,229
Dividends received from joint ventures	54,600	76,440
Dividends received from associates	421,272	-
Deemed Investment	(15,491)	-
Interest income received	229,606	104,673
Net cash generated by investing activities	791,777	3,567,444
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges paid	(5,667)	(3,548)
Payment of lease liability	(67,846)	(5,403)
Dividends paid	(6,655,000)	(6,050,450)
Net cash used in financing activities	(6,728,513)	(6,059,401)
Net (decrease) / increase in cash and cash equivalents	(4,520,327)	526,461
Cash and cash equivalents at January 1	9,626,954	4,515,143
Cash and cash equivalents at March 31	5,106,627	5,041,604

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**

For the three-month period ended March 31, 2023

1. CORPORATE INFORMATION

Industries Qatar Q.P.S.C (the “Company” or “IQ”) is a Qatari Public Shareholding Company, incorporated in the State of Qatar on April 19, 2003, in accordance with Qatar Commercial Companies Law No. 5 of year 2002, as replaced by Qatar Commercial Companies Law No. 11 of 2015, for a 50 year term by resolution No. 33 of 2003 from the Ministry of Commerce and Industry of the State of Qatar. The Company’s shares are listed on the Qatar Stock Exchange. The Group’s registered office is situated in Doha, State of Qatar.

IQ and its subsidiaries and joint ventures (together “the Group”) operate mainly in the State of Qatar.

Through the Group companies, IQ operates in three main distinct segments: petrochemicals, fertilisers and steel. More information about the Group activities is given in Note 7. The structure of the Group, included in these interim condensed consolidated financial statement is as follows:

	<u>Type of interest</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>
Qatar Steel Company Q.P.S.C.	Subsidiary	Qatar United Arab	100%
Qatar Steel Company FZE (Dubai)	Subsidiary	Emirates	100%
Qatar Fertiliser Company P.S.C. (“QAFCO”)	Subsidiary	State of Qatar	100%
Gulf Formaldehyde Company (P.Q.S.C.) (GFC)	Subsidiary	State of Qatar	70%
Qatar Melamine Company (P.Q.S.C.) (QMC)	Subsidiary	State of Qatar	100%

Also included in the interim condensed consolidated financial statements are the share of profit or loss and other comprehensive income of the following joint ventures and associate companies using the equity method of accounting.

	<u>Type of interest</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>
Qatar Petrochemical Company (QAPCO) Q.P.J.S.C. (“QAPCO”)	Joint venture	State of Qatar	80%
Qatar Fuel Additives Company Limited Q.P.S.C. (“QAFAC”)	Joint venture	State of Qatar	50%
Qatar Metals Coating Company W.L.L.	Associate	State of Qatar	50%
SOLB Steel Company (SSC)	Associate	Kingdom of Saudi Arabia	31.03%
Foulath Holding B.S.C.	Associate	Kingdom of Bahrain	25%

The interim condensed consolidated financial statements of the Group for the period ended March 31, 2023 were approved and authorised for issue by the Board of Directors on May 07, 2023.

INDUSTRIES QATAR Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**

For the three-month period ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022

3. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
Opening net book value	11,685,109	12,695,877
Additions	361,909	598,963
Depreciation	(322,525)	(1,467,154)
Disposals and adjustments	9,617	(142,577)
Closing net book value	<u>11,734,110</u>	<u>11,685,109</u>

4. INVESTMENTS IN ASSOCIATES

	March 31, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
Balance at the beginning of the year	1,890,060	1,577,311
Dividend received from associates	(421,272)	(111,760)
Share of other comprehensive income/(loss)	6,163	(3,346)
Share of results from associates	64,128	427,855
Balance at the end of the period/year	<u>1,539,079</u>	<u>1,890,060</u>

5. INVESTMENT IN JOINT VENTURES

	March 31, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
Balance at the beginning of the year	7,096,559	6,822,599
Share of net results of joint ventures	237,562	1,566,616
Adjustment related to tax benefits	144,911	893,817
Share of other comprehensive loss	--	(16,864)
Dividend and tax share income received	(54,600)	(2,169,609)
Balance at the end of the period/year	<u>7,424,432</u>	<u>7,096,559</u>

INDUSTRIES QATAR Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**

For the three-month period ended March 31, 2023

6. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) are calculated by dividing the profit for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period.

	March 31, 2023 (Unaudited) QR' 000	March 31 2022 (Unaudited) QR' 000
Profit for the period	1,165,925	2,703,618
Weighted average number of shares outstanding during the period (in thousands)	6,050,000	6,050,000
Basic and diluted earnings per share (expressed in QR per share)	0.19	0.45

INDUSTRIES QATAR Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**

For the three-month period ended March 31, 2023

7. SEGMENT REPORTING

The Group is organised into business units based on their products and services, and has three reportable operating segments and others as follows:

- The petrochemical segments, which produces and sells ethylene, polyethylene, MTBE, methanol and other petrochemical products.
- The fertiliser segment, which produces and sells urea, ammonia and other by-products.
- The steel segment, which produces and sells steel pellets, bars, billets and others.
- Others include the operations of the parent entity.

For the three-month period ended March 31, 2023 (Unaudited)

	<u>Petrochemicals</u>	<u>Fertilisers</u>	<u>Steel</u>	<u>Others</u>	<u>Combined</u>	<u>Adjustments and Eliminations</u>	<u>Consolidated</u>
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Revenue	1,076,522	2,238,897	1,228,299	--	4,543,718	(1,076,522)	3,467,196
Segment profit before tax	382,473	511,093	133,986	809,232	1,836,784	(669,793)	1,166,991
Depreciation and amortisation	127,803	268,489	45,697	46,531	488,520	(159,142)	329,378
Finance costs	1,022	4,317	2,936	--	8,275	(1,022)	7,253

For the three-month period ended March 31, 2022 (Unaudited)

	<u>Petrochemicals</u>	<u>Fertilisers</u>	<u>Steel</u>	<u>Others</u>	<u>Combined</u>	<u>Adjustments and Eliminations</u>	<u>Consolidated</u>
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Revenue	1,368,270	3,980,511	1,300,068	--	6,648,849	(1,368,270)	5,280,579
Segment profit before tax	672,594	1,745,172	261,211	1,372,732	4,051,709	(1,347,708)	2,704,001
Depreciation and amortisation	121,848	255,311	49,572	70,159	496,890	(121,848)	375,042
Finance costs	1,242	3,337	2,157	--	6,736	(1,242)	5,494