

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

**INTERIM CONDENSED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2022**

INDUSTRIES QATAR Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended March 31, 2022

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

As at March 31, 2022

	Note	March 31, 2022 (Unaudited) QR' 000	December 31, 2021 (Audited) QR' 000
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,522,928	12,695,877
Investments in associates	4	1,634,265	1,577,311
Investments in joint ventures	5	7,418,753	6,822,599
Right-of-use assets		178,518	186,902
Intangible asset		1,693	1,723
Total non-current assets		21,756,157	21,284,412
Current assets			
Inventories		1,691,322	2,004,231
Trade and other receivables		3,826,991	4,584,170
Financial assets at fair value through profit or loss		379,577	348,510
Cash and bank balances		5,220,835	4,606,901
Fixed deposits		5,909,788	9,479,477
Total current assets		17,028,513	21,023,289
Total assets		38,784,670	42,307,701

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, 2022

	March 31, 2022 (Unaudited) QR' 000	December 31, 2021 (Audited) QR' 000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6,050,000	6,050,000
Legal reserve	195,856	195,856
Hedging reserve	(5,105)	(4,810)
Other reserve	(8,814)	(8,814)
Retained earnings	29,918,764	33,261,035
Equity attributable to equity holders of the parent	36,150,701	39,493,267
Non-controlling interest	16,809	17,021
Total equity	36,167,510	39,510,288
LIABILITIES		
Non-current liabilities		
Lease liabilities	283,987	291,827
Employees' end of service benefits	441,437	432,102
Total non-current liabilities	725,424	723,929
Current liabilities		
Lease liabilities	85,451	81,849
Trade and other payables	1,805,472	1,990,966
Income tax payable	813	669
Total current liabilities	1,891,736	2,073,484
Total liabilities	2,617,160	2,797,413
Total equity and liabilities	38,784,670	42,307,701

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 25, 2022 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, 2022

	For the three-month period ended March 31,	
	2022	2021
Note	(Unaudited)	(Unaudited)
	QR' 000	QR' 000
Revenues	5,280,579	2,839,825
Cost of sales	(3,217,695)	(1,966,096)
Gross profit	2,062,884	873,729
General and administrative expenses	(175,822)	(146,545)
Selling and distribution expenses	(31,240)	(17,395)
Share of results of investments in associates	57,249	22,165
Share of results of investments in joint ventures	672,594	608,342
Finance costs	(5,494)	(5,915)
Other income – net	123,830	109,977
Profit before tax	2,704,001	1,444,358
Income tax	(145)	(414)
Profit for the period	2,703,856	1,443,944
Attributable to:		
Equity holders of the parent	2,703,618	1,443,210
Non-controlling interest	238	734
	2,703,856	1,443,944
Earnings per share		
Basic and diluted earnings (QR per share)	6 0.45	0.24

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FINANCIAL STATEMENTS

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

For the three-month period ended March 31, 2022

	For the three-month period ended March 31,	
	2022 (Unaudited) QR' 000	2021 (Unaudited) (Restated) QR' 000
Profit for the period	2,703,856	1,443,944
Other comprehensive (loss)/income		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
Share of other comprehensive (loss)/income of associates	(295)	6,084
Total comprehensive income for the period	<u>2,703,561</u>	<u>1,450,028</u>
Attributable to:		
Equity holders of the parent	2,703,323	1,449,294
Non-controlling interest	238	734
	<u>2,703,561</u>	<u>1,450,028</u>

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

For the three-month period ended March 31, 2022

	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 fund contribution 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)	6,050,000	195,856	(5,105)	(8,814)	29,918,764	36,150,701	16,809	36,167,510

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, 2022

	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, 2020 (Audited)	6,050,000	176,913	(6,713)	(10,773)	27,386,504	33,595,931	17,072	33,613,003
Profit for the period – restated	--	--	--	--	1,443,210	1,443,210	734	1,443,944
Other comprehensive income	--	--	6,084	--	--	6,084	--	6,084
Total comprehensive income for the period – restated	--	--	6,084	--	1,443,210	1,449,294	734	1,450,028
Dividends declared	--	--	--	--	(1,996,500)	(1,996,500)	(600)	(1,997,100)
Balance as at March 31, 2021– restated (Unaudited)	<u>6,050,000</u>	<u>176,913</u>	<u>(629)</u>	<u>(10,773)</u>	<u>26,833,214</u>	<u>33,048,725</u>	<u>17,206</u>	<u>33,065,931</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, 2022

	For the three-month period ended March 31,	
	2022 (Unaudited) QR' 000	2021 (Unaudited) (Restated) QR' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,704,001	1,444,358
<i>Adjustments for:</i>		
Depreciation and amortisation of intangibles	366,660	348,513
Amortisation of right-of-use assets	8,382	9,970
Provision for employees' end of service benefits	21,286	13,421
Share of results of investments in associates	(57,249)	(22,165)
Share of results of investments in joint ventures	(672,594)	(608,342)
Loss on disposal of property, plant and equipment	4,907	110
Finance costs	5,494	5,915
Interest income	(71,155)	(42,145)
Provision for obsolete and slow-moving inventories	8,886	6,854
Net remeasurement of loss allowance	(210)	--
Fair value gain on financial assets at fair value through profit or loss	(31,067)	(4,742)
Dividends received from financial assets at fair value through profit or loss	(15,229)	(13,196)
Cash flow from operating activities before changes in working capital	2,272,112	1,138,551
Movements in working capital		
Inventories	304,023	217,643
Trade and other receivables	722,905	276,922
Trade and other payables	(72,997)	125,336
Cash generated from operating activities	3,226,043	1,758,452
Payments of employees' end of service benefits	(12,732)	(12,872)
Payment of contribution to social and sports fund	(194,893)	(48,855)
Net cash generated from operating activities	3,018,418	1,696,725

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, 2022

	For the three-month period ended March 31,	
	2022	2021
	(Unaudited)	(Unaudited)
	QR' 000	(Restated)
	QR' 000	QR' 000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment and catalysts	(198,587)	(160,885)
Movement in fixed deposits	3,569,689	533,164
Dividends received from financial assets at fair value through profit or loss	15,229	13,196
Dividends received from joint ventures	76,440	16,380
Interest income received	104,673	26,237
Net cash generated by investing activities	3,567,444	428,092
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges paid	(3,548)	(3,898)
Net movement in bank borrowings	-	52,588
Payment of lease liability	(5,403)	(8,900)
Dividends paid	(6,050,450)	(1,997,100)
Net cash used in financing activities	(6,059,401)	(1,957,310)
Net increase in cash and cash equivalents	526,461	167,507
Cash and cash equivalents at January 1	4,515,143	1,717,223
Cash and cash equivalents at March 31	5,041,604	1,884,730

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, 2022

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 8. 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 (Q.S.C.C.) (GFC)	Subsidiary	State of Qatar	70%
Qatar Melamine Company (Q.S.C.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, 2022 were approved and authorised for issue by the Board of Directors on April 25, 2022.

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

For the three-month period ended March 31, 2022

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, 2021

3. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2022 (Unaudited) QR' 000	December 31, 2021 (Audited) QR' 000
Opening net book value	12,695,877	13,717,543
Additions	198,587	494,595
Depreciation	(366,629)	(1,412,941)
Disposals	(4,907)	(103,320)
Closing net book value	12,522,928	12,695,877

4. INVESTMENTS IN ASSOCIATES

	March 31, 2022 (Unaudited) QR' 000	December 31, 2021 (Audited) QR' 000
Balance at the beginning of the year	1,577,311	1,475,079
Dividend received from associates	-	(5,000)
Net share of other comprehensive (loss)/income	(295)	1,903
Share of results from associates	57,249	105,329
Balance at the end of the period/year	1,634,265	1,577,311

5. INVESTMENT IN JOINT VENTURES

	March 31, 2022 (Unaudited) QR' 000	December 31, 2021 (Audited) QR' 000
Balance at the beginning of the year	6,822,599	6,915,500
Share of net results of joint ventures	431,062	1,615,707
Adjustment related to tax benefit	241,532	863,590
Share of other comprehensive loss	-	(894)
Dividend and tax share income received	(76,440)	(2,571,304)
Balance at the end of the period/year	7,418,753	6,822,599

INDUSTRIES QATAR Q.P.S.C.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**For the three-month period ended March 31, 2022

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, 2022 (Unaudited)	March 31, 2021 (Unaudited) (Restated)
	<u>QR' 000</u>	<u>QR' 000</u>
Profit for the period	2,703,618	1,443,210
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)	0.45	0.24

7. RESTATEMENT OF PRIOR PERIOD BALANCES

The restatement for the period ended March 31, 2021 related to the addition depreciation amounting to QR 20.9 million on certain property, plant and equipment acquired when the Group obtained full control over QAFCO.

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

For the three-month period ended March 31, 2022

8. 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, 2022

	<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	325,470	49,572	--	496,890	(121,848)	375,042
Finance costs	1,242	3,337	2,157	--	6,736	(1,242)	5,494

For the three-month period ended March 31, 2021 (Restated)

	<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	1,008,572	1,611,934	1,227,891	--	3,848,397	(1,008,572)	2,839,825
Segment profit before tax	608,342	594,934	258,715	498,751	1,960,742	(516,384)	1,444,358
Depreciation and amortisation	99,953	319,222	39,261	--	458,436	(99,953)	358,483
Finance costs	1,482	3,583	2,332	--	7,397	(1,482)	5,915