

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

**INTERIM CONDENSED  
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED  
MARCH 31, 2021**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2021

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<b>CONTENTS</b>	<b>Page</b>
Interim condensed consolidated statement of financial position	1 - 2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of profit or loss and other comprehensive income	4
Interim condensed consolidated statement of changes in equity	5
Interim condensed consolidated statement of cash flows	6 – 7
Notes to the Interim condensed consolidated financial statements	8 – 12

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

As at March 31, 2021

	Note	March 31, 2021 (Unaudited) QR' 000	December 31, 2020 (Audited) QR' 000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	13,715,111	13,881,968
Investments in associates	4	1,503,328	1,475,079
Investments in joint ventures	5	7,507,462	6,915,500
Right-of-use assets		214,878	224,847
Intangible asset		1,815	1,845
<b>Total non-current assets</b>		<u>22,942,594</u>	<u>22,499,239</u>
<b>Current assets</b>			
Inventories		1,720,326	1,944,820
Trade and other receivables		2,195,540	2,455,695
Financial assets at fair value through profit or loss		353,108	348,367
Cash and bank balances		2,093,017	1,855,294
Fixed deposits		6,412,802	6,945,965
<b>Total current assets</b>		<u>12,774,793</u>	<u>13,550,141</u>
<b>Total assets</b>		<u>35,717,387</u>	<u>36,049,380</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 FINANCIAL POSITION

As at March 31, 2021

	<b>March 31, 2021 (Unaudited) QR' 000</b>	<b>December 31, 2020 (Audited) QR' 000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	6,050,000	6,050,000
Legal reserve	176,913	176,913
Hedging reserve	(629)	(6,713)
Other reserve	(10,773)	(10,773)
Retained earnings	27,018,902	27,550,929
<b>Equity attributable to equity holders of the parent</b>	<b>33,234,413</b>	<b>33,760,356</b>
Non-controlling interest	17,206	17,072
<b>Total equity</b>	<b>33,251,619</b>	<b>33,777,428</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	314,848	324,908
Employees' end of service benefits	421,141	419,852
<b>Total non-current liabilities</b>	<b>735,989</b>	<b>744,760</b>
<b>Current liabilities</b>		
Lease liabilities	77,614	75,178
Trade and other payables	1,560,059	1,403,029
Employees' end of service benefits	10,641	10,641
Income tax payable	2,161	1,747
Bank borrowings	79,304	36,597
<b>Total current liabilities</b>	<b>1,729,779</b>	<b>1,527,192</b>
<b>Total liabilities</b>	<b>2,465,768</b>	<b>2,271,952</b>
<b>Total equity and liabilities</b>	<b>35,717,387</b>	<b>36,049,380</b>

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 26, 2021 and signed on their behalf by:



**Saad Sherida Al-Kaabi**  
Chairman and Managing Director



**Abdulaziz Mohammed Al-Mannai**  
Vice Chairman

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**

For the three-month period ended March 31, 2021

	Note	For the three-month period ended March 31,	
		2021	2020*
		(Unaudited)	(Unaudited)
		QR' 000	QR' 000
Revenues		2,839,825	1,302,053
Cost of sales		(1,945,247)	(1,381,432)
<b>Gross profit</b>		<b>894,578</b>	<b>(79,379)</b>
General and administrative expenses		(146,545)	(31,885)
Selling and distribution expenses		(17,395)	(16,917)
Share of results of investments in associates		22,165	15,190
Share of results of investments in joint ventures		608,342	270,864
Income from investments		55,341	94,775
Finance costs		(5,915)	(2,842)
Other income/expenses – net		54,636	(46,014)
<b>Profit for the period</b>		<b>1,465,207</b>	<b>203,792</b>
<b>Attributable to:</b>			
Equity holders of the parent		1,464,473	203,792
Non-controlling interest		734	--
		<b>1,465,207</b>	<b>203,792</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	6	<b>0.24</b>	<b>0.03</b>

*\*Previous year's figures do not contain consolidated QAFCO's figures, as it got consolidated effective from 1<sup>st</sup> Jan, 2020 in Q2-2020.*

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, 2021

	<b>For the three-month period ended March 31,</b>	
	<b>2021</b>	<b>2020*</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>QR' 000</b>	<b>QR' 000</b>
Profit for the period	<u>1,465,207</u>	<u>203,792</u>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
Share of other comprehensive income of associates	<u>6,084</u>	<u>3,725</u>
<b>Other comprehensive income for the period</b>	<u>6,084</u>	<u>3,725</u>
<b>Total comprehensive income for the period</b>	<u>1,471,291</u>	<u>207,517</u>
<b>Attributable to:</b>		
Equity holders of the parent	<u>1,470,557</u>	<u>207,517</u>
Non-controlling interest	<u>734</u>	<u>--</u>
	<u>1,471,291</u>	<u>207,517</u>

*\*Previous year's figures do not contain consolidated QAFCO's figures, as it got consolidated effective from 1<sup>st</sup> Jan, 2020 in Q2-2020.*

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, 2021

	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
<b>Balance at December 31, 2019 (Audited)</b>	6,050,000	158,148	(4,080)	6,057	28,019,701	34,229,826	--	34,229,826
Profit for the period	--	--	--	--	203,792	203,792	--	203,792
Other comprehensive loss	--	--	3,725	--	--	3,725	--	3,725
Total comprehensive income for the period	--	--	3,725	--	203,792	207,517	--	207,517
<i>Transaction with owners</i>								
Dividends declared	--	--	--	--	(2,420,000)	(2,420,000)	--	(2,420,000)
<b>Balance at March 31, 2020 (Unaudited)</b>	6,050,000	158,148	(355)	6,057	25,803,493	32,017,343	--	32,017,343
<b>Balance at December 31, 2020 (Audited)</b>	6,050,000	176,913	(6,713)	(10,773)	27,550,929	33,760,356	17,072	33,777,428
Profit for the period	--	--	--	--	1,464,473	1,464,473	734	1,465,207
Other comprehensive income	--	--	6,084	--	--	6,084	--	6,084
Total comprehensive income for the period	--	--	6,084	--	1,464,473	1,470,557	734	1,471,291
<i>Transaction with owners</i>								
Dividends declared	--	--	--	--	(1,996,500)	(1,996,500)	(600)	(1,997,100)
<b>Balance at March 31, 2021 (Unaudited)</b>	6,050,000	176,913	(629)	(10,773)	27,018,902	33,234,413	17,206	33,251,619

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, 2021

	For the three-month period ended March 31,	
	2021 (Unaudited) QR' 000	2020* (Unaudited) QR' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,465,207	203,792
<i>Adjustments for:</i>		
Depreciation and amortisation	327,664	60,392
Amortisation of right-of-use assets	9,970	8,993
Provision for employees' end of service benefits	13,421	14,848
Share of results of investments in associates	(22,165)	(15,190)
Share of results of investments in joint ventures	(608,342)	(270,864)
Loss on disposal of property, plant and equipment	110	152
Finance costs	5,915	2,842
Interest income	(42,145)	(79,385)
Provision for obsolete and slow-moving inventories	6,854	--
Fair value (gain) /loss on financial assets at fair value through profit or loss	(4,742)	55,772
Reversal of impairment loss adjustment	--	10,000
Dividends received from financial assets at fair value through profit or loss	(13,196)	(15,390)
<b>Cash flow from operating activities before changes in working capital</b>	<b>1,138,551</b>	<b>(24,038)</b>
<b>Movements in working capital</b>		
Inventories	217,643	456,775
Trade and other receivables	276,922	391,718
Trade and other payables	125,336	(262,253)
<b>Cash generated from/(used in) operating activities</b>	<b>1,758,452</b>	<b>562,202</b>
Payments of employees' end of service benefits	(12,872)	(8,749)
Payment of contribution to social and sports fund	(48,855)	(59,572)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,696,725</b>	<b>493,881</b>

*\*Previous year's figures do not contain consolidated QAFCO's figures, as it got consolidated effective from 1<sup>st</sup> Jan, 2020 in Q2-2020.*



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

For the three-month period ended March 31, 2021

	<b>For the three-month period ended March 31,</b>	
	<b>2021</b>	<b>2020*</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>QR' 000</b>	<b>QR' 000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment and catalysts	<b>(160,885)</b>	(32,873)
Movement in fixed deposits	<b>533,164</b>	2,296,792
Proceeds from disposal of property, plant and equipment	--	17
Dividends received from financial assets at fair value through profit or loss	<b>13,196</b>	15,390
Dividends received from joint ventures	<b>16,380</b>	36,400
Interest income received	<b>26,237</b>	75,038
<b>Net cash generated by investing activities</b>	<b>428,092</b>	2,390,764
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance charges paid	<b>(3,898)</b>	(2,842)
Proceeds from loan	<b>52,588</b>	--
Payment of lease liability	<b>(8,900)</b>	(9,076)
Movement in unclaimed dividend bank accounts	<b>(80,098)</b>	(41,908)
Dividends paid	<b>(1,917,002)</b>	(2,378,092)
<b>Net cash used in financing activities</b>	<b>(1,957,310)</b>	(2,431,918)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>167,507</b>	452,727
Cash and cash equivalents at January 1	<b>1,717,223</b>	1,838,317
<b>Cash and cash equivalents at March 31</b>	<b>1,884,730</b>	2,291,044

*\*Previous year's figures do not contain consolidated QAFCO's figures, as it got consolidated effective from 1<sup>st</sup> Jan, 2020 in Q2-2020.*

## INDUSTRIES QATAR Q.P.S.C.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the three-month period ended March 31, 2021

#### 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	100%
Qatar Steel Industrial Investment Company S.P.C.	Subsidiary	Qatar	100%
Qatar Steel Company FZE (Dubai)	Subsidiary	United Arab 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%

On 23<sup>rd</sup> August 2020 Board of Directors has approved the acquisition of 25% stake in QAFCO from Qatar Petroleum for a purchase consideration of USD 1 billion and an Extraordinary General Assembly meeting held on 13th September 2020 has approved the transaction. The effective date of the transaction was on 1<sup>st</sup> January 2020.

In addition, Board of Directors also approved QAFCO’s acquisition of Qatar Petroleum’s 40% stake in QMC, effective 1st July 2020.

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, 2021 were approved and authorised for issue by the Board of Directors on April 26, 2021. Comparative

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

For the three-month period ended March 31, 2021

figures for the three-month period ended 31<sup>st</sup> March 2020 is as per published results and do not include consolidated figures for QAFCO's acquisition.

**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, 2020

**3. PROPERTY, PLANT AND EQUIPMENT**

	<b>March 31, 2021 (Unaudited) QR' 000</b>	<b>December 31, 2020 (Audited) QR' 000</b>
Opening net book value	13,881,968	3,336,020
Additions from business combination	-	13,080,424
Other additions	160,885	231,860
Impairment	-	(1,369,811)
Depreciation	(327,632)	(1,392,432)
Disposals	(110)	(4,093)
Closing net book value	<u>13,715,111</u>	<u>13,881,968</u>

**4. INVESTMENTS IN ASSOCIATES**

	<b>March 31, 2021 (Unaudited) QR' 000</b>	<b>December 31, 2020 (Audited) QR' 000</b>
Balance at the beginning of the year	1,475,079	1,475,914
Dividend and tax benefit payments received from associates	-	(2,549)
Net share of other comprehensive income/ (loss)	6,084	(2,633)
Share of results from associates	22,165	14,347
Adjustment to reversal of impairment loss	-	(10,000)
Balance at the end of the period/year	<u>1,503,328</u>	<u>1,475,079</u>

**5. INVESTMENT IN JOINT VENTURES**

	<b>March 31, 2021 (Unaudited) QR' 000</b>	<b>December 31, 2020 (Audited) QR' 000</b>
Balance at January 1,	6,915,500	16,732,460
Reclassification to subsidiary as a result of business combination	-	(9,847,874)
Share of net results of joint ventures	398,076	308,512
Adjustment related to tax benefit	210,266	756,793
Share of other comprehensive loss	--	(18,864)
Dividends income	(16,380)	(1,015,527)
Balance at the end of the period/year	<u>7,507,462</u>	<u>6,915,500</u>

# INDUSTRIES QATAR Q.P.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the three-month period ended March 31, 2021

### 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.

	<b>March 31, 2021 (Unaudited) QR' 000</b>	March 31, 2020 (Unaudited) QR' 000
Profit for the period	1,464,473	203,792
Weighted average number of shares outstanding during the period (in thousands)	<u>6,050,000</u>	<u>6,050,000</u>
Basic and diluted earnings per share (expressed in QR per share)	<u>0.24</u>	<u>0.03</u>

### 7. SEGMENT REPORTING

The Group operates in the Gulf region. For management purposes, the Group is organised into business units based on their products and services. In determining business units, joint ventures of the Group are treated as if they are proportionately consolidated within the financial statements. The Group has three reportable segments as follows:

- The petrochemical segments, which produces and sells ethylene, polyethylene, MTBE, methanol and other petrochemical products.
- The fertilizer segment, which produces and sells urea, ammonia and other by-products.
- The steel segment, which produces and sells steel pellets, bars, billets and others.

For the period ended 31 March 2021, the information of petrochemical represents those of the joint ventures of the group. Segment performance is evaluated based on operating profit or loss, which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the interim condensed consolidated financial statements.

#### Segment revenue

The revenue from external parties is measured in the same way as in the statement of profit or loss.

	<b>March 31, 2021</b>			March 31, 2020		
	Total QR' 000	Inter- segment revenue QR' 000	Revenue from external customers QR' 000	Total QR' 000	Inter- segment revenue QR' 000	Revenue from external customers QR' 000
Petrochemicals	1,008,572	--	1,008,572	764,605	--	764,605
Fertilisers	1,611,934	--	1,611,934	780,453	--	780,453
Steel	1,227,891	--	1,227,891	1,302,053	--	1,302,053
Total segment revenue	<u>3,848,397</u>	--	<u>3,848,397</u>	<u>2,847,111</u>	--	<u>2,847,111</u>
Revenue from investments in joint ventures accounted for using equity method	<u>(1,008,572)</u>	--	<u>(1,008,572)</u>	<u>(1,545,058)</u>	--	<u>(1,545,058)</u>
Revenue as per consolidated statement of profit or loss	<u>2,839,825</u>	--	<u>2,839,825</u>	<u>1,302,053</u>	--	<u>1,302,053</u>

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

For the three-month period ended March 31, 2021

**7. SEGMENT REPORTING (CONTINUED)**
**Segment profit**

The following table presents profit information regarding the Group's operating segments for the period ended March 31, 2021 and 2020, respectively:

As of March 31, 2021	Petrochemicals QR' 000	Fertilisers QR' 000	Steel QR' 000	Total QR' 000
Segment profit/(loss)	608,342	595,668	236,550	1,440,560
Share of results from associates	-	-	22,165	22,165
Total segment profit/(loss)	608,342	595,668	258,715	1,462,725

*Unallocated income:\**

Interest income	34,901
Dividend income	13,196
Other income	8,536
	56,633

*Unallocated expense:\**

Board of Director's fees	(1,938)
Qatar Petroleum annual fee	(1,231)
Qatar Exchange fee	(557)
Advertisements	(140)
Other expenses	(50,285)
	(54,151)

Profit for the period	1,465,207
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As of March 31, 2020	Petrochemicals QR. '000s	Fertilisers QR. '000s	Steel QR. '000s	Total QR. '000s
Segment profit/(loss)	123,023	147,841	(103,464)	167,400
Share of results from associates	-	-	15,190	15,190
Total segment profit	123,023	147,841	(88,274)	182,590

*Unallocated income:\**

Interest income	74,664
Dividend income	15,390
Other income	1,500
	91,554

*Unallocated expense:\**

Board of Director's fees and expenses	(1,937)
Qatar Petroleum annual fee	(1,638)
Qatar Exchange fee	(455)
Advertisements	(130)
Other expenses and fair value loss	(66,192)
	(70,352)
Profit for the period	203,792

\* Unallocated income and expense represent the income and expenses that are related to the head office and other consolidation adjustments.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the three-month period ended March 31, 2021

**Segment assets**

The following table presents segment assets regarding the Group's share in business segments as at 31 March 2021 and 31 December 2020 respectively:

	<u>Petrochemicals</u>	<u>Fertilisers</u>	<u>Steel</u>	<u>Total</u>
	QR' 000	QR' 000	QR' 000	QR' 000
<b>Segment assets:</b>				
<b>March 31, 2021</b>	<b>8,105,249</b>	<b>13,458,879</b>	<b>7,079,073</b>	<b>28,643,201</b>
December 31, 2020	7,883,614	13,032,625	6,902,885	27,819,124

The above segment reporting relates only to the subsidiaries and joint venture companies.

Reconciliation of reportable segments total assets:

	<u>March 31,</u>	<u>December 31,</u>
	<u>2021</u>	<u>2020</u>
	QR' 000	QR' 000
Total assets for reportable segments	28,643,201	27,819,124
Other un-allocable assets	7,671,968	9,198,368
Recognition of investment in joint ventures using equity method of accounting	7,507,466	6,915,502
Assets relating to joint ventures	<b>(8,105,248)</b>	<b>(7,883,614)</b>
Consolidated total assets for the period/year	<b>35,717,387</b>	<b>36,049,380</b>