

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

**INTERIM CONDENSED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2024**

INDUSTRIES QATAR Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended September 30, 2024

CONTENTS	Page
Interim condensed consolidated statement of financial position	1 - 2
Interim condensed consolidated statement of profit or loss	3
Interim condensed consolidated statement of comprehensive income	4
Interim condensed consolidated statement of changes in equity	5 - 6
Interim condensed consolidated statement of cash flows	7 - 8
Notes to the Interim condensed consolidated financial statements	9 - 12

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

As at September 30, 2024

	Note	September 30, 2024 (Unaudited) QR' 000	December 31, 2023 (Audited) QR' 000
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,448,350	13,357,311
Capital project advances		132,488	175,041
Investments in associates	4	1,919,112	1,810,706
Investments in joint ventures	5	6,697,948	6,782,965
Advance to a related party		262,547	137,797
Right-of-use assets		346,838	261,844
Intangible asset - license fee		1,387	1,479
Advances to an associate		--	191,493
Deferred tax assets		18,968	--
Total non-current assets		23,827,638	22,718,636
Current assets			
Inventories		3,014,956	2,833,277
Trade and other receivables		2,703,893	2,665,434
Equity securities		408,343	421,079
Cash and cash equivalents		3,674,256	3,460,004
Fixed deposits and other bank balances		7,231,935	10,954,185
Total current assets		17,033,383	20,333,979
Total assets		40,861,021	43,052,615

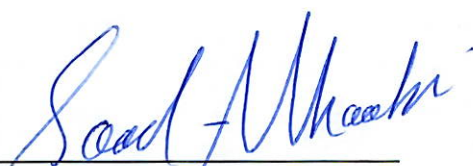
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

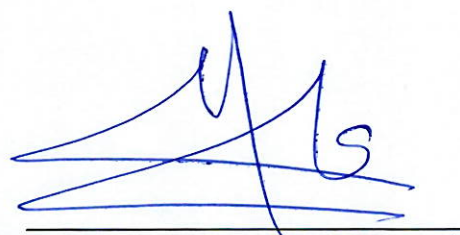
INDUSTRIES QATAR Q.P.S.C.**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at September 30, 2024

	September 30, 2024 (Unaudited) QR' 000	December 31, 2023 (Audited) QR' 000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6,050,000	6,050,000
Legal reserve	271,942	271,942
Other reserve	(65,623)	(62,265)
Retained earnings	<u>30,624,783</u>	<u>33,699,253</u>
Equity attributable to equity holders of the parent	36,881,102	39,958,930
Non-controlling interest	<u>889,810</u>	<u>17,411</u>
Total equity	<u>37,770,912</u>	<u>39,976,341</u>
LIABILITIES		
Non-current liabilities		
Lease liabilities	399,421	334,046
Employees' end of service benefits	<u>541,756</u>	<u>472,123</u>
Total non-current liabilities	<u>941,177</u>	<u>806,169</u>
Current liabilities		
Trade and other payables	1,956,066	2,220,044
Lease liabilities	63,661	47,738
Income tax payable	<u>129,205</u>	<u>2,323</u>
Total current liabilities	<u>2,148,932</u>	<u>2,270,105</u>
Total liabilities	<u>3,090,109</u>	<u>3,076,274</u>
Total equity and liabilities	<u>40,861,021</u>	<u>43,052,615</u>

These consolidated financial statements were approved and authorized for issue by the Board of Directors on October 29, 2024 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 nine-month period ended September 30, 2024

	For the nine-month period ended September 30,	
	2024	2023
<u>Note</u>	(Unaudited)	(Unaudited)
	QR' 000	Re-presented QR' 000
Revenues	9,311,169	8,935,719
Cost of sales	(7,099,644)	(7,058,496)
Gross profit	2,211,525	1,877,223
General and administrative expenses	(517,106)	(518,101)
Selling and distribution expenses	(61,831)	(57,160)
Share of results of investments in associates	195,884	230,249
Share of results of investments in joint ventures	1,084,979	1,147,768
Reversal of impairment losses of investment in an associate	--	60,000
Finance costs	(22,070)	(21,590)
Other income – net	716,133	577,836
Profit before tax	3,607,514	3,296,225
Income tax	(30,853)	(1,068)
Profit for the period	3,576,661	3,295,157
Attributable to:		
Equity holders of the parent	3,520,030	3,293,292
Non-controlling interest	56,631	1,865
	3,576,661	3,295,157
Earnings per share		
Basic and diluted earnings (QR per share)	0.58	0.54

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 COMPREHENSIVE INCOME**

For the nine-month period ended September 30, 2024

	For the nine-month period ended September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	QR' 000	QR' 000
Profit for the period	3,576,661	3,295,157
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Share of other comprehensive (loss) / income of associates	(3,358)	7,029
Total comprehensive income for the period	3,573,303	3,302,186
Attributable to:		
Equity holders of the parent	3,516,672	3,300,321
Non-controlling interest	56,631	1,865
	3,573,303	3,302,186

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FINANCIAL STATEMENTS

INDUSTRIES QATAR Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended September 30, 2024

	<u>Share Capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Attributable to owners of the parent</u>	<u>Non- controlling interest</u>	<u>Total equity</u>
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Balance as at December 31, 2023 (Audited)	6,050,000	271,942	(62,265)	33,699,253	39,958,930	17,411	39,976,341
Profit for the period	--	--	--	3,520,030	3,520,030	56,631	3,576,661
Other comprehensive loss	--	--	(3,358)	--	(3,358)	--	(3,358)
Total comprehensive (loss) /income for the period	--	--	(3,358)	3,520,030	3,516,672	56,631	3,573,303
Acquisition of a subsidiary with NCI	--	--	--	--	--	816,278	816,278
Dividends declared	--	--	--	(6,594,500)	(6,594,500)	(510)	(6,595,010)
Balance as at September 30, 2024 (Unaudited)	6,050,000	271,942	(65,623)	30,624,783	36,881,102	889,810	37,770,912

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 nine-month period ended September 30, 2024

	Share Capital	Legal 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
Balance as at December 31, 2022 (Audited)	6,050,000	271,059	(57,884)	35,739,722	42,002,897	16,651	42,019,548
Profit for the period	--	--	--	3,293,292	3,293,292	1,865	3,295,157
Other comprehensive income	--	--	7,029	--	7,029	--	7,029
Total comprehensive income for the period	--	--	7,029	3,293,292	3,300,321	1,865	3,302,186
Social and sports contribution fund refund	--	--	--	4,111	4,111	--	4,111
Dividends declared	--	--	--	(6,655,000)	(6,655,000)	(690)	(6,655,690)
Balance as at September 30, 2023 (Unaudited)	<u>6,050,000</u>	<u>271,059</u>	<u>(50,855)</u>	<u>32,382,125</u>	<u>38,652,329</u>	<u>17,826</u>	<u>38,670,155</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 nine-month period ended September 30, 2024

	For the nine-month period ended September 30,	
	2024 (Unaudited) QR' 000	2023 (Unaudited) Re-presented QR' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	3,576,661	3,295,157
<i>Adjustments for:</i>		
Depreciation and amortisation of intangibles	1,116,016	1,021,155
Amortisation of right-of-use assets	36,837	29,155
Provision for employees' end of service benefits	55,747	52,816
Share of results of investments in associates	(195,884)	(230,249)
Share of results of investments in joint ventures	(1,084,979)	(1,147,768)
Reversal of impairment losses of investment in associates	--	(60,000)
Reversal of provision for financial guarantee	(142,658)	--
Loss on disposal of property, plant and equipment	601	1,181
Finance costs	22,070	21,590
Income tax expense	30,853	1,068
Interest income	(534,334)	(598,413)
Net movement in provision for obsolete and slow-moving inventories	20,469	(1,245)
Net remeasurement of loss allowance	2,939	10,758
Fair value loss / (gain) on financial assets at fair value through profit or loss	12,736	(13,437)
Dividends received from financial assets at fair value through profit or loss	(22,017)	(19,149)
Cash flow from operating activities before changes in working capital	2,895,057	2,362,619
Movements in working capital		
Inventories	7,101	509,111
Trade and other receivables	594,435	1,472,546
Trade and other payables	(328,342)	216,958
Cash generated from operating activities	3,168,251	4,561,234
Payments of employees' end of service benefits	(45,763)	(57,128)
Payments of income tax	(3,746)	(115)
Net payment to social and sports contribution fund	(108,836)	(206,654)
Net cash generated from operating activities	3,009,906	4,297,337

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 nine-month period ended September 30, 2024

	For the nine-month period ended September 30,	
	2024	2023
	(Unaudited)	(Unaudited)
	QR' 000	Re-presented QR' 000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment and catalysts	(1,243,590)	(1,404,536)
Movement in fixed deposits	3,709,087	234,277
Dividends received from financial assets at fair value through profit or loss	22,017	19,149
Dividends received from joint ventures	273,000	198,635
Dividends received from associates	275,613	421,273
Advance to a related party	(124,750)	(91,320)
Proceeds from disposal of property, plant and equipment	7,528	28
Net cash inflow on acquisition of a subsidiary	478,288	--
Interest income received	473,436	452,940
Net cash generated / (used) in investing activities	3,870,629	(169,554)
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges paid	(375)	(1,539)
Payment of lease liability	(57,734)	(107,116)
Movement in unclaimed dividend bank accounts	(13,164)	25
Dividends paid	(6,595,010)	(6,655,715)
Net cash used in financing activities	(6,666,283)	(6,764,345)
Net increase/(decrease) in cash and cash equivalents	214,252	(2,636,562)
Cash and cash equivalents at January 1	3,460,004	9,626,954
Cash and cash equivalents at September 30	3,674,256	6,990,392

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 nine-month period ended September 2024

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 19 April 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 Company’s registered office is situated in Doha, State of Qatar. The Company’s controlling shareholder is QatarEnergy (the “Parent”) which is owned by Supreme Council for Economic Affairs and Investment of the Government of State of Qatar, which is the ultimate controlling party.

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%
Al Qataria for Production of Reinforcing Steel W.L.L.	Subsidiary	Qatar	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%
Qatar Fuel Additives Company Limited Q.P.J.S.C. (“QAFAC”) (i)	Subsidiary	State of Qatar	50%

(i) During the period, the Consolidated Joint Venture Agreement (CJVA) of QAFAC expired on 9 June 2024. Post expiry of CJVA, effective 10 June 2024, the Company continues to hold its 50% shareholding interest in QAFAC. Remaining 50% shareholding in QAFAC held by other shareholders is to be acquired by a related party with an economic effective date of 10 June 2024, subject to completion of legal formalities. Based on the proposed arrangement with the related party, the Company has control over QAFAC so that it is exposed to and has rights to variable returns from its involvement with QAFAC and has the ability to impact those returns through its controlling shareholding in QAFAC, while the related party is entitled to 50% share of profits due to its shareholding. Further, management has assessed that the acquired activities and assets of QAFAC are capable of being conducted and managed for the purpose of generating outputs and accordingly, this acquisition is a business combination for the Company as per IFRS 3. Accordingly, QAFAC has been included in this condensed consolidated interim financial information as a subsidiary with effect from 10 June 2024.

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.

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

For the nine-month period ended September 2024

	<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	Qatar	80%
Qatar Metals Coating Company W.L.L.	Associate	Qatar	50%
SOLB Steel Company (SSC)	Associate	Kingdom of Saudi Arabia	40.38%
Foulath Holding B.S.C.	Associate	Bahrain	25%

The interim condensed consolidated financial statements of the Group for the period ended September 30, 2024 were approved and authorised for issue by the Board of Directors on October 29, 2024.

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, 2023

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
	QR’ 000	QR’ 000
Opening net book value	13,357,311	11,685,109
Additions	1,243,590	2,231,738
Depreciation	(1,115,924)	(1,463,007)
Reversal of impairment	--	550,000
Acquisition of subsidiary	928,953	345,038
Disposals and adjustments	34,420	8,433
Closing net book value	14,448,350	13,357,311

4. INVESTMENTS IN ASSOCIATES

	September 30, 2024	December 31, 2023
	(Unaudited)	(Audited)
	QR’ 000	QR’ 000
Balance at the beginning of the year	1,810,706	1,890,060
Conversion of advances (i)	191,493	--
Dividend received	(275,613)	(421,273)
Net share of other comprehensive income	(3,358)	283
Share of results from associates	195,884	281,636
Reversal of impairment	--	60,000
Balance at the end of the period/year	1,919,112	1,810,706

INDUSTRIES QATAR Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the nine-month period ended September 2024

- (i) SOLB Steel Company (Solb) is a company incorporated in the Kingdom of Saudi Arabia and is engaged in the manufacture and sale of steel products. During the period, the advances paid to Solb amounting to QR 191.49 million have been reclassified to investment in associate as the shares were issued by Solb. As a result, the Group's percentage of shareholding in Solb has increased from 31.03% to 40.38%.

5. INVESTMENT IN JOINT VENTURES

	September 30, 2024 (Unaudited) QR' 000	December 31, 2023 (Audited) QR' 000
Balance at the beginning of the year	6,782,965	7,096,559
Share of net results of joint ventures	704,310	907,055
Adjustment related to tax benefits	380,669	452,906
Share of other comprehensive loss	--	(2,912)
Dividend and tax share income received	(273,000)	(1,670,643)
Conversion of joint venture to a subsidiary	(896,996)	--
Balance at the end of the period/year	6,697,948	6,782,965

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.

	September 30, 2024 (Unaudited) QR' 000	September 30 2023 (Unaudited) QR' 000
Profit for the period	3,520,030	3,293,292
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)	0.58	0.54

7. COMPARATIVE FIGURES

QAFAC's interim condensed financial information for the period ended 30 September 2023 was prepared on a non-going concern basis. However, the Group reclassified its investment in QAFAC as continuing operation in its annual consolidated financial statements for the year ended 31 December 2023. Therefore, the comparative information for the nine-month period ended 30 September 2023 presented in this condensed consolidated interim financial information has been represented to include QAFAC as part of continuing operations. Furthermore, certain comparative figures presented have been reclassified and represented where necessary to preserve consistency with the current period figures. However, such reclassifications did not have any effect on the net profit or the total equity for the comparative period.

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

For the nine-month period ended September 2024

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 nine-month period ended September 30, 2024 (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	3,615,334	5,577,143	2,934,578	--	12,127,055	(2,815,886)	9,311,169
Segment profit before tax	1,247,743	1,552,777	438,035	1,197,038	4,435,593	(828,079)	3,607,514
Depreciation and amortisation	363,557	875,793	163,990	66,825	1,470,165	(317,312)	1,152,853
Finance costs	3,777	12,588	7,865	--	24,230	(2,160)	22,070

For the nine-month period ended September 30, 2023 re-presented (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	3,093,937	5,673,699	3,262,020	--	12,029,656	(3,093,937)	8,935,719
Segment profit before tax	1,147,768	1,358,746	408,527	3,780,005	6,695,046	(3,398,821)	3,296,225
Depreciation and amortisation	365,044	805,832	144,422	100,056	1,415,354	(365,044)	1,050,310
Finance costs	2,509	12,969	8,621	--	24,099	(2,509))	21,590