

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

**INTERIM CONDENSED  
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED  
MARHC 31, 2020**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three-month period ended March 31, 2020

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

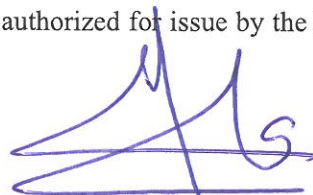
As at March 31, 2020

	Note	March 31, 2020 (Unaudited) QR. '000s	December 31, 2019 (Audited) QR. '000s
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,308,332	3,336,020
Investments in associates	4	1,484,829	1,475,914
Investments in joint ventures	5	16,966,924	16,732,460
Rights-of-use assets		138,741	134,588
		<u>21,898,826</u>	<u>21,678,982</u>
<b>Current assets</b>			
Inventories		1,394,717	1,851,492
Trade and other receivables		910,523	1,297,246
Financial assets at fair value through profit or loss		268,809	324,581
Cash and bank balances		2,454,232	1,959,597
Fixed deposits		6,461,627	8,758,419
		<u>11,489,908</u>	<u>14,191,335</u>
<b>Total assets</b>		<u>33,388,734</u>	<u>35,870,317</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		6,050,000	6,050,000
Legal reserve		158,148	158,148
Hedging reserve		(355)	(4,080)
Other reserve		6,057	6,057
Retained earnings		25,803,493	28,019,701
<b>Total equity</b>		<u>32,017,343</u>	<u>34,229,826</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liability		170,777	167,778
Employees' benefit obligations		206,783	200,684
		<u>377,560</u>	<u>368,462</u>
<b>Current liabilities</b>			
Trade and other payables		959,084	1,239,003
Lease liability		34,747	33,026
		<u>993,831</u>	<u>1,272,029</u>
<b>Total liabilities</b>		<u>1,371,391</u>	<u>1,640,491</u>
<b>Total equity and liabilities</b>		<u>33,388,734</u>	<u>35,870,317</u>

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 21, 2020 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, 2020

	Note	Three-month period ended	
		March 31,	
		2020	2019
		(Unaudited)	(Unaudited)
		QR. '000s	QR. '000s
Revenues		<b>1,302,053</b>	1,261,848
Cost of sales		<b>(1,381,432)</b>	(1,212,265)
<b>Gross (loss) / profit</b>		<b>(79,379)</b>	49,583
General and administrative expenses		<b>(31,885)</b>	(30,909)
Selling and distribution expenses		<b>(16,917)</b>	(17,586)
Share of net results of investment in joint ventures		<b>270,864</b>	517,076
Share of net results of investment in associates		<b>15,190</b>	36,561
Income from investments		<b>94,775</b>	117,104
Finance cost		<b>(2,842)</b>	(2,577)
Other (expense) / income		<b>(46,014)</b>	4,783
<b>Profit for the period</b>		<b>203,792</b>	674,035
<b>Earnings per share</b>			
Basic and diluted earnings per share (QR per share)	6	<b>0.03</b>	0.11

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, 2020

	<b>Three-month period ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>QR. '000s</b>	<b>QR. '000s</b>
Profit for the period	<b>203,792</b>	674,035
<b>Other comprehensive income / (loss)</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
<i>Share of other comprehensive income/(loss) of investment in associates</i>		
Movement in cash flow hedges	<b>3,725</b>	(2,564)
<b>Other comprehensive income / (loss) / for the period</b>	<b>3,725</b>	(2,564)
<b>Total comprehensive income for the period</b>	<b>207,517</b>	671,471

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, 2020

	Share capital QR. '000s	Legal reserve QR. '000s	Hedging reserve QR. '000s	Other reserve QR. '000s	Retained earnings QR. '000s	Total QR. '000s
<b>Balance at January 1, 2019 (Audited)</b>	6,050,000	126,824	602	15,905	29,150,189	35,343,520
Profit for the period	-	-	-	-	674,035	674,035
Other comprehensive (loss) for the period	-	-	(2,564)	-	-	(2,564)
<b>Total comprehensive income / (loss) for the period</b>	-	-	(2,564)	-	674,035	671,471
Dividends declared for 2018	-	-	-	-	(3,630,000)	(3,630,000)
<b>Balance at March 31, 2019 (Unaudited)</b>	6,050,000	126,824	(1,962)	15,905	26,194,224	32,384,991
<b>Balance at January 1, 2020 (Audited)</b>	6,050,000	158,148	(4,080)	6,057	28,019,701	34,229,826
Profit for the period	-	-	-	-	203,792	203,792
Other comprehensive income for the period	-	-	3,725	-	-	3,725
<b>Total comprehensive income for the period</b>	-	-	3,725	-	203,792	207,517
Dividends declared for 2019	-	-	-	-	(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

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, 2020

	<b>Three-month period ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	2019
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>QR. '000s</b>	<b>QR. '000s</b>
<b>Cash flows from operating activities</b>		
Profit for the period	<b>203,792</b>	674,035
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	<b>60,392</b>	66,646
Amortisation of right-of-use assets	<b>8,993</b>	7,239
Provision for employees' end of service benefits	<b>14,848</b>	16,058
Share of net results from investment in joint ventures	<b>(270,864)</b>	(517,076)
Share of net results from investment in associates	<b>(15,190)</b>	(36,561)
Loss on disposal of property, plant and equipment	<b>152</b>	1,147
Dividend income from financial assets at fair value through profit or loss	<b>(15,390)</b>	(15,455)
Fair value loss from financial assets at fair value through profit or loss	<b>55,772</b>	16,548
Finance costs	<b>2,842</b>	2,577
Interest income	<b>(79,385)</b>	(101,649)
Reversal of impairment loss adjustment	<b>10,000</b>	-
<b>Operating cash flows before changes in working capital</b>	<b>(24,038)</b>	113,509
<b>Changes in working capital</b>		
Inventories	<b>456,775</b>	52,146
Trade and other receivable	<b>391,718</b>	460,898
Trade and other payable	<b>(262,253)</b>	(352,319)
<b>Cash generated from operations</b>	<b>562,202</b>	274,234
Payments of end of service benefits	<b>(8,749)</b>	(12,639)
Social fund contribution	<b>(59,572)</b>	(124,919)
<b>Net cash generated from operating activities</b>	<b>493,881</b>	136,676
<b>Cash flows from investing activities</b>		
Proceeds from disposals of property, plant and equipment	<b>17</b>	-
Additions to property, plant and equipment	<b>(32,873)</b>	(51,474)
Dividend received from financial assets at fair value through profit or loss	<b>15,390</b>	15,455
Dividends received from investment in joint ventures	<b>36,400</b>	660,800
Movement in fixed deposits	<b>2,296,792</b>	1,367,614
Interest income received	<b>75,038</b>	204,322
<b>Net cash generated from investing activities</b>	<b>2,390,764</b>	2,196,717

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, 2020

	<b>Three-month period ended</b>	
	<b>March 31,</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>QR. '000s</b>	<b>QR. '000s</b>
<b>Cash flows from financing activities</b>		
Repayment of principal related to lease liability	(9,076)	(15,107)
Finance costs paid	(2,842)	(2,577)
Movement in unclaimed dividend bank accounts	(41,908)	(66,948)
Dividends paid to equity holders	(2,378,092)	(3,563,052)
<b>Net cash used in financing activities</b>	<b>(2,431,918)</b>	<b>(3,647,684)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>452,727</b>	<b>(1,314,291)</b>
Cash and cash equivalents at beginning of period	<b>1,838,317</b>	<b>1,883,715</b>
<b>Cash and cash equivalents at end of period</b>	<b>2,291,044</b>	<b>569,424</b>

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, 2020

#### 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:

	Type of interest	Country of incorporation	Percentage of holding
Qatar Steel Company Q.P.S.C.	Subsidiary	Qatar	100%
Qatar Steel Company FZE ( Dubai)	Subsidiary	UAE	100%
Qatar Steel Industrial Investment Company S.P.C.	Subsidiary	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:

	Type of interest	Country of incorporation	Percentage of holding
Qatar Petrochemical Company (QAPCO) Q.P.J.S.C.	Joint venture	Qatar	80%
Qatar Fertiliser Company P.S.C.	Joint venture	Qatar	75%
Qatar Fuel Additives Company Limited Q.P.S.C.	Joint venture	Qatar	50%
SOLB Steel Company (SSC)	Associate	KSA	31.03%
Qatar Metals Coating Company W.L.L.	Associate	Qatar	50%
Foulath Holding B.S.C. ©	Associate	Bahrain	25%

**Qatar Steel Company Q.P.S.C. (“QATAR STEEL”)**, a Qatari Private Shareholding Company incorporated in the State of Qatar, is wholly owned by IQ. Qatar Steel is engaged in manufacturing of steel billets and reinforcing bars for sale in the domestic and export markets.

**Qatar Steel Company FZE (Dubai)**, a fully owned subsidiary with limited liability on 22 July 2003, pursuant to Dubai Law No. 9 of 1992 and implementing the regulations of the Jebel Ali Free Zone Authority.

**Qatar Petrochemical Company (QAPCO) Q.P.J.S.C. (“QAPCO”)**, a Qatari Private Joint Shareholding Company incorporated in the State of Qatar, is a joint venture between IQ (80%) and Total Petrochemicals (France) (TPF) (20%). QAPCO is engaged in the production and sale of ethylene, polyethylene, hexane and other petrochemical products.

**Qatar Fertiliser Company (P.S.C.) (“QAFCO”)**, a Qatari Private Shareholding Company incorporated in the State of Qatar, is a joint venture between IQ (75%) and Yara Netherland BV (25%). QAFCO is engaged in the production and sale of ammonia and urea. On 08 March 2020 Qatar Petroleum has announced that it has entered into a binding agreement to acquire Yara Netherland BV’s 25% stake in QAFCO for a purchase price of USD 1 billion. The transaction is conditional upon customary regulatory and closing conditions.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the three-month period ended March 31, 2020

**Qatar Fuel Additives Company Limited Q.P.S.C. (“QAFAC”)**, a Qatari Private Shareholding Company incorporated in the State of Qatar, is a joint venture between IQ (50%), OPIC Middle East Corporation (20%), International Octane LLC (15%) and LCY Middle East Corporation (15%), a body corporate formed under the laws of the British Virgins Islands. QAFAC is engaged in the production and export of methyl-tertiary-butyl-ether (MTBE) and methanol.

The interim condensed consolidated financial statements of the Group for the period ended March 31, 2020 were approved and authorised for issue by the Board of Directors on April, 21, 2020.

#### 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, 2019

#### 3. PROPERTY, PLANT AND EQUIPMENT

	<b>March 31 2020 (Unaudited) QR. ‘000s</b>	<b>December 31 2019 (Audited) QR. ‘000s</b>
Opening net book value	3,336,020	3,437,916
Additions	32,873	155,873
Disposals	(169)	(12,941)
Depreciation	(60,392)	(244,828)
Closing net book value	<u>3,308,332</u>	<u>3,336,020</u>

#### 4. INVESTMENTS IN ASSOCIATES

	<b>March 31 2020 (Unaudited) QR. ‘000s</b>	<b>December 31 2020 (Audited) QR. ‘000s</b>
Balance at the beginning of the year	1,475,914	1,407,089
Dividends received from associates	-	(3,500)
Share of results from associates	15,190	75,328
Loan repayments	-	(98,321)
(Adjustment to reversal) / reversal of impairment loss	(10,000)	100,000
Net share of other comprehensive income / (loss)	3,725	(4,682)
Balance at the end of the period/year	<u>1,484,829</u>	<u>1,475,914</u>

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

For the three-month period ended March 31, 2020

**5. INVESTMENT IN JOINT VENTURES**

	<b>March 31 2020 (Unaudited) QR. '000s</b>	<b>December 31 2019 (Audited) QR. '000s</b>
Balance at January 1	16,732,460	17,885,703
Adoption of new accounting policy	-	(80,173)
Balance at January 1, as restated	<u>16,732,460</u>	<u>17,805,530</u>
Share of results of joint ventures	270,864	2,180,755
Share of other comprehensive (loss)	-	(9,848)
Share of derecognition of exempted tax reserve	-	15,795
Dividends income	<u>(36,400)</u>	<u>(3,259,772)</u>
Balance at the end of the period/year	<u><u>16,966,924</u></u>	<u><u>16,732,460</u></u>

**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 2020 (Unaudited) QR. '000s</b>	<b>March 31 2019 (Unaudited) QR. '000s</b>
Profit for the period	203,792	674,035
Weighted average number of shares outstanding during the period (in thousands) (as restated to reflect stock split)	<u>6,050,000</u>	<u>6,050,000</u>
Basic and diluted earnings per share (QR) (as restated to reflect stock split)	<u><u>0.03</u></u>	<u><u>0.11</u></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.

The information of petrochemical and fertilizer segments 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.

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

For the three-month period ended March 31, 2020

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

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

	March 31 2020			March 31 2019		
	Total	Inter-segment revenue	Revenue from external customers	Total	Inter-segment revenue	Revenue from external customers
	QR. '000s	QR. '000s	QR. '000s	QR. '000s	QR. '000s	QR. '000s
Petrochemicals	764,605	-	764,605	830,804	--	830,804
Fertilisers	780,453	-	780,453	1,098,277	--	1,098,277
Steel	1,302,053	-	1,302,053	1,261,848	--	1,261,848
Total segment revenue	2,847,111	-	2,847,111	3,190,929	--	3,190,929
Revenue from investments in joint venture accounted for using equity method	(1,545,058)	-	(1,545,058)	(1,929,081)	--	(1,929,081)
Revenue per consolidated statement of profit or loss	1,302,053	-	1,302,053	1,261,848	--	1,261,848

**Segment profit**

The following table presents profit information regarding the Group's operating segments for the period ended March 31, 2020 and 2019, respectively:

As of March 31, 2020	Petrochemicals	Fertilisers	Steel	Total
	QR. '000s	QR. '000s	QR. '000s	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
	<u>91,554</u>

*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)
	<u>(70,352)</u>

Profit for the period	<u>203,792</u>
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**INDUSTRIES QATAR Q.P.S.C.**
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**

For the three-month period ended March 31, 2020

**7. SEGMENT REPORTING (CONTINUED)**

As of March 31, 2019	Petrochemicals QR. '000s	Fertilisers QR. '000s	Steel QR. '000s	Total QR. '000s
Segment profit	309,887	207,189	25,287	542,363
Share of results from associates	--	--	36,561	36,561
<b>Total segment profit</b>	<b>309,887</b>	<b>207,189</b>	<b>61,848</b>	<b>578,924</b>
<i>Unallocated income:*</i>				
Interest income				98,376
Dividend income				15,455
Other income				2,533
				<u>116,365</u>
<i>Unallocated expense:*</i>				
Board of Director's fees and expenses				(1,937)
Qatar Petroleum annual fee				(1,738)
Qatar Exchange fee				(455)
Advertisements				(152)
Other expenses and fair value loss				(16,971)
				<u>(21,253)</u>
<b>Profit for the period</b>				<u><b>674,035</b></u>

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

**Segment assets**

The following table presents segment assets regarding the Group's business segments as at 31 March 2020 and 31 December 2019 respectively:

	Petrochemicals QR. '000s	Fertilisers QR. '000s	Steel QR. '000s	Total QR. '000s
<b>Segment assets:</b>				
<b>March 31, 2020</b>	<b>7,763,577</b>	<b>11,047,289</b>	<b>8,141,485</b>	<b>26,952,351</b>
December 31, 2019	8,031,906	10,799,972	8,475,025	27,306,903

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

Reconciliation of reportable segments total assets:

	<b>March 31 2020</b> QR. '000s	December 31 2019 QR. '000s
Total assets for reportable segments	<b>26,952,351</b>	27,306,903
Other un-allocable assets	<b>8,280,325</b>	10,662,832
Recognition of investment in joint ventures using equity method of accounting	<b>16,966,924</b>	16,732,460
Assets relating to joint ventures	<b>(18,810,866)</b>	(18,831,878)
<b>Consolidated total assets for the period/year</b>	<b><u>33,388,734</u></b>	<u>35,870,317</u>