

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

**INTERIM CONDENSED  
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED  
SEPTEMBER 30, 2022**

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine-month period ended September 30, 2022

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

As at September 30, 2022

	Note	<b>September 30, 2022 (Unaudited) QR' 000</b>	<b>December 31, 2021 (Audited) QR' 000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	<b>11,852,496</b>	12,695,877
Investments in associates	4	<b>1,739,550</b>	1,577,311
Investments in joint ventures	5	<b>8,607,023</b>	6,822,599
Right-of-use assets		<b>166,209</b>	186,902
Intangible asset		<b>1,631</b>	1,723
Other non-current assets		<b>32,614</b>	--
<b>Total non-current assets</b>		<b>22,399,523</b>	21,284,412
<b>Current assets</b>			
Inventories		<b>2,526,251</b>	2,004,231
Trade and other receivables		<b>2,723,102</b>	4,584,170
Financial assets at fair value through profit or loss		<b>393,402</b>	348,510
Cash and bank balances		<b>5,881,185</b>	4,606,901
Fixed deposits		<b>9,172,868</b>	9,479,477
<b>Total current assets</b>		<b>20,696,808</b>	21,023,289
<b>Total assets</b>		<b>43,096,331</b>	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 September 30, 2022

	<b>September 30, 2022 (Unaudited) QR' 000</b>	<b>December 31, 2021 (Audited) QR' 000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	6,050,000	6,050,000
Legal reserve	195,856	195,856
Hedging reserve	(899)	(4,810)
Other reserve	(8,814)	(8,814)
Retained earnings	<u>34,261,185</u>	<u>33,261,035</u>
<b>Equity attributable to equity holders of the parent</b>	<b>40,497,328</b>	<b>39,493,267</b>
Non-controlling interest	<u>17,734</u>	<u>17,021</u>
<b>Total equity</b>	<b><u>40,515,062</u></b>	<b><u>39,510,288</u></b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	267,089	291,827
Employees' end of service benefits	<u>440,810</u>	<u>432,102</u>
<b>Total non-current liabilities</b>	<b><u>707,899</u></b>	<b><u>723,929</u></b>
<b>Current liabilities</b>		
Lease liabilities	95,113	81,849
Trade and other payables	1,777,581	1,990,966
Income tax payable	<u>676</u>	<u>669</u>
<b>Total current liabilities</b>	<b><u>1,873,370</u></b>	<b><u>2,073,484</u></b>
<b>Total liabilities</b>	<b><u>2,581,269</u></b>	<b><u>2,797,413</u></b>
<b>Total equity and liabilities</b>	<b><u>43,096,331</u></b>	<b><u>42,307,701</u></b>

These consolidated financial statements were approved and authorized for issue by the Board of Directors on October 26, 2022 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 nine-month period ended September 30, 2022

	<b>For the nine-month period ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Note	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>QR' 000</b>	<b>(Restated) QR' 000</b>
Revenues	<b>14,623,762</b>	9,446,293
Cost of sales	<b>(9,726,809)</b>	(5,979,341)
<b>Gross profit</b>	<b>4,896,953</b>	3,466,952
General and administrative expenses	<b>(485,795)</b>	(396,355)
Selling and distribution expenses	<b>(47,373)</b>	(34,477)
Share of results of investments in associates	<b>270,073</b>	80,823
Share of results of investments in joint ventures	<b>2,071,984</b>	2,173,082
Finance costs	<b>(16,850)</b>	(19,653)
Other income – net	<b>358,886</b>	241,278
<b>Profit before tax</b>	<b>7,047,878</b>	5,511,650
Income tax	<b>(676)</b>	(813)
<b>Profit for the period</b>	<b>7,047,202</b>	5,510,837
<b>Attributable to:</b>		
Equity holders of the parent	<b>7,046,039</b>	5,509,432
Non-controlling interest	<b>1,163</b>	1,405
	<b>7,047,202</b>	5,510,837
<b>Earnings per share</b>		
Basic and diluted earnings (QR per share)	6 <b>1.16</b>	0.91

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 nine-month period ended September 30, 2022

	<b>For the nine-month period ended September 30</b>	
	<b>2022 (Unaudited) QR' 000</b>	<b>2021 (Unaudited) (Restated) QR' 000</b>
Profit for the period	<b>7,047,202</b>	5,510,837
<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	<b>3,911</b>	6,713
<b>Total comprehensive income for the period</b>	<b>7,051,113</b>	<b>5,517,550</b>
<b>Attributable to:</b>		
Equity holders of the parent	<b>7,049,950</b>	5,516,145
Non-controlling interest	<b>1,163</b>	1,405
	<b>7,051,113</b>	<b>5,517,550</b>

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

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the nine-month period ended September 30, 2022

	<b>Share Capital</b>	<b>Legal reserve</b>	<b>Hedging reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Attributable to owners of the parent</b>	<b>Non- controlling interest</b>	<b>Total equity</b>
	<b>QR' 000</b>	<b>QR' 000</b>	<b>QR' 000</b>	<b>QR' 000</b>	<b>QR' 000</b>	<b>QR' 000</b>	<b>QR' 000</b>	<b>QR' 000</b>
<b>Balance as at December 31, 2021 (Audited)</b>	<b>6,050,000</b>	<b>195,856</b>	<b>(4,810)</b>	<b>(8,814)</b>	<b>33,261,035</b>	<b>39,493,267</b>	<b>17,021</b>	<b>39,510,288</b>
Profit for the period	--	--	--	--	<b>7,046,039</b>	<b>7,046,039</b>	<b>1,163</b>	<b>7,047,202</b>
Other comprehensive income	--	--	<b>3,911</b>	--	--	<b>3,911</b>	--	<b>3,911</b>
Total comprehensive income for the period	--	--	<b>3,911</b>	--	<b>7,046,039</b>	<b>7,049,950</b>	<b>1,163</b>	<b>7,051,113</b>
Social fund contribution reversal	--	--	--	--	<b>4,111</b>	<b>4,111</b>	--	<b>4,111</b>
Dividends declared	--	--	--	--	<b>(6,050,000)</b>	<b>(6,050,000)</b>	<b>(450)</b>	<b>(6,050,450)</b>
<b>Balance as at September 30, 2022 (Unaudited)</b>	<b>6,050,000</b>	<b>195,856</b>	<b>(899)</b>	<b>(8,814)</b>	<b>34,261,185</b>	<b>40,497,328</b>	<b>17,734</b>	<b>40,515,062</b>

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, 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
<b>Balance as at December 31, 2020 (Audited)</b>	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	--	--	--	--	5,509,432	5,509,432	1,405	5,510,837
Other comprehensive income	--	--	6,713	--	--	6,713	--	6,713
Total comprehensive income for the period – restated	--	--	6,713	--	5,509,432	5,516,145	1,405	5,517,550
Dividends declared	--	--	--	--	(1,996,500)	(1,996,500)	(1,170)	(1,997,670)
<b>Balance as at September 30, 2021– restated (Unaudited)</b>	<u>6,050,000</u>	<u>176,913</u>	<u>--</u>	<u>(10,773)</u>	<u>30,899,436</u>	<u>37,115,576</u>	<u>17,307</u>	<u>37,132,883</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, 2022

	<b>For the nine-month period ended September 30</b>	
	<b>2022 (Unaudited) QR' 000</b>	<b>2021 (Unaudited) (Restated) QR' 000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	<b>7,047,878</b>	5,511,650
<i>Adjustments for:</i>		
Depreciation and amortisation of intangibles	<b>1,095,114</b>	1,066,146
Amortisation of right-of-use assets	<b>21,823</b>	28,203
Provision for employees' end of service benefits	<b>50,223</b>	34,688
Share of results of investments in associates	<b>(270,073)</b>	(80,823)
Share of results of investments in joint ventures	<b>(2,071,984)</b>	(2,173,082)
Loss / (Profit) on disposal of property, plant and equipment and other assets	<b>5,180</b>	(328)
Finance costs	<b>16,850</b>	19,653
Interest income	<b>(266,004)</b>	(145,488)
Provision for obsolete and slow-moving inventories	<b>28,075</b>	29,144
Net remeasurement of loss allowance	<b>(229)</b>	4,020
Fair value gain on financial assets at fair value through profit or loss	<b>(44,892)</b>	21
Dividends received from financial assets at fair value through profit or loss	<b>(15,588)</b>	(13,196)
<b>Cash flow from operating activities before changes in working capital</b>	<b>5,596,373</b>	4,280,608
<b>Movements in working capital</b>		
Inventories	<b>(550,095)</b>	(108,297)
Trade and other receivables	<b>1,915,119</b>	164,272
Trade and other payables	<b>85,293</b>	117,494
<b>Cash generated from operating activities</b>	<b>7,046,690</b>	4,454,077
Payments of employees' end of service benefits	<b>(43,859)</b>	(35,323)
Payments of income tax	<b>(669)</b>	(1,747)
Payment of contribution to social and sports fund	<b>(194,893)</b>	(48,855)
<b>Net cash generated from operating activities</b>	<b>6,807,269</b>	4,368,152

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, 2022

	<b>For the nine-month period ended September 30</b>	
	<b>2022 (Unaudited) QR' 000</b>	<b>2021 (Unaudited) (Restated) QR' 000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment and catalysts	<b>(377,582)</b>	(270,097)
Movement in fixed deposits	<b>306,609</b>	(1,503,383)
Dividends received from financial assets at fair value through profit or loss	<b>15,588</b>	13,196
Dividends and tax share received from joint ventures	<b>287,560</b>	137,155
Dividends received from an associate	<b>111,745</b>	5,000
Interest income received	<b>211,800</b>	48,268
Proceeds from disposal of property, plant and equipment	<b>228</b>	--
Movement in other non-current assets	<b>(32,614)</b>	--
<b>Net cash generated/(used) by investing activities</b>	<b>523,334</b>	(1,569,861)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance charges paid	<b>(1,024)</b>	(2,363)
Net movement in bank borrowings	<b>--</b>	(36,597)
Interest paid related to lease liability	<b>(13,484)</b>	(11,364)
Repayment of principal related to lease liability	<b>(12,603)</b>	(22,906)
Dividends paid	<b>(6,050,450)</b>	(1,997,670)
<b>Net cash used in financing activities</b>	<b>(6,077,561)</b>	(2,070,900)
<b>Net increase in cash and cash equivalents</b>	<b>1,253,042</b>	727,391
Cash and cash equivalents at January 1	<b>4,515,143</b>	1,717,223
<b>Cash and cash equivalents at September 30</b>	<b>5,768,185</b>	2,444,614

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 30, 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 (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 September 30, 2022 were approved and authorised for issue by the Board of Directors on October 26, 2022.

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

For the nine-month period ended September 30, 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**

	<b>September 30, 2022 (Unaudited) QR' 000</b>	<b>December 31, 2021 (Audited) QR' 000</b>
Opening net book value	12,695,877	13,717,543
Additions	377,582	494,595
Depreciation	(1,095,022)	(1,412,941)
Disposals and adjustments	(125,941)	(103,320)
Closing net book value	<u>11,852,496</u>	<u>12,695,877</u>

**4. INVESTMENTS IN ASSOCIATES**

	<b>September 30, 2022 (Unaudited) QR' 000</b>	<b>December 31, 2021 (Audited) QR' 000</b>
Balance at the beginning of the year	1,577,311	1,475,079
Dividend received from associates	(111,745)	(5,000)
Net share of other comprehensive income	3,911	1,903
Share of results from associates	270,073	105,329
Balance at the end of the period/year	<u>1,739,550</u>	<u>1,577,311</u>

**5. INVESTMENT IN JOINT VENTURES**

	<b>September 30, 2022 (Unaudited) QR' 000</b>	<b>December 31, 2021 (Audited) QR' 000</b>
Balance at the beginning of the year	6,822,599	6,915,500
Share of net results of joint ventures	1,322,311	1,615,707
Adjustment related to tax benefit	749,673	863,590
Share of other comprehensive loss	--	(894)
Dividend and tax share income received	(287,560)	(2,571,304)
Balance at the end of the period/year	<u>8,607,023</u>	<u>6,822,599</u>

**INDUSTRIES QATAR Q.P.S.C.****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT**For the nine-month period ended September 30, 2022

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**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>September 30, 2022 (Unaudited) QR' 000</b>	September 30, 2021 (Unaudited) (Restated) QR' 000
Profit for the period	<b>7,046,039</b>	5,509,432
Weighted average number of shares outstanding during the period (in thousands)	<b>6,050,000</b>	6,050,000
Basic and diluted earnings per share (expressed in QR per share)	<b>1.16</b>	0.91

**7. RESTATEMENT OF PRIOR PERIOD BALANCES**

The restatement for the period ended September 30, 2021 related to the addition depreciation amounting to QR 128.9 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 nine-month period ended September 30, 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 nine-month period ended September 30, 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	4,105,795	11,109,964	3,513,798	--	18,729,557	(4,105,795)	14,623,762
Segment profit before tax	2,071,984	4,165,395	773,681	4,124,565	11,135,625	(4,087,747)	7,047,878
Depreciation and amortisation	371,281	770,916	142,725	203,296	1,488,218	(371,281)	1,116,937
Finance costs	2,992	9,788	7,062	--	19,842	(2,992)	16,850

**For the nine-month period ended September 30, 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	3,513,625	6,533,592	2,912,701	--	12,959,918	(3,513,625)	9,446,293
Segment profit before tax	2,173,082	2,818,264	628,609	1,734,270	7,354,225	(1,842,575)	5,511,650
Depreciation and amortisation	298,380	747,436	116,028	230,885	1,392,729	(298,380)	1,094,349
Finance costs	3,645	10,545	9,108	--	23,298	(3,645)	19,653