

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

For the three-month period ended March 31, 2022

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

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

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

**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
<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	--	--	--	--	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)
<b>Balance as at March 31, 2022 (Unaudited)</b>	<b>6,050,000</b>	<b>195,856</b>	<b>(5,105)</b>	<b>(8,814)</b>	<b>29,918,764</b>	<b>36,150,701</b>	<b>16,809</b>	<b>36,167,510</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 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
<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	--	--	--	--	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)
<b>Balance as at March 31, 2021– restated (Unaudited)</b>	<b>6,050,000</b>	<b>176,913</b>	<b>(629)</b>	<b>(10,773)</b>	<b>26,833,214</b>	<b>33,048,725</b>	<b>17,206</b>	<b>33,065,931</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 CASH FLOWS**

For the three-month period ended March 31, 2022

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

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

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

**4. INVESTMENTS IN ASSOCIATES**

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

**5. INVESTMENT IN JOINT VENTURES**

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

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