

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

**INTERIM CONDENSED
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2023**

INDUSTRIES QATAR Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended September 30, 2023

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

As at September 30, 2023

	Note	September 30, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
ASSETS			
Non-current assets			
Property, plant and equipment	3	12,077,015	11,685,109
Capital project advances		192,374	192,374
Investments in associates	4	1,766,065	1,890,060
Investments in joint ventures	5	7,102,322	7,096,559
Deemed investment		126,380	35,060
Right-of-use assets		267,332	205,372
Intangible asset		1,509	1,602
Total non-current assets		21,532,997	21,106,136
Current assets			
Inventories		2,597,042	3,104,908
Trade and other receivables		2,143,301	3,477,382
Financial assets at fair value through profit or loss		410,555	397,118
Cash and bank balances		7,098,768	9,735,354
Fixed deposits		6,949,587	7,183,864
		19,199,253	23,898,626
Asset classified as held for sale		943,370	--
Total current assets		20,142,623	23,898,626
Total assets		41,675,620	45,004,762

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, 2023

	September 30, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
EQUITY AND LIABILITIES		
EQUITY		
Share capital	6,050,000	6,050,000
Legal reserve	271,059	271,059
Hedging reserve	(1,127)	(8,156)
Other reserve	(49,728)	(49,728)
Retained earnings	32,382,125	35,739,722
Equity attributable to equity holders of the parent	38,652,329	42,002,897
Non-controlling interest	17,826	16,651
Total equity	38,670,155	42,019,548
LIABILITIES		
Non-current liabilities		
Lease liabilities	339,724	295,247
Employees' end of service benefits	466,324	465,977
Total non-current liabilities	806,048	761,224
Current liabilities		
Lease liabilities	45,928	91,012
Trade and other payables	2,151,747	2,132,188
Income tax payable	1,742	790
Total current liabilities	2,199,417	2,223,990
Total liabilities	3,005,465	2,985,214
Total equity and liabilities	41,675,620	45,004,762

These consolidated financial statements were approved and authorized for issue by the Board of Directors on October 24, 2023 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, 2023

	For the nine-month period ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
Note	QR' 000	QR' 000
Revenues	8,935,719	14,623,762
Cost of sales	(7,058,496)	(9,726,809)
Gross profit	1,877,223	4,896,953
General and administrative expenses	(518,101)	(485,795)
Selling and distribution expenses	(57,160)	(47,373)
Share of results of investments in associates	230,249	270,073
Share of results of investment in a joint venture	753,120	1,590,464
Reversal of impairment losses of investment in an associate	60,000	--
Finance costs	(21,590)	(16,850)
Other income – net	577,836	358,886
Profit before tax from continuing operations	2,901,577	6,566,358
Income tax	(1,068)	(676)
Profit for the period from continuing operations	2,900,509	6,565,682
Discontinued operations		
Profit for the period from discontinued operations	394,648	481,520
Profit for the period	3,295,157	7,047,202
Attributable to:		
Equity holders of the parent	3,293,292	7,046,039
Non-controlling interest	1,865	1,163
	3,295,157	7,047,202
Earnings per share		
Basic and diluted earnings (QR per share)		
From continuing operations	6 0.48	1.09
From continuing and discontinued operations	6 0.54	1.16

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, 2023

	For the nine-month period ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	QR' 000	QR' 000
Profit for the period	3,295,157	7,047,202
Other comprehensive income		
<i>Items that may be reclassified subsequently to statement of profit or loss</i>		
Share of other comprehensive income of associates	7,029	3,911
Total comprehensive income for the period	3,302,186	7,051,113
Attributable to:		
Equity holders of the parent	3,300,321	7,049,950
Non-controlling interest	1,865	1,163
	3,302,186	7,051,113

INDUSTRIES QATAR Q.P.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended September 30, 2023

	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
Balance as at December 31, 2022 (Audited)	6,050,000	271,059	(8,156)	(49,728)	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)	6,050,000	271,059	(1,127)	(49,728)	32,382,125	38,652,329	17,826	38,670,155

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, 2023

	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
Balance as at December 31, 2021 (Audited)	6,050,000	195,856	(4,810)	(8,814)	33,261,035	39,493,267	17,021	39,510,288
Profit for the period	--	--	--	--	7,046,039	7,046,039	1,163	7,047,202
Other comprehensive income	--	--	3,911	--	--	3,911	--	3,911
Total comprehensive income for the period	--	--	3,911	--	7,046,039	7,049,950	1,163	7,051,113
Social and sports contribution fund provision reversal	--	--	--	--	4,111	4,111	--	4,111
Dividends declared	--	--	--	--	(6,050,000)	(6,050,000)	(450)	(6,050,450)
Balance as at September 30, 2022 (Unaudited)	<u>6,050,000</u>	<u>195,856</u>	<u>(899)</u>	<u>(8,814)</u>	<u>34,261,185</u>	<u>40,497,328</u>	<u>17,734</u>	<u>40,515,062</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, 2023

	For the nine-month period ended September 30,	
	2023 (Unaudited) QR' 000	2022 (Unaudited) QR' 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continued operations	2,901,577	6,566,358
Profit before tax from discontinued operations	394,648	481,520
<i>Adjustments for:</i>		
Depreciation and amortisation of intangibles	1,021,155	1,095,114
Amortisation of right-of-use assets	29,155	21,823
Provision for employees' end of service benefits	52,816	50,223
Share of results of investments in associates	(230,249)	(270,073)
Share of results of investments in joint ventures	(1,147,768)	(2,071,984)
Reversal of impairment losses of investment in associates	(60,000)	--
Loss on disposal of property, plant and equipment	1,181	5,180
Finance costs	21,590	16,850
Interest income	(598,413)	(266,004)
Net movement in provision for obsolete and slow-moving inventories	(1,245)	28,075
Net remeasurement of loss allowance	10,758	(229)
Fair value gain on financial assets at fair value through profit or loss	(13,437)	(44,892)
Dividends received from financial assets at fair value through profit or loss	(19,149)	(15,588)
Cash flow from operating activities before changes in working capital	2,362,619	5,596,373
Movements in working capital		
Inventories	509,111	(550,095)
Trade and other receivables	1,472,546	1,915,119
Trade and other payables	216,958	85,293
Cash generated from operating activities	4,561,234	7,046,690
Payments of employees' end of service benefits	(57,128)	(43,859)
Payments of income tax	(115)	(669)
Net payment to social and sports contribution fund	(206,654)	(194,893)
Net cash generated from operating activities	4,297,337	6,807,269

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, 2023

	For the nine-month period ended September 30,	
	2023	2022
	(Unaudited)	(Unaudited)
	QR' 000	QR' 000
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment and catalysts	(1,404,536)	(377,582)
Movement in fixed deposits	234,277	306,609
Dividends received from financial assets at fair value through profit or loss	19,149	15,588
Dividends received from joint ventures	198,635	287,560
Dividends received from associates	421,273	111,745
Deemed Investment	(91,320)	(32,614)
Proceeds from disposal of property, plant and equipment	28	228
Interest income received	452,940	211,800
Net cash (used) / generated by investing activities	(169,554)	523,334
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance charges paid	(1,539)	(1,024)
Payment of lease liability	(107,116)	(26,087)
Dividends paid	(6,655,690)	(6,050,450)
Net cash used in financing activities	(6,764,345)	(6,077,561)
Net (decrease) / increase in cash and cash equivalents	(2,636,562)	1,253,042
Cash and cash equivalents at January 1	9,626,954	4,515,143
Cash and cash equivalents at September 30	6,990,392	5,768,185

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, 2023

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 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%

QAFAC is governed by its Articles of Association and a Consolidated Joint Venture Agreement (CJVA). The CJVA is expiring on June 9, 2024, which is less than twelve months from this interim condensed consolidated financial statement. Certain core agreements such as the QAFAC’s Land Lease Agreement for its operations and the Butane and Gas Feedstock Sales and Purchase Agreement shall also expire along with the expiry of CJVA. There is no extension or renewal of the aforementioned core agreements to date, and therefore the preparation of QAFAC interim condensed financial information as of September 30, 2023, is based on the underlying assumption other than going concern. However, the concerned parties are in the process of entering into discussions for certain of the aforementioned arrangements.

INDUSTRIES QATAR Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the nine-month period ended September 30, 2023

Accordingly, the group has classified its investment in QAFAC as an asset held for sale and presented separately in the interim condensed consolidated statement of financial position.

The interim consolidated statement of profit or loss and the interim condensed consolidated statement of cash flow for the comparative period of the Group have been represented to disclose the discontinued operations of QAFAC from continuing operations.

The interim condensed consolidated financial statements of the Group for the period ended September 30, 2023 were approved and authorised for issue by the Board of Directors on October 24, 2023.

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, 2022

3. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
Opening net book value	11,685,109	12,695,877
Additions	1,404,536	598,963
Depreciation	(1,021,063)	(1,467,154)
Disposals and other adjustments	8,433	(142,577)
Closing net book value	12,077,015	11,685,109

4. INVESTMENTS IN ASSOCIATES

	September 30, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
Balance at the beginning of the year	1,890,060	1,577,311
Dividend received from associates	(421,273)	(111,760)
Share of other comprehensive income/(loss)	7,029	(3,346)
Share of results from associates	230,249	427,855
Reversal of impairment losses	60,000	--
Balance at the end of the period/year	1,766,065	1,890,060

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

For the nine-month period ended September 30, 2023

5. INVESTMENT IN JOINT VENTURES

	September 30, 2023 (Unaudited) QR' 000	December 31, 2022 (Audited) QR' 000
Balance at the beginning of the year	7,096,559	6,822,599
Share of net results of joint ventures	718,488	1,566,616
Adjustment related to tax benefits	429,280	893,817
Share of other comprehensive loss	--	(16,864)
Dividend and tax share income received	(198,635)	(2,169,609)
Balance at the end of the period/year	<u><u>8,045,692</u></u>	<u><u>7,096,559</u></u>

The balance at the end of the period have been presented in the interim condensed consolidated statement of financial position as follows:

	September 30, 2023 (Unaudited) QR.'000	December 31, 2022 (Audited) QR.'000
Investment in joint ventures	7,102,322	7,096,559
Asset classified as held for sale	<u>943,370</u>	<u>--</u>
	<u><u>8,045,692</u></u>	<u><u>7,096,559</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.

	For the nine-month ended September 30,	
	2023 (Unaudited)	2022 (Unaudited)
Profit attributable to equity holders of the parent:		
Continuing operations	2,898,644	6,564,519
Discontinued operations	<u>394,648</u>	<u>481,520</u>
Profit attributable to equity holders of the parent for basic and diluted earnings	<u><u>3,293,292</u></u>	<u><u>7,046,039</u></u>
Weighted average number of shares outstanding during the period (in thousands)	<u><u>6,050,000</u></u>	<u><u>6,050,000</u></u>
Basic and diluted earnings per share (expressed in QR per share)		
From continuing operations	<u><u>0.48</u></u>	<u><u>1.09</u></u>
From continuing and discontinued operations	<u><u>0.54</u></u>	<u><u>1.16</u></u>

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

For the nine-month period ended September 30, 2023

7. 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, 2023 (Unaudited)

	<u>Petrochemicals</u>	<u>Fertilisers</u>	<u>Steel</u>	<u>Others</u>	<u>Combined</u>	<u>Adjustments and Elimination</u>	<u>Consolidated</u>
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Results from continuing operations							
Revenue	2,004,852	5,673,699	3,262,020	--	10,940,571	(2,004,852)	8,935,719
Segment profit before tax	753,120	1,358,746	408,527	3,780,005	6,300,398	(3,398,821)	2,901,577
Depreciation and amortisation	252,079	805,832	144,422	100,056	1,302,389	(252,079)	1,050,310
Finance costs	2,426	12,969	8,621	--	24,016	(2,426)	21,590
Results from discontinuing operations							
Revenue	1,089,085	--	--	--	1,089,085	(1,089,085)	--
Segment profit before tax	394,648	--	--	--	394,648	--	394,648
Depreciation and amortisation	112,965	--	--	--	112,965	(112,965)	--
Finance costs	83	--	--	--	83	(83)	--

INDUSTRIES QATAR Q.P.S.C.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the nine-month period ended September 30, 2023

For the nine-month period ended September 30, 2022 (Unaudited)

	Petrochemicals	Fertilisers	Steel	Others	Combined	Adjustments and Elimination	Consolidated
	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000	QR' 000
Results from continuing operations							
Revenue	2,780,641	11,109,964	3,513,798	--	17,404,403	(2,780,641)	14,623,762
Segment profit before tax	1,590,464	4,165,395	773,681	4,124,565	10,654,105	(4,087,747)	6,566,358
Depreciation and amortisation	251,041	770,916	142,725	203,296	1,367,978	(251,041)	1,116,937
Finance costs	2,844	9,788	7,062	--	19,694	(2,844)	16,850
Results from discontinuing operations							
Revenue	1,325,154	--	--	--	1,325,154	(1,325,154)	--
Segment profit before tax	481,520	--	--	--	481,520	--	481,520
Depreciation and amortisation	120,240	--	--	--	120,240	(120,240)	--
Finance costs	148	--	--	--	148	(148)	--