

**MESAIEED PETROCHEMICAL HOLDING
COMPANY Q.P.S.C.
DOHA – QATAR**

**CONDENSED INTERIM FINANCIAL
INFORMATION
FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2022**

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

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MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
ASSETS			
Non-current assets			
Investments in joint ventures	4 (i)	14,618,834	14,894,115
Current assets			
Prepayment and other receivables	5	19,291	29,358
Advance - PVC Project	6	40,186	--
Deposits and other bank balances	7.1	2,571,471	2,347,248
Cash and cash equivalents	7	291,694	148,996
Total current assets		2,922,642	2,525,602
Total assets		17,541,476	17,419,717
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	12,563,175	12,563,175
Legal reserve	11	69,660	69,660
Retained earnings		4,524,518	4,435,597
Total equity		17,157,353	17,068,432
LIABILITIES			
Current liabilities			
Trade and other payables	8	380,016	346,134
Due to a related party	9 (ii)	4,107	5,151
Total liabilities		384,123	351,285
Total equity and liabilities		17,541,476	17,419,717

The financial information on pages 1 to 16 were approved and authorised for issue by the Board of Directors on 25 October 2022 and were signed on its behalf by:



Ahmad Saif Al-Sulaiti
Chairman



Mohamed Salem Al-Marri
Vice Chairman

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	For the nine-month periods ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)
Share of results from joint ventures	4 (ii)	1,437,612	1,425,413
Interest income		46,208	23,362
Other income		--	1,054
Gross Profit		1,483,820	1,449,829
General and administrative expenses		(12,124)	(11,517)
Other operating loss – Net		(826)	--
Net profit for the period		1,470,870	1,438,312
Other comprehensive income		--	--
Total comprehensive income for the period		1,470,870	1,438,312
Basic and diluted earnings per share (in QR)	3	0.117	0.114

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2021 (Audited)		12,563,175	67,606	3,125,167	15,755,948
Profit for the period		--	--	1,438,312	1,438,312
Other comprehensive income for the period		--	--	-	-
Total comprehensive income for the period		--	--	1,438,312	1,438,312
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	12	--	--	(502,527)	(502,527)
Balance at 30 September 2021 (Unaudited)		12,563,175	67,606	4,060,952	16,691,733
Balance at 1 January 2022 (Audited)		12,563,175	69,660	4,435,597	17,068,432
Profit for the period		--	--	1,470,870	1,470,870
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	1,470,870	1,470,870
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	12	--	--	(1,381,949)	(1,381,949)
Balance at 30 September 2022 (Unaudited)		12,563,175	69,660	4,524,518	17,157,353

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

MESAIIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

	Note	For the nine-month periods ended 30 September	
		2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities			
Net profit for the period		1,470,870	1,438,312
Adjustments for:			
- Tax received		746,393	301,854
- Interest income		(46,208)	(23,362)
- Share of results from joint ventures	4 (ii)	(1,437,612)	(1,425,413)
		733,443	291,391
Movement in working capital:			
- Prepayment and other receivables		(41,230)	(4,067)
- Other assets		--	62,231
- Trade and other payables		(48,142)	(35,208)
- Due to a related party		(1,043)	(1,019)
Cash flows used in operations		643,028	313,328
Interest received		57,319	13,414
Net cash generated from operating activities		700,347	326,742
Cash flows from investing activities			
Dividends received from joint ventures	4 (iii)	966,500	651,865
Increase / (decrease) of fixed term deposits		(142,200)	(647,642)
Net cash generated from investing activities		824,300	4,223
Cash flows from financing activities			
Dividends paid to shareholders		(1,299,926)	(481,790)
Movement in unclaimed dividends account		(82,023)	(20,737)
Cash used in financing activities		(1,381,949)	(502,527)
Net increase in cash and cash equivalents		142,698	(171,562)
Cash and cash equivalents at beginning of the period	7	148,996	177,486
Cash and cash equivalents at end of the period	7	291,694	5,924

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

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

1. CORPORATE INFORMATION AND ACTIVITIES

Mesaieed Petrochemical Holding Company Q.P.S.C (the “Company” or “MPHC”) is registered and incorporated in Qatar under commercial registration number 60843 as a Qatari Public Shareholding Company by its founding shareholder, Qatar Petroleum (“QATARENERGY”). The Company is incorporated under the Qatar Commercial Companies’ Law No. 11 of 2015. The Company was incorporated on 29 May 2013 for an initial period of 99 years, following the decision of H.E. the Minister of Economy and Commerce No. 22 of 2013, issued on 21 May 2013. The registered address of the Company is P.O. Box 3212, Doha, State of Qatar. The Company is listed on the Qatar Exchange and is a subsidiary of QATARENERGY. The Company commenced commercial activities on 1 September 2013.

The principal activity of the Company is to establish, manage, own and/or hold shares, assets and interests in companies (and their subsidiaries and/or associated undertakings) engaged in all manner of processing and/or manufacturing of petrochemical products, together with any other company or undertaking which the Company deems beneficial to its business, diversification or expansion from time to time.

The joint ventures of the Company, included in the condensed interim financial information are as follows:

Entity Name	Country of incorporation	Relationship	Ownership interest
Qatar Chemical Company Limited	Qatar	Joint venture	49%
Qatar Chemical Company II Limited	Qatar	Joint venture	49%
Qatar Vinyl Company Limited	Qatar	Joint venture	55.2%

Qatar Chemical Company Limited (“Q-Chem”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and Chevrans Phillips Chemical International Qatar Holdings L.L.C. (“CPCIQH). Q-Chem is engaged in the production, storage and sale of polyethylene, 1-hexene and other petrochemical products.

Qatar Chemical Company II Limited (“Q-Chem II”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and CPCIQH. Q-Chem II is engaged in the production, storage and sale of polyethylene, normal alpha olefins, other ethylene derivatives and other petrochemical products.

Qatar Vinyl Company Limited (“QVC”), is a Qatari Private Joint Stock Company (Q.P.J.S.C.) incorporated in the State of Qatar and is a jointly controlled entity among QATARENERGY, MPHC and Qatar Petrochemical Company Limited (“QAPCO”). The company is engaged in the production and sale of petrochemical products such as caustic soda, ethylene dichloride and vinyl chloride monomer.

These condensed interim financial information of the Company for the nine-month period ended 30 September 2022 was authorised for issue on October 25, 2022, by the Board of Directors.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The condensed interim financial information for the nine-month period ended 30 September 2022 has been prepared in accordance with IAS 34, Interim Financial Reporting under the historical cost convention.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2021. In addition, results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The Company's accounting and risk management policies are consistent with those presented in the annual financial statements for the year ended 31 December 2021.

The condensed interim financial information is presented in Qatari Riyal ("QR"), which is the Company's functional and presentation currency and all values are rounded to the nearest thousands (QR '000'), except otherwise indicated.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021 except for the adoption of new and revised standards effective as of 1 January 2022, where applicable.

(i) *New and amended standards and interpretations adopted by the Company*

Effective for annual periods beginning on January 1, 2022

Annual improvements to International Financial Reporting Standards ("IFRS") Standards 2018-2020 including IFRS 1, IFRS 9, IFRS 16, IAS 41

Amendments to International IFRS 3 - Reference to the Conceptual framework

Amendments to IAS 37 - Onerous contracts- Cost of fulfilling a Contract

Amendment to IAS 16 - Property plant and equipment – Proceeds before intended use

The company did not have to change its accounting policies or make retrospective adjustments as these are not applicable to the interim condensed financial information.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2021 except for the adoption of new and revised standards effective as of 1 January 2022, where applicable.

(ii) New and amended standards and interpretations not yet effective

Amendments to IFRS 17 - Insurance contracts

Amendments to IAS 8 - Definition of accounting estimates

Amendments to IAS 12 - Income taxes - Deferred tax related to assets and liabilities arising from single transaction

Amendments to IAS 1 - Classification of liabilities as current or non-current and disclosure of accounting policies

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an investor and its associate or joint venture

3. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share (EPS) is calculated by dividing the profit for the period attributable to equity holders of the parent by weighted average number of shares outstanding during the period.

The following reflects the income and share data used in basic and diluted earnings per share computation:

	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
<i>For the nine-month period ended</i>		
Profit for the period attributable to the equity holders of the parent (QR'000)	1,470,870	1,438,312
Weighted average number of shares outstanding during the period ("in thousands")	12,563,175	12,563,175
Basic and diluted earnings per share (expressed in QR per share)	0.117	0.114

The figures for basic and diluted earnings per share are the same, as the Company has not issued any instruments that would impact the earnings per share when exercised.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

4. INVESTMENTS IN JOINT VENTURES

The carrying amount of the investments in joint ventures has changed as follows in the nine-month period ended 30 September 2022:

<i>For the nine month period ended</i>	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Balance at beginning of the period	14,894,115	14,277,395
Share of results from joint ventures for the period	1,437,612	1,425,413
Share of dividends and Tax benefits from joint ventures	(1,712,893)	(953,719)
Balance at the end of the period	14,618,834	14,749,089

The summarised interim financial information below presents amounts shown in the financial information of the joint ventures as at 30 September 2022 which are presented in United States Dollars (“USD”) in the financial information of the joint ventures and are translated to QR using an exchange rate of 3.64 in the below tables:

i. Statement of financial position of joint venture entities

	As at 30 September 2022 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,563,516	2,196,791	1,417,774	5,178,081
Non-current assets	2,286,227	4,539,249	905,868	7,731,344
Current liabilities	(584,430)	(856,187)	(424,145)	(1,864,762)
Non-current liability	(643,358)	(1,345,728)	(186,775)	(2,175,861)
Equity	2,621,955	4,534,125	1,712,722	8,868,802
Proportion of Company’s ownership	49.00%	49.00%	55.20%	
Company’s share of net assets	1,284,758	2,221,721	945,422	4,451,902
Tax benefit from joint ventures	284,961	859,435	240,178	1,384,573
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	5,119,122	7,959,867	1,539,845	14,618,834

	As at 31 December 2021 (Audited)			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	2,100,338	2,420,000	1,157,851	5,678,189
Non-current assets	2,090,983	4,832,569	926,955	7,850,507
Current liabilities	(834,029)	(991,961)	(474,448)	(2,300,438)
Non-current liability	(705,035)	(1,418,242)	(138,881)	(2,262,158)
Equity	2,652,257	4,842,366	1,471,477	8,966,100
Proportion of Company’s ownership	49.00%	49.00%	55.20%	
Company’s share of net assets	1,299,606	2,372,759	812,255	4,484,620
Tax benefit from joint ventures	399,918	966,998	260,220	1,627,136
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	5,248,927	8,218,468	1,426,720	14,894,115

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

ii. Statement of profit or loss and other comprehensive income of joint venture entities

	For the nine-month period ended 30 September 2022 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	1,750,737	2,637,802	1,846,014	6,234,553
Cost of sales	(1,035,842)	(1,344,081)	(960,596)	(3,340,519)
Other income	(10,728)	(5,273)	11,027	(4,974)
Administrative expenses	(32,976)	(13,493)	(53,220)	(99,689)
Finance income / (cost)	10,548	15,396	10,558	36,502
Profit before tax	681,739	1,290,351	853,783	2,825,873
Deferred income tax	44,998	72,812	24,093	141,903
Current income tax	(283,849)	(524,806)	(323,591)	(1,132,246)
Profit for the period	442,888	838,357	554,285	1,835,530
Proportion of the Company's ownership	49.00%	49.00%	55.20%	
Company's share of profit/(loss) before tax benefit	217,015	410,795	305,965	933,775
Tax benefit from joint ventures	117,037	221,477	165,323	503,837
Company's share of profit for the period from joint ventures	334,052	632,272	471,288	1,437,612

	For the nine-month ended 30 September 2021 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	2,019,673	2,501,338	1,582,739	6,103,750
Cost of sales	(1,108,643)	(1,299,023)	(785,147)	(3,192,813)
Other income	(4,384)	(8,653)	(5,666)	(18,703)
Administrative expenses	(34,471)	(12,971)	(39,530)	(86,972)
Finance income / (cost)	2,724	691	4,551	7,966
Profit before tax	874,899	1,181,382	756,947	2,813,228
Deferred income tax	48,694	75,236	26,673	150,603
Current income tax	(355,145)	(511,810)	(290,668)	(1,157,623)
Profit for the period	568,448	744,808	492,952	1,806,208
Proportion of the Company's ownership	49.00%	49.00%	55.20%	
Company's share of profit/(loss) before tax benefit	278,540	364,956	272,110	915,605
Tax benefit from joint ventures	150,161	213,921	145,726	509,808
Company's share of profit for the period from joint ventures	428,701	578,877	417,836	1,425,413

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

iii. Additional disclosures of joint venture entities

	As at 30 September 2022 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	474,108	759,413	824,076	2,057,597
Depreciation and amortisation	209,089	308,381	106,876	624,346
Deferred tax liabilities	297,704	1,229,174	111,744	1,638,622
Tax payable	283,849	524,806	323,603	1,132,258
Company's share of dividend declared/received	231,868	561,834	172,798	966,500
Current financial liabilities (excluding trade and other payables and provisions)	9,267	16,061	827	26,155
Non-current financial liabilities (excluding trade and other payables and provisions)	39,081	115,175	2,231	156,487
	As at 31 December 2021 (Audited)			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	494,938	1,183,484	661,836	2,340,258
Depreciation and amortisation	270,474	409,074	135,302	814,850
Deferred tax liabilities	342,702	1,301,984	135,838	1,780,524
Tax payable	473,458	665,956	335,808	1,475,222
Company's share of dividend declared/received	299,735	573,915	350,640	1,224,290
Current financial liabilities (excluding trade and other payables and provisions)	15,011	10,239	790	26,040
Non-current financial liabilities (excluding trade and other payables and provisions)	60,373	114,966	3,043	178,382

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

5. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables comprise of interest receivable on term deposits made with various banks and prepayments.

6. ADVANCE - PVC PROJECT

The Board of Directors of Mesaieed Petrochemical Holding Company (the Company) has approved the award of an Engineering, Procurement, Construction (EPC) contract for a new Polyvinyl Chloride (PVC) plant by its joint venture; Qatar Vinyl Company (QVC), with a total contract value of USD 239 million.

7. CASH AND CASH EQUIVALENTS

<i>As at</i>	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Cash and cash equivalents	291,694	148,996

7.1 DEPOSITS AND OTHER BANK BALANCES

<i>As at</i>	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Fixed deposits maturing after 90 days	2,196,208	2,054,008
Restricted bank balances - Dividends account	375,263	293,240
	2,571,471	2,347,248

Cash in banks earn interest at fixed rates. Term deposits are made for varying periods of between three months and one year depending on the immediate cash requirements of the Company at average interest rate of 2.50% to 5.30% (31 December 2021: 1.60% to 2.66%).

8. TRADE AND OTHER PAYABLES

<i>As at</i>	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Dividends payable	375,263	293,240
Social and sports fund contribution payable	--	46,539
Accruals	4,753	6,355
	380,016	346,134

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

9. RELATED PARTIES

Related parties, as defined in International Accounting Standard 24, "Related Party Disclosures", include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

i Transaction with related parties:

Transactions with related parties included in the condensed interim statement of profit or loss and other comprehensive income for the period ended are as follows:

<i>For the nine-month period ended</i>	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Dividend income from Q-Chem	231,868	44,590
Dividend income from Q-Chem II	561,834	472,653
Dividend income from QVC	172,798	134,622
	966,500	651,865
Service Fee paid to QATARENERGY	(4,014)	(3,581)

ii Related party balances:

Balances with related parties included in the condensed interim statement of financial position are as follows:

<i>As at</i>	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Amounts due to QATARENERGY	4,107	5,151

iii Compensation of key management personnel:

The remuneration of key management personnel during the period was as follows:

<i>For the nine-month period ended</i>	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Key management remuneration	144	153
Board of directors' remuneration	4,419	4,428
	4,563	4,581

10. SHARE CAPITAL

<i>As at</i>	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Authorised, issued and fully paid: 12,563,175,000 shares of QR 1 each	12,563,175	12,563,175

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

11. LEGAL RESERVE

The Articles of Association of the Company states that prior to recommending any dividend for distribution to the Shareholders, the Board shall ensure proper reserves are established in respect of voluntary and statutory reserves considered by the Board to be necessary or appropriate. Such reserves as resolved by the Board, shall be the only reserves the Company is required to have.

12. DIVIDENDS

The Board of Directors had proposed cash dividend distribution of QR 0.11 per share for the year ended 31 December 2021. The final dividend for the year ended 31 December 2021 had been approved at the Annual General Meeting held on 15 March 2022.

During the period, the Company paid a dividend of QR 1,300 million. Below is the movement in dividends payable balance during the period:

<i>As at</i>	30 September 2022 (Unaudited)	31 Dec 2021 (Audited)
Balance at the beginning of the period/year	293,240	279,382
Dividends approved during the period/year	1,381,949	502,527
Dividends paid during the period/year	(1,299,926)	(488,669)
Balance at the end of the period/year	375,263	293,240

13. INCOME TAX

The Company's profits are exempt from income tax in accordance with the provisions of Qatar's Income Tax Law No. 24. of 2018. However, the Company's joint ventures' profits are subject to income tax in accordance with the applicable law in Qatar for QVC and in accordance with the Joint Venture Agreements of Q-Chem and Q-Chem II as endorsed by an Emiree Decree and Council of Ministers Decision respectively.

During 2020, QATARENERGY, the Ministry of Finance and the General Tax Authority have reached an agreement through an MOU which gives the Company a right to a refund on its portion of tax incurred by the joint ventures.

As such, the Company is entitled to the pre-tax profits from the underlying joint ventures, therefore, applying the principles of equity accounting under IAS 28 "Investments in Associates and Joint Ventures", the Company accounted for its underlying interests in the joint ventures on a pre-tax basis. This resulted in a tax adjustment amounting to QR 1,384 million as of the period ended 30 September 2022.

The Ministry of Finance will then pay MPHC's share of tax to the General Tax Authority.

14. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on their products and services, and has one reportable operating segment which is the petrochemical segment from its interest in the joint ventures, which produces and sells polyethylene, 1-hexene, normal alpha olefins, other

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(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

ethylene derivatives, caustic soda, ethylene dichloride, vinyl chloride monomer and other petrochemical products.

Geographically, the Company only operates in the State of Qatar.

15. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Classification of the investments as joint ventures

Management evaluated the Company's interest in Q-Chem, Q-Chem II and QVC (together "the Entities"), and concluded that the joint arrangements are joint ventures where the Entities are jointly controlled. Hence, the management accounted for these investments under the equity method.

Site restoration obligations

As required by IAS 37 - Provisions, Contingent Liabilities and Contingent Assets", the Company assess whether the following criteria is met to recognise provisions:

- whether the Company has a present obligation as a result of a past event,
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and;
- a reliable estimate can be made of the amount of the obligation.

The Company may be required under a lease agreement entered into by its joint venture Q-Chem-II, to make payments for site restoration at the option of the ultimate parent (QATARENERGY). It has been assessed that the optionality given to QATARENERGY makes it more likely to acquire the plant from the joint venture rather than restoring the site at the cost of the joint venture. Therefore, the criteria to recognise provision for restoration obligation is not fully met and no provision has been recognised in this condensed interim financial information.

Impairment of investment in joint ventures

The Company assesses the impairment of non-financial assets, particularly its investment in joint ventures, whenever events or changes in circumstances indicate that the carrying amount of the non-financial asset may not be recoverable.

Factors which could trigger an impairment review include evidence from internal and external sources related to the changes in technological, market, economic or legal environment in which the Company operates and economic performance of the assets.

Based on the assessment performed as of 30 September 2022, no impairment indicators were identified, and therefore a detailed impairment test was not performed.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the nine-month period ended September 30, 2022

(All amounts are expressed in thousands Qatari Riyals unless otherwise stated)

Income tax position

- Income tax (Note 13)

16. COVID 19 IMPACT

The outbreak of Novel Coronavirus continues to disrupt business operations and economic activity globally. The extent and duration of the impacts depend highly on future events that cannot be accurately predicted. The impact on the Company's activities and operations are assessed to be minimal.

➤ **Commitments and contingent liabilities**

The Company has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the related entities, customers and suppliers, to determine if there is any potential increase in contingent liabilities and commitments.

➤ **Going concern**

The Company has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Company has sufficient resources to continue in operational existence and its assumption on going concern remains largely unaffected and unchanged from 31 December 2021. As a result, these interim condensed financial information have been appropriately prepared on a going concern basis.

The Company will continue to closely monitor the impact of COVID-19 as the situation progresses to manage the potential business disruption on its operations and financial performance in 2022.