

QatarEnergy
Consolidated Financial Statements
31 December 2024

QatarEnergy

**Consolidated Financial Statements
As at and for the year ended 31 December 2024**

INDEX	Page(s)
Independent auditors' report	1 – 6
Consolidated financial statements:	
Consolidated statement of financial position	7 – 8
Consolidated statement of profit or loss	9
Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12 – 13
Notes to the consolidated financial statements	14 - 123



KPMG
Zone 25 C Ring Road
Street 230, Building 246
P.O Box 4473, Doha
State of Qatar
Telephone: +974 4457 6444
Fax: +974 4436 7411
Website: kpmg.com/qa

Independent auditors' report on the consolidated financial statements of QatarEnergy

To the Supreme Council for Economic Affairs and Investment, State of Qatar

Opinion

We have audited the consolidated financial statements of QatarEnergy (the "Corporation") and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Key Audit Matters (continued)

1. Recognition of Revenue

See [Note 3.21](#), [4.1\(vi\)](#) and [26](#) to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Group recognised revenue of QR 168,333 million during the year. As disclosed in Note 8(b), the Group's share of profits from its joint ventures amounting to QR 50,085 million represents 52.3% of the Group's profit for the year while the total revenue for the year generated by these joint ventures amounted to QR 255,162 million. Revenue being a key economic indicator of the Group is significant to the consolidated financial statements and considering significant time and resources required to audit the revenue accounts and inherent risk of material misstatement, we considered this as a key audit matter.	Our audit procedures in this area included, among others: – assessing the design, implementation and operating effectiveness of the relevant internal controls over revenue recognition; – evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 15, our understanding of the business and related industry practice; – inspecting the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement and the requirements of IFRS 15; – performing test of details on a sample of revenue transactions by inspecting respective invoices, delivery statements and customers' acknowledgements and other corroborating evidence; – comparing on a sample basis, the revenue transactions recorded before and after the reporting period with underlying supporting documents to assess if related revenue is recorded in the correct accounting period; – testing journal entries relating to revenue recognised during the year based on identified risk criteria; and – evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.



Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Key Audit Matters (continued)

2. Accounting for Production Sharing agreements ("PSA")

See [Note 3.21](#), [4.1\(vii\)](#) and [8\(a\)](#) to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
QatarEnergy, on behalf of the Government of State of Qatar, has entered into certain Development and Production Sharing Agreements (PSAs) with Foreign Partners, to facilitate the exploration and production of petroleum resources of the State of Qatar. Under the terms of the relevant PSAs, the Group has various rights and obligations in relation to those activities. Due to the complex structuring of these arrangements, the management exercises significant judgement in assessing the relevant factors to determine the accounting of these arrangements in the books of accounts. This also includes the assessment whether the Group acts as principal or agent with respect to those activities under the relevant PSAs. In making those assessments, the Group takes into account the relevant terms of the PSAs, the established past practices and the relevant laws issued to grant exclusive rights to the Corporation. We considered this matter as a key audit matter due to the significance of amounts involved, judgments required in determining the Group's role in the PSAs (i.e., principal or agent) and resulting accounting treatment.	Our audit procedures in this area included, among others: – obtaining an understanding and assessing the structure and terms of the PSAs in place with Foreign Partners in order to evaluate the conclusions reached by management and the judgements applied in reaching such conclusions; – reviewing the assessment prepared by management in relation to the accounting treatment for these PSAs and corroborating our understanding of such accounting treatment under IFRS Accounting Standards; – assessing the appropriate application of the principal versus agent accounting treatment for activities carried out under the PSAs as mandated by the underlying agreement, the established past practices and the relevant laws issued; – assessing the appropriateness of accounting policies applied in preparation of the consolidated financial statements and evaluating the compliance of policies with principles of IFRS Accounting Standards; and – evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.



Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board Audit Committee is responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board Audit Committee a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Independent auditors' report on the consolidated financial statements of QatarEnergy (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with the Board Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

28 May 2025
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

QatarEnergy

**Consolidated statement of financial position
As at 31 December 2024**

QR '000

	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	223,814,885	217,569,548
Right-of-use assets	5(b)	9,652,884	5,746,358
Investment property	5(c)	844,978	859,665
Intangible assets	6	6,617,549	9,218,175
Investments in associates	7	6,283,522	6,320,318
Investments in joint ventures	8(b)	201,568,932	170,908,599
Other investments	9	8,028,447	7,540,034
Other non-current assets	10	17,219,151	9,567,013
		<u>474,030,348</u>	<u>427,729,710</u>
Current assets			
Inventories	12	9,108,920	8,004,876
Amounts due from Government of Qatar	13	-	18,369,183
Accounts receivables and prepayments	14	36,544,142	22,846,929
Other investments	9	985,443	878,461
Cash and cash equivalents	15	78,287,504	83,685,740
Assets held for sale	11.1	315,699	1,162,765
		<u>125,241,708</u>	<u>134,947,954</u>
TOTAL ASSETS		<u>599,272,056</u>	<u>562,677,664</u>

Continued on next page



The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

QatarEnergy

**Consolidated statement of financial position
As at 31 December 2024**

QR '000

Continued from previous page

	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Capital	17	100,000,000	100,000,000
General reserve	18	175,500,000	175,500,000
Other reserves	19	(666,075)	(187,769)
Retained earnings		152,717,558	161,472,201
Equity attributable to owner of the Corporation		427,551,483	436,784,432
Non-controlling interests	38	36,933,800	38,108,492
Total equity		464,485,283	474,892,924
Liabilities			
Non-current liabilities			
Loans and bonds	20	50,623,574	49,481,156
Employee benefits	21	5,771,680	5,604,310
Lease liabilities	22	8,949,830	4,996,946
Deferred income	23	809,868	997,056
Other non-current liabilities	24	3,322,002	3,016,320
		69,476,954	64,095,788
Current liabilities			
Amounts due to Government of Qatar	13	29,234,695	-
Loans and bonds	20	918,231	837,624
Accounts payables and accruals	25	33,515,254	20,804,059
Lease liabilities	22	1,575,380	1,322,179
Deferred income	23	66,235	66,235
Liabilities directly associated with the assets held for sale	11.1	24	658,855
		65,309,819	23,688,952
Total liabilities		134,786,773	87,784,740
TOTAL EQUITY AND LIABILITIES		599,272,056	562,677,664

These consolidated financial statements were approved by QatarEnergy's Board of Directors and signed on its behalf by the following:



H.H. Sheikh Abdullah bin Hamad Al-Thani
The Deputy Emir
Chairman



Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss
For the year ended 31 December 2024

QR '000

	Note	2024	2023
Continuing operations			
Income			
Revenue	26	168,333,491	159,365,855
Other income	27	8,709,949	8,077,239
		<u>177,043,440</u>	<u>167,443,094</u>
Expenses			
Operating, selling and administrative expenses	28	(103,890,984)	(82,191,489)
Depreciation and amortization	29	(14,303,561)	(13,672,938)
Reversal of / (provision for) expected credit losses	30	259,939	(593,721)
		<u>(117,934,606)</u>	<u>(96,458,148)</u>
Net operating income		59,108,834	70,984,946
Share of profit of associates – net	7	802,446	746,154
Share of profit of joint ventures – net	8(b)	50,084,574	53,180,067
Dividend and interest income		4,874,226	5,133,244
Finance charges	31	(2,087,170)	(2,082,957)
Net monetary gain / (loss) arising from hyperinflation		21,765	(2,924)
Profit before tax		112,804,675	127,958,530
Taxes	32	(18,746,870)	(21,525,296)
Profit for the year from continuing operations		94,057,805	106,433,234
Discontinued operations			
Profit / (loss) from discontinued operations	11.2	1,680,785	(410,601)
Profit for the year		95,738,590	106,022,633
Attributable to:			
Owner of the Corporation		91,461,977	101,902,799
Non-controlling interests	38	4,276,613	4,119,834
		<u>95,738,590</u>	<u>106,022,633</u>



H.H. Sheikh Abdullah bin Hamad Al-Thani
The Deputy Emir
Chairman



Saad Sherida Al-Kaabi
Minister of State for Energy Affairs
Vice Chairman and President & CEO

The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

QR '000

	Note	2024	2023
Profit for the year		95,738,590	106,022,633
Other comprehensive income:			
Continuing operations			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	19(i)	(84,131)	(105,141)
Equity investments at FVOCI – net change in fair value	19(ii)	(319,260)	226,357
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	19(iii)	96,433	(3,007)
Foreign operations – foreign currency translation differences	19(iv)	(662,956)	357,897
Other comprehensive (loss) / income from continuing operations		(969,914)	476,106
Discontinued operations			
Other comprehensive income from discontinued operations	11.2(b)	-	49,790
Total other comprehensive (loss) / income for the year		(969,914)	525,896
Total comprehensive income for the year		94,768,676	106,548,529
Attributable to:			
Owner of the Corporation		90,597,800	102,448,876
Non-controlling interests		4,170,876	4,099,653
		94,768,676	106,548,529



The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2024

QR '000

	Equity attributable to owner of the Corporation					Non-	Total
	Capital	General reserve	Other reserves	Retained earnings	Total	controlling interests	
At 1 January 2023	100,000,000	175,500,000	(456,392)	190,497,509	465,541,117	37,845,168	503,386,285
Profit for the year	-	-	-	101,902,799	101,902,799	4,119,834	106,022,633
Other comprehensive income for the year	-	-	546,077	-	546,077	(20,181)	525,896
Total comprehensive income for the year	-	-	546,077	101,902,799	102,448,876	4,099,653	106,548,529
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	9,144	(9,144)	-	-	-
Dilution of shareholding	-	-	-	(1,317,070)	(1,317,070)	1,317,070	-
Transfer to Social Fund (Note 33)	-	-	-	(80,656)	(80,656)	(96,677)	(177,333)
Dividend (Note 40)	-	-	-	(129,801,795)	(129,801,795)	-	(129,801,795)
Dividend to non-controlling interests	-	-	-	-	-	(4,912,216)	(4,912,216)
Transfer to other reserves	-	-	27,237	(27,237)	-	-	-
Effect of hyperinflation	-	-	4,429	2,221	6,650	59,855	66,505
Other movement during the year	-	-	(318,264)	305,574	(12,690)	(204,361)	(217,051)
At 31 December 2023 / 1 January 2024	100,000,000	175,500,000	(187,769)	161,472,201	436,784,432	38,108,492	474,892,924
Profit for the year	-	-	-	91,461,977	91,461,977	4,276,613	95,738,590
Other comprehensive loss for the year	-	-	(864,177)	-	(864,177)	(105,737)	(969,914)
Total comprehensive income for the year	-	-	(864,177)	91,461,977	90,597,800	4,170,876	94,768,676
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	5,735	(5,735)	-	-	-
Transfer to Social Fund (Note 33)	-	-	-	(77,364)	(77,364)	(102,198)	(179,562)
Dividend (Note 40)	-	-	-	(100,051,459)	(100,051,459)	-	(100,051,459)
Dividend to non-controlling interests	-	-	-	-	-	(5,429,914)	(5,429,914)
Transfer to other reserves	-	-	90,086	(90,086)	-	-	-
Effect of hyperinflation	-	-	-	8,024	8,024	72,218	80,242
Other movement during the year	-	-	290,050	-	290,050	114,326	404,376
At 31 December 2024	100,000,000	175,500,000	(666,075)	152,717,558	427,551,483	36,933,800	464,485,283

The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.



	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		95,738,590	106,022,633
<i>Adjustments for:</i>			
- Depreciation of property, plant and equipment	29	12,337,168	11,847,542
- Depreciation of right-of-use assets	29	1,576,382	1,336,644
- Depreciation of investment property	29	15,957	16,587
- Amortization of intangible assets and catalysts	29	374,054	472,165
- Loss on disposal of property, plant and equipment	28	531,940	55,653
- Write-off of property, plant and equipment	28	2,390,597	1,688,712
- Write-off of right-of-use assets	28	7,833	-
- Write-off of intangible assets	28	1,805,560	-
- Provision for / (reversal of) inventory obsolescence	28	62,495	(5,648)
- Provision for earn-out liability	28	259,319	276,714
- (Reversal of) / provision for expected credit losses – net	30	(259,939)	593,721
- Provision for impairment losses – net	28	870,081	509,993
- Provision for employee benefits – net	21	525,227	506,417
- Provision for / (reversal of) decommissioning costs – net	24(a)	138,993	(487,985)
- (Profit) / loss from discontinued operations		(296,212)	410,601
- Fair value loss / (gain) on investment at fair value through profit or loss	9(b)	4,671	(48,611)
- Share of profit of associates – net	7	(802,446)	(746,154)
- Share of profit of joint ventures – net	8(b)	(50,084,574)	(53,180,067)
- Dividend and interest income		(4,973,663)	(5,133,244)
- Net unrealized gain on derivative financial instruments		(307,533)	(103,649)
- Deferred income		(66,236)	(49,490)
- Finance charges		2,108,069	2,082,957
- Taxes	32	18,746,870	21,525,296
- Net monetary (gain) / loss arising from hyperinflation		(21,765)	2,924
- Gain on disposal of assets held for sale		(1,819,016)	-
- Gain on de-recognition of equity-accounted investment due to business combination	27	(607,993)	-
- Loss on merger of joint ventures	28	-	230,100
		78,254,429	87,823,811
<i>Working capital changes:</i>			
- Inventories		(798,212)	101,055
- Amounts due from Government of Qatar		45,769,435	42,128,745
- Accounts receivables and prepayments		688,310	9,253,930
- Accounts payables and accruals		(252,227)	(869,592)
Cash generated from operations		123,661,735	138,437,949
Employee benefits paid	21	(490,172)	(519,983)
Finance charges paid		(1,872,284)	(1,902,353)
Taxes paid		(19,764,193)	(21,395,728)
Social fund contribution paid		(181,443)	(307,824)
Net cash from operating activities		101,353,643	114,312,061

Continued on next page



The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended 31 December 2024

QR '000

Continued from previous page

	Note	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(20,403,923)	(17,404,189)
Proceeds from disposal of property, plant and equipment		129,942	149,974
Acquisition of investment property	5(c)	(255)	-
Acquisition of intangible assets	6	(16,196)	(325,562)
Repayments from associates – net	7	55,690	65,520
Additions to investments in joint ventures – net		(24,121,541)	(20,668,532)
Dividend received from associates and joint ventures		42,677,957	52,061,877
Net cash movement of financial assets at FVOCI		492,411	(155,889)
Net cash movement of financial assets at amortised cost		(1,258,670)	(103,672)
Dividend and interest received from other investments		4,815,163	5,302,263
Additions to projects under development – net		(4,898,996)	(6,012,515)
Net cash movement in other non-current assets		(2,126,246)	(983,414)
Net cash movement of financial assets at fair value through profit or loss	9(b)	(1,825)	(9,229)
Movement in term deposits and restricted cash		4,551,938	(5,273,464)
Net cash inflow / (outflow) on acquisition of subsidiaries		1,279,869	(234,932)
Inflow / (outflow) on disposal of a subsidiary		652	(127,414)
Proceeds from disposal of assets held for sale		2,555,727	-
Net cash from investing activities		3,731,697	6,280,822
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and bonds		1,228,041	225,500
Repayment of loans		(102,033)	(193,451)
Payment of lease liabilities	22	(1,550,468)	(1,237,870)
Movement in other non-current liabilities		21,231	(200,355)
Dividend paid	40	(100,051,459)	(129,801,795)
Dividend paid to non-controlling interests		(5,429,914)	(4,912,216)
Payment of decommissioning liability	24(a)	(22,853)	(22,669)
Acquisition of non-controlling interest		-	(234,938)
Net cash used in financing activities		(105,907,455)	(136,377,794)
Net decrease in cash and cash equivalents		(822,115)	(15,784,911)
Effect of movements in exchange rates on cash held		(24,710)	1,611
Cash and cash equivalents at beginning of year		67,588,206	83,371,506
Cash and cash equivalents at end of year	15	66,741,381	67,588,206

During the year, the Group entered non-cash operating, investing and financing activities which are not reflected in the consolidated statement of cash flows (Note 41).



The accompanying notes 1 to 43 are an integral part of these consolidated financial statements.

1. Legal status and principal activities

QatarEnergy (the "Corporation" or the "Parent") is a state-owned public corporation established in the State of Qatar by Emiri Decree Number 10 of 1974.

The principal activities of QatarEnergy, its subsidiaries, joint operations, joint ventures and associates are the exploration, production and sale of crude oil, natural gas and gas liquids and refined products, production and sale of petrochemicals, fuel additives, fertilisers, liquefied natural gas ("LNG") including trading and marketing thereof, steel, aluminium, chartering of helicopters, identifying solar power opportunities to develop, design, finance, build, install, own, operate and maintain solar power facilities, investing in industrial and international projects, underwriting insurance, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas and refined petroleum products and other services. The principal place of business of QatarEnergy is in the State of Qatar.

Pursuant to Law No. 3 of 2007 on the Exploitation of Natural Resources, QatarEnergy holds the exclusive right to explore, develop and produce petroleum, natural gas and other hydrocarbons and for the investment and development of such materials.

Pursuant to Law No. 5 of 2012, which was issued on 7 August 2012, the State of Qatar amended certain provisions of Decree No. 10 of 1974 and transferred the ownership in QatarEnergy from the Ministry of Economy of Finance to the Supreme Council for Economic Affairs and Investment ('SCEAI') effective 1 January 2012.

Pursuant to Decree Law No. 18 of 2021 which was issued on 10 October 2021, the State of Qatar amended certain provisions of the Decree No. 10 of 1974 and changed the name of the Corporation from "Qatar Petroleum" to "QatarEnergy".

Pursuant to Decree Law No. 1 of 2024 which was issued on 15 September 2024, the State of Qatar amended certain provisions of the Decree No. 10 of 1974 and accordingly, QatarEnergy shall bear the Income Tax for each fiscal year at a rate of 35% of the net taxable income for that year. The effective date of the amendments shall be 1 January 2025.

On 12 July 2021, QatarEnergy issued USD Bonds which are listed on London and Taipei Stock Exchange. (Note 20 (b)).

These consolidated financial statements are prepared to meet the requirements of Article 21 of Emiri Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No. 18 of 2021) (the 'governing law'). These consolidated financial statements reflect the financial information of QatarEnergy and its subsidiaries, joint operations, joint ventures and associates (together referred to as the "Group").

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 April 2025.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards).

These consolidated financial statements are presented in Qatari Riyal (QR) which is the Parent's functional currency. All values are rounded off to the nearest thousand, unless otherwise indicated.

2.2 Basis of measurement

These consolidated financial statements are prepared using the historical cost basis except for:

- i. Certain financial instruments that are measured at fair value.
- ii. Parcels of land granted to QatarEnergy from the State of Qatar, which are measured at nominal value as Government Grant.
- iii. Amounts relating to a hyperinflationary economy have been adjusted to reflect the effects of hyperinflation to express the financial statements in terms of the monetary unit current at the end of the reporting date as required by IAS 29.

**Notes to the consolidated financial statements
As at and for the year ended 31 December 2024**

2. Basis of preparation (continued)

2.2 Basis of measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in their entirety, which are described as follows:

- i. *Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;*
- ii. *Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and*
- iii. *Level 3 inputs for assets or liabilities that are not based on observable market data (unobservable inputs).*

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.3 Components of the Group

The Group includes the following subsidiaries, joint ventures, associates and joint operations at 31 December 2024:

Direct subsidiaries of QatarEnergy

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding	
				2024	2023
Industries Qatar Q.P.S.C. ("IQ")	QatarEnergy	Qatar	Holding company	51.00%	51.00%
QatarEnergy Marketing and Trading ("QEMT")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
QatarEnergy International	QatarEnergy	Qatar	Investment in international projects across the energy value chain	100.00%	100.00%
Al Shaheen Holding Q.S.C. ("Al Shaheen")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
QatarEnergy LNG Marketing ("QELNGM")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Gulf International Services Q.P.S.C. ("GIS")	QatarEnergy	Qatar	Holding company invested in drilling, helicopter transportation, insurance and catering services	10.00%	10.00%
QP Ras Gas (3) Limited	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC")	QatarEnergy	Qatar	Own and invest in Petrochemical projects	57.85%	57.85%
QatarEnergy Oil & Gas Limited ("QEOG")	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Seef Limited ("Seef")	QatarEnergy	Qatar	Production and sale of linear alkyl benzene, heavy alkyl benzene and other related products.	100.00%	100.00%
QatarEnergy Oil and Gas (2) ("QEOG2")	QatarEnergy	Qatar	Refinery facilities and production, loading and marketing of refined products.	100.00%	100.00%

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Direct subsidiaries of QatarEnergy (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding	
				2024	2023
QatarEnergy LNG Investments (QELNGI)	QatarEnergy	Qatar	Holding company	100.00%	100.00%
Qatar Aluminium Manufacturing Company Q.P.S.C. ("QAMCO")	QatarEnergy	Qatar	Holding company invested in aluminium manufacturing	51.00%	51.00%
Qatar Fuel Company Q.P.S.C. ("Woqod")	QatarEnergy	Qatar	Sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas, vessel chartering and real estate services.	20.00%	20.00%
QatarEnergy Renewables Solutions Q.P.S.C. ("QERS")	QatarEnergy	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research.	100.00%	100.00%
Qatex Limited	QatarEnergy	Qatar	Aviation fuel storage and transportation services	100.00%	100.00%

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries)

Qatar Steel Company Q.P.S.C.	IQ	Qatar	Manufacturing of steel billets and reinforcing bars	51.00%	51.00%
Qatar Steel Company FZE (Dubai)	IQ	UAE	Production and sale of high-quality steel wire rod products	51.00%	51.00%
Al Qataria for Production of Reinforcing Steel W.L.L.	IQ	Qatar	Investment in steel industry	51.00%	51.00%
Qatar Fertiliser Company P.S.C. ("QAFCO")	IQ	Qatar	Production and sales of urea and ammonia	51.00%	51.00%
Gulf Formaldehyde Company (P.Q.S.C.) ("GFC")	IQ	Qatar	Production and sales of urea formaldehyde concrete.	35.70%	35.70%
Qatar Melamine Company (P.Q.S.C.) ("QMC")	IQ	Qatar	Production and sale of Melamine	51.00%	51.00%
Qatar Fuel Additives Company Limited Q.P.S.C. (QAFAC) (i)	QatarEnergy / IQ	Qatar	Production, marketing and export of Methyl-tertiary-butyl-ether (MBTE) and methanol	75.50%	-

i. On 10 June 2024, QAFAC become subsidiary of the Group from joint venture. Refer Note 37.2.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Qatar Terminal Limited ("QTL")	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
QatarEnergy International E&P W.L.L. (QatarEnergy IE&P)	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy International Investments (2) L.L.C.	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
QatarEnergy Netherlands Holdings B.V.	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Egypt Limited	QatarEnergy International	Cayman Islands	Special purpose entity	100.00%	100.00%
QatarEnergy E&P Mexico S.A. de C.V.	QatarEnergy International	Mexico	Exploration and extraction of oil and gas	100.00%	100.00%
Green Ocean LNG Limited	QatarEnergy International	Bahamas	Special purpose entity	100.00%	100.00%
QatarEnergy Holdings (UK) Ltd	QatarEnergy International	United Kingdom	Holding company	100.00%	100.00%
QatarEnergy US Holding Corporation ("QatarEnergy USH")	QatarEnergy International	USA	Holding company	100.00%	100.00%
QatarEnergy International Investments L.L.C.	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy U.S. Investments (1) LLC	QatarEnergy International	USA	Holding company	100.00%	100.00%
QatarEnergy U.S. Investments (2) LLC	QatarEnergy International	USA	Special purpose entity	100.00%	100.00%
QatarEnergy U.S. Investments (3) LLC	QatarEnergy International	USA	Special purpose entity	100.00%	100.00%
QatarEnergy Investments B.V.	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QPI Energy Canada Ltd ("QIECL")	QatarEnergy International	Canada	Special purpose entity	100.00%	100.00%
QP Brazil Investments (2) B.V. ("QPIBIV 2")	QatarEnergy International	The Netherlands	Special purpose entity	100.00%	100.00%
QatarEnergy Brasil Ltda	QatarEnergy International	Brazil	Production and sale of crude oil and natural gas	100.00%	100.00%
QatarEnergy Argentina Holdings L.L.C.	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Mozambique Holdings L.L.C.	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Africa Holdings L.L.C.	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy E&P Holdings L.L.C.	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
QE Mozambique Limitada	QatarEnergy International	Mozambique	Petroleum operations	100.00%	100.00%
QP Oil & Gas SAU	QatarEnergy International	Argentina	Exploration & extraction of oil and gas	100.00%	100.00%

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
QatarEnergy Renewables 1 L.L.C.	QERS	Qatar	Special purpose entity	100.00%	100.00%
Al Koot Insurance & Reinsurance Company P.J.S.C. ("Al Koot")	GIS	Qatar	Insurance services	10.00%	10.00%
Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC")	GIS	Qatar	Helicopter services	10.00%	10.00%
Gulf Drilling International Ltd. (Qatari Private Shareholding Company) ("GDI")	GIS	Qatar	Drilling services	10.00%	10.00%
United Helicharters Private Limited.	GIS	India	Helicopter services	-	9.00%
Al Maha Aviation Company	GIS	Libya	Aviation services	10.00%	10.00%
Redstar Havacilik Hizmetleri A.S. ("Redstar")	GIS	Turkey	Aviation services	10.00%	10.00%
Gulf Helicopters Investment & Leasing Company	GIS	Morocco	Helicopter services	10.00%	10.00%
AOM Aviation Capital (Sarlaw)	GIS	Morocco	Aviation services	10.00%	10.00%
Gulf Jackup SPC LLC (ii)	GIS	Qatar	Drilling services	10.00%	-
GulfDrill LLC (iii)	GIS	Qatar	Drilling services	10.00%	-
WOQOD Vehicle Inspection Co. ("FAHES") W.L.L.	Woqod	Qatar	Vehicle inspection services	20.00%	20.00%
Qatar Jet Fuel Company W.L.L.	Woqod	Qatar	Supply of jet fuel	12.00%	12.00%
WOQOD Marine Services Co. W.L.L.	Woqod	Qatar	Chartering of marine vessels	20.00%	20.00%
WOQOD International Co. W.L.L.	Woqod	Qatar	Holding company for international business of Woqod	20.00%	20.00%
WOQOD Kingdom Co. W.L.L.	Woqod	KSA	Dormant entity	20.00%	20.00%
Ard Al Khaleej Real Estate W.L.L.	Woqod	Qatar	Owning and renting of real estates	20.00%	20.00%

ii. The Group incorporated Gulf Jackup SPC LLC during the year.

iii. During the year, GulfDrill LLC became subsidiary of the group from joint venture. Refer Note 37.1.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Polaris Marine Services L.L.C.	Woqod	Oman	Chartering of marine vessels	20.00%	20.00%
Sidra Al Ghariya Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Wajbah Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Ruwais Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Wakra Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Rumeila Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Messaied Shipping Co.	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Qatar Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Doha Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
Sidra Al Khor Shipping Company	Woqod	Republic of Liberia	Ship owners	20.00%	20.00%
QatarEnergy Marketing (QEM) (iv)	QEMT	Qatar	Marketing and trading activities	100.00%	-
QatarEnergy Marketing 1 (iv)	QEMT	Qatar	Marketing activities	100.00%	-
QatarEnergy Marketing B.V. (iv)	QEMT	The Netherlands	Marketing activities	100.00%	-
QatarEnergy Marketing (2) B.V. (iv)	QEMT	The Netherlands	Marketing activities	100.00%	-
Muntajat Marketing (Shanghai) co. Ltd. (iv)	QEMT	China	Marketing activities	100.00%	-
Muntajat India Private Limited (iv)	QEMT	India	Marketing activities	100.00%	-
Muntajat Egypt (iv)	QEMT	Egypt	Marketing activities	100.00%	-
QatarEnergy Ho Chi Minh Company Limited (iv)	QEMT	Vietnam	Marketing activities	100.00%	-
Muntajat B.V. (iv)	QEMT	Qatar	Marketing activities	100.00%	-
QatarEnergy Marketing and Trading 1 LLC	QEMT	Qatar	Holding company	100.00%	100.00%
QatarEnergy Marketing and Trading 2 LLC	QEMT	Qatar	Marketing of LNG	100.00%	100.00%
Qatargas India Private Limited	QEMT	Qatar	Marketing of LNG	100.00%	100.00%
QatarEnergy Trading LLC	QEMT	Qatar	Trading of liquified natural gas (LNG) and related ancillary activities	100.00%	100.00%
QatarEnergy Marine Holdings LLC	QEMT	Qatar	Holding company	100.00%	100.00%

iv. During the year, the Group acquired QEM and its subsidiaries. Refer Note 37.4.

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Subsidiaries of QatarEnergy's subsidiaries (Indirect subsidiaries) (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Qatar Energy Marine (1) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (2) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (3) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (4) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (5) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (6) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (7) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (8) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (9) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
Qatar Energy Marine (10) LLC	QEMT	Qatar	LNG vessel owner	100.00%	100.00%
QatarEnergy LNG N1	QELNGI	Qatar	Production, marketing and transportation of LNG	100.00%	100.00%

Joint ventures of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
RasGas Company Limited Q.P.J.S.C.	QatarEnergy	Qatar	Operating company	70.00%	70.00%
Oryx GTL Limited. (Oryx)	QatarEnergy	Qatar	Management operation and maintenance of Gas to Liquids complex	51.00%	51.00%
Qatofin Company Limited Q.P.J.S.C.	QatarEnergy / IQ	Qatar	Production and Sales of Petrochemical products	25.97%	25.97%
Qatar Vinyl Company Limited Q.P.J.S.C. (QVC)	QatarEnergy / MPHC / IQ	Qatar	Production and sale of Petrochemical products	57.85%	57.85%
Qatar Chemical Company Limited Q.P.J.S.C. (Q-chem)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	30.35%	30.35%
Qatar Chemical Company II Limited Q.P.J.S.C. (Q-chem II)	QatarEnergy / MPHC	Qatar	Production and sale of Petrochemical products	30.35%	30.35%

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder(s)	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Ras Laffan Olefins Company Limited.	QatarEnergy / MPHC	Qatar	Operate and maintain Ethylene cracker plant	29.04%	29.04%
Q.P.J.S.C.					
Gasal Q.P.S.C.	QatarEnergy	Qatar	Manufacture and supply of industries gases	30.50%	30.50%
QatarEnergy LNG N (2)	QELNGI	Qatar	Production, marketing and transportation of LNG	68.53%	68.56%
QatarEnergy LNG N (3)	QELNGI	Qatar	Production, marketing and transportation of LNG	68.50%	68.50%
QatarEnergy LNG N (4)	QELNGI	Qatar	Production, marketing and transportation of LNG	70.00%	70.00%
QatarEnergy LNG S (1) (v)	QatarEnergy and QELNGI	Qatar	Production, liquefaction, shipping and marketing of LNG	89.63%	73.90%
QatarEnergy LNG S (2)	QELNGI	Qatar	Production, liquefaction, shipping and marketing of LNG	67.73%	66.45%
QatarEnergy LNG S (3)	QELNGI	Qatar	Production, liquefaction, shipping and marketing of LNG	70.00%	70.00%
QatarEnergy LNG Barzan Gas Company Limited Q.P.J.S.C. (Barzan)	QELNGI	Qatar	Operating company	70.00%	70.00%
	QELNGI	Qatar	Production, marketing and transportation of Petroleum products.	93.00%	93.00%
QatarEnergy LNG NFE (1)	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFE (2)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	70.00%
QatarEnergy LNG NFE (3)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	75.00%
QatarEnergy LNG NFE (4)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	75.00%
QatarEnergy LNG NFE (5)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	75.00%
QatarEnergy LNG NFS (1)	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
QatarEnergy LNG NFS (2)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	75.00%
QatarEnergy LNG NFS (3)	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%

v. During the year, the Group acquired additional 12.5% interest in QatarEnergy LNG S (1).

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Qatar Petrochemical Company Q.P.J.S.C. (QAPCO)	IQ	Qatar	Production and sale of ethylene, polyethylene, hexane and other petrochemical products	40.80%	40.80%
Qatar Fuel Additives Company Limited Q.P.S.C. (QAFAC) (vi)	IQ	Qatar	Production and sale of Methyl-tertiary-butyl-ether (MBTE) and methanol	-	25.50%
QPI & Shell Petrochemicals (Singapore) Pte. Ltd. (QSPS)	QatarEnergy International	Singapore	Investment in petrochemical plants	49.00%	49.00%
South Hook Gas Company Ltd.	QatarEnergy International	UK	Investment in gas marketing company	70.00%	70.00%
South Hook LNG Terminal Company Ltd. (SH LNG)	QatarEnergy International	UK	LNG receiving and regasification	67.50%	67.50%
Adriatic LNG Terminal (ALNG) (vii)	QatarEnergy International	Italy	LNG receiving and regasification	-	22.02%
Arab Refining Company (ARC)	QatarEnergy International	Egypt	Investment in refinery projects	38.11%	38.11%
Golden Pass LNG Terminal L.L.C. (GPLNG)	QatarEnergy International	USA	LNG receiving and regasification	70.00%	70.00%
Golden Pass Pipeline L.L.C. (GPPL)	QatarEnergy International	USA	Gas dispatching	70.00%	70.00%
ExxonMobil Exploration Argentina S.R.L. (EMEA) (vii)	QatarEnergy International	Argentina	Petroleum operations	-	30.00%
Mobil Argentina S.A. (MASA)	QatarEnergy International	Argentina	Petroleum operations	30.00%	30.00%
Ocean LNG Ltd.	QatarEnergy International	Bahamas	Marketing arm of Golden Pass outside U.S.	70.00%	70.00%
Marine LNG Solutions LLC	QatarEnergy International	Qatar	Special purpose entity	50.00%	50.00%
TOQAP Guyana B.V.	QatarEnergy International	Netherlands	Petroleum operations	40.00%	40.00%
Golden Triangle Polymers Company Holdings LLC	QatarEnergy International	USA	Petrochemical operations	49.00%	49.00%
Al Shaheen Baker Hughes Services	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	50.00%	50.00%

vi. On 10 June 2024, QAFAC become subsidiary of the Group from joint venture. Refer Note 37.2.

vii. During the year, ALNG and EMEA have been sold. Refer Note 11.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group (continued)

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Air Ocean Maroc	GIS	Morocco	Helicopter services	4.90%	4.90%
GulfDrill L.L.C. (viii)	GIS	Qatar	Drilling services	-	5.00%
Amwaj Catering Services Limited (Qatari Private Shareholding Company) ("Amwaj")	GIS	Qatar	All types of Catering services and related services	3.00%	3.00%
North Oil Company Q.P.S.C.	QEOG	Qatar	Petroleum operations-exclusive rights	70.00%	70.00%
Qatar Aluminium Company Limited Q.P.J.S.C. (Qatalum)	QAMCO	Qatar	Production and sale of Aluminium products	25.50%	25.50%
Siraj (1) Q.P.S.C	QERS	Qatar	Investment in renewable energy projects specializing solar energy as a provider and installer of solar panels with focus on solar energy research	60.00%	60.00%
Ras Laffan Petrochemicals Company ('RLPC')	QEOG2	Qatar	Petrochemical facilities, industrial management, maintenance and Trading of Petrochemicals	70.00%	70.00%
Qatar Petrochemicals Operating Company ('QPOC')	QEOG2	Qatar	Petrochemical facilities, industrial management, maintenance and Trading of Petrochemicals	70.00%	70.00%

viii. GulfDrill L.L.C. became subsidiary of the Group from joint venture. Refer Note 37.1.

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Associates of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Arab Maritime Petroleum Transport Company	QatarEnergy	Kuwait	Operates and charters a fleet of crude and petro product tankers	14.80%	14.80%
Arab Energy Fund (formerly known as Arab Petroleum Investment Corporation)	QatarEnergy	KSA	Participation in financing petroleum projects and industries	10.00%	10.00%
Arab Petroleum Services Company	QatarEnergy	Libya	Provision of petroleum services	10.00%	10.00%
Arab Petroleum Pipelines Company	QatarEnergy	Egypt	Operate pipelines to transfer petroleum	5.00%	5.00%
Ras Laffan Power Company Limited	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	10.00%	10.00%
Mesaieed Power Company Limited Q.P.S.C.	QatarEnergy	Qatar	Production and supply of electricity	20.00%	20.00%
Ras Girtas Power Company	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	15.00%	15.00%
Umm Al Houl Power Q.P.S.C.	QatarEnergy	Qatar	Production and supply of electricity and production of desalinated water	5.00%	5.00%
Laffan Refinery Company Limited Q.P.J.S.C. (LR)	QatarEnergy	Qatar	Operation of refinery facilities and production and marketing of refined products	72.00%	72.00%
Qatar Metals Coating Company W.L.L.	IQ	Qatar	Production and sale of epoxy resin coated bars	25.50%	25.50%
Foulath Holding B.S.C.	IQ	Bahrain	Manufacture and sale of various sale products	12.75%	12.75%
SOLB Steel Company (SSC)	IQ	KSA	Manufacture and sale of steel products	20.59%	15.83%
TotalEnergies Exploration & Production (E&P) Congo Tamba B.V.	QatarEnergy International	Republic of Congo	Upstream exploration and production	15.00%	15.00%
	QatarEnergy International	Netherlands	Operates and manages FPSO leases and Subsea leases	23.00%	23.00%
AKG Holding Limited	QELNGI	Bahamas	Production and sale of gas	12.50%	12.50%

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint operations of the Group

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Pearl GTL Project North Field (Unincorporated) (ix)	QatarEnergy	Qatar	Developing of gas to liquid project in Ras Laffan	-	-
Dolphin Gas Project (Unincorporated) (ix)	QatarEnergy	Qatar	Recover and export natural gas for export purpose.	-	-
Al Khaleej Gas Project (Unincorporated) (ix)	QatarEnergy	Qatar	Enhanced gas utilization	-	-
Offshore Block 10 & Block 5	QatarEnergy International	Cyprus	Upstream exploration and production	40.00%	40.00%
BC-10 Concession (x)	QatarEnergy International	Brazil	Upstream exploration and production assets of Block BC-10	-	23.00%
Block SEPIA	QatarEnergy International	Brazil	Upstream exploration and production	21.00%	21.00%
Alto de Cabo Frio-Oeste block (xi)	QatarEnergy International	Brazil	Upstream exploration and production	-	25.00%
Block 536 & 647 (xi)	QatarEnergy International	Brazil	Upstream exploration and production	-	36.00%
Tita Block (xi)	QatarEnergy International	Brazil	Upstream exploration and production	-	36.00%
Block 789 & 753 (xi)	QatarEnergy International	Brazil	Upstream exploration and production	-	30.00%
Block 541	QatarEnergy International	Brazil	Upstream exploration and production	40.00%	40.00%
Block 659 & 713	QatarEnergy International	Brazil	Upstream exploration and production	25.00%	25.00%
Block 52 (xi)	QatarEnergy International	Oman	Upstream exploration and production	-	30.00%
Tarfaya Shallow Block (xi)	QatarEnergy International	Morocco	Upstream exploration and production	-	30.00%
Block CAN107& Block CAN109	QatarEnergy International	Argentina	Upstream exploration and production	40.00%	40.00%
Block PEL 91 (Block 2912)	QatarEnergy International	Namibia	Upstream exploration and production	33.02%	28.33%
Block PEL 56 (Block 2913B)	QatarEnergy International	Namibia	Upstream exploration and production	35.25%	30.00%
Block PEL 39 (2913A & (2914B)	QatarEnergy International	Namibia	Upstream exploration and production	45.00%	45.00%
Block EL 1162, 1169	QatarEnergy International	Canada	Upstream exploration and production	40.00%	40.00%
Block SDL 197	QatarEnergy International	Canada	Upstream exploration and production	30.00%	30.00%
Block 15 (xi)	QatarEnergy International	Mexico	Upstream exploration and production	-	30.00%

ix. The Group's interest in these joint operations is based on contractual terms of production sharing arrangement which varies from time to time.

x. BC-10 was disposed-off during the year. Refer Note 11.1.

xi. During the year, the Group has impaired or exited from these blocks.

2. Basis of preparation (continued)**2.3 Components of the Group (continued)*****Joint operations of the Group (continued)***

Entity/Group	Investor	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2024	2023
Block 33	QatarEnergy International	Mexico	Upstream exploration and production	15.00%	15.00%
Suriname Block 64	QatarEnergy International	Suriname	Upstream exploration and production	30.00%	30.00%
Blocks 3314 and 3315	QatarEnergy International	South Africa	Upstream exploration and production	29.17%	29.17%
DWOB Block	QatarEnergy International	South Africa	Upstream exploration and production	30.00%	30.00%
Blocks 3013 and 3113	QatarEnergy International	South Africa	Upstream exploration and production	45.00%	45.00%
11B/12B Block (xii)	QatarEnergy International	South Africa	Upstream exploration and production	-	25.00%
Block 9 (xii)	QatarEnergy International	Lebanon	Upstream exploration and production	-	30.00%
Block Água Marinha	QatarEnergy International	Brazil	Upstream exploration and production	20.00%	20.00%
Block S-M-1711 & 1815	QatarEnergy International	Brazil	Upstream exploration and production	50.00%	50.00%
Suriname Block 6 & 8	QatarEnergy International	Suriname	Upstream exploration and production	20.00%	20.00%
North Markia	QatarEnergy International	Egypt	Upstream exploration and production	40.00%	-
Cairo and Masry	QatarEnergy International	Egypt	Upstream exploration and production	40.00%	-
Block 3B/4B	QatarEnergy International	South Africa	Upstream exploration and production	24.00%	-
Suriname Block 5	QatarEnergy International	Suriname	Upstream exploration and production	20.00%	-
Suriname Block 65	QatarEnergy International	Suriname	Upstream exploration and production	40.00%	40.00%
Mauritania C-10 (xii)	QatarEnergy International	Mauritania	Upstream exploration and production	-	40.00%
Block 3 & 4 (xii)	QatarEnergy International	Egypt	Upstream exploration and production	-	17.00%
Iraq (GGIP)	QatarEnergy International	Iraq	Upstream exploration and production	25.00%	25.00%
Al Khaliq Block 6 Field	QEOG	Qatar	Petroleum operations-exclusive rights	60.00%	60.00%

xii. During the year, the Group has impaired or exited from these blocks.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

2. Basis of preparation (continued)

2.4 New accounting standards and amendments adopted by the Group

The Group adopted the below new accounting standards and amendments that are effective for the financial year ended 31 December 2024:

<i>Effective from 1 January 2024</i>	• <i>Non-current Liabilities with Covenants – Amendments to IAS 1</i> • <i>Classification of Liabilities as Current or Non-current – Amendments to IAS 1</i> • <i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i> • <i>Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7</i>
--------------------------------------	--

The Group does not expect that the adoption of the above amendments to the accounting standards will have a significant impact on the Group's consolidated financial statements.

2.5 Amendments to accounting standards not yet effective, but available for early adoption

A number of new IFRS accounting standards and amendments are effective for annual reporting periods beginning after 1 January 2024 and earlier application is permitted. However, the Group has not early adopted the following new or amended IFRS accounting standards in preparing these consolidated financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements, including for items currently labelled as 'other'.

B. Other accounting standards

The following new and amended IFRS accounting standards are not expected to have a significant impact on these consolidated financial statements.

<i>Effective for the year beginning 1 January 2025</i>	• <i>Lack of Exchangeability – Amendments to IAS 21</i>
<i>Effective for the year beginning 1 January 2026</i>	• <i>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</i> • <i>Annual improvements to IFRS Accounting Standard – Volume 11</i>
<i>Effective for the year beginning 1 January 2027</i>	• <i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>
<i>Available for optional adoption / effective date deferred indefinitely</i>	• <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28</i>

Management anticipates that these amendments to accounting standards will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these amendments to accounting standards is not expected to have a material impact on the consolidated financial statements of the Group in the period of initial application.

3. Material accounting policies

3.1 Basis of consolidation and business combination

Basis of consolidation

The consolidated financial statements include the separate financial statements of QatarEnergy and the (consolidated) financial statements of the entities controlled by QatarEnergy (its “subsidiaries”).

Specifically, the Group controls an investee if and only if the Group has:

- a) power over the investee;
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) the ability to use its power over the investee to affect its returns.

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- a) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Group, other vote holders or other parties;
- c) rights arising from other contractual arrangement; and
- d) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that the decision needs to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are fully consolidated from the date on which QatarEnergy obtains control and continue to be consolidated until the date when such control ceases.

Profit or loss and other comprehensive income of each component are attributed to the owner of QatarEnergy and the non-controlling interests (NCI). Total comprehensive income of the subsidiaries is attributed to the owner of QatarEnergy and to the NCI even if this results in the NCI having deficit balance.

The consolidated financial statements incorporate the Group's interest and its share of profits or losses from associates and joint ventures using the equity method of accounting. Joint operations are accounted for in these consolidated financial statements on the Group's share of each of the assets, liabilities, income and expenses of the joint operations and are combined with the similar items, line by line.

Where necessary, adjustments are made to the financial statements of subsidiaries, joint ventures, joint operations and associates to bring their accounting policies in line with those used by the Group.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated or reversed in full.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Group.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. Material accounting policies (continued)

3.1 Basis of consolidation and business combination (continued)

Business combination

Acquisitions of a business are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured under the Group's accounting policies; and
- Assets (or disposal group) that are classified as held for sale in accordance with the Group's accounting policies.

Non-controlling interests that are present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation is initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are those adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not measured at subsequent reporting dates and subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with the Group's accounting policies, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the financial reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the 'measurement period', or additional assets or liabilities are recognised, to reflect the information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amount recognised at that date.

3. Material accounting policies (continued)

3.1 Basis of consolidation and business combination (continued)

Acquisition of assets (including any liabilities assumed) that do not constitute a business

If the Group acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 3 because it cannot meet the definition of a business combination. Such transactions are accounted for as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition. They do not give rise to goodwill or a gain on a bargain purchase.

Assets acquired in an asset acquisition are recognised based on the cost of acquisition. The Group does not include variable payments in the cost of assets acquired.

The cost of an asset acquisition may comprise the following:

- cash or cash equivalent price at the date of acquisition;
- fair value of non-cash consideration (e.g., non-cash assets given up or liabilities assumed); and
- transaction costs directly attributable to the acquisition of the assets.

In cases where the sum of the individual fair values of the identifiable assets and liabilities differs from the transaction price, management allocates the cost of the group of assets between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition, and then applies the initial measurement requirements in the applicable IFRS Accounting Standards to each identifiable asset acquired and liability assumed.

In cases where the Group acquires assets by obtaining a controlling interest in an entity that does not constitute a business as defined in IFRS 3 in successive share purchases – i.e., a ‘step acquisition’, the previously held equity interest is included as part of the cost of the acquisition. The Group does not remeasure the previously held equity interest because IFRS 3 specifies a cost-based approach for an asset acquisition and under a cost-based approach the existing assets are generally not remeasured.

The Group has elected to expense the variable consideration to be paid for asset acquisition as and when it is incurred.

3.2 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the fair values of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating unit (CGU) (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3. Material accounting policies (continued)

3.3 Property, plant and equipment

Initial recognition

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the Group; and
- (b) The cost of the item can be measured reliably.

However, items of property, plant and equipment may be acquired for safety or environmental reasons, for example to comply with environmental regulations. The acquisition of such items, although not directly increasing the future economic benefits of any particular existing item of property, plant and equipment may be necessary to obtain future economic benefits from other assets or group of assets. Such items are also recognised as assets.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises:

- (a) its purchase price or construction cost, including import duties and non-refundable purchase taxes after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset into present location and condition, for example:
 - cost of site preparation;
 - initial delivery and handling cost;
 - installation and assembly cost;
 - cost of testing whether the asset is functioning properly, after deducting the net proceeds from selling any items produced during the testing period; and
 - professional fees associated with the acquisition of the property.
- (c) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located – wherever applicable and where a decommissioning obligation exists.
- (d) for qualifying assets, where applicable, borrowing cost.

Spare parts and servicing equipment are carried as inventory and expensed when consumed. However, major spare parts and stand-by equipment qualifying as property, plant and equipment are recognised as property, plant and equipment.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset (as appropriate) only when it is probable that future economic benefits associated with the item of assets will flow to the Group and the cost of assets can be measured reliably, in consideration of the following provisions:

(i) Additions and extension

Cost incurred for additions and extension of an existing asset is capitalised when such cost results in increased efficiency, enhancement of benefits or life of the asset. In other cases, the cost incurred is expensed when incurred.

(ii) Replacements

Cost of replacement of an asset or part of an asset, where this asset/part is separately depreciated and is now replaced, and it is probable that future economic benefits associated with this asset/part will flow to the Group; the replacement costs are capitalized and depreciated as per depreciation policy used for that asset. The carrying amount of the old assets / parts that are replaced is written-off / derecognized.

Where this asset/part is not separately considered as a component and therefore not depreciated separately, the replacement cost is used to estimate the carrying amount of the replaced asset /part.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Subsequent costs (continued)

(iii) Improvements / upgrades

Costs incurred for improvement / upgrade of an existing asset are capitalized if such costs result in an increased efficiency, enhancement of benefits, or extending the useful life of the asset.

(iv) Repairs, Refurbishment and Maintenance Cost

Costs incurred for routine and cyclical maintenance and repairs as well as day-to-day repairs and maintenance are expensed when incurred.

Some assets require major maintenance and refurbishment at regular intervals, which is often described as an overhaul or turnaround. Cost of an item of property, plant and equipment is recognised when future economic benefits are probable and the cost of the item can be measured reliably. Subsequently, when the costs are incurred in relation to such an item of property, plant and equipment, the nature of such costs needs to be determined:

- (a) if the costs relate to the replacement of a part of the entire asset, then the carrying amount of the part that is replaced is derecognized and recognizes the cost of the replacement part;
- (b) costs of day-to-day servicing costs (e.g., costs of labour and consumables and possibly the cost of small parts) should be expensed when incurred;
- (c) when each major inspection, overhaul or turnaround is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Such costs are to be depreciated over the period until next inspection, overhaul or turnaround. Any remaining carrying amount of the cost of the previous inspection, overhaul or turnaround is derecognized. This occurs regardless of whether the cost of the previous inspection was identified in the transaction in which the item was acquired or constructed.

(v) Furnishing

In case of initial furnishing of new offices, clubs, medical centres or residential accommodation, the entire cost of furnishing is capitalized. Subsequent refurbishment / repair of furniture and fittings shall be in line with the policy above. Replacement is in line with the policy above.

(vi) Exchange

In case an asset is acquired in exchange for another asset (whether similar or dissimilar in nature), the cost will be measured at the fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognized:

- (a) by its sale or disposal by other means, or
- (b) when no future economic benefits are expected from its use, sale or disposal by other means.

The gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized (unless otherwise in the event of a sale and lease back). The gain or loss resulting from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gain / loss is classified as other income / expenses.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Depreciation

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, or common facility, in which case the straight-line method is used.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives.

Shared infrastructure is depreciated using straight-line basis over the estimated useful lives of those assets.

Cost of major inspection, overhaul or turnaround which is capitalized is to be depreciated over the period until next inspection, overhaul or turnaround.

Land is not depreciated.

Residual value, useful life and methods of depreciation are reviewed at each reporting period, and, if expectations differ from previous estimate, any change is accounted/adjusted prospectively where appropriate.

The useful lives of the assets are as follows:

Oil and gas properties (UOP assets)	unit-of-production basis
Oil and gas properties (other than UOP assets)	10 to 40 years
Other property, plant and equipment (including port)	2 to 50 years

Depreciation begins when the asset is available for use.

Exploration and evaluation assets

Exploration and evaluation activities involve the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Initial recognition

Exploration and evaluation assets are measured at cost; expenditures associated to exploration and evaluation assets are those expenditures related to exploration and evaluation activities after obtaining the legal right to explore and before extracting the oil and gas resource, for example:

- (a) acquisition of rights to explore;
- (b) topographical, geological, geochemical and geophysical studies;
- (c) exploratory drilling;
- (d) trenching;
- (e) sampling;
- (f) activities in relation to evaluating the technical feasibility and commercial viability of extracting oil and gas resource; and
- (g) the initial estimate of the cost of decommissioning, dismantling and removing the item and restoring the site on which it is located, wherever applicable and where a decommissioning obligation exists.

Pre-license costs are expensed in the period in which these are incurred. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Exploration and evaluation assets (continued)

Classification

Exploration and evaluation assets are classified as tangible (e.g., drilling rigs) or intangible (e.g., drilling rights) according to the nature of the assets acquired and the classification is applied consistently. Tangible portion of the exploration and evaluation assets is presented as part of property, plant and equipment while intangible portion is presented as intangible assets in the consolidated statement of financial position.

Exploration and evaluation assets remain in a separate un-depreciable asset class in the property, plant and equipment and intangible assets until the status of success or failure is known.

Upon recognition of proved oil and / or gas resources and internal approval for development, the relevant exploration and evaluation assets are to be reclassified as oil and gas properties.

Measurement after initial recognition

Exploration and evaluation assets are stated at cost less impairment – if any. Exploration costs are accounted for using the successful efforts method of accounting. Under the successful efforts method, the exploration and evaluation costs are grouped on a field basis; those costs for successful projects remain as an asset only if the cost directly results in the development of proved reserves. Those costs for unsuccessful projects are immediately expensed and are recognized in profit or loss.

Accordingly, within the context of a successful efforts approach, only those costs that lead directly to the discovery, acquisition, or development of specific discrete oil and/or gas reserves are capitalized. If no potential commercial hydrocarbons are discovered, the exploration asset is written off as a dry well. If extractable hydrocarbons are found and subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as exploration and evaluation assets while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons are initially capitalized as exploration and evaluation assets. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year; this is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and/or natural gas are identified and development is sanctioned by management, the relevant capitalized expenditures are first assessed for impairment and (if required) any impairment loss is recognized. The remaining balance is transferred to oil and gas properties or intangible assets where appropriate. No depreciation is charged during the exploration and evaluation phase.

Development costs

Post evaluation phase and upon recognition of proved reserve, development costs including expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of production wells are capitalised within oil and gas properties.

Capital work-in-progress

Capital work-in-progress is initially recognised at cost, which includes cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use. Following the initial recognition; capital work-in-progress is carried at cost less impairment losses – if any. Capital work-in-progress is not depreciated or amortized.

3. Material accounting policies (continued)

3.3 Property, plant and equipment (continued)

Capital work-in-progress (continued)

Capital work-in-progress will be transferred to respective classes of property, plant and equipment when the asset is ready for use as intended by the management.

3.4 Investment property

Investment property represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals or capital appreciation. Changes in fair values are not recognised as the Group recognizes the investment property at cost model and carries at cost less accumulated depreciation and impairment loss, (if any).

Recognition and measurement

An investment property is recognised initially at cost of acquisition, including any transaction costs and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on buildings only to write off the cost of items of investment property using the straight-line method over the estimated useful life of 40 years and is recognised in profit or loss.

Derecognition

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use. Profits and losses on disposals of items of investment property are determined by comparing the proceeds from their disposal with their respective carrying amounts and are recognised in profit or loss.

3.5 Intangible assets

Assets like computer software, IT applications, license costs, field appraisal program and intellectual property (including appraisal wells) are classified as intangible assets if these are identifiable, non-monetary, controlled by the Group and it is probable that expected future economic benefits that are attributable to the asset will flow to the Group.

Measurement

Intangible assets are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life of those assets. The periodic amortisation is recognized as amortisation expense in profit or loss. The amortisation period is reviewed at each reporting period and adjusted prospectively where appropriate.

Derecognition

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use of disposal.

Intangible assets majorly comprise of costs incurred on appraisal wells and computer software. These intangible assets are amortised over the useful life of 4 to 25 years.

3. Material accounting policies (continued)**3.6 Catalysts**

Catalysts (which comprise of chemicals and precious metals) acquired are measured on initial recognition at cost. Following initial recognition, catalysts are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on catalysts is recognised in profit or loss.

Catalysts with an estimated life of less than one year are recorded as inventory and expensed when used. Catalysts with an estimated life of more than one year are capitalised and are amortised on a straight-line basis over their useful life between 1 to 12 years.

3.7 Borrowing costs

Borrowing costs are interests and other costs that are incurred in connection with the borrowing of funds. Borrowing costs attributable to acquisition, construction or production of a qualifying assets are capitalized as part of the cost of the asset up to the date the asset is ready and able to be placed into service. The borrowing costs eligible for capitalisation are those costs that would have been avoided if the expenditure on the qualifying asset had not been made. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended purpose.

Other borrowing costs are expensed in the period in which they are incurred. For the purpose of determining interest available for capitalisation, the costs related to these borrowings are reduced by any investment income realized on the temporary investment of funds from the borrowing. Costs associated with raising the financing are capitalized and amortised to expense as per the effective interest method.

3.8 Government grants

Government grants, including non-monetary grants, are recognised when there is a reasonable assurance that:

- (a) The Group will comply with the conditions attaching to them – if any; and
- (b) The grants will be received.

Non-monetary government grants such as land and other resources are recorded at nominal amount.

3.9 Investments in joint ventures and associates***Investments in joint ventures***

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Shareholders' advances to joint ventures having the characteristics of equity financing are also included in investment in the consolidated statement of financial position.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those entities. Shareholders' advances to associates having the characteristics of equity financing are also included in investment in the consolidated statement of financial position.

3. Material accounting policies (continued)

3.9 Investments in joint ventures and associates (continued)

Equity method of accounting

The Group accounts for its investments in joint ventures and associates in its consolidated financial statements using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables for which settlement is neither planned nor expected to happen in foreseeable future, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its equity accounted investees are eliminated to the extent of the Group's interest in these entities. For presentation purpose, the Group has elected to eliminate the unrealised gains from the carrying value of its investment in joint ventures and share of profits from its investment in joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group changes its ownership interest in an associate / joint venture but the Group continues to use the equity method, the Group does not remeasure the existing interest. In case of acquisition of additional interest, purchase consideration is compared with net assets acquired; any excess of purchase consideration over net assets acquired is recognised as goodwill (included within carrying value of associate / joint venture), while any excess of net assets acquired over purchase consideration is recognised in profit or loss as part of share of profit from associate / joint venture. In case of decrease in interest while equity method continues to be applied, difference between sale consideration and net assets as of the date of dilution is recognised in profit or loss as part of share of associate / joint venture.

3.10 Interests in joint operations

Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligation for the liabilities, relating to the arrangement. The Group combines its share of each of the assets, liabilities, income and expenses of the joint operation with the similar items, line by line, in its consolidated financial statements. The joint operations are combined from the date of acquisition of joint control until the date on which the Group ceases to have joint control over these joint operations.

3.11 Assets classified as held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3. Material accounting policies (continued)
3.11 Assets classified as held for sale (continued)

Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale are recognized in profit or loss. Subsequent to the initial classification, the assets are measured at fair value less cost to sell and are subject to a limit on the amount of any gain that can be recognised as a result of an increase in fair value less cost to sell before disposal, which is recognised to that extent that it reverses earlier recorded impairment. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

3.12 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of crude oil and refined products is the purchase cost (in case of crude oil purchased for refining purpose), the cost of refining, including the appropriate proportion of overheads based on normal operating capacity, determined on a weighted average basis.

Cost of purchase

The costs of purchase of inventories comprise the purchase price, import duties and other taxes, if any (other than those subsequently recoverable by the Group from the taxing authorities), and transport, handling and other cost directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Cost of conversion

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as maintenance of refinery buildings and equipment, and the cost of refinery management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour.

Other costs

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

Pipeline fill

Hydrocarbons, which are necessary to bring a pipeline into working order, are treated as a part of the related pipeline. This is on the basis that these are not held for sale or consumed in a production process but are necessary to the operation of a facility during more than one operating cycle, and their cost cannot be recouped through sale.

Net realisable value

Net realisable value refers to the net amount that the Group expects to realise from the sale of inventory in the ordinary course of business. It is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.13 Foreign currency transactions and translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss or other comprehensive income depending on where the fair value is adjusted. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction and resulting foreign currency differences are recognised in profit or loss and presented within finance charges.

3. Material accounting policies (continued)

3.13 Foreign currency transactions and translation (continued)

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated to Qatari Riyals at exchange rates at the reporting date. The income and expenses for each statement of consolidated profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). Moreover, all resulting exchange differences are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

3.14 Financial instruments

Financial instruments – recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

3. Material accounting policies (continued)**3.14 Financial instruments (continued)*****Classification and subsequent measurement of financial assets (continued)***

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets not held in qualifying hedge relationship. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Classification and subsequent measurement of financial liabilities

Financial liabilities (accounts payables, bonds, and derivative financial instruments) are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, The Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e., the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, due from related parties, loan to related parties, short-term deposits and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime ECL for trade receivables and lifetime ECL/12-months ECL for loans to related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its foreign currency and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- c) Hedges of a net investment in a foreign operation.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges that qualify for hedge accounting

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as in finance costs. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss.

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Derivative financial instruments and hedging (continued)

Cash flow hedges that qualify for hedge accounting (continued)

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established, which is earlier of when the Group receives the dividends or dividends are approved by the shareholders of the investee companies in the Annual General Assembly.

Interest income and expenses

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised as 'Interest income' and 'Finance charges', respectively, in profit or loss using the effective interest method. Interest on financial instruments measured as at FVTPL is included within the fair value movement during the period.

3.15 Impairment

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset or cash-generating unit (CGU) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of the impairment testing, assets are grouped together into the smallest group of assets that independently generate cash inflow (i.e., the cash generating unit or "CGU").

Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account.

Impairment losses of continuing operations are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

3. Material accounting policies (continued)

3.15 Impairment (continued)

Reversal of impairment loss

The Group assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset, may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

If the recoverable amount of that asset is higher than the carrying amount, the impairment loss recognized in prior periods are reversed to the extent that the reversal of impairment loss does not exceed the carrying amount of the asset that would have been determined had no impairment loss been recognized for that asset in prior year.

A reversal of an impairment loss for an asset is recognized in profit or loss.

3.16 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and in hand and short-term bank deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and bank deposits with short-term maturities, net of any outstanding bank overdrafts.

3.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3. Material accounting policies (continued)

3.17 Leases (continued)

As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term and included under operating, selling and administrative expenses.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating income'.

3.18 Social and sports contribution fund contribution

Some entities in the Group make contributions equivalent to 2.5% of the adjusted consolidated net profit relating to Qatar operations for the year into a state social and sports contribution fund for the support of sports, cultural, social and charitable activities in accordance with Law No. 13 of 2008. This is presented in the consolidated statement of changes in equity as an appropriation from consolidated profit.

3. Material accounting policies (continued)

3.19 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year. The Group has classified its investment in some joint ventures and joint operations as discontinued operation.

3.20 Provisions

Provisions are recognised when the group has an obligation (legal or constructive) arising from 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. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is recognized in profit or loss net of any reimbursement except in case of provision for dismantling and decommissioning which are capitalised in property, plant and equipment if the future economic benefits of the related assets will flow to the Group and will be depreciated in line with the respective class of property, plant and equipment. If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost. Changes in future cash flow estimates from revisions to the estimated timing or amount of undiscounted cash flows, changes in discount and growth rates are dealt prospectively and are recognized as a change in provision and related asset. Additional assets which arise due to further development/construction are recognized as additions or charges to the corresponding assets and decommissioning provision when they occur. The discount rate is reviewed at each reporting date and reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

An onerous contract provision is recognised when the unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable cost under a contract is the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract. Before an onerous provision is recognised, the Group first recognises any impairment loss that has occurred on assets dedicated to that contract.

Earn-out provision

The Group recognises an earn-out provision where it has a present legal or constructive obligation as a result of past event (achievement of certain Brent price as per HOA) and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

3.21 Revenue recognition

IFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers. It establishes a new five-step model that applies to revenue arising from contracts with customers.

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognised when control of the products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products or services.

The Group recognises revenue from the following major sources:

Sale of petroleum and related products

Sale of petroleum and related products includes revenue earned by the Group through the export of regulated products and sale of petroleum and other products for local consumption. Revenue from sale of petroleum and related products is recognized at a point-in-time (when the control is transferred). Control of the petroleum and related products is determined to be transferred to the customer when the title of petroleum and related products passes to the customer, which typically takes place when product is physically transferred into a vessel, pipe or other delivery mechanism.

Sale of products produced as a result of underlying Production Sharing Agreements ("PSAs")

The Group, on behalf of the Government of State of Qatar, has entered into PSAs with Foreign Partners, to facilitate the exploration and production of the petroleum resources of the State of Qatar. Under the terms of the relevant PSAs, the Group is entitled to its participating share in the petroleum products. Revenue from products lifted as a result of PSAs is recognized at a point-in-time when the control of the products transfers from Group to the customers.

Provision of services and sale of non-petroleum products

The Group is engaged in provision of services, such as port services, seawater cooling facility, secondment services, lease, miscellaneous services. Revenue from sale of non-petroleum products and services is recognized at a point-in-time (when the control is transferred) or over time (as and when the control transfers).

Overlift / underlift of crude oil

Overlift or underlift of crude oil occurs when the volume of oil lifted by a partner in a joint arrangement from its participating interest in the production is in excess or short of the allocated amount. Transaction of overlift or underlift creates an obligation for the underlifter to the overlifter. The obligation would be satisfied and revenue recognized by the underlifter when the output is lifted by the overlifter only if:

- overlifter meets the definition of the customer; and
- transaction is not a non-monetary exchange between entities.

The overlifter recognizes revenue when it delivered the output that it actually lifted to its customers.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

Overlift / underlift of crude oil (continued)

The initial measurement of the overlift liability or underlift asset is at the market price of crude oil at the date of lifting. Subsequent measurement of overlift / underlift liabilities and assets depends on the settlement terms of the related operating agreements. If such terms allow for a cash settlement of the overlift / underlift balances between the parties, the balances are re-measured at fair value at reporting dates subsequent to initial recognition.

Sales of steel products

The Group manufactures and sells a range of steel products and by-products. Sales of goods are recognised when the Group has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sales is measured based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases.

Sale of fertiliser goods

The Group manufactures and sells urea, ammonia and melamine products. Sales of goods are recognised when the Group has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Terms of delivery to customers are specified in the offtake requirements for regulated products. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

Service and management charges

Service and management charges relate to management of operation of one of the Group's associates while agency commission relates to management of the marketing activities of the same associate. They are recognised in the accounting period in which the services are rendered.

Revenue from drilling and related services

Customers generally contract for an agreement to provide integrated services to operate a rig and drill a well. The Group is seen by the operators as the overseer of all services.

Consideration for activities that are not distinct within the scope of contracts, such as mobilization, and demobilization do not align with a distinct time increment within the contract term are allocated across the single performance obligation and are recognised over the expected recognition period in proportion to the passage of each hour available to drill.

Drilling services are consumed as the services are performed and generally enhance a well site which the customer controls. Work performed on a well site does not create an asset with an alternative use to the contractor since the well/asset being worked on is owned by the customer. Therefore, the Group's measure of progress for a drilling contract is hours available to drill over the contracted duration. This unit of measure is representative of an output method as described in IFRS 15.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

Helicopter transportation services revenue

The revenue from helicopter transportation services includes air-charter, tourist flights, aerial photo flights, air ambulance and related services. Revenue is recognised as the transportation services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue from insurance contracts

Premiums and reinsurance premiums are taken into income over the terms of the policies to which they relate. Gross insurance and reinsurance written premiums comprise the total premium receivable for the whole period of cover provided by contracts entered into during the accounting period. They are recognised on the date on which the policy commences.

Unearned premiums represent the portion of net premiums written relating to the unexpired period of coverage calculated at actual number of days method (daily pro-rata basis). The change in the provision for unearned premium is taken to profit or loss in order that revenue is recognised over the period of risk.

Training services

The revenue from training services includes flight training provided to the customers. Revenue is recognised as the services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Revenue is recognised over time as the services are provided. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the flying hours spent relative to the total hours agreed in the contract.

Operation services (MRO)

The revenue from operation services includes servicing and maintenance of charters and helicopters of the customers. Revenue is recognised as the services have been provided.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Supply of spare parts

The Group provides spare parts of helicopters to its customers. The revenue is recognised point in time when control is transferred, being when the spare parts are delivered to the customer.

The revenue is recognised point in time when control is transferred, being when the spare part are delivered to the customer.

Revenue from vehicle inspection, transportation and distribution of refined petroleum products services

Revenue from such services is recognised upon completion of services as the duration of services is generally short in nature.

Revenue from sale of petrochemical products

The Group manufactures and sells a range of petrochemical products and by-products. Sales of goods are recognised when the control of the product has transferred upon completion of loading. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

Revenue from management services

Revenue is recognized over time as the customer obtains the control of management services. Customers obtain control when the management services as specified in the contract are being performed at the customer's premises. The Group recognizes revenue for management services over time as the management services are rendered.

Revenue is recognised over time as the services are provided using the input method. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

3.22 Hyperinflation

The Group has operations in Turkey through its indirect subsidiary namely Redstar Havacilik Hizmetleri AS. The functional currency of the subsidiary in Turkey is Turkish Lira. From 1 April 2022, the Turkish economy has been considered hyperinflationary based on the characteristics established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years. IAS 29 requires that the financial statements of the subsidiary are stated in terms of the measuring unit current at the balance sheet date which requires restatement of the non-monetary assets and liabilities of the subsidiary to reflect the changes in the general purchasing power of the Turkish Lira.

The basic principles applied in the accompanying consolidated financial statements, are summarized in the following paragraphs.

Adjustment for prior years

The comparative amounts in consolidated financial statements presented in a stable currency are not adjusted for subsequent changes in the price level or exchange rates. Opening equity in the consolidated financial statement reported in the stable currency will be affected by:

- the effect of restating non-monetary items from the date they were first recognised; and
- the effect of translating those balances to the closing rate

This results in a difference between the closing equity of the previous year in the consolidated financial statements and the opening equity of the current year. The combined effect of restating in accordance with IAS 29 and translation according to IAS 21 is presented as a net change in other comprehensive income (OCI).

Adjustment for current year

Monetary assets and liabilities, which are carried at amounts current at the date of consolidated statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of consolidated statement of financial position. Non-monetary assets and liabilities, which are not carried at amounts current at the date of consolidated statement of financial position, and components of owners' equity are restated by applying the relevant conversion factors. Net monetary gain arising from hyperinflation is recognized in the consolidated statement of profit or loss and other comprehensive income. All items in the statement of profit or loss are restated by applying the conversion factors from the date on which the transaction originated except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.

The effect of application indices on the Group's net monetary position is included in the consolidated statement of profit or loss as monetary gain or loss.

All items in the consolidated statement of cash flows are expressed in a measuring unit current at the date of consolidated statement of financial position; they are therefore restated by applying the relevant conversion factors from the date on which the transaction originated.

3. Material accounting policies (continued)

3.23 Deferred acquisition costs (DAC)

DAC are amortised over the period in which the related revenues are earned. The reinsurers' share of deferred acquisition costs is amortised in the same manner as the underlying asset's derecognized is recorded in profit or loss, the deferred portion of the acquisition costs is included in the audited consolidated statement of financial position.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are included as part of the liability adequacy test for each reporting period.

DAC are derecognized when the related contracts are either settled or disposed off.

3.24 Insurance contract liabilities

Insurance contract liabilities include the provision for outstanding claims, provision for claims incurred but not reported and the provision for unearned premium. Insurance contract liabilities are recognized when contracts are entered into and premiums are charged. The provision for outstanding claims is recognized for claims reported but not settled and accounts for the liability for unpaid loss and loss adjustment expense amounts based on the management's and loss adjusters' best estimate.

The provision for claims incurred but not reported is calculated based on empirical data, historical trends and patterns and appropriate assumption with the application of widely acceptable actuarial techniques.

The provision for unearned premium represents the portion of premium which relates to risks that have not expired as the reporting date. The provision for unearned premium is calculated based on the insurance service pattern provided by the insurance contract and is recognized as income over the term of the contract.

The Group reviews the adequacy of the provision for unearned premium to cover costs associated with liability arising from unexpired risk at each reporting date. Where the provision is considered inadequate to cover future contractual obligations for unexpired risks, a provision for premium deficiency is established and recognized.

3.25 Capital

Capital is authorised and represented by Government of State of Qatar in accordance with Decree Law No.10 of 1974 (as amended by Law No.5 of 2012 and Law No. 18 of 2021).

3. Material accounting policies (continued)

3.26 Taxes and royalties

Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current when it is incurred.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction (i) affects neither accounting nor taxable profit or loss (ii) does not give rise to equal taxable and deductible temporary differences;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount taxable temporary differences are insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Royalties

The Group complies with all valid and applicable laws related to royalties issued by the Government of the State of Qatar. Royalties are payable to the Government of State of Qatar. Royalties are applied on export sale of crude oil, refined products and gas including condensate and recorded under operating, selling and administrative expenses. Royalties are deductible for tax calculation purpose.

3. Material accounting policies (continued)**3.27 Dividend distribution**

Dividends payable are recognised in the consolidated financial statements in the period in which these are approved by the Board of Directors. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed in the notes to these consolidated financial statements.

3.28 Post-employment benefit plans***Defined contribution plan***

QatarEnergy and certain entities in the Group have a defined contribution plan for the Qatari nationals (who joined QatarEnergy on or after 6 March 2003) and other GCC national employees. In case of Qatari employee, QatarEnergy contributes as pension, 14% of salary (Basic Salary + Social Allowance + Housing Allowance) on behalf of the employee and employee contributes 7% and therefore 21% is remitted to Government Pension Fund as per requirements of Social Insurance Law No 1 of 2022 (amending Law No. 24 of 2002 pertaining to Retirement and Pensions).

In case of other GCC nationals, QatarEnergy and other GCC employees contribute at specified rates which are then remitted to Government pension fund. Under this Law and QatarEnergy's policy, QatarEnergy and those entities do not have any legal or constructive obligation to pay future pension to those employees and hence QatarEnergy and those entities' obligations are limited to their contributions paid to Government Pension Fund which are expensed when due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognized in the consolidated statement of financial position in respect of defined benefit plans should be the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. When no deep market in such bonds exists, the market rates on government bonds are used.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised, when material, in the period in which they occur, directly in other comprehensive income. They are included in 'defined benefits obligations remeasurement reserve' within equity.

The Group maintains two defined benefit plans as follows:

Qatari pension scheme

QatarEnergy and certain entities in the Group provide a defined benefit plan for the Qatari national employees who retired before 5 March 2003. Under this plan, QatarEnergy and those entities pay a monthly pension to those employees until death. The defined benefit plan is valued at each reporting date by professionally qualified independent actuaries. The pension liability recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation based on the actuarial valuations.

Employees' end of services benefits

Employees' end of services benefits represents terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, QatarEnergy policy and/or Qatar Labour Law number 14 of 2004. This plan is for Qatari and non-Qatari employees. The employees' end of services benefits liability is valued at each reporting date by professionally qualified independent actuaries. The employees' end of services benefits liability recognised in the consolidated statement of financial position represents the present value of the employees' end of services benefits obligation based on the actuarial valuations.

3. Material accounting policies (continued)

3.29 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.30 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in these consolidated financial statements. Post year-end events that are not adjusting events are disclosed in these consolidated financial statements, when they are material.

4. Critical judgments and key sources of estimation uncertainty

In preparing these consolidated financial statements, 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 on-going 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.

4.1 Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that management has made in the process of preparation of these consolidated financial statements and that have the most significant effect on the amounts recognised in these consolidated financial statements:

(i) Classification of investments in subsidiaries

The Group has classified its investments in Qatar Fuel Company ("Woqod") and Gulf International Services ("GIS") as subsidiaries. By virtue of the powers under the terms of the incorporation documents of these entities, the Group is in a position to exercise control over the relevant activities of these entities. Accordingly, the Group has classified these investments as investments in subsidiaries.

(ii) Assumptions to determine the carrying amount of the defined benefit obligation

The Group's defined benefit obligation (under Qatari pension scheme and employees end of service benefits) is based on the following:

- Discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgment is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the bonds, quality of the bonds and the identification of outliers which are excluded.
- Pension / salary increase rate reflects the management's view on long term pension / salary increases.
- Post retirement mortality is based on best estimate of the future life expectancy of pensioners and their dependent. Management intends to keep the mortality assumption under review to take account of new research or scheme experience where credible.
- Turnover rate reflects the management's view on employee's turnover.
- Retirement life of both males and females has been assumed to be 60 years.

4. Critical judgments and key sources of estimation uncertainty (continued)**4.1 Critical judgments in applying accounting policies (continued)****(iii) Exploration and evaluation expenditure**

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalized for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalized the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalized amount will be written-off to profit or loss.

(iv) Development costs

Development activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalized exploration and evaluation expenditure. Any such estimates and assumptions may change as new information becomes available. If, after having commenced development activity, a judgment is made that a development asset is impaired, the appropriate amount will be written-off to profit or loss.

(v) Decommissioning liabilities

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Based on management's current assessment, a provision has been made in these consolidated financial statements. The amount of the provision recognized is the present values of the estimated future expenditures. Actual costs are uncertain, and estimates can vary as a result of changes in the scope of the project, advancement in technology and the relevant laws and regulations.

Further, management has assessed that no other decommissioning liabilities exist as at the reporting date since there is no legal or constructive obligation on the Group with respect to decommissioning, except for those recognized in the consolidated financial statements.

(vi) Revenue recognition*Satisfaction of performance obligations*

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. For sale of goods and rendering of services, revenue is recognized by the Group at a point in time when the control is transferred to the customer and over time when the customer is consuming the benefits as and when the control is being transferred.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to true up adjustments, discounts and bonus payments. In determining the impact of variable consideration, the Group uses the "expected-value" method whereby the transaction price is determined by reference to a sum of probability weighted amounts.

Allocate the transaction price to the performance obligations in the contract

The Group is required to allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation. For contracts that have more than one performance obligation, the Group is required to allocate the

4. Critical judgments and key sources of estimation uncertainty (continued)**4.1 Critical judgments in applying accounting policies (continued)****(vi) Revenue recognition (continued)***Allocate the transaction price to the performance obligations in the contract (continued)*

transaction price between the identified performance obligations under the contracts on a relative separate selling price basis. In determining the stand-alone selling price of each performance obligation, if it is not directly observable, the Group estimates it considering all information (including market conditions, entity-specific factors and information about the customer or class of customer) that is reasonably available to the Group.

(vii) PSAs entered on behalf of the Government

QatarEnergy is a party to the Production sharing agreements (“PSAs”) agreements with the contractors as the representative of the Government of State of Qatar. The Group has determined that it is acting as the principal in relation to these agreements and accordingly, all the assets, rights and obligations arising from these agreements are assessed by the Group and accounted for in these consolidated financial statements.

QatarEnergy has determined that it has full control over the operations of some PSAs (“Full Controlled Operations”) while some PSAs are jointly controlled by QatarEnergy with foreign partners (“Joint Operations”) under the terms of PSAs. Under Full Controlled Operations, full revenue, expenses, assets and liabilities of the operations are recorded in the consolidated financial statements. In case of Joint Operations, those PSAs are accounted for in accordance with accounting policy mentioned in Note 3.10.

(viii) Taxes paid on behalf

The Group has various fiscal regimes and arrangements whereby income tax is being assumed, paid and discharge by QatarEnergy on behalf of the contractors and joint venture partners to the tax authorities. These taxes are calculated based on the PSA and other agreements with the contractors and joint venture partners. These taxes represent the cost of revenue for the PSA transaction. Accordingly, the Group is accounting for these taxes as an operating expense.

(ix) Taxes on crude oil, refined products, gas and condensates

Management believes that the Group is liable to pay taxes to the State of Qatar on export income of certain products based on the communications received from the Government and the established past practises of the Group notwithstanding any provisions in the general income tax law. In calculating the tax expense, management is required to make certain estimates and assumptions related to the products that would be subject to taxes as well as the allowable expenses to be deducted from the revenue of such products.

(x) Transactions with Government of Qatar

QatarEnergy enters into various transactions with Government of Qatar. These transactions are entered with Ministry of Finance (“MOF”) where MOF acts on behalf of Government of Qatar. Since QatarEnergy is a state-owned public corporation, the management, depending on the nature of the transaction, considers transactions with MOF as either the transaction with Government or the representative of the shareholder.

(xi) Going concern

The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xii) Tax

Tax matters of the Group's certain subsidiaries, associates and joint ventures are governed by the Joint Venture Agreements ("JVA"). Any tax clauses agreed under a joint venture agreement ("JVA") and approved by MOF / The General Tax Authority ("GTA") will take precedence over the Qatar tax law.

It has been agreed by the parties to certain joint venture agreements, that each party is responsible for its own tax and therefore, the foreign shareholder's share of profits is adjusted for 100% of the tax payable to GTA.

In addition, a Memorandum of Understanding (MoU) was concluded on 4 February 2020 between QatarEnergy, Qatar Electricity and Water Company Q.P.S.C. ("QEWC"), GTA and MOF, where MOF agreed to bear tax on behalf of the listed entities mentioned in the MoU. According to MoU, certain subsidiaries and joint ventures make payments to GTA for the taxes due on the share of foreign shareholders and make payments to the listed company in amounts equal to assumed tax on the listed company's share.

When it is virtually certain that the foreign shareholders of the Group's joint ventures compensate the venture for their share of the results in the respective joint ventures, a tax indemnity is recognised as a tax reimbursement asset in the financial statements of the joint ventures.

The management of the Group assessed that no further tax liability exists on the Group beyond what is recorded and remitted to GTA.

(xiii) Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extension of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the lease liability and the fair value of the underlying asset.

(xiv) Classification of loans to equity accounted investees

The Group has provided interest-bearing loans to associates and joint ventures. The proceeds of the loans are used by the associate for general working capital requirements and by the joint venture to lend it to its joint venture. Management has assessed that these loans are financial assets as the intention in providing the loan is to recover the full amount of loan in accordance with the terms of the agreement. Management presents portion of the loan as current based on the projected cash flows of associates/joint ventures or contractual repayments for the next 12 months after the reporting period.

(xv) Classification of projects under development

This represents cash advances made by the Group on various projects under development. The Group has classified these cash advances as other non-current assets as these assets are not held for use in the Group's own operations. The economic benefits from these assets can be derived through various ways and the final decision in terms of structuring of operations of these projects will be determined upon completion of relevant projects.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.1 Critical judgments in applying accounting policies (continued)

(xvi) Acquisition of interest in oil and gas fields / blocks

The Group entered into production sharing agreements, where the group shared ownership in a number of oil and gas fields / blocks in various countries with other partners.

Management conducted an assessment of the transaction, based on IFRS 3, to determine whether the transaction is a business combination or an asset acquisition and concluded that the transaction is an asset acquisition, as agreement does not comprise the acquisition of workforce, processes, systems among others.

(xvii) Functional currency of subsidiary

The Group applies significant judgment to determine the functional currency of one of its subsidiaries which operates in Turkey (Redstar Havacilik Hizmetleri A.S). In its judgment, the Group considers the currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services and the currency that mainly influences labour, material and other costs of providing goods or services.

The Group has concluded based on its assessment that Turkish Lira is the functional currency of its subsidiary Redstar Havacilik Hizmetleri A.S.

(xviii) Insurance risk

The Group issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

(xix) Assets classified as held for sale

The Group has classified its investments in joint ventures and joint operations as held for sale assets. Management has assessed that the carrying amount of these investments will be recovered principally through a sale transaction rather than through continuing use.

4. Critical judgments and key sources of estimation uncertainty (continued)
4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Estimation of oil and gas reserves

Proved Reserves are those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. The Group estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, volume of the reservoir, quality of the hydrocarbon fluid and suitable production techniques and recovery rates. Reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices.

The Group forecasts reserves based on technical assessment and economic limit test, in addition to and with respect to end of remaining useful life of each asset facility. Future development costs are estimated using assumptions as to the number of wells required to produce the reserves, the cost of such wells and associated production facilities, and other capital costs. Within the inclusion of future development, the Group considers commerciality of the projected reserve profiles in their assessment. Reserves are most sensitive in these assets to end of field life facilities limitations that the Group has forecast on each asset. With capital investment, the Group fully expects that these dates will be extended and provide added value, but this has not been considered in the forecast of the Proved Reserves. Reserves are also very sensitive to continued development / investment, operational limitations, and price volatility. The long-term Brent oil price assumption used in the estimation of commercial reserves is per management’s forecast. The carrying amount of oil and gas properties at 31 December 2024 amounted to QR 36,771 million (2023: QR 35,400 million) (Note 5(a)).

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Group’s reported consolidated financial position and results, which include:

- The carrying value of exploration and evaluation assets, oil and gas properties (Note 5(a)) and licenses included in intangible assets (Note 6);
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the UOP method, or where the useful life of the related assets change (Note 29).

(ii) Impairment of non-financial assets

Impairment assessment is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. For the purpose of the impairment testing, assets are grouped together into CGU. In calculating value in use, certain assumptions are required to be made in respect of highly uncertain matters including the estimated future cash flows that are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU.

4. Critical judgments and key sources of estimation uncertainty (continued)**4.2 Key sources of estimation uncertainty (continued)****(ii) Impairment of non-financial assets (continued)**

The Group's management tests annually whether there are any indicators that non-financial assets (other than inventory) may be impaired in accordance with accounting policies stated in Note 3 to the consolidated financial statements. If indication exists, the recoverable amount of the asset or a CGU is determined based on the higher of fair value less costs to sell or value-in-use method which uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of:

- growth in earnings before interest, tax, depreciation and amortization ("EBITDA"), calculated as adjusted operating profit before depreciation and amortization;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Group prepares detailed long-term plans for its investments which are reflected in the financial models of these investments. These plans are reviewed and approved by the Group's management and are subsequently used as the basis for its impairment reviews. In estimating the value in use, the Group uses financial models which are regularly reviewed and updated over the operating period of the investment. As part of the review process, management challenges and reassess the validity of the underlying assumptions of these financial models.

(iii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined upon a consideration of the expected usage of the asset, physical wear and tear and technical or commercial obsolescence. In case of assets depreciated at unit of production basis, an estimate is made on the future expected hydrocarbon production throughout the remaining life of the asset.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation / amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions; and
- Unforeseen operational issues.

(iv) Useful lives of intangible assets

The Group's management determines the estimated useful lives of its intangible assets for calculating amortization. This estimate is determined upon a consideration of the expected usage of the intangible asset and technical or commercial obsolescence.

(v) Impairment of project preliminary and pre-incorporation expenses

Project preliminary and pre-incorporation expenses are incurred by the Group in respect of a prospective subsidiary/joint venture companies in which the Group has or intends to acquire interest in. On a regular basis, the Group management performs assessment and reviews the recoverability and feasibility of these projects.

4. Critical judgments and key sources of estimation uncertainty (continued)**4.2 Key sources of estimation uncertainty (continued)****(vi) Fair value measurements**

The Group's investments in financial assets at FVOCI, financial assets at FVTPL and foreign currency swaps are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent available. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 35.

(vii) Provision for inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value ("NRV"). NRV for crude oil, gas and refined products is calculated based on their estimated selling prices in the ordinary course of business less the estimated costs to sell. Provision for obsolescence for maintenance and other materials is based on inventory type and ageing.

(viii) Financial instruments*Definition of default*

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized.

In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine whether credit risk has significantly increased.

4. Critical judgments and key sources of estimation uncertainty (continued)**4.2 Key sources of estimation uncertainty (continued)****(viii) Financial instruments (continued)***Significant increase in credit risk (continued)*

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

(ix) Abandonment of wells and decommissioning of area

The Group has recognized certain provisions for the future costs of decommissioning as outlined in Note 24(a). Based on management's current assessment, a provision has been made in these consolidated financial statements. The amount of the provision recognized is the present values of the estimated future expenditures. The estimation of the future expenditures has been prepared in accordance with good international petroleum practices and is based on current local conditions and requirements, including legal requirements, technology, price levels, etc. for the respective facility generally within the typical range of a Class (3 to 4), Study, and Feasibility estimate. Actual costs are uncertain, and estimates can vary as a result of changes in the scope of the project, advancement in technology and the relevant laws and regulations. In addition to these factors, the present values of these estimated future expenditures are also impacted by the estimation of the useful lives of the facilities and estimate of discount and inflation rates. The inflation and discount rates used in the determination of the decommissioning liability ranges from 2% - 4% (2023: 2% - 3.5%) and 5% - 11.75% (2023: 5% - 9.25%) respectively.

(x) Estimates of future cash flows to fulfil insurance contracts

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions.

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Group view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Group also derives cost inflation assumptions. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

4. Critical judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

(x) *Estimates of future cash flows to fulfil insurance contracts (continued)*

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity- based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. The Group performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfill the insurance contracts.

(xi) *Risk adjustment*

Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion. The Group estimates an adjustment for non-financial risk separately from all other estimates.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

QR '000

5(a). Property, plant and equipment

	Oil and gas assets	Other property, plant and equipment	Exploration and evaluation assets	Capital work-in-progress	Total
Cost:					
At 1 January 2023	106,966,417	238,638,048	6,296,161	25,500,126	377,400,752
Additions	1,057,161	975,705	5,082,826	10,351,118	17,466,810
Asset / business acquisition	-	696,940	-	750	697,690
Reclassification / transfers (Note ii)	3,140,957	2,605,654	(172,759)	(4,762,266)	811,586
Effect of foreign currency translation	683,315	(52,040)	94,433	(4,542)	721,166
Derecognition / disposal (Note iii)	(189,298)	(744,169)	(1,687,029)	(88,735)	(2,709,231)
Effect of hyperinflation	-	72,590	-	-	72,590
Transfer to asset held for sale	(2,268,764)	(406,270)	-	-	(2,675,034)
Other adjustments	-	(75,523)	-	-	(75,523)
At 31 December 2023	109,389,788	241,710,935	9,613,632	30,996,451	391,710,806
Additions	746,807	1,208,275	3,550,380	14,976,707	20,482,169
Asset / business acquisition (Note v)	-	5,253,245	-	129,472	5,382,717
Reclassification / transfers (Note ii)	5,667,903	3,735,047	(34,358)	(9,438,722)	(70,130)
Effect of foreign currency translation	(1,225,234)	(78,616)	(254,273)	(3,868)	(1,561,991)
Derecognition / disposal (Note iii)	(835,294)	(3,018,899)	(2,470,635)	(105,912)	(6,430,740)
Effect of hyperinflation	-	93,845	-	5,066	98,911
Reversal of impairment for the year (Note iv)	-	100	-	-	100
Other adjustments	-	86,362	-	-	86,362
At 31 December 2024	113,743,970	248,990,294	10,404,746	36,559,194	409,698,204
Accumulated depreciation:					
At 1 January 2023	71,360,994	93,332,181	-	-	164,693,175
Reclassification / transfers (Note ii)	18	(18)	-	-	-
Asset / business acquisition	-	351,783	-	-	351,783
Charge for the year (Note 29)	4,018,894	7,828,648	-	-	11,847,542
Impairment for the year (Note iv)	819,051	(542,884)	-	-	276,167
Effect of foreign currency translation	146,600	(7,270)	-	-	139,330
Derecognition / disposal (Note iii)	(173,607)	(658,634)	-	-	(832,241)
Effect of hyperinflation	-	15,756	-	-	15,756
Transfer to asset held for sale	(2,182,480)	(167,774)	-	-	(2,350,254)
At 31 December 2023	73,989,470	100,151,788	-	-	174,141,258
Asset / business acquisition (Note v)	-	3,197,052	-	-	3,197,052
Charge for the year (Note 29)	4,265,527	8,071,641	-	-	12,337,168
Reversal of impairment for the year (Note iv)	-	(29,476)	-	-	(29,476)
Effect of foreign currency translation	(453,843)	(19,667)	-	-	(473,510)
Derecognition / disposal (Note iii)	(828,222)	(2,479,620)	-	-	(3,307,842)
Effect of hyperinflation	-	18,669	-	-	18,669
At 31 December 2024	76,972,932	108,910,387	-	-	185,883,319
Net carrying amount:					
At 31 December 2024	36,771,038	140,079,907	10,404,746	36,559,194	223,814,885
At 31 December 2023	35,400,318	141,559,147	9,613,632	30,996,451	217,569,548

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

QR '000

5(a). Property, plant and equipment (continued)*Notes:*

- (i) Included in property, plant and equipment is the Group's share of property, plant and equipment from its joint operations amounting to QR 82,275 million (2023: QR 85,940 million). This consists of QR 13,706 million (2023: QR 14,015 million) for oil and gas assets, QR 60,186 million (2023: QR 63,967 million) for other property, plant and equipment, QR 6,742 million (2023: QR 6,965 million) for exploration and evaluation assets and QR 1,641 million (2023: QR 993 million) for capital work-in-progress.
- (ii) In 2024, out of the net balance of QR 70 million (2023: QR 812 million), an amount of QR 58 million (2023: QR 196 million) pertains to the transfer to intangible assets (Note 6), QR Nil (2023: (QR 19 million)) pertains to the transfer from investment property (Note 5(c)) and QR 12 million (2023: QR 989 million) pertains to the transfer to / (from) other non-current assets (project under development) (Note 10(b)).
- (iii) Out of the total amount derecognized during the year, the Group has written off assets aggregating to QR 2,391 million (2023: QR 1,689 million) (Note 28) and transferred assets having net book value of QR Nil (2023: QR 9.63 million) to discontinued operations.
- (iv) During the year, the Group has recorded a reversal of impairment of QR 30 million (2023: impairment of QR 276 million) against property, plant and equipment (Note 28(iii)).
- (v) Out of total amount of assets and business acquired during the year, QR 1,183 million relates to assets acquisition (Note 37.1) and QR 1,003 million relates to business acquisition (Note 37.2 and 37.4).

5(b). Right-of-use assets

	Land & buildings	Vehicles and mobile equipment	Vessels	Others	Total
Costs:					
At 1 January 2023	434,772	166,958	4,978,682	1,397,770	6,978,182
Additions (Note 22)	72,653	26,905	1,792,902	127,668	2,020,128
Business acquisitions	7,954	-	-	-	7,954
Transfer to asset held for sale	-	-	-	(129,760)	(129,760)
Lease modifications and other movements (i)	(35,090)	-	(172,635)	(302,839)	(510,564)
Effect of foreign currency translation	-	-	-	100,235	100,235
At 31 December 2023	480,289	193,863	6,598,949	1,193,074	8,466,175
Additions (Note 22)	286,123	16,950	5,128,931	63,455	5,495,459
Asset / business acquisitions (Note 37)	10,686	10,298	156,005	175,892	352,881
Lease modifications and other movements (i)	(250,653)	(70,034)	(597,052)	9,516	(908,223)
Effect of foreign currency translation	(120)	(3)	-	(210,439)	(210,562)
At 31 December 2024	526,325	151,074	11,286,833	1,231,498	13,195,730
Accumulated depreciation:					
At 1 January 2023	174,095	119,191	1,166,490	186,321	1,646,097
Depreciation for the year (ii)	130,413	44,901	1,117,046	102,483	1,394,843
Business acquisitions	2,165	-	-	-	2,165
Transfer to asset held for sale	-	-	-	(49,496)	(49,496)
Lease modifications and other movements (i)	(22,179)	(1,903)	(172,631)	(82,021)	(278,734)
Effect of foreign currency translation	-	-	-	4,942	4,942
At 31 December 2023	284,494	162,189	2,110,905	162,229	2,719,817
Depreciation for the year (ii)	156,779	46,159	1,297,944	147,284	1,648,166
Asset / business acquisitions (Note 37)	3,482	6,773	83,739	-	93,994
Lease modifications and other movements (i)	(250,153)	(69,691)	(577,498)	(2,377)	(899,719)
Effect of foreign currency translation	132	(124)	-	(19,420)	(19,412)
At 31 December 2024	194,734	145,306	2,915,090	287,716	3,542,846
Net carrying amount:					
At 31 December 2024	331,591	5,768	8,371,743	943,782	9,652,884
At 31 December 2023	195,795	31,674	4,488,044	1,030,845	5,746,358

5(b). Right-of-use assets (continued)

(i) This includes write-off of right-of-use assets amounting to QR 7.83 million (2023: QR Nil) (Note 28) and lease modifications which resulted in net recognition of right-of-use assets and lease liabilities of QR 14.05 million (2023: net derecognition of QR 230.36 million).

(ii) Depreciation of right-of-use assets for the year is allocated as set out below:

	2024	2023
Capitalised under property, plant and equipment	71,784	58,199
Charged to profit or loss (Note 29)	1,576,382	1,336,644
	<u>1,648,166</u>	<u>1,394,843</u>

(iii) Included in right-of-use assets is the Group's share of QR 719.84 million (2023: QR 949.16 million) from its joint operations.

(iv) Out of total amount of assets and business acquired during the year, QR 175.89 million relates to assets acquisition (Note 37.1) and QR 83 million relates to business acquisition (Note 37.4).

5(c). Investment property

	2024	2023
Costs:		
At 1 January	1,079,131	1,097,855
Transfers (Note 5(a)(ii))	-	(18,689)
Additions	255	-
Reversal of impairment / (impairment) for the year (Note 28(iii))	1,015	(35)
At 31 December	<u>1,080,401</u>	<u>1,079,131</u>
Accumulated depreciation:		
At 1 January	219,466	202,879
Charge for the year (Note 29)	15,957	16,587
At 31 December	<u>235,423</u>	<u>219,466</u>
Net carrying amount:		
At 31 December	<u>844,978</u>	<u>859,665</u>

Investment property is carried at cost less accumulated depreciation and impairment losses, if any. Investment property is held to earn rentals and capital appreciation. The Group has earned QR 148.67 million (2023: QR 147.84 million) from rentals of investment property during the year.

The fair value of the investment property as at 31 December 2024 was QR 1,554 million (2023: QR 1,597 million) based on a valuation carried out using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

The fair value was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for the investment property has been categorized as a Level 3 fair value based on the above inputs on the valuation technique used.

6. Intangible assets

	Software (Note i)	Data acquisition – cost for appraisal wells (Note ii)	Other intangible assets (Note iii)	Total
Costs:				
At 1 January 2023	1,203,168	7,808,653	3,570,339	12,582,160
Additions	11,249	-	314,313	325,562
Derecognition / disposal (Note iv)	(42,814)	-	(1,737)	(44,551)
Transfer from property, plant and equipment (Note 5(a)(ii))	23,726	172,759	-	196,485
Other adjustments	29,270	-	(25,018)	4,252
Effect of foreign currency translation	-	-	261,001	261,001
At 31 December 2023	1,224,599	7,981,412	4,118,898	13,324,909
Additions	4,261	-	11,935	16,196
Business acquisitions (Note 37.4)	129,992	-	8,715	138,707
Derecognition / disposal (Note iv)	-	-	(1,805,560)	(1,805,560)
Transfer from property, plant and equipment (Note 5(a)(ii))	23,587	125	34,178	57,890
Other adjustments	3,902	-	(3,902)	-
Effect of foreign currency translation	-	-	(530,651)	(530,651)
At 31 December 2024	1,386,341	7,981,537	1,833,613	11,201,491
Accumulated amortization:				
At 1 January 2023	1,066,998	2,369,726	260,075	3,696,799
Charge for the year (Note 29)	80,027	370,684	3,775	454,486
Derecognition / disposal (Note iv)	(42,814)	-	(1,737)	(44,551)
Other adjustments	6,121	-	(6,121)	-
At 31 December 2023	1,110,332	2,740,410	255,992	4,106,734
Charge for the year (Note 29)	55,049	291,951	216	347,216
Business acquisitions (Note 37.4)	129,992	-	-	129,992
At 31 December 2024	1,295,373	3,032,361	256,208	4,583,942
Net carrying amount:				
At 31 December 2024	90,968	4,949,176	1,577,405	6,617,549
At 31 December 2023	114,267	5,241,002	3,862,906	9,218,175

- i. This represents computer software which is not an integral part of hardware and is amortised over the useful life of 4 to 5 years.
- ii. These are internally generated intangible assets with a finite useful life.
- iii. These include licenses in offshore blocks in various countries amounting to QR 1,527 million (2023: QR 3,829 million) through the Group's joint operations.
- iv. Out of the total amount derecognized during the year, the Group has derecognised the capitalized costs associated with the exploration blocks amounting to QR 1,806 million (2023: Nil) due to the relinquishment of blocks in different jurisdictions. (Note 28).

7. Investments in associates

2024	Group percentage of holding		At 1 January 2024	Transfer / (disposal) / (repayment)	Share in profit / (loss)	Dividends	Other adjustments (i)	At 31 December 2024
	2024	2023						
TotalEnergies E&P Congo (TEPC) (iii)	15.0	15.0	1,345,344	-	175,812	(546,000)	-	975,156
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,803,556	-	263,654	(273,112)	9,485	1,803,583
Laffan Refinery Company Limited (LR) (iv)	72.0	72.0	244,238	(55,690)	(37,161)	-	-	151,387
Others (v)			2,927,180	-	400,141	(193,378)	219,453	3,353,396
Total			6,320,318	(55,690)	802,446	(1,012,490)	228,938	6,283,522

2023	Group percentage of holding		At 1 January 2023	Transfer / (disposal) / (repayment)	Share in profit / (loss)	Dividends	Other adjustments (i)	At 31 December 2023
	2023	2022						
TotalEnergies E&P Congo (TEPC) (iii)	15.0	15.0	1,595,412	-	241,332	(491,400)	-	1,345,344
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,882,652	-	279,394	(418,773)	60,283	1,803,556
Laffan Refinery Company Limited (LR) (iv)	72.0	-	-	835,556	(127,423)	-	(463,895)	244,238
Others (v)			2,747,813	-	352,851	(212,067)	38,583	2,927,180
Total			6,225,877	835,556	746,154	(1,122,240)	(365,029)	6,320,318

7. Investments in associates (continued)

- i. Other adjustments in the above table includes the Group's share in the associates' other comprehensive income, and recognition/reversal of impairment losses.
- ii. Foulath Holding B.S.C. is a Bahraini Closed Joint Stock Company incorporated on 26 June 2008 in the Kingdom of Bahrain. Foulath Holding B.S.C. is a holding company for a group of commercial / industrial companies that are engaged in the manufacture and sale of various steel products.
- iii. The Group considered the contractual terms and conditions of this investment and decided that the Group exercises significant influence over this entity by virtue of its contractual rights to appoint two out of nine directors to the Board of directors of TEPC.
- iv. The Group, based on the terms of the revised ARJVA, has assessed the classification of its investment in LR and concluded that the Group can exercise significant influence over LR. Accordingly, the Group has classified its investment in LR as investment in associate. During the year, LR has distributed the excess cash to shareholders amounting to QR 55.69 million (2023: QR 65.52 million) for redemption of shares.
- v. Other associates are included in Note 2.3 which are not disclosed separately as these are not significant to the consolidated financial statements both individually and collectively.

7. Investments in associates (continued)

The following table gives the summarised financial information of the Group's investments in associates as reported in their own financial statements.

2024	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Proportion of Group's interest in associates' net assets (i)	Total revenue	Total profit / (loss)	Total other comprehensive income / (loss)	Proportion of Group's interest in associates' total comprehensive income
TotalEnergies E&P										
Congo	3,803,800	13,806,520	2,122,120	5,241,600	10,246,600	1,536,990	6,690,320	1,172,080	-	175,812
Foulath Holding B.S.C.	4,095,045	5,108,436	1,750,132	2,474,753	4,978,596	1,244,649	9,428,375	1,054,618	37,939	273,139
LR	4,141,687	2,113,530	2,812,573	2,907,676	534,968	385,177	26,610,023	(51,612)	-	(37,161)
2023	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Proportion of Group's interest in associates' net assets (i)	Total revenue	Total profit / (loss)	Total other comprehensive income / (loss)	Proportion of Group's interest in associates' total comprehensive income
TotalEnergies E&P										
Congo	4,353,440	14,643,720	1,783,600	4,509,960	12,703,600	1,905,540	7,116,200	1,608,880	-	241,332
Foulath Holding B.S.C.	4,378,813	5,052,924	1,869,408	2,584,610	4,977,719	1,224,430	10,274,592	1,117,577	1,132	279,677
LR	4,053,224	2,190,119	2,520,700	3,058,714	663,929	478,029	27,651,238	(176,977)	-	(127,423)

(i) Proportion of the Group in net assets of these associates does not include goodwill, impairment losses and other adjustments.

8. Investments in joint arrangements

a. Interest in joint operations

These consolidated financial statements include the Group's share of assets, liabilities, income and expenses of the following joint arrangements which are unincorporated joint operations.

1.) Pearl GTL Project North Field:

QatarEnergy, on behalf of Government of State of Qatar, and Qatar Shell GTL Limited entered into a Development and Production Sharing Agreement ("DPSA") on 8 July 2004 to develop gas-to-liquids (GTL) project in Ras Laffan, State of Qatar. The period of the DPSA is for 27 years effective 13 June 2011.

2.) Dolphin Gas Project:

QatarEnergy, on behalf of Government of State of Qatar, Dolphin Investment Company Limited ("DIC") and TotalEnergies EP Dolphin Upstream and Oxy Dolphin E&P LLC entered into a Development and Production Sharing Agreement ("DPSA") on 23 December 2001 to design, develop, construct and operate the facilities and conduct petroleum operations to recover and export certain quantities of natural gas for export purpose. The period of the DPSA is for 25 years effective 21 July 2007.

3.) Al Khaleej Gas Project:

QatarEnergy, on behalf of Government of State of Qatar, and ExxonMobil Middle East Gas Marketing Limited entered into a Development and Production Sharing Agreement ("DPSA") on 2 May 2000 to carry out the Enhanced Gas Utilisation Project. The period of the DPSA is for 25 years effective 2 May 2000.

4.) BC-10 Concession:

BC-10 concession is a joint arrangement between Shell Petroleum Ltda Brazil (50%), which is also the operator of the consortium, ONGC Campos Ltda (27%) and QatarEnergy Brasil Ltda (23%) which is a wholly-owned subsidiary of the Group. The BC-10 Concession comprises upstream exploration and production assets of Block BC-10 located in the Campos Basin, offshore Brazil and are operated by Shell Petroleum Ltda. under a Joint Operating Agreement (JOA) signed with joint venture partners.

In December 2023, the group signed an agreement for the sale of its interest in the BC-10 concession. Accordingly, the amounts related to Groups' interest in the concession were presented as assets and liabilities held for sale. On December 30, 2024, the Group completed the sale of its interest in the BC-10 concession.

5.) Al Khalij Oil Field Joint Operation:

Al Khalij Block 6 Field (Al Khalij) is an unincorporated joint operation between QatarEnergy Oil and Gas and TotalEnergies EP Golfe Limited, located in State of Qatar in which the Group has 60% interest. Al Khalij is engaged for production of crude oil from the offshore Alkhalij Block 6 field.

6.) Sepia Block

The Group has entered into a production sharing agreement with the Brazilian government related to surplus volume rights of the world class Sepia oil field in Brazil.

The Production Sharing Contract, and other key agreements, were signed in Brasilia. Pursuant to the signed agreements, the Group will hold a 21% interest along with its consortium partners Petrobras (30% and Operator), TotalEnergies (28%), and Petronas (21%).

Located in water depths of about 2,000 meters off the coast of Rio de Janeiro in the prolific Santos Basin, Sepia is a pre-salt oil field. Production from the Sepia field started in August 2021 through a dedicated floating production, storage, and offloading unit (FPSO) and plans are underway to increase the overall production capacity with a second FPSO.

8. Investments in joint arrangements (continued)**a. Interest in joint operations (continued)****7.) Gas Growth Integrated Project (GGIP)**

In 2023, the Group through its wholly owned subsidiary became a part of Iraq's Gas Growth Integrated Project (GGIP) consortium. The parties to this consortium are the Group (with 25% participating interest), TotalEnergies (operator with a 45% participating interest) and Basra Oil Company (with a 30% participating interest).

The remaining joint operations of the Group owned through its subsidiary QatarEnergy International are still in exploration stage and their exploration and evaluation cost has been capitalized as part of property, plant and equipment and/or intangible assets as appropriate.

The Group's share of assets, liabilities, income and expenses from the above joint operations included in these consolidated financial statements is as follows:

	2024	2023
Non-current assets	84,677,758	90,835,111
Current assets	1,237,559	1,346,244
Non-current liabilities	1,754,261	2,323,464
Current liabilities	741,998	612,247
Income	38,009,426	39,790,197
Expenses	10,392,244	9,809,287

8. Investments in joint arrangements (continued)

b. Investments in joint ventures

2024	Group's effective percentage of holding		1 January 2024	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments (Note i, and iv)	31 December 2024
	2024	2023						
QatarEnergy LNG N (2) (Note iii)	68.53	68.56	8,659,038	-	8,840,777	(9,286,922)	-	8,212,893
QatarEnergy LNG NFE (1) (Note iii)	75.0	75.0	10,334,448	3,787,875	(10,199)	-	-	14,112,124
QatarEnergy LNG NFE (2) (Note iii)	70.0	70.0	9,646,002	3,535,350	(9,805)	-	-	13,171,547
QatarEnergy LNG NFE (3) (Note iii and v)	70.0	75.0	10,334,999	2,842,899	(6,356)	-	-	13,171,542
QatarEnergy LNG NFE (4) (Note iii and v)	70.0	75.0	5,167,080	1,421,448	(3,758)	-	-	6,584,770
QatarEnergy LNG NFE (5) (Note iii and v)	70.0	75.0	5,167,081	1,421,448	(3,757)	-	-	6,584,772
QatarEnergy LNG NFS (1) (Note iii)	75.0	75.0	2,528,588	2,866,500	(13,781)	-	-	5,381,307
QatarEnergy LNG NFS (2) (QELNGNFS2) (Note iii and v)	70.0	75.0	2,528,522	2,506,689	(13,084)	-	-	5,022,127
QatarEnergy LNG NFS (3) (Note iii)	75.0	75.0	1,685,571	1,911,000	(9,874)	-	-	3,586,697
QatarEnergy LNG S (1) (Note iii, iv, and viii)	89.63	73.90	2,813,067	(664,183)	5,235,217	(5,176,654)	537,538	2,744,985
QatarEnergy LNG S (2) (Note iii)	67.73	66.45	5,205,070	-	7,827,695	(6,514,473)	-	6,518,292
Barzan Gas Company Limited (Note ii and iii)	93.0	93.0	21,292,042	(781,981)	(47,615)	-	-	20,462,446
Qatar Vinyl Company Limited (Note iii)	68.1	68.1	1,358,040	219,012	40,900	(105,358)	-	1,512,594
Qatar Chemical Company Limited (Note iii)	51.0	51.0	1,509,474	-	215,213	(278,460)	-	1,446,227
Qatar Chemical Company Limited (II) (Note iii)	51.0	51.0	2,809,529	-	346,286	(204,204)	-	2,951,611
Oryx GTL Limited (Note iii)	51.0	51.0	2,311,999	-	(19,987)	(278,460)	-	2,013,552
QatarEnergy LNG N (3) (Note iii and vi)	68.5	68.5	3,003,154	(1,213,292)	4,561,421	(4,561,422)	-	1,789,861
QatarEnergy LNG N (4) (Note iii and vi)	70.0	70.0	4,857,786	(1,263,064)	5,150,251	(5,150,252)	-	3,594,721
QatarEnergy LNG S (3) (Note iii)	70.0	70.0	8,280,047	-	10,396,359	(8,966,322)	-	9,710,084
Golden Pass LNG Terminal LLC (Note iii)	70.0	70.0	24,736,827	4,555,074	(341,829)	-	-	28,950,072
South Hook LNG Terminal Ltd. (Note iii)	67.5	67.5	2,158,009	-	294,258	(273,102)	(3,403)	2,175,762
Golden Pass Pipeline LLC (Note iii)	70.0	70.0	1,711,268	257,495	26,092	-	-	1,994,855
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,170,542	-	(31,950)	-	-	1,138,592
Qatar Petrochemical Company Q.P.J.S.C. (Note iii)	80.0	80.0	5,901,062	-	971,872	(251,200)	(398,865)	6,222,869
North Oil Company (Note iii)	70.0	70.0	13,559,402	-	4,888,175	-	-	18,447,577
Qatar Aluminium Company (Qatalum) (Note iii)	50.0	50.0	4,556,521	-	547,036	(303,334)	(144,028)	4,656,195
Golden Triangle Polymers Company Holdings L.L.C.	49.0	49.0	2,765,636	2,373,926	(22,525)	-	-	5,117,037
Ras Laffan Petrochemicals Company ('RLPC') (Note iii)	70.0	70.0	2,707,076	350,357	(33,166)	-	-	3,024,267
Qatar Fuel Additives Company Limited (QAFAC) (Note ix)	-	25.5	881,904	-	288,095	(273,000)	(896,999)	-
Others (Note x)			1,268,815	13	1,022,613	(42,304)	(979,583)	1,269,554
Total			170,908,599	24,126,566	50,084,574	(41,665,467)	(1,885,340)	201,568,932

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2023	Group percentage of holding		1 January 2023	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments (Note i)	31 December 2023
	2023	2022						
QatarEnergy LNG N (2) (Note iii)	68.56	67.5	10,396,537	-	9,817,772	(11,509,587)	(45,684)	8,659,038
QatarEnergy LNG NFE (1) (Note iii)	75.0	100.0	6,720,230	3,617,250	(10,997)	-	7,965	10,334,448
QatarEnergy LNG NFE (2) (Note iii)	70.0	75.0	6,720,230	3,617,358	(6,991)	-	(684,595)	9,646,002
QatarEnergy LNG NFE (3) (Note iii)	75.0	75.0	6,720,230	3,617,250	(10,446)	-	7,965	10,334,999
QatarEnergy LNG NFE (4) (Note iii)	75.0	75.0	3,360,131	1,808,625	(5,658)	-	3,982	5,167,080
QatarEnergy LNG NFE (5) (Note iii)	75.0	75.0	3,360,131	1,808,625	(5,657)	-	3,982	5,167,081
QatarEnergy LNG NFS (1) (Note iii)	75.0	-	-	665,438	(2,073)	-	1,865,223	2,528,588
QatarEnergy LNG NFS (2) (Note iii)	75.0	-	-	665,438	(2,139)	-	1,865,223	2,528,522
QatarEnergy LNG NFS (3) (Note iii)	75.0	-	-	443,625	(1,545)	-	1,243,491	1,685,571
Laffan Refinery Company Limited (LR)	-	51.0	901,076	-	-	-	(901,076)	-
QatarEnergy LNG S (1) (Note iii)	73.90	63.0	2,372,599	-	5,169,469	(5,156,363)	427,362	2,813,067
QatarEnergy LNG S (2) (Note iii)	66.45	67.1	5,051,205	-	8,883,963	(8,734,492)	4,394	5,205,070
Barzan Gas Company Limited (Note ii and iii)	93.0	93.0	21,655,395	(1,174,664)	811,311	-	-	21,292,042
Qatar Vinyl Company Limited (Note iii)	68.1	68.1	1,518,206	126,585	84,913	(175,998)	(195,666)	1,358,040
Qatar Chemical Company Limited (Note iii)	51.0	51.0	1,654,579	-	365,855	(334,152)	(176,808)	1,509,474
Qatar Chemical Company Limited (II) (Note iii)	51.0	51.0	3,169,967	-	543,093	(584,766)	(318,765)	2,809,529
Oryx GTL Limited (Note iii)	51.0	51.0	2,076,206	-	681,329	(445,536)	-	2,311,999
QatarEnergy LNG N (3) (Note iii)	68.5	68.5	4,715,423	(1,712,371)	4,705,749	(4,705,647)	-	3,003,154
QatarEnergy LNG N (4) (Note iii)	70.0	70.0	7,005,094	(442,055)	5,346,360	(7,051,613)	-	4,857,786
QatarEnergy LNG S (3) (Note iii)	70.0	70.0	6,875,176	-	11,716,415	(10,346,081)	34,537	8,280,047
Golden Pass LNG Terminal LLC (Note iii)	70.0	70.0	18,641,897	6,210,794	(115,864)	-	-	24,736,827
Adriatic LNG Terminal (Note vii)	22.0	22.0	1,504,010	(53,884)	-	(53,496)	(1,396,630)	-
South Hook LNG Terminal Ltd. (Note iii)	67.5	67.5	1,989,274	-	281,579	(247,454)	134,610	2,158,009
Golden Pass Pipeline LLC (Note iii)	70.0	70.0	1,470,182	210,804	30,282	-	-	1,711,268
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,224,412	-	(53,870)	-	-	1,170,542
Qatar Petrochemical Company Q.P.J.S.C. (Note iii)	80.0	80.0	6,349,517	-	848,638	(948,800)	(348,293)	5,901,062
North Oil Company (Note iii)	70.0	70.0	10,384,718	-	3,200,164	(25,480)	-	13,559,402
Qatar Aluminium Company (Qatalum) (Note iii)	50.0	50.0	4,846,007	-	392,259	(358,540)	(323,205)	4,556,521
Golden Triangle Polymers Company Holdings L.L.C.	49.0	49.0	1,454,726	1,307,983	2,927	-	-	2,765,636
Ras Laffan Petrochemicals Company ('RLPC') (Note iii)	70.0	70.0	255	-	(73,239)	-	2,780,060	2,707,076
Qatar Fuel Additives Company (QAFAC)	25.5	25.5	747,043	-	511,323	(198,380)	(178,082)	881,904
Others (Note x)			927,346	51,814	75,145	(63,252)	277,762	1,268,815
Total			143,811,802	20,768,615	53,180,067	(50,939,637)	4,087,752	170,908,599

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

- i. Other adjustments in the above table mainly include the Group's share in the joint ventures' other comprehensive income for the year, foreign currency translation differences, impairment losses, transfer from project under development and other adjustments.
- ii. During the year, Barzan Gas Company Limited ("Barzan") repaid shareholder advances amounting to QR 781.98 million (2023: QR 1,174.66 million).
- iii. The Group has classified these investments as joint ventures. The Group considers the terms and conditions of the agreements and the purpose and design of the joint arrangements. As per the agreement, the venturers of the above companies jointly control these companies. The Group owns equity interest in these joint ventures whose legal form confers separation between the parties to the joint arrangement and the Group itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, investment in above joint ventures is classified as investment in a joint venture rather than investment in a joint operation or investment in a subsidiary.
- iv. Other adjustment includes transfer from project under development amounting to QR 497.41 million which represents transfer of QR 537.54 million for capital projects in QatarEnergy LNG S (1), transfer of QR 2.52 million for the assets under construction related to onshore, offshore and common facilities of the North Field South Project (NFS Project) and transfer of QR 42.65 million from investment in Qatar Petrochemical Operating Company to project under development.
- v. During the year, the Group entered into following transactions for disposal of shares;

Joint Venture	Buyer	Disposed Interest	Effective transfer date
QELNGNFE3	CPC Corporation, Taiwan	5%	16 December 2024
QELNGNFE4	Petrochina Investment (Hong Kong) Limited	5%	31 March 2024
QELNGNFE5	Petrochina Investment (Hong Kong) Limited	5%	31 March 2024
QELNGNFS2	International Energy Investment Holdings	5%	26 August 2024

The Group is entitled to a signing bonus from the disposal of shares in QELNGNFE3, QELNGNFE4 and QELNGNFE5 amounting to QR 18.2 million, QR 9.1 million and QR 9.1 million respectively and accordingly the same has been recorded as other income in these consolidated financial statements (Note 27).

- vi. During the year, QatarEnergy LNG N (3) and QatarEnergy LNGN (4) repaid share capital amounting to QR 1,213 million and QR 1,263 million respectively.
- vii. During the year, the Group sold its investment in Adriatic LNG Terminal and EMEA.
- viii. During the year, the Group acquired an additional 12.5% (82,537 shares of USD 1,000 each) Series A shares of QatarEnergy LNG S (1) from ExxonMobil amounting to QR 300.44 million (equivalent to USD 82.537 million). The beneficial ownership of these shares was transferred to the Group, however, as at the reporting date, transfer of legal shares is yet to be completed. Further, during the year QatarEnergy LNG S (1) repaid share capital amounting to QR 964.62 million. Subsequent to the year end, subject to completion of legal formalities, Exxon Mobil will transfer the remaining 12.5% interest in QatarEnergy LNG S (1) to the Group which shall occur with effect from 26 April 2025.
- ix. During the year, the Consolidated Joint Venture Agreement (CJVA) of QAFAC expired on 9 June 2024. Post expiry of CJVA, effective 10 June 2024, the Group continues to hold its 50% shareholding interest in QAFAC while the remaining 50% shareholding in QAFAC held by other shareholders is to be acquired by the Group with an economic effective date of 10 June 2024 subject to completion of legal formalities. Accordingly, QAFAC has been included in these consolidated financial statements as a subsidiary with effect from 10 June 2024.
- x. Other joint ventures are included in Note 2.3 which are not disclosed separately as these are not significant to the consolidated financial statements both individually and collectively.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2024	Cash and cash equivalents	Other current assets	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non-current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QELNGN2	3,233,070	4,697,078	24,772,915	605,044	5,315,121	12,549,377	2,249,145	11,984,376	-	8,212,893
QELNGNFE1	20,268	561,186	19,534,639	-	634,791	665,137	-	18,816,165	-	14,112,124
QELNGNFE2	20,606	561,303	19,534,457	-	634,729	665,141	-	18,816,496	-	13,171,547
QELNGNFE3	20,835	561,044	19,534,464	-	634,714	665,141	-	18,816,488	-	13,171,542
QELNGNFE4	8,296	280,517	9,768,013	-	317,441	332,571	-	9,406,814	-	6,584,770
QELNGNFE5	8,299	280,517	9,768,013	-	317,441	332,571	-	9,406,817	-	6,584,772
QELNGNFS1	9,044	1,003,621	7,807,087	-	1,260,667	384,009	-	7,175,076	-	5,381,307
QELNGNFS2	8,185	1,003,541	7,807,414	-	1,260,667	384,006	-	7,174,467	-	5,022,127
QELNGNFS3	4,420	669,017	5,205,335	-	840,505	256,004	-	4,782,263	-	3,586,697
QELNGS1	2,244,435	1,648,836	2,863,675	100,639	3,232,484	311,432	49,817	3,062,574	-	2,744,985
QELNGS2	3,655,761	3,569,955	12,782,522	698,105	5,612,036	3,812,201	261,960	9,623,936	-	6,518,292
Barzan	2,967,375	1,126,824	32,405,144	2,178,609	538,007	10,205,981	1,390,622	22,186,124	(170,649)	20,462,446
QVC	389,582	481,281	1,382,217	863	202,555	291	26,692	2,022,679	135,150	1,512,594
Q-chem	521,517	1,090,089	1,713,104	12,278	659,328	476,793	2,490	2,173,821	337,578	1,446,227
Q-chem II	576,510	1,598,466	3,814,265	5,096	832,450	1,118,870	-	4,032,825	894,870	2,951,611
Oryx	219,876	1,338,129	4,052,880	16,394	296,668	168,444	1,181,237	3,948,142	-	2,013,552
QELNGN3	1,564,483	2,455,460	14,914,529	346,927	2,713,376	12,176,964	1,084,269	2,612,936	-	1,789,861
QELNGN4	1,598,946	1,737,718	14,501,891	292,495	2,441,424	8,894,705	1,074,615	5,135,316	-	3,594,721
QELNGS3	5,267,815	6,255,613	28,227,894	2,116,886	6,417,568	15,119,919	2,225,401	13,871,548	-	9,710,084
GP LNG	1,501,933	771,432	41,683,540	1,179,178	159,654	788,242	177,712	41,652,119	(206,411)	28,950,072
SH LNG	58,629	538,991	4,701,891	191,239	128,175	1,751,987	4,759	3,223,351	-	2,175,762
GP Pipeline	85,300	54,753	3,388,273	177,039	24,861	96,988	-	3,229,438	(265,752)	1,994,855
QPI & SP	26,375	-	963,031	-	339	-	-	989,067	653,949	1,138,592
QAPCO	904,791	1,610,286	6,067,316	16,520	1,150,856	80,264	312,982	7,021,771	605,452	6,222,869
NOC	184,706	5,307,432	38,381,267	883,179	6,967,342	6,364,937	3,304,265	26,353,682	-	18,447,577
Qatalum	801,732	2,305,958	10,668,982	291,983	894,694	3,110,908	-	9,479,087	(83,348)	4,656,195
GTPC	423,043	192,883	21,951,512	-	2,014,057	10,283,802	1,382	10,268,197	85,620	5,117,037
RLPC	183,329	224,752	12,713,908	72,363	1,404,341	7,324,903	-	4,320,382	-	3,024,267
QAFAC	871,216	709,341	1,012,633	272,785	420,045	76,560	54,680	1,769,120	(1,769,120)	-

* Pertains mainly to foreign currency translation differences, impairment losses, unrecognised share of losses and other adjustments.

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2024	Revenue	Depreciation and amortization	Interest income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)	Proportion of Group's interest in joint venture's total comprehensive income / (loss)
QELNGN2	38,870,788	(2,204,919)	109,331	(895,444)	(6,933,228)	12,872,063	-	12,872,063	8,840,777
QELNGNFE1	-	-	25,214	-	7,324	(13,602)	-	(13,602)	(10,199)
QELNGNFE2	-	-	24,595	-	7,542	(14,007)	-	(14,007)	(9,805)
QELNGNFE3	-	-	24,515	-	7,546	(14,007)	-	(14,007)	(6,356)
QELNGNFE4	-	-	12,070	-	4,241	(7,877)	-	(7,877)	(3,758)
QELNGNFE5	-	-	12,118	-	4,241	(7,873)	-	(7,873)	(3,757)
QELNGNFS1	-	-	20,617	-	9,894	(18,375)	-	(18,375)	(13,781)
QELNGNFS2	-	-	20,016	-	10,174	(18,895)	-	(18,895)	(13,084)
QELNGNFS3	-	-	13,231	-	7,091	(13,166)	-	(13,166)	(9,874)
QELNGS1	17,216,239	(371,473)	54,935	(26,521)	(4,131,200)	7,672,228	-	7,672,228	5,235,217
QELNGS2	35,167,030	(1,276,959)	94,920	(346,084)	(6,205,319)	11,524,167	-	11,524,167	7,827,695
Barzan	4,663,907	(2,081,680)	150,933	(767,563)	(459,823)	(66,372)	-	(66,372)	(47,615)
QVC	1,281,637	(162,446)	14,458	(51)	(23,911)	40,677	-	40,677	40,900
Q-chem	2,060,156	(379,401)	28,483	(1,168)	(150,212)	277,666	-	277,666	215,213
Q-chem II	2,572,024	(390,008)	38,569	(5,209)	(241,456)	447,007	-	447,007	346,286
Oryx	1,844,033	(493,053)	23,628	(9,221)	16,885	(39,190)	-	(39,190)	(19,987)
QELNGN3	25,344,890	(1,411,861)	58,495	(761,452)	(3,585,105)	6,659,009	-	6,659,009	4,561,421
QELNGN4	21,617,807	(1,379,575)	48,612	(628,926)	(3,962,377)	7,357,503	-	7,357,503	5,150,251
QELNGS3	45,441,833	(2,202,717)	205,463	(1,039,853)	(7,997,200)	14,851,942	-	14,851,942	10,396,359
GP LNG	1,848,519	(128,201)	-	(11,870)	(2,675)	(488,328)	-	(488,328)	(341,829)
SH LNG	346,353	(13,190)	656,972	(78,401)	(146,718)	435,937	-	435,937	294,258
GP Pipeline	181,487	(35,945)	-	-	(8,954)	37,274	-	37,274	26,092
QPI & SP	-	-	1,150	-	(157)	(65,205)	-	(65,205)	(31,950)
QAPCO	3,570,650	(485,397)	28,270	(3,687)	(279,261)	796,023	(8,218)	787,805	971,872
NOC	30,174,452	(2,605,462)	118,843	(249,561)	(3,760,136)	6,983,108	-	6,983,108	4,888,175
Qatalum	6,571,802	(880,833)	77,663	(316,163)	(371,469)	722,602	-	722,602	547,036
GTPC	-	-	12,787	-	-	(45,970)	-	(45,970)	(22,525)
RLPC	-	-	-	(42,009)	24,279	(47,378)	-	(47,378)	(33,166)
QAFAC	2,846,775	(148,414)	38,784	(3,061)	(276,833)	506,320	-	506,320	288,095

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2023	Cash and cash equivalents	Other current assets	Non-current assets	Current financial liabilities (excluding trade payables and provision)	Other current liabilities	Non-current financial liabilities (excluding trade payables and provision)	Other non- current liabilities	Net assets	Adjustments*	Proportion of Group's interest in joint venture's net assets
QELNGN2	3,679,115	5,295,839	25,743,013	560,320	5,668,914	13,407,052	2,253,477	12,828,204	-	8,659,038
QELNGNFE1	10,410	829,672	14,868,679	-	1,305,486	624,011	-	13,779,264	-	10,334,448
QELNGNFE2	10,119	831,048	14,868,278	-	1,305,431	624,011	-	13,780,003	-	9,646,002
QELNGNFE3	10,097	831,088	14,868,283	-	1,305,460	624,009	-	13,779,999	-	10,334,999
QELNGNFE4	4,248	415,521	7,434,452	-	652,779	312,002	-	6,889,440	-	5,167,080
QELNGNFE5	2,133	417,639	7,434,452	-	652,779	312,004	-	6,889,441	-	5,167,081
QELNGNFS1	5,660	742,575	4,039,283	-	1,088,458	327,609	-	3,371,451	-	2,528,588
QELNGNFS2	5,525	742,575	4,039,330	-	1,088,458	327,609	-	3,371,363	-	2,528,522
QELNGNFS3	3,451	495,044	2,692,974	-	725,634	218,407	-	2,247,428	-	1,685,571
QELNGS1	3,319,363	1,474,029	2,655,948	50,760	3,406,858	295,634	57,108	3,638,980	(520,509)	2,813,067
QELNGS2	3,874,059	3,963,618	11,449,755	646,875	5,802,579	4,817,798	257,212	7,762,968	-	5,205,070
Barzan	2,832,481	1,626,749	34,831,775	2,230,479	564,633	12,050,540	1,352,016	23,093,337	(184,761)	21,292,042
QVC	273,298	715,613	945,646	823	199,588	67,253	-	1,666,893	222,885	1,358,040
Q-chem	136,857	1,565,589	2,017,019	12,696	704,355	556,425	2,195	2,443,794	263,139	1,509,474
Q-chem II	238,518	1,595,266	4,139,197	5,096	753,793	1,227,870	-	3,986,222	776,556	2,809,529
Oryx	1,495,031	1,368,631	2,948,519	10,172	1,106,702	161,976	-	4,533,331	-	2,311,999
QELNGN3	1,661,376	2,870,078	16,261,886	313,499	2,759,346	12,296,932	1,039,397	4,384,166	-	3,003,154
QELNGN4	1,606,448	2,122,255	15,735,305	264,985	2,252,272	8,975,719	1,031,338	6,939,694	-	4,857,786
QELNGS3	4,933,212	7,910,106	27,463,811	2,011,431	7,168,277	17,061,135	2,237,647	11,828,639	-	8,280,047
GP LNG	1,331,156	1,141,231	33,975,851	895,174	41,211	52,827	117,899	35,341,127	(1,962)	24,736,827
SH LNG	54,450	506,195	4,958,851	180,736	170,302	1,964,124	7,283	3,197,051	-	2,158,009
GP Pipeline	124,516	40,372	2,754,945	118,852	40,645	3,747	-	2,756,589	(218,344)	1,711,268
GPI & SP	26,153	-	1,029,053	-	794	-	-	1,054,412	653,880	1,170,542
QAPCO	817,444	1,452,346	6,228,975	19,344	1,047,202	413,252	-	7,018,967	285,888	5,901,062
NOC	310,836	5,529,901	27,061,466	1,102,082	5,639,526	4,374,343	2,415,678	19,370,574	-	13,559,402
Qatalum	1,570,183	2,152,264	11,216,471	209,195	794,757	4,571,811	-	9,363,155	(125,056)	4,556,521
GTPC	357,853	21,146	12,786,669	-	1,850,690	5,743,758	-	5,571,220	35,738	2,765,636
RLPC	234,565	571,275	5,987,627	-	1,022,024	1,891,337	12,854	3,867,252	-	2,707,076
QAFAC	1,076,122	600,655	1,038,718	357,524	496,489	-	52,682	1,808,800	420,660	881,904

* Pertains mainly to foreign currency translation differences, impairment losses and other adjustments.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

QR '000

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

										Proportion of Group's interest in joint venture's total comprehensive income / (loss)
		Depreciation and amortization	Interest income	Interest expense	Income tax expense	Profit / (loss) from continuing operations	Other comprehensive income	Total comprehensive income / (loss)		
2023	Revenue									
QELNGN2	41,888,822	(2,176,716)	118,544	(922,973)	(7,831,788)	14,544,847	-	14,544,847	9,817,772	
QELNGNFE1	-	-	31,249	-	7,895	(14,663)	-	(14,663)	(10,997)	
QELNGNFE2	-	-	32,361	-	7,498	(13,924)	-	(13,924)	(6,991)	
QELNGNFE3	-	-	32,261	-	7,498	(13,928)	-	(13,928)	(10,446)	
QELNGNFE4	-	-	16,151	-	4,062	(7,544)	-	(7,544)	(5,658)	
QELNGNFE5	-	-	16,154	-	4,062	(7,543)	-	(7,543)	(5,657)	
QELNGNFS1	-	-	16,249	-	1,489	(2,764)	-	(2,764)	(2,073)	
QELNGNFS2	-	-	16,162	-	1,536	(2,852)	-	(2,852)	(2,139)	
QELNGNFS3	-	-	10,752	-	1,110	(2,060)	-	(2,060)	(1,545)	
QELNGS1	19,530,496	(942,396)	53,413	(26,856)	(4,418,352)	8,205,507	-	8,205,507	5,169,469	
QELNGS2	39,465,721	(1,317,473)	114,038	(396,964)	(7,134,484)	13,249,758	-	13,249,758	8,883,963	
Barzan	5,528,097	(2,654,972)	160,622	(936,281)	(294,909)	872,377	-	872,377	811,311	
QVC	1,221,595	(153,040)	18,145	(87)	(47,207)	86,421	-	86,421	84,913	
Q-chem	2,208,028	(346,379)	37,481	(1,034)	(254,898)	472,461	-	472,461	365,855	
Q-chem II	2,909,590	(415,848)	51,965	(6,417)	(378,400)	701,326	-	701,326	543,093	
Oryx	3,207,906	(417,371)	35,195	(8,449)	(716,287)	1,335,939	-	1,335,939	681,329	
QELNGN3	26,030,011	(1,395,773)	184,173	(780,278)	(3,699,685)	6,869,707	-	6,869,707	4,705,749	
QELNGN4	22,409,962	(1,357,574)	160,731	(652,011)	(4,116,090)	7,637,657	-	7,637,657	5,346,360	
QELNGS3	47,966,016	(2,163,197)	189,586	(1,128,888)	(9,012,993)	16,737,736	-	16,737,736	11,716,415	
GP LNG	1,065,581	(106,953)	-	-	-	(165,520)	-	(165,520)	(115,864)	
SH LNG	393,489	(12,810)	655,670	(76,671)	(139,978)	417,154	(1,684)	415,470	281,579	
GP Pipeline	180,510	(35,026)	-	-	(8,957)	43,260	-	43,260	30,282	
QPI & SP	-	-	961	-	(164)	(109,939)	-	(109,939)	(53,870)	
QAPCO	3,270,408	(425,366)	55,857	(3,994)	(180,261)	689,184	(3,640)	685,544	848,638	
NOC	31,482,201	(2,376,210)	118,103	(233,241)	(2,461,665)	4,571,663	-	4,571,663	3,200,164	
Qatalum	6,299,184	(884,775)	88,750	(331,076)	(295,543)	488,976	-	488,976	392,259	
GTPC	-	-	8,910	-	-	5,973	-	5,973	2,927	
RLPC	-	(37,621)	-	(65,429)	46,712	(104,627)	-	-	(73,239)	
QAFAC	2,641,654	(89,278)	49,693	(204)	(311,351)	711,420	-	711,420	511,323	

Proportion of Group's interest in joint ventures total comprehensive income / (loss) does not include intra group adjustments.

9. Other investments

	2024	2023
Non-current assets		
Financial assets at FVOCI (Note a)	4,429,006	5,199,263
Financial assets at amortised cost	3,599,441	2,340,771
	<u>8,028,447</u>	<u>7,540,034</u>
Current assets		
Financial assets at FVOCI (Note a)	99,225	-
Financial assets at FVTPL (Note b)	886,218	878,461
	<u>985,443</u>	<u>878,461</u>

a. Financial assets at FVOCI

The carrying amounts of the Group's financial assets at FVOCI are as follows:

	2024	2023
Quoted equity instruments	4,084,124	4,836,009
Quoted debt instruments	424,223	328,501
Quoted managed funds	18,382	33,251
Unquoted equity instruments	1,502	1,502
	<u>4,528,231</u>	<u>5,199,263</u>

The movement during the year was as follows:

	2024	2023
As at 1 January	5,199,263	4,929,526
Additions during the year	565,990	1,415,792
Disposals during the year	(1,116,758)	(1,276,767)
Fair value changes during the year	(288,155)	136,085
Other adjustments	167,891	(5,373)
As at 31 December	<u>4,528,231</u>	<u>5,199,263</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments at FVOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

b. Financial assets at FVTPL

These represent financial assets which are acquired and incurred principally for the purpose of selling or repurchasing in the near term or to take advantage of short-term market movements. Details are as follows:

	2024	2023
Quoted equity instruments	742,949	745,367
Quoted debt instruments	143,269	133,094
	<u>886,218</u>	<u>878,461</u>

9. Other investments (continued)**b. Financial assets at FVTPL (continued)**

The movement during the year was as follows:

	2024	2023
As at 1 January	878,461	817,623
Acquisition during the year	59,764	33,694
Disposals during the year	(57,939)	(24,465)
Net movement in fair value during the year (Note 28 and 27)	(4,671)	48,611
Other adjustments	10,603	2,998
As at 31 December	886,218	878,461

10. Other non-current assets

	2024	2023
Loans and advances to related parties (Note 16(a))	801,966	1,043,461
Lease receivables (Note a)	2,006,408	2,097,807
Projects under development (Note b)	5,732,491	1,318,995
Catalysts	264,414	215,135
Deferred tax asset (Note c and Note 32)	1,428,795	769,140
Recoverable injected gas (Note d)	3,454,748	3,159,757
Capital advances	364,006	175,041
Other receivables (Note 24(c))	539,132	511,462
Advance for investment (Note e)	1,994,780	137,797
Other non-current assets	632,411	138,418
	17,219,151	9,567,013

a. Lease receivables

These lease receivables relate to plots of land in Ras Laffan leased out under operating leases to various parties by the Group based on non-cancellable lease agreements for a term ranging from 10 to 40 years. Lease payments received under these operating leases are recognized on a straight-line-basis over the lease term resulting in long term lease receivables. This also includes receivable from a finance lease arrangement for five vessels.

	2024	2023
Not later than one year	78,153	69,758
Later than one year and not later than five years	776,116	957,120
Later than five years	1,230,292	1,140,687
	2,084,561	2,167,565
<i>Classified as below:</i>		
Non-current asset	2,006,408	2,097,807
Current asset (Note 14)	78,153	69,758
	2,084,561	2,167,565

b. Projects under development

Projects under development represent cash advances made by the Group to meet project expenses that will subsequently be capitalized. Projects under development comprise the following;

	2024	2023
North Field Expansion Project	5,554,632	1,298,883
North Field Production Sustainability Project	38,375	12,202
Ras Laffan Petrochemical Plant	84,982	1,010
Others	54,502	6,900
	5,732,491	1,318,995

10. Other non-current assets (continued)**b. Projects under development (continued)**

The movement of projects under development during the year was as follows:

	2024	2023
As at 1 January	1,318,995	3,903,831
Project costs paid during the year	4,898,996	8,372,723
Repayment	(210)	(2,360,208)
Transfer from / (to) property, plant and equipment (Note 5(a)(ii))	12,438	(989,381)
Transfer to investment in joint ventures (Note 8(b)(iv))	(497,413)	(7,607,970)
Transfer to related party	(315)	-
As at 31 December	<u>5,732,491</u>	<u>1,318,995</u>

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 378.37 million (2023: QR 269.68 million) and other deductible temporary differences of QR 1,050.43 million (2023: QR 499.46 million) and pertains to overseas subsidiaries of the Group.

d. Recoverable injected gas

This represents amounts incurred on the excess quantities of gas injected in Khuff reservoir which have been produced internally or purchased from third parties. Management assessed that these injected quantities of gas can be extractable in long term future. Accordingly, the cost incurred on injected quantities of gas has been capitalized to the extent of extractable gas quantities.

e. Advance for investment

Certain joint ventures (namely QatarEnergy LNG N (2), QatarEnergy LNG S (2) and QatarEnergy LNG S (3), collectively 'NFPS joint ventures') of the Group, are enhancing their production facilities using their internal cash funds, which will further increase the useful life of their property, plant and equipment. NFPS joint ventures are presenting the related assets as a capital work in progress in their respective financial statements. The enhanced assets will still have a remaining economic life upon the expiry of the respective joint venture agreement ('JVA') of these NFPS joint ventures and the benefits of remaining economic life will only come to the Group after the expiry of the respective JVA.

Accordingly, the Group has agreed to compensate these joint venture partners of the NFPS joint ventures for their reduced share of profits in future and instructed NFPS joint ventures to adjust the share of Group from its dividend entitlement and to transfer such share to the joint venture partners. This adjustment is a transaction between the shareholders of respective NFPS ventures and does not impact the participating interest of each shareholder in the respective NFPS joint ventures.

The amount paid to joint venture partners QR 1,679.24 million (2023: QR Nil) out of the Group's share has been assessed as advance for investment and presented as non-current asset in these consolidated financial statements. The benefits of enhanced assets would accrue to the Group upon the expiry of the respective JVAs and this amount will be adjusted at the time of acquisition of the respective NFPS joint ventures.

Further, on 1 March 2022, the Group has entered into a 'Principles Agreement' with QVC and its existing shareholders to develop, build and operate a Polyvinyl Chloride (PVC) manufacturing facility with a total contract value of QR 870 million. The target completion of the project is expected in June 2025, and the project is funded by the Group as per the 'Principles Agreement' entered among the existing shareholders of QVC and the Group. As of 31 December 2024, the Group has made an advance of QR 315.54 million (2023: QR 137.80 million) under the 'Principles Agreement'.

11. Assets held for sale and discontinued operations**11.1 Assets held for sale****(a) Assets and liabilities of assets held for sale**

In December 2023, management committed to a plan to sell a block namely BC-10 concession in Brasil and investment in joint ventures in Italy and Argentina namely Adriatic LNG Terminal ("ALNG"), ExxonMobil Exploration Argentina S.R.L. ("EMEA") and Mobil Argentina S.A. ("MASA"). Accordingly, the carrying value of assets and liabilities directly associated with the BC-10 concession block and investment in the joint ventures were reclassified to assets held for sale.

During the year, the Group's investment in block BC-10 concession (Note 27) and investment in joint ventures namely ALNG and EMEA have been sold (Note 11.2). The Group entered into an agreement for sale of its investment in MASA however completion conditions for sale to occur have not been satisfied as at reporting date hence it has been presented as held for sale. Subsequent to year end, the completion conditions, for sale to occur, have been satisfied and the investment in MASA has been disposed off by the Group on 29 January 2025 (Note 42).

Further, after acquisition of QEM (Note 37.4), assets and liabilities related to Muntajat B.V. — Philippines, Muntajat B.V. — Sri Lanka, Muntajat B.V. — Egypt and Muntajat B.V. — Jordan have been presented as held for sale as presented in the financial statements of QEM. The expected completion date for these transactions is 2025.

Assets	2024	2023
Investment in joint ventures (Note 11.1(b))	315,540	777,492
Property and equipment	-	324,780
Right of use assets	-	80,264
Inventories	-	16,239
Due from related parties	-	39
Trade and other receivables	107	122,879
Effect of foreign currency exchange difference	-	(158,928)
Cash and cash equivalents	52	-
Assets held for sale	315,699	1,162,765
Liabilities	2024	2023
Provision for decommissioning and restoration obligation	-	520,454
Lease liabilities	-	67,677
Trade and other payables	24	53,433
Effect of foreign currency exchange difference	-	17,291
Liabilities directly associated with the assets held for sale	24	658,855

(b) Reversal of impairment / (impairment) relating to assets held for sale

The Group has valued its assets held for sale at the lower of carrying value and fair value less cost to sell and recorded reversal of impairment / impairment representing the difference between the carrying value and fair value less cost to sell. The reversal of impairment / impairment has been included in loss from discontinued operations.

	2024	2023
Fair value less cost to sell	315,540	777,492
Less: carrying value of investment in MASA / ALNG	(19,142)	(1,396,630)
Reversal of impairment / (impairment) (Note 11.2(a))	296,398	(619,138)

11.2 Profit / (loss) from discontinued operations

The following are income and expenses included in the consolidated statement of profit or loss and other comprehensive income relating to discontinued operations:

	2024	2023
Joint ventures held for sale (a)	1,680,971	(678,095)
Others	(186)	267,494
Profit / (loss) from discontinued operations	1,680,785	(410,601)

11. Assets held for sale and discontinued operations (continued)**11.2 Profit / (loss) from discontinued operations (continued)****(a) Joint ventures held for sale**

The below table presents profit / (loss) relating to discontinued operations:

	2024	2023
Share of loss from joint ventures	-	(58,957)
Reversal of impairment / (impairment) on investment in a joint venture (Note 11.1 (b))	296,398	(619,138)
Gain on sale of investment in joint venture (i)	1,384,573	-
	<u>1,680,971</u>	<u>(678,095)</u>

(i) Gain on sale of investment in joint venture held for sale

The calculations for gain / (loss) on disposal of these investments is as follows:

	EMEA	ALNG	Total
Sale proceeds from sale of investment	1,845,480	524,175	2,369,655
Repayment of capital during the year	-	76,394	76,394
Less: carrying value of investment held for sale	-	(777,492)	(777,492)
	1,845,480	(176,923)	1,668,557
Historical exchange loss settlement on disposal	(12,340)	(270,552)	(282,892)
Other adjustment	(1,092)	-	(1,092)
Gain / (loss) on disposal	1,832,048	(447,475)	1,384,573

(b) The Group recognised loss on foreign currency translation from ALNG amounting to Nil (2023: QR 49.79 million) in other comprehensive income as part of discontinued operations (Note 19(iv)).

(c) Cash flows from discontinued operations related to joint ventures held for sale:

	2024	2023
Net cash used in operating activities	-	-
Net cash used in investing activities	2,453,113	107,380
Net cash used in financing activities	-	-
	<u>2,453,113</u>	<u>107,380</u>

12. Inventories

	2024	2023
Crude oil, gas and refined products	2,201,951	1,990,595
Steel and other related products	900,250	710,455
Maintenance and other materials	6,820,330	6,054,942
	9,922,531	8,755,992
Less: provision for obsolescence	(813,611)	(751,116)
	<u>9,108,920</u>	<u>8,004,876</u>

Movement in the provision for obsolescence was as follows:

	2024	2023
At 1 January	751,116	756,764
Provision / (reversal) during the year (Note 28)	62,495	(5,648)
At 31 December	<u>813,611</u>	<u>751,116</u>

13. Amounts (due to) / due from Government of Qatar

Represents the outstanding balances receivable / payable from / to the Ministry of Finance of the Government of Qatar at the year end. Balance and transactions with the Ministry of Finance have been disclosed in Note 16 (e).

14. Accounts receivables and prepayments

	2024	2023
Due from related parties (Note 16(b))	7,374,011	6,088,917
Trade and insurance receivables (Note a)	20,341,343	11,420,698
Reinsurance contract assets	783,421	740,113
Loans to employees (Note b)	940,714	550,690
Advances to vendors	893,426	451,913
Prepayments and other debit balances	367,787	658,319
Contract assets (Note d)	3,149,639	1,491,907
Accrued interest (Note e)	612,229	249,118
Other receivables	2,202,608	1,567,072
Derivative financial assets (Note c)	186,750	134,405
Lease receivables (Note 10(a))	78,153	69,758
	36,930,081	23,422,910
Less: loss allowance (i)	(385,939)	(575,981)
	36,544,142	22,846,929

(i) The breakup of loss allowance is as follows.

	2024	2023
Trade and insurance receivables (Note 14(a))	228,119	407,334
Loans to employees (Note 14(b))	2,631	42,973
Contract assets (Note 14(d))	136	21
Accrued interest (Note 14(e))	24,768	24,768
Due from related parties (Note 16(b))	130,285	100,885
	385,939	575,981

a. Trade and insurance receivables

	2024	2023
Trade and insurance receivables	20,341,343	11,420,698
Loss allowance	(228,119)	(407,334)
	20,113,224	11,013,364

The average credit period on sales of goods is thirty (30) days to ninety (90) days. The Group does not hold any collateral over these balances.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year, the Group has recognised a reversal of loss allowance of QR 171 million (2023: QR 82 million) against trade receivables (Note 30).

The Group writes off a trade/insurance receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade/insurance receivables based on the Group's provision matrix. As QatarEnergy's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

14. Accounts receivable and prepayments (continued)**a. Trade and insurance receivables (continued)**

	Trade/insurance receivables – days past due					Total
	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	
31 December 2024						
Gross carrying amount	18,163,331	672,216	249,879	368,318	887,599	20,341,343
	Trade/insurance receivables – days past due					
	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	Total
31 December 2023						
Gross carrying amount	9,359,586	679,862	63,472	124,118	1,193,660	11,420,698

As at the reporting date, the expected credit loss rate ranged from 0% - 3.4% (2023: 0% - 3.4%) resulting in a lifetime ECL of QR 228 million (2023: QR 407 million).

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the requirements set out in IFRS 9.

	2024	2023
As at 1 January	407,334	510,248
Expected credit loss allowance remeasured during the year (Note 30)	(171,050)	(82,432)
Adjustments	(8,165)	(20,482)
As at 31 December	228,119	407,334

b. Loans to employees

	2024	2023
Loans to employees	940,714	550,690
Loss allowance	(2,631)	(42,973)
	938,083	507,717

The following table shows the movement in lifetime ECL that has been recognised for loans to employees in accordance with the requirements set out in IFRS 9.

	2024	2023
As at 1 January	42,973	43,003
ECL reversed during the year (Note 30)	-	(30)
Write off against loss allowance	(40,342)	-
As at 31 December	2,631	42,973

c. Derivative financial assets and liabilities

The Group maintains active trading positions in a variety of derivatives. The contracts are entered into for risk management purposes. The contracts are classified as held for trading and are recognized at fair value with changes in fair value recognized in profit and loss.

Exchange traded derivatives are valued using closing prices provided by the exchange as of the reporting date. These derivatives are categorized within level 1 of the fair value hierarchy. Over the counter (OTC) derivative financial instruments are generally valued using readily available information in the public markets and quotations provided by brokers and price index developers. These quotes are corroborated with market data and are categorized within level 2 of the fair value hierarchy.

Financial OTC instruments are valued using industry standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and contractual prices for the underlying instruments, as well as other relevant economic factors. The degree to which these inputs are observable in the forward markets determines whether the option is categorized within level 2 or level 3 of the fair value hierarchy. All of the derivative financial instruments of the Group are with third parties.

14. Accounts receivable and prepayments (continued)**c. Derivative financial assets and liabilities (continued)**

	2024	2023
Derivatives held for trading		
Derivative financial assets	186,750	134,405
Derivative financial liabilities (Note 25)	260,644	94,159

d. Contract assets

	2024	2023
Contract assets	3,149,639	1,491,907
Loss allowance	(136)	(21)
	<u>3,149,503</u>	<u>1,491,886</u>

The following table shows the movement in lifetime ECL that has been recognised for contract assets in accordance with the requirements set out in IFRS 9:

	2024	2023
As at 1 January	21	236
Provision / (reversal) of expected credit loss allowance (Note 30)	115	(215)
As at 31 December	<u>136</u>	<u>21</u>

e. Accrued interest

	2024	2023
Accrued interest	612,229	249,118
Loss allowance (Note 16 (a) (ii))	(24,768)	(24,768)
	<u>587,461</u>	<u>224,350</u>

15. Cash and cash equivalents

	2024	2023
Cash at banks and on hand	21,422,587	17,248,376
Short-term deposits	56,866,329	66,439,303
Total cash and bank balances	78,288,916	83,687,679
Less: Loss allowance (Note ii)	(1,412)	(1,939)
Cash and bank balances as per consolidated statement of financial position	78,287,504	83,685,740
Less: Term deposits maturing after ninety (90) days	(11,020,395)	(15,434,290)
Less: Restricted cash (Note i)	(527,140)	(665,183)
Add: Loss allowance	1,412	1,939
Cash and cash equivalents as per consolidated statement of cash flows	66,741,381	67,588,206

- i. As at 31 December 2024, certain cash balances and deposits amounting to QR 527 million (2023: QR 665 million) have been set aside for meeting the other liabilities and commitments.
- ii. The group recognised reversal of loss allowance against bank balances amounting to QR 0.52 million (2023: loss allowance of QR 0.41 million) (Note 30).

Cash at banks earns interest at floating rates based on daily bank deposit rates. Term deposits are made for varying periods between one day and six months depending on the immediate cash requirements of the respective Group entities at average interest rates of 0.25% to 6.40% (2023: 0.5% to 6.65%).

15. Cash and cash equivalents (continued)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, the management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed and recorded minimal impairment on these balances.

16. Related party balances and transactions

Related parties represent associated companies, the shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Loans and advances to related parties

	2024	2023
<i>Joint ventures of the Group</i>		
Laffan Refinery Company Limited (LR) (Note i)	1,208,844	1,375,920
Arab Refining Company (ARC) (Note ii)	189,320	189,320
TOQAP Guyana BV (TOQAP) (Note iii)	118,148	118,130
SOLB Steel Company	-	191,493
Others	-	728
Total gross receivable	1,516,312	1,875,591
Less: Loss allowance (Note iv)	(714,346)	(832,130)
Net receivable	801,966	1,043,461
	2024	2023
<i>Classified as below:</i>		
Non-current asset (Note 10)	801,966	1,043,461

i. Details of loan to LR

On 5 September 2022, QatarEnergy entered into a Shareholder Loan Agreement (SLA) with LR for loan facility of USD 432 million (equivalent to QAR 1,572.48 million) to fund the cost and expenses of LR. As per SLA clause 3, LR shall repay all loan amounts outstanding including unpaid interest on the final maturity date, which is on 29 September 2034, accordingly the loan is classified as non-current asset. LR may prepay the whole or any part of the loan (but if in part, being a minimum amount of US\$1,000,000 (equivalent to QAR 3,640,000) unless otherwise agreed by QatarEnergy, and prepayment shall not result in the incurrence of any premium, penalty or break costs. Further, as per ARJVA clause 13.3, the repayment of outstanding loan shall be made only if there is available Net Free Cash, which is free cash less repayment of interest due, on the relevant quarterly payment date. Interest is paid on quarterly basis and interest rate is based on the percentage rate per annum, which is the aggregate of the margin of 1.74%, reference rate (the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of the Loan, and credit adjustment spread of 0.26161%. Interest rate during the year ranges from 6.6% to 7.4% (2023: 6.8% to 7.4%).

ii. Details of the loan to ARC

On 13 May 2019, the Group ("lender"), ARC ("borrower") and QPI Egypt Ltd. ("subsidiary") entered into a Committed Further Shareholder Funding (CFSF) loan agreement under which the lender will provide loan to the borrower for the purpose of on-lending all amounts borrowed to Egyptian Refining Company, a joint venture of the borrower, to fund the new controlling account and to comply with the borrower's obligations in respect of the Committed Further Shareholding Payment Provisions in accordance with the terms of the Deed of Shareholder Support. This loan is fully provided as of 31 December 2024 due to delays in project commencement, reduction in margins and default in debt service leading to potential debt restructuring in ERC. Accrued interest income on this loan is QR 24.77 million (2023: QR 24.77 million) which is also fully provided.

16. Related party balances and transactions (continued)**(a) Loans and advances to related parties (continued)****iii. Details of the loan to TOQAP**

On 3 February 2021, the Group, through its fully owned subsidiary QPIU ("lender") signed a shareholder loan agreement with TOQAP Guyana BV ("borrower") for an initial principal amount of USD 40 million (QR 145.6 million). This Agreement is entered into for consecutive periods of one (1) year starting from the signing date. During the year, the Group has withdrawn an amount of QR 1.1 million (USD 0.30 million) (2023: QR 2.30 million (USD 0.63 million)).

The borrower shall repay in full the amount of the loan at the maturity date (e.g., one year from the first withdraw down unless mutually agreed by parties to change the final maturity date) and the agreement will terminate at the final maturity date.

iv. Loss allowance

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the general approach. The expected credit losses on loans to related parties are estimated using factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table shows the movement in lifetime ECL that has been recognised for loans to related parties in accordance with the requirements set out in IFRS 9:

	2024	2023
As at 1 January	832,130	1,550,937
ECL (reversed) / recognized for the year (Note 30)	(117,784)	636,435
Expected credit loss allowance utilized during the year	-	(1,355,242)
As at 31 December	<u>714,346</u>	<u>832,130</u>

16. Related party balances and transactions (continued)

(b) Due from related parties

	2024	2023
<i>Joint ventures of the Group</i>		
QatarEnergy LNG S (1)	1,869,810	868,327
North Oil Company	98,268	67,238
Qatar Petrochemical Company Limited Q.P.S.C.	102,409	126,001
QatarEnergy LNG N (2)	316,738	51,217
Qatar Fuel Additives Company Limited Q.P.S.C.	-	116,564
Qatofin Company Limited	88,862	110,837
Qatar Chemical Company Limited	79,131	97,443
Qatar Chemical Company Limited II	108,313	145,516
Qatar Aluminium Limited	25,935	22,495
QatarEnergy LNG S (3)	1,265,651	107,262
QatarEnergy LNG	1,526,824	1,437,414
Ras Laffan Olefins Company Limited	20,837	18,355
Gulf Drill L.L.C.	-	227,263
<i>Associates of the Group</i>		
Mesaieed Power Company Limited Q.P.S.C.	70,462	103,761
Umm Al Houl Power Q.P.S.C.	271,013	376,187
Laffan Refinery Company Limited	489,656	272,451
Ras Girtas Power Company	228,512	386,602
Qatar Metals Coating Company W.L.L.	14,568	19,809
Ras Laffan Power Company Limited (Q.P.S.C.)	27,332	28,807
<i>Others</i>	769,690	1,505,368
Total (Note 14)	7,374,011	6,088,917
Loss allowance	(130,285)	(100,885)
Net	7,243,726	5,988,032

Due from related parties are unsecured and non-interest bearing. These are collectible within the Group's normal credit term.

For the purpose of impairment assessment, the loss allowance is measured at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on due from related parties are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

As at the reporting date, the expected credit loss rate ranged from 0.01% - 3.4% (2023: 0.01% - 3.4%).

The following table shows the movement in lifetime ECL that has been recognised for due from related parties in accordance with the requirements set out in IFRS 9.

	2024	2023
As at 1 January	100,885	66,665
ECL provided during the year (Note 30)	29,400	39,320
Adjustment	-	(5,100)
As at 31 December	130,285	100,885

16. Related party balances and transactions (continued)**(c) Due to related parties**

	2024	2023
<i>Joint ventures of the Group</i>		
QatarEnergy LNG S (2) (II) (Note i)	764,423	445,900
QatarEnergy LNG N (2) (Note i)	1,203,721	300,418
QatarEnergy LNG S (3) (Note i)	2,038,850	1,300,027
QatarEnergy LNG S (1) (Note i)	2,235,035	1,223,029
QatarEnergy LNG N (4) (Note i)	494,915	206,075
QatarEnergy LNG N (3) (Note i)	401,940	238,310
QatarEnergy LNG	1,302,443	971,625
North Oil Company (Note i)	3,379,974	1,027,350
Qatar Chemical Company Limited	476,815	25
Qatar Chemical Company Limited II	506,352	-
Qatar Petrochemical Company Limited Q.P.S.C.	785,657	16,963
Qatofin Company Limited	502,676	-
<i>Associates of the Group</i>		
Laffan Refinery Company Limited	2,242,762	787,231
<i>Others</i>	648,901	507,479
Total (Note 25)	<u>16,984,464</u>	<u>7,024,432</u>

- i. These amounts mainly represent amounts received from the joint ventures under 'Acceptable Credit Support' agreement. This non-interest-bearing amount is repayable within three to fifteen business days upon demand.
- ii. Due to related parties are unsecured and non-interest bearing. These are payable within the normal terms and operations of the Group.

(d) Related party transactions

	2024	2023
Operating income		
<i>Joint ventures of the Group</i>		
QatarEnergy LNG N (2)	611,893	324,631
QatarEnergy LNG S (1)	3,508,894	3,433,362
Qatar Fuel Additives Company Limited Q.S.C.	546,844	1,080,105
<i>Associates of the Group</i>		
Laffan Refinery Company Limited	5,766,351	6,295,075
Ras Girtas Power Company Limited	1,764,529	1,583,271
Umm al Houl Power Company Limited	1,369,330	1,261,226
<i>Others</i>	12,466,849	13,541,144
	<u>26,034,690</u>	<u>27,518,814</u>

16. Related party balances and transactions (continued)**(d) Related party transactions (continued)****Purchases**

	2024	2023
<i>Joint ventures of the Group</i>		
QatarEnergy LNG S (1)	734,858	661,841
Qatar Petrochemical Company	791,570	123,507
QatarEnergy LNG N (2)	1,295,285	-
Barzan Gas Company Limited	2,908,657	3,216,675
Qatofin Company Limited	312,565	-
Qatar Chemical Company Limited	383,087	-
Qatar Chemical Company II Limited	371,179	-
QatarEnergy LNG N (3)	441,997	-
QatarEnergy LNG N (4)	441,997	-
QatarEnergy LNG S (2)	553,642	-
QatarEnergy LNG S (3)	1,477,339	-
North Oil Company	4,756,033	-
<i>Associates of the Group</i>		
Laffan Refinery Company Limited	14,262,402	13,040,664
AKG Marketing Company Limited	3,028,944	2,188,789
<i>Others</i>	1,313,753	389,188
	<u>33,073,307</u>	<u>19,620,664</u>
Dividends received from joint ventures (Note 8(b))	<u>41,665,467</u>	<u>50,939,637</u>
Dividends received from associates (Note 7)	<u>1,012,490</u>	<u>1,122,240</u>

(e) Balance and transactions with the Ministry of Finance (where MOF acts on behalf of Government of Qatar)

	2024	2023
Balance at 1 January	18,369,183	60,497,928
Sales revenue collected by Ministry of Finance (MOF) on behalf of QatarEnergy	28,313,802	30,998,481
Grant income from Government (Note 27 (i))	387,725	339,396
Cash transfers to MOF	137,453,680	178,724,529
Dividend transferred to shareholder during the year (Note 40)	(100,051,459)	(129,801,795)
Taxes paid to the Government (Note 32)	(19,320,817)	(21,076,840)
Royalties paid to the Government (Note 28(ii))	(9,204,045)	(9,913,141)
Acquisition of QatarEnergy Marketing (Note 37.4)	(1,557,729)	-
<i>Collections on behalf of the Government:</i>		
QatarEnergy LNG N Ventures royalty collection	(35,262,569)	(35,999,036)
QatarEnergy LNG S Ventures royalty collection	(31,333,796)	(35,322,026)
North Oil royalty collection / supplementary contribution	(14,703,500)	(19,518,232)
Barzan royalty	(1,043,714)	(1,238,260)
Al-Khalij royalty collection / supplementary contribution	(657,679)	(735,112)
Other transactions	(623,777)	1,413,291
Balance at 31 December	<u>(29,234,695)</u>	<u>18,369,183</u>

16. Related party balances and transactions (continued)**(f) Key management personnel's remuneration**

The remuneration of the directors of the Group and other key management personnel in the Group entities is set out below:

	2024	2023
Remuneration and other benefits	<u>142,258</u>	<u>127,943</u>

(g) Government related entities

QatarEnergy is owned by the Supreme Council for Economic Affairs and Investment of the State of Qatar ("Government") and accordingly all government related entities i.e., the entities which are under the control, joint control or significant influence of the Government are related parties of the Group. The Group has claimed the partial exemption available under IAS 24 for not disclosing related party balances and transactions with Government related entities. For the year ended 31 December 2024, 7% (2023: 8%) of total sales are made single government-related entity, other than those which are disclosed in Note 16(d). Further, 4.78% (2023: 10.20%) out of trade receivables is related to single government-related entity, other than those which are disclosed in Note 16(b). Management has determined that all other transactions and balances with Government related entities (other than those disclosed above) are not significant individually or collectively.

17. Capital

	2024	2023
Authorised and fully paid capital	<u>100,000,000</u>	<u>100,000,000</u>

The capital of the Corporation is assigned as per Article 6 of the Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No.18 of 2021) which is wholly owned by SCEAI.

18. General reserve

As per Article 8 of the Decree No. 10 of 1974 (as amended by Law No. 5 of 2012 and Law No.18 of 2021), the Corporation shall have a general reserve in which 50% of the net profit will be transferred until the balance in general reserve is equal to the capital. Any subsequent transfer to general reserve will be subject to the approval of Board of Directors and SCEAI. In 2020, the Board of Directors in its meeting held on 21 April 2020 approved an additional transfer of QR 75,500 million to general reserve from retained earnings.

19. Other reserves

This account includes the following:

	2024	2023
Employee benefit reserve (i)	(2,115,685)	(2,038,685)
Fair value reserve (ii)	2,642,286	2,888,091
Hedging reserve (iii)	165,887	74,101
Foreign currency translation reserve (iv)	(2,177,610)	(1,840,237)
Legal and other reserves from subsidiaries	819,047	728,961
	<u>(666,075)</u>	<u>(187,769)</u>

19. Other reserves (continued)**(i) Employee benefit reserve**

	2024	2023
At 1 January	(2,038,685)	(1,935,829)
Share of movement in employee benefits reserve during the year:		
From the Parent and subsidiaries	(77,184)	(102,229)
From Joint ventures	(6,574)	(2,912)
From Associates	(373)	-
	(84,131)	(105,141)
Share attributable to non-controlling interests	6,041	2,285
Other movements during the year	1,090	-
At 31 December	(2,115,685)	(2,038,685)

(ii) Fair value reserve

	2024	2023
At 1 January	2,888,091	2,735,239
Share of movement in fair value reserve during the year:		
From the Parent and subsidiaries	(288,023)	135,909
From associates	(31,237)	90,448
	(319,260)	226,357
Share attributable to non-controlling interests	61,650	(45,613)
Other movements during the year	11,805	(27,892)
At 31 December	2,642,286	2,888,091

(iii) Hedging reserve

	2024	2023
At 1 January	74,101	(970)
Share of movement in hedging reserve during the year:		
From Joint ventures	12,270	(8,875)
From associates	84,163	5,868
	96,433	(3,007)
Share attributable to non-controlling interests	(4,647)	6,212
Other movements during the year	-	71,866
At 31 December	165,887	74,101

(iv) Foreign currency translation reserve

	2024	2023
At 1 January	(1,840,237)	(1,955,663)
Share of movement in foreign currency translation reserve during the year:		
Continuing operations		
From the Parent and subsidiaries	(659,505)	222,150
From Joint ventures	(3,451)	135,747
	(662,956)	357,897
Discontinued operations		
From Joint venture (Note 11.2(b))	-	49,790
	(662,956)	407,687
Share attributable to non-controlling interests	42,693	57,297
Other movements during the year	282,890	(349,558)
At 31 December	(2,177,610)	(1,840,237)

20. Loans and bonds

This account includes the following:

	Current		Non-current	
	2024	2023	2024	2023
Interest bearing loans (Note a)	348,554	268,102	5,265,850	4,138,728
Bonds (Note b)	569,677	569,522	45,357,724	45,342,428
	918,231	837,624	50,623,574	49,481,156

(a) Interest bearing loans

	2024	2023
Loans related to drilling segment (i)	5,421,062	4,380,446
Loans related to aviation segment (ii)	193,342	26,384
	5,614,404	4,406,830

- i.) These borrowings are related to the Group's subsidiary, Gulf Drilling International (Qatari Private Shareholding Company) ("GDI"). GDI has entered into various borrowing arrangements with different banks. The facilities bear interest rate of 3.3% and QCB rate +0.6%. Most of these loans are to be repaid in quarterly instalments. The loans obtained by GDI are unsecured.

In March 2023, the Group renegotiated its existing loan facilities and obtained 2 new loan facilities of QR 4,132 million from local banks. The loans will be repaid in 18 unequal annual instalments commencing from 2026 and a balloon payment of 35% upon maturity in 2048. During the year GDI entered into a new loan agreement to finance the consideration payable pursuant to assets purchase agreement of drilling rigs and any costs associated with the transaction.

The refinancing did not result in any extinguishment gain/loss. However, transaction cost of QR 21 million relating to the new facility was recognised in the consolidated statement of profit or loss and other comprehensive income during the previous year.

In June 2024, the Group obtained a new loan facility of QR 1,106 million from a financial institution to finalize the consideration payable pursuant to asset purchase agreement of drilling rigs and any cost associated with the transaction. The loan will be repaid in 40 quarterly installments commencing from June 2024.

- ii.) The borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). GHC had entered into a borrowing facility to finance the purchase of helicopters. The facility had an interest rate of SOFR plus 1.35% - 2.75% (2023: LIBOR plus 1.35% - 2.75%). During the year GHC has entered into new loan agreement to finance the purchase of helicopters, the facility has an interest rate of 3 months SOFR plus agreed margin. The group is not in breach of its covenants as at 31 December 2024.

20. Loans and bonds (continued)**(b) Bonds**

	2024	2023
USD Bonds (i)	<u>45,927,401</u>	<u>45,911,950</u>

- i.) On 12 July 2021, the Group issued bonds denominated in USD amounting to QR 45,500 million (equivalent to USD 12,500 million) in four tranches having maturity periods from 5 to 30 years. These bonds are listed on London and Taipei Stock Exchange. The bonds are direct, unconditional, unsecured and unsubordinated and rank equally with other outstanding unsecured and unsubordinated indebtedness of the Group. The interests for bonds are payable at the coupon rate of interest on semi-annual basis. The following table summarizes the details of each bond:

Tranche	Amount (USD '000)	Amount (QR '000)	Issue price (%)	Maturity date	Interest rate per annum (%)	2024 Carrying value (QR '000)	2023 Carrying value (QR '000)
2026 Bonds	1,500,000	5,460,000	99.905	12 Sep 2026	1.375%	5,480,959	5,479,954
2031 Bonds	3,500,000	12,740,000	98.937	12 July 2031	2.25%	12,774,854	12,762,208
2041 Bonds	3,500,000	12,740,000	99.631	12 July 2041	3.125%	12,886,029	12,884,229
2051 Bonds	4,000,000	14,560,000	100	12 July 2051	3.3%	14,785,559	14,785,559
	<u>12,500,000</u>	<u>45,500,000</u>				<u>45,927,401</u>	<u>45,911,950</u>

Fair value of USD bonds at the reporting date amounted to QR 35,370 million (2023: QR 36,313 million). The fair value measurement has been categorized as a Level 1 (quoted prices (unadjusted) in active markets).

21. Employee benefits

	2024	2023
Qatari pension scheme	2,427,783	2,525,770
Employees' end of service benefits	<u>3,343,897</u>	<u>3,078,540</u>
	<u>5,771,680</u>	<u>5,604,310</u>

The Group has two defined benefit plans as follows:

Qatari pension scheme

The Group has an unfunded scheme i.e., "Qatari pension scheme", where the present value of the defined benefit obligation is backed by a liability.

The Employee's Pension Scheme covers all pensioners and their dependents who retired from the services of QatarEnergy before the implementation of Qatari Pension Law No. 24 of 2002.

For pensioners, the monthly pension amount is calculated in accordance with the pension rules applicable before the implementation of Qatari Pension Law No. 24 of 2002. The benefits were on the basis of final salary by considering the length of service.

The pension benefits in respect to the dependents of the deceased pensioner are paid in accordance with the Qatar Labor Law.

The most recent actuarial valuation of the defined benefit plans was carried out at 31 December 2024 by an independent consultant appointed by the management.

21. Employee benefits (continued)***Employees' end of service benefits***

Employees' end of services benefits represent terminal gratuities and are provided for services rendered in accordance with entitlements stipulated in the employees' contract, the Group's policy and/or Qatar Labor Law number 14 of 2004. This plan is for all permanent employees including Qatari and non-Qatari employees. The Group has measured the liability using actuarial valuations as at 31 December 2024.

The present value of the defined benefit obligation, and the related cost, were measured using the projected unit credit method.

The principal assumptions used for the purpose of the actuarial valuation were as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2024	2023	2024	2023
Discount rate	4.3%	4.25%	4.3%-5.1%	4.25%-5%
Salary increase rate	3.5%	3.5%	0%	0%
Plan duration	8.86	9.2	8.2	8.48
Mortality in service	Swiss EVK	Swiss EVK	Swiss EVK	Swiss EVK
	2000	2000	2000	2000 adjusted
Normal retirement age	60 years	60 years	N/A	N/A

Movements in the present value of the unfunded defined benefit obligation were as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2024	2023	2024	2023
As at 1 January	3,078,540	3,090,784	2,525,770	2,454,736
Current service cost	319,043	298,497	1,953	1,133
Interest cost	101,328	96,390	102,903	110,397
Benefits paid	(244,443)	(267,820)	(245,729)	(252,163)
Reclassification	-	(132,285)	-	132,285
Other adjustment	55,131	(29,873)	-	-
Actuarial loss charged to other comprehensive income due to experience adjustments	34,298	22,847	42,886	79,382
As at 31 December	<u>3,343,897</u>	<u>3,078,540</u>	<u>2,427,783</u>	<u>2,525,770</u>

Charge to profit or loss on account of unfunded defined benefit obligation was as follows:

	Employees' end of service benefits		Qatari pension scheme	
	2024	2023	2024	2023
Current service cost	319,043	298,497	1,953	1,133
Interest cost	101,328	96,390	102,903	110,397
For the year	<u>420,371</u>	<u>394,887</u>	<u>104,856</u>	<u>111,530</u>

Significant actuarial assumptions for the determination of the defined obligation are the discount rate, pension growth rate and salary growth rate. The sensitivity analysis below has been determined based on reasonable possible change of the respective assumptions occurring at the end of the reporting period, while keeping all other assumptions constant.

21. Employee benefits (continued)**Employees' end of service benefits (continued)**

	Employees' end of service benefits		Qatari pension scheme	
	(Decrease) / increase in liability			
	2024	2023	2024	2023
Discount rate (+0.5%)	(111,113)	(118,918)	(87,544)	(96,003)
Discount rate (-0.5%)	121,953	129,044	94,455	103,203
Pension increase rate (+0.5%)	-	-	99,063	105,603
Salary increase rate (+0.5%)	130,083	127,193	-	-
Salary increase rate (-0.5%)	(121,953)	(119,599)	-	-

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

22. Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2024	2023
Non-current liabilities	8,949,830	4,996,946
Current liabilities	1,575,380	1,322,179
	10,525,210	6,319,125

The movement in lease liabilities during the year was as follows:

As at 1 January	6,319,125	5,790,183
Liabilities recognized during the year (Note 5(b))	5,495,459	2,020,128
Transfer to liabilities associated with assets held for sale	-	(67,677)
Lease modification	14,048	(230,361)
Finance charges on lease liabilities (Note 31)	428,153	442,408
Business acquisition (Note 37.1 and 37.4)	257,660	6,718
Principal payments made	(1,550,468)	(1,237,870)
Interest paid	(428,153)	(442,408)
Effect of foreign currency translation	(221,937)	95,420
Derecognition and other adjustments	211,323	(57,416)
As at 31 December	10,525,210	6,319,125

23. Deferred income

	2024	2023
Deferred income	876,103	1,063,291

Classified as below:

Non-current liabilities	809,868	997,056
Current liabilities	66,235	66,235
	876,103	1,063,291

(a) In 2010, an offshore facilities license agreement was executed among QatarEnergy LNG N (1), QatarEnergy LNG N (2), QatarEnergy LNG N(3), QatarEnergy LNG N(4), QatarEnergy LNG and QatarEnergy with an effective date from 19 December 2007. Under this agreement, QatarEnergy LNG N (1), QatarEnergy LNG N (2), QatarEnergy LNG N(3), and QatarEnergy LNG N(4) paid a one-time license fee of USD 54.19 million (QR 197.25 million) to QatarEnergy.

23. Deferred income (continued)

Throughout the life of the license, if the joint arrangement is required to refund any portion of the facility license fees in accordance with Article 2.3.3 of the license agreement, QatarEnergy is obligated to refund such portion of the facility license fees to the joint arrangement to enable the joint arrangement to refund licensees accordingly. The license fees have been treated as deferred income and are being amortised over the tenure of the agreement i.e., 22 years. Amount of revenue recognized during the year under "other operating income" in profit or loss amounted to QR 8.97 million (2023: QR 8.97 million). The carrying value as at 31 December 2024 amounted to QR 72 million (2023: QR 81 million).

- (b) In 2014, a joint license agreement was executed among QatarEnergy LNG S(1), QatarEnergy LNG S(2), QatarEnergy LNG S(3), Barzan Gas Company Limited, AKG Marketing Company Limited, QatarEnergy LNG N(2), QatarEnergy LNG N(3), QatarEnergy LNG N(4), Laffan Refinery Company Limited, Qatar Shell GTL Limited, Dolphin Energy Limited, Oryx GTL Limited and Ras Laffan Olefins Company Limited with an effective date from January 1, 2013. Under this agreement, QatarEnergy granted a non-exclusive license share of Common Facilities for loading and export of products.

QatarEnergy received a one-time license fee of USD 251.2 million (QR 914.3 million). The license fees have been treated as deferred income and are being amortised over the tenure of the agreement i.e., 25 years. Revenue recognized during the year under other operating income in profit or loss amounted to QR 36.57 million (2023: QR 36.57 million). The carrying value as at 31 December 2024 amounted to QR 475 million (2023: QR 512 million).

- (c) In addition to above, the Group has received amounts from customers for the reimbursement of construction cost of pipelines which are to be used for the execution of gas supply agreements entered with the customers. These amounts have been treated as deferred income and are being amortised over the tenure of the agreements as these pipelines will be used exclusive for the supply to the respective customer. The carrying value as at 31 December 2024 amounted to QR 329 million (2023: QR 349 million).

- (d) The Group has other deferred income of Nil (2023: QR 121 million) as of 31 December 2024.

24. Other non-current liabilities

	2024	2023
Decommissioning provision (Note a)	2,459,760	2,135,273
Deferred tax liability (Note b)	292,622	289,475
Due to a related party (Note c)	539,132	511,462
Other liabilities	30,488	80,110
	3,322,002	3,016,320

a. Decommissioning provision

Movement of the decommissioning provision during the year was as follows:

	2024	2023
As at 1 January	2,135,273	3,053,536
Additions during the year	6,464	4,421
Unwinding of discount (Note 31)	181,046	158,515
Asset acquisition	-	35,003
Effect of foreign currency exchange differences	(34,789)	36,508
Payment during the year	(22,853)	(22,669)
Change in estimate charged to profit or loss	138,993	(487,985)
Change in estimate adjusted in property, plant and equipment	86,362	(75,521)
Transfer to liabilities associated with assets held for sale	-	(520,454)
Other adjustment	(30,736)	(46,081)
As at 31 December	2,459,760	2,135,273

b. Deferred tax liability

Deferred tax liability mainly represents taxable temporary differences on account of difference in the method of depreciation of assets for tax and accounting purposes (Note 32).

24. Other non-current liabilities (continued)**c. Due to a related party**

On 26 May 2019, Barzan Gas Company Limited (Q.P.J.S.C.) ('Barzan') entered into a settlement agreement with HD Kore Shipbuilding & Offshore Engineering Co., Ltd (formerly Hyundai Heavy Industries Co., Ltd (HHI)) to recover their outstanding Settlement Amount of USD 202.7 million (equivalent to QR 737.82 million) through the application of price reductions on future awards, contracts and/or projects and payment of any unrecovered remainder of such Settlement Amount by 26 May 2029. On 29 October 2023, QatarEnergy entered into an assignment and assumption agreement ('the agreement') with Barzan and accepted all of the rights, interest, duties, and obligations, including the right to recover, settle, discount, release, waive and/or further assign the Settlement Amount of USD 202.7 million.

Further, QatarEnergy and Barzan agreed that QatarEnergy will pay to Barzan for the assigned rights and interest no later than 31 December 2029. The consideration of QatarEnergy will take into account the costs required for assuming the risks and responsibility to recover the Settlement Amount.

An amount of USD 192.7 million (equivalent to QR 701.428 million) is estimated as a consideration payable to Barzan under the Agreement. Accordingly, in line with IFRS 9, it is recorded at a discounted amount of USD 140.51 million (equivalent to QR 511.46 million) using a discount rate of 5.41% (Qatar Government Six-years bond rate).

25. Accounts payables and accruals

	2024	2023
Trade creditors (Note a)	6,966,487	5,820,012
Insurance contract liabilities	1,272,237	1,251,728
Accrued liabilities	4,082,897	3,198,500
Advance from customers	290,584	300,976
Financial guarantees (Note b)	257,342	400,000
Due to related parties (Note 16(c))	16,984,464	7,024,432
Derivative financial liabilities (Note 14(c))	260,644	94,159
Contract liabilities	70,943	40,630
Taxes payable	340,856	235,384
Earn-out liability (Note c)	259,319	276,714
Other payables	2,729,481	2,161,524
	33,515,254	20,804,059

- a. Trade creditors include balances owed to suppliers relating to goods received and services incurred as at the reporting date wherein invoices were not yet received.
- b. This represents the provisions on financial guarantees given to lenders of one of the Group's associates which was based on maximum liability of the Group's total exposure. During the year, based on settlement of the loan by the Group's associate and related release of guarantee from one of the lenders, the Group has reversed provision of QR 142.66 million and recognised this as other income (Note 27).
- c. The balance of refers to the earn-out payment obligation with Petrobras related to Sepia Acquisition. This payment is part of the HOA (Heads of Agreement) which states that earn-out is the complementary value which is linked to Brent Price. (Note 28).

26. Revenue

Revenue of the Group consists of the following:

	2024	2023
Revenue from contracts with customers (Note a)	167,097,184	158,191,956
Revenue from insurance contracts	1,236,307	1,173,899
	168,333,491	159,365,855

26. Revenue (continued)**a. Revenue from contracts with customers**

	2024	2023
Crude oil	33,500,270	29,349,272
Condensate	22,305,544	18,756,212
Natural gas	48,663,742	51,785,039
Refined products	45,157,932	43,707,832
Steel products	3,981,481	4,264,178
Fertilizers	7,249,053	7,479,854
Petrochemicals	3,667,443	641,101
Services	2,099,375	1,402,067
Others	472,344	806,401
	167,097,184	158,191,956

All revenue is recognised at a point in time except for the revenue from services amounting to QR 2,099 million (2023: QR 1,402 million) which is recognised over time.

The analysis of sales between domestic and export customers is as follows:

	2024	2023
Domestic sales	47,205,804	50,692,123
Export sales	119,891,380	107,499,833
	167,097,184	158,191,956

27. Other income

	2024	2023
Recoveries	2,088,677	1,911,701
Rental income	904,213	1,536,645
Berthing fees	757,480	676,969
Terminal charges	440,188	442,556
Government grant (i)	387,725	339,396
Fair value gain in FVTPL investments (Note 9(b))	-	48,611
Interest income on net investment in finance lease	99,437	106,778
Signing bonus (Note 8(b)(v))	36,400	18,200
Gain on de-recognition of equity-accounted investment due to business combination (Note 37.1 & 37.2)	607,993	-
Gain on disposal of assets held for sale (ii)	616,292	-
Other income	2,771,544	2,996,383
	8,709,949	8,077,239

- i. Government grant relates to the sale of refined products to Woqod at a subsidized price of which the loss has been covered by the Government (Note 16(e)). Income from grant is recognised on sale of refined products to Woqod as there are no other conditions attached to the grant.
- ii. On 30 December 2024, the Group completed the sale of its interest in the BC-10 concession (Note 11.1(a)) which was classified as held for sale. Gain on disposal is as follows:

	2024
Liabilities associated with assets held for sale	765,060
Assets held for sale	(438,184)
Net liabilities associated with assets held for sale	326,876
Sales consideration	289,416
Gain on disposal of assets held for sale	616,292

28. Operating, selling and administrative expenses

	2024	2023
Direct costs	41,369,068	24,168,231
Purchases for resale	22,615,809	23,236,985
PSAs operating costs	3,825,273	3,490,003
Taxes paid on behalf (Note i)	7,252,971	8,083,908
Royalties (Note ii)	9,689,122	10,420,124
Net impairment loss (Note iii)	870,081	509,993
Salaries and related costs (Note iv)	10,131,605	9,164,578
Foreign exchange loss	1,431,574	26,680
Write-off of property, plant and equipment (Note 5(a)(iii))	2,390,597	1,688,712
Write-off of intangible assets (Note 6 (iv))	1,805,560	-
Write-off of right-of-use assets (Note 5(b)(i))	7,833	-
Provision for earn-out liability (Note 25(c))	259,319	276,714
Fair value loss in FVTPL investments (Note 9(b))	4,671	-
Provision / (reversal) for inventory obsolescence (Note 12)	62,495	(5,648)
Loss on merger of joint ventures	-	230,100
Loss on disposal of property, plant and equipment	531,940	55,653
Other expenses (Note v)	1,643,066	845,456
	103,890,984	82,191,489

(i) Represent tax charged on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 7,253 million (2023: QR 8,084 million). This tax obligation has been assumed by QatarEnergy on behalf of the operators in relation to the respective Production Sharing Agreements.

(ii) Includes royalties due to the Ministry of Finance (as Government) amounting to QR 9,204.05 million (2023: QR 9,913.14 million) derived from oil and gas export sales, primarily on an ad-valorem basis depending upon the earnings type and resources (Note 16(e)). Royalties are applied at a rate of 20% on crude oil and refined product exports, and at a rate of 12.5% on gas product exports, including condensates.

This also includes QR 150.07 million (2023: QR 149.82 million) on account of royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field and QR 335 million (2023: QR 361.84 million) on account of royalty on crude oil equal to 10% - 15% of the oil production of BC-10 and Sepia block.

(iii) Details of the recognition of impairment losses are as follows:

	2024	2023
(Reversal of Impairment) / impairment on other property, plant and equipment (Note 5(a) iv)	(29,576)	276,167
Impairment on investment in joint ventures and associates	900,672	233,791
(Reversal of Impairment) / impairment on investment property (Note 5(c))	(1,015)	35
	870,081	509,993

(iv) This includes defined benefit obligation expense amounting to QR 525.23 million (2023: QR 506.42 million) (Note 21).

(v) This includes fee for annual audit of the financial statements and non-assurance services for the year ended 31 December 2024 amounting to QR 8.27 million and QR 4.78 million, respectively (2023: QR 4.85 million and QR 7.01 million, respectively).

29. Depreciation and amortization

	2024	2023
Depreciation of property, plant and equipment (Note 5(a))	12,337,168	11,847,542
Depreciation of right-of-use assets (Note 5(b))	1,576,382	1,336,644
Depreciation of investment property (Note 5(c))	15,957	16,587
Amortization of intangible assets (Note 6)	347,216	454,486
Amortization of catalysts	26,838	17,679
	14,303,561	13,672,938

Notes to the consolidated financial statements
As at and for the year ended 31 December 2024

QR '000

30. (Reversal of) / provision for expected credit losses

	2024	2023
Reversal of ECL on trade and insurance receivables (Note 14(a))	(171,050)	(82,432)
Reversal of ECL on loans to employees (Note 14(b))	-	(30)
(Reversal of) / provision for ECL on loans to related parties (Note 16(a))	(117,784)	636,435
Provision for ECL on due from related parties (Note 16(b))	29,400	39,320
(Reversal of) / provision for ECL on bank balances (Note 15)	(527)	410
Provision for / (reversal of) impairment of contract assets (Note 14 (d))	115	(215)
(Reversal of) / provision for ECL on other financial assets	(93)	233
	<u>(259,939)</u>	<u>593,721</u>

31. Finance charges

	2024	2023
Interest on loans, bonds and foreign currency swaps	1,433,151	1,445,226
Interest on lease liabilities (Note 22)	428,153	442,408
Unwinding of discount on decommissioning provision (Note 24(a))	181,046	158,515
Others	44,820	36,808
	<u>2,087,170</u>	<u>2,082,957</u>

32. Taxes

Provision for taxation for the year is as follows:

	2024	2023
Taxes on income from export sales of QatarEnergy (Note i)	19,320,817	21,076,840
Current income tax from continuing operations	452,424	334,027
Deferred tax (Note ii)	(1,026,371)	114,429
	<u>18,746,870</u>	<u>21,525,296</u>

- i. These taxes are calculated at a rate of 85% of the taxable income for crude oil and refined products. For gas and condensate products, taxes are calculated at 50% of the taxable income however the total of royalty and taxation for gas and condensate products should not exceed 50% of the taxable income. Taxable income is determined on the value of all applicable export sales less the costs of operations, depreciation and amortization, and royalties. For the year ended 31 December 2024, taxes amounting to QR million 19,321 (2023: QR 21,077 million) were recognized in profit of loss. Refer Note 16(e).

Details of the taxes on income from QatarEnergy's export sales are as follows:

	2024	2023
Export sales subject to tax – net	53,060,828	56,856,514
Less:		
Royalties	9,204,045	9,913,141
Taxes paid on behalf	6,793,321	7,616,357
Cost of operation and depreciation	6,389,489	6,288,249
Taxable income	<u>30,673,973</u>	<u>33,038,767</u>
Tax rate	50% – 85%	50% – 85%
Taxes	<u>19,320,817</u>	<u>21,076,840</u>

- ii. The deferred tax has arisen mainly due to the temporary differences on unrealized foreign exchange loss and carried forward tax losses.

32. Taxes (continued)

Movement in the balance of deferred tax during the year was as follows:

	2024	2023
As at 1 January	479,665	519,183
Recognised during the year	1,026,371	(114,429)
Effect of foreign currency translation	(276,874)	74,911
Others	(92,989)	-
As at 31 December	<u>1,136,173</u>	<u>479,665</u>

Presented in consolidated statement of financial position as follows:

	2024	2023
Deferred tax asset (Note 10)	1,428,795	769,140
Deferred tax liability (Note 24)	<u>(292,622)</u>	<u>(289,475)</u>
	<u>1,136,173</u>	<u>479,665</u>

Amendments to Decree No. 10 of 1974

Pursuant to Decree Law No. 1 of 2024 which was issued on 15 September 2024, the State of Qatar amended certain provisions of the Decree No. 10 of 1974 and accordingly, QatarEnergy shall bear the Income Tax for each fiscal year at a rate of 35% of the net taxable income for that year. The effective date of the amendments shall be 1 January 2025.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the Top-Up Tax.

Law No. 22 of 2024 in Qatar introduces amendments to the Income Tax Law (Law No. 24 of 2018). This Law, published on 27 March 2025, implements the OECD Minimum Top-Up Tax of 15% (Pillar Two) by introducing an Income Inclusion Rule (IIR) and a Domestic Minimum Top-Up Tax (DMTT). The Law applies to the QatarEnergy Group which operates in the State of Qatar and internationally through its Group subsidiaries outside the State of Qatar.

Further information on the implementation, compliance and administrative provisions related to the Law are expected to be issued as amendments to the Executive Regulations of the amended tax law in the near future. This newly enacted or amended legislation for the Top-Up Tax will be effective from fiscal years commencing on or after 1 January 2025.

As there were countries where consolidated subsidiaries are resident, and which enacted or substantively enacted the Pillar Two Model Rules in 2024, the Group assessed the impact of the IIR and DMTT for the year ended 31 December 2024. Based on the assessment, the Group is not liable for any Top-Up Tax.

The adoption of the new accounting standards and amendments did not have a significant impact on these Group's consolidated financial statements for this year.

Management is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax.

33. Social fund contribution

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 179.56 million (2023: QR 177.33 million) which is equivalent to 2.5% of the adjusted net profit of listed subsidiaries for the year for the support of sports, cultural, social and charitable institutions.

34. Contingent liabilities and commitments**a. Capital commitments**

	2024	2023
Capital commitments of the Group	20,041,493	19,270,261
Group's share of joint ventures' capital commitments (i)	153,743,748	163,140,405
Group's share of associates' capital commitments	92,637	148,034
	<u>173,877,878</u>	<u>182,558,700</u>

(i) This includes Group's share of commitment under the EPC contract amounting to QR 6,115.2 million (USD 1,680 million). Golden Pass LNG Terminal LLC has certain commitments under an existing EPC Contract (as amended) to Chiyoda International Corporation and CB&I LLC (the "Construction Contractors") for the construction of the Company's liquefied natural gas export facility located in Sabine Pass, Texas. Based on the amended EPC contract in effect at 31 December 2024, which converted liquefaction train 1 into a time and material arrangement, the aggregate value of these commitments approximates QR 8,736 million (USD 2,400 million). As a result of Zachry's exit from the EPC Contract pursuant to a settlement approved by the bankruptcy court, the Group is in the process of negotiating with the Construction Contractors to further amend the EPC contract, commitments of which may be significantly different and cannot be determined at this point.

b. Contingent liabilities

	2024	2023
Claims against the Parent (i)	-	-
Contingent liabilities of the subsidiary companies	894,309	2,302,203
Group's share of joint ventures' contingent liabilities	4,286,800	4,767,275
Group's share of associates' contingent liabilities	183,564	135,535
	<u>5,364,673</u>	<u>7,205,013</u>

(i) Claims against the Parent

As at 31 December 2024, claims against the Parent amounted to QR 140 million (2023: QR 508 million). These claims pertain mainly to court cases related to contractual and employment disputes. While settlement of these claims cannot be predicted with certainty, management does not expect these claims to have a material effect on the Group's financial position. Further, various other claims related to operations and infrastructure have been made against the Group which are currently under review and negotiation with the respective counterparties. Management does not expect these claims to have a material effect on the Group's financial position as of the reporting date.

(ii) Guarantees provided by the Group

- In 2013, QatarEnergy transferred a portion of its shares in the Qatar Chemical Company Limited (Q-Chem) and in the Qatar Chemical Company Limited II (Q-Chem II) to MPHC. QatarEnergy has provided a guarantee to the other shareholders in these joint ventures with respect to the due and timely performance of all obligations of MPHC as a shareholder arising from the respective Joint Venture Agreements.
- In 2014, QatarEnergy Brasil LTDA. (an indirect 'subsidiary' of QatarEnergy) entered into a concession agreement, for exploration and production of oil and gas in Block BC-10 ('the Block'), with Agência Nacional do Petróleo, Gas Natural e Biocombustíveis ('ANP') which implies financial obligations related to the decommissioning of the Block. The decommissioning obligation, under the law, for the Block amounted to approximately USD 126.2 million (equivalent to QAR 459.4 million). QatarEnergy, on behalf of its subsidiary, has provided a guarantee to ANP with respect to the decommissioning obligation of the Block arising under the concession agreement and this guarantee is valid until 31 December 2026.
- In 2023, QatarEnergy, on behalf of Ras Girtas Power Company (RGPC), has provided a guarantee to "HSBC Bank USA, National Association" and "MUFG Bank Limited" (collectively referred as 'beneficiaries') for prompt and due payments by RGPC for the bank borrowings, under the Common Terms Agreement (CTA) dated 05 August 2008 and further amended on 13 August 2008. The maximum guarantee by QatarEnergy is lesser of USD 24.75 million (equivalent to QR 90.09 million) or 15% of Senior Debt Service Reserve Account (DSRA) required balance (the amount equal to the aggregate of the Senior Debt Service payable by RGPC over the next six months from the actual facility date). The term of the guarantee shall continue until full and final payments has been made by RGPC under CTA.

34. Contingent liabilities and commitments (continued)
b. Contingent liabilities (continued)
(iii) Other contingent liabilities

- QatarEnergy LNG N (1) and certain joint ventures (all together "entities") of the Group entered into executed Joint Facility Agreements for certain facilities. Under these agreements, these entities, as one of the owners of the joint facilities, are required, within fifteen years of the effective date of the agreement, to formulate a plan to decommission and restore the respective sites of the joint facilities based on the useful lives of the individual components as determined by the Facilities' Management Committees of the respective joint facility, in accordance with the Environmental Laws of the State of Qatar and Internationally Accepted Petroleum Industry Practices and to propose a funding arrangement for such costs. The Facilities' Management Committees are required to review, modify and approve the Abandonment and Decommissioning Plan prepared by the Operator of the facilities and to determine and agree the basis for funding of the Abandonment and Decommissioning Plan. Entities obligation in this regard is contingent upon occurrence or non-occurrence of a future event which is not wholly within the control of the Group entities. Since, no commercial discussions among the owners of the joint facilities have been concluded as of 31 December 2024 and a funding plan is yet to be submitted to the Facilities' Management Committees, no provision has been made for any present obligation with respect to the costs of abandonment, decommissioning and site restoration of the joint facilities in the respective entities' financial statements.
- GTA issued income tax assessments to certain components of Industries Qatar Q.P.S.C. (IQ, the Group's subsidiary) for the years from 2012 to 2018, requiring the components to pay additional taxes and penalties of QR 4,800 million and disallowing some expenses.

The components have submitted formal objections, as per the requirement of the tax law, rejecting the full amount claimed by the GTA within 30 days.

Management has concluded that it is probable (i.e., it is more likely than not) based on the earlier precedence that the General Tax Authority will accept the tax treatment in the objection and accordingly has not recorded a liability for the assessments received or for any potential further amounts which may be assessed in relation to this matter in the subsequent years.

Further, as per the terms of the MOU, the Ministry of Finance undertakes to settle any income tax amounts payable by these components for the previous years directly to the GTA. Based on the ongoing advanced discussions and correspondence between QatarEnergy, on behalf of the Group, the Ministry of Finance, and the GTA, it is expected that the assessments will either be withdrawn or resolved amicably between the involved parties.

c. Purchase and supply commitments

- To purchase from the State of Qatar and AKG Marketing Company Limited, under a gas supply agreement dated 4 June 2006, certain quantities of gas per day over a period of 25 years.
- To supply natural gas to Dolphin Energy Limited, for export to the UAE, on behalf of the State of Qatar, together with Dolphin Investment Company, TotalEnergies EP Dolphin Upstream Limited, and Oxy Dolphin E&P LLC, per year over a period of 25 years from 21 July 2007. QatarEnergy commitment is the share of the State of Qatar under the DPSA for Dolphin project.
- To purchase from Pearl GTL Project North Field under an ethane sale and purchase agreement dated 22 November 2018, certain quantities of ethane per day.
- To purchase from Dolphin Gas Project under an Ethane Sale and Purchase Agreement dated 11 March 2009 certain quantities of ethane per day.
- To purchase from the Barzan under a gas supply agreement dated 8 December 2011, certain quantities of gas per day over a period of 21 years from 21 February 2020.
- To purchase from the State of Qatar and Pearl GTL Project North Field under a Sale and Purchase Amendment and Restated Agreement dated 13 June 2021 (Previously entered into a GTL Gas Oil Sale and Purchase Agreement dated 14 Jan 2014 subsequently amended on 4 Jan 2017)), certain quantities of GTL Gasoil until 30 Jun 2026.

35. Financial instruments

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise bank balances, trade and other receivables, due from related parties, loans to related parties, financial assets at fair value through profit or loss (FVTPL) including derivative financial assets and financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities comprise interest bearing loans and bonds, foreign currency swaps, trade and other payables and derivative financial liabilities.

Hierarchy for determining and disclosing the fair value of financial instruments carried at fair value by valuation technique is disclosed in Note 2.2.

Classes and categories of financial instruments and their fair values

The following table combines information about fair value hierarchy levels of financial assets and financial liabilities which are measured at fair value.

31 December 2024		Carrying value					Fair value			
		Financial assets		Financial liabilities			Level			Total
		FVTPL	FVOCI	Fair value - hedging instruments	FVTPL	Total	1	2	3	
Investments in equity instruments – quoted	Quoted price in an active market	742,949	4,084,124	-	-	4,827,073	4,827,073	-	-	4,827,073
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,502	-	-	1,502	-	-	1,502	1,502
Investments in debt instruments – quoted	Quoted price in an active market	143,269	424,223	-	-	567,492	567,492	-	-	567,492
Investment in management funds – quoted	Quoted price in an active market	-	18,382	-	-	18,382	18,382	-	-	18,382
Derivative financial assets	Based on observable inputs, other than quoted prices	186,750	-	-	-	186,750	-	186,750	-	186,750
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(260,644)	(260,544)	-	(260,644)	-	(260,644)

35. Financial instruments (continued)

Classes and categories of financial instruments and their fair values (continued)

31 December 2023	Valuation technique(s) and key input(s)	Carrying value					Fair value			
		Financial assets		Financial liabilities			Level			
		FVTPL	FVOCI	Fair value - hedging instruments	FVTPL	Total	1	2	3	Total
Investments in equity instruments – quoted	Quoted price in an active market	745,367	4,836,009	-	-	5,581,376	5,581,376	-	-	5,581,376
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,502	-	-	1,502	-	-	1,502	1,502
Investments in debt instruments – quoted	Quoted price in an active market	133,094	328,501	-	-	461,595	461,595	-	-	461,595
Investment in management funds – quoted	Quoted price in an active market	-	33,251	-	-	33,251	33,251	-	-	33,251
Derivative financial assets	Based on observable inputs, other than quoted prices	134,405	-	-	-	134,405	-	134,405	-	134,405
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(94,159)	(94,159)	-	(94,159)	-	(94,159)

Fair value of USD bonds is disclosed in Note 20 (b). The fair value of the remaining financial assets and liabilities, including bank balances, investment in unquoted debt instruments, trade and other receivables, due to and from related parties and loans to related parties approximate to the carrying value as per the book of accounts as most of these items are either short-term in nature or repriced frequently.

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements in 2024 and 2023.

35. Financial instruments (continued)**Reconciliation of liabilities arising from financing activities**

The below table details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	At 1 January 2024	Financing cash flows	Non-cash changes	At 31 December 2024
Interest bearing loans	4,406,830	1,166,419	41,155	5,614,404
USD Bonds	45,911,950	-	15,451	45,927,401
Derivative financial liabilities	94,159	-	166,485	260,644
Lease liabilities	6,319,125	(1,978,621)	6,184,706	10,525,210
	At 1 January 2023	Financing cash flows	Non-cash changes	At 31 December 2023
Interest bearing loans	4,289,232	(172,934)	290,532	4,406,830
USD Bonds	45,896,588	-	15,362	45,911,950
Derivative financial liabilities	134,858	-	(40,699)	94,159
Lease liabilities	5,790,183	(1,680,278)	2,209,220	6,319,125

36. Financial risk and capital management**36.1 Financial risk management objectives**

Treasury function of each entity in the Group provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, liquidity risk and insurance risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by QatarEnergy's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. There have been no changes in the objectives, policies and processes for managing and measuring risk from the previous year.

36.2 Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's activities expose it primarily to the financial risks of changes in commodity prices, foreign currency exchange rates and interest rates.

Commodity price risk

Volatility in prices of oil and gas and refined products is a pervasive element of the Group's business environment as the Group's production and purchase of certain products and sales of refined products and crude oil are based on international commodity prices in accordance with a commercial supply agreement entered into with sales agents. The Group's refining margin is affected by disproportionate fluctuations in the prices of crude oil and refined products.

36. Financial risk and capital management (continued)**36.2 Market risk (continued)*****Commodity price risk (continued)***

The Group is also exposed significantly to commodity price risk, which arises from the purchase and consumption of large volumes of raw materials in its normal course of business. Raw material prices are linked to an index, which is volatile and influenced by worldwide factors such as political events, supply and demand fundamentals.

The Group does not use any derivative instruments to manage commodity price risks. The Group's sensitivity to commodity prices has not changed significantly from the prior year.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Management is of the opinion that the Group's exposure to currency risk is not significant as most of its foreign currency transactions are in United States Dollar which is pegged to Qatari Riyal and its currency exposure on the bond issued in Japanese Yen is hedged through currency swap with United States Dollar. The details of the currency swap on the bonds issued are given in Note 20. The carrying amounts of the Group's foreign currency denominated monetary assets / liabilities at the reporting date are as follows:

	2024	2023
EURO	(620,759)	1,189,809
GBP	21,727	212,862
JPY	-	1
BRL	54,265	78,871
CAD	11,079	7,268
MXN	347	347
NAD	11,931	-
ZAR	35,012	34,636
TRY	158,532	271,309
CNY	6,829	-
	<u>(321,037)</u>	<u>1,795,103</u>

Foreign currency sensitivity analysis

A 10% strengthening / weakening of the Qatari Riyal against the above currencies as at reporting date would have decreased / increased profit or loss by an amount of QR 32.10 million (2023: QR 179.510 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's financial assets and liabilities with floating interest rates. These financial assets and liabilities with floating interest rates includes bank balances, loans and advances to related parties and interest-bearing loans which are mostly on floating rate basis.

Interest rate sensitivity analysis

For floating rate assets, the analysis is prepared assuming the amount of the assets held outstanding at the end of the reporting period was outstanding for the whole year. As at reporting date, if interest rates had been 10 basis point higher/lower with all other variables held constant, income for the year would have been QR 77 million (2023: QR 78 million) higher/lower, mainly as a result of higher/lower interest income on floating rate assets and liabilities.

36. Financial risk and capital management (continued)**36.2 Market risk (continued)*****Equity price risk***

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. The Group manages the equity price risk through diversification and placing limits on individual and total portfolio of equity instruments. Reports on the equity portfolio are submitted to QatarEnergy's senior management on a regular basis and results are reviewed by the Board of Directors of each Group entity.

As at the reporting date, the exposure to listed equity securities at fair value was QR 4,827 million (2023: QR 5,581 million) which includes both financial assets at FVOCI and financial assets at FVTPL. An increase or decrease of 10% on the Qatar Exchange (QE) index would have an impact of approximately QR 483 million (2023: QR 558 million) on the equity.

36.3 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The Group holds performance bonds and bank guarantees to mitigate its credit risk association with its financial assets. Further, the Group limits its exposure on export customers by taking out letters of credit.

In order to minimise credit risk, QatarEnergy has tasked its Credit Management Committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Credit Management Committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

31 December 2024	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	20,341,343	(228,119)	20,113,224
Lease receivable	Lifetime ECL	2,084,561	-	2,084,561
Due from related parties	Lifetime ECL	7,374,011	(130,285)	7,243,726
Loans and advances to related parties	Lifetime ECL	1,516,312	(714,346)	801,966
Loans to employees	12-month ECL	940,714	(2,631)	938,083
Investments in financial assets	Lifetime ECL	4,185,315	-	4,185,315
Cash and bank balances	12-month ECL	78,288,916	(1,412)	78,287,504
Reinsurance contract assets	Lifetime ECL	783,421	-	783,421
Accrued interest	Lifetime ECL	612,229	(24,768)	587,461
Other receivables	Lifetime ECL	2,202,608	-	2,202,608
Derivative financial assets	Lifetime ECL	186,750	-	186,750
Contract assets	Lifetime ECL	3,149,639	(136)	3,149,503
Other non-current receivables	Lifetime ECL	380,018	-	380,018
		<u>122,045,837</u>	<u>(1,101,697)</u>	<u>120,944,140</u>

36. Financial risk and capital management (continued)**36.3 Credit risk (continued)**

31 December 2023	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	11,420,698	(407,334)	11,013,364
Lease receivable	Lifetime ECL	2,167,565	-	2,167,565
Due from related parties	Lifetime ECL	6,088,917	(100,885)	5,988,032
Loans and advances to related parties	Lifetime ECL	1,875,591	(832,130)	1,043,461
Loans to employees	12-month ECL	550,690	(42,973)	507,717
Investments in financial assets	Lifetime ECL	2,835,617	-	2,835,617
Amounts due from Government of Qatar	Lifetime ECL	18,369,183	-	18,369,183
Cash and bank balances	12-month ECL	83,687,679	(1,939)	83,685,740
Reinsurance contract assets	Lifetime ECL	740,113	-	740,113
Accrued interest	Lifetime ECL	249,118	(24,768)	224,350
Other receivables	Lifetime ECL	1,567,072	-	1,567,072
Derivative financial assets	Lifetime ECL	134,405	-	134,405
Contract assets	Lifetime ECL	1,491,907	(21)	1,491,886
Other non-current receivables	Lifetime ECL	14,086	-	14,086
		<u>131,192,641</u>	<u>(1,410,050)</u>	<u>129,782,591</u>

For trade receivables, lease receivables and contract assets, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

36.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

36. Financial risk and capital management (continued)**36.4 Liquidity risk (continued)****Analysis of financial assets**

The table below summarises the maturity profile of the Group's financial assets as at the reporting date:

31 December 2024

Financial assets	Carrying amount	Cash inflows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Loans and advances to related parties	801,966	801,966	-	494,498	307,468
Due from related parties	7,243,726	7,243,726	7,243,726	-	-
Trade and other receivables*	21,051,307	21,051,307	21,051,307	-	-
Reinsurance contract assets	783,421	783,421	783,421	-	-
Investments in financial assets	4,185,315	4,185,315	-	4,185,315	-
Derivative financial assets	186,750	186,750	186,750	-	-
Accrued interest	587,461	587,461	587,461	-	-
Other receivables	2,202,608	2,202,608	2,202,608	-	-
Other non-current receivables	380,018	380,018	-	380,018	-
Bank balances	78,287,504	78,287,504	78,287,504	-	-
	115,710,076	115,710,076	110,342,777	5,059,831	307,468

* Includes trade and insurance receivables and loans to employees.

31 December 2023

Financial assets	Carrying amount	Cash inflows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Loans and advances to related parties	1,043,461	1,043,461	-	854,083	189,378
Due from related parties	5,988,032	5,988,032	5,988,032	-	-
Amounts due from Government of Qatar	18,369,183	18,369,183	18,369,183	-	-
Trade and other receivables*	11,521,081	11,521,081	11,521,081	-	-
Reinsurance contract assets	740,113	740,113	740,113	-	-
Investments in financial assets	2,835,617	2,835,617	-	2,835,617	-
Derivative financial assets	134,405	134,405	134,405	-	-
Accrued interest	224,350	224,350	224,350	-	-
Other receivables	1,567,072	1,567,072	1,567,072	-	-
Other non-current receivables	14,086	14,086	-	14,086	-
Bank balances	83,685,740	83,685,740	83,685,740	-	-
	126,123,140	126,123,140	122,229,976	3,703,786	189,378

* Includes trade and insurance receivables and loans to employees.

36. Financial risk and capital management (continued)**36.4 Liquidity risk (continued)*****Analysis of financial liabilities***

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on undiscounted contractual repayment obligations:

31 December 2024

Financial liabilities	Carrying amount	Total	Contractual cash outflows		
			Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,927,401	67,967,462	1,810,007	10,196,095	55,961,360
Interest-bearing loans	5,614,404	5,614,404	364,055	5,250,349	-
Derivative financial liabilities	260,644	260,644	260,644	-	-
Trade creditors	6,966,487	6,966,487	6,966,487	-	-
Due to related parties	16,984,464	16,984,464	16,984,464	-	-
Amounts due to Government of Qatar	29,234,695	29,234,695	29,234,695	-	-
Financial guarantees	257,342	257,342	257,342	-	-
Insurance contract liabilities	1,272,237	1,272,237	722,417	549,820	-
Earn-out liability	259,319	259,319	259,319	-	-
Lease liabilities	10,525,210	15,689,416	4,410,360	4,540,561	6,738,495
	<u>117,302,203</u>	<u>144,506,470</u>	<u>61,269,790</u>	<u>20,536,825</u>	<u>62,699,855</u>

31 December 2023

Financial liabilities	Carrying amount	Total	Contractual cash outflows		
			Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,911,950	69,207,637	1,809,852	10,271,170	57,126,615
Interest-bearing loans	4,406,830	5,971,930	362,566	5,609,364	-
Derivative financial liabilities	94,159	94,159	94,159	-	-
Trade creditors	5,820,012	5,820,012	5,820,012	-	-
Due to related parties	7,024,432	7,024,432	7,024,432	-	-
Financial guarantees	400,000	400,000	400,000	-	-
Insurance contract liabilities	1,251,728	1,251,728	701,908	549,820	-
Earn-out liability	276,714	276,714	276,714	-	-
Lease liabilities	6,319,125	8,239,111	1,950,035	3,477,026	2,812,050
	<u>71,504,950</u>	<u>98,285,723</u>	<u>18,439,678</u>	<u>19,907,380</u>	<u>59,938,665</u>

36.5 Underwriting risk

Underwriting risk comprises insurance risk, policyholder persistency risk and expense risk. The Group manages its underwriting risk based on the underwriting policy as approved by the Executive Risk Committee. The Risk Management Committee monitors the adequate application of the policy, and it reviews the trends in pricing, loss ratios and underwriting risks. The Committee is also involved in decisions made by the Executive Risk Committee on underwriting, pricing and market strategy.

36. Financial risk and capital management (continued)**36.5 Underwriting risk (continued)*****Underwriting risk management – property and casualty***

The frequency and severity of claims can be affected by several factors. The most significant are the level of awards for morbidity risk (for example, health recovery and incapacity for work) and the number of cases coming to court, especially for bodily injuries. This can be summarised as legislation risk. The amount of awards and the time for court settlement are set by the legislation. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts.

The Group manages these risks through its underwriting strategy (two of the techniques that are pivotal for automobile insurance are product pricing and portfolio segmentation), adequate reinsurance arrangements and proactive claims handling. The objective of the underwriting strategy is to ensure that the underwritten risks are well diversified in terms of type and amount of risk. The variability of risks is improved by the careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

The Group has limited its exposure by imposing maximum claim amounts on certain contracts, as well as using reinsurance arrangements in order to limit its exposure to aggregate amount of claims (for example, third party liability claims). The effect of such reinsurance arrangements is that the Group should not suffer total insurance losses above a certain level.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew individual policies, to re-price the risk on renewal, to impose deductibles, and to reject the payment of a fraudulent claim. Claims payment limits are always included to cap the amount payable on occurrence of the insured event.

Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

The Group has a specialised claims unit dealing with the mitigation of risks surrounding known claims. This unit investigates and adjusts all material or suspicious claims. The claims are reviewed individually at least annually and adjusted to reflect the latest information on the underlying facts, current law, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims, to reduce its exposure to unpredictable developments.

Expense risk

Expense risk is the risk of unexpected increases in policy maintenance, claim handling and other costs relating to fulfilment of insurance contracts. The risk is managed through budgeting and periodic cost evaluations.

36.6 Capital management

QatarEnergy manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt comprising loans, bonds and lease liabilities which is offset by Cash and bank balances whilst the equity of QatarEnergy comprises contributed capital, general reserve, other reserves, retained earnings and non-controlling interest. The Group's management reviews the capital structure of the Group on an annual basis.

The gearing ratio at the end of the reporting period was as follows:

	2024	2023
Cash and bank balances (Note 15)	78,287,504	83,685,740
Less: debt	(62,067,015)	(56,637,905)
Net cash and bank balances	<u>16,220,489</u>	<u>27,047,835</u>
Total equity	<u>464,485,283</u>	<u>474,892,924</u>

The Group does not have a net debt situation as at 31 December 2024 and 31 December 2023.

37. Acquisitions during the year**37.1 Acquisition of assets – Gulfdrill LLC**

On 25 June 2024, the Group purchased from Seadrill Jack Up Holding Ltd. (former joint venture partner), the residual interest of 50% in Gulfdrill LLC. As a result of the transaction, the holding changed from 50% joint venture interest to 100% owned subsidiary of Gulf Drilling International Limited (Qatari Private Shareholding Company). Accordingly, the previously held interest of QR 43.46 million in Gulfdrill LLC was derecognised and a fair value gain of QR 7 million was recognised as the difference between the carrying value of the previously held interest in the former joint venture and its fair value.

Since almost all of the fair value of the acquired assets and liabilities were concentrated in a group of assets i.e., the 3 rigs purchased and the right of use asset for 2 rigs recorded in Gulfdrill LLC, the transaction was recorded as an asset acquisition.

Details of the purchase consideration and net assets acquired are as follows:

Carrying values of assets acquired and liabilities assumed:

Assets acquired	1,677,884
Liabilities assumed	(397,107)
	1,280,777

Purchase consideration:

Fair value of previously held equity-accounted investee	50,458
Cash consideration	1,230,319
	1,280,777

Property, plant and equipment (Note 5(a)(v))	1,183,000
Right of use assets (Note 5(b))	175,892
Accounts receivables and prepayments	292,801
Cash and bank balances	3,629
Other assets	22,562
Accounts payables and accruals	(224,931)
Lease liabilities (Note 22)	(172,176)
	1,280,777

In addition to the above, the Group has acquired interests in a number of oil and gas fields / blocks in various countries, which are presented as part of additions to property, plant and equipment and / or intangible assets as appropriate and are not disclosed separately.

37. Acquisitions during the year (continued)**37.2 Acquisition of Business – Qatar Fuel Additives Company Limited (QAFAC)**

During the year, the Consolidated Joint Venture Agreement (CJVA) of QAFAC expired on 9 June 2024. Post expiry of CJVA, effective 10 June 2024, the Group continues to hold its 50% shareholding interest in QAFAC while the remaining 50% shareholding in QAFAC held by other shareholders is to be acquired by the Group with an economic effective date of 10 June 2024, subject to completion of legal formalities, therefore, the Group holds 100% effective shareholding interest in QAFAC. The management has assessed that the acquired activities and assets of QAFAC are capable of being conducted and managed for the purpose of generating outputs and accordingly, this acquisition is a business combination for the Company as per IFRS 3. Accordingly, QAFAC has been included in these consolidated financial statements as a subsidiary with effect from 10 June 2024.

The following table summarizes the fair values of assets acquired and liabilities assumed at the date of acquisition:

	2024
Property, plant and equipment (Note 5(a))	999,472
Other non-current assets	93,484
Inventories	209,247
Accounts receivables and prepayments	585,222
Cash and cash equivalents	478,288
Accounts payables and accruals	(452,180)
Other non-current liabilities	(55,154)
Net identifiable assets	1,858,379
Less: purchase consideration	
Consideration payable	(360,389)
Fair value of previously held equity-accounted investee	(896,997)
	(1,257,386)
Gain on de-recognition of equity-accounted investment due to business combination(A+B)	600,993

Fair value

The provisional fair estimated by the management is QR 1,858.38 million. The final fair value will be finalized within one year from the date of acquisition which is allowed by IFRS 3.

The provisional fair value of the acquired assets was estimated using the discounted cash flow (DCF) method, an income-based approach. Key assumptions in the DCF analysis included projected cash flows over a 10-year period and a 10% discount rate to account for the associated risks. Fair values determined are part of level 3 hierarchy.

The trade receivables comprise gross contractual amounts due of QR 585.22 million with no expectation to be uncollectible at the date of acquisition.

Any adjustments to these provisional amounts will be recognized in the consolidated financial statements once the purchase price allocation is completed.

A. Remeasurement of existing interest in the joint venture

Based on the provisional fair value, below summarizes the gain on remeasurement of existing interest in the joint venture and bargain purchase gain, which has been recorded as part of other income (Note 27).

50% of the fair value of the joint venture as of the date of acquisition	929,190
Carrying value of joint venture as of date of acquisition	(896,997)
	32,193

B. Bargain purchase gain

Fair value of identifiable net assets	1,858,379
Fair value of investment in QAFAC as of acquisition date	(929,190)
Cash consideration paid	(360,389)
Bargain purchase gain	568,800

37. Acquisitions during the year (continued)**37.3 Acquisition of Business – Al Qataria**

On 5 October 2023, the Group acquired 100% shares and voting rights in Al Qataria for Production of Reinforcing Steel or "Al Qataria" which is located at New Industrial Area, Building 215, Street 27, P.O Box 23039, Doha, Qatar. The company's activities include the production of reinforcing steel bars and the trading in steel products. Currently it has annual production capacity of 500,000 MT's of rebar.

The purchase consideration for the acquisition was QR 346 million and group recognize this acquisition based on provisional Purchase Price Allocation ("PPA") during 2023. During the current year, formal PPA was concluded and there was no material differences in amounts being attributed to the assets acquired, liabilities and contingent liabilities assumed as compared to initial recognition. Below summarizes the details of assets acquired and liabilities assumed as per Purchase Price Allocation as of the date of acquisition:

	2024
Property, plant and equipment (Note 5(a))	345,037
Right of use assets (Note 5(b))	5,789
Cash and cash equivalents	920
Accounts receivables and prepayments	985
Employee benefits	(13)
Lease liabilities (Note 22)	(6,718)
Net identifiable assets	346,000
Less: considerations paid	(346,000)
Goodwill	-
Net cash paid:	
Total consideration paid	346,000
Less: Cash acquired as part of acquisition	(920)
Accounts receivables and prepayments	345,080

The fair estimated by the management is QR 346 million.

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

<u>Asset Acquired</u>	<u>Valuation technique</u>
Property, plant and equipment	Replacement cost
Right-of-use assets	Discounted value of future lease payment from acquisition date
Other financial assets	Mainly related to refundable deposits- Book value

37.4 Acquisition of Business – QatarEnergy Marketing and QatarEnergy Marketing (1)

QatarEnergy Marketing (formerly known as Qatar Petroleum for the Sale of Petroleum Products Company Limited ("QPSPP")) ("QEM") and QatarEnergy Marketing (1) (formerly known as Qatar Chemical and Petrochemical Marketing and Distribution (Muntajat) ("QEM1") are engaged in the marketing and selling of regulated products. On 31 October 2024, QatarEnergy Marketing and Trading ('QEMT') a subsidiary of the Group, has entered into Share Sale Purchase Agreement (SSPA) with the Government of State of Qatar to purchase 100% shareholding of QEM. On the same date, QEM has entered into Share Sale Purchase Agreement (SSPA) with the Government of State of Qatar to purchase 100% shareholding of QEM1. Accordingly, QEM and QEM1 are wholly owned subsidiaries of the Group effective 31 October 2024. The management has assessed that the acquired activities and assets of QEM and QEM1 are capable of being conducted and managed for the purpose of generating outputs and accordingly, this acquisition is a business combination for the Group as per IFRS 3. The management has assessed that the acquisition of QEM by the Group is a common control transaction between the shareholders and therefore fair values of assets and liabilities have not been determined. Accordingly, QEM and QEM1 has been included in these consolidated financial statements as subsidiaries with effect from 31 October 2024. Below summarizes the details of assets acquired and liabilities assumed as of the date of acquisition:

	QEM	QEM1	Total
Property, plant and equipment (Note 5(a))	-	3,193	3,193
Right of use assets (Note 5(b))	-	82,995	82,995
Intangible assets (Note 6)	-	8,715	8,715
Other non-current assets	-	911	911
Inventories	-	232,859	232,859
Cash and cash equivalents	405,173	1,623,098	2,028,271
Accounts receivables and prepayments	9,130,658	3,500,231	12,630,889
Other current assets	-	159	159
Trade and other payables	(9,230,940)	(4,113,839)	(13,344,779)
Lease liabilities (Note 22)	-	(85,484)	(85,484)
Net identifiable assets	304,891	1,252,838	1,557,729
Less: considerations payable	(304,891)	(1,252,838)	(1,557,729)
Goodwill	-	-	-

38. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra group eliminations.

31 December 2024	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C. (a)	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total
NCI percentage	49.00%	90.00%	42.15%	49.00%	80.00%		
Non-current assets	24,779,404	7,782,645	14,221,494	5,479,803	8,692,971		
Current assets	17,635,966	4,324,527	2,485,681	1,419,405	5,385,387		
Non-current liabilities	(943,022)	(5,435,840)	-	-	(278,130)		
Current liabilities	(2,820,176)	(2,438,079)	(342,908)	(102,276)	(4,735,543)		
Net assets	38,652,172	4,233,253	16,364,267	6,796,932	9,064,685		
Net assets attributable to NCI	18,939,564	3,809,928	6,897,538	3,330,497	7,251,748	(3,295,475)	36,933,800
Revenue	12,652,136	2,917,325	-	-	28,002,850		
Profit	4,559,559	711,000	718,747	614,482	1,092,648		
OCI	(2,840)	46,105	-	-	(82,907)		
Total comprehensive income	4,556,719	757,105	718,747	614,482	1,009,741		
Profit / (loss) allocated to NCI	2,234,184	639,900	302,952	301,096	874,118	(75,637)	4,276,613
OCI allocated to NCI	(1,392)	41,495	-	-	(66,326)	(79,514)	(105,737)
Cash flow from operating activities	3,790,431	964,586	(51,241)	(21,558)	878,812		
Cash flow from investing activities	2,858,388	(1,387,212)	1,264,054	214,993	(293,783)		
Cash flow from financing activities (dividends to NCI: QR 42 million)	(6,674,833)	631,481	(1,419,639)	(558,012)	(1,377,827)		
Effect of forex in cash	-	(7,950)	-	-	-		
Net increase / (decrease) in cash and cash equivalents	(26,014)	200,905	(206,826)	(364,577)	(792,798)		

38. Non-controlling interests (continued)

	Industries Qatar Q.P.S.C.	Gulf International Services Q.P.S.C.	Mesaieed Petrochemical Holding Company Q.P.S.C.	Qatar Aluminium Manufacturing Company Q.P.S.C.	Qatar Fuel Company Q.P.S.C.	Intra-group eliminations	Total
31 December 2023							
NCI percentage	49.00%	90.00%	42.15%	49.00%	80.00%		
Non-current assets	22,718,636	6,306,100	13,977,648	5,380,131	8,258,604		
Current assets	20,333,979	4,001,498	3,560,432	1,491,986	6,299,061		
Non-current liabilities	(806,169)	(4,259,933)	-	-	(241,865)		
Current liabilities	(2,270,105)	(2,211,012)	(454,953)	(116,292)	(4,902,013)		
Net assets	39,976,341	3,836,653	17,083,127	6,755,825	9,413,787		
Net assets attributable to NCI	19,588,407	3,452,988	7,199,855	3,310,354	7,531,030	(2,974,142)	38,108,492
Revenue	11,744,032	3,538,490	-	-	27,932,507		
Profit	4,722,789	391,615	1,082,690	446,009	1,020,138		
OCI	(4,381)	12,080	-	-	40,470		
Total comprehensive income	4,718,408	403,695	1,082,690	446,009	1,060,608		
Profit / (loss) allocated to NCI	2,314,167	352,454	456,311	218,544	816,110	(37,752)	4,119,834
OCI allocated to NCI	(2,147)	10,872	-	-	32,376	(61,282)	(20,181)
Cash flow from operating activities	4,231,045	950,595	(58,599)	(28,622)	1,136,744		
Cash flow from investing activities	(3,616,478)	(407,207)	366,756	562,334	111,162		
Cash flow from financing activities (dividends to NCI: QR 42 million)	(6,781,517)	(364,928)	(1,381,949)	(502,211)	(995,586)		
Effect of forex in cash	-	3,819	-	-	-		
Net increase / (decrease) in cash and cash equivalents	(6,166,950)	182,279	(1,073,792)	31,501	252,320		

39. Operating segments

The Group is mainly engaged in exploration, production and sale of oil & gas products. More than 89.4% (2023: 83%) of the Group's revenue for the year ended 31 December 2024 is generated through a single segment i.e., exploration, production and sale of oil & gas products. Further, 99% (2023: 99%) of the Group's revenues for the year ended 31 December 2024 and 86% (2023: 90%) of total assets as at 31 December 2024 are from the entities based in the State of Qatar.

40. Dividend

During the year, QatarEnergy has distributed a dividend of QR 100,051 million for the financial year 2023 (2023: QR 129,802 million for the financial year 2022) based on the governing law.

41. Notes to consolidated statement of cash flows

During the year, other than the transactions disclosed in Note 37, the Group mainly entered into the following non-cash activities which are not reflected in the consolidated statement of cash flows:

- Transfer from property, plant and equipment amounting QR 58 million (2023: QR 196 million) to intangible assets (Note 5(a)(ii)).
- Transfer from investment property amounting to Nil to property, plant and equipment (2023: QR 19 million from property, plant and equipment to investment property) (Note 5(a)(ii)).
- Capitalisation of depreciation of right-of-use assets amounting to QR 72 million (2023: QR 58 million) to property, plant and equipment. (Note 5(b)(ii)).
- Transfer from non-current assets (project under development) amounting to QR 12 million (2023: QR 989 million) to property, plant and equipment (Note 5(a)(ii)).
- Transfer from other non-current assets (project under development) amounting to QR 497 million (2023: QR 7,608 million) to investment in joint ventures (Note 10(b)).
- Recognition of additional right of use assets and lease liability amounting to QR 5,495 million (2023: QR 2,020 million) (Note 5(b) and 22).

42. Subsequent events

During the year, the Group entered into an agreement for the sale of its investment in Mobil Argentina S.A (MASA) at agreed price of USD 86.69 million (QR 315.55 million). However, completion conditions for sale to occur have not been satisfied as at reporting date, hence it continues to be presented as held for sale. (Note 11.1(a)). Subsequent to the year end, the completion conditions for sale to occur have been satisfied and the investment in MASA has been disposed of by the Group on 29 January 2025.

Further, subsequent to the year end and subject to completion of legal formalities, Exxon Mobil will transfer the remaining 12.5% interest in QatarEnergy LNG S (1) to the Group, which shall occur with effect from 26 April 2025 (Note 8(b)(viii)).

Except for the above, there were no other subsequent events which have a bearing on the understanding of these consolidated financial statements.

43. Comparative figures

Comparative information has been reclassified to conform with the presentation and classification of the current year's consolidated financial statements. However, such reclassifications are not material and did not have an impact on the previously reported profit, other comprehensive income or the equity for the comparative year.