

QatarEnergy
Consolidated Financial Statements
31 December 2025

QatarEnergy

**Consolidated Financial Statements
As at and for the year ended 31 December 2025**

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Independent auditor's 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 2025, 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 2025, 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 *Auditor's 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), as applicable to audits of the financial statements of public interest entities, 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 auditor's report on the consolidated financial statements of QatarEnergy (continued)

Key Audit Matters (continued)

1. Recognition of Revenue

See Note 3.21, 4.1(vi), 8(b) and 26 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group recognised revenue of QR 286,133 million during the year.</p> <p>As disclosed in Note 8(b), the Group's share of profits from its joint ventures amounting to QR 39,878 million represents 39.9% of the Group's profit for the year while the total revenue for the year generated by these joint ventures amounted to QR 219,910 million.</p> <p>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.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none">- 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;- assessing the design, implementation and operating effectiveness of the relevant internal controls over revenue recognition;- 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; and- evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.



Independent auditor's 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
<p>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.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> – 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 auditor's report on the consolidated financial statements of QatarEnergy (continued)

Key Audit Matters (continued)

3. Business Combination - Acquisition of a Subsidiary

See Note 3.1 and 37.1 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>On 27 April 2025, the Group acquired additional 8.41% effective interest in its joint venture QatarEnergy LNG S(1) (in addition to the 89.12% previously held) giving the Group control over QatarEnergy LNG S(1) by virtue of its power to direct the relevant activities of QatarEnergy LNG S(1).</p> <p>The accounting for this transaction is complex due to the significant judgements and estimates that are required to i) evaluate whether this is business combination and ii) identification and measurement of the fair value of the assets acquired and liabilities assumed.</p> <p>Due to the size and complexity of the acquisition, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> – assessing the Group's conclusion that the acquisition is business combination in line with relevant accounting standards by inspecting the relevant sale and purchase agreement and other supporting documents; – involving our own valuation specialists to support us in challenging the valuations produced by the Group, key assumptions used to determine fair values and the methodology used to identify the assets and liabilities acquired, in particular comparing the valuations with our own expectations based on our knowledge of the client and experience of the industry in which it operates and specified external data sources; and – evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements.

Other Information

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



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

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.

Auditor's 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 auditor's 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.

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.



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

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

- 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 auditor's 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 auditor's 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.

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 auditor's 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.

15 June 2026
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Qatar Auditor's Registry Number 251

Consolidated statement of financial position
As at 31 December 2025

QR '000

	Note	2025	2024
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	236,667,566	223,814,885
Right-of-use assets	5(b)	27,927,306	9,652,884
Investment property	5(c)	826,822	844,978
Intangible assets	6	11,148,479	6,617,549
Investments in associates	7	6,776,891	6,283,522
Investments in joint ventures	8(b)	226,613,585	201,568,932
Other investments	9	8,160,487	8,028,447
Other non-current assets	10	26,981,217	17,219,151
		<u>545,102,353</u>	<u>474,030,348</u>
Current assets			
Inventories	12	10,915,728	9,108,920
Accounts receivables and prepayments	13	39,154,271	36,544,142
Other investments	9	930,375	985,443
Cash and bank balances	14	66,878,252	78,287,504
Assets held for sale	11.1	330,406	315,699
		<u>118,209,032</u>	<u>125,241,708</u>
TOTAL ASSETS		<u>663,311,385</u>	<u>599,272,056</u>

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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 2025**

QR '000

Continued from previous page

	Note	2025	2024
EQUITY AND LIABILITIES			
Equity			
Capital	16	100,000,000	100,000,000
General reserve	17	175,500,000	175,500,000
Other reserves	18	(133,561)	(666,075)
Retained earnings		194,098,371	152,717,558
Equity attributable to owner of the Corporation		469,464,810	427,551,483
Non-controlling interests	38	37,539,354	36,933,800
Total equity		507,004,164	464,485,283
Liabilities			
Non-current liabilities			
Loans and bonds	19	44,951,603	50,623,574
Employee benefits	20	5,629,875	5,771,680
Lease liabilities	21	26,360,039	8,949,830
Deferred income	22	767,796	809,868
Other non-current liabilities	23	5,051,878	3,322,002
		82,761,191	69,476,954
Current liabilities			
Amounts due to Government of Qatar	24	30,485,999	29,234,695
Loans and bonds	19	6,387,536	918,231
Accounts payables and accruals	25	34,041,990	33,515,254
Lease liabilities	21	2,478,543	1,575,380
Deferred income	22	140,585	66,235
Liabilities directly associated with the assets held for sale	11.1	11,377	24
		73,546,030	65,309,819
Total liabilities		156,307,221	134,786,773
TOTAL EQUITY AND LIABILITIES		663,311,385	599,272,056

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.

QatarEnergy

**Consolidated statement of profit or loss
For the year ended 31 December 2025**

QR '000

	Note	2025	2024
Continuing operations			
Income			
Revenue	26	286,132,518	168,333,491
Other income	27	8,618,829	8,101,956
		<u>294,751,347</u>	<u>176,435,447</u>
Expenses			
Operating, selling and administrative expenses	28	(206,093,384)	(103,890,984)
Depreciation and amortization	29	(16,220,235)	(14,303,561)
Reversal of expected credit losses	30	119,041	259,939
		<u>(222,194,578)</u>	<u>(117,934,606)</u>
Net operating income		72,556,769	58,500,841
Share of profit of associates – net	7	751,486	802,446
Share of profit of joint ventures – net	8(b)	39,877,960	50,084,574
Dividend and interest income		3,588,858	4,874,226
Finance charges	31	(3,029,323)	(2,087,170)
Gain on remeasurement of existing interest in joint venture	37	6,185,824	32,193
Bargain purchase gain on business combination	37	1,241,781	575,800
Net monetary gain arising from hyperinflation		20,982	21,765
Profit before tax		121,194,337	112,804,675
Taxes	32	(21,270,402)	(18,746,870)
Profit for the year from continuing operations		99,923,935	94,057,805
Discontinued operations			
Profit from discontinued operations	11.2	1,919	1,680,785
Profit for the year		99,925,854	95,738,590
<i>Attributable to:</i>			
Owner of the Corporation		95,493,776	91,461,977
Non-controlling interests	38	4,432,078	4,276,613
		<u>99,925,854</u>	<u>95,738,590</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 2025

QR '000

	Note	2025	2024
Profit for the year		99,925,854	95,738,590
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefits obligations	18(i)	229,974	(84,131)
Equity investments at FVOCI – net change in fair value	18(ii)	(43,251)	(319,260)
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedges – effective portion of changes in fair value	18(iii)	(56,088)	96,433
Foreign operations – foreign currency translation differences	18(iv)	319,824	(662,956)
Other comprehensive income / (loss)		450,459	(969,914)
Total comprehensive income for the year		100,376,313	94,768,676
<i>Attributable to:</i>			
Owner of the Corporation		95,985,451	90,597,800
Non-controlling interests		4,390,862	4,170,876
		100,376,313	94,768,676



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 2025

QR '000

	Equity attributable to owner of the Corporation					Non-	Total
	Capital	General reserve	Other reserves	Retained earnings	Total	controlling interests	
At 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 / 1 January 2025	100,000,000	175,500,000	(666,075)	152,717,558	427,551,483	36,933,800	464,485,283
Profit for the year	-	-	-	95,493,776	95,493,776	4,432,078	99,925,854
Other comprehensive income / (loss) for the year	-	-	491,675	-	491,675	(41,216)	450,459
Total comprehensive income for the year	-	-	491,675	95,493,776	95,985,451	4,390,862	100,376,313
Reclassification of fair value reserve on sale of investments at FVOCI	-	-	(10,561)	10,561	-	-	-
Transfer to Social Fund (Note 33)	-	-	-	(78,937)	(78,937)	(103,481)	(182,418)
Dividend (Note 40)	-	-	-	(54,005,311)	(54,005,311)	-	(54,005,311)
Dividend to non-controlling interests	-	-	-	-	-	(3,799,890)	(3,799,890)
Transfer to other reserves	-	-	46,179	(46,179)	-	-	-
Effect of hyperinflation	-	-	-	6,903	6,903	62,131	69,034
Non-controlling interest arising on business combination (Note 37.1.5)	-	-	-	-	-	75,979	75,979
Other movement during the year	-	-	5,221	-	5,221	(20,047)	(14,826)
At 31 December 2025	100,000,000	175,500,000	(133,561)	194,098,371	469,464,810	37,539,354	507,004,164

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



	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		99,925,854	95,738,590
<i>Adjustments for:</i>			
- Depreciation of property, plant and equipment	29	12,419,273	12,337,168
- Depreciation of right-of-use assets	29	2,395,381	1,576,382
- Depreciation of investment property	29	15,962	15,957
- Amortization of intangible assets and catalysts	29	1,389,619	374,054
- Loss on disposal of property, plant and equipment	28	427,932	531,940
- Write-off of property, plant and equipment	28	803,958	2,390,597
- Write-off of right-of-use assets		43,523	7,833
- Write-off of intangible assets	28	4,536	1,805,560
- Provision for inventory obsolescence	28	76,712	62,495
- Modification of lease		(118,321)	-
- Provision for earn-out liability	28	214,784	259,319
- Reversal of expected credit losses – net	30	(119,041)	(259,939)
- (Reversal of) / provision for impairment losses – net	28	(218,445)	870,081
- Provision for employee benefits – net	20	626,430	525,227
- (Reversal of) / provision for decommissioning costs – net	23(a)	(24,645)	138,993
- Profit from discontinued operations		-	(296,212)
- (Gain) / loss on investment at fair value through profit or loss	9(b)	(44,728)	4,671
- Share of profit of associates – net	7	(751,486)	(802,446)
- Share of profit of joint ventures – net	8(b)	(39,877,960)	(50,084,574)
- Dividend and interest income		(4,667,636)	(4,973,663)
- Net unrealized gain on derivative financial instruments		(28,008)	(307,533)
- Deferred income		(4,353)	(66,236)
- Finance charges		2,809,336	2,108,069
- Taxes	32	21,270,402	18,746,870
- Net monetary gain arising from hyperinflation		(20,982)	(21,765)
- Gain on disposal of assets held for sale		(1,919)	(1,819,016)
- Gain on remeasurement of existing interest in joint venture	37	(6,185,824)	(32,193)
- Bargain purchase gain on business combination	37	(1,241,781)	(575,800)
		<u>89,118,573</u>	<u>78,254,429</u>
<i>Working capital changes:</i>			
- Inventories		(900,891)	(798,212)
- Amounts due from Government of Qatar		1,251,304	45,769,435
- Accounts receivables and prepayments		1,517,744	688,310
- Accounts payables and accruals		(5,734,793)	(252,227)
Cash generated from operations		<u>85,251,937</u>	<u>123,661,735</u>
Employee benefits paid	20	(491,955)	(490,172)
Finance charges paid		(2,679,584)	(1,872,284)
Taxes paid		(19,288,193)	(19,764,193)
Social fund contribution paid		(179,674)	(181,443)
Net cash from operating activities		<u>62,612,531</u>	<u>101,353,643</u>

Continued on next page



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

Continued from previous page

	Note	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(18,844,230)	(20,403,923)
Proceeds from disposal of property, plant and equipment		13,175	129,942
Acquisition of investment property	5(c)	-	(255)
Acquisition of intangible assets	6	(70,024)	(16,196)
(Additions to) / repayments from associates - net	7	(60,886)	55,690
Additions to investments in joint ventures – net		(25,237,637)	(24,121,541)
Dividend received from associates and joint ventures		36,049,586	42,677,957
Net cash movement of financial assets at FVOCI		(138,487)	492,411
Net cash movement of financial assets at amortised cost		(3,806)	(1,258,670)
Dividend and interest received from other investments		3,674,397	4,815,163
Additions to projects under development – net		(6,422,377)	(4,898,996)
Net cash movement in other non-current assets		(4,068,265)	(2,126,246)
Net cash movement of financial assets at fair value through profit or loss		50,538	(1,825)
Movement in term deposits and restricted cash		(12,743,990)	4,551,938
Net cash inflow on acquisition of subsidiaries		1,045,256	1,279,869
Inflow on disposal of a subsidiary		-	652
Proceeds from disposal of assets held for sale		317,511	2,555,727
Net cash from investing activities		(26,439,239)	3,731,697
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans and bonds		8,100,513	1,228,041
Repayment of loans		(8,278,885)	(102,033)
Payment of lease liabilities	21	(2,309,760)	(1,550,468)
Movement in other non-current liabilities		29,170	21,231
Dividend paid	40	(54,005,311)	(100,051,459)
Dividend paid to non-controlling interests		(3,799,890)	(5,429,914)
Payment of decommissioning liability	23(a)	(59,202)	(22,853)
Net cash used in financing activities		(60,323,365)	(105,907,455)
Net decrease in cash and cash equivalents		(24,150,073)	(822,115)
Effect of movements in exchange rates on cash held		(3,753)	(24,710)
Cash and cash equivalents at beginning of year		66,741,381	67,588,206
Cash and cash equivalents at end of year	14	42,587,555	66,741,381

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 19 (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 May 2026.

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.

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 2025:

Direct subsidiaries of QatarEnergy

Entity/Group	Shareholder	Country of incorporation	Principal activities	Equity holding	
				2025	2024
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") (i)	QatarEnergy	Qatar	Holding company	-	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%

i.) During the year, the Group transferred the ownership in QELM from QatarEnergy to QatarEnergy Marketing and Trading.

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
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)	QatarEnergy / IQ	Qatar	Production, marketing and export of Methyl-tertiary-butyl-ether (MBTE) and methanol	75.50%	75.50%

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
QatarEnergy Terminals ("QET") (Formerly Qatar Terminal Limited ("QTL")) (Qatari Private Shareholding Company)	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 Investment (2) L.L.C. ("QatarEnergy I12")	QatarEnergy International	Qatar	Holding company	100.00%	100.00%
QatarEnergy Netherlands Holdings B.V. ("QatarEnergy NH")	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 UK")	QatarEnergy International	United Kingdom	Holding company	100.00%	100.00%
QatarEnergy US Holding Corporation ("QatarEnergy US")	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 IBV")	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 ARG")	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Mozambique Holdings L.L.C. ("QatarEnergy MH")	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Africa Holdings L.L.C. ("QatarEnergy AH")	QatarEnergy International	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy E&P Holdings L.L.C. ("QatarEnergy EPH")	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 2025

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	
				2025	2024
QatarEnergy E&P (UK) Ltd (ii)	QatarEnergy International	United Kingdom	Special purpose entity	100.00%	-
QatarEnergy Renewables 1 L.L.C.	QERS	Qatar	Special purpose entity	100.00%	100.00%
QatarEnergy Renewables 2 Q.P.S.C. (ii)	QERS	Qatar	Special purpose entity	100.00%	-
QatarEnergy Renewables 3 Q.P.S.C. (ii)	QERS	Qatar	Special purpose entity	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%
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 (Sarlau)	GIS	Morocco	Aviation services	10.00%	10.00%
Gulf Jackup SPC LLC	GIS	Qatar	Drilling services	10.00%	10.00%
GulfDrill LLC	GIS	Qatar	Drilling services	10.00%	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%

ii.) During the year, the Group incorporated QatarEnergy E&P (UK) Ltd, QatarEnergy Renewables 2 Q.P.S.C. and QatarEnergy Renewables 3 Q.P.S.C.

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
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%
Polaris Marine Services L.L.C. (iii)	Woqod	Oman	Chartering of marine vessels	-	20.00%
Sidra Al Ghariya Shipping Company (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Al Wajbah Shipping Co. (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Al Ruwais Shipping Company (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Al Wakra Shipping Company (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Al Rumeila Shipping Co. (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Messaied Shipping Co. (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Qatar Shipping Company (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Doha Shipping Company (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Al Khor Shipping Company (iv)	Woqod	Republic of Liberia	Ship owners	-	20.00%
Sidra Doha Shipping Company L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Sidra Al Ghariya Shipping Company L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Sidra Al Rumeila Shipping Company L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Galaxy Marine Services L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Sidra Al Wakra Shipping Company L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Sidra Al Khor Shipping Company L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Sidra Lusail Shipping Company L.L.C. (v)	Woqod	Qatar	Ship owners	20.00%	-
Woqod CNG Services Company W.L.L. (v)	Woqod	Qatar	Ship owners	20.00%	-
Woqod Bitumen Operations and Distributions Co. W.L.L. (v)	Woqod	Qatar	Ship owners	20.00%	-
QatarEnergy Marketing (QEM)	QEMT	Qatar	Marketing and trading activities	100.00%	100.00%
QatarEnergy Marketing 1	QEMT	Qatar	Marketing activities	100.00%	100.00%
QatarEnergy Marketing B.V.	QEMT	The Netherlands	Marketing activities	100.00%	100.00%
QatarEnergy Marketing (2) B.V.	QEMT	The Netherlands	Marketing activities	100.00%	100.00%

iii.) During the year, Polaris Marine Services L.L.C. was transferred out of the Group.

iv.) During the year, the Group dissolved these entities.

v.) During the year, the Group incorporated these entities.

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
Muntajat Marketing (Shanghai) co. Ltd.	QEMT	China	Marketing activities	100.00%	100.00%
Muntajat India Private Limited	QEMT	India	Marketing activities	100.00%	100.00%
Muntajat Egypt	QEMT	Egypt	Marketing activities	100.00%	100.00%
QatarEnergy Ho Chi Minh Company Limited	QEMT	Vietnam	Marketing activities	100.00%	100.00%
Muntajat B.V.	QEMT	Qatar	Marketing activities	100.00%	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%
QatarEnergy New Delhi Private Limited	QEMT	Qatar	Marketing of LNG	100.00%	100.00%
QatarEnergy Seoul L.L.C.	QEMT	South Korea	Marketing of LNG	100.00%	100.00%
QatarEnergy Tokyo L.L.C.	QEMT	Japan	Marketing of LNG	100.00%	100.00%
QatarEnergy Beijing L.L.C.	QEMT	China	Marketing of LNG	100.00%	100.00%
QatarEnergy Bangkok LTD	QEMT	Thailand	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%
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 Marketing (QELM) (vi)	QEMT	Qatar	Sales, marketing and shipping of LNG	100.00%	-
QatarEnergy LNG N (1)	QELNGI	Qatar	Production, marketing and transportation of LNG	100.00%	100.00%
QatarEnergy LNG S (1) (vii)	QatarEnergy and QELNGI	Qatar	Production, liquefaction, shipping and marketing of LNG	96.36%	-

vi.) During the year, the Group transferred the ownership in QELM from QatarEnergy to QatarEnergy Marketing and Trading.

vii.) During the year, the QELNGS(1) became subsidiary of the group from joint venture. Refer Note 37.1.

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

2. Basis of preparation (continued)

2.3 Components of the Group (continued)

Joint ventures of the Group

Entity/Group	Shareholder	Country of incorporation	Principal activities	QatarEnergy's effective percentage holding	
				2025	2024
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%
Ras Laffan Olefins Company Limited. Q.P.J.S.C.	QatarEnergy / MPHC	Qatar	Operate and maintain Ethylene cracker plant	29.04%	29.04%
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	68.41%	68.53%
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)	QatarEnergy and QELNGI	Qatar	Production, liquefaction, shipping and marketing of LNG	-	89.63%
QatarEnergy LNG S (2)	QELNGI	Qatar	Production, liquefaction, shipping and marketing of LNG	67.28%	67.73%

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
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%	70.00%
QatarEnergy LNG NFE (4)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	70.00%
QatarEnergy LNG NFE (5)	QELNGI	Qatar	Extraction of Natural Gas	70.00%	70.00%
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%	70.00%
QatarEnergy LNG NFS (3)	QELNGI	Qatar	Extraction of Natural Gas	75.00%	75.00%
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%
QatarEnergy and Shell Singapore Private Limited ("QESS") (formally QPI & Shell Petrochemicals (Singapore) PTE Limited)	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%
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%
Ocean LNG Ltd.	QatarEnergy International	Bahamas	Marketing arm of Golden Pass outside U.S.	70.00%	70.00%

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
Mobil Argentina S.A. (MASA) (viii)	QatarEnergy International	Argentina	Petroleum operations	-	30.00%
Marine LNG Solutions LLC (ix)	QatarEnergy International	Qatar	Special purpose entity	-	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%
TotalEnergies Ratawi Solar (x)	QatarEnergy International	UK	Solar power project	50%	-
Al Shaheen Baker Hughes Services	Al Shaheen	Qatar	Repair of GE gas turbines, compressors and other related auxiliary services	50.00%	50.00%
Air Ocean Maroc	GIS	Morocco	Helicopter services	4.90%	4.90%
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%
Ras Abu Fontas Power Company ('RAFFC') (xi)	QEOG2	Qatar	Generating Power and water production	5%	-

viii.) During the year, the Group sold its investment in MASA.

ix.) On 25 November 2024, the Board of Directors of Marine LNG Solutions L.L.C. passed the resolution to wind up and deregister the Company. On 3 August 2025, the Company has been formerly de-registered in QFC.

x.) During the year the Group signed a partnership agreement with TotalEnergies to enter into a solar power project that is part of the Gas Growth Integrated Project (GGIP) in the Republic of Iraq.

xi.) During the year, the Group invested in Ras Bu Fontas Power Company.

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
Arab Maritime Petroleum Transport Company	QatarEnergy	Kuwait	Operates and charters a fleet of crude and petro product tankers	14.80%	14.80%
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 Houf 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) (xii)	IQ	KSA	Manufacture and sale of steel products	20.62%	20.59%
TotalEnergies Exploration & Production (E&P) Congo	QatarEnergy International	Republic of Congo	Upstream exploration and production	15.00%	15.00%
Tamba B.V.	QatarEnergy International	Netherlands	Operates and manages FPSO leases and Subsea leases	-	23.00%
AKG Holding Limited	QELNGI	Bahamas	Production and sale of gas	12.50%	12.50%

xii.) During the year, the Group subscribed to additional shares in SOLB through a rights issue.

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	
				2025	2024
Pearl GTL Project North Field (Unincorporated)	QatarEnergy	Qatar	Developing of gas to liquid project in Ras Laffan	-	-
Dolphin Gas Project (Unincorporated)	QatarEnergy	Qatar	Recover and export natural gas for export purpose.	-	-
Al Khaleej Gas Project (Unincorporated)	QatarEnergy	Qatar	Enhanced gas utilization	-	-
Ahara Block	QatarEnergy International	Algeria	Upstream exploration and production	24.50%	-
Block CAN107 & Block CAN109 (xiii)	QatarEnergy International	Argentina	Upstream exploration and production	-	40.00%
Block SEPIA	QatarEnergy International	Brazil	Upstream exploration and production	21.00%	21.00%
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 S-M-1711 & 1815	QatarEnergy International	Brazil	Upstream exploration and production	50.00%	50.00%
Block Água Marinha	QatarEnergy International	Brazil	Upstream exploration and production	20.00%	20.00%
Block EL 1162, 1169 (xiii)	QatarEnergy International	Canada	Upstream exploration and production	-	40.00%
Block SDL 197 (xiii)	QatarEnergy International	Canada	Upstream exploration and production	-	30.00%
Nzombo Congo	QatarEnergy International	Congo	Upstream exploration and production	35%	-
S4 Guyana	QatarEnergy International	Guyana	Upstream exploration and production	35%	-
Offshore Block 10 & 5	QatarEnergy International	Cyprus	Upstream exploration and production	40.00%	40.00%
North Markia	QatarEnergy International	Egypt	Upstream exploration and production	40.00%	40.00%
Cairo and Masry	QatarEnergy International	Egypt	Upstream exploration and production	40.00%	40.00%
North El Dabaa	QatarEnergy International	Egypt	Upstream exploration and production	23%	-
North Rafah	QatarEnergy International	Egypt	Upstream exploration and production	40%	-
Iraq (GGIP)	QatarEnergy International	Iraq	Upstream exploration and production	25.00%	25.00%
Block 33 (xiii)	QatarEnergy International	Mexico	Upstream exploration and production	-	15.00%
Block PEL 91	QatarEnergy International	Namibia	Upstream exploration and production	33.02%	33.02%
Block PEL 56	QatarEnergy International	Namibia	Upstream exploration and production	35.25%	35.25%
Block PEL 39 (2913A & (2914B)	QatarEnergy International	Namibia	Upstream exploration and production	45.00%	45.00%

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

QatarEnergy

Notes to the consolidated financial statements As at and for the year ended 31 December 2025

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	
				2025	2024
Block PEL 90	QatarEnergy International	Namibia	Upstream exploration and production	27.5%	-
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%
Block 3B/4B	QatarEnergy International	South Africa	Upstream exploration and production	24.00%	24.00%
Suriname Block 5	QatarEnergy International	Suriname	Upstream exploration and production	20.00%	20.00%
Suriname Block 6 & 8	QatarEnergy International	Suriname	Upstream exploration and production	20.00%	20.00%
Suriname Block 64	QatarEnergy International	Suriname	Upstream exploration and production	30.00%	30.00%
Suriname Block 65	QatarEnergy International	Suriname	Upstream exploration and production	40.00%	40.00%
Suriname Block 9	QatarEnergy International	Suriname	Upstream exploration and production	20%	-
Suriname Block 10	QatarEnergy International	Suriname	Upstream exploration and production	30%	-
Al Khalij Block 6 Field	QEOG	Qatar	Petroleum operations-exclusive rights	60.00%	60.00%

**Notes to the consolidated financial statements
As at and for the year ended 31 December 2025**

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 2025:

<i>Effective for the year beginning 1 January 2025</i>	<ul style="list-style-type: none"> • <i>Lack of Exchangeability – Amendments to IAS 21</i>
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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 2026</i>	<ul style="list-style-type: none"> • <i>Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7</i> • <i>Contracts Referencing Nature-dependent Electricity – 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>	<ul style="list-style-type: none"> • <i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>
<i>Available for optional adoption / effective date deferred indefinitely</i>	<ul style="list-style-type: none"> • <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, intellectual property (including appraisal wells) and customer contracts acquired as part of business combination 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.

3. Material accounting policies (continued)

3.5 Intangible assets (continued)

Amortization

Intangible assets majorly comprise of costs incurred on appraisal wells, license cost for exploration blocks, customer contracts acquired as part of business combination and computer software. These intangible assets are amortised over the useful life of 3 to 25 years.

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 weighted average 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 LNG inventory comprises fixed and variable costs including depreciation, and overheads based on normal capacity, determined using the first in first out ("FIFO") method.

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. 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. 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. Material accounting policies (continued)

3.20 Provisions (continued)

Provision for decommissioning and site restoration obligations

The Group recognizes a provision for decommissioning and site restoration obligations associated mainly with plant and related assets. These obligations arise from either legal or constructive obligations, as a result of past events, 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.

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 16 Property, Plant and Equipment, the estimated present value of future restoration costs is recognized as a provision at the date when the obligation arises, and the corresponding amount is capitalized as part of property, plant and equipment and depreciated over its useful life. The provision is measured at the present value of expected future cash outflows based on expected timing of decommissioning, discounted using a rate that reflects current market assessments of the time value of money and risks specific to the liability. The unwinding of the discount is recognized as a finance cost in profit or loss. Provisions are reviewed periodically and adjusted for changes in estimates, including timing, cost assumptions, inflation and discount rates. Adjustments to decommissioning provision are accounted for prospectively, impacting both the provision and the carrying amount of the related asset. Additional assets which arise due to further development / construction are recognised as addition to property, plant and equipment and provision for decommissioning and site restoration obligation when they occur.

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.

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.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

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.

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.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

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.

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.

3. Material accounting policies (continued)

3.21 Revenue recognition (continued)

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.

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. Material accounting policies (continued)

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.

3.23 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. Material accounting policies (continued)

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).

3.26 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.

3. Material accounting policies (continued)

3.26 Taxes and royalties (continued)

Taxes (continued)

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.

3.27 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. Material accounting policies (continued)

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 on or 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 23(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.

These decommissioning activities are estimated to occur in the future for an extended period upto 2071. This estimated time period is many years into the future and precise requirements that will have to be met when these decommissioning activities will actually occur are uncertain.

(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.

(xx) Reversal of impairment on property, plant and equipment

During the prior years, the Group decided to mothball some of the steel production facilities due to losses made on international sales. Due to this mothballing exercise the Group recognized full impairment on the assets related to said facilities. During the current year, the Group reassessed its business outlook and, supported by increased demand across the GCC region (including from new customers and infrastructure-led projects), decided to partially de-mothball the previously mothballed facilities. Accordingly, the Group assessed property, plant and equipment (CGU) for impairment reversal by comparing the recoverable amount of the CGU to its carrying amount. This resulted in a reversal of impairment as disclosed in Note 5(a) to these consolidated financial statements. The Group has considered overall production facilities as one cash generating unit (CGU). While concluding the CGU, management has considered the fact that the output from one plant routinely becomes input for another, performance of the Group is measured at overall level and the different production facilities producing the final products have been aggregated and treated as a single CGU for the purpose of impairment testing.

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 2025 amounted to QR 36,679 million (2024: QR 36,771 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 23(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, timing of decommissioning activities, estimate of discount and inflation rates. The inflation and discount rates used in the determination of the decommissioning liability ranges from 2% - 3.5% (2024: 2% - 4%) and 5% - 10.96% (2024: 5% - 11.75%) respectively. Decommissioning year is taken upto 2071.

(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.

(xii) Reversal of impairment on property, plant and equipment

The determination of the recoverable amount of property, plant and equipment of steel production facilities is based on a value in use methodology. The value in use calculations were performed based on the following assumptions:

- Discount rate: 11%
- Utilization of capacity: 70% to 80%
- Earnings before interest, tax, depreciation and amortisation (EBITDA) margin: 10% - 11%
- Terminal period growth rate: 3%
- Projected cash flows over 5 years

The above assumptions are based on management's best estimate, and any change thereof may result in materially different recoverable amounts.

The recoverable amount of the cash-generating unit ("CGU") was determined based on a value-in-use calculation using approved cash flow projections. The calculation is sensitive to changes in key assumptions, in particular the discount rate and terminal growth rate. Management performed sensitivity analyses by applying reasonably possible changes to these assumptions, including an increase in the discount rate and reductions in terminal growth rate. Based on the sensitivity analyses performed, management concluded that no reasonably possible change in key assumptions would result in the conclusion with regard to the impairment reversal on property, plant and equipment.

Notes to the consolidated financial statements
As at and for the year ended 31 December 2025

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 2024	109,389,788	241,710,935	9,613,632	30,996,451	391,710,806
Additions	746,807	1,201,811	3,550,380	14,976,707	20,475,705
Decommissioning asset (Note 23 (a))	-	6,464	-	-	6,464
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
Additions	624,127	1,548,715	3,907,995	12,949,227	19,030,064
Decommissioning asset (Note 23 (a))	-	1,270,078	-	-	1,270,078
Business acquisition (v) & (Note 37.1.3)	12,081,516	1,085,730	-	2,178,081	15,345,327
Reclassification / transfers (Note ii)	1,719,748	(10,420,271)	(112,707)	(2,489,725)	(11,302,955)
Effect of foreign currency translation	523,553	(52,374)	90,905	(3,104)	558,980
Derecognition / disposal (Note iii)	(184,586)	(2,178,905)	(803,841)	(24,097)	(3,191,429)
Effect of hyperinflation	-	91,318	-	9,600	100,918
Reversal of impairment for the year (Note iv)	-	1,825	-	-	1,825
Other adjustments	-	171,126	-	-	171,126
At 31 December 2025	128,508,328	240,507,536	13,487,098	49,179,176	431,682,138
Accumulated depreciation:					
At 1 January 2024	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
Business acquisition (v) & (Note 37.1.3)	10,613,931	878,092	-	-	11,492,023
Charge for the year (Note 29)	4,214,455	8,204,818	-	-	12,419,273
Reversal of impairment for the year (Note iv)	-	(222,000)	-	-	(222,000)
Reclassification / transfers (Note ii)	-	(12,808,980)	-	-	(12,808,980)
Effect of foreign currency translation	187,026	(11,442)	-	-	175,584
Derecognition / disposal (Note iii)	(159,091)	(1,787,270)	-	-	(1,946,361)
Effect of hyperinflation	-	21,714	-	-	21,714
At 31 December 2025	91,829,253	103,185,319	-	-	195,014,572
Net carrying amount:					
At 31 December 2025	36,679,075	137,322,217	13,487,098	49,179,176	236,667,566
At 31 December 2024	36,771,038	140,079,907	10,404,746	36,559,194	223,814,885

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 82,215 million (2024: QR 82,275 million). This consists of QR 13,187 million (2024: QR 13,706 million) for oil and gas assets, QR 58,999 million (2024: QR 60,186 million) for other property, plant and equipment, QR 8,104 million (2024: QR 6,742 million) for exploration and evaluation assets and QR 1,925 million (2024: QR 1,641 million) for capital work-in-progress.
- (ii) In 2025, out of the net balance of QR 1,506 million (2024: QR 70 million), an amount of QR 47 million (2024: QR 58 million) pertains to the transfer to intangible assets (Note 6), QR 0.3 million (2024: Nil) pertains to the transfer to investment property (Note 5(c)), QR 1,718 million (2024: 12 million) pertains to the transfer from other non-current assets (project under development) (Note 10(b)) and QR 69 million (2024: Nil) pertains to transfer from other non-current assets (capital advances), QR 22 million pertains to the transfer to right of use assets (Note 5(b)), QR 212 million (2024: Nil) pertains to transfer to assets held for sale (Note 11.1 (a)).
- (iii) Out of the total amount derecognized during the year, the Group has written off assets aggregating to QR 804 million (2024: QR 2,391 million) (Note 28).
- (iv) During the year, the Group has recorded a reversal of impairment of QR 224 million (2024: impairment of QR 30 million) against property, plant and equipment (Note 28(iii)).
- (v) Out of net amount, QR 3,853 million (2024: QR 1,003 million) relates to business acquisition and Nil (2024: QR 1,183 million) relates to asset acquisition (Note 37.1.3).

5(b). Right-of-use assets

	Land & buildings	Exploration equipment	Vessels	Others	Total
Costs:					
At 1 January 2024	307,014	173,275	6,598,949	1,386,937	8,466,175
Additions (Note 21)	75,741	210,382	5,128,931	80,405	5,495,459
Asset / business acquisitions	10,686	-	156,005	186,190	352,881
Lease modifications and other movements (i)	(77,378)	(173,275)	(597,052)	(60,518)	(908,223)
Effect of foreign currency translation	(120)	-	-	(210,442)	(210,562)
At 31 December 2024	315,943	210,382	11,286,833	1,382,572	13,195,730
Additions	971,681	730,265	18,508,685	122,357	20,332,988
Business acquisition (Note 37.1.3)	172,494	-	-	-	172,494
Reclassification / transfers (Note 5 (a) ii)	-	-	-	30,466	30,466
Lease modifications and other movements (i)	(224,500)	(90,765)	322,584	(45,867)	(38,548)
Effect of foreign currency translation	207	-	-	99,905	100,112
At 31 December 2025	1,235,825	849,882	30,118,102	1,589,433	33,793,242
Accumulated depreciation:					
At 1 January 2024	132,878	151,616	2,110,905	324,418	2,719,817
Depreciation for the year (ii)	118,087	38,692	1,297,944	193,443	1,648,166
Asset / business acquisitions	3,482	-	83,739	6,773	93,994
Lease modifications and other movements (i)	(148,660)	(101,493)	(577,498)	(72,068)	(899,719)
Effect of foreign currency translation	132	-	-	(19,544)	(19,412)
At 31 December 2024	105,919	88,815	2,915,090	433,022	3,542,846
Business acquisition (Note 37.1.3)	108,300	-	-	-	108,300
Depreciation for the year (ii)	53,422	248,373	2,056,807	222,610	2,581,212
Reclassification / transfers (Note 5 (a) ii)	-	-	(2,788)	10,956	8,168
Lease modifications and other movements (i)	(114,577)	(90,765)	(114,221)	(67,454)	(387,017)
Effect of foreign currency translation	147	-	-	12,280	12,427
At 31 December 2025	153,211	246,423	4,854,888	611,414	5,865,936
Net carrying amount:					
At 31 December 2025	1,082,614	603,459	25,263,214	978,019	27,927,306
At 31 December 2024	210,024	121,567	8,371,743	949,550	9,652,884

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

(i) This includes lease modifications which resulted in net recognition of right-of-use assets amounting to QR 544.62 million and lease liabilities of QR 473.94 million. The resulting gain of QR 70.68 million (2024: QR Nil million) has been recognized in other income (Note 27).

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

	2025	2024
Capitalised under property, plant and equipment	185,831	71,784
Charged to profit or loss (Note 29)	<u>2,395,381</u>	<u>1,576,382</u>
	<u><u>2,581,212</u></u>	<u><u>1,648,166</u></u>

(iii) Included in right-of-use assets is the Group's share of QR 767.40 million (2024: QR 719.84 million) from its joint operations.

(iv) Out of total amount of assets and business acquired, QR 64 million (2024: QR 83 million) relates to business acquisition and Nil (2024: QR 176 million) relates to asset acquisition.

5(c). Investment property

	2025	2024
Costs:		
At 1 January	1,080,401	1,079,131
Transfer from property, plant and equipment (Note 5(a)(ii))	281	-
Additions	-	255
(Impairment) / reversal of impairment for the year (Note 28(iii))	<u>(2,475)</u>	<u>1,015</u>
At 31 December	<u><u>1,078,207</u></u>	<u><u>1,080,401</u></u>
Accumulated depreciation:		
At 1 January	235,423	219,466
Charge for the year (Note 29)	<u>15,962</u>	<u>15,957</u>
At 31 December	<u><u>251,385</u></u>	<u><u>235,423</u></u>
Net carrying amount:		
At 31 December	<u><u>826,822</u></u>	<u><u>844,978</u></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 128.3 million (2024: QR 117.44 million) from rentals of investment property during the year.

The fair value of the investment property as at 31 December 2025 was QR 1,526 million (2024: QR 1,554 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

	Customer contracts (Note i)	Data acquisition – cost for appraisal wells (Note ii)	Other intangible assets (Note iii)	Total
Costs:				
At 1 January 2024	-	7,981,412	5,343,497	13,324,909
Additions	-	-	16,196	16,196
Business acquisitions	-	-	138,707	138,707
Derecognition / disposal (Note iv)	-	-	(1,805,560)	(1,805,560)
Transfer from property, plant and equipment (Note 5(a)(ii))	-	125	57,765	57,890
Effect of foreign currency translation	-	-	(530,651)	(530,651)
At 31 December 2024	-	7,981,537	3,219,954	11,201,491
Additions	-	-	70,024	70,024
Business acquisitions (Note 37.1.3)	5,468,383	-	112,710	5,581,093
Derecognition (Note iv)	-	-	(36,891)	(36,891)
Transfer from property, plant and equipment (Note 5(a)(ii))	-	6,674	70,514	77,188
Transfer to assets held for sale (Note 11.1 (a))	-	-	(116,822)	(116,822)
Effect of foreign currency translation	-	-	161,866	161,866
Other adjustments	-	-	257,351	257,351
At 31 December 2025	5,468,383	7,988,211	3,738,706	17,195,300
Accumulated amortization:				
At 1 January 2024	-	2,740,410	1,366,324	4,106,734
Charge for the year (Note 29)	-	291,951	55,265	347,216
Business acquisitions	-	-	129,992	129,992
At 31 December 2024	-	3,032,361	1,551,581	4,583,942
Charge for the year (Note 29)	1,004,640	283,270	63,985	1,351,895
Business acquisitions (Note 37.1.3)	-	-	112,710	112,710
Derecognition (Note iv)	-	-	(32,355)	(32,355)
Transfer from property, plant and equipment (Note 5(a)(ii))	-	-	30,629	30,629
At 31 December 2025	1,004,640	3,315,631	1,726,550	6,046,821
Net carrying amount:				
At 31 December 2025	4,463,743	4,672,580	2,012,156	11,148,479
At 31 December 2024	-	4,949,176	1,668,373	6,617,549

- i. This represents customer contracts acquired as part of business combination in accordance with IFRS 3 Business Combination and is amortised over 44 months.
- 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 1,604.52 million (2024: QR 1,527 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 Nil (2024: QR 1,806 million) due to the relinquishment of blocks in different jurisdictions. (Note 28).

7. Investments in associates

2025	Group percentage of holding		At 1 January 2025	Transfer / (disposal) / (repayment)	Share in profit / (loss)	Dividends	Other adjustments (i)	At 31 December 2025
	2025	2024						
TotalEnergies E&P Congo (TEPC) (iii)	15.0	15.0	975,156	-	205,842	(245,700)	546	935,844
Foulath Holding B.S.C. – Bahrain (ii)	25.0	25.0	1,803,583	-	190,194	(136,556)	(4,011)	1,853,210
Others (iv)			<u>3,504,783</u>	<u>60,886</u>	<u>355,450</u>	<u>(241,992)</u>	<u>308,710</u>	<u>3,987,837</u>
Total			<u>6,283,522</u>	<u>60,886</u>	<u>751,486</u>	<u>(624,248)</u>	<u>305,245</u>	<u>6,776,891</u>

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
Others (iv)			<u>3,171,418</u>	<u>(55,690)</u>	<u>362,980</u>	<u>(193,378)</u>	<u>219,453</u>	<u>3,504,783</u>
Total			<u>6,320,318</u>	<u>(55,690)</u>	<u>802,446</u>	<u>(1,012,490)</u>	<u>228,938</u>	<u>6,283,522</u>

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 determined 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. 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.

2025	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Proportion of adjusted 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	2,704,520	14,818,440	1,266,720	6,271,720	9,984,520	1,497,678	6,147,960	1,375,920	-	206,388
Foulath Holding B.S.C.	4,199,263	5,338,105	2,233,177	2,123,745	5,180,446	1,295,112	8,714,894	763,729	(16,047)	186,183
2024	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Proportion of adjusted 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

(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.

PSAs on behalf of Government of State of Qatar

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 ("PSA") on 8 July 2004 to develop gas-to-liquids (GTL) project in Ras Laffan, State of Qatar. The period of the PSA 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 ("PSA") 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 PSA 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 ("PSA") on 2 May 2000 to carry out the Enhanced Gas Utilisation Project. The period of the PSA is for 25 years effective 2 May 2000.

Other joint operations

1.) *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.

2.) *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)****Other joint operations (continued)****3.) *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 its joint operations included in these consolidated financial statements is as follows:

	2025	2024
Non-current assets	<u>84,788,768</u>	<u>84,677,758</u>
Current assets	<u>1,691,877</u>	<u>1,237,559</u>
Non-current liabilities	<u>1,707,801</u>	<u>1,754,261</u>
Current liabilities	<u>739,962</u>	<u>741,998</u>
Income	<u>34,570,472</u>	<u>38,009,426</u>
Expenses	<u>9,026,127</u>	<u>10,392,244</u>

8. Investments in joint arrangements (continued)

b. Investments in joint ventures

2025	Group's effective percentage of holding		1 January 2025	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments (Note i, and iv)	31 December 2025
	2025	2024						
QatarEnergy LNG N (2) (Note iii)	68.41	68.53	8,212,893	-	7,852,830	(6,839,845)	-	9,225,878
QatarEnergy LNG NFE (1) (Note iii)	75.0	75.0	14,112,124	2,661,750	(39,486)	-	-	16,734,388
QatarEnergy LNG NFE (2) (Note iii)	70.0	70.0	13,171,547	2,484,300	(37,287)	-	-	15,618,560
QatarEnergy LNG NFE (3) (Note iii)	70.0	70.0	13,171,542	2,484,300	(36,996)	-	-	15,618,846
QatarEnergy LNG NFE (4) (Note iii)	70.0	70.0	6,584,770	1,242,150	(19,035)	-	-	7,807,885
QatarEnergy LNG NFE (5) (Note iii)	70.0	70.0	6,584,772	1,242,150	(19,035)	-	-	7,807,887
QatarEnergy LNG NFS (1) (Note iii)	75.0	75.0	5,381,307	-	(30,969)	-	-	5,350,338
QatarEnergy LNG NFS (2) (Note iii)	70.0	70.0	5,022,127	4,013,100	(26,741)	-	-	9,008,486
QatarEnergy LNG NFS (3) (Note iii)	75.0	75.0	3,586,697	2,866,500	(19,483)	-	-	6,433,714
QatarEnergy LNG S (1) (Note iii and v)	-	89.63	2,744,985	(533,827)	1,202,315	(1,251,748)	(2,161,725)	-
QatarEnergy LNG S (2) (Note iii)	67.28	67.73	6,518,292	-	7,818,329	(6,617,272)	-	7,719,349
Barzan Gas Company Limited (Note ii and iii)	93.0	93.0	20,462,446	(1,492,873)	123,602	-	-	19,093,175
Qatar Vinyl Company Limited (Note iii)	68.1	68.1	1,512,594	157,728	(44,643)	(52,303)	-	1,573,376
Qatar Chemical Company Limited (Note iii)	51.0	51.0	1,446,227	-	191,466	(537,814)	-	1,099,879
Qatar Chemical Company Limited (II) (Note iii)	51.0	51.0	2,951,611	-	280,435	(634,410)	-	2,597,636
Oryx GTL Limited (Note iii)	51.0	51.0	2,013,552	-	124,377	(445,536)	-	1,692,393
QatarEnergy LNG N (3) (Note iii and iv)	68.5	68.5	1,789,861	(842,866)	3,702,819	(3,702,602)	-	947,212
QatarEnergy LNG N (4) (Note iii and iv)	70.0	70.0	3,594,721	(725,619)	4,617,539	(4,617,537)	-	2,869,104
QatarEnergy LNG S (3) (Note iii)	70.0	70.0	9,710,084	-	9,252,742	(8,977,516)	-	9,985,310
Golden Pass LNG Terminal LLC (Note iii)	70.0	70.0	28,950,072	5,701,060	(1,081,193)	-	1,843	33,571,782
South Hook LNG Terminal Ltd. (Note iii)	67.5	67.5	2,175,762	-	302,436	(278,924)	174,645	2,373,919
Golden Pass Pipeline LLC (Note iii)	70.0	70.0	1,994,855	418,000	66,811	-	374	2,480,040
QPI & Shell Petrochemicals (Singapore) PTE Ltd.	49.0	49.0	1,138,592	-	(56,060)	-	-	1,082,532
Qatar Petrochemical Company Q.P.J.S.C. (Note iii)	80.0	80.0	6,222,869	-	667,124	(935,200)	(679,636)	5,275,157
North Oil Company (Note iii)	70.0	70.0	18,447,577	-	4,369,993	-	-	22,817,570
Qatar Aluminium Company (Qatalum) (Note iii)	50.0	50.0	4,656,195	-	720,971	(510,207)	(194,526)	4,672,433
Golden Triangle Polymers Company Holdings L.L.C.	49.0	49.0	5,117,037	2,319,041	(70,136)	-	-	7,365,942
Ras Laffan Petrochemicals Company ('RLPC') (Note iii)	70.0	70.0	3,024,267	1,850,238	(34,337)	-	-	4,840,168
Others (Note vi)			1,269,554	2,543	99,572	(24,424)	(396,619)	950,626
Total			201,568,932	23,847,675	39,877,960	(35,425,338)	(3,255,644)	226,613,585

QatarEnergy

**Notes to the consolidated financial statements
As at and for the year ended 31 December 2025**

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8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2024	Group percentage of holding		1 January 2024	Net additions/ (repayments) / (disposals)	Share in profits/ (losses)	Dividends	Other adjustments (Note i)	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)	70.0	75.0	10,334,999	2,842,899	(6,356)	-	-	13,171,542
QatarEnergy LNG NFE (4) (Note iii)	70.0	75.0	5,167,080	1,421,448	(3,758)	-	-	6,584,770
QatarEnergy LNG NFE (5) (Note iii)	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)	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 and v)	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 iv)	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 iv)	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)	-	25.5	881,904	-	288,095	(273,000)	(896,999)	-
Others (Note vi)			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)

- 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 1,493 million (2024: QR 782 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 entities is classified as investment in a joint venture rather than investment in a joint operation or investment in a subsidiary.
- iv. During the year, QatarEnergy LNG N (3) and QatarEnergy LNG N (4) repaid share capital amounting to QR 843 million (2024: QR 1,213 million) and QR 726 million (2024: QR 1,263 million) respectively.
- v. During the year, ExxonMobil completed its second exit from the joint venture, with an effective date of 30 April 2025. Following this exit, the Group's effective economic interest in QatarEnergy LNG S (1) increased to 97.53%. As a result, joint control ceased to exist and the Group obtained control over QatarEnergy LNG S (1), as it is exposed to, and has rights to, variable returns from its involvement with QatarEnergy LNG S (1) and has the ability to affect those returns through its controlling interest. Other adjustments primarily relate to the derecognition of carrying value of the previously held investment in QatarEnergy LNG S (1). Refer Note 37.1.
- vi. 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.

8. Investments in joint arrangements (continued)

b. Investments in joint ventures (continued)

2025	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	4,209,753	3,551,012	26,458,804	660,664	6,260,559	11,194,223	2,618,733	13,485,390	15,373	9,225,878
QELNGNFE1	22,215	710,107	22,820,477	25,981	552,256	662,045	-	22,312,517	-	16,734,388
QELNGNFE2	22,319	709,669	22,820,631	25,981	552,364	662,045	-	22,312,229	-	15,618,560
QELNGNFE3	22,967	709,671	22,820,412	25,981	552,387	662,045	-	22,312,637	-	15,618,846
QELNGNFE4	8,153	354,825	11,411,400	12,990	276,245	331,022	-	11,154,121	-	7,807,885
QELNGNFE5	8,159	354,826	11,411,396	12,990	276,245	331,022	-	11,154,124	-	7,807,887
QELNGNFS1	13,322	724,803	13,877,595	-	1,281,464	6,200,472	-	7,133,784	-	5,350,338
QELNGNFS2	11,352	724,798	13,824,015	-	1,281,457	409,442	-	12,869,266	-	9,008,486
QELNGNFS3	5,732	483,187	9,216,675	-	854,349	272,960	-	8,578,285	-	6,433,714
QELNGS2	3,487,255	3,501,632	14,974,401	701,593	6,068,357	3,435,691	283,787	11,473,860	52,183	7,719,349
Barzan	3,222,362	740,834	30,079,663	2,147,423	467,867	9,181,590	1,490,958	20,755,021	208,993	19,093,175
QVC	201,488	541,807	1,844,873	291	184,198	-	149,726	2,253,953	(38,434)	1,573,376
Q-chem	295,380	1,113,308	1,420,561	13,446	467,213	309,000	134,830	1,904,760	(128,451)	1,099,879
Q-chem II	937,506	841,936	4,100,305	9,929	872,070	1,019,416	1,755	3,976,577	(569,582)	2,597,636
Oryx	243,156	1,504,383	3,539,955	18,444	550,797	159,538	1,240,297	3,318,418	-	1,692,393
QELNGN3	1,240,899	2,596,239	13,586,968	384,921	2,505,152	11,973,563	1,177,679	1,382,791	-	947,212
QELNGN4	1,327,700	2,243,090	13,309,234	323,328	2,493,153	8,797,497	1,167,326	4,098,720	-	2,869,104
QELNGS3	4,987,209	3,888,849	29,730,635	2,229,259	7,121,752	12,262,829	2,584,838	14,408,015	100,301	9,985,310
GP LNG	134,523	1,207,752	50,465,011	2,368,930	350,728	760,192	383,707	47,943,729	(11,172)	33,571,782
SH LNG	20,019	634,904	4,860,836	222,106	124,016	1,646,477	2,969	3,520,191	2,210	2,373,919
GP Pipeline	36,429	74,114	4,021,064	148,436	57,490	-	2,533	3,923,148	266,164	2,480,040
QPI & SP	26,590	-	848,320	-	243	-	-	874,667	(653,945)	1,082,532
QAPCO	1,050,366	1,650,626	6,515,999	17,365	1,082,400	391,667	904,432	6,821,127	181,745	5,275,157
NOC	216,151	5,138,568	47,475,909	1,057,407	7,841,093	7,741,091	3,594,508	32,596,529	-	22,817,570
Qatalum	848,925	2,635,934	9,933,935	289,033	1,093,400	2,648,573	-	9,387,788	21,461	4,672,433
GTPC	480,170	353,379	30,495,051	-	1,188,945	15,307,671	3,020	14,828,964	(99,750)	7,365,942
RLPC	819,008	118,678	18,462,545	446,522	1,276,481	10,762,441	264	6,914,523	(2)	4,840,168

* 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)

2025	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	31,783,261	(2,452,634)	100,016	(859,007)	(6,261,260)	11,627,122	-	11,627,122	7,852,830
QELNGNFE1	-	-	14,183	(1)	28,349	(52,648)	-	(52,648)	(39,486)
QELNGNFE2	-	-	13,837	(1)	28,682	(53,266)	-	(53,266)	(37,287)
QELNGNFE3	-	-	13,895	(1)	28,458	(52,851)	-	(52,851)	(36,996)
QELNGNFE4	-	-	6,815	(1)	14,642	(27,193)	-	(27,193)	(19,035)
QELNGNFE5	-	-	6,815	(1)	14,642	(27,192)	-	(27,192)	(19,035)
QELNGNFS1	-	-	21,752	(3,652)	20,268	(41,292)	-	(41,292)	(30,969)
QELNGNFS2	-	-	21,061	-	20,570	(38,201)	-	(38,201)	(26,741)
QELNGNFS3	-	-	13,887	-	13,987	(25,977)	-	(25,977)	(19,483)
QELNGS1 (i)	4,436,083	(36,997)	9,020	(5,824)	(808,517)	1,501,533	-	1,501,533	1,202,315
QELNGS2	31,623,718	(1,423,920)	73,832	(293,960)	(6,216,582)	11,545,081	-	11,545,081	7,818,329
Barzan	5,898,564	(2,362,927)	149,307	(570,504)	(1,009,016)	174,138	-	174,138	123,602
QVC	1,199,467	(178,691)	5,041	(3,218)	45,118	(28,986)	-	(28,986)	(44,643)
Q-chem	1,903,319	(409,961)	22,265	(2,574)	(138,934)	257,100	-	257,100	191,466
Q-chem II	2,279,886	(415,586)	47,940	(4,884)	(215,473)	398,748	-	398,748	280,435
Oryx	2,905,441	(710,557)	7,604	(67,169)	(252,015)	243,876	-	243,876	124,377
QELNGN3	22,162,385	(1,386,211)	43,630	(735,099)	(2,922,886)	5,405,575	-	5,405,575	3,702,819
QELNGN4	20,370,995	(1,359,102)	37,963	(608,747)	(3,552,858)	6,596,485	-	6,596,485	4,617,539
QELNGS3	40,525,165	(2,213,556)	149,368	(925,020)	(7,194,648)	13,361,490	-	13,361,490	9,252,742
GP LNG	5,043,791	(146,266)	-	-	(95,717)	(1,544,561)	-	(1,544,561)	(1,081,193)
SH LNG	418,794	(13,658)	656,719	(60,673)	(152,246)	448,053	-	448,053	302,436
GP Pipeline	202,748	(40,146)	-	(5,118)	(16,125)	101,010	-	101,010	66,811
QPI & SP	-	-	1,030	-	(62)	(114,412)	-	(114,412)	(56,060)
QAPCO	3,420,453	(529,175)	26,833	(22,258)	(197,818)	552,122	-	552,122	667,124
NOC	27,817,305	(3,552,067)	115,850	(356,011)	(3,361,533)	6,242,847	-	6,242,847	4,369,993
Qatalum	7,013,223	(925,807)	46,451	(182,114)	(512,838)	929,113	-	929,113	720,971
GTPC	-	-	13,113	-	-	(171,969)	-	(171,969)	(70,136)
RLPC	-	(24,002)	-	(42,228)	25,364	(49,052)	-	(49,052)	(34,337)

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

(i) Financial information of QatarEnergy LNG S(1) is for the period from 1 January 2025 to 30 April 2025.

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 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	Proportion of Group's interest in joint venture's total comprehensive income / (loss)	
								Total comprehensive income / (loss)	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.

9. Other investments

	2025	2024
Non-current assets		
Financial assets at FVOCI (Note a)	4,557,240	4,429,006
Financial assets at amortised cost	<u>3,603,247</u>	<u>3,599,441</u>
	8,160,487	8,028,447
Current assets		
Financial assets at FVOCI (Note a)	48,380	99,225
Financial assets at FVTPL (Note b)	<u>881,995</u>	<u>886,218</u>
	930,375	985,443

a. Financial assets at FVOCI

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

	2025	2024
Quoted equity instruments	3,995,073	4,084,124
Quoted debt instruments	591,021	424,223
Quoted managed funds	18,026	18,382
Unquoted equity instruments	<u>1,500</u>	<u>1,502</u>
	4,605,620	4,528,231

The movement during the year was as follows:

	2025	2024
As at 1 January	4,528,231	5,199,263
Additions during the year	666,975	565,990
Disposals during the year	(511,786)	(1,116,758)
Fair value changes during the year	(44,604)	(288,023)
Other adjustments	<u>(33,196)</u>	<u>167,759</u>
As at 31 December	4,605,620	4,528,231

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:

	2025	2024
Quoted equity instruments	559,631	742,949
Quoted debt instruments	<u>322,364</u>	<u>143,269</u>
	881,995	886,218

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

The movement during the year was as follows:

	2025	2024
As at 1 January	886,218	878,461
Acquisition during the year	23,884	59,764
Disposals during the year	(70,516)	(57,939)
Net movement in fair value during the year (Note 27 and 28)	44,728	(4,671)
Other adjustments	(2,319)	10,603
As at 31 December	<u>881,995</u>	<u>886,218</u>

10. Other non-current assets

	2025	2024
Loans and advances to related parties (Note 15(a))	5,301,680	801,966
Lease receivables (Note a)	1,895,711	2,006,408
Projects under development (Note b)	9,719,934	5,732,491
Catalysts	251,678	264,414
Deferred tax asset (Note c and Note 32)	1,589,841	1,428,795
Recoverable injected gas (Note d)	3,536,678	3,454,748
Capital advances	29,509	364,006
Other receivables	604,234	539,132
Advance for investment (Note e)	3,512,937	1,994,780
Derivative financial assets	320,138	366,914
Other non-current assets	218,877	265,497
	<u>26,981,217</u>	<u>17,219,151</u>

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.

	2025	2024
Not later than one year	87,820	78,153
Later than one year and not later than five years	823,622	776,116
Later than five years	1,072,089	1,230,292
	<u>1,983,531</u>	<u>2,084,561</u>
	2025	2024
<i>Classified as below:</i>		
Non-current asset	1,895,711	2,006,408
Current asset (Note 13)	87,820	78,153
	<u>1,983,531</u>	<u>2,084,561</u>

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:

	2025	2024
North Field Expansion Project	7,766,128	5,554,632
North Field West Expansion Project	1,492,521	-
North Field Production Sustainability Project	115,454	38,375
Ras Laffan Petrochemical Plant	202,438	84,982
Others	143,393	54,502
	<u>9,719,934</u>	<u>5,732,491</u>

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

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

	2025	2024
As at 1 January	5,732,491	1,318,995
Project costs paid during the year	6,422,194	4,898,996
Repayment	-	(210)
Transfer (to) / from property, plant and equipment (Note 5(a)(ii))	(1,718,219)	12,438
Transfer to investment in joint ventures	(716,532)	(497,413)
Transfer to related party	-	(315)
As at 31 December	<u>9,719,934</u>	<u>5,732,491</u>

c. Deferred tax asset

Deferred tax asset represents asset recognized on carried forward tax losses of QR 1,000.05 million (2024: QR 378.37 million) and other deductible temporary differences of QR 589.79 million (2024: QR 1,050.43 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 as at 31 December 2025 is QR 3,069.38 million (2024: QR 1,679.24 million) 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. As of 31 December 2025, the Group has made an advance of QR 443.56 million (2024: QR 315.54 million) under the 'Principles Agreement'.

The Group will recognise the additional investment in its consolidated financial statements upon completion of the share transfer and other legal formalities in this regard. Further, as of that date, the outstanding advances will be converted into investment in QVC.

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.

In 2024, the Group's investment in block BC-10 concession and investment in joint ventures namely ALNG and EMEA have been sold. 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. During the year 2025, on 29th January 2025, the completion conditions, for sale to occur, have been satisfied and the investment in MASA has been disposed off by the Group.

During the year 2025, the Group began its process for the divestment of investment in CM 659 block, which is located in Brazil. The Group has already received a non-binding offer for the sale of this block. The Group expects to make progress in negotiations in 2026.

In addition to the above, certain QEM components have been presented as held for sale.

The breakup of total assets and liabilities held for sale are as follows:

Assets	2025	2024
Investment in joint ventures (Note 11.1(b))	-	315,540
Property and equipment	211,791	-
Intangible assets	116,822	-
Trade and other receivables	-	107
Effect of foreign currency exchange difference	1,793	-
Cash and cash equivalents	-	52
Assets held for sale	<u>330,406</u>	<u>315,699</u>
Liabilities	2025	2024
Trade and other payables	11,205	24
Effect of foreign currency exchange difference	172	-
Liabilities directly associated with the assets held for sale	<u>11,377</u>	<u>24</u>

(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.

	2025	2024
Fair value less cost to sell	-	315,540
Less: carrying value of investment in MASA	-	(19,142)
Reversal of impairment (Note 11.2(a))	<u>-</u>	<u>296,398</u>

Under the agreement with YPF S.A for sale of MASA, the agreed price and adjustment till 31 December 2024 amounted to QR 315.55 million (USD 86.69 million) therefore the amount was considered as fair value of MASA as at 31 December 2024. During the year, investment in MASA has been disposed-off by the Company on 29 January 2025 at a value of QR 317.46 million (USD 87.21 million) which includes agreed price and adjustment till 29 January 2025.

11. Assets held for sale and discontinued operations (continued)**11.2 Profit 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:

	2025	2024
Joint ventures held for sale (a)	1,919	1,680,971
Others	-	(186)
Profit from discontinued operations	<u>1,919</u>	<u>1,680,785</u>

(a) Joint ventures held for sale

The below table presents profit relating to discontinued operations:

	2025	2024
Reversal of impairment on investment in a joint venture (Note 11.1(b))	-	296,398
Gain on sale of investment in joint venture (i)	1,919	1,384,573
	<u>1,919</u>	<u>1,680,971</u>

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

The calculations for gain on disposal of these investments is as follows:

2025		MASA	Total
Sale proceeds from sale of investment		317,459	317,459
Less: carrying value of investment held for sale		<u>(315,540)</u>	<u>(315,540)</u>
Gain on disposal		<u>1,919</u>	<u>1,919</u>
2024	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	-	<u>(777,492)</u>	<u>(777,492)</u>
	1,845,480	(176,923)	1,668,557
Historical exchange loss settlement on disposal	(12,340)	(270,552)	(282,892)
Other adjustment	<u>(1,092)</u>	-	<u>(1,092)</u>
Gain / (loss) on disposal	<u>1,832,048</u>	<u>(447,475)</u>	<u>1,384,573</u>

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

	2025	2024
Net cash used in operating activities	(1,919)	(1,680,971)
Net cash from investing activities	<u>291,251</u>	<u>2,350,512</u>
	<u>289,332</u>	<u>669,541</u>

12. Inventories

	2025	2024
Crude oil, gas and refined products	1,910,214	1,562,954
Liquefied Natural Gas (LNG)	1,733,087	638,997
Steel and other related products	498,086	900,250
Maintenance and other materials	7,664,664	6,820,330
	<u>11,806,051</u>	<u>9,922,531</u>
Less: provision for obsolescence	(890,323)	(813,611)
	<u>10,915,728</u>	<u>9,108,920</u>

Movement in the provision for obsolescence was as follows:

	2025	2024
At 1 January	813,611	751,116
Provision during the year (Note 28)	76,712	62,495
At 31 December	<u>890,323</u>	<u>813,611</u>

13. Accounts receivables and prepayments

	2025	2024
Due from related parties (Note 15(b))	7,701,090	7,374,011
Trade and insurance receivables (Note a)	21,395,653	20,341,343
Reinsurance contract assets	446,460	783,421
Loans to employees (Note b)	576,711	940,714
Advances to vendors	1,351,259	893,426
Prepayments and other debit balances	340,484	367,787
Contract assets (Note d)	4,887,167	3,149,639
Accrued interest (Note e)	477,389	612,229
Other receivables	1,325,809	2,202,608
Derivative financial assets (Note c)	944,712	186,750
Lease receivables (Note 10(a))	87,820	78,153
	<u>39,534,554</u>	<u>36,930,081</u>
Less: loss allowance (i)	(380,283)	(385,939)
	<u>39,154,271</u>	<u>36,544,142</u>

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

	2025	2024
Trade and insurance receivables (Note a)	186,712	228,119
Loans to employees (Note b)	2,631	2,631
Contract assets (Note d)	32	136
Accrued interest (Note e)	24,768	24,768
Due from related parties (Note 15(b))	166,140	130,285
	<u>380,283</u>	<u>385,939</u>

a. Trade and insurance receivables

	2025	2024
Trade and insurance receivables	21,395,653	20,341,343
Loss allowance	(186,712)	(228,119)
	<u>21,208,941</u>	<u>20,113,224</u>

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.

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

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 14 million (2024: QR 171 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 Group'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.

	Trade/insurance receivables – days past due					Total
	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	
31 December 2025						
Gross carrying amount	19,452,427	608,770	373,222	106,171	855,063	21,395,653
	Trade/insurance receivables – days past due					
	Not past due	0 – 30 days	30 – 60 days	60 – 120 days	> 120 days	Total
31 December 2024						
Gross carrying amount	18,163,331	672,216	249,879	368,318	887,599	20,341,343

As at the reporting date, the expected credit loss rate ranged from 0% - 3.4% (2024: 0% - 3.4%) resulting in a lifetime ECL of QR 187 million (2024: QR 228 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.

	2025	2024
As at 1 January	228,119	407,334
Expected credit loss allowance remeasured during the year (Note 30)	(13,873)	(171,050)
Write off and other adjustments	(27,534)	(8,165)
As at 31 December	<u>186,712</u>	<u>228,119</u>

b. Loans to employees

	2025	2024
Loans to employees	576,711	940,714
Loss allowance	(2,631)	(2,631)
	<u>574,080</u>	<u>938,083</u>

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.

	2025	2024
As at 1 January	2,631	42,973
Write off against loss allowance	-	(40,342)
As at 31 December	<u>2,631</u>	<u>2,631</u>

13. Accounts receivable and prepayments (continued)**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.

	2025	2024
Derivatives held for trading		
Derivative financial assets – non current (Note 10)	320,138	366,914
Derivative financial assets – current	944,712	186,750
Derivative financial liabilities – non current (Note 23)	224,528	15,199
Derivative financial liabilities – current (Note 25)	734,492	260,644

d. Contract assets

	2025	2024
Contract assets	4,887,167	3,149,639
Loss allowance	(32)	(136)
	<u>4,887,135</u>	<u>3,149,503</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:

	2025	2024
As at 1 January	136	21
(Reversal of) / Provision for expected credit loss allowance (Note 30)	(104)	115
As at 31 December	<u>32</u>	<u>136</u>

e. Accrued interest

	2025	2024
Accrued interest	477,389	612,229
Loss allowance	(24,768)	(24,768)
	<u>452,621</u>	<u>587,461</u>

14. Cash and cash equivalents

	2025	2024
Cash at banks and on hand	28,386,843	21,422,587
Short-term deposits	38,492,235	56,866,329
Total cash and bank balances	<u>66,879,078</u>	<u>78,288,916</u>
Less: Loss allowance (Note ii)	<u>(826)</u>	<u>(1,412)</u>
Cash and bank balances as per consolidated statement of financial position	66,878,252	78,287,504
Less: Term deposits maturing after ninety (90) days	(23,712,239)	(11,020,395)
Less: Restricted cash (Note i)	(579,284)	(527,140)
Add: Loss allowance	<u>826</u>	<u>1,412</u>
Cash and cash equivalents as per consolidated statement of cash flows	<u>42,587,555</u>	<u>66,741,381</u>

- i. As at 31 December 2025, certain cash balances and deposits amounting to QR 579 million (2024: QR 527 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 0.58 million (2024: loss allowance of QR 0.52 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 4.85% (2024: 0.25% to 6.40%).

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.

15. 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

	2025	2024
<i>Joint ventures of the Group</i>		
Laffan Refinery Company Limited (LR) (Note i)	1,208,844	1,208,844
Arab Refining Company (ARC) (Note ii)	189,320	189,320
TOQAP Guyana BV (TOQAP) (Note iii)	117,383	118,148
QatarEnergy LNG NFS (1) (Note iv)	<u>4,360,157</u>	<u>-</u>
Total gross receivable	<u>5,875,704</u>	<u>1,516,312</u>
Less: Loss allowance (Note v)	<u>(574,024)</u>	<u>(714,346)</u>
Net receivable	<u>5,301,680</u>	<u>801,966</u>
	2025	2024
<i>Classified as below:</i>		
Non-current asset (Note 10)	<u>5,301,680</u>	<u>801,966</u>

15. Related party balances and transactions (continued)**(a) Loans and advances to related parties (continued)****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 600 million (equivalent to QR 2,184 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 QR 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% to 6.33% (2024: 6.6% to 7.35%).

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.

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 0.33 million (USD 0.09 million) (2024: QR 1.1 million (USD 0.3 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. Details of the loan to QELNGNFS (1)

On 29 September 2025, the Group, through its fully owned subsidiary QELNGI ("lender") signed a facility agreement with QatarEnergy LNG NFS(1) ("Borrower") by way of a direct Shareholder Loan with a total commitment of US\$3.9 billion. The purpose of the Shareholder loan is to fund the Borrower's participating interest in the development of NFS Project, including finance-related costs. As per clause 5 of Shareholder loan agreement, Borrower shall repay all the outstanding amounts, including unpaid interests on final maturity date, which is on 29 September 2040. The borrower may at its option to repay or prepay all or any part of the loan (but if in part, being a minimum amount of US\$1,000,000 and an integral multiple of US\$20,000) on an interest payment date and the repayment or prepayment shall be in pro rata amount of Shareholder loan.

v. 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:

	2025	2024
As at 1 January	714,346	832,130
ECL reversed for the year (Note 30)	(140,322)	(117,784)
As at 31 December	<u>574,024</u>	<u>714,346</u>

15. Related party balances and transactions (continued)

(b) Due from related parties

	2025	2024
<i>Joint ventures of the Group</i>		
QatarEnergy LNG S (1)	-	1,869,810
North Oil Company	145,321	98,268
Qatar Petrochemical Company Limited Q.P.S.C.	134,655	102,409
QatarEnergy LNG N (2)	686,884	316,738
Qatofin Company Limited	58,466	88,862
Qatar Chemical Company Limited	63,745	79,131
Qatar Chemical Company Limited II	85,114	108,313
Qatar Aluminium Limited	46,582	25,935
QatarEnergy LNG S (3)	1,790,305	1,265,651
QatarEnergy LNG	1,441,730	1,526,824
Ras Laffan Olefins Company Limited	32,365	20,837
<i>Associates of the Group</i>		
Mesaieed Power Company Limited Q.P.S.C.	81,162	70,462
Umm Al Houl Power Q.P.S.C.	436,698	271,013
Laffan Refinery Company Limited	683,953	489,656
Ras Girtas Power Company	244,834	228,512
Qatar Metals Coating Company W.L.L.	24,845	14,568
SOLB Steel Company	284,668	233,911
Ras Laffan Power Company Limited (Q.P.S.C.)	13,818	27,332
<i>Affiliates</i>		
AKG Marketing Company Limited	486,203	-
<i>Others</i>		
Total (Note 13)	<u>7,701,090</u>	<u>7,374,011</u>
Loss allowance	<u>(166,140)</u>	<u>(130,285)</u>
Net	<u>7,534,950</u>	<u>7,243,726</u>

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% (2024: 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.

	2025	2024
As at 1 January	130,285	100,885
ECL provided during the year (Note 30)	<u>35,855</u>	<u>29,400</u>
As at 31 December	<u>166,140</u>	<u>130,285</u>

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

	2025	2024
<i>Joint ventures of the Group</i>		
QatarEnergy LNG S (2) (II) (Note i)	689,224	764,423
QatarEnergy LNG N (2) (Note i)	1,001,870	1,203,721
QatarEnergy LNG S (3) (Note i)	1,783,122	2,038,850
QatarEnergy LNG S (1) (Note i, iii)	-	2,235,035
QatarEnergy LNG N (4) (Note i)	452,381	494,915
QatarEnergy LNG N (3) (Note i)	348,621	401,940
QatarEnergy LNG	1,659,351	1,302,443
North Oil Company (Note i)	2,469,012	3,379,974
Qatar Chemical Company Limited	419,772	476,815
Qatar Chemical Company Limited II	342,428	506,352
Qatar Petrochemical Company Limited Q.P.S.C.	712,904	785,657
Qatofin Company Limited	322,270	502,676
<i>Associates of the Group</i>		
Laffan Refinery Company Limited	2,020,770	2,242,762
<i>Others</i>		
Total (Note 25)	<u>13,018,709</u>	<u>16,984,464</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.
- iii. The Group acquired control of QatarEnergy LNG S (1) during the year. Refer Note 37.1.

(d) Related party transactions

	2025	2024
Operating income		
<i>Joint ventures of the Group</i>		
QatarEnergy LNG N (2)	747,607	611,893
QatarEnergy LNG S (1) (i)	1,052,417	3,508,894
Qatar Fuel Additives Company Limited Q.S.C.	-	546,844
<i>Associates of the Group</i>		
Laffan Refinery Company Limited	17,408,846	5,766,351
Ras Girtas Power Company Limited	1,747,623	1,764,529
Umm al Houf Power Company Limited	1,457,978	1,369,330
<i>Others</i>		
	<u>12,502,773</u>	<u>12,466,849</u>
	<u>34,917,244</u>	<u>26,034,690</u>

- i. This is for the period from 1 January 2025 to 30 April 2025 as the Group acquired control of QatarEnergy LNG S (1) effective 30 April 2025. Refer Note 37.1.

15. Related party balances and transactions (continued)

(d) Related party transactions (continued)

Purchases

	2025	2024
<i>Joint ventures of the Group</i>		
QatarEnergy LNG S (1) (i)	423,789	734,858
Qatar Petrochemical Company	3,186,823	791,570
QatarEnergy LNG N (2)	9,120,274	1,295,285
Barzan Gas Company Limited	5,063,002	2,908,657
Qatofin Company Limited	1,484,192	312,565
Qatar Chemical Company Limited	1,860,674	383,087
Qatar Chemical Company II Limited	1,980,603	371,179
Qatar Vinyl Company	1,199,414	89,180
QatarEnergy LNG N (3)	2,842,385	441,997
QatarEnergy LNG N (4)	2,688,013	441,997
QatarEnergy LNG S (2)	3,149,679	553,642
QatarEnergy LNG S (3)	12,700,536	1,477,339
North Oil Company	27,778,451	4,756,033
<i>Associates of the Group</i>		
Laffan Refinery Company Limited	25,743,491	14,262,402
AKG Marketing Company Limited	2,395,961	3,028,944
<i>Others</i>		
	2,719,681	1,224,572
	<u>104,336,968</u>	<u>33,073,307</u>
Dividends received from joint ventures (Note 8(b))	<u>35,425,338</u>	<u>41,665,467</u>
Dividends received from associates (Note 7)	<u>624,248</u>	<u>1,012,490</u>

- i. This is for the period from 1 January 2025 to 30 April 2025 as the Group acquired control of QatarEnergy LNG S (1) effective 30 April 2025. Refer Note 37.1.

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

	2025	2024
Balance (payable) / receivable at 1 January	(29,234,695)	18,369,183
Sales revenue collected by Ministry of Finance (MOF) on behalf of QatarEnergy	25,114,055	28,313,802
Grant income from Government (Note 27 (i))	364,851	387,725
Cash transfers to MOF	105,015,238	137,453,680
Dividend transferred to shareholder during the year (Note 40)	(54,005,311)	(100,051,459)
Taxes paid to the Government (Note 32)	-	(19,320,817)
Royalties paid to the Government (Note 28(ii))	-	(9,204,045)
Acquisition of QatarEnergy Marketing	-	(1,557,729)
<i>Collections on behalf of the Government:</i>		
QatarEnergy LNG N Ventures royalty collection	(31,363,321)	(35,262,569)
QatarEnergy LNG S Ventures royalty collection	(32,001,388)	(31,333,796)
North Oil royalty collection / supplementary contribution	(12,749,321)	(14,703,500)
Barzan royalty	(1,241,470)	(1,043,714)
Al-Khalij royalty collection / supplementary contribution	(380,794)	(657,679)
Other transactions	(3,843)	(623,777)
Balance payable at 31 December	<u>(30,485,999)</u>	<u>(29,234,695)</u>

15. 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:

	2025	2024
Remuneration and other benefits	<u>137,550</u>	<u>142,258</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 2025, 3.93% (2024: 7%) of total sales are made to a single government-related entity, other than those which are disclosed in Note 15(d). Further, 4.84% (2024: 4.78%) of outstanding trade receivables is related to single government-related entity, other than those which are disclosed in Note 15(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.

16. Capital

	2025	2024
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.

17. 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.

18. Other reserves

This account includes the following:

	2025	2024
Employee benefit reserve (i)	(1,881,171)	(2,115,685)
Fair value reserve (ii)	2,578,726	2,642,286
Hedging reserve (iii)	111,765	165,887
Foreign currency translation reserve (iv)	(1,808,107)	(2,177,610)
Legal and other reserves from subsidiaries	865,226	819,047
	<u>(133,561)</u>	<u>(666,075)</u>

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

	2025	2024
At 1 January	(2,115,685)	(2,038,685)
Share of movement in employee benefits reserve during the year:		
From the Parent and subsidiaries	236,198	(77,184)
From Joint ventures	(7,332)	(6,574)
From Associates	1,108	(373)
	<u>229,974</u>	<u>(84,131)</u>
Share attributable to non-controlling interests	4,540	6,041
Other movements during the year	-	1,090
At 31 December	<u>(1,881,171)</u>	<u>(2,115,685)</u>

(ii) Fair value reserve

	2025	2024
At 1 January	2,642,286	2,888,091
Share of movement in fair value reserve during the year:		
From the Parent and subsidiaries	(44,604)	(288,023)
From associates	1,353	(31,237)
	<u>(43,251)</u>	<u>(319,260)</u>
Share attributable to non-controlling interests	(14,879)	61,650
Other movements during the year	(5,430)	11,805
At 31 December	<u>2,578,726</u>	<u>2,642,286</u>

(iii) Hedging reserve

	2025	2024
At 1 January	165,887	74,101
Share of movement in hedging reserve during the year:		
From Joint ventures	(16,671)	12,270
From associates	(39,417)	84,163
	<u>(56,088)</u>	<u>96,433</u>
Share attributable to non-controlling interests	1,966	(4,647)
At 31 December	<u>111,765</u>	<u>165,887</u>

(iv) Foreign currency translation reserve

	2025	2024
At 1 January	(2,177,610)	(1,840,237)
Share of movement in foreign currency translation reserve during the year:		
Continuing operations		
From the Parent and subsidiaries	142,962	(659,505)
From Joint ventures	176,862	(3,451)
	<u>319,824</u>	<u>(662,956)</u>
Share attributable to non-controlling interests	49,589	42,693
Other movements during the year	90	282,890
At 31 December	<u>(1,808,107)</u>	<u>(2,177,610)</u>

19. Loans and bonds

This account includes the following:

	Current		Non-current	
	2025	2024	2025	2024
Interest bearing loans (Note a)	358,614	348,554	5,037,008	5,265,850
Bonds (Note b)	6,028,922	569,677	39,914,595	45,357,724
	6,387,536	918,231	44,951,603	50,623,574

(a) Interest bearing loans

	2025	2024
Loans related to drilling segment (i)	5,145,684	5,421,062
Loans related to aviation segment (ii)	249,938	193,342
	5,395,622	5,614,404

- (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.

In December 2023, GDI renegotiated its existing loan facilities and obtained a new loan facility of USD 207 million. In September 2024, GDI capitalized the past due interest amounting to USD 11 million which increases the total loan facility to USD 218 million. The loan will be repaid in 18 unequal annual instalments commencing from 2026, and a balloon payment of 35% upon maturity in 2048.

In June 2024, the group obtained a new loan facility of QR 1,106 million (USD 303.84 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) These borrowings are related to the Group's subsidiary, Gulf Helicopters Company (Qatari Private Shareholding Company) ("GHC"). On April 2018, the Group obtained a loan of QR 23.3 million (USD 6.4 million) to finance the purchase of two second hand fixed wings aircrafts. During the year, GHC repaid the remaining two instalments and fully settled the loan.

In September 2023, GHC obtained a loan of QR 20.38 million (USD 5.6 million) from a local bank to finance the purchase of Legacy-600 fixed wing aircraft. The loan is unsecured and carry interest at 3 months SOFR plus 2.5% (2024: 3 months SOFR plus 2.5%) per annum.

GHC entered into a new loan agreement for QR 452.6 million in September 2024 with a local commercial bank for the purchase of aircrafts. As at 31 December 2025, GHC has utilized QR 265.7 million. The loan is unsecured and carry interest at 3 months SOFR plus 1.40% per annum (2024: 3 months SOFR plus 1.40% per annum). Each drawdown under the facility is repayable through 28 equal quarterly instalments.

19. Loans and bonds (continued)

(b) Bonds

	2025	2024
USD Bonds (i)	<u>45,943,517</u>	<u>45,927,401</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 (%)	2025 Carrying value (QR '000)	2024 Carrying value (QR '000)
2026 Bonds	1,500,000	5,460,000	99.905	12 Sep 2026	1.375%	5,481,976	5,480,959
2031 Bonds	3,500,000	12,740,000	98.937	12 July 2031	2.25%	12,788,039	12,774,854
2041 Bonds	3,500,000	12,740,000	99.631	12 July 2041	3.125%	12,887,943	12,886,029
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>45,943,517</u>	<u>45,927,401</u>

Fair value of USD bonds at the reporting date amounted to QR 36,873 million (2024: QR 35,370 million). The fair value measurement has been categorized as a Level 1 (quoted prices (unadjusted) in active markets).

20. Employee benefits

	2025	2024
Qatari pension scheme	2,179,338	2,427,783
Employees' end of service benefits	3,450,537	3,343,897
	<u>5,629,875</u>	<u>5,771,680</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 2025 by an independent consultant appointed by the management.

20. 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 2025.

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	
	2025	2024	2025	2024
Discount rate	4.4%	4.3%	4.38%-4.9%	4.3%-5.1%
Salary increase rate	3.5%	3.5%	0%	0%
Plan duration	8.59	8.86	8.13	8.2
Mortality in service	Swiss EVK 2000	Swiss EVK 2000	Swiss EVK 2000	Swiss EVK 2000
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	
	2025	2024	2025	2024
As at 1 January	3,343,897	3,078,540	2,427,783	2,525,770
Current service cost	417,363	319,043	-	1,953
Interest cost	109,250	101,328	99,817	102,903
Benefits paid	(255,065)	(244,443)	(236,890)	(245,729)
Other adjustment	(32,961)	55,131	(7,121)	-
Actuarial (gain) / loss charged to other comprehensive income due to experience adjustments	(131,947)	34,298	(104,251)	42,886
As at 31 December	<u>3,450,537</u>	<u>3,343,897</u>	<u>2,179,338</u>	<u>2,427,783</u>

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

	Employees' end of service benefits		Qatari pension scheme	
	2025	2024	2025	2024
Current service cost	417,363	319,043	-	1,953
Interest cost	109,250	101,328	99,817	102,903
For the year	<u>526,613</u>	<u>420,371</u>	<u>99,817</u>	<u>104,856</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.

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

	Employees' end of service benefits		Qatari pension scheme	
	(Decrease) / increase in liability			
	2025	2024	2025	2024
Discount rate (+0.5%)	(109,547)	(111,113)	(78,610)	(87,544)
Discount rate (-0.5%)	117,763	121,953	84,816	94,455
Pension increase rate (+0.5%)	-	-	86,885	99,063
Salary increase rate (+0.5%)	128,718	130,083	-	-
Salary increase rate (-0.5%)	(120,502)	(121,953)	-	-

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

21. Lease liabilities

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

	2025	2024
Non-current liabilities	26,360,039	8,949,830
Current liabilities	2,478,543	1,575,380
	28,838,582	10,525,210

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

	2025	2024
As at 1 January	10,525,210	6,319,125
Liabilities recognized during the year	20,283,621	5,495,459
Lease modification	473,942	14,048
Finance charges on lease liabilities (Note 31)	1,101,821	428,153
Business acquisition (Note 37.1.3)	67,083	257,660
Principal payments made	(2,309,760)	(1,550,468)
Interest paid	(1,101,821)	(428,153)
Effect of foreign currency translation	115,123	(221,937)
Write-off of lease liabilities	(47,635)	(9,428)
Derecognition and other adjustments	(269,002)	220,751
As at 31 December	28,838,582	10,525,210

22. Deferred income

	2025	2024
Deferred income	908,381	876,103

Classified as below:

	2025	2024
Non-current liabilities	767,796	809,868
Current liabilities	140,585	66,235
	908,381	876,103

(a) In 2010, an offshore facilities license agreement was executed among QatarEnergy and certain joint ventures of the Group with an effective date from 19 December 2007. Under this agreement, these joint ventures paid a one-time license fee of USD 54.19 million (QR 197.25 million) to QatarEnergy.

22. 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 (2024: QR 8.97 million). The carrying value as at 31 December 2025 amounted to QR 63 million (2024: QR 72 million).

- (b) In 2014, a joint license agreement was executed among QatarEnergy and certain joint ventures of the Group 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 (2024: QR 36.57 million). The carrying value as at 31 December 2025 amounted to QR 438 million (2024: QR 475 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 2025 amounted to QR 308 million (2024: QR 329 million).
- (d) Furthermore, the Group has deferred income of QR 99 million (2024: Nil) from counterparties against the services to be provided in 2026.

23. Other non-current liabilities

	2025	2024
Decommissioning provision (Note a)	3,877,050	2,459,760
Deferred tax liability (Note b)	379,272	292,622
Due to a related party (Note c)	568,298	539,132
Derivative financial liabilities	224,528	15,199
Other liabilities	2,730	15,289
	<u>5,051,878</u>	<u>3,322,002</u>

a. Decommissioning provision

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

	2025	2024
As at 1 January	2,459,760	2,135,273
Additions during the year (i)	1,319,444	6,464
Unwinding of discount (Note 31)	197,988	181,046
Effect of foreign currency exchange differences	18,604	(34,789)
Payment during the year	(59,202)	(22,853)
Change in estimate charged to profit or loss	(24,645)	138,993
Change in estimate adjusted in property, plant and equipment	(86,405)	86,362
Business combination	51,506	-
Other adjustment	-	(30,736)
As at 31 December	<u>3,877,050</u>	<u>2,459,760</u>

- (i) Provision for decommissioning has been recognised for applicable assets and facilities during the year. This includes additions to property, plant and equipment (Note 5(a)) and right of use assets amounting to QR 1,270 million (2024: QR 6 million) and QR 49 million (2024: Nil) respectively.

The provision and assumptions used will be re-evaluated on a periodic basis and adjustments will be made in the future accounting periods as deemed necessary.

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).

23. 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 701.43 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). Subsequent to initial recognition, in 2025, an unwinding amount is periodically recognised amounted to QR 29.17 million (2024: QR 27.67 million)

24. Amounts due to Government of Qatar

Represents the outstanding balances payable 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 15 (e).

25. Accounts payables and accruals

	2025	2024
Trade creditors (Note a)	7,743,470	6,966,487
Insurance contract liabilities	826,961	1,272,237
Accrued liabilities	2,705,955	4,082,897
Advance from customers	328,971	290,584
Financial guarantees (Note b)	257,342	257,342
Due to related parties (Note 15(c))	13,018,709	16,984,464
Derivative financial liabilities (Note 13(c))	734,492	260,644
Contract liabilities	2,562,058	70,943
Taxes payable (Note 32)	2,254,356	340,856
Earn-out liability (Note c)	218,081	259,319
Other payables	3,391,595	2,729,481
	<u>34,041,990</u>	<u>33,515,254</u>

- 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.
- 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.
- The balance 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.

26. Revenue

Revenue of the Group consists of the following:

	2025	2024
Revenue from contracts with customers (Note a)	285,691,757	167,097,184
Revenue from insurance contracts	1,384,768	1,236,307
Less: royalties and marketing fees	(944,007)	-
	<u>286,132,518</u>	<u>168,333,491</u>

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

	2025	2024
Crude oil	52,435,079	33,500,270
Condensate	42,200,558	22,305,544
Natural gas	41,426,924	26,745,790
Liquefied Natural Gas (LNG)	60,080,285	21,917,952
Refined products	59,875,883	45,157,932
Steel products	5,120,021	3,981,481
Fertilizers	8,850,914	7,249,053
Petrochemicals	12,654,128	3,667,443
Services	2,652,951	2,099,375
Others	395,014	472,344
	<u>285,691,757</u>	<u>167,097,184</u>

All revenue is recognised at a point in time except for the revenue from services amounting to QR 2,653 million (2024: QR 2,099 million) which is recognised over time.

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

	2025	2024
Domestic sales	45,009,199	47,205,804
Export sales	240,682,558	119,891,380
	<u>285,691,757</u>	<u>167,097,184</u>

27. Other income

	2025	2024
Recoveries	2,536,832	2,088,677
Rental income	1,127,803	904,213
Berthing fees	765,467	757,480
Terminal charges	438,923	440,188
Government grant (i)	364,851	387,725
Fair value gain in FVTPL investments (Note 9(b))	44,728	-
Interest income on net investment in finance lease	90,579	99,437
Signing bonus	-	36,400
Gain on foreign exchange	655,799	-
Gain on disposal of assets held for sale (ii)	-	616,292
Gain on lease modifications (Note 5 (b(i)))	70,682	-
Other income	2,523,165	2,771,544
	<u>8,618,829</u>	<u>8,101,956</u>

- 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 15(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:

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

28. Operating, selling and administrative expenses

	2025	2024
Direct costs	155,378,144	41,369,068
Purchases for resale	21,224,028	22,615,809
PSAs operating costs	3,812,046	3,825,273
Taxes paid on behalf (Note i)	6,679,294	7,252,971
Royalties (Note ii)	4,748,833	9,689,122
Net impairment (reversal) / loss (Note iii)	(218,445)	870,081
Salaries and related costs (Note iv)	10,395,223	10,131,605
Foreign exchange loss	-	1,431,574
Write-off of property, plant and equipment (Note 5(a)(iii))	803,958	2,390,597
Write-off of intangible assets (Note 6 (iv))	4,536	1,805,560
Provision for earn-out liability	214,784	259,319
Fair value loss in FVTPL investments (Note 9(b))	-	4,671
Provision for inventory obsolescence (Note 12)	76,712	62,495
Loss on disposal of property, plant and equipment	427,932	531,940
Other expenses (Note v)	2,546,339	1,650,899
	<u>206,093,384</u>	<u>103,890,984</u>

(i) Represent tax charged on the income of operators who are parties to certain Production Sharing Agreements amounting to QR 6,679 million (2024: QR 7,253 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 Nil (2024: QR 9,204 million) derived from oil and gas export sales, primarily on an ad-valorem basis depending upon the earnings type and resources (Note 15(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 4,395 million (2024: Nil) on account of royalty on LNG sales of QatarEnergy LNG S(1), QR 106 million (2024: QR 150 million) on account of royalty on crude oil equal to 10% of the oil sales of Al Khalij Block 6 Field and QR 248 million (2024: QR 335 million) on account of royalty on crude oil equal to 10% - 15% of the oil production of Sepia block.

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

	2025	2024
Reversal of Impairment on other property, plant and equipment (Note 5(a) (iv))	(223,825)	(29,576)
Impairment on investment in joint ventures and associates	2,905	900,672
Impairment / (reversal of impairment on investment property (Note 5(c)))	2,475	(1,015)
	<u>(218,445)</u>	<u>870,081</u>

(iv) This includes defined benefit obligation expense amounting to QR 626.43 million (2024: QR 525.23 million) (Note 20).

(v) This includes fee for audit / review of the financial statements and non-assurance services for the year ended 31 December 2025 amounting to QR 10.63 million and QR 7.24 million, respectively (2024: QR 8.27 million and QR 4.78 million, respectively).

29. Depreciation and amortization

	2025	2024
Depreciation of property, plant and equipment (Note 5(a))	12,419,273	12,337,168
Depreciation of right-of-use assets (Note 5(b)(ii))	2,395,381	1,576,382
Depreciation of investment property (Note 5(c))	15,962	15,957
Amortization of intangible assets (Note 6)	1,351,895	347,216
Amortization of catalysts	37,724	26,838
	<u>16,220,235</u>	<u>14,303,561</u>

30. Reversal of expected credit losses

	2025	2024
Reversal of ECL on trade and insurance receivables (Note 13(a))	13,873	171,050
Reversal of ECL on loans to related parties (Note 15(a))	140,322	117,784
Provision for ECL on due from related parties (Note 15(b))	(35,855)	(29,400)
Reversal of ECL on bank balances (Note 14)	583	527
Reversal of / (provision) for impairment of contract assets (Note 13(d))	104	(115)
Reversal of ECL on other financial assets	14	93
	<u>119,041</u>	<u>259,939</u>

31. Finance charges

	2025	2024
Interest on loans and bonds	1,493,411	1,433,151
Interest on lease liabilities (Note 21)	1,101,821	428,153
Unwinding of discount on decommissioning provision (Note 23(a))	197,988	181,046
Others	236,103	44,820
	<u>3,029,323</u>	<u>2,087,170</u>

32. Taxes

Provision for taxation for the year is as follows:

	2025	2024
Taxes on income of QatarEnergy (Note i)	20,064,774	19,320,817
Current income tax for subsidiaries	758,482	452,424
Deferred tax (Note ii)	439,872	(1,026,371)
Global Minimum Tax (Note iii)	7,274	-
	<u>21,270,402</u>	<u>18,746,870</u>

(i) 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 is 1 January 2025. The taxable income for QatarEnergy is based on the accounting profit before tax after making adjustments which include:

- 1) Adding back the taxes paid by QatarEnergy under the development and production sharing agreements (DPSA) to develop and produce hydrocarbon materials within a specific area; and
- 2) Excluding the tax-exempt dividend income from taxable income in the separate financial statements.

	2025
Accounting profit before tax for QatarEnergy separate financial statements	104,784,591
Less: exempt income (dividend income)	(54,135,958)
Add: non-deductible expenses (taxes paid on behalf)	6,679,294
Taxable income	<u>57,327,927</u>
Income tax at 35%	<u>20,064,774</u>

32. Taxes (continued)

For the year ended 31 December 2024, 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 amounted QR 19,321 million were recognized in profit or loss.

	2025	2024
Export sales subject to tax – net	-	53,060,828
<i>Less:</i>		
Royalties	-	9,204,045
Taxes paid on behalf	-	6,793,321
Cost of operation and depreciation	-	6,389,489
Taxable income	-	30,673,973
Tax rate	-	50% – 85%
Taxes	-	19,320,817

Movement in the taxes payable during the year is as follows:

	2025	2024
As at 1 January	340,856	235,384
Current tax expense for the year	20,823,256	19,773,241
Global minimum tax	7,274	-
Other adjustments	371,163	96,424
Tax paid	(19,288,193)	(19,764,193)
As at 31 December	2,254,356	340,856

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

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

	2025	2024
As at 1 January	1,136,173	479,665
Recognised during the year	(439,872)	1,026,371
Effect of foreign currency translation	176,838	(276,874)
Others	337,430	(92,989)
As at 31 December	1,210,569	1,136,173

Presented in consolidated statement of financial position as follows:

	2025	2024
Deferred tax asset (Note 10)	1,589,841	1,428,795
Deferred tax liability (Note 23)	(379,272)	(292,622)
	1,210,569	1,136,173

- iii. Global minimum top-up tax

Management is monitoring developments related to the implementation of international tax reforms introducing a global minimum top up tax under the OECD Pillar Two framework. Law No. 22 of 2024 amended the Income Tax Law No. 24 of 2018 to introduce the Income Inclusion Rule (IIR) and a Domestic Minimum Top Up Tax (DMTT) in line with Pillar Two. The law was published in the Official Gazette on 27 March 2025, but it is effective for fiscal years starting on or after 1 January 2025. Application rules have been issued through Council of Ministers Resolution No. 2 of 2026, published on 12 February 2026, amending the Executive Regulations.

32. Taxes (continued)

iii. Global minimum top-up tax (continued)

The Group has adopted the amendments to IAS 12 International Tax Reform – Pillar Two Model Rules, issued on 23 May 2023, which introduce a temporary mandatory exception from the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes.

Based on an assessment performed by reference to the Group's Pillar Two analysis, management has concluded that there is no current income tax impact on the Corporation's standalone financial statements for the year ended 31 December 2025.

Further, more jurisdictions outside Qatar, where consolidated subsidiaries are resident, have enacted or are substantively enacting the tax legislation related to the top-up tax. An assessment was performed to determine the impact of the enacted or substantively enacted tax legislation related to the top-up tax. As at the reporting date, no current income tax impact is expected in these jurisdictions at a Group level, except for QR 7.3 million from the UAE.

33. Social fund contribution

In accordance with Law No. 13 of 2008, the Group made an appropriation of profit of QR 182.42 million (2024: QR 179.56 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**

	2025	2024
Capital commitments of the Group	52,202,303	20,056,727
Group's share of joint ventures' capital commitments	136,394,848	153,743,748
Group's share of associates' capital commitments	57,728	92,637
	<u>188,654,879</u>	<u>173,893,112</u>

b. Contingent liabilities

	2025	2024
Claims against the Parent (i)	-	-
Contingent liabilities of the subsidiary companies	1,070,214	894,309
Group's share of joint ventures' contingent liabilities	2,030,288	4,286,800
Group's share of associates' contingent liabilities	343,626	183,564
	<u>3,444,128</u>	<u>5,364,673</u>

(i) Claims against the Parent

As at 31 December 2025, claims against the Parent amounted to QR 72.4 million (2024: QR 140 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.

34. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(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 MPHIC. 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 MPHIC 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 QR 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.

(iii) Decommissioning and site restoration obligations

- On 24 August 2025, QatarEnergy issued decommissioning guidelines (the "Guidelines") outlining the prescribed methodology and technical parameters for determining decommissioning obligations of assets within the State of Qatar's energy sector. The scope of the Guidelines includes planning and execution of decommissioning activities for all petroleum sector assets and operations located in Offshore and Onshore Locations and the assets located within the industrial cities of Ras Laffan Industrial City, Mesaieed Industrial City, and the Dukhan Concession Area. In accordance with the Guidelines, QatarEnergy is required to engage independent third-party engineering consultants to estimate the cost of decommissioning for its operated assets.

Management has assessed that the issuance of the Guidelines creates a constructive obligation for QatarEnergy to decommission its operated assets in State of Qatar. Accordingly, a decommissioning obligation exists as at reporting date. However, the determination of the decommissioning provision requires comprehensive and extensive technical assessments, including site surveys, engineering studies, and cost evaluations to be performed by the external consultants. As these procedures are expected to require substantial time to complete, management is currently unable to make a reliable estimate of the obligation as at the reporting date.

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, in the extremely rare circumstances where a present obligation exists but no reliable estimate can be made, a liability is not recognised. Accordingly, as at reporting date, the decommissioning obligation in relation to QatarEnergy's own operated assets has been disclosed as contingent liability and management will recognise a provision once a reliable estimate of the decommissioning costs becomes available.

- QatarEnergy LNG N (1), QatarEnergy LNG S (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 2025 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.

34. Contingent liabilities and commitments (continued)

b. Contingent liabilities (continued)

(iv) Other contingent liabilities

- In 2025, the General Tax Authority (“GTA”) of Qatar has completed the tax assessments of QatarEnergy LNG N (1) for the years 2022 and 2023. QatarEnergy LNG N (1) has received tax assessment notices dated 4 November 2025 for the years 2022 and 2023 under which GTA has applied certain provisions of Income Tax Law and claimed tax on the taxable profits of the Company for the respective years. The management is of the opinion that, as per the Qatar Tax Law, the QatarEnergy LNG N (1) is a tax-exempt entity on account of being ultimately 100% owned by QatarEnergy (which is a State-owned entity). The Company had filed objection against tax assessments by the GTA, which were rejected without any stated reason. QatarEnergy LNG N (1) has subsequently filed an appeal before the Tax Appeal Committee (TAC), supported by external tax advisors and legal counsel. The matter is still under discussion with GTA and awaiting final outcome.

Based on management assessment, an outflow of economic resources is not probable at this stage. Accordingly, no provision has been recognized in accordance with IAS 37, and the matter continues to be disclosed as a contingent liability until the final outcome of the assessment is determined.

- GTA issued income tax assessments to certain components of the Group for the years from 2012 to 2023, requiring the components to pay additional taxes and penalties of QR 3,721.11 million (including share of joint ventures and associates) 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 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 2025		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	559,631	3,995,073	-	-	4,554,704	4,554,704	-	-	4,554,704
Investments in equity instruments – unquoted	Based on unobservable inputs	-	1,500	-	-	1,500	-	-	1,500	1,500
Investments in debt instruments – quoted	Quoted price in an active market	322,364	591,021	-	-	913,385	913,385	-	-	913,385
Investment in managed funds – quoted	Quoted price in an active market	-	18,026	-	-	18,026	18,026	-	-	18,026
Derivative financial assets	Based on observable inputs, other than quoted prices	1,264,850	-	-	-	1,264,850	-	1,264,850	-	1,264,850
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(959,020)	(959,020)	-	(959,020)	-	(959,020)

35. Financial instruments (continued)

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

31 December 2024		Carrying value					Fair value			
		Financial assets		Financial liabilities			Level			Total
Valuation technique(s) and key input(s)		FVTPL	FVOCI	Fair value - hedging instruments	FVTPL	Total	1	2	3	Total
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	553,664	-	-	-	553,664	-	553,664	-	553,664
Derivative financial liabilities	Based on observable inputs, other than quoted prices	-	-	-	(275,843)	(275,843)	-	(275,843)	-	(275,843)

Fair value of USD bonds is disclosed in Note 19 (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 2025 and 2024.

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 2025	Financing cash flows	Non-cash changes	At 31 December 2025
Interest bearing loans	5,614,404	(218,782)	-	5,395,622
USD Bonds	45,927,401	-	16,116	45,943,517
Derivative financial liabilities	275,843	-	683,177	959,020
Lease liabilities	10,525,210	(3,411,581)	21,724,953	28,838,582
	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	165,099	-	110,744	275,843
Lease liabilities	6,319,125	(1,978,621)	6,184,706	10,525,210

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 analyze 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 19. The carrying amounts of the Group's foreign currency denominated monetary assets / liabilities at the reporting date are as follows:

	2025	2024
EURO	(541,493)	(620,759)
GBP	166,193	21,727
BRL	52,781	54,265
CAD	3,058	11,079
MXN	304	347
NAD	20	11,931
ZAR	38,082	35,012
TRY	164,591	158,532
CNY	4,245	6,829
	<u>(112,219)</u>	<u>(321,037)</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 11.2 million (2024: QR 32.1 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

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 58 million (2024: QR 77 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 4,555 million (2024: QR 4,827 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 455 million (2024: QR 483 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 2025	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and insurance receivables	Lifetime ECL	21,395,653	(186,712)	21,208,941
Lease receivable	Lifetime ECL	1,983,531	-	1,983,531
Due from related parties	Lifetime ECL	7,701,090	(166,140)	7,534,950
Loans and advances to related parties	Lifetime ECL	5,875,704	(574,024)	5,301,680
Loans to employees	12-month ECL	576,711	(2,631)	574,080
Investments in financial assets	Lifetime ECL	4,534,658	-	4,534,658
Bank balances	12-month ECL	66,879,078	(826)	66,878,252
Reinsurance contract assets	Lifetime ECL	446,460	-	446,460
Accrued interest	Lifetime ECL	477,389	(24,768)	452,621
Other receivables	Lifetime ECL	1,325,809	-	1,325,809
Derivative financial assets	Lifetime ECL	1,264,850	-	1,264,850
Contract assets	Lifetime ECL	4,887,167	(32)	4,887,135
Other non-current receivables	Lifetime ECL	347,471	-	347,471
		117,695,571	(955,133)	116,740,438

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

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	553,664	-	553,664
Contract assets	Lifetime ECL	3,149,639	(136)	3,149,503
Other non-current receivables	Lifetime ECL	380,018	-	380,018
		<u>122,412,751</u>	<u>(1,101,697)</u>	<u>121,311,054</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 2025

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	5,301,680	5,301,680	-	4,994,977	306,703
Due from related parties	7,534,950	7,534,950	7,534,950	-	-
Trade and other receivables*	21,783,021	21,783,021	21,783,021	-	-
Reinsurance contract assets	446,460	446,460	446,460	-	-
Investments in financial assets	4,534,658	4,534,658	-	4,534,658	-
Derivative financial assets	1,264,850	1,264,850	944,712	320,138	-
Accrued interest	452,621	452,621	452,621	-	-
Other receivables	1,325,809	1,325,809	1,325,809	-	-
Other non-current receivables	347,471	347,471	-	347,471	-
Bank balances	66,878,252	66,878,252	66,878,252	-	-
	109,869,772	109,869,772	99,365,825	10,197,244	306,703

* Includes trade and insurance receivables and loans to employees.

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	553,664	553,664	186,750	366,914	-
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	-	-
	116,076,990	116,076,990	110,342,777	5,426,745	307,468

* 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 2025

Financial liabilities	Carrying amount	Total	Contractual cash outflows		
			Less than 1 year	1 to 5 years	More than 5 years
USD Bonds	45,943,517	73,426,707	7,269,252	10,196,095	55,961,360
Interest-bearing loans	5,395,622	5,614,404	364,055	5,250,349	-
Derivative financial liabilities	959,020	959,020	734,492	224,528	-
Trade creditors	7,743,470	7,743,470	7,743,470	-	-
Due to related parties	13,018,709	13,018,709	13,018,709	-	-
Amounts due to Government of Qatar	30,485,999	30,485,999	30,485,999	-	-
Financial guarantees	257,342	257,342	257,342	-	-
Insurance contract liabilities	826,961	826,961	277,141	549,820	-
Earn-out liability	218,081	218,081	218,081	-	-
Lease liabilities	28,838,582	42,717,493	4,062,611	13,461,207	25,193,675
	<u>133,687,303</u>	<u>175,268,186</u>	<u>64,431,152</u>	<u>29,681,999</u>	<u>81,155,035</u>

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	275,843	275,843	260,644	15,199	-
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>117,317,402</u>	<u>144,521,669</u>	<u>61,269,790</u>	<u>20,552,024</u>	<u>62,699,855</u>

36.5 Capital management

The Group 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 the Group 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.

36. Financial risk and capital management (continued)**36.5 Capital management (continued)**

The gearing ratio at the end of the reporting period was as follows:

	2025	2024
Cash and bank balances (Note 14)	66,878,252	78,287,504
Less: debt (interest bearing loans, USD Bonds and lease liabilities)	(80,177,721)	(62,067,015)
Net (debt) / cash and bank balances	(13,299,469)	16,220,489
Total equity	507,004,164	464,485,283
Debt to equity percentage	2.6%	-

The Group did not have net debt position as at 31 December 2024.

37. Acquisitions of subsidiaries

The Group made acquisition(s) during the current and comparative year which resulted in the gain recognised in profit or loss as follows:

31 December 2025

	QELNG S(1)	QAFAC	Total
	Note 37.1	Note 37.2	
Gain on remeasurement of existing interest in joint venture	6,185,824	-	6,185,824
Bargain purchase gain on business combination	1,013,221	228,560	1,241,781

31 December 2024

	QAFAC	Gulf Drill	Total
	Note 37.2		
Gain on remeasurement of existing interest in joint venture	32,193	-	32,193
Bargain purchase gain on business combination	568,800	7,000	575,800

Further details are as follows:

37.1 Acquisition of subsidiary – QatarEnergy LNG S(1)

As at 26 April 2025 (before acquisition), the Group and ExxonMobil RasGas Inc. ("ExxonMobil") jointly controlled QatarEnergy LNG S(1) (Note 8 (b)(v)) and held an effective economic interest of 89.12% (75.5% legal shareholding) and 8.41% effective economic interest (12.5% legal shareholding) respectively. The remaining shareholding held by minority shareholders did not give them rights to govern the relevant activities of QatarEnergy LNG S(1). QatarEnergy LNG S(1) is not publicly listed and is involved in production, marketing and transportation of liquified natural gas (LNG).

During the year, in accordance with 'Implementation of the Commercial Agreement Letter' dated 27 April 2025 signed by the Group, QatarEnergy LNG S(1) and ExxonMobil, ExxonMobil agreed to transfer its 12.5% shares (effective interest of 8.41%) (including any corresponding rights and obligations related to its shares) to the Group. This transaction has an effective date of 30 April 2025 for accounting purposes.

Following this, the Group's effective economic interest in QatarEnergy LNG S (1) increased to 97.53% (legal shareholding 88%). As a result of exit of jointly controlling partner, joint control ceased to exist, and the Group obtained control over QatarEnergy LNG S(1). The Group is exposed to, and has rights to, variable returns from its involvement with QatarEnergy LNG S(1) and has the ability to affect those returns through its controlling interest.

37. Acquisition of subsidiaries (continued)**37.1 Acquisition of subsidiary – QatarEnergy LNG S(1) (continued)**

Management has further assessed that the acquired activities of QatarEnergy LNG S (1) constitute a business, as they are capable of being conducted and managed for the purpose of generating outputs. Accordingly, the transaction has been accounted for as a business combination in accordance with IFRS 3 *Business Combinations*, and QatarEnergy LNG S(1) has been consolidated as a subsidiary in these consolidated financial statements with effect from 30 April 2025 for accounting purposes.

In the period from 1 May 2025 to 31 December 2025, QELNG S(1) contributed revenue of QR 6,999 million and profit before tax of QR 1,012 million to the Group's results (before allocation to NCI). If the acquisition had occurred on 1 January 2025, management estimates that consolidated revenue and profit before tax of the Group for the year 2025 would have been QR 290,145 million and QR 121,881 million respectively.

37.1.1 Consideration transferred

As the Group has acquired control by virtue of exit of ExxonMobil as per the Joint Venture Agreement (JVA), there is no consideration transferred as agreed between the parties.

37.1.2 Acquisitions related cost

The Group has not incurred any acquisition-related costs relating to consultant and external professional fees during current year.

37.1.3 Identifiable assets acquired and liabilities assumed

The following table summarizes the fair values of assets acquired and liabilities assumed at the date of acquisition:

	Fair values
Property, plant and equipment	3,853,304
Right-of-use assets	64,194
Intangible assets	5,468,383
Other non-current assets	407,485
Inventories	930,175
Accounts receivables and prepayments	1,355,614
Cash and cash equivalents	1,045,256
Lease liabilities	(67,083)
Deferred income	(34,891)
Other non-current liabilities	(51,506)
Accounts payables and accruals	(2,958,381)
Net identifiable assets at fair values	<u>10,012,550</u>

Fair values

Management engaged an independent third-party valuation specialist to assist in determining the fair value of QatarEnergy LNG S(1) including the purchase price allocation (PPA). The valuation methodologies applied were selected based on the nature of the assets and liabilities and reflect market participant assumptions as at the acquisition date.

The fair value of QatarEnergy LNG S(1) as of the acquisition date is QR 10,013 million which was determined using the discounted cash flow (DCF) method. Key assumptions and judgements in the DCF analysis included i) projected cash flows until the expiry of the development and fiscal agreement (DFA) in January 2029 (considered 31 December 2028 for calculation purposes) ii) a discount rate of 9.5% and iii) net working capital (NWC) is based on the average NWC to revenue ratio for the period FY23 - year to April 2025.

The above fair value of QatarEnergy LNG S(1) has been considered as deemed consideration for purchase price allocation. The identifiable assets acquired and liabilities assumed were recognized at their respective fair values at the acquisition date, while the differential amount was recognised as customer contracts as part of intangible assets.

37. Acquisition of subsidiaries (continued)**37.1 Acquisition of subsidiary – QatarEnergy LNG S(1) (continued)****37.1.3 Identifiable assets acquired and liabilities assumed (continued)**

The key fair value measurement techniques applied were as follows:

Property, plant and equipment

The fair value of property, plant and equipment was determined using the indirect method under cost approach. Under this approach, the reproduction cost was estimated by adjusting historical cost for inflation, and subsequently deducting various forms of obsolescence such as physical deterioration, functional obsolescence, and economic obsolescence, in order to arrive at the asset's fair values.

Intangible assets

Customer contracts have been identified as a key intangible asset as part of PPA analysis. The fair value of customer contracts was determined using the Multi-Period Excess Earnings Method ("MEEM"), which is considered as a suitable method to estimate the fair value of intangible assets such as customer relationships and contractual agreements. Under this method, the value of the asset was determined by reference to the excess earnings (over the residual useful life) after deductions for contributory assets charges for PPE and net working capital.

Inventories***Finished goods***

The fair value of finished goods was determined with reference to prevailing market prices for similar items as at the acquisition date.

Spare parts and consumables

The fair value of spare parts and consumables has been determined as reasonable approximation of their carrying amounts as the cost of procuring equivalent new inventory is broadly consistent with the amounts recorded.

The fair values of the remaining identifiable assets acquired, and liabilities assumed are considered to reasonably approximate their respective carrying amounts.

Fair values determined are part of level 3 hierarchy.

37.1.4 Remeasurement of existing interest in the joint venture

Based on the fair values, below summarizes the gain on remeasurement of existing interest in the joint venture, which has been recorded in profit or loss.

	Amount
Fair value of the effective interest in joint venture as of the date of acquisition	8,923,350
Carrying value of joint venture as of date of acquisition (Note 8(b))	<u>(2,737,526)</u>
Fair value gain on remeasurement of existing interest in QatarEnergy LNG S(1)	<u>6,185,824</u>

37.1.5 Non-controlling interest

Upon the acquisition of QatarEnergy LNG S(1), the remaining partners in QatarEnergy LNG S(1) constitute a non-controlling interest and hold combined effective economic interest of 2.47% (legal shareholding of 12%). The following table summarizes the information relating to non-controlling interest (NCI) before any intra-group eliminations at acquisition date:

37. Acquisition of subsidiaries (continued)**37.1 Acquisition of subsidiary – QatarEnergy LNG S(1) (continued)****37.1.5 Non-controlling interest (continued)**

	Amount
Total identifiable net assets acquired at book value as of the acquisition date	3,071,674
NCI effective percentage	2.47%
NCI as of date of acquisition – based on their proportionate share of net assets	<u>75,979</u>

37.1.6 Bargain purchase gain

	Amount
Fair value of identifiable net assets acquired (Note 37.1.3)	10,012,550
Fair value of investment in QatarEnergy LNG S(1) as of acquisition date (Note 37.1.4)	(8,923,350)
NCI as of date of acquisition – based on their proportionate share of net assets (Note 37.1.5)	<u>(75,979)</u>
Bargain purchase gain	<u>1,013,221</u>

37.2 Acquisition of Business – Qatar Fuel Additives Company Limited (QAFAC)

During 2024, the Group held 50% investment in its joint venture QAFAC whose Consolidated Joint Venture Agreement (CJVA) expired on 9 June 2024. Post the expiry of CJVA, effective 10 June 2024, the Group acquired economic interest for remaining 50% from other shareholders. The legal formalities for this 50% were completed during the year. QAFAC is engaged in the production, marketing, and export of methyl-tertiary-butyl-ether (MTBE) and methanol. QAFAC is not publicly listed.

37.2.1 Finalization of fair values

The Group reported provisional fair values of assets acquired and liabilities assumed in its consolidated financial statements for the year ended 31 December 2024.

During the year, the Group finalized the fair values of the identifiable assets acquired and liabilities assumed within one year measurement period allowed by IFRS 3. Management determined that the difference in provisional fair values and final fair values amounting to QR 228.56 million is not material and has been recorded fully as bargain purchase gain in current year instead of restatement.

The final fair values of the identifiable assets acquired, and liabilities assumed were determined with assistance from an independent external valuation specialist. As part of the purchase price allocation, the valuation of property, plant and equipment was performed using the Depreciated Replacement Cost (DRC) method, as the assets are specialised in nature and not directly comparable in the market. This approach reflects the current replacement cost of the assets, adjusted for allowances for obsolescence. The fair value uplift of QR 400.3 million in property, plant and equipment resulted in recognition of deferred tax liability of QR 70 million.

The valuation of inventories resulted in a fair value increase of QR 41.9 million. The uplift primarily relates to finished goods, valued based on observable selling prices at the acquisition date, net of costs to sell and including a reasonable margin for selling effort. The carrying values of other inventory components were assessed to approximate fair value.

The trade receivables balance of QR 585.2 million represents contractual amounts receivable with no expected credit losses at the acquisition date. The deferred tax assets and income tax payable were adjusted to exclude amounts receivable from or payable to the Group, based on MOU, reflecting the elimination of intra-group balances.

The fair values determined are categorized within Level 3 of the fair value hierarchy.

37. Acquisition of subsidiaries (continued)**37.2 Acquisition of Business – Qatar Fuel Additives Company Limited (QAFAC) (continued)****37.2.1 Finalization of fair values (continued)**

The following table summarizes the final fair values of assets acquired and liabilities assumed at the date of acquisition:

	Fair values
Property, plant and equipment	1,256,189
Other non-current assets	93,484
Inventories	251,147
Accounts receivables and prepayments	585,222
Cash and cash equivalents	478,288
Accounts payables and accruals	(452,181)
Other non-current liabilities	(125,210)
Net identifiable assets	2,086,939
Less: purchase consideration	
Consideration payable	(360,389)
Carrying value of previously held equity-accounted investee	(896,997)
	<u>(1,257,386)</u>
Gain on de-recognition of equity-accounted investment due to business combination (including both gain on remeasurement of existing joint venture and bargain purchase)	829,553
Gain already recorded during the year 2024	(600,993)
Additional fair value gain on finalization of fair values in QAFAC (Note 37.2.3)	228,560

37.2.2 Remeasurement of existing interest in the joint venture

The Group has not made any adjustments to previously reported remeasurement gain in existing joint venture.

	Amount
50% of the fair value of the joint venture as of the date of acquisition (based on provisional valued)	929,190
Carrying value of joint venture as of date of acquisition	(896,997)
Gain on remeasurement already recorded during the year 2024	32,193

37.2.3 Bargain purchase gain

	Amount
Fair value of identifiable net assets	2,086,939
Fair value of investment in joint venture (QAFAC) as of acquisition date	(929,190)
Cash consideration paid	(360,389)
Bargain purchase gain	797,360
Bargain purchase gain already recorded during the year 2024	(568,800)
Additional gain recorded in profit or loss	228,560

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 2025	Gulf Industries International Qatar 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.	QatarEnergy LNG S (1) Q.P.J.S.C.	Intra-group eliminations	Total
NCI percentage	49.00%	90.00%	42.15%	49.00%	80.00%	3.64%	
Non-current assets	25,706,054	7,874,414	13,631,758	5,496,042	9,586,111	10,403,422	
Current assets	17,432,021	3,712,927	2,881,291	1,627,448	5,267,885	3,057,265	
Non-current liabilities	(2,087,595)	(5,180,795)	-	-	(1,340,110)	(6,812,649)	
Current liabilities	(2,396,615)	(1,792,443)	(332,899)	(96,983)	(4,429,439)	(2,792,692)	
Net assets	38,653,865	4,614,103	16,180,150	7,026,507	9,084,447	3,855,346	
Net assets attributable to NCI	18,940,394	4,152,693	6,819,286	3,442,988	7,267,558	140,335	(3,223,900)
Revenue	15,977,995	4,493,281	-	-	25,943,354	7,981,046	
Profit	4,323,491	677,956	532,740	767,719	1,081,835	1,293,540	
OCI	(13,278)	35,772	-	-	(1,817)		
Total comprehensive income	4,310,213	713,728	532,740	767,719	1,080,018	1,293,540	
Profit allocated to NCI	2,118,511	610,160	224,529	376,182	865,468	47,085	190,143
OCI allocated to NCI	(6,506)	32,195	-	-	(1,454)	-	(65,451)
Cash flow from operating activities	3,546,745	1,072,748	(29,080)	(26,728)	1,057,186	1,824,011	
Cash flow from investing activities	1,029,312	(419,244)	1,066,558	565,666	131,320	(886,413)	
Cash flow from financing activities (dividends to NCI: QR 123.84 million)	(4,278,788)	(848,587)	(703,538)	(528,571)	(1,136,105)	(2,228,477)	
Effect of forex in cash	-	10,873	-	-	-	-	
Net increase / (decrease) in cash and cash equivalents	297,269	(184,210)	333,940	10,367	52,401	(1,290,879)	

38. Non-controlling interests (continued)

31 December 2024	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
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	<u>38,652,172</u>	<u>4,233,253</u>	<u>16,364,267</u>	<u>6,796,932</u>	<u>9,064,685</u>		
Net assets attributable to NCI	<u>18,939,564</u>	<u>3,809,928</u>	<u>6,897,538</u>	<u>3,330,497</u>	<u>7,251,748</u>	(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	<u>4,556,719</u>	<u>757,105</u>	<u>718,747</u>	<u>614,482</u>	<u>1,009,741</u>		
Profit allocated to NCI	<u>2,234,184</u>	<u>639,900</u>	<u>302,952</u>	<u>301,096</u>	<u>874,118</u>	(75,637)	4,276,613
OCI allocated to NCI	<u>(1,392)</u>	<u>41,495</u>	<u>-</u>	<u>-</u>	<u>(66,326)</u>	(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	<u>(26,014)</u>	<u>200,905</u>	<u>(206,826)</u>	<u>(364,577)</u>	<u>(792,798)</u>		

39. Operating segments

The Group is mainly engaged in exploration, production and sale of oil & gas products. More than 89.42% (2024: 89.40%) of the Group's revenue for the year ended 31 December 2025 is generated through a single segment i.e., exploration, production and sale of oil & gas products. Further, 99.6% (2024: 98.55%) of the Group's revenues for the year ended 31 December 2025 and 86.13% (2024: 86.41%) of total assets as at 31 December 2025 are from the entities based in the State of Qatar.

40. Dividend

During the year, QatarEnergy has distributed a dividend of QR 54,005 million for the financial year 2024 (2024: QR 100,051 million for the financial year 2023) 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:

- Transfers to/from property, plant and equipment referred to in Note 5(a)(ii).
- Capitalisation of depreciation of right-of-use assets amounting to QR 186 million (2024: QR 72 million) to property, plant and equipment. (Note 5(b)(ii)).
- Transfer from other non-current assets (project under development) amounting to QR 717 million (2024: QR 497 million) to investment in joint ventures (Note 10(b)).
- Recognition of additional right of use assets and lease liability amounting to QR 20,284 million (2024: QR 5,495 million) (Note 21).
- Recognition of additional decommissioning provision and decommissioning asset amounting to QR 1,319 million (2024: QR 6 million) (Note 23(a)).

42. Subsequent events

Subsequent to the reporting date, geopolitical tensions and military activities in the region have escalated. These developments have created uncertainty in the regional operating environment, including in Qatar where the Group conducts its principal operations. These developments have affected supply chains, logistics and overall business conditions including the production and supply of certain upstream and downstream operations.

As a result of recent attacks, Train 4 of QatarEnergy LNG S (2), Train 6 of QatarEnergy LNG S(3) and one of the two trains at Pearl GTL have been impacted, resulting in a halt in processing from these trains and loss of revenues. Damages sustained by these trains are expected to take some time to repair. The Group has also declared Force Majeure to its affected buyers in certain cases.

As these events occurred after the reporting date, no adjustments have been made to the amounts recognized in the consolidated financial statements. The situation is evolving and management is actively monitoring the developments and assessing the potential impact on the operations, financial position and cash flows of the Group. At the date of issuance of these audited consolidated financial statements, the Group is not able to reliably estimate the financial impact of these events.

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.