صناعات قطر
Industries Qatar

Notice to the Shareholders of Industries Qatar Q.P.S.C.

Notice to the Shareholders of Industries Qatar Q.P.S.C.

We are pleased to invite you to attend the Company's Ordinary General Assembly Meeting to be held on Tuesday, 25th February 2025 at 3:30 p.m. Doha Time, in Al-Rayyan Ballroom, Sheraton Hotel, Doha. In case a quorum is not met, a second meeting will be held on Thursday, 6th March 2025 at the same location at 10:00 p.m. Doha Time.

Agenda of the Ordinary General Assembly Meeting

1. Listen to the H.E. Chairman's message for the financial year ended 31 December 2024.
2. Approve the Board of Directors' report on IQ's operations and financial performance for the financial year ended 31 December 2024.
3. Listen and approve the Auditor's Report on IQ's consolidated financial statements for the financial year ended 31 December 2024.
4. Discuss and approve IQ's consolidated financial statements for the financial year ended 31 December 2024.
5. Present and approve 2024 Corporate Governance Report.
6. Approve the Board's recommendation for a total dividend payment of QR 0.74 per share for 2024, representing 74 % of the nominal share value.
7. Absolve the Board of Directors from liability for the year ended 31 December 2024 and fix their remuneration.
8. Appoint the external auditor for the financial year ending 31 December 2025 and approve their fees.

H.E. Mr. Saad Sherida Al-Kaabi
Chairman and Managing Director
Industries Qatar

Notes

1. Each shareholder shall have the right to attend the meeting of the General Assembly and shall have a number of votes that equals the number of shares owned thereby. Resolutions shall be passed by an absolute majority of shares duly represented therein, without prejudice to the provisions of the Company's Articles of Association.
2. Minors and the interdicted persons shall be represented by their legal guardians.
3. Any shareholder that is a company may authorize any one person to act as its representative at any meeting of the General Assembly.
4. Attendance by proxy at the General Assembly meeting is permitted, provided that the proxy is a shareholder and that the proxy is specific and in writing. A shareholder may not appoint a Board Director to act as his proxy at the meeting of the General Assembly. Proxy form can be downloaded from the Company's website: www.iq.com.qa.
5. A shareholder may act as proxy for one or more shareholders of the Company as contemplated under the Company's Articles of Association. In all cases, the number of shares held by the proxy in this capacity shall not exceed (5%) of the Company's share capital.
6. Instruments appointing authorized persons and proxies must be provided to the Company no less than forty-eight (48) hours prior to the commencement of the General Assembly.

Board of Directors Report

Introduction

Despite facing challenging and turbulent macroeconomic conditions, IQ has demonstrated resilience throughout the year. The Group has remained committed to its core objectives and strategies, ensuring safe, efficient, and reliable operations with consistent production levels. Significant efforts have been made in optimizing output and costs. Operational excellence, HSE (Health, Safety, and Environment), cost efficiencies, and output optimization continue to be central to the Group's progress in creating and enhancing shareholder value.

The Board of Directors is pleased to present a commendable set of financial and operating results against the backdrop of a year marked by several uncertainties and cautious optimism. Product prices remained relatively softened due to many demand concerns, including weakening consumer demand amid higher interest rates, while supply was impacted by geo-political tensions, and challenging environment issues. Despite these challenges, the Group's operations and financial performance remained solid, with production reaching 17.1 million MTs with facility reliability of 96% and availability of 82%. The net profit for the period is QR 4.5 billion, with an EPS of QR 0.74.

Macroeconomic Review

As the global economy transitioned into 2024, the tailwind effect of 2023's macroeconomic conditions persisted, particularly during first half of the year, with several key themes evolving. In 2023, the global economy faced significant challenges, including high inflation, monetary policy tightening by many central banks, and geopolitical tensions. These factors contributed to a volatile macroeconomic environment, with many regions experiencing slower growth and persistent supply chain disruptions.

During the first half of 2024, energy and commodity prices continued to remain volatile against the backdrop of differing macroeconomic conditions. Interest rates, although stabilized, remained relatively high, affecting consumer demand across all segments, notably in the petrochemical and steel segments. Consumers in the petrochemical segments were impacted by limited borrowing and spending power due to heightened interest rates and inflationary pressures, keeping the petrochemical demand in check. On the other hand, steel demand remained under pressure due to downturn in the real estate segment in larger economies like China, coupled with a slowdown in domestic construction activities.

In the fertilizer segment, both supply and demand faced challenges. Demand was lackluster in some regions due to increased inventory levels resulting from higher global output. However, favorable cropping seasons in other regions helped support prices to some extent. Overall, the prices of nitrogen-based fertilizers have stabilized to their long-term averages.

On the supply side, stabilization continued across segments. Producers benefitted from restoration of supplies that began in late 2022 and early 2023, with natural gas and raw materials gradually easing. Furthermore, relatively stabilized interest rates during the second half of the year were a key driver in accelerating operations. Alongside these plant restorations, new capacity additions, particularly in the petrochemical segments, were also observed.

Additionally, the global push for sustainability has led to stricter emission standards and the adoption of eco-friendly production methods. This required some producers to consider discontinuing their legacy facilities and investing in more sustainable facilities. This dual burden involved absorbing the remaining costs of legacy facilities while managing the costs and cash flows associated with the new investments. In a still tight macroeconomic environment, funding of new investment remained a critical challenge for many global operators.

Conditions began to improve somewhat during the second half the year, driven by the easing of monetary policies by authorities. Demand within petrochemical and steel segments showed signs of gradually recovery. In the petrochemical segment, consumers availability has improved, while demand in the steel segment saw some recovery due to lowered finance costs. Demand for fertilizers have also stabilized during later part of the year, primarily due to improved farmer affordability and favorable cropping seasons in some regions.

Overall, macroeconomic conditions in 2024 reflected a cautious optimism, with several risks and challenges, including geo-political tension, financial market volatility, and cost escalations.

Strategic Business Review

Our low-cost operating model, driven by integrated business synergies, economies of scale and scope, and operational optimization, has enabled us to successfully navigate another year of volatile business environment. Despite macro-economic uncertainty, we maintained operations across all our facilities at near full capacity, leading to commendable operating and financial results. This was achieved through greater operational excellence, and by building flexibility and resilience into operating models.

Our robust global supply chain models have consistently supported us in delivering resilience and offering operational flexibility during the turbulent period characterized by marketing and logistic uncertainties noted in 2024, especially in the region. Our marketing partner, QatarEnergy Marketing, successfully ensured business continuity with optimum netbacks available in the market by exploring arbitrage opportunities across various geographies and leveraging economies of scale to minimize operating costs. QatarEnergy Marketing, together with other logistic partners, ensured all our outputs were shipped efficiently and effectively to reach the target customers without delays. Our unwavering commitment to maintaining a competitive-cost profile ensured operational stability and played a pivotal role in generating competitive operating and financial results.

During 2020, Muntajat was operationally integrated within QatarEnergy. Following the issuance of Law No. (9) of 2024, QatarEnergy has fully completed the reorganization and consolidation of Muntajat, bringing all activities previously performed under respective agency agreements into the wholly owned subsidiary, QatarEnergy Marketing.

Capital Expenditure (CAPEX) and Business Development.

During the financial year 2024, the Group spent QR 3.3 billion in CAPEX. These expenditures primarily focused on turnaround, reliability, health, safety and environmental (HSE) projects, along with on-going investments in the new blue ammonia train (QAFCO-7) and the PVC project. The capital expenditure related to QAFCO-7 was QR 1.9 billion, while IQ added a further QR 178 for the PVC project. To-date, we have spent QR 2.9 billion in QAFCO-7, and QR 316 million in PVC project.

For the next five years (2025-2029), the Group's planned capital expenditure will be QR 12.6 billion. This includes the remaining portion related to the new blue ammonia train (QAFCO-7), amounting to QR 1.5 billion, and IQ's share of CAPEX in the new PVC project, amounting to QR 139 million.

Once QAFCO-7 is commercially launched in early 2026, the group's fully owned subsidiary, QAFCO will revamp the existing ammonia trains 1 and 2. The output from ammonia trains 1 and 2 are expected to feed to urea trans 1 and 2, while the production of QAFCO-7 (1.2 million tons per annum (MTPA) will be sold as blue ammonia in the commercial market in collaboration with QatarEnergy Renewable Solution (QERS). The additional volumes produced from ammonia 1 and 2, due to the wider group synergies, will be sold in the market as grey ammonia.

The Group's indirect joint venture, QVC's new PVC project, is progressing well on its critical path. The project is expected to be completed by 2025, with investment expected to cost USD 279 million, including owner cost, to produce 350,000 MTs of PVC units. This investment underscores the Group's commitment to diversify its downstream operations and reducing import dependency on PVC in the State.

In addition to the above, the Group will continue to invest on its core recurrent CAPEX programs, which are critically important for improving asset integrity, operational efficiency, reliability, cost optimization, capacity de-bottlenecking, HSE enhancement, environmental sustainability, and regulatory compliance.

Cost and Operational Optimization

As the group entities operate within highly volatile and competitive environments and industries, the Group's consolidated financial performance and cash flow generations are linked to and exposed to market fluctuations, especially to commodity prices and other macroeconomic variables. Given the unpredictable and challenging nature of these macroeconomic variables, maintaining cost and operational efficiencies is pivotal for the Group's financial performance.

In response to such an uncertain macroeconomic environment, the Group entities continued to focus on cost and operational optimization strategies, which are persistently implemented and reviewed on a regular basis. The Group has multi-disciplinary cross-functional teams throughout the entire value chain that continuously review the Group wide asset's short-, medium-, and long-term strategies and advise on appropriate measures to improve financial and operational performance. These measures include rationalizing OPEX and CAPEX programs, adjusting production capacities to improve raw material yields, and optimizing resources. Such measures have improved the Group's variable and fixed operating cost structures over the years, leading to improved profitability margins and robust cash flow generation.

Financial Performance

Considering challenging macroeconomic conditions underpinned by uncertain demand and relative excess capacities, the financial performance of the Group for the year can be considered highly commendable. Despite subtle demand, the Group's ability to produce and sell at level comparable to the previous year can be attributed to the success of its low-cost and flexible operating structure. This resilience in a volatile economic environment underscores the strength and adaptability embedded in the Group's operational and financial strategy.

Revenue: Total proportionate revenue for the year ended 31 December 2024 amounted to QR 16.8 billion, a marginal decrease of 1 % over last year. Reported revenue according to IFRS 11 amounted to QR 12.7 billion, showing an increase of 8 % versus last year.

This marginal reduction in Group revenue (based on non-IFRS based proportionate consolidation) during the current year was mainly attributed to marginal reduction in blended average realized selling prices, which decreased by 3% versus last year, translating into a decrease of QR 0.6 billion in Group's net earnings versus last year.

Group's sales volumes however, marginally increased by 2% versus last year, primarily driven by higher volumes across most operating segments except steel segment. Sales volumes improved broadly in line with slightly improved production across most segments, amid challenging market conditions prevailed mostly throughout the year.

Profits & Margins: Net profit for the year amounted to QR 4.5 billion, marginally down on last year by 5%, while Group's EBITDA reached to QR 6.4 billion with an increase of 3% versus last year. This increase in EBITDA and EBITDA margin was mainly driven by improved operating costs, and higher sales volumes that was partially offset by both lower recurring and non- recurring other income.

Financial Position and Cash Flows

Despite navigating through a year of uncertainty and challenges, the Group continued to stand tall with a resilient financial position while sustaining stability in its cash flow generation capabilities.

The Group began the year with a total cash and balance of QR 15.8 billion. During the year the Group generated total operating cash flows of QR 4.6 billion and invested QR 3.3 billion in capital expenditure, resulting in a free cash-flows to firm of QR 1.3 billion. During the year, the Group paid 2023 dividends of QR 4.7 billion and the current year's interim dividend of QR 1.9 billion. Accordingly, the Group incurred a net cash out flow of QR 4.4 billion during the current year and closed the year with a total cash and bank balance of QR 11.4 billion.

Group's reported total assets and total equity reached QR 42.4 billion and QR 37.7 billion, respectively, as of 31 December 2024. Currently, the Group has neither short-term nor long-term debt.

Group's continued strong financial and liquidity position, together with its robust cashflow generation, is a testament to its prudent and consistent asset and financial management policies, competitive cost position, and efficient operating asset base. These prudent financial and operating policies have led to efficient and robust cash flow generation capabilities, supported by a strong and reliable operating asset base.

A strong financial and liquidity position is critical for the Group to safeguard against instability and market volatilities, while providing support to ensure a sustainable shareholder value. It also allows flexibility to opportunistically consider CAPEX projects and acquisitions to create long-term shareholder value.

Proposed Dividend Distribution

A total dividend of more than QR 72.5 billion has been distributed to shareholders since the Group's incorporation, with a payout ratio of more than 68%. This is clear evidence of the Board's commitment to consistently maximizing shareholder value while ensuring robust yields while maintaining appropriate liquidity for the current and future capital projects and unexpected adversities.

With these considerations, coupled with a macroeconomic forecast linked to business outlook, future growth strategies, and capital expenditure requirements, the Board of Directors proposes a 2H-2024 dividend distribution of QR 2.6 billion (equating to QR 0.43 per share), bringing the total annual dividend distribution for the year ended 31 December 2024 of QR 4.5 billion, equivalent to a payout of QR 0.74 per share for the full year, subject to necessary approval in the Annual General Assembly Meeting.

Conclusion

The Board of Directors is grateful to His Highness the Amir Sheikh Tamim bin Hamad Al Thani for his wise leadership and unwavering support and guidance to Qatar's energy sector.

The Board of Directors also expresses its profound gratitude to H.E. Mr. Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, Chairman of the Board of Directors and Managing Director, for his vision and wise leadership. Additionally, we extend our thanks to the senior management of the Group companies for their hard work, commitment, and dedication. We are also thankful to our privileged shareholders for their ongoing support and trust.

FOR MORE INFORMATION ABOUT THE MEETING AGENDA MATERIALS, PLEASE VISIT WWW.IQ.COM.QA OR EMAIL US AT: IQ@QATARENERGY.QA OR CALL US AT: +974 4013 2080

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Industries Qatar Q.P.S.C.
Doha
Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Industries Qatar Q.P.S.C. (the "Company") and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information, as set out on pages 7 to 68.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the Company's 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.

1. Recognition Revenue
See Note 9 and 24 to the consolidated financial statements.

Key audit matter	How the matter was addressed in our audit
The Group recognised revenue of QR 12,652 million during the year. As disclosed in Note 9, the Group's share of profits from its joint ventures amounting to QR 1,260 million represents 28% of the Group's profit for the year while the total revenue for the year generated by these joint ventures amounted to QR 4,975 million. Revenue being a key economic indicator of the Group is significant to the consolidated financial statements and considering significant time and resources required to audit the revenue accounts and inherent risk of material misstatement, we considered this as a key audit matter.	Our audit procedures in this area included, among others: – assessing the design, implementation and operating effectiveness of the relevant internal controls over revenue recognition; – evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 15, our understanding of the business and related industry practice; – inspecting the agreements with customers on sample bsis to evaluate that revenue is recognised in accordance with the terms of the agreement and the requirements of IFRS 15; – performing test of details on a sample of revenue transactions by inspecting respective invoices, delivery statements and customers' acknowledgements and other corroborating evidence; – comparing on a sample basis, the revenue transactions recorded before and after the reporting period with underlying supporting documents to assess if related revenue is recorded in the correct accounting period; – testing journal entries relating to revenue recognised during the year based on identified risk criteria; and – evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions and judgements.
Business Combination - Acquisition of subsidiaries See Note 31 to the consolidated financial statements.	
On 5 October 2023, the Group acquired 100% of the shares in Al Qataria for Production and Reinforcing Steel W.L.L. for consideration of QR 346 million. On 09 June 2024, Consolidated Joint Venture Agreement (CJVA) of Qatar Fuel Additives Company Limited Q.P.J.S.C (QAFAC) expired and accordingly, the Group acquired control over QAFAC with effect from 10 June 2024. The accounting for these transactions is complex due to the significant judgements and estimates that are required to i) evaluate whether these are business combination and ii) identification and measurement of the fair value of the assets acquired and liabilities assumed. Due to the size and complexity of the acquisitions, we considered this to be a key audit matter.	Our audit procedures in this area included, among others: – assessing the Group's conclusion that the acquisitions are business combination in line with relevant accounting standards by inspecting share sale and purchase agreements and other supporting documents with the assistance of internal technical experts; – involving our own valuation specialists to support us in challenging the valuations produced by the Group 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 Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 8 February 2024.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and 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 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.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Board of Directors for the consolidated Financial Statements

The Board of Directors 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 the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

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

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.

» Evaluate the appropriateness of accounting policies used and the reasonableness of accounting »timates and related disclosures made by the Board of Directors.

»Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

» Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

»Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i. We have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith;

iii. We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company.

iv. Furthermore, the physical count of the inventories in Qatar was carried out in accordance with established principles; and

v. We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association having occurred during the year which might have had a material effect on the Company's financial position or performance as at and for the year ended 31 December 2024.

2 February 2025
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251
Licensed by QFMA: External Auditors' License No. 120153

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024 (QR '000)

	Notes	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	7	15,522,415	13,229,402
Capital project advances	7A	104,671	175,041
Investments in associates	8	2,081,580	1,810,706
Investments in joint ventures	9	6,222,870	6,782,965
Advances	10	315,544	329,290
Rights-of-use assets	11	336,951	261,844
Other non-current assets		178,109	129,388
Deferred tax asset	23	17,264	-
Total non-current assets		**24,779,404**	22,718,636
Current assets			
Inventories	13	3,364,009	2,833,277
Trade and other receivables	14	3,064,978	2,665,434
Equity securities at FVTPL	12	401,389	421,079
Fixed deposits and other bank balances	6	7,371,600	10,954,185
Cash and cash equivalents	5	3,433,990	3,460,004
Total current assets		**17,635,966**	20,333,979
Total assets		**42,415,370**	43,052,615
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	6,050,000	6,050,000
Legal reserve	16	327,059	271,942
Other reserves	16	(65,105)	(62,265)
Retained earnings		31,437,783	33,699,253
Equity attributable to owners of the Company		37,749,737	39,958,930
Non-controlling interests	35	902,435	17,411
Total equity		**38,652,172**	39,976,341
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	390,797	334,046
Provision for employees' end of service benefits	19	552,225	472,123
Total non-current liabilities		**943,022**	806,169
Current liabilities			
Trade and other payables	20	2,618,788	2,220,044
Lease liabilities	11	64,331	47,738
Income tax payable	23	137,057	2,323
Total current liabilities		**2,820,176**	2,270,105
Total liabilities		**3,763,198**	3,076,274
Total equity and liabilities		**42,415,370**	43,052,615

These consolidated financial statements were approved and authorized for issue by the Board of Directors on 2 February 2025 and signed on its behalf by:

Saad Sherida Al-Kaabi
Chairman and Managing Director

Abdulaziz Mohammed Al Mannai
Vice Chairman

FOR MORE INFORMATION ABOUT THE MEETING AGENDA MATERIALS, PLEASE VISIT WWW.IQ.COM.QA OR EMAIL US AT: IQ@QATARENERGY.QA OR CALL US AT: +974 4013 2080

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024 (QR '000)

	Notes	2024	2023
Revenues	24	12,652,136	11,744,032
Cost of sales	25	(9,810,216)	(9,216,464)
Gross profit		**2,841,920**	2,527,568
General and administrative expenses	28	(761,081)	(739,813)
Selling and distribution expenses		(89,646)	(79,483)
Share of net results of investment in joint ventures	9	1,259,966	1,359,961
Share of net results of investment in associates	8	345,509	281,636
Income from other investments	27	708,639	832,080
Reversal of impairment of property, plant and equipment	7	-	550,000
Reversal of impairment of investments in associates	8	-	60,000
Finance cost		(29,857)	(28,528)
Other income – net	26	325,946	(38,984)
Profit before tax		**4,601,396**	4,724,437
Income tax	23	(41,837)	(1,648)
Profit for the year		**4,559,559**	4,722,789
Profit attributable to:			
Owners of the Company		4,490,293	4,720,139
Non-controlling interests	35	69,266	2,650
		4,559,559	4,722,789
Earnings per share			
Basic and diluted earnings per share (QR per share)	22	**0.74**	0.78

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024 (QR '000)

	Notes	2024	2023
Profit for the year		**4,559,559**	4,722,789
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefits obligation in subsidiaries	19	(5,749)	(1,752)
Remeasurement of defined benefits obligation in joint ventures	9	(6,575)	(2,912)
Items that are or may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates	8	9,484	283
Other comprehensive loss for the year		**(2,840)**	(4,381)
Total comprehensive income for the year		**4,556,719**	4,718,408
Total comprehensive income attributable to:			
Owners of the Company		4,487,453	4,715,758
Non-controlling interests	35	69,266	2,650
		4,556,719	4,718,408

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024(QR '000)

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year		4,559,559	4,722,789
Adjustments for:			
Depreciation of property, plant and equipment	7	1,512,414	1,445,327
Amortization of other non-current assets		26,960	17,802
Depreciation of right-of-use assets	11	52,397	40,433
Impairment loss reversed during the year		-	(610,000)
Provision for employees' end of service benefits		71,885	68,109
Share of net results of investment in joint ventures	9	(1,259,966)	(1,359,961)
Share of net results of investment in associates	8	(345,509)	(281,636)
Loss on disposal of property, plant and equipment		15,843	1,182
Dividend income from financial assets at FVTPL	27	(22,017)	(19,149)
Reversal of ECL on trade and other receivables		-	(97)
Bargain purchase gain	26	(111,481)	-
Gain on remeasurement of previously held equity interest	26	(32,194)	-
Unrealised loss / (gain) from financial assets at FVTPL	26	19,690	(23,961)
Finance costs		29,857	28,528
Reversal of provision for obsolete inventory	13	-	(8,896)
Reversal of provision on financial guarantee	26	(142,659)	-
Provision for obsolete and slow-moving inventories	13	28,787	5,541
Income tax expense	23	41,837	1,648
Interest income	27	(686,622)	(812,931)
Operating cash flows before changes in working capital		**3,758,781**	3,214,728
Changes in working capital			
Inventories		(350,272)	274,983
Trade and other receivables		357,113	837,486
Trade and other payables		195,711	180,557
Cash generated from operations		**3,961,333**	4,507,754
Payments of end of service benefits	19	(58,320)	(69,940)
Payments of income tax	23	(3,746)	(115)
Social and sports contribution fund paid		(108,836)	(206,654)
Net cash generated from operating activities		**3,790,431**	4,231,045
Cash flows from investing activities			
Proceeds from disposals of property, plant and equipment		595	28
Additions to property, plant and equipment		(2,752,022)	(2,214,405)
Movement in other non-current assets		(2,617)	-
Dividend and tax benefit payments received from associates	8	275,612	421,273
Net cash inflow / (outflow) on acquisition of subsidiaries		478,288	(345,080)
Advance to related party		(177,747)	(102,735)
Dividends received from financial assets at FVTPL		22,017	19,149
Dividends and tax benefits received from joint ventures	9	916,490	1,670,643
Advances to an associate		-	(191,493)
Movement in fixed deposits and other bank balances	6	3,582,585	(3,665,983)
Interest received		515,187	792,125
Net cash from / (used in) investing activities		**2,858,388**	(3,616,478)
Cash flows from financing activities			
Interest paid related to lease liability		(23,716)	(20,751)
Repayment of principal related to lease liability		(54,160)	(102,310)
Finance costs paid		(507)	(1,566)
Dividends paid		(6,596,450)	(6,656,890)
Net cash used in financing activities		**(6,674,833)**	(6,781,517)
Net decrease in cash and cash equivalents		**(26,014)**	(6,166,950)
Cash and cash equivalents at 1 January		3,460,004	9,626,954
Cash and cash equivalents at 31 December	5	**3,433,990**	3,460,004

Non-cash transactions:

The following non-cash activities are entered into by the Group and are not reflected in the consolidated statement of cash flows:

- The Group recognized additional right of use assets and lease liabilities amounting to QR 127.5 million (2023: QR 91.12 million).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024 (QR '000)

	Note	Share capital	Legal reserve	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
At 1 January 2023		6,050,000	271,059	(57,884)	35,739,722	42,002,897	16,651	42,019,548
Profit for the year		-	-	-	4,720,139	4,720,139	2,650	4,722,789
Other comprehensive loss for the year		-	-	(4,381)	-	(4,381)	-	(4,381)
Total comprehensive income / (loss) for the year		-	-	(4,381)	4,720,139	4,715,758	2,650	4,718,408
Social and sports contribution fund provision	17	-	-	-	(108,836)	(108,836)	-	(108,836)
Social and sports contribution refund		-	-	-	4,111	4,111	-	4,111
Transfer to legal reserve	16	-	883	-	(883)	-	-	-
Transaction with owners of the Company:								
Dividends		-	-	-	(6,655,000)	(6,655,000)	(1,890)	(6,656,890)
At 31 December 2023 / 1 January 2024		6,050,000	271,942	(62,265)	33,699,253	39,958,930	17,411	39,976,341
Profit for the year		-	-	-	4,490,293	4,490,293	69,266	4,559,559
Other comprehensive loss for the year		-	-	(2,840)	-	(2,840)	-	(2,840)
Total comprehensive income / (loss) for the year		-	-	(2,840)	4,490,293	4,487,453	69,266	4,556,719
Acquisition of a subsidiary with NCI	31	-	-	-	-	-	817,708	817,708
Social and sports contribution fund provision	17	-	-	-	(102,146)	(102,146)	-	(102,146)
Transfer to legal reserve	16	-	55,117	-	(55,117)	-	-	-
Transaction with owners of the Company:								
Dividends		-	-	-	(6,594,500)	(6,594,500)	(1,950)	(6,596,450)
At 31 December 2024		**6,050,000**	**327,059**	**(65,105)**	**31,437,783**	**37,749,737**	**902,435**	**38,652,172**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31 December 2024

(All amounts are in QR '000, unless otherwise specified)

1. Legal status and principal activities

Industries Qatar Q.P.S.C. (the "Company" or "IQ") is a Qatari Public Shareholding Company, incorporated in the State of Qatar on 19 April 2003, in accordance with Qatar Commercial Companies' Law No. 5 of 2002, as replaced by Qatar Commercial Companies' Law number 11 of 2015, for a 50-year term by resolution No. 33 of 2003 from the Ministry of Commerce and Industry of the State of Qatar. The Company's shares are listed on the Qatar Stock Exchange. The Company's registered office is situated in Doha, State of Qatar. QatarEnergy is the controlling shareholder of the Company and QatarEnergy is owned by Supreme Council for Economic Affairs and Investment of the Government of State of Qatar, which is the ultimate controlling party.

IQ, its subsidiaries, associates and joint ventures (together the "Group") operate in three main distinct segments: petrochemicals, fertilisers and steel. More information about the Group's activities is given in Note 32. The structure of the Group, included in these consolidated financial statements is as follows:

	Relationship	Country of incorporation	Percentage of holding 2024	2023
Qatar Steel Company (Qatari Private Shareholding Company) ("Qatar Steel")	Subsidiary	Qatar	**100%**	100%
Qatar Steel Company FZE (Dubai)	Subsidiary	UAE	**100%**	100%
Al Qataria for Production and Reinforcing Steel W.L.L. ("Al Qataria")	Subsidiary	Qatar	**100%**	100%
Qatar Fertiliser Company (Qatari Private Shareholding Company) ("QAFCO")	Subsidiary	Qatar	**100%**	100%
Gulf Formaldehyde Company (Qatari Private Shareholding Company) ("GFC")	Subsidiary	Qatar	**70%**	70%
Qatar Melamine Company (Qatari Private Shareholding Company) ("QMC")	Subsidiary	Qatar	**100%**	100%
Qatar Fuel Additives Company Limited (Qatari Private Shareholding Company) ("QAFAC") (i)	Subsidiary	Qatar	**50%**	-
Qatar Petrochemical Company (QAPCO) Q.P.J.S.C ("QAPCO")	Joint venture	Qatar	**80%**	80%
Qatar Fuel Additives Company Limited (Qatari Private Shareholding Company) ("QAFAC") (i)	Joint venture	Qatar	**-**	50%
Qatar Metals Coating Company W.L.L.	Associate	Qatar	**50%**	50%
SOLB Steel Company (SSC)	Associate	KSA	**40.38%**	31.03%
Foulath Holding B.S.C.	Associate	Bahrain	**25%**	25%

(i) On 10 June 2024, QAFAC become subsidiary of the Group. Refer Note 31.

Qatar Steel Company ("Qatar Steel"), a Qatari Private Shareholding Company incorporated in the State of Qatar, and wholly owned by IQ. Qatar Steel is engaged in manufacturing of steel billets and reinforcing bars for sale in the domestic and export markets.

Qatar Steel Company FZE (Dubai), a fully owned subsidiary of Qatar Steel with limited liability incorporated in Dubai on 22 July 2003 pursuant to Dubai Law No. 9 of 1992 and implementing the regulations of the Jebel Ali Free Zone Authority. The principal activities of Qatar Steel Company FZE (UAE) are manufacturing and selling of steel products.

Al Qataria for Production of Reinforcing Steel W.L.L. (Al-Qataria), a company with limited liability incorporated in the State of Qatar, and wholly owned by Qatar Steel. Al-Qataria is engaged in the production of reinforcing steel. The principal activities of Al-Qataria include the production of billets – rebars and trading of iron. Al Qataria was acquired in 2023, refer Note 31.

Qatar Fertiliser Company ("QAFCO"), a Qatari Private Shareholding Company incorporated in the State of Qatar, and wholly owned by IQ. QAFCO is engaged in the production and sale of Urea and Ammonia.

Gulf Formaldehyde Company (GFC), a Qatari Private Shareholding Company incorporated in the State of Qatar, whose 70% of shares are owned by QAFCO and 30% of shares are owned by Qatar Industrial Manufacturing Company (Q.P.S.C.). GFC is engaged in the production and sale of Urea Formaldehyde Concrete.

Qatar Melamine Company (QMC), a Qatari Private Shareholding Company incorporated in the State of Qatar, and wholly owned by QAFCO. QMC is engaged in the production and sale of Melamine. During 2023, based on an internal review, the Group is considering transferring of the QMC's assets to QAFCO through a merger process. As of 31 December 2024, the merger process is contingent upon further approvals and the fulfilment of legal and regulatory requirements.

Qatar Fuel Additives Company Limited (QAFAC), a Qatari Private Shareholding Company incorporated in the State of Qatar, whose 50% of the shares are owned by IQ and 50% shares (effective ownership) are held by a related party. The principal activities of QAFAC are to construct, own, operate and maintain facilities for the production, marketing and export of methyl-tertiary-butyl-ether (MTBE) and methanol.

Qatar Petrochemical Company (QAPCO) Q.P.J.S.C., a Qatari Private Joint Shareholding Company incorporated in the State of Qatar, is a joint venture between IQ (80%) and Total Energies Petrochemicals France S.A. (20%). QAPCO is engaged in the production and sale of ethylene, polyethylene, hexane and other petrochemical products.

Foulath Holding B.S.C. is a Bahraini Closed Joint Stock Company (owned through Qatar Steel) 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.

SOLB Steel Company (SOLB) is a company (owned through Qatar Steel) incorporated in the Kingdom of Saudi Arabia and is engaged in the manufacture and sale of steel products.

Qatar Metals Coating Company W.L.L. (Q-COAT) is a limited liability company (owned through Qatar Steel) incorporated in Qatar involved in the production of epoxy resin coated bars. Q-COAT is managed by the Group in accordance with a management service agreement.

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 2 February 2025.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

These consolidated financial statements are prepared using the historical cost basis except for certain assets acquired in a business combination and assets at fair value through profit or loss, which are measured at fair value.

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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2.3 Functional and presentation currency

These consolidated financial statements are presented in Qatari Riyals (QR), which is the Company's functional currency. All the financial information presented in this consolidated financial statement has been rounded off to nearest thousands (QR '000) except where otherwise indicated.

2.4 New accounting standards and amendments adopted by the Group

The accounting policies adopted by the Group in the preparation of the consolidated financial statements are consistent with those of the previous financial year except for the changes required as per the adoption of the new standards, amendments and interpretations.

New accounting standards and amendments issued and effective

The Group has applied the following amendments and interpretations for the first time for their annual reporting period commencing 1 January 2024.

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

The application of these amendments had no material impact on the Group's consolidated financial statements.

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

A number of new accounting standards 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 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 statement of profit or loss, the 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 financial statements, including for items currently labelled as 'other'.

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

Effective for the year beginning 1 January 2025	• *Lack of Exchangeability – Amendments to IAS 21*
Effective for the year beginning 1 January 2026	• *Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* • *Annual improvements to IFRS Accounting Standard – Volume 11*
Effective for the year beginning 1 January 2027	• *IFRS 18 Presentation and Disclosure in Financial Statements* • *IFRS 19 Subsidiaries without Public Accountability: Disclosures*
Available for optional adoption / effective date deferred indefinitely	• *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28*

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 incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- 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 decisions need to be made, including voting patterns at previous shareholders' meetings.

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

All intragroup 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 interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests 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 owners of the Company.

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.

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 of 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.

3.2 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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.

Equity method of accounting

The Group accounts for its investments in associates and joint ventures 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.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate / joint venture or when the investment is classified as held for sale. In case of disposal, the difference between carrying amount of the associate / joint venture at the date the equity method was discontinued and proceeds from disposal is recognised in profit or loss.

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.

3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director ("MD") who is the chief operating decision maker of the Group. The MD is responsible for allocating resources and assessing performance of the operating segments. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of rebates, trade allowances, returns, freight and amounts collected on behalf of third parties including value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Group; and specific criteria have been met for each of the Group's activities, as described below.

Sale 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 of the following has been satisfied i) the customer has accepted the products in accordance with the sales contract, ii) the acceptance provisions have lapsed or iii) 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. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days.

Sales of petrochemical and fertiliser products

The Group manufactures and sells a range of petrochemical products and by-products which includes Urea, Ammonia, Melamine, Methanol, MTBE, and Pentane. 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.

3.5 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. 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.

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 corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "General and administrative expenses" in profit or loss.

The Group does not act as a lessor.

3.6 Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

3.7 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the reporting period in which they are incurred.

Depreciation is calculated to allocate the cost of assets over their estimated useful lives on a straight-line basis commencing when the assets become ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

The Group's estimated useful lives on each asset classification are as follows:

Buildings	13 - 25 years or land lease term, whichever is shorter
Plant machinery and equipment	3 - 25 years
Furniture and other equipment	3 - 10 years

Items in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such items are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as the expense is incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognised.

Capital work-in-progress (including capital advance) 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.

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

3.8 Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non- financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.9 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

- Warehouse inventory - purchase cost after deducting rebates and discounts, on a moving weighted average basis.
- Work-in-progress and finished product inventories - production costs on a moving weighted average basis. The production costs include the cost of direct materials, direct labour and an appropriate allocation of overheads allocated on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and that to be incurred to make the sale.

3.10 Catalysts

Catalysts are classified as other non-current assets and initially recorded at cost. Subsequently, they are measured at cost less accumulated amortisation and any impairment in value. Catalysts are amortised over the estimated useful lives of 1 to 12 years. Catalysts not in use at the plant are kept under inventories and stated at the lower of cost and net realisable value.

3.11 Fair value measurement

For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each reporting date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IFRS 16 for current year and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

3.12 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position 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.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments designated at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables as well as on 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. 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. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the 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.

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.

(i) 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 as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. 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.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default;
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continueds to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continueds to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.13 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual and sick leaves that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included in trade and other payables.

Post-employment benefits

The Group operates defined contribution and defined benefit retirement plans.

a.) Defined contribution pension plan

Group has a defined contribution plan for the Qatari (who joined Group on or after 6 March 2003) and other GCC national employees. In case of Qatari employee, Group 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, Group and other GCC employees contribute at specified rates which are then remitted to Government pension fund. Under this Law and Group's policy, Group does not have any legal or constructive obligation to pay future pension to those employees and hence Group 's obligations are limited to its contributions paid to respective Government's Pension Fund which are expensed when due.

b.) Defined benefit plan

A defined benefit plan is a pension plan that is not a defined contribution plan. In accordance with Qatar Labour Law number 14 of 2004, the Group makes payments to non-Qatari employees on their retirement, usually dependent on one or more factors such as age, years of service and compensation. This benefit was amended to also include Qatari employees who have completed 20 years' service.

For subsidiaries and associates located outside the State of Qatar, the Group follows the applicable laws and regulations in their countries.

For Qatari employees who retired prior to 2003, the Group pays pension to them in accordance with QatarEnergy pension scheme. These payments meet the definition of a defined benefit scheme under IAS 19 and are therefore accounted accordingly.

The liability recognised in the statement of financial position in respect of end of service benefits and defined benefit pension 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, 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 retained earnings in the consolidated statement of changes in equity and in the statement of financial position, if any.

Other short-term employees' benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be measured reliably.

3.14 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.15 Income tax

Income tax is provided in accordance with the Qatar Income Tax Regulations. 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.

In 2020, management received a signed Memorandum of Understanding ("hereby referred to as the MOU") between QatarEnergy, General Tax Authority and Ministry of Finance. The MOU covers the tax reporting and payment implications applicable to the components of certain companies listed on Qatar Exchange.

In determination of the Group's tax liability, the probability that the tax authority will accept certain tax treatments has been considered. Where it has been concluded that it is probable that the tax authority will accept such tax treatments the Group has determined the tax liability consistently with the tax treatments used or planned to be used in its income tax filings.

3.16 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under this method, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax losses can be utilised. A tax rate range of 10-35%, which is applicable to the Group, is used to measure deferred tax assets and liabilities.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

3.17 Social and sports contribution fund

The Group makes contributions equivalents to 2.5% of the 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 social and sports activities. This is presented in the statement of changes of equity as appropriation of profit in accordance with Law No. 13 of 2008.

3.18 Dividends distribution

Liabilities for dividend distributions are recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend distribution liabilities are recognised as a direct charge to retained earnings in the consolidated statement of changes in equity, with any unpaid amount is presented under trade and other payables in the consolidated statement of financial position.

3.19 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit or loss attributable to ordinary owners of the Group
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the effect of any dilutive potential ordinary shares.

3.20 Events after the reporting date

The consolidated financial statements are adjusted to reflect events that occurred between the reporting date and the date when the consolidated financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are disclosed in the consolidated financial statements when material.

4. Critical judgments and key sources of estimation uncertainty

4.1 Critical judgments and estimates

The preparation of the consolidated financial statements in compliance with IFRS Accounting Standards requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Judgements in determining the timing of satisfaction of performance obligations ("POs")

Performance obligations satisfied at a point in time, the Group considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred physical possession
- Customer has risk and rewards of ownership
- Customer has accepted the asset

In making their judgement, the management considered the detailed criteria for the recognition of revenue set out in IFRS 15 and, in particular, whether the Group had transferred control of the goods to the customer.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Going concern

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

Classification of Qatar Metals Coating Company WLL as an associate

The Group has 50% interest in Qatar Metals Coating Company W.L.L., with the remaining 50% held by Qatar Industrial Manufacturing Company Q.P.S.C. The articles of association and shareholder agreement of Qatar Metals Coating Company W.L.L. requires appointment of equal number of board members by each company from which the Chairman is selected based on mutual understanding between both shareholders, and the Chairman has voting casting power; therefore, control is not demonstrated by the entity that does not appoint the Chairman. The current term of office requires appointment of the Chairman by Qatar Industrial Manufacturing Company. The Group has assessed that since the Chairman is appointed by Qatar Industrial Manufacturing Company in the current term, it limits the ability of the Group to exercise control and therefore, its interest in Qatar Metals Coating Company W.L.L. is recognized as an associate and is accounted for using equity method in consolidated financial statements as described in Note 3.

***Classification of investments as joint* ventures**

Management evaluated the Group's interests in QAPCO and concluded that the joint arrangement is a joint venture where the entity is jointly controlled and the partners have rights to the net assets of the joint arrangements. In this investment, all decisions about the relevant activities require unanimous consent of the parties that collectively control the arrangement, as established contractually in the agreement and articles of association. Hence, management recognized this investment as investment in joint venture and accordingly accounted for the investment under the equity method in the consolidated financial statements.

Site restoration obligation

As required by IAS 37, the Group assess whether the following criteria is met to recognise provisions:

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

As explained in note 30, the Group may be required under lease agreements to make payments for site restoration at the option of the lessor. The incurrence of site restoration costs by the Group is contingent to the option that lessor will exercise, the lessor has not yet notified the Group on this matter. Therefore, the criteria to recognise provision for restoration obligation has not been met and no provision has been recognised in these consolidated financial statements.

Income tax

Under the provisions of the Law 24 of 2018, in particular Article 4 (11) of the said law, the tax exemptions does not apply to the share of profits attributable to companies that are owned, wholly or partly by the State, whether owned directly or indirectly, and that are engaged in Petroleum Operations or operating in Petrochemical Industry. Furthermore, Article 2 (12) of the executive regulations accompanying the Tax Law states that the tax exemption available to companies listed on the capital markets is not applicable to their components.

Management received a signed MOU between QatarEnergy, General Tax Authority and Ministry of Finance. The MOU covers the tax reporting and payment implications applicable to the components of certain companies listed on Qatar Exchange.

The MOU also states that the tax amounts due on the share of the public shareholding companies will be recorded in the books and in the tax returns to be submitted to General Tax Authority. Each company shall pay the amount of the income tax relating to the share of profit of the public shareholding company directly to the public shareholding company, and settlement of this amount with the General Tax Authority will be made through the defined arrangement between the public shareholding company, QatarEnergy and the Ministry of Finance as per the MOU.

Accordingly, for the purpose of accruing the tax liability for the years ended 31 December 2024 and 2023 management of the component entities of the Group has considered the taxable income of components as 100% taxable.

Management of the Group has recorded the tax benefit or refund received through the settlement mechanism defined in the MOU within the tax exempted income for that related to subsidiaries and within the share of results of investments in associates and joint ventures for the benefit related to those Group entities. Deferred tax has been adjusted accordingly. The payments received by the Group from the joint ventures and associates relating to the tax benefit are recorded within the investment in those entities.

Management has exercised critical judgement to evaluate open tax assessments, which are included in Note 30(c).

4.2 Assumptions and estimation uncertainties

The key assumptions concerning the future and other sources of estimation uncertainty at the consolidated financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within are discussed below.

Measurement of loss on potential liabilities related to financial guarantee

When measuring the potential liability related to financial guarantees given by the Group to the associate ("SOLB Steel Company" located in Kingdom of Saudi Arabia) bank for certain facilities extended to the associate, Management has considered the terms and conditions of the financial guarantees signed with banks for purpose of providing adequate provision against any breach by the associate. Based on this consideration, management has used the best estimate towards any exposure that might result for such instance to ensure an adequate provision is provided in the Group's consolidated financial statements considering the requirement of IAS 37.

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and residual values of its property, plant and equipment for calculating depreciation as outlined in Note 3. This estimate is determined after considering the expected usage of the asset, physical wear and tear and technical or commercial obsolescence. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis. At year-end, management assessed that no changes occurred to these estimates.

Investments in associates - impairment

As required by IFRS Accounting Standards, the Group assessed its investments in associates for impairment (where indicators were identified) by comparing the recoverable amount of investment to its carrying value. The recoverable amount is estimated by the Group using the "value in use". The value in use calculations were done based on the following assumptions:

- Discount rates: 11%
- Utilization of capacity: 112% to 118%
- Earnings Before interest, tax, depreciation and amortisation (EBITDA): 14% - 20%
- 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 amount. Based on this assessment, management did not identify any further impairment as the value in use exceeded the carrying values of investment in associates.

Pension for retired Qatari employees

The assumptions used in determining the cost for employees' end of service obligations of retired Qatari employees include the discount rate, mortality rates, proportion married, spouse's age and children pension allowance. Any changes in these assumptions will impact the amount of end of service obligations.

The table below sets out the key assumptions used to assess the provision for end of service benefits:

Assumption	**2024**	2023
Discount rate	5.1%	5%
Mortality rates	83.4 years (Male) 86.5 years (Female)	83.6 years (Male) 86.6 years (Female)
Proportion married	90%	90%
Spouse's age	Husband 5 years older than wives	Husband 5 years older than wives
Children pension allowance	Nil	Nil

The Group determines the appropriate discount rate at the end of each year. This discount rate should be used to determine the present value of estimated future cash outflows expected to be required to settle the employees' end of service obligations.

Provision for end of service benefits for Qatari employees

QatarEnergy has provided guidelines in relation to end of service benefits ("ESB") for Qatari nationals as per the Law No. 14 of 2016. Accordingly, management has concluded that service below the 20-year threshold does not earn any benefit. Therefore, the service below the 20-year threshold does not create an obligation for the Group. For the employees who have completed 20 years of services, management has assessed the obligation and created necessary provision.

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. The Group uses estimates for the computation of loss rates.

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.

5. Cash and cash equivalents

	2024	2023
Cash on hand	173	70
Cash at banks	1,034,296	1,000,516
Short term fixed deposits – less than 90 days	2,399,521	2,459,418
Cash and cash equivalents	**3,433,990**	3,460,004

6. Fixed deposits and other bank balances

	2024	2023
Fixed deposits (i)	7,282,356	10,849,847
Dividend accounts (ii)	89,244	104,338
	7,371,600	10,954,185

(i) Fixed deposits are held with banks and denominated mainly in Qatari Riyals and US Dollars with an average effective interest rate of 5.9% (31 December 2023: 6.5%).

(ii) Dividend accounts are restricted bank balances for the amounts deposited in the bank for the dividends declared which are yet to be collected by the shareholders.

7. Property, plant and equipment

	Buildings	Plant machinery and equipment	Furniture and other equipment	Capital work in progress	Total
Cost					
At 1 January 2023	4,604,668	14,732,245	146,280	709,524	20,192,717
Additions	-	-	-	2,198,033	2,198,033
Acquisition of subsidiary	244,312	296,759	2,069	-	543,140
Transfers	24,786	658,014	48,136	(730,936)	-
Disposals and Write-offs	-	(1,528)	(3,067)	-	(4,595)
At 31 December 2023 / 1 January 2024	4,873,766	15,685,490	193,418	2,176,621	22,929,295
Additions	1,850	3,555	215	2,816,772	2,822,392
Acquisition of subsidiary	99,892	3,840,913	86,366	128,997	4,156,168
Transfers	122,832	506,568	44,493	(673,893)	-
Disposals and Write-offs	(60,913)	(584,068)	(1,790)	-	(646,771)
At 31 December 2024	**5,037,427**	**19,452,458**	**322,702**	**4,448,497**	**29,261,084**
Accumulated depreciation and impairment:					
At 1 January 2023	1,427,562	7,078,755	113,176	-	8,619,493
Charge for the year (iv)	238,523	1,176,614	30,190	-	1,445,327
Acquisition of subsidiary	91,884	104,721	1,496	-	198,101
Reversal of impairment (v)	-	(550,000)	-	-	(550,000)
Adjustments	-	(9,642)	-	-	(9,642)
Disposals and Write-offs	-	(331)	(3,055)	-	(3,386)
At 31 December 2023 / 1 January 2024	1,757,969	7,800,117	141,807	-	9,699,893
Charge for the year (iv)	250,022	1,237,315	25,077	-	1,512,414
Acquisition of subsidiary	65,461	3,005,938	85,297	-	3,156,696
Disposals and Write-offs	(60,913)	(567,630)	(1,791)	-	(630,334)
At 31 December 2024	**2,012,539**	**11,475,740**	**250,390**	**-**	**13,738,669**
Net carrying value:					
At 31 December 2024	**3,024,888**	**7,976,718**	**72,312**	**4,448,497**	**15,522,415**
At 31 December 2023	3,115,797	7,885,373	51,611	2,176,621	13,229,402

Notes:

(i) Buildings mainly include the industrial plant, offsite and administrative facilities constructed on land leased from QatarEnergy.

(ii) Plant, machinery and equipment includes capital spares and other spares with net book value of QR 531.6 million (2023: QR 380.9 million) with useful lives of between 15 and 25 years.

(iii) Total cost of fully depreciated assets that are still in use are as follows:

	2024	2023
Buildings	792,708	772,649
Plant, machinery and equipment	4,164,484	3,846,796
Furniture and other equipment	207,589	84,591
	5,164,781	4,704,036

(iv) Depreciation charge has been allocated in the consolidated statement of profit or loss as follows:

	2024	2023
Cost of sales (Note 25)	1,477,834	1,419,904
General and administrative expenses (Note 28)	33,708	24,547
Selling expenses	872	876
	1,512,414	1,445,327

(v) In 2020, the Qatar Steel decided to mothball some of the assets and recorded QR 1.2 billion of impairment against certain production facilities as a result of business model assessment. No additional impairment of property, plant and equipment was recognised after the initial recognition on such assets. During 2023, Qatar Steel management decided to restart some of the mothballed assets to cater the product's demand which resulted in a net reversal of QR 550 million in last year's consolidated statement of profit or loss account. The impairment on the remaining mothballed assets is not reversed based on management's assessment on when these assets will resume production.

7A. Capital project advances

The Group signed an agreement for the construction of QAFCO plant VII (Ammonia VII) project. The project is expected to be completed in 2026.

An advance payment for the QAFCO plant VII project amounting to QR 192.37 million was paid in 2022. This amount is recovered at 14.5% through progress billings and included in the capital work-in-progress.

	2024	2023
At 1 January	175,041	192,374
Released to capital work in progress	(70,370)	(17,333)
At 31 December	**104,671**	175,041

8. Investments in associates

Set out below are the associates of the Group as at 31 December 2024 which are accounted for using the equity method. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	Place of business/ country of incorporation	Percentage of ownership 2024	Percentage of ownership 2023	Nature of relationship	Measurement method
Foulath Holding B.S.C.	Kingdom of Bahrain	**25%**	25%	Associate	Equity method
SOLB Steel Company	Kingdom of Saudi Arabia	**40.38%**	31.03%	Associate	Equity method
Qatar Metals Coating Company W.L.L.	State of Qatar	**50%**	50%	Associate	Equity method

The associates above are private entities with no available quoted price. The carrying amount of each equity-accounted investment is as follows:

	2024	2023
Foulath holding B.S.C. (C)	1,803,583	1,803,558
SOLB Steel Company (SOLB)	271,991	-
Qatar Metals Coating Company W.L.L.	6,006	7,148
	2,081,580	1,810,706

The carrying amount of equity-accounted investments has changed as follows:

	2024	2023
At 1 January	1,810,706	1,890,060
Conversion of advances to investment (1)	191,493	-
Share of net results from associates	345,509	281,636
Net share of other comprehensive income	9,484	283
Dividend and tax benefit payments received from associates	(275,612)	(421,273)
Reversal of impairment	-	60,000
At 31 December	**2,081,580**	1,810,706

(1) In 2023, the Group paid an advance of QR 191.49 million to SOLB to fund its cash requirements with an objective to settle existing loans obtained by SOLB with financial institutions and get release of financial guarantee provided by the Group in capacity of a shareholder. Management had paid that advance to fund the working capital requirements and seize the opportunity of obtaining waiver of loan payable by SOLB to one of its lenders. This working capital funding helped SOLB settling the loan and resulted in a gain of QR 142.66 million during the year, as the Group reversed the provision for financial guarantee issued by it upon release of the same from lender. (Note 26).

During the year, these advances were converted into investment as SOLB issued shares against the outstanding amount. This resulted in increase in shareholding of the Group from 31.03% to 40.38% as the Group subscribed to more shares than its proportion.

The summarised financial information in respect of the Group's associates is set out in the following table which represents amounts shown in the associates' financial statements prepared in accordance with IFRS. They have been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and modifications for differences in accounting policy, if any.

Summarised statement of financial position	Foulath Holding B.S.C. 2024	Foulath Holding B.S.C. 2023	Qatar Metals Coating Company W.L.L. 2024	Qatar Metals Coating Company W.L.L. 2023	SOLB Steel Company (SSC) 2024	SOLB Steel Company (SSC) 2023
Current assets	4,095,045	4,378,813	49,673	57,764	300,971	160,978
Non-current assets	5,108,436	5,052,924	7,212	8,090	1,802,448	1,821,803
Current liabilities	(1,750,132)	(1,869,408)	(15,850)	(22,388)	(1,505,576)	(2,436,650)
Non-current liabilities	(2,474,753)	(2,584,610)	(2,437)	(2,608)	(54,166)	(24,958)
Net assets	4,978,596	4,977,719	38,598	40,858	543,677	(478,827)
Group's share in %	25%	25%	50%	50%	40.38%	31.03%
Group's share in QR	1,244,649	1,244,430	19,299	20,429	219,537	(148,580)
Impairment and other losses	(120,000)	(120,000)	-	-	(150,796)	(150,796)
Goodwill	684,804	684,804	-	-	203,250	68,277
Pre-acquisition equity adjustment	660	660	-	-	-	-
Intercompany margin elimination	(6,435)	(6,435)	(13,294)	(13,281)	-	-
Unrecognized losses	-	-	-	-	-	232,545
Other adjustments	(95)	99	-	-	-	(1,446)
Carrying amount	**1,803,583**	1,803,558	**6,005**	7,148	**271,991**	-

Summarised statement of comprehensive income	Foulath Holding B.S.C. 2024	Foulath Holding B.S.C. 2023	Qatar Metals Coating Company W.L.L. 2024	Qatar Metals Coating Company W.L.L. 2023	SOLB Steel Company (SSC) 2024	SOLB Steel Company (SSC) 2023
Revenue	9,428,375	10,274,592	69,642	64,295	489,236	274,454
Profit from continuing operations	1,054,618	1,117,577	2,714	4,515	1,022,506	(116,488)
Other comprehensive income / (loss)	37,939	1,132	-	-	-	1,949
Total comprehensive income	1,092,557	1,118,709	2,714	4,515	1,022,506	(114,539)
Group's share in profit	263,655	279,394	1,357	2,258	80,498	(36,146)
Intercompany adjustments and tax benefit	-	-	-	(16)	-	-
Group's share in profit and tax benefits	263,655	279,394	1,357	2,242	80,498	(36,751)
Group's share in other comprehensive income	9,484	283	-	-	-	605
Dividend and tax benefit payments received from associates	**(273,112)**	(418,773)	**(2,500)**	(2,500)	-	-

9. Investments in joint ventures

The movement in investment in joint ventures during the year is as follows:

	2024	2023
At 1 January	6,782,965	7,096,559
Share of profits of joint ventures	823,128	907,055
Adjustment related to tax benefit	436,838	452,906
Share of other comprehensive loss	(6,575)	(2,912)
Dividends and tax benefits received	(916,490)	(1,670,643)
Transferred to subsidiary (Note 31)	(896,996)	-
At 31 December	**6,222,870**	6,782,965

The summarised financial information in respect of the Group's joint ventures is set out in the following table which represents amounts shown in the joint ventures' financial statements prepared in accordance with IFRS.

At 31 December 2024	**QAPCO**
Current assets	
Cash and bank balances	904,791
Other current assets	1,581,292
	2,486,083
Non-current assets	6,096,311
Current liabilities	
Financial liabilities	(862,955)
Other current liabilities	(293,001)
	(1,155,956)
Non-current liabilities	
Financial liabilities	(80,264)
Other current liabilities	(324,404)
	(404,668)
Net assets	7,021,770
Group's share %	80%
Group's share	5,617,416
Effect of dividend declared by QAPCO but not paid	376,800
Effect of IQ's tax benefit and other adjustments	228,654
Total	**6,222,870**

	QAPCO	QAFAC *	Total
Revenues	3,570,650	1,404,000	4,974,650
Other income	82,177	24,635	106,812
Depreciation and amortization	(498,195)	(62,260)	(560,455)
Interest expense	(3,687)	(43)	(3,730)
Income tax expense	(279,260)	(203,570)	(482,830)
Other cost and expenses net of income	(2,075,662)	(790,143)	(2,865,805)
Profit for the year	796,023	372,619	1,168,642
Other comprehensive income	(8,219)	-	(8,219)
Total comprehensive income	787,804	372,619	1,160,423
Group's share of net profit before tax benefit	636,818	186,310	823,128
Effect of IQ's tax benefit	335,053	101,785	436,838
Group's share of net profit	971,871	288,095	1,259,966
Group's share of other comprehensive income	(6,575)	-	(6,575)

* QAFAC balances are for the period of 1 January 2024 to 9 June 2024.

At 31 December 2023	QAPCO	QAFAC	Total
Current assets			
Cash and bank balances	817,444	1,076,125	1,893,569
Other current assets	1,452,346	600,656	2,053,002
	2,269,790	1,676,781	3,946,571
Non-current assets	6,228,974	1,038,713	7,267,687
Current liabilities			
Financial liabilities	(876,013)	(497,731)	(1,373,744)
Other current liabilities	(190,533)	(356,284)	(546,817)
	(1,066,546)	(854,015)	(1,920,561)
Non-current liabilities			
Financial liabilities	(96,788)	-	(96,788)
Other current liabilities	(316,464)	(52,682)	(369,146)
	(413,252)	(52,682)	(465,934)
Net assets	7,018,966	1,808,797	8,827,763
Group's share %	80%	50%	
Group's share	5,615,173	904,399	6,519,572
Effect of IQ's tax benefit and other adjustments	285,889	(22,496)	263,393
Total	5,901,062	881,903	6,782,965
Revenues	3,270,408	2,723,890	5,994,298
Other income	112,004	51,221	163,225
Depreciation and amortization	(425,366)	(89,281)	(514,647)
Interest expense	(3,994)	(207)	(4,201)
Income tax expense	(180,261)	(311,350)	(491,611)
Other cost and expenses net of income	(2,083,607)	(1,662,857)	(3,746,464)
Profit for the year	689,184	711,416	1,400,600
Other comprehensive income	(3,640)	-	(3,640)
Total comprehensive income	685,544	711,416	1,396,960
Group's share of net profit before tax benefit	551,347	355,708	907,055
Effect of IQ's tax benefit	297,291	155,615	452,906
Group's share of net profit	848,638	511,323	1,359,961
Group's share of other comprehensive income	(2,912)	-	(2,912)

10. Advances

	2024	2023
SOLB Steel Company (Note 8)	-	191,493
Investment in Qatar Vinyl Company (QVC) (i)	315,544	137,797
	315,544	329,290

i) Advances given to QVC

On 1 March 2022, the Company 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 USD 239 million. The target completion of the project is expected in June 2025, and the project is funded by the Company 44.8% and MPHC 55.2% as per the Principles Agreement entered among the existing shareholders of QVC and the Company.

As of 31 December 2024, the Company has made an advance of QR 315.54 million (2023: QR 137.80 million) under the Principles Agreement.

As per the Principles Agreement, QAPCO (31.9% shares) and QatarEnergy (12.9% shares) will transfer their respective shareholding of 31.9% and 12.9% in QVC to the Company for nil consideration on 1 May 2026, which is the expiry of existing joint venture agreement of QVC.

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

11. Right-of-use assets and lease liabilities

Group as a Lessee

The Group leases several assets including land and buildings, heavy duty equipment, motor vehicles and other assets. The lease term ranges between 2 – 10 years and 2 – 30 years for land and buildings.

	Right-of-use assets: Land and building	Heavy duty equipment	Motor vehicles	Other assets	Total	Lease liabilities
At 1 January 2023	167,286	-	2,947	35,139	205,372	386,259
Additions	25,889	63,848	1,380	-	91,117	91,117
Acquisition of subsidiary	5,788	-	-	-	5,788	6,718
Depreciation expense	(27,963)	(10,478)	(943)	(1,049)	(40,433)	-
Interest expense	-	-	-	-	-	20,751
Payments	-	-	-	-	-	(123,061)
At 31 December 2023 / 1 January 2024	171,000	53,370	3,384	34,090	261,844	381,784
Additions	86,958	9,249	30,831	466	127,504	127,504
Depreciation expense	(32,986)	(14,272)	(4,095)	(1,044)	(52,397)	-
Interest expense	-	-	-	-	-	23,716
Payments	-	-	-	-	-	(77,876)
At 31 December 2024	**224,972**	**48,347**	**30,120**	**33,512**	**336,951**	**455,128**

Maturity analysis of contractual cashflows of lease liability is as follows:

	2024	2023
Not later than 1 year	87,855	67,875
Later than 1 but not later than 5 years	300,790	267,277
Later than 5 years	257,917	230,440
	646,562	565,592

The lease liability is presented in the consolidated statement of financial position as:

	2024	2023
Current	64,331	47,738
Non-current	390,797	334,046
	455,128	381,784

The depreciation charge has been allocated in the consolidated statement of profit or loss as follows.

	2024	2023
Cost of sales (Note 25)	42,584	29,757
Administrative expenses (Note 28)	9,813	10,676
	52,397	40,433

The Group does not face significant liquidity risk with regard to its lease liabilities.

12. Equity securities at FVTPL

	2024	2023
At 1 January	421,079	397,118
(Decrease) / increase in fair value (Note 26)	(19,690)	23,961
At 31 December	**401,389**	421,079

The above investments are held in quoted equity instruments and include investment in related parties amounting to QR 179.99 million (2023: QR 215.41 million).

13. Inventories

	2024	2023
Finished goods and goods for resale	1,221,576	972,283
Raw materials	457,246	393,256
Spares and consumables	1,169,714	940,837
Work in process	269,039	274,241
Additives	292,633	261,755
Goods in transit	213,317	221,634
	3,623,525	3,064,006
Less: provision for obsolete and slow-moving inventories	(259,516)	(230,729)
	3,364,009	2,833,277

Inventories recognised as an expense during the year ended 31 December 2024 amounted to QR 2,658 million (2023: QR 2,782 million). These were included in cost of sales.

Net reversal of inventory write down amounted to Nil (2023: net reversal of write down of QR 8.89 million) was recognised during the year and included in cost of sales.

Movements in the provision for obsolete and slow-moving inventories are as follows:

	2024	2023
At 1 January	230,729	234,084
Provision during the year	28,787	5,541
Reversal of provision	-	(8,896)
At 31 December	**259,516**	230,729

14. Trade and other receivables

	2024	2023 *(Re-stated)* *
Trade accounts receivable	810,577	743,801
Due from related parties (Note 21(b))	1,628,019	1,569,274
Advance to suppliers	13,785	8,896
Prepayments	40,245	63,286
Loans to employees	155,390	127,818
Accrued interest	318,499	143,262
Other receivables	156,858	67,492
	3,123,373	2,723,829
Less: expected credit losses	**(58,395)**	(58,395)
	3,064,978	2,665,434

* During the year, the Group has reassessed the classification of related party trade accounts receivables and concluded that related party trade receivables previously measured at fair value did not meet the requirements of fair value measurement under IFRS Accounting Standards. Accordingly, related party trade accounts receivables amounting to QR 622.95 million as of 31 December 2023 have been restated as related party trade accounts receivables at amortised cost. This correction does not have any other impact on the consolidated statement of financial position, financial performance, equity or cash flows of the Group.

As at 31 December, the ageing of unimpaired trade accounts receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired: < 30 days	31 to 60 days	61 to 90 days	91 to 180 days	180 to 365 days
2024	**810,577**	**635,637**	**148,141**	**12,005**	**14,794**	**-**	**-**
2023	743,801	629,681	87,685	17,726	8,709	-	-

Movement in expected credit loss:

	2024	2023
At 1 January	58,395	58,492
Reversal during the year	-	(97)
At 31 December	**58,395**	58,395

The other classes within trade and other receivables do not contain impaired assets.

15. Share capital

	2024	2023
Authorised, issued and paid-up: 6,050,000,000 shares of QR 1 each	**6,050,000**	6,050,000

16. Reserves

The following table shows the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Legal reserves (i)	Other reserves (ii)	Total reserves
At 1 January 2023	271,059	(57,884)	213,175
Other comprehensive loss	-	(4,381)	(4,381)
Transfer to legal reserve	883	-	883
At 31 December 2023 / 1 January 2024	271,942	(62,265)	209,677
Other comprehensive loss	-	(2,840)	(2,840)
Transfer to legal reserve	55,117	-	55,117
At 31 December 2024	**327,059**	**(65,105)**	**261,954**

Notes:

(i) The transfer of legal reserve is decided by IQ Board in accordance with the Articles of Association. The Articles of Association of the Company provide that prior to recommending any dividend distribution to the shareholders, the Board shall establish reserves considered by the Board to be necessary or appropriate. The legal reserve in consolidated financial statements represents the amount of legal reserve from subsidiaries included for the consolidation purpose and the amount decided by the Company's Board to transfer from the Company's own profits.

From IQ's perspective, based on the decision of Board, the Company has transferred to legal reserve 10% of its net profit after deducting dividends and tax benefits from subsidiaries, associates and joint ventures for the year (2023: nil).

(ii) Other reserves comprise of hedging reserve and actuarial gains / (losses) arising from experience adjustments and changes in actuarial assumptions (remeasurements) of the Group's defined benefit obligation.

The hedging reserve is used to record the Group's share of gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income of associates accounted for using the equity method. Amounts are reclassified to consolidated statement of profit or loss when the associated hedged transaction affects profit or loss.

17. Social and sports contribution fund

In accordance with Law No. 13 of 2008, the Group has made an appropriation of profit of QR 102.15 million (2023: QR 108.84 million) which is equivalent to 2.5% of the adjusted consolidated net profit relating to Qatar operations for the year to support the social and sports activities (Note 20).

During the year 2023, the Group received a refund of QR 4.11 million related to the excess social and sports contribution fund paid for the year 2020 due to the restatement of its consolidated net profit for that year.

18. Dividends

The Board of Directors has proposed a cash dividend distribution of QR 0.74 per share for the year ended 31 December 2024 (2023: QR 0.78 per share).

During the year 2024, the Board of Directors approved an interim cash dividend in respect of the six-month period ended 30 June 2024 of QR 0.31 per share (30 June 2023: Nil), amounting to a total of QR 1,876 million.

The above proposed final dividend and the interim dividend paid during the year ended 31 December 2024 will be submitted for formal approval in the Annual General Meeting to be held in 2025.

The dividends for the year 2023 amounting to QR 4,719 million were approved by the shareholders in the Annual General Meeting held on 6 March 2024.

19. Provision for employees' end of service benefits

The movements in the provision recognised in the consolidated statement of financial position are as follows:

	2024	2023
At 1 January	472,123	465,977
Interest cost	5,634	6,211
Current service cost	24,301	21,059
Provision during the year	47,584	47,050
Acquisition of subsidiary	55,154	14
Actuarial gains on re-measurement of present value of defined benefits obligation	5,749	1,752
Paid during the year	(58,320)	(69,940)
At 31 December	**552,225**	472,123

Included in staff costs are the following expenses in connection with the provision for employees' end of service benefits.

	2024	2023
Current service cost	24,301	21,059
End of service charges	47,585	47,050
Interest cost	5,634	6,211
	77,520	74,320

The breakup of the Groups end of service liability is as below,

	2024	2023
Pension for retired Qatari employees (a)	124,001	125,694
Provision for end of service benefits for non-Qatari employees	280,319	230,385
Provision for end of service benefits for Qatari employees	147,905	116,044
Total	**552,225**	472,123

a. Pension obligations

The Group pays pension benefits to Qatari employees, or their heirs, who retired prior to 2003. The Group's obligation to these pension benefits is significant and accordingly, accounted for using the projected unit credit method.

The assumptions used in determining the cost for employees' end of service obligations of retired Qatari employees include the discount rate, mortality rates, proportion married, spouse's age and children pension allowance. Any changes in these assumptions will impact the amount of end of service obligations.

The table below sets out the key assumptions used to assess the provision for end of service benefits:

Assumption	2024	2023
Discount rate	5.1%	5%
Mortality rates	83.4 years (Male) 86.5 years (Female)	83.6 years (Male) 86.6 years (Female)
Proportion married	90%	90%
Spouse's age	Husband 5 years older than wives	Husband 5 years older than wives
Children pension allowance	Nil	Nil

The Group determines the appropriate discount rate at the end of each year. This discount rate should be used to determine the present value of estimated future cash outflows expected to be required to settle the employees' end of service obligations.

20. Trade and other payables

	2024	2023
Accrued expenses	1,326,435	760,538
Financial guarantees*	257,342	400,000
Due to related parties (Note 21)	489,776	330,014
Trade payables	283,201	438,416
Social and sports contribution fund payable (Note 17)	102,146	108,836
Dividend payable	89,244	104,338
Other payables	70,644	77,902
	2,618,788	2,220,044

* This represents the provision on financial guarantees given to one of the Group's associates which was based on maximum liability of the Group's total exposure. During the year, based on settlement of the loan by the Group's associate and related release of guarantee from one of the lenders, the Group has reversed provision of QR 142.66 million and recognised this as other income (Note 26).

21. Related parties' disclosures

Related parties, as defined in International Accounting Standard 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the respective management.

a) Related party transactions

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

Goods and services provided to related parties

	Year ended 31 December 2024 Sales	Year ended 31 December 2024 Management fees	Year ended 31 December 2023 Sales	Year ended 31 December 2023 Management fees
Associates				
Qatar Metals Coating Company W.L.L.	44,861	302	66,819	148
SOLB Steel Company	233,236	838	-	-
Entities under common control				
QatarEnergy Marketing *	8,938,779	-	7,712,447	-
Affiliates				
Qatar Vinyl Company Limited (QVC) Q.S.C.	625	-	659	-
Qatofin Company Limited Q.P.J.S.C.	113	-	2,206	-
	9,217,614	**1,140**	7,782,131	148

* Pursuant to Law No. 11 of 2012, QatarEnergy Marketing 1 ('QEM 1', formerly named as Qatar Chemical and Petrochemical Marketing and Distribution Company Q.P.J.S.C. (Muntajat)) was established in the year 2012 to carry out marketing and distribution activities of regulated products.

Effective 7 November 2024, Law No. 9 of 2024 (the QEM Law) repealed the above Law No. 11 of 2012. QEM Law gives effect to the consolidation of marketing activities of regulated products into a single entity named QatarEnergy Marketing ('QEM', formerly named as Qatar Petroleum for the Sale of Petroleum Products Company Limited (QPSPP)'). Accordingly, the activities of QEM 1 are integrated into QEM which is ultimately wholly owned subsidiary of QatarEnergy as of 31 December 2024.

Goods and services from related parties

	Purchases	Administrative expenses	Dividends and tax benefits	Other income/ (expenses)
Year ended 31 December 2024				
Parent				
QatarEnergy	4,019,960	98,383	-	24,391
Joint venture				
QAFAC*	14,968	-	273,000	-
QAPCO**	-	-	1,019,650	(1,196)
Associates				
Qatar Metals Coating Company W.L.L.	139	-	-	-
SOLB Steel Company	-	-	-	23,725
Entities under common control				
QatarEnergy Marketing	152	240,476	-	-
Gulf International Services Q.P.S.C.				(543)
Mesaieed Petrochemical Holding Company Q.P.S.C.	-	-	-	(4,138)
Qatar Aluminium Manufacturing Company Q.P.S.C.	-	-	-	(1,876)
Al Koot Insurance and Reinsurance Company P.J.S.C.	-	6,282	-	-
Qatar Fuel Company Q.P.S.C	11,984	-	-	-
Affiliates				
AMWAJ Catering Services Company	-	1,340	-	-
Qatofin Company Limited Q.P.J.S.C.	-	-	-	(751)
GASAL Company Q.S.C.	63,776	-	-	74
Bahrain Steel B.S.C.	726,740	-	-	-
	4,837,719	**346,481**	**1,292,650**	**39,686**

*QAFAC balances are for the period of 1 January 2024 to 9 June 2024.

* *Tax benefit income from QAPCO also includes the tax benefit income from its underlying entities.

	Purchases	Administrative expenses	Dividends and tax benefits	Other income/ (expenses)
Year ended 31 December 2023				
Ultimate parent				
QatarEnergy	3,316,935	59,877	-	27,967
Joint venture				
QAFAC	32,617	-	376,522	(1,564)
QAPCO **	-	-	1,294,226	(3,570)
Associates				
Qatar Metals Coating Company W.L.L.	7	-	-	-
SOLB Steel Company	-	-	-	592
Entities under common control				
QatarEnergy Marketing	-	251,303	-	-
Gulf International Services Q.P.S.C.	-	-	-	(530)
Mesaieed Petrochemical Holding Company Q.P.S.C.	-	-	-	(5,270)
Qatar Aluminium Manufacturing Company Q.P.S.C.	-	-	-	(2,915)
Qatar Fuel Company Q.P.S.C	11,993	-	-	-
Affiliates				
Qatofin Company Limited Q.P.J.S.C.	-	-	-	(1,762)
GASAL Company Q.S.C.	64,478	-	-	84
Bahrain Steel B.S.C.	37,277	-	-	-
	3,463,307	311,180	1,670,748	13,032

* *Tax benefit income from QAPCO also includes the tax benefit income from its underlying entities.

	Nature of Transaction	2024	2023
Affiliates			
Qatar Vinyl Company Limited (QVC) Q.S.C.	Advance given	**315,544**	137,796

b) Related party balances:

Due from related parties

	2024	2023
Parent		
QatarEnergy	7,108	4,424
Joint venture		
QAPCO *	391,650	687,306
QAFAC *	-	180,308
Associates		
SOLB Steel Company	233,911	54,362
Qatar Metal Coating Company W.L.L.	14,568	19,809
Entities under common control		
Qatar Fuel Company Q.P.S.C	52	-
QatarEnergy Marketing	980,673	622,950
Affiliates		
Qatofin Company Limited Q.P.J.S.C.	14	-
Qatar Vinyl Company Limited (QVC) Q.S.C.	43	115
	1,628,019	1,569,274
Less: expected credit loss (i)	(58,038)	(58,038)
	1,569,981	1,511,236

* The balance represents dividend and tax benefit related receivables from QAPCO and QAFAC.

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

(i) Expected credit losses

Expected credit losses amounting to QR 58.04 million (2023: QR 58.04 million) represent impairment charged against old outstanding receivables from related parties. The management believes that the pattern of repayment of this balance in the past suggests that it may take considerable time until collected. Therefore, recovery of any amount in future will be recognised as reversal of impairment provisions.

Due to related parties

	2024	2023
Parent		
QatarEnergy	368,254	284,638
Joint venture		
QAFAC	-	3,136
QAPCO	-	260
Entity under common control		
Gulf Industrial Investment Company	-	37,276
Al Koot Insurance and Reinsurance Company P.J.S.C.	3,719	2,130
Qatar Fuel Company Q.P.S.C.	457	8
Affiliates		
GASAL Company Q.S.C.	525	2,566
Bahrain Steel B.S.C.	116,821	-
	489,776	330,014

Due to related parties are non-interest bearing and payable on demand.

Terms and conditions of transactions with related parties

Outstanding balances as at 31 December 2024 and 2023 are unsecured and interest-free. Other than those mentioned, there have been no guarantees provided or received for any related party receivables or payables.

Other guarantees with related parties

The Group has provided bank guarantees for one of its associates in respect of their borrowings from external banks. (Note 20).

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2024	2023
Board of Directors remuneration *	13,760	12,200
Other employment benefits	48,435	43,063
	62,195	55,263

* The Company's Board of Directors fees accrued for the year 2024 is QR 8.75 million (2023: QR 8.75 million).

The Company has established a remuneration policy for its Board of Directors. This policy is comprised of two components: a fixed component, and a variable component. The variable component is related to the financial performance of the Company. The total Directors' remuneration is within the limit prescribed by the Qatar Commercial Companies' Law.

22. Basic and diluted earnings per share

Basic and diluted earnings per share (EPS) are calculated by dividing the profit for the year attributable to Owner of the Company by the weighted average number of shares outstanding during the year.

	2024	2023
Profit for the year	4,559,559	4,722,789
Profit attributable to owners of the Company for basic and diluted earnings	4,490,293	4,720,139
Weighted average number of shares (in thousands)	6,050,000	6,050,000
Basic and diluted earnings per share (QR)	**0.74**	0.78

23. Income tax

	2024	2023
Current income tax		
Current income tax charge	817,810	699,260
Adjustments for prior year income tax	14,791	113
	832,601	699,373
Group tax benefit (i)	(793,920)	(697,725)
Net current tax expense	38,681	1,648
Deferred tax		
Relating to temporary differences	3,156	-
Income tax expense included in the statement of profit or loss	**41,837**	1,648

(i) As per the MOU between the General Tax Authority, QatarEnergy and Ministry of Finance signed on 4 February 2020, the proportion of income tax of the subsidiaries, joint ventures and their components attributable to the effective shareholding of the public shareholding company shall be settled with the General Tax Authority by the Ministry of Finance through the defined settlement arrangement between the public shareholding company, QatarEnergy and the Ministry of Finance.

Reconciliation of tax expense:

	2024	2023
Profit before tax	4,601,396	4,724,437
Adjustments for:		
Non-taxable income	(2,346,223)	(2,700,483)
Non-deductible expenses and losses	143,965	140,428
Taxable income	2,399,138	2,164,382
Income tax	820,966	699,260
Adjustments for prior year income tax	14,791	113
Group tax benefit relating to subsidiaries	(793,920)	(697,725)
Income tax expense	**41,837**	1,648

Movement of income tax payable is as follow:

	2024	2023
At 1 January	2,323	790
Income tax for the year	817,810	699,260
Acquisition of a subsidiary	99,799	-
Adjustments for prior year income tax	14,791	113
Amount paid during the year	(3,746)	(115)
Group tax benefit relating to subsidiaries	(793,920)	(697,725)
At 31 December	**137,057**	2,323

Movement of deferred tax asset is as follow:

	2024	2023
At 1 January	-	-
Acquisition of subsidiary	20,420	-
Deferred tax expense during the year	(3,156)	-
At 31 December	**17,264**	-

Global Minimum Tax

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

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 tax when it is incurred.

Once changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax. Through the issuance of its amended Law No. 11 of 2022 and Law No. 38 of 2024 (approved by the Shura Council on 23 December 2024), the State of Qatar has committed to introducing a Pillar Two tax establishing a minimum effective tax rate of 15%, but the tax is not yet enacted or substantively enacted as limited details are contained in the existing legislation. Further information in relation to the implementation, compliance or administrative provisions related to the global minimum tax are expected to be issued during 2025 as amendments to the Executive Regulations of the amended tax law.

The Group is a constituent entity of the QatarEnergy MNE group headquartered in Qatar. The Group mainly operates in Qatar and has a constituent entity in the UAE. As of 31 December 2024, the UAE also did not implement the global minimum tax rules.

The Group assessed the likely impact of global minimum tax and expects it to be immaterial.

24. Revenues

	2024	2023
Disaggregation of revenue – at a point in time		
Bars sales	2,701,720	2,960,476
Billets sales	233,236	271,865
Direct reduced iron (DRI) sales	824,763	746,036
Coil sales	221,762	285,802
Urea sales	6,494,660	6,436,104
Ammonia sales	551,440	808,510
Melamine sales	200,108	235,239
Methanol	383,282	-
Methyl tert-butyl ether (MTBE)	1,041,165	-
	12,652,136	11,744,032

25. Cost of sales

	2024	2023
Raw materials, utilities and consumables used	6,914,499	6,775,661
Depreciation of property, plant and equipment (Note 7)	1,477,834	1,419,904
Employee benefits expenses	787,848	580,412
Repair and maintenance	157,573	136,713
Depreciation of right-of-use assets (Note 11)	42,584	29,757
External Manpower cost	86,030	62,230
Professional and consultancy fee	23,614	12,743
Others	320,234	199,044
	9,810,216	9,216,464

26. Other income - net

	2024	2023
By-product sales (net)	(42,983)	(121,305)
Unrealized (loss) / gain on financial assets at FVTPL (Note 12)	(19,690)	23,961
Reversal of provision on financial guarantee (Note 20)	142,659	-
Bargain purchase gain (Note 31)	111,481	-
Gain on remeasurement of previously held equity interest in a joint venture (Note 31)	32,194	-
Others	102,285	58,360
	325,946	(38,984)

27. Income from other investments

	2024	2023
Dividend income from financial assets at FVTPL	22,017	19,149
Income on bank deposits – islamic banks	280,977	373,189
Income on bank deposits – other banks	405,645	439,742
	708,639	832,080

28. General and administrative expenses

	2024	2023
Employee benefits expenses	490,420	424,374
Professional and consultancy fee (1)	30,932	59,862
External services	75,914	117,061
Depreciation of property, plant and equipment (Note 7)	33,708	24,547
Depreciation of right-of-use assets (Note 11)	9,813	10,676
Rental, utilities and supplies	29,231	46,484
Board of director's remuneration	13,760	12,200
Travel, transportation and communication	12,725	9,457
QatarEnergy management fees	5,843	7,331
Qatar Stock Exchange fees	2,229	2,223
Others	56,506	25,598
	761,081	739,813

(1) This includes auditors' remuneration of audit of financial statements related fees for an amount of QR 1.14 million (2023: QR 0.96 million) and services other than audit for an amount of QR 0.02 million (2023: nil).

29. Commitments

Significant capital expenditure contracted at the end of the reporting period but not recognised as a liability is as follows:

	2024	2023
Capital commitments from the subsidiaries	2,499,913	5,735,992
Capital commitments – the Group's share of associates and joint ventures	399,600	670,185

30. Contingencies

a. Group's share in contingent liabilities

	2024	2023
Letter of credit	15,042	3,302
Bank guarantees	3,086	1,759
Letters of credit – the Group's share of associates and joint ventures	126,141	141,990
Bank guarantees – the Group's share of associates and joint ventures	61,253	72,365

The Group anticipates that no material liabilities will arise from the above guarantees and letter of credits, which are issued in the ordinary course of business other than the QR 257.34 million (2023: QR 400 million) already recognized (Note 20).

b. Site restoration obligations

The Group entities are parties to land lease agreements with the QatarEnergy, the ultimate parent company, for the purpose of installing and operating their plants at Mesaieed area. The lease period for the main entities of the Group are as follows:

	Start of the lease	Expiry of the lease
Qatar Steel	2005	2030
QAFCO		
Lease 1	2009	2029
Lease 2	2007	2032
QAPCO		
Lease 1	2003	2029
Lease 2	2005	2029
QAFAC		
Lease 1	2024	2034

Qatar Steel, QAFCO and QAPCO has entered into a land lease agreement with QatarEnergy ("Lessor") on which the plant and other facilities have been constructed. Under this agreement, the lessor has the right, upon termination or expiration of the lease term, to notify the related Company that it requires to either:

- Transfer the facilities to the Lessor or a transferee nominated by the Lessor, against a price acceptable by the related company, or;
- Remove the facilities and all other property from the land and restore it to the condition in which it was delivered to the related company, at the Company's cost, unless otherwise is agreed with the lessor.

QAFAC has entered into a land lease agreement with QatarEnergy ("the Landlord") on which the plant facilities have been constructed. This lease agreement expired on 9 June 2024, and is currently being renewed for a 10-year extension. According to the new proposed agreement, the Landlord is entitled in its sole and absolute discretion to elect that the QAFAC must, at the end of the term of the agreement, either:

- Remove all or part of the relevant Facility and reinstate and return the relevant Property to the Landlord (the "Reinstatement Option"); or
- Transfer title to and ownership of all or part of the relevant Facility to the Landlord (the "Transfer Option").

In accordance with IAS 37, the Group has assessed whether the following criteria are met for recognizing provisions:

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

The incurrence of site restoration costs by the Group is contingent upon which option is selected by the lessor. The management believes that, since there is no indication from the lessor in respect of the above options, the criteria to recognize the provision for restoration obligation is not fully met and therefore, the Group has not recognized the decommissioning liability for the year ended 31 December 2024.

c. Tax related contingencies

The General Tax Authority ("GTA") issued income tax assessments to certain components of the Group for the years from 2012 to 2018, requiring the components to pay additional taxes and penalties of QR 4,800 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 (Note 4), 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.

d. Other contingencies

Other than the above, the Group is involved in certain litigations, however, based on the inputs from internal legal team, management has concluded that no provision is required to be recognised in these consolidated financial statements (2023: Nil).

31. Acquisition of subsidiaries

31.1 QAFAC

Principal activities of the QAFAC are to construct, own, operate and maintain facilities for the production, marketing and export of methyl-tertiary-butyl-ether (MTBE) and methanol. QAFAC is not publicly listed.

During the year, the Consolidated Joint Venture Agreement (CJVA) of QAFAC expired on 9 June 2024. Post expiry of CJVA, effective 10 June 2024, the Company continues to hold its 50% shareholding interest in QAFAC. Remaining 50% shareholding in QAFAC held by other shareholders is to be acquired by a related party with an economic effective date of 10 June 2024, subject to completion of legal formalities. Based on the proposed arrangement with the related party, the Company has control over QAFAC so that it is exposed to and has rights to variable returns from its involvement with QAFAC and has the ability to impact those returns through its controlling shareholding in QAFAC, while the related party is entitled to 50% share of profits due to its shareholding. Further, management has assessed that the acquired activities and assets of QAFAC are capable of being conducted and managed for the purpose of generating outputs and accordingly, this acquisition is a business combination for the Company as per IFRS 3. Accordingly, QAFAC has been included in these consolidated financial statements as a subsidiary with effect from 10 June 2024.

In the period from 10 June 2024 to 31 December 2024, QAFAC contributed revenue of QR 1,442.78 million and profit before tax of QR 206.97 million to the Group's results (before allocation to NCI). If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue and profit before tax of the Group for the year 2024 would have been QR 14,056 million and QR 4,889 million respectively.

31.1.1 Consideration transferred

As the Group has acquired control by virtue of expiry of the CJVA, there is no consideration transferred as part of this business combination.

31.1.2 Acquisitions related cost

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

31.1.3 Identifiable assets acquired and liabilities assumed

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

	Amount
Property, plant and equipment	999,472
Catalysts and other non-current assets	73,064
Deferred tax assets	20,420
Inventories	209,247
Trade and other receivables	585,222
Cash and cash equivalents	478,288
Provision for employees' end of service benefits	(55,154)
Trade and other payables	(352,381)
Income tax payable	(99,799)
Fair value of identifiable net assets acquired	**1,858,379**

Fair value

The provisional fair estimated by the management is QR 1,858.38 million. The final fair value will be finalized within one year from the date of acquisition which is allowed by IFRS 3.

The provisional fair value of the acquired assets was estimated using the discounted cash flow (DCF) method, an income-based approach. Key assumptions in the DCF analysis included projected cash flows over a 10-year period and a 10% discount rate to account for the associated risks.

The trade receivables comprise gross contractual amounts due of QR 585.22 million with no expectation to be uncollectible at the date of acquisition.

Any adjustments to these provisional amounts will be recognized in the consolidated financial statements once the purchase price allocation is completed.

31.1.4 Remeasurement of existing interest in the joint venture

Based on the provisional fair value, below summarizes the gain on remeasurement of existing interest in the joint venture, which has been recorded in profit or loss as part of other income (Note 26).

	Amount
50% of the fair value of the joint venture as of the date of acquisition	929,190
Carrying value of joint venture as of date of acquisition (Note 9)	(896,996)
Fair value gain on remeasurement of existing interest in QAFAC	**32,194**

31.1.5 Non-controlling interest

Post expiry of CJVA, effective 10 June 2024, remaining 50% shareholding in QAFAC held by other shareholders is to be acquired by related party with economic effective date of 10 June 2024 which is only entitled to 50% share of profits due to its shareholding. The following table summarizes the information relating to non-controlling interest (NCI) before any intra-group eliminations at acquisition date:

	Amount
Total identifiable net assets acquired at book value	1,635,416
NCI percentage	50%
NCI as of date of acquisition – based on their proportionate share of net assets	**817,708**

31.1.6 Bargain purchase gain

	Amount
Fair value of identifiable net assets	1,858,379
Fair value of investment in QAFAC as of acquisition date	(929,190)
NCI as of date of acquisition – based on their proportionate share of net assets	(817,708)
Bargain purchase gain (Note 26)	**111,481**

31.2 Al Qataria

On 5 October 2023, the Group acquired 100% shares and voting rights in Al Qataria for Production of Reinforcing Steel or "Al Qataria" which is located at New Industrial Area, Doha, Qatar together with all rights thereto and without any liabilities and obligations. Al Qataria's activities include the production of reinforcing steel bars and the trading in steel products. Currently it has annual production capacity of 500,000 MTs of rebar.

The purchase consideration for the acquisition was QR 346 million and group recognize this acquisition based on provisional Purchase Price Allocation ("PPA") during 2023. During the current year, formal PPA was concluded and there was no material differences in amounts being attributed to the assets acquired, liabilities and contingent liabilities assumed as compared to initial recognition. Below summarizes the details of assets acquired and liabilities assumed as per Purchase Price Allocation as of the date of acquisition:

Property, plant and equipment	345,039
Right-of-use assets	5,788
Other financial assets	1,891
Lease liabilities	(6,718)
Net identifiable assets	346,000
Less: consideration paid	(346,000)
Goodwill	-

31.2.1 Net cash paid:

Total consideration paid	346,000
Less: cash acquired as part of acquisition	(920)
Net consideration paid	345,080

31.2.2 Fair value

The fair estimated by the management is QR 346 million.

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Asset acquired	Valuation technique
Property, plant and equipment	Replacement cost
Right-of-use assets	Discounted value of future lease payment from acquisition date
Other financial assets	Mainly related to refundable deposits- Book value

31.2.3 Acquisitions related cost

The Group incurred acquisition-related costs of QR 0.38 million (2023: QR 0.93 million) relating to consultant and external professional fees during current year. These costs have been included in 'General and administrative expenses' in profit or loss.

32. Segment information

The Group operates in the Gulf region. For management purposes, the Group is organised into business units based on their products and services. In determining business units, joint ventures of the Group are treated as if they are proportionately consolidated within the financial statements. The Group has three reportable segments as follows:

- The petrochemical segments, which produces and sells ethylene, polyethylene, MTBE, methanol and other petrochemical products.
- The fertilizer segment, which produces and sells urea, ammonia and other by-products.
- The steel segment, which produces and sells steel pellets, bars, billets and others.

Management of the Group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment revenue

The revenue from external parties is measured in the same way as in the statement of profit or loss.

	31 December 2024			31 December 2023		
	Total	Inter-segment revenue	Revenue from external customers	Total	Inter-segment revenue	Revenue from external customers
Petrochemicals	4,982,966	-	4,982,966	3,937,153	-	3,937,153
Fertilisers	7,246,209	-	7,246,209	7,479,854	-	7,479,854
Steel	3,981,481	-	3,981,481	4,264,178	-	4,264,178
Total segment revenue	16,210,656	-	16,210,656	15,681,185	-	15,681,185
Revenue from investments in joint venture accounted for using equity method	(3,558,520)	-	(3,558,520)	(3,937,153)	-	(3,937,153)
Revenue per consolidated statement of profit or loss	**12,652,136**	-	**12,652,136**	11,744,032	-	11,744,032

Revenues from external customers come from the sale of steel bars, billets, coils, direct reduced iron, hot briquetted iron, by-products, freight revenues, urea, ammonia, methyl-tertiary-butyl-ether (MTBE), methanol, ethylene, polyethylene and other petrochemical products.

Revenues of approximately QR 12,247 million (2023: QR 11,146 million) are derived from a single external customer, QatarEnergy Marketing.

The Group entities are domiciled in Qatar, the Kingdom of Bahrain, the Kingdom of Saudi Arabia and United Arab Emirates.

Of the Group's segment revenues in 2024, 78% is earned in Qatar (2023: 76%), 8% is earned in UAE (2023: 8%) and the remaining is distributed in a number of countries which is not split for purpose of segment reporting.

Segment profit

The following table presents profit information regarding the Group's operating segments for the year ended 31 December 2024 and 2023, respectively:

	Petrochemicals	Fertilisers	Steel	Total
At 31 December 2024				
Segment profit	1,430,301	1,969,912	219,818	3,620,031
Share of results from associates	-	-	345,509	345,509
Total segment profit	1,430,301	1,969,912	565,327	3,965,540
*Unallocated income:**				
Interest income				544,288
Dividend income				22,017
Other income / (expense)				(4,131)
				562,174
*Unallocated expense:**				
Board of Director's fees and expenses				(8,750)
QatarEnergy management fee				(5,843)
Qatar Stock Exchange fees/charges				(2,229)
Other income / (expense)				48,186
				31,364
Profit for the year				**4,559,078**

	Petrochemicals	Fertilisers	Steel	Total
At 31 December 2023				
Segment profit	1,359,961	1,886,520	745,786	3,992,267
Share of results from associates	-	-	281,651	281,651
Total segment profit	1,359,961	1,886,520	1,027,437	4,273,918
*Unallocated income:**				
Interest income				629,223
Dividend income				19,149
Other income				30,763
				679,135
*Unallocated expense:**				
Board of Director's fees and expenses				(8,750)
QatarEnergy annual fee				(7,331)
Qatar Stock Exchange fees/charges				(2,223)
Other expenses				(211,960)
				(230,264)
Profit for the year				4,722,789

* These represent the income and expenses of IQ from its own activities excluding dividends received from subsidiaries and joint ventures, which are eliminated as part of consolidation.

Segment assets

The following table presents segment assets regarding the Group's business segments as at 31 December 2024 and 2023. Reconciliation of reportable segments total assets:

	Petrochemicals	Fertilisers	Steel	Others	Adjustments and eliminations	Total
Segment assets:						
At 31 December 2024	**9,459,104**	**15,001,768**	**8,576,936**	**19,275,322**	**(9,897,761)**	**42,415,369**
At 31 December 2023	8,156,758	13,850,621	8,641,118	24,537,625	(12,133,507)	43,052,615

	Petrochemicals	Fertilisers	Steel	Others	Adjustments and eliminations	Total
Segment liabilities						
At 31 December 2024	**2,072,568**	**2,517,078**	**1,095,175**	**208,191**	**(2,129,064)**	**3,763,948**
At 31 December 2023	1,637,187	3,995,720	1,639,521	230,871	(4,427,023)	3,076,276

33. Financial risk and capital management

a. Objectives and policies

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

b. 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.

(i) 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 with floating interest rates, which are mainly cash and bank balances.

Sensitivity

For interest bearing 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 100 basis point higher/lower with all other variables held constant, income and equity for the year would have been QR 108 million (2023: QR 143 million) higher/lower, mainly as a result of higher/lower interest income on interest bearing assets.

(ii) Foreign currency exchange 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.

(iii) 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 senior management on a regular basis and results are reviewed by the Board of Directors.

Sensitivity

As at the reporting date, the exposure to listed equity securities at fair value was QR 401.39 million (2023: QR 421.08 million) which includes financial assets at FVTPL (Note 12). An increase or decrease of 10% on the Qatar Stock Exchange index would have an impact of approximately QR 40.1 million (2023: QR 42.1 million) on the equity.

All of the Group's equity investments are publicly traded and are included in the Qatar Stock Exchange.

(iv) 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 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.

The Group is also exposed 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 or for speculative purposes. The Group' sensitivity to commodity prices has not changed significantly from the prior year.

b. Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

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 defines counterparties as having similar characteristics if they are related entities. Further, the Group limits its exposure on export customers by taking out letters of credit, where applicable.

In order to minimise credit risk, the Group develops and maintains 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 Group uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

31 December 2024	**External credit ratings**	**12 month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
Trade and other receivables (1)	N/A	Lifetime ECL	3,069,343	(58,395)	**3,010,948**
Fixed deposits	N/A	Lifetime ECL	7,282,356	-	**7,282,356**
Cash and bank balances (2)	Aaa, Aa and A	12-month ECL	3,523,061	-	**3,523,061**

31 December 2023	External credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Trade and other receivables (1)	N/A	Lifetime ECL	2,651,647	(58,395)	2,593,252
Fixed deposits	N/A	Lifetime ECL	10,849,847	-	10,849,847
Cash and bank balances (2)	Aaa, Aa and A	12-month ECL	3,564,272	-	3,564,272

(1) Trade and other receivables include trade accounts receivable, due from related parties, loans to employees, accrued interest and other receivables.

For trade receivables, 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.

(2) Loss allowances on bank balances are always measured at an amount equal to 12-month ECLs. The Group considers bank balances to have a low risk level when their credit risk rating is equivalent to the globally understood definition of "investment grade". The Group considers this to be Ba3 or higher per Moody's Rating Agency. Accordingly, no material loss allowance on bank balances.

c. 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.

Analysis of financial assets and liabilities

The table below summarises the maturity profile of the Group's financial assets and liabilities as at the reporting date based on undiscounted contractual repayment obligations:

Contractual maturities of financial liabilities	**Less than 1 year**	**Between 1-5 years**	**More than 5 years**	**Total non-current**	**Total contractual cash flows**	**Carrying amount of liabilities**
At 31 December 2024						
Lease liability	87,855	300,790	257,917	558,707	646,562	455,128
Trade payables	283,201	-	-	-	283,201	283,201
Financial guarantees	257,342	-	-	-	257,342	257,342
Due to related parties	489,776	-	-	-	489,776	489,776
Dividend payable	89,244	-	-	-	89,244	89,244
Accrued expenses	1,326,435	-	-	-	1,326,435	1,326,435
Other payables	70,644	-	-	-	70,644	70,644
	2,604,497	**300,790**	**257,917**	**558,707**	**3,163,204**	**2,971,770**

Contractual maturities of financial liabilities	Less than 1 year	Between 1-5 years	More than 5 years	Total non-current	Total contractual cash flows	Carrying amount of Liabilities
At 31 December 2023						
Lease liability	67,875	267,277	230,440	497,717	565,592	381,784
Trade payables	438,416	-	-	-	438,416	438,416
Financial guarantees	400,000	-	-	-	400,000	400,000
Due to related parties	330,014	-	-	-	330,014	330,014
Dividend payable	104,338	-	-	-	104,338	104,338
Accrued expenses	760,538	-	-	-	760,538	760,538
Other payables	77,902	-	-	-	77,902	77,902
	2,179,083	267,277	230,440	497,717	2,676,800	2,492,992

e. Reconciliation of liabilities arising from financing activities

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

	At 1 January 2024	**Financing cash flows**	**Non cash changes (Note 11)**	**At 31 December 2024**
Lease liabilities	**381,784**	**(77,876)**	**151,220**	**455,128**

	At January 1, 2023	Financing cash flows	Non cash changes (Note 11)	At 31 December 2023
Lease liabilities	386,259	(123,061)	117,886	381,084

f. Capital management

Capital includes equity attributable to the equity holders of the parent less net unrealised gains reserve.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the Industries of Qatar less the net unrealised gains reserve.

The gearing ratio at year end was as follows:

	2024	2023
Cash and bank balances (Note 5)	10,805,589	14,414,189
Less: lease liability	(455,128)	(381,784)
Net cash and bank balances	10,350,461	14,032,405
Equity	38,651,432	39,976,341

The Group does not have a net debt situation as at 31 December 2024 and 31 December 2023.

34. Fair value of financial instruments

a. Fair value measurements

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, amounts due from related parties, financial assets at fair value though profit or loss (FVTPL). Financial liabilities comprise trade and other payables and other non-current liabilities.

Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments; and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

The following table presents the Group's financial assets measured and recognised at fair value at 31 December 2024 and 31 December 2023 on recurring basis:

	Level 1	**Level 2**	**Level 3**	**Total**
At 31 December 2024				
Financial assets at fair value through profit and loss:				
Quoted price in an active market	401,389	-	-	401,389
At 31 December 2023				
Financial assets at fair value through profit and loss:				
Quoted price in an active market	421,079	-	-	421,079

During the year ended December 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Carrying values of other financial assets and liabilities of the Group are a reasonable approximation of their fair values.

35. 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.

At 31 December 2024	**QAFAC**	**GFC**	**Total**
NCI percentage	**50%**	**30%**	
Non-current assets	1,012,631	28,821	1,041,452
Current assets	1,580,558	40,842	1,621,400
Non-current liabilities	(131,240)	(151)	(131,391)
Current liabilities	(692,829)	(8,330)	(701,159)
Net assets	1,769,120	61,182	1,830,302
Share of net assets	884,560	18,354	902,914
Group tax benefits	-	(479)	(479)
Net assets attributable to NCI	884,560	17,875	902,435
Revenue	1,442,776	88,270	1,531,046
Profit	133,704	8,046	141,750
Total comprehensive income	133,704	8,046	141,750
Profit / total comprehensive income attributable to NCI	66,852	2,414	69,266
Cash flow from operating activities	428,551	12,946	441,497
Cash flow from investment activities	(29,814)	324	(29,490)
Cash flow from financing activities	(5,807)	(6,528)	(12,335)
Net increase / (decrease) in cash and cash equivalents	392,930	6,742	399,672

Financial information for profit or loss and cashflows of QAFAC is for the period from 10 June 2024 to 31 December 2024.

At 31 December 2023	**GFC**
NCI percentage	30%
Non-current assets	31,479
Current assets	37,607
Non-current liabilities	(180)
Current liabilities	(10,871)
Net assets	58,035
Net assets attributable to NCI	17,411
Revenue	87,980
Profit	8,833
Total comprehensive income	8,833
Profit / total comprehensive income attributable to NCI	2,650
Cash flow from operating activities	17,494
Cash flow from investment activities	306
Cash flow from financing activities	(6,323)
Net increase in cash and cash equivalents	10,865

36. 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.

Since QAFAC was acquired during the year on 10 June 2024 (Note 31.1), the comparative information included in these consolidated financial statements may not be fully comparable with the current year.

37. Subsequent events

No significant events have occurred after the reporting date that would materially affect the understanding or interpretation of these financial statements except for the dividend approved by the Board of Directors as disclosed in Note 18.

INFORMATION RELATED TO COMPANY'S SEPARATE FINANCIAL STATEMENTS

This note provides certain information related to the Company's unconsolidated financial position as at 31 December 2024 and its comparative year. The complete set of separate financial statements of the Company prepared in accordance with International Accounting Standard 27 'Separate Financial Statements' (IAS 27) are issued separately.

Below is the breakdown of IQ's separate statement of financial position:

	31 December 2024	31 December 2023	1 January 2023
		Restated *	Restated *
ASSETS			
Non-current assets			
Investment in subsidiaries and joint ventures	8,459,916	8,459,916	8,459,916
Advances	315,544	137,797	35,060
Total non-current assets	**8,775,460**	8,597,713	8,494,976
Current assets			
Other receivables	311,714	135,776	98,691
Due from related parties	1,649,015	3,655,286	3,384,778
Financial assets at fair value through profit or loss	401,389	421,079	397,118
Cash and cash equivalents	776,146	783,586	5,793,775
Fixed deposits and other bank balances	7,361,600	10,944,185	6,732,264
Total current assets	**10,499,864**	15,939,912	16,406,626
Total assets	**19,275,324**	24,537,625	24,901,602
EQUITY AND LIABILITIES			
EQUITY			
Share capital	6,050,000	6,050,000	6,050,000
Legal reserve	229,035	174,723	174,723
Retained earnings	12,788,850	18,082,032	18,339,884
Total equity	**19,067,885**	24,306,755	24,564,607
LIABILITIES			
Non-current liabilities			
Current liabilities			
Accounts payable and accruals	201,495	223,253	330,139
Due to a related party	5,944	7,617	6,856
Total current liabilities	**207,439**	230,870	336,995
Total liabilities	**207,439**	230,870	336,995
Total equity and liabilities	**19,275,324**	24,537,625	24,901,602

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