

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

**CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE THREE-MONTH PERIOD ENDED
March 31, 2025**

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

CONDENSED INTERIM FINANCIAL STATEMENT

For the three-month period ended March 31, 2025

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


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

For the three-month period ended March 31, 2025


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

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Non-current assets			
Investments in joint ventures	4	14,264,536	14,221,494
Current assets			
Other receivables	5	7,766	72,013
Advances for salt project	6	10,192	10,192
Deposits and other bank balances	7	2,032,373	2,338,261
Cash and cash equivalents	8	192,574	65,215
Total current assets		2,242,905	2,485,681
Total assets		16,507,441	16,707,175
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	12,563,175	12,563,175
Legal reserve	12	102,436	102,436
Retained earnings		3,507,929	3,698,656
Total equity		16,173,540	16,364,267
LIABILITIES			
Current liabilities			
Due to a related party	9	1,446	3,476
Accruals and other payables	10	332,455	339,432
Total liabilities		333,901	342,908
Total equity and liabilities		16,507,441	16,707,175

The financial statements on pages 1 to 14 were approved and authorised for issue by the Board of Directors on 29 April 2025 and were signed on its behalf by:



Ahmad Saif Al-Sulaiti
Chairman



Mohamed Salem Al-Marri
Vice Chairman

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

For the three-month period ended March 31, 2025

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

	Notes	For the three-month periods ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
Share of results from joint ventures	4 (ii)	166,395	155,554
Interest income	7	20,338	39,157
Other income (Net)		3,575	3,275
		190,308	197,986
General and administrative expenses		(4,140)	(3,970)
Profit for the period		186,168	194,016
Other comprehensive income		--	--
Total comprehensive income for the period		186,168	194,016
Basic and diluted earnings per share (in QR)	3	0.015	0.015

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the three-month period ended March 31, 2025

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

	<u>Notes</u>	<u>Share capital</u>	<u>Legal reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2024 (Audited)		12,563,175	88,827	4,431,125	17,083,127
Profit for the period		--	--	194,016	194,016
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	194,016	194,016
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	13	--	--	(1,080,433)	(1,080,433)
Balance at 31 March 2024 (Unaudited)		12,563,175	88,827	3,544,708	16,196,710
Balance at 1 January 2025 (Audited)		12,563,175	102,436	3,698,656	16,364,267
Profit for the period		--	--	186,168	186,168
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		--	--	186,168	186,168
<i>Transaction with owners in their capacity as owners:</i>					
Dividends approved	13	--	--	(376,895)	(376,895)
Balance at 31 March 2025 (Unaudited)		12,563,175	102,436	3,507,929	16,173,540

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2025

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

	<u>Notes</u>	<u>31 March 2025</u> <u>(Unaudited)</u>	<u>31 March 2024</u> <u>(Unaudited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		186,168	194,016
Adjustments for:			
- Interest income		(20,338)	(39,157)
- Share of results from joint ventures	4 (ii)	(166,395)	(155,554)
		(565)	(695)
Movement in working capital:			
- Prepayment and other receivables		7,059	(2,829)
- Advances for salt project		(10,192)	--
- Accruals and other payables		(4,664)	27,578
- Due to a related party		(2,030)	(4,312)
Cash flows used in operations		(10,392)	19,742
Social and sports fund contribution paid		-	(27,067)
Net cash used in operating activities		(10,392)	(7,325)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures	4 (iii)	174,589	214,032
Additions to investment in joint ventures		(51,236)	(54,250)
Additions to fixed term deposits		(1,719,537)	(1,954,680)
Interest received		87,718	70,239
Matured fixed term deposits		2,023,112	2,835,382
Net cash generated from investing activities		514,646	1,110,723
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders		(379,208)	(1,089,154)
Movement in unclaimed dividends account		2,313	8,721
Net cash used in financing activities		(376,895)	(1,080,433)
Net decrease in cash and cash equivalents		127,359	22,965
Cash and cash equivalents at beginning of the year		65,215	272,042
Cash and cash equivalents at end of the year	8	192,574	295,007

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

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

1. INCORPORATION AND ACTIVITIES

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

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

The registered address of the Company is P.O. Box 3212, Doha, State of Qatar.

The joint ventures of the Company, included in the financial statements are as follows:

Entity Name	Country of incorporation	Relationship	Ownership interest 2025	Ownership interest 2024
Qatar Chemical Company Limited	Qatar	Joint venture	49.00%	49.00%
Qatar Chemical Company II Limited	Qatar	Joint venture	49.00%	49.00%
Qatar Vinyl Company Limited	Qatar	Joint venture	55.20%	55.20%

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

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

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

The financial statements of the Company for the period ended 31 March 2025 was authorised for issue by the Board of Directors on 29 April 2025.

MESAIEED PETROCHEMICAL HOLDING COMPANY Q.P.S.C.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

For the three-month period ended March 31, 2025

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

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The condensed interim financial information for the three-month period ended 31 March 2025 has been prepared in accordance with IAS 34, Interim Financial Reporting under the historical cost convention.

The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The Company's accounting and risk management policies are consistent with those presented in the annual financial statements for the year ended 31 December 2024.

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

3. BASIC AND DILUTED EARNINGS PER SHARE

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

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

<i>For the three-month period ended</i>	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Profit for the period attributable to the equity holders of the parent (QR'000)	186,168	194,016
Weighted average number of shares outstanding during the period ("in thousands")	12,563,175	12,563,175
Basic and diluted earnings per share (expressed in QR per share)	0.015	0.015

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

4. INVESTMENTS IN JOINT VENTURES

The carrying amount of the investments in joint ventures has changed as follows:

<i>For the period ended</i>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period	14,221,494	13,977,648
Additional investment during the period	51,236	219,012
Share of results from joint ventures for the period	166,395	582,659
Share of dividends from joint ventures	(174,589)	(557,825)
Balance at the end of the period	14,264,536	14,221,494

The below financial statements present amounts shown in the financial statements of the joint ventures as at 31 March 2025 which are presented in US\$'000 and are translated using an exchange rate of 3.64.

i. Statement of financial position of joint venture entities

	As at 31 March 2025 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,663,082	2,202,480	780,762	4,646,324
Non-current assets	1,655,237	3,744,733	1,549,161	6,949,131
Current liabilities	(753,524)	(857,603)	(206,266)	(1,817,393)
Non-current liability	(492,856)	(1,079,238)	(16,915)	(1,589,009)
Equity	2,071,939	4,010,372	2,106,742	8,189,053
Proportion of Company's ownership	49.00%	49.00%	55.20%	
Company's share of net assets	1,015,250	1,965,082	1,162,921	4,143,253
Tax benefit from joint ventures	357,511	926,836	54,577	1,338,924
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	4,922,164	7,770,629	1,571,743	14,264,536
	As at 31 December 2024 (Audited)			
	Q-Chem	Q-Chem II	QVC	Total
Current assets	1,613,244	2,174,982	870,866	4,659,092
Non-current assets	1,713,104	3,814,266	1,382,217	6,909,587
Current liabilities	(671,605)	(837,528)	(203,420)	(1,712,553)
Non-current liability	(479,282)	(1,118,889)	(26,984)	(1,625,155)
Equity	2,175,461	4,032,831	2,022,679	8,230,971
Proportion of Company's ownership	49.00%	49.00%	55.20%	
Company's share of net assets	1,065,976	1,976,087	1,116,519	4,158,582
Tax benefit from joint ventures	336,744	894,251	49,558	1,280,553
Goodwill	3,549,403	4,878,711	354,245	8,782,359
Investment in joint ventures	4,952,123	7,749,049	1,520,322	14,221,494

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

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

	For the period ended 31 March 2025 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	457,443	579,514	336,586	1,373,543
Cost of sales	(330,764)	(394,883)	(296,824)	(1,022,471)
Administrative expenses	(10,445)	(5,190)	(14,871)	(30,505)
Other income/Expense - Net	(1,228)	(2,367)	(677)	(4,272)
Finance income - Net	5,854	12,567	1,601	20,022
Profit before tax	120,860	189,641	25,815	336,316
Deferred income tax	19,172	28,113	10,059	57,344
Current income tax	(61,554)	(94,612)	(19,151)	(175,317)
Profit for the period	78,478	123,142	16,723	218,343
Proportion of the Company's ownership	49.00%	49.00%	55.20%	
Company's share of profit/(loss) before tax benefit	38,454	60,340	9,231	108,025
Tax benefit from joint ventures	20,767	32,584	5,019	58,370
Company's share of profit for the period from joint ventures	59,221	92,924	14,250	166,395

	For the period ended 31 March 2024 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Revenue	489,493	612,563	345,868	1,447,924
Cost of sales	(382,597)	(428,051)	(294,875)	(1,105,523)
Administrative expenses	(13,799)	(5,949)	(24,406)	(44,154)
Other income -Net	(6,849)	(2,543)	1,535	(7,857)
Finance income/(cost)	8,656	9,968	4,335	22,959
Profit before tax	94,904	185,988	32,457	313,349
Deferred income tax	21,156	25,505	11,273	57,934
Current income tax	(54,453)	(90,725)	(21,398)	(166,577)
Profit for the period	61,607	120,768	22,332	204,707
Proportion of the Company's ownership	49.00%	49.00%	55.20%	
Company's share of profit/(loss) before tax benefit	30,188	59,176	12,327	101,691
Tax benefit from joint ventures	16,316	31,958	5,589	53,863
Company's share of profit for the period from joint ventures	46,504	91,134	17,916	155,554

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

4. INVESTMENTS IN JOINT VENTURES (CONTINUED)

iii. Additional disclosures of joint venture entities

	As at 31 March 2025 (Unaudited)			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	524,537	1,126,847	153,784	1,805,168
Short term investments	-	-	-	-
Depreciation and amortisation	99,544	103,086	40,075	242,705
Deferred tax liabilities	119,686	975,776	16,633	1,112,095
Tax payable	286,403	437,501	80,878	804,782
Company's share of dividend declared/received	89,180	71,344	14,065	174,589
Current financial liabilities (excluding trade and other payables and provisions)	14,866	9,357	-	24,223
Non-current financial liabilities (excluding trade and other payables and provisions)	31,330	101,794	282	133,406
	As at 31 December 2024 (Audited)			
	Q-Chem	Q-Chem II	QVC	Total
Cash and cash equivalents	521,517	576,510	389,582	1,487,609
Short term investments	36,400	571,480	-	607,880
Depreciation and amortisation	380,523	415,655	162,446	958,624
Deferred tax liabilities	138,854	1,003,890	26,692	1,169,436
Tax payable	224,849	342,888	61,727	629,464
Company's share of dividend declared/received	267,540	196,196	94,089	557,825
Current financial liabilities (excluding trade and other payables and provisions)	12,278	5,096	859	18,233
Non-current financial liabilities (excluding trade and other payables and provisions)	7,571	113,342	291	121,204

5. OTHER RECEIVABLES

Other receivables comprise of interest receivable on term deposits made with various banks.

6. ADVANCES FOR THE SALT PROJECT

The Company has signed an MOU for Q Salt project. The project involves the development, construction, operation and maintenance of an industrial-scale salt manufacturing (brine processing) plant (the "Plant") in the State of Qatar. The respective shareholding of the Company in the project is 40%. In line with the MOU, the costs of Phase 1 (Development) shall be pre-funded by the Investors, therefore, the entity has paid QR 10 million as a prepayment for the development phase.

7. DEPOSITS AND OTHER BANK BALANCES

<i>As at</i>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Fixed deposits maturing after 90 days of initiation	1,719,537	2,023,112
Restricted bank balances - Dividend account	312,836	315,149
	2,032,373	2,338,261

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

7. DEPOSITS AND OTHER BANK BALANCES (CONTINUED)

Cash in banks earn interest at fixed rates. Term deposits are made for varying periods of between three months and one period depending on the immediate cash requirements of the Company at average interest rate of 4.50% to 4.65% (31 December 2024: 5.00% to 6.31%).

During the period ended March 31, 2025, fixed deposits generated interest income amounting to QR 20 million (31 March 2024: QR 38 million) recorded in the statement of profit or loss under Interest income.

8. CASH AND CASH EQUIVALENTS

<i>As at</i>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Cash and cash equivalents	192,574	65,215

9. RELATED PARTIES

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

i. Transaction with related parties:

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

<i>For the period ended</i>	Relationship	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Dividend income from Q-Chem	Joint Venture	89,180	107,016
Dividend income from Q-Chem II	Joint Venture	71,344	107,016
Dividend income from QVC	Joint Venture	14,065	-
Annual fee paid to QatarEnergy	Parent Company	(1,365)	(1,315)

QatarEnergy is the ultimate parent company, which is state-owned public corporation established by Emiri Decree No. 10 in 1974.

ii. Balances arising from transactions with the related parties

The following are the balances arising on transactions with related parties:

<i>As at</i>	Relationship	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Payables to related parties:			
Amounts due to QatarEnergy	Parent Company	1,446	3,476

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

9. RELATED PARTIES (CONTINUED)

iii. Compensation of key management personnel:

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

<i>For the period ended</i>	31 March 2025 (Unaudited)	31 March 2024 (Unaudited)
Key management remuneration	50	50
Board of directors' remuneration	1,475	1,475
	1,525	1,525

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 Directors' remuneration will be subject to AGM approval and to the limit prescribed by the Qatar Commercial Companies' Law.

10. ACCRUALS AND OTHER PAYABLES

<i>As at</i>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Dividends payable	312,836	315,149
Social and sports fund contribution payable	17,969	17,969
Accruals	1,650	6,314
	332,455	339,432

11. SHARE CAPITAL

<i>As at</i>	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Authorised, issued and fully paid: 12,563,175,000 shares of QR 1 each	12,563,175	12,563,175

12. LEGAL RESERVE

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

13. DIVIDENDS

The Board of Directors has proposed cash dividend distribution of QR 0.057 per share for the period ended 31 December 2024, the proposed final dividend for the period ended 31 December 2024 approved at the Annual General Meeting on 24 February 2025.

During the period, the company paid a cash dividend of QR 376.8 million.

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

14. INCOME TAX

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

During 2020, QATARENERGY, the Ministry of Finance and the General Tax Authority have reached an agreement through an MOU. According to this MOU and as directed by higher authorities and in accordance with the requirements of the public interest, the Ministry of Finance shall pay MPHC portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures.

The mechanism described under the MOU is the following:

1. The joint ventures pay the portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures directly to MPHC for the Ministry of Finance; and
2. The Ministry of Finance pays the portion of income tax incurred by the joint ventures attributed to MPHC's shareholding in these joint ventures directly to the GTA for the joint ventures.

Applying the principles of equity accounting under IAS 28 "Investments in Associates and Joint Ventures", the Company accounted for its underlying interests in the joint ventures on a pre-tax basis. This resulted in a tax adjustment amounting to QR 1,339 million for the period ended March 31, 2025

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

15. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The following are the critical judgments, apart from those involving estimations, that management has made in process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Site restoration obligations

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

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

Under the lease agreements, the lessor has the right, upon termination or expiration of the lease term, to notify the company that it requires to either:

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

The incurrence of site restoration costs by the Company is contingent to which option is used by the lessor. Since the lessor has not notified the Company the option to be opted, the management believes that the criteria to recognize the provision for restoration obligation is not fully met and therefore, the Company has not recognized the decommissioning liability for the period ended 31st March 2025.

Going concern

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the three-month period ended March 31, 2025

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

15. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimates

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

Calculation of loss allowance

When measuring ECL the Company 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 Company 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.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages qualified external valuers to perform the valuation. The management/valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Classification of the investments as joint ventures

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

16. SEGMENT INFORMATION

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

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