

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

**AS AT AND FOR THE SIX MONTH PERIOD
ENDED 30 JUNE 2021**

Qatar Fuel Company (WOQOD) Q.P.S.C.

Condensed consolidated interim financial statements
As at and for the six month period ended 30 June 2021

Contents	Page(s)
Independent auditor's review report	1
Condensed consolidated interim financial statements	
Condensed consolidated statement of financial position	2
Condensed consolidated statement of profit or loss	3
Condensed consolidated statement of other comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the condensed consolidated interim financial statements	7 – 14

QR. 99-8

RN: 274/SM/FY2022

INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
Qatar Fuel Company (WOQOD) Q.P.S.C.
Doha, Qatar

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Qatar Fuel Company (WOQOD) Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 30 June 2021, and the related statements of profit or loss and other comprehensive income, changes in equity cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other matter

The interim financial information of the Group for the six-month period ended 30 June 2020 was reviewed by another auditor who expressed an unmodified conclusion on that information on 15 July 2020.


The annual financial statements of the Group for the year ended 31 December 2020 was audited by another auditor who expressed an unmodified opinion on those statements on 20 January 2021.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Doha – Qatar
11 July 2021

For **Deloitte & Touche**
Qatar Branch


Midhat Salha
Partner
License No 257
QFMA Auditor License No. 120156



QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Condensed consolidated statement of financial position

As at 30 June 2021

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

	Note	30 June 2021 (Reviewed)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,128,570	3,174,812
Right to use assets		143,788	153,629
Investment properties	7	907,530	906,316
Investments	8	2,767,894	2,712,250
Goodwill and intangibles	9	135,525	135,171
Total non-current assets		7,083,307	7,082,178
Current assets			
Inventories		452,918	315,322
Due from related parties		261,383	176,126
Trade receivables	10	2,851,362	1,883,540
Prepayments and other receivables		163,075	127,197
Cash and bank balances	11	2,274,900	2,250,729
Total current assets		6,003,638	4,752,914
TOTAL ASSETS		13,086,945	11,835,092
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	994,256	994,256
Legal reserve		498,914	498,914
Fair value reserve		144,119	158,339
Revaluation surplus		511,713	511,713
Retained earnings		6,281,699	6,267,782
Equity attributable to equity holders of the parent		8,430,701	8,431,004
Non – controlling interests		119,311	155,865
TOTAL EQUITY		8,550,012	8,586,869
LIABILITIES			
Non-current liabilities			
Finance lease liability		107,299	118,615
Employees' end of service benefits		94,914	90,108
Decommissioning provision		24,011	23,425
Total non-current liabilities		226,224	232,148
Current liabilities			
Due to related parties		3,596,146	2,264,731
Finance lease liability		39,262	36,854
Trade and other payables		675,301	714,490
Total current liabilities		4,310,709	3,016,075
TOTAL LIABILITIES		4,536,933	3,248,223
TOTAL EQUITY AND LIABILITIES		13,086,945	11,835,092

These condensed consolidated interim financial statements were approved by the Board of Directors and signed on its behalf by the following on 11 July 2021:


 Ahmad Saif Al-Sulaiti
 Chairman


 Saad Rashid Al-Muhannadi
 Managing Director and CEO

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only. The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Condensed consolidated statement of profit or loss For the six-month period ended 30 June 2021

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

		For the six months period ended 30 June	
		2021	2020
	<i>Note</i>	(Reviewed)	(Reviewed)
Revenues	15	8,297,634	7,117,906
Cost of sales		<u>(7,816,076)</u>	<u>(6,905,968)</u>
Gross profit		481,558	211,938
Other income		172,509	197,659
General and administrative expenses	16	<u>(180,009)</u>	<u>(127,838)</u>
Net profit for the period		<u>474,058</u>	<u>281,759</u>
Attributable to:			
Owners of the Company		461,137	270,176
Non-controlling interest		<u>12,921</u>	<u>11,583</u>
Net profit for the period		<u>474,058</u>	<u>281,759</u>
Basic and diluted earnings per share	17	<u>0.46</u>	<u>0.27</u>
(expressed in QR per share)			

DELOITTE & TOUCHE
Doha-Qatar
11 JUL 2021
Signed for Identification
Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Condensed consolidated statement of other comprehensive income For the six-month period ended 30 June 2021

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

	For the six months period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
Net profit for the period	<u>474,058</u>	<u>281,759</u>
Other comprehensive income		
Net change in fair value of investment securities	<u>(5,557)</u>	<u>(164,415)</u>
Other comprehensive loss for the period	<u>(5,557)</u>	<u>(164,415)</u>
Total comprehensive income for the period	<u>468,501</u>	<u>117,344</u>
Attributable to:		
Owners of the company	457,055	111,630
Non-controlling interest	<u>11,446</u>	<u>5,714</u>
	<u>468,501</u>	<u>117,344</u>

DELOITTE & TOUCHE
Doha-Qatar
11 JUL 2021
Signed for Identification
Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**Condensed consolidated statement of changes in equity
For the six-month period ended 30 June 2021**

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

	Attributable to the Owners of the company					Total	Non-Controlling Interest	Total Equity
	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings			
Balance at 1 January 2021 (Audited)	994,256	498,914	158,339	511,713	6,267,782	8,431,004	155,865	8,586,869
Total comprehensive income for the period:								
Net profit for the period	-	-	-	-	461,137	461,137	12,921	474,058
Other comprehensive loss for the period	-	-	(14,220)	-	10,138	(4,082)	(1,475)	(5,557)
Total comprehensive income for the period	-	-	(14,220)	-	471,275	457,055	11,446	468,501
Cash dividends paid for 2020 (Note 13)	-	-	-	-	(457,358)	(457,358)	-	(457,358)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(48,000)	(48,000)
Balance at 30 June 2021 (Reviewed)	994,256	498,914	144,119	511,713	6,281,699	8,430,701	119,311	8,550,012
Balance at 1 January 2020 (Audited)	994,256	498,914	73,155	526,013	6,402,369	8,494,707	207,405	8,702,112
Total comprehensive income for the period:								
Net profit for the period	-	-	-	-	270,176	270,176	11,583	281,759
Other comprehensive loss for the period	-	-	(67,360)	-	(91,186)	(158,546)	(5,869)	(164,415)
Total comprehensive income for the period	-	-	(67,360)	-	178,990	111,630	5,714	117,344
Cash dividends paid for 2019 (Note 13)	-	-	-	-	(795,405)	(795,405)	-	(795,405)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(80,000)	(80,000)
Balance at 30 June 2020 (Reviewed)	994,256	498,914	5,795	526,013	5,785,954	7,810,932	133,119	7,944,051

DELOITTE & TOUCHE
 Doha-Qatar

 11 JUL 2021

 Signed for Identification
 Purposes Only

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

**Condensed consolidated statement of cash flows
For the six-month period ended 30 June 2021**

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

	For the six months period ended 30 June	
<i>Note</i>	2021	2020
	(Reviewed)	(Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	474,058	281,759
<i>Adjustments for:</i>		
Depreciation on property, plant and equipment	80,341	120,074
Depreciation on right-of-use assets	20,377	16,155
Depreciation on investment properties	8,114	17,829
Amortisation of intangible assets	504	-
Provision / (write off) doubtful debts	56,045	(5,247)
Decommissioning provision	586	557
Provision for employees' end of service benefits	8,660	16,229
Loss on write off/ sale of property, plant and equipment and right-of-use assets	25	607
Dividend income	(60,832)	(80,795)
Interest income	(59,641)	(71,123)
	528,237	296,045
<i>Changes in:</i>		
- inventories	(137,596)	140,241
- due from related parties	(85,257)	93,427
- trade receivable and prepayments	(1,059,745)	(307,236)
- trade and other payables	(39,189)	(139,670)
- due to related parties	1,331,415	(893,897)
Cash generated from / (used in) operating activities	537,865	(811,090)
Employees' end of service benefits paid	(3,854)	(7,597)
Interest received	59,641	71,123
Net cash generated from / (used in) operating activities	593,652	(747,564)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	301
Additions to property, plant and equipment	(34,124)	(157,450)
Additions to investment properties	(9,328)	(33,242)
Additions to intangible assets	(858)	-
Dividends received	60,832	80,795
Net movement in investments	(61,202)	71
Net movement in fixed deposit accounts	(2,299)	33,765
Net cash used in investing activities	(46,979)	(75,760)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(457,358)	(795,405)
Dividends paid to non-controlling interest	(48,000)	(80,000)
Lease payments	(19,443)	(16,778)
Net cash used in financing activities	(524,801)	(892,183)
Net increase / (decrease) in cash and cash equivalents	21,872	(1,715,507)
Cash and cash equivalents at 1 January	1,511,210	2,589,744
Cash and cash equivalents at 30 June	1,533,082	874,237

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 7 to 14 form an integral part of these condensed consolidated interim financial statements.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six month period ended 30 June 2021

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

1 REPORTING ENTITY

Qatar Fuel Company (WOQOD) Q.P.S.C (the “Company” or the “Parent”) is a Qatari Public Shareholding Company formed in accordance with the Emiri Decree No 5 of 2002 on 10 February 2002 under the commercial registration No. 24872.

The principal activities of the Parent along with its subsidiaries (“the Group”) are the sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas, vessel chartering and real estate services. Woqod International, a subsidiary of the Group, is established to undertake foreign investments for the parent company. However, the Group mainly operates in the State of Qatar.

These condensed consolidated interim financial statements include the financial information of the controlled subsidiaries listed below:

Name of subsidiaries	Country	Group Effective Shareholding	
		2021	2020
Qatar Fuel Jet Company W.L.L.	Qatar	60%	60%
WOQOD Vehicle Inspection Company (“FAHES”) W.L.L.	Qatar	100%	100%
WOQOD Marine Services Company W.L.L.	Qatar	100%	100%
WOQOD International Company W.L.L.	Qatar	100%	100%
WOQOD Kingdom Company W.L.L.	KSA	100%	100%
Ard Al Khaleej Real Estate W.L.L.	Qatar	100%	100%
Polaris Marine Services L.L.C.	Oman	100%	100%
Star Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Co.	Republic of Liberia	100%	100%
Ocean Marine Services Limited	Republic of Liberia	100%	100%
Galaxy Marine Services Limited	Republic of Liberia	100%	100%
Orbit Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping Co.	Republic of Liberia	100%	100%
Sidra Messaied Shipping Co.	Republic of Liberia	100%	100%
Horizon Marine Services Limited	Republic of Liberia	100%	100%
Sidra Doha Shipping Company	Republic of Liberia	100%	100%
Sidra Al Khor Shipping Company	Republic of Liberia	100%	100%

The condensed consolidated interim financial statements of the Group for the six month period ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 11 July 2021.

2 BASIS OF ACCOUNTING

These condensed consolidated interim financial statements for the six months period ended 30 June 2021 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2020 (‘last annual consolidated financial statements’). They do not include all of the information required for a complete set of financial statements in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The condensed consolidated interim financial statements are prepared in Qatar Riyals, which is the Group’s presentation functional currency. All financial information is rounded to the nearest thousands of Qatari Riyals except where specifically stated.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2021

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

3 USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies, the key sources of estimation uncertainty and financial risk management objectives and policies were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2020.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this condensed consolidated interim financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

Application of new and revised International Financial Reporting Standards (IFRSs)

Revised standards

During the current period, below amended IFRS became effective for the first time;

- Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification

The adoption of above amended standards had no significant impact on the Group's condensed consolidated interim financial statements.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

5 OPERATING SEGMENTS

Information regarding the Group's reportable segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires reportable segments to be identified on the basis of internal reports that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") and used to allocate resources to the segments and to assess their performance.

For management purposes, the Group is organized into business units based on their products and services. Accordingly, the Group has identified single reportable operating segment i.e. sale and distribution of refined petroleum products. All other business units are combined as others. The Company's geographical segment is State of Qatar.

The following tables present revenue and profit information regarding the Group's operating segments as follows:

Period ended 30 June 2021 (Reviewed):

	Sale of fuel products and related services	Others	Consolidation elimination	Total
Revenue				
External sales	8,206,807	90,827	-	8,297,634
Inter-segments sales	65,167	21,632	(86,799)	-
Total revenue	8,271,974	112,459	(86,799)	8,297,634
Results				
Segment profit	459,739	86,319	(72,000)	474,058

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2021

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

5 OPERATING SEGMENTS (CONTINUED)

Period ended 30 June 2020 (Reviewed):

	Sale of fuel products and related services	Others	Consolidation elimination	Total
Revenue				
External sales	7,012,585	105,321	-	7,117,906
Inter-segments sales	65,008	18,845	(83,853)	-
Total revenue	<u>7,077,593</u>	<u>124,166</u>	<u>(83,853)</u>	<u>7,117,906</u>
Results				
Segment profit	<u>261,287</u>	<u>140,472</u>	<u>(120,000)</u>	<u>281,759</u>

The following table presents segment assets of the Group's operating segments as follows:-

	Sale of fuel products and related services	Others	Consolidation elimination	Total
Segment assets				
At 30 June 2021 (Reviewed)	<u>10,663,524</u>	<u>2,709,675</u>	<u>(286,254)</u>	<u>13,086,945</u>
At 31 December 2020 (Audited)	<u>9,641,859</u>	<u>2,478,723</u>	<u>(285,490)</u>	<u>11,835,092</u>

6 PROPERTY, PLANT AND EQUIPMENT

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Cost		
At 1 January	5,005,724	4,762,519
Additions	34,124	308,611
Revaluation	-	(14,300)
Impairment	-	(1,580)
Disposals / transfers	(59)	(49,526)
At the end of period / year	<u>5,039,789</u>	<u>5,005,724</u>
Accumulated depreciation		
At 1 January	1,830,912	1,681,146
Depreciation charge for the period / year	80,341	155,134
Transfers to right-to-use assets	-	-
Disposals / Transfers	(34)	(5,368)
At the end of period / year	<u>1,911,219</u>	<u>1,830,912</u>
Net carrying amount	<u>3,128,570</u>	<u>3,174,812</u>

The Group has received Government aid in the form of non-monetary assets (90 plots of land located in State of Qatar) for the purpose of constructing and operating petrol stations.

Out of Ninety (90) plots of land received, the title deeds for seven plots of land have been transferred to the Group and was accounted for using the revaluation model. A right to use has been granted by the Ministry of Municipality and Urban Planning for eighty three plots of land.

The Group has 10 (2020: 10) vessels that operate mainly in supplying bunkers, marine fuel and bitumen.

Five vessels are owned by Woqod Marine Services Company W.L.L. and five vessels by Polaris Marine Services L.L.C.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2021

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

7 INVESTMENT PROPERTIES

The fair value of investment property was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's investment property portfolio.

The management of the Group believes that fair value of investment properties as at 30 June 2021 approximates the same as reported on 31 December 2020.

The fair value measurement for all the investment properties has been categorized as a Level 3 fair value based on the above inputs on the valuation technique used.

8 INVESTMENTS

Investments represents the investments in shares of listed entities on the Qatar Exchange and long term deposits. At the reporting date, the details of the closing balances were as follows:

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Investment at FVOCI	1,668,999	1,382,133
Investment current account	22,775	253,851
Long term deposits	1,076,120	1,076,266
	<u>2,767,894</u>	<u>2,712,250</u>

The respective fair value of these investments is disclosed in Note 17.

9 GOODWILL

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Goodwill	132,935	132,935
Intangibles	2,590	2,236
	<u>135,525</u>	<u>135,171</u>

As on 30 June 2021, the Group conducted an internal evaluation to assess and identify the instances of any indication of impairment on goodwill. The evaluation was mainly based on the financial data of the relevant subsidiaries and took into account the business environment in which these subsidiaries operate. Based on this exercise, the Group concluded that there were no indications of impairment that warrant a full impairment review.

10 TRADE RECEIVABLES

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Trade receivables	3,081,378	2,057,511
Less: impairment of receivables	(230,016)	(173,971)
	<u>2,851,362</u>	<u>1,883,540</u>

The aging for trade receivables is as follows:

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Current	973,575	503,463
1-30 days	415,465	379,518
31 to 60 days	507,431	332,388
61 to 90 days	521,802	307,943
91 to 180 days	454,580	325,379
181 and more	208,525	208,820
	<u>3,081,378</u>	<u>2,057,511</u>

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2021

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

10 TRADE RECEIVABLES (CONTINUED)

Movement in the impairment of receivables:

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
At 1 January	173,971	112,966
Provided during the year	56,045	66,768
Write off	-	(5,763)
Balance at the end of the period/ year	<u>230,016</u>	<u>173,971</u>

The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers credit ratings, when available. Majority of the above receivables are either secured against a bank guarantee or are receivable from government entities.

11 CASH AND BANK BALANCES

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Cash	647	386
Balances with banks		
- Current and call accounts	108,059	124,201
- Fixed deposits	1,424,376	1,386,623
Cash and cash equivalents	1,533,082	1,511,210
Fixed deposits having maturity more than 3 months	741,818	739,519
Cash and bank balances	<u>2,274,900</u>	<u>2,250,729</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by Qatar Central Bank. None of the balances with banks at the end of reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, management of the Company have assessed that there is no significant impairment on these balances.

12 SHARE CAPITAL

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Authorized		
1,000,000,000 ordinary shares of QR 1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued		
994,255,760 ordinary shares of QR 1 each	<u>994,256</u>	<u>994,256</u>

13 DIVIDENDS

The shareholders of the company approved at the Annual General Assembly meeting held on 08 March 2021 a cash dividend of QR 0.46 per share to shareholders with a total amounting to QR 457.4 million for the year ended 31 December 2020. (2020: the shareholders approved a cash dividend of QR 0.8 per share with a total amounting to QR 795.4 million for the year ended 31 December 2019).

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2021

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

14 RELATED PARTY DISCLOSURE

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard No. 24, Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates and other related parties.

a) Transactions made with related parties

The Group, in the normal course of business, carries out major transactions with Qatar Petroleum. Sales transactions to Qatar Petroleum are at arm's length and purchases from Qatar Petroleum are in accordance with approved contractual terms.

Significant transactions with related parties included in the condensed consolidated statement of income are as follows:

	Six months period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
Qatar Petroleum / Purchases	7,289,857	6,043,453
Qatar Petroleum / Sales	64,953	52,847

b) Key management personnel

	Six months period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
Salaries and other short term benefits and post-employment benefits	16,318	13,178

15 REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services at a point in time as following:

	Six months period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
Sale and distribution of petroleum products	7,789,116	6,585,546
Sale of non-fuel products	330,266	332,538
Sale of lubricants and supplies	106,720	112,243
Revenues from inspection services	71,532	87,579
	8,297,634	7,117,906

16 GENERAL AND ADMINISTRATIVE EXPENSES

	Six months period ended 30 June	
	2021	2020
	(Reviewed)	(Reviewed)
Staff cost and other expenses	88,372	86,187
Other general and administrative expenses	35,592	41,651
Provision for trade receivables (i)	56,045	-
	180,009	127,838

(i) Provision for trade receivables has been created in line with IFRS requirements. Refer Note 10.

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements

For the six-month period ended 30 June 2021

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

17 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the owners of the Group by the weighted average number of ordinary outstanding shares during the period as follows:

	Six months period ended 30 June	
	2021 (Reviewed)	2020 (Reviewed)
Profit for the period attributable to the owners of the Company	<u>461,137</u>	<u>270,176</u>
Weighted average number of shares outstanding during the period	<u>994,256</u>	<u>994,256</u>
Basic and diluted earnings per share (in QR)	<u>0.46</u>	<u>0.27</u>

18 COMMITMENTS AND CONTINGENCIES

Capital commitments

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Capital commitments	<u>138,824</u>	<u>13,804</u>

Contingent liabilities

	30 June 2021 (Reviewed)	31 December 2020 (Audited)
Bank guarantees	<u>127,724</u>	<u>101,319</u>
Letters of credit	<u>-</u>	<u>769</u>

The above guarantees and letters of credits have been issued in the ordinary course of business and the Group anticipates no material liabilities from these.

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of Cash and Bank balances, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial Instruments by valuation technique.

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities at 30 June 2021 and 31 December 2020:

QATAR FUEL COMPANY (WOQOD) Q.P.S.C.

Notes to the condensed consolidated interim financial statements For the six-month period ended 30 June 2021

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

19 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

	<u>30 June 2021</u> <u>(Reviewed)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Financial assets measured at fair value				
Investment at FVOCI	<u>1,668,999</u>	<u>1,668,999</u>	<u>-</u>	<u>-</u>
	<u>31 December 2020</u> <u>(Audited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Financial assets measured at fair value				
Investment at FVOCI	<u>1,382,133</u>	<u>1,382,133</u>	<u>-</u>	<u>-</u>

Financial assets

During the period/year ended 30 June 2021 and 31 December 2020, 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.

20 IMPACT OF COVID-19

The COVID-19 pandemic caused slowdown in economic activities. This situation posed a range of business and financial challenges to the businesses globally and across various economic sectors in the State of Qatar.

The management have taken all necessary steps to ensure smooth and adequate continuation of its business.

Based on all the assessments and after considering all the adjustments, the management of the Company is of the view that there is no material impact of COVID - 19 on the carrying amounts of assets and liabilities as at 30 June 2021.

The management has assessed the accounting implications of these condensed interim consolidated financial statements wherever applicable, including but not limited to property, plant and equipment (Note 6), investment properties (Note 7) and right-of-use assets, fair value of investments, ECL and impact on financial liability under IFRS 9 'Financial Instruments', the impairment of tangible assets, impairment of non-financial assets, the net realisable value of inventory and contingent liabilities (Note 18).