Qatar Fuel (WOQOD)

Annual Report

2022

Fueling Energy to Customers

In the name of **Allah**
the most Gracious, the most Merciful

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HIS HIGHNESS SHEIKH TAMIM BIN HAMAD AL THANI

THE EMIR OF THE STATE OF QATAR

HIS HIGHNESS SHEIKH HAMAD BIN KHALIFA AL THANI

THE FATHER EMIR


T-344
AVIATION FUEL
DANGEROUS GOODS
LONG VEHICLE
FULL
30
1202
T-351
AVIATION FUEL
DANGEROUS GOODS
LONG VEHICLE
FULL
33
1203
T-325
DANGEROUS GOODS
30
1202
AVIATION FUEL
DANGEROUS GOODS
33
1203

CONTENTS

Our Profile

Qatar Fuel (WOQOD) is the leading fuel distribution and marketing services company in the State of Qatar. WOQOD's Initial Public Offering was completed in 2003 and its shares are listed on Qatar Stock Exchange. The company has sole concession for distribution and marketing of fuels to commercial, industrial, retail and government customers throughout the country, including Natural and Liquefied Gas; and Jet A1 refueling and related services at all airports in Qatar. The company is considered pioneer in the GCC region to convert to fully unleaded gasoline and low sulfur diesel.

Our resilient fuel distribution network operates from North and South of the country, through a fleet of modern trucks, steel aluminum tankers, airplane refuelers and bowsers. Beside distribution of conventional fuel products, we supply LPG to domestic customer using safer, lightweight and transparent fiberglass "SHAFAF" cylinders that are filled at the state-of-the-art high-tech LPG filling plant. For industrial and commercial users, the company supplies LPG through tankers at customer sites. WOQOD is also engaged in the business of supplying bitumen to fulfill road asphalting and construction needs within the State of Qatar.

WOQOD provides fuel retail services through its network of state-of-the-art fuel stations and holds dominant market share in Qatar. In addition, we provide complete auto-care and maintenance services at our petrol stations including car wash, repairs, oil, tyre and battery change services. WOQOD branded Lubricants have a complete range of automotive and industrial lubricants developed to suit all types of vehicles and industrial requirements.

Our Vision

"To be the leading petroleum products distribution and related services marketing company in the region."

Our Brand Values

Professional

WOQOD aspire to be the most professionally managed company in Qatar.

Solid

WOQOD's fundamentals are very strong.

Friendly

WOQOD is a friendly company to deal with and always approaches its customers in a friendly manner.

Innovative

WOQOD leads the market in innovative products, services and processes.

Accountable

WOQOD is truly accountable for all its business activities and their impact.

Our Mission

- To provide all customers with reliable, professional and innovative solutions through friendly, excellent and convenient services
- To demonstrate accountability for all our activities
- To achieve our Vision and Mission, we will train and develop competencies across the organization to enable us to demonstrate that we excel at what we do in the region
- To achieve the required Qatarization percentage
- To introduce new and advanced technologies to minimize our impact on the environment

Our Brand

Our brand is inspired by a strong Qatari heritage tree "Sidra". Sidra is a tough tree, able to thrive in desert environment and prevalent all-around in Qatar. Sidra tree is also known for its roots that go deep into the earth.

WOQOD, just like Sidra tree, strives to achieve best results for its stakeholders and have a strong presence in the market.

Key Milestones

2002

WOQOD was established in accordance with an Emiri Decree on 10 February.

2003

WOQOD took over the assets of National Oil Distribution Company (NODCO)

2006

WOQOD opened its first state of the art petrol station

2008

WOQOD achieved Net Profit of QAR 1 Billion for the first time

2009

WOQOD commissioned new LPG bottling and distribution plant

2010

WOQOD launched safe and eco-friendly Shafaf LPG cylinder in Qatar

2011

WOQOD obtained International Organization for Standardization (ISO) 14001 certification

2012

WOQOD inaugurated the first CNG station in Qatar

2014

FAHES opened its first station under WOQOD ownership

2015

The company launched Radio Frequency Identification (RFID) technology based fueling system

2016

The total assets of the group crossed QAR 10 Billion mark

2017

FAHES opened 3 new stations to better serve the customers

2018

WOQOD opened record 31 petrol stations in a year

2019

WOQOD Bitumen Plant became fully commissioned

2020

WOQOD topped QSE on ESG compliance

2021

Petrol Station reached 111 and opened 2 New CNG stations

2022

WOQOD opened 100th fixed station

Chairman's Message

Dear Shareholders,

I am pleased to present to you the annual report for the year 2022, which contains a summary of the operational and financial results achieved by WOQOD Group during the mentioned year as well as a summary of its future plans, which reflect the Group's continued outstanding performance towards enhancing the value of the company, maximizing the benefits of both shareholders and stakeholders, and confirm its determination to move steadily towards achieving its vision, mission, and strategic objectives.

The company's professionalism was clearly evident during the year 2022, in which the group was able to accomplish its tasks during the FIFA World Cup Qatar 2022 with the required efficiency and professionalism, as we provided and distributed the required additional quantities of fuel of all kinds to distribution networks and facilities spread across the country by land, sea and air. Thanks to the means of logistical support that we provided, and the infrastructure projects that we planned and built in a timely manner.

The year 2022 witnessed WOQOD making progressive steps in the field of good governance, as it had satisfied all the imperative norms set out in the Governance Code issued by the Qatar Financial Markets Authority and the Commercial Companies Law of 2015, as amended for the year 2021.

It is worth mentioning that Qatar Fuel (WOQOD) maintained in 2022 its ranking within the third best company on the QSE MSCI Governance, Environment, and Social Responsibility in collaboration with MSCI index. Furthermore, WOQOD maintained its position among the top 100 oil and gas companies in the Middle East.

The Group's financial performance for the year 2022 improved considerably in line with the increase in the volume of our operations and the enhancement of professional competence in WOQOD operations. The net income of the Group, after excluding minority rights, amounted to QAR. 1,070 million, as compared to QAR. 974 million in 2021.

Based on the financial results for 2022 and considering the future planned capital projects and the company's commitments, the Board of Directors is pleased to recommend the distribution of cash dividends of QAR 895 million, which is equivalent to QAR. 0.90 per share.

The detailed business update of WOQOD Group is available in the Annual Report, and the Corporate Governance Report which can be accessed on WOQOD's website as well as in this meeting hall.

I am pleased to take this opportunity to express my thanks and gratitude to His Highness Sheikh Tamim Bin Hamad Al Thani, The Amir of Qatar, for his continuous support to WOQOD Group. I would also like to thank the Board of Directors that have helped the Group achieve its strategic objectives, its vision and mission.

I thank our valued shareholders for their confidence and continued trust in WOQOD and. I also want to express my gratitude to the Group's employees for their ongoing efforts to support, despite the exceptional COVID-19 circumstances.

Ahmad Saif Al-Sulaiti
Chairman of the Board of Directors

MD & CEO's Message

Our esteemed shareholders,

I am pleased to present before you a summary of the key achievements of WOQOD Group, in addition to the company's key plans and future projects. The Group has achieved remarkable results during the past year, as more details are provided in the Annual Report.

I would like to mention at the beginning the most important performance indicators during the year 2022, and as the Chairman pointed out, the WOQOD Group has achieved a net income of QR 1,070 million, compared to QR 974 million in 2021, representing a 10% increase rate. The earnings per share stand at QR. 1.08 compared to QR. 0.98 for 2021. The increase in net profits and earnings per share is due to the continued implementation of the policy of rationalizing costs and enhancing efficiency adopted at WOQOD, in addition to increasing sales volumes.

The year 2022 witnessed an increase of 11% in total sales volume, as compared to 2021, where retail fuel sales through WOQOD stations increased by 9%, LPG sales increased by 14%, jet fuel sales increased by 20%, and bunker fuel increased by 27%. The increase in sales volumes has led the company to achieve a record high revenue of QR 30 billion, which is the highest in the company's history since its inception.

Regarding the current and future projects that the company plans to establish, during year 2022 the company has opened 11 new petrol stations, thus increasing the number of operating stations to 126 as to end of 2022. The company has a dynamic plan for the construction of new petrol stations, which will be periodically reviewed according to the demand conditions and the need for petrol stations. WOQOD market share of retail fuel distribution has reached 86% in 2022 driven by the petrol station network expansion.

In order to keep pace with developments in the electric charging sector for cars and benefit from the WOQOD infrastructure spread in the country, we have started, in cooperation with Kahramaa, the installation of 37 charging points for electric cars in 22 Petrol Stations in 2022, where the actual installation was completed in six stations, and the installation work will continue successively in the rest of the stations, WOQOD also launched its green initiatives in conjunction with the Qatar Vision 2030 for Sustainable Development, where 2 WOQOD stations have been equipped with alternative sources of electricity generation from solar energy, while the works in the third station is progressing rapidly, and the company is planning to expand the project in the future.

Our Annual Report provides further details of the year's achievements and future plans.

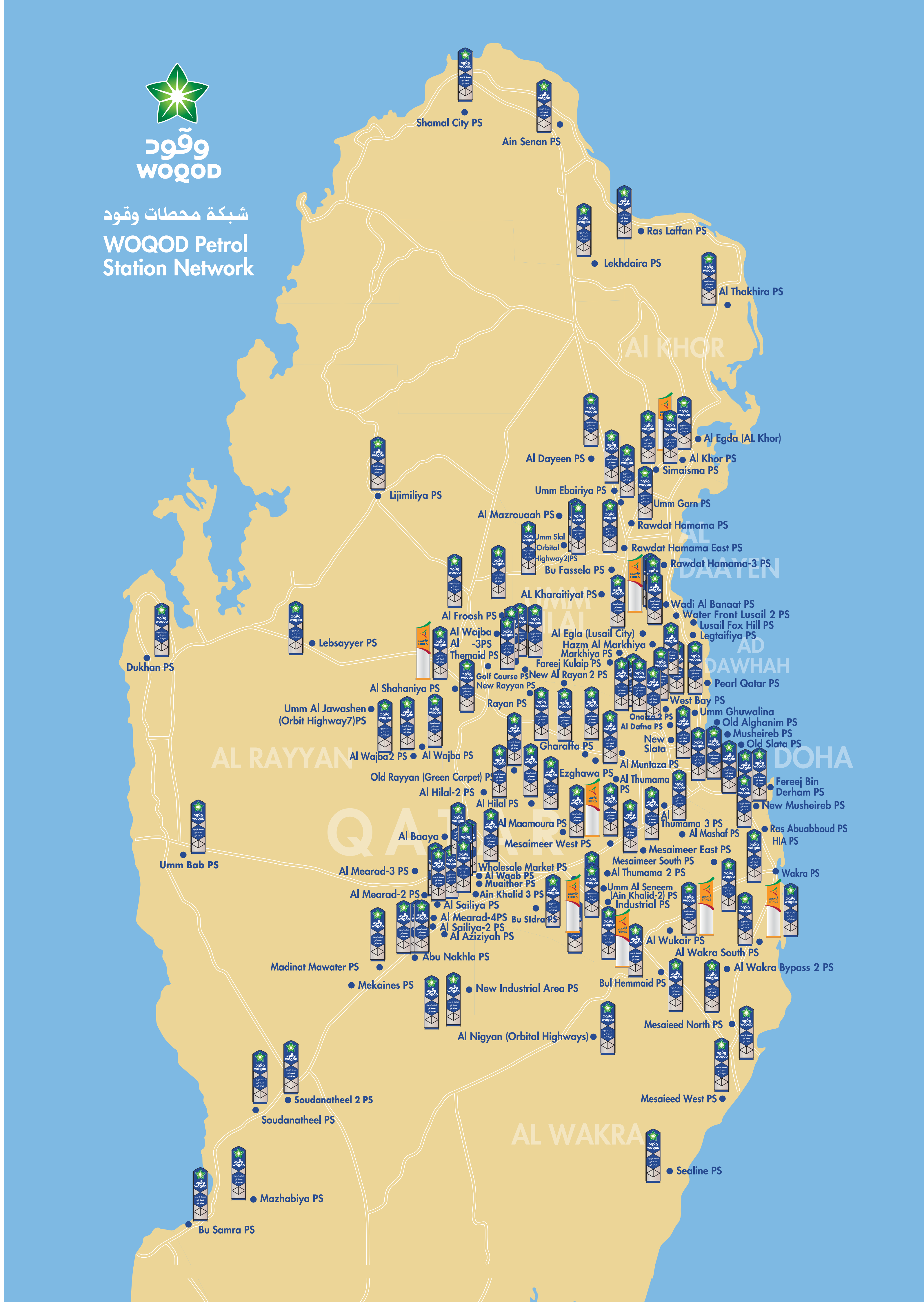
In the end, I would like to thank the chairman and the honorable members of the board for their good guidance and continued support for the group. We would also like to thank all government agencies and all the employees of the group for their sincere efforts to serve and promote the group. We acknowledge the deployment of all our efforts in order to achieve the company's goals and the aspirations of its valued shareholders.

Saad Rashid Al-Muhannadi
MD & CEO

2022 Key Achievements

WOQOD results reflect robust performance in 2022 as Qatar delivers on successful Football World Cup. We focused on our strategy of fueling customers with energy and continued to make achievements through out the year.

- Achieved the landmark of 100 permanent stations and total stations reached 126
- Supported the FIFA World Cup Qatar 2022™ event through various initiatives
- Considerably increased the Jet Fuel storage at HIA
- Daily retail fuel sales of 11.3MM Liters
- Total Fuel Sales higher by 11% and total revenue reached record high of QAR 30 Bn
- Upgraded 6 stations with Electric Vehicle Chargers
- Net profit attributable to shareholders increased by 10%
- First ever solar energy powered station started
- Opened 8 new Sidra Convenience Stores and 4 new Auto-care Services Centers
- Obtained BCM ISO 22301:2019 certification for Operations Group



OUR STRATEGY

Our Strategy

WOQOD is focused on a strategy of delivering sustainable energy to our customers in the short and long-term, along with offering convenience, choice and customer satisfaction.

We foresee continuous transition in the transport industry in Qatar in line with the international trends. Fuel demand is expected to fall in the near future as Electric Vehicles (EV) and energy efficient public transport penetrate in the Qatar market.

WOQOD has already started to install the EV Charging Points (EVCP) at its Petrol stations in coordination with Kahramaa. A total of 37 EVCP will be installed at 22 stations by 1Q 2023.

We are aiming to provide convenience to our customers' changing lifestyle through adapting latest technologies and seamless retail experience at our stations. We have started working on Digital Transformation in Non-fuel Retail segments in order to improve services to our customers and revenue growth through loyalty program. This involves multi-energy source stations and autonomous Sidra Convenience stores.

In line with WOQOD's future strategy of resilient and reliable distribution of fuel system in the State of Qatar, the company is working with QatarEnergy to construct a new LPG plant in the North of the country.

New LPG Plant project construction has initiated at Ras Laffan with prime focus on avoiding the single point of failure. QatarEnergy targets the project to be completed by the end 2025. CAPEX requirements relating to the new project have been planned by WOQOD. The manpower requirement for the new plant and the distribution center has also been worked out. The new and existing LPG plant will be operated simultaneously.

The company will continue to capitalize on the achievements made this year for sustainable future business growth to ensure the company responds well to unforeseen business risks and challenges in the process of pursuing its goals.

Growth

WOQOD offers integrated fuel service to our bulk customers. Our services range from supply of fuel to offering storage infrastructure at customers location.

In 2023, we expect our bulk segment volumes to decline due to completion of major infrastructure projects related to the Football World Cup event. From 2024 onwards, we are exploring options to leverage our expertise to capture opportunities associated with the North Field Expansion and Qatar National Vision 2030.

Our Jet Fuel volumes have recovered in 2022 and expected to grow further driven by easing of travel restrictions and pent-up demand in Travel and Tourism industry from 2024 onwards.

In relation to Jet fuel storage capacity enhancement to meet the future demand, additional fuel farm construction has been completed and to be fully operational by 1Q 2023. This will further improve our ability to cater to the future demand.

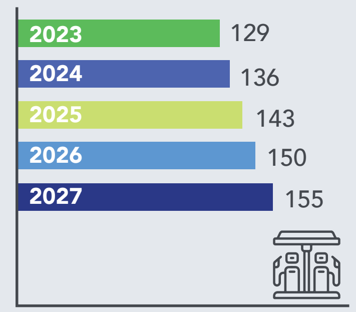
Qatar is looking to invest in electric vehicles as part of "Green Vehicle" initiative and plans to achieve a significant goal of making 3-5% of the total car population in the country green by 2022.

As part of aligning ourselves with country's vision to cut carbon emissions, we expect our retail fuel business will be challenged by introduction of EV. The company is partnering with Kahramaa to install EV chargers at our fuel stations and upgrading our retail IT application system to enhance customer convenience and loyalty.

Regarding fuel retail and marketing, the company's petrol station expansion plan is dynamic and is constantly revisited by the management to fulfill the market demand. The company is planning to open another 8 stations including 2 SMART stations in 2023 to further improve customer experience at the station. This will help us in maintaining the market share in Qatar.

In line with our strategy to grow non-fuel Retail business, WOQOD will continue to roll out key strategic initiatives. The focus will be to increase customer loyalty and enhance customer experience.

WOQOD has embarked on a Retail digital transformation project wherein several key initiatives such as Loyalty Program, Autonomous Sidra Store, Mobile Application Enhancements, SMART Petrol Stations, etc. are being explored. This will enable WOQOD to manage and optimize the store operations and provide the customers with a superior shopping experience.



WOQOD Petrol Station Expansion Plan

Autocare business in Qatar is very competitive. WOQOD will be introducing key strategic initiatives to improve Autocare business. Focus will be on launching innovative and exclusive promotions, introducing new services on specific locations, adding new range of product categories, strategic tie ups with specialized service providers & improving customer service level.

In terms of our vehicle inspection business, we are in advance stages of introducing several services which are in line to the inspection business. In terms of providing convenience to the customers, we are planning to enhance the current mobile application to allow customers to reserve and register for inspections through app.

Business Process Improvement

WOQOD is committed in building efficiencies and achieving operational excellence. We maintain the quality of our products and services we offer to the highest standards.

We implemented Business Continuity Management (BCM) in WOQOD. Our BCM program is focused on the resilience and capability of our business to effectively and seamlessly respond to the impact of an unlikely and unexpected disaster.

Going forward, WOQOD will further strengthen its BCM framework to ensure the ability to recover and continue its Critical Business Functions within a tolerable timeframe following a disaster or an incident. WOQOD plans to conduct an annual testing to its operational units as well as support services functions.

Furthermore, we will be focusing on business process automation, system capability enhancements, etc. Several projects such as Asset Tracking and Tagging application, Business Intelligence and Dashboard Solution Program, Tendering Automation etc. are planned. We are also working on automating our processes to enhance communication and collaboration with suppliers. Both, I-Supplier and I-Sourcing system implementation are progressing as planned.

Safety

Our focus is consistently ensuring safe and reliable operations. In 2023, the company is planning to achieve 5% reduction in loss time incidents, 90% compliance with planned medical examination, and 100% compliance with certified security and quality standards.

Our Strategy | Financial Review | Business Review | Governance Review

Reliability

Our Asset Integrity Plan assures the integrity and reliability performance of WOQOD Fixed assets, safeguarding HSE while optimizing asset lifecycle performance. We ensure that all critical equipment is periodically inspected and maintained to the highest standards. Several key strategic projects focusing on storage facility augmentation, asset upgradation and rehabilitation, etc. are progressing as planned.

WOQOD has a long-term relation with Qatar Energy and as part of that, we have several sales & purchase agreements until 2023. The company will start reviewing these to reflect the market and industry changes, and to further enhance our relationship with Qatar Energy.

Qatarization

In line with the Qatar National vision 2030 and Tawteen initiative of QatarEnergy, and to offer investors opportunities for manufacturing value added products using feed stocks available from the Energy sector in Qatar, procurement strategy is to consider the combination of suppliers based on competitive price and In Country Value (ICV) score during commercial evaluation in line with Tawteen guidelines. Furthermore, WOQOD has also been identified for one of the business opportunities in energy sector companies promoting local goods.

In terms of staff Qatarization plan, we achieved 14.6% Qatarization during the year and exceeded the 2022 target of 13.5%. In addition, we sponsored 10 new national students, and 2 Graduated Students were absorbed for development into developee roles during the year.

FINANCIAL REVIEW

Financial Review

The year 2022 has seen solid business performance amid improving conditions generated strong earnings and cash flow, allowing us to strengthen our finances. Total fuel volume sold was 10.1 Billion Liters in 2022, an increase of 11% as against 2021 driven by market demand.

2021 19.5
2022
QAR Billion
29.9
53% ↑
REVENUE

2021 974
2022
QAR Million
1,070
10% ↑
NET INCOME

2021 11%
2022
Percentage
12%
1% ↑
RETURN ON EQUITY

2021 8.4
2022
QAR Billion
8.1
4% ↓
NON-CURRENT ASSETS

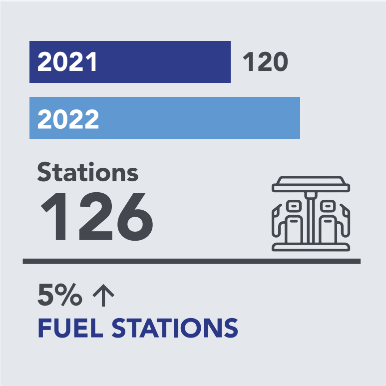
Key Financial Indicators

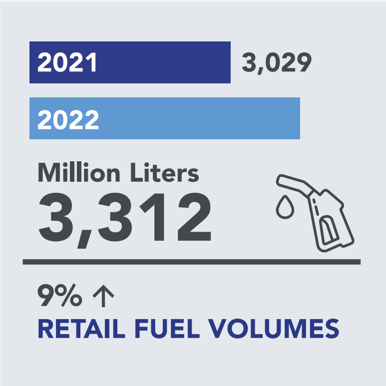
QAR Million	2022	2021	Change (%)
Revenue	29,935	19,531	53%
Gross profit	930	881	6%
General & Administrative Expense	(235)	(230)	2%
Profit for the year (Attributable to Owners of the company)	1,070	974	10%
Non-Current Asset	8,089	8,438	-4%

BUSINESS REVIEW

Business Review

WOQOD results reflect robust performance in 2022 as Qatar delivers on successful Football World Cup. We focused on our strategy of fueling customers with energy and continued to make achievements through out the year.





Retail Business

WOQOD's retail business comprises of fuel and non-fuel products and service. Fuel retail business includes sale of Diesel, Gasoline and LPG at our petrol stations. While non-fuel retail business covers Sidra convenience store, auto-care services including lubricants, tyres, and leasing of Kenar shops.

Fuel

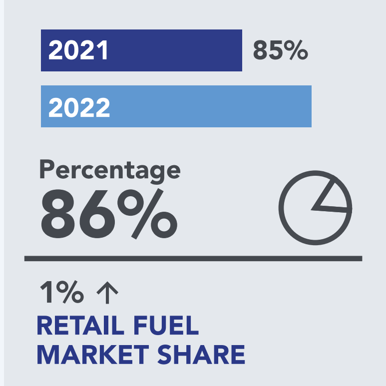
Our Retail fuel volumes improved by 9% in 2022 as compared to the same period last year. This was mainly driven by opening of new Petrol Stations and FIFA World Cup Qatar 2022™.

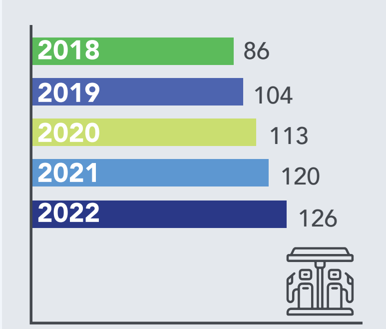
- Diesel fuel sales increased by 6%
- Gasoline fuel sales increased by 11%

WOQOD's fuel retail market share reached 86% during 2022. Our annual throughput per station of 27.7MM liters is significantly higher than industry and reflects our operational efficiency.

The total number of stations in operation reached to 126 in 2022.

We are the largest fuel retailer in the State of Qatar. WOQOD continues to expand its network of petrol station to serve customers in Qatar. Our permanent petrol stations feature state-of-the art technology with modern facilities. Going forward, we are planning to introduce SMART Petrol station model which will enable us to expand the network to small sized plots, thereby diversifying the in-place service to the public.





Petrol Station Stats

Electric Vehicle Charging

In line with WOQOD strategy to promote sustainable development, Electric Vehicle Charging is implemented in 6 fuel stations, in cooperation with M/s. Kahramaa. WOQOD plans to extended the Electric Vehicle charging network to 16 additional stations by 1Q 2023.

Petrol Station for FIFA World Cup Qatar 2022™

WOQOD opened 5 Mobile stations at various strategic locations to support the FIFA World Cup Qatar 2022™ operations catering to various modes of public transport during the football world cup event.

2021 478
2022
QAR Million
536
12% ↑
RETAIL NONFUEL REVENUE

2021 13.1
2022
Million Transactions
16.1
23% ↑
SIDRA TRANSACTIONS

2021 95
2022
Stores
103
8% ↑
CONVENIENCE STORES

Non Fuel

Our retail non-fuel revenue increased by 12% in 2022 driven by growth in network. We are working on several strategic projects to improve our nonfuel retail business.

WOQOD currently operates 98 state-of-the-art convenience stores located at our petrol stations and 5 standalone stores, offering refreshments and snacks, confectionery, groceries and various services. Our Sidra stores launched FIFA World Cup Qatar 2022™ souvenir items in our Sidra convenience stores with branding partnership to enhance our image of store during the FIFA World Cup Qatar 2022™.

We also introduced WOQOD's own Sidra mineral water brand to provide good quality water at affordable prices to our customers. Furthermore, we launched several targeted promotions across the year, positively impacting sales.

We offer auto-care services at 73 petrol stations. Our auto-care services include, car wash, vehicle servicing and repairs, tyre change and lube change services.

We launched Staff privilege program for various companies which helped to attract greater number of customers to our Autocare centers. The segment witnessed a growth of 165% against last year.

We also entered several Strategic tie ups with car dealer and specialized service providers, offering vehicle servicing option and complete Aircondition (AC) services at selected WOQOD stations.

We Launched Tyre safety Campaign "Checked by Bridgestone" in collaboration with Bridgestone Middle East Team at selected petrol stations to promote safety awareness and take precautionary measures by the customers to keep the vehicles safe to drive.

Our WOQODe tag revenue increased by 15% as compared to 2021. We distributed 360,896 number of WOQODe RFID tags. Several initiatives such as, agreement with Qatar Airways to utilize our stations near the Airport to fuel their fleet of buses using WOQODe tags, configuring WOQODe system in the Petrol stations inside HIA to cater to the companies supporting the Airport operations were implemented and installing WOQODe tags on the vehicles supporting the FIFA World Cup Qatar 2022™ operations and to those companies having projects with FIFA World Cup Qatar 2022™ were implemented.

Kenar

Our tenants include fast food international chains, local restaurants and coffee shops, laundries, car accessories and servicing etc. During the year, we added 70 shops to the Kenar. As of end of 2022, total 530 shops were leased out of 577 shops available.

We expanded our Drive Thru presence with the introduction of famous brands in our stations like Pizza Hut, Papa Johns, Costa Coffee, and Texas Chicken. This would give our customer wider choice of eateries and more reasons to visit our stations. We also introduced mobile food truck concept in petrol station. As an initial concept 4 food truck space are leased at Golf Course PS.

Vehicle Inspection

FAHES is the only company licensed to conduct inspection of light vehicles, heavy vehicles and heavy equipment in the State of Qatar. Currently, we are operating 8 permanent and 5 mobile inspection centers across Qatar. An additional service of inspection at customers location is also provide by Fahes.

In 2022, FAHES paid inspections increased by 1% driven by the normal trend of newly registered vehicles coming in for inspection after 3 years from their first registration. 1 new FAHES inspection centers (Madinat Al Mowather) is currently under construction stage and planned to open in 2023.

Going forward, we are planning to launch different initiatives which are in line with the nature of Fahes business.

Outlook

2022 was an exceptional year in terms of the economic activities due to the FIFA World Cup Qatar 2022™. Our retail business especially the nonfuel business witnessed an exceptional growth specially during the last quarter of the year.

In line with country's growth plans, we are planning to grow the network of our branded petrol stations within the country to 155 by 2027. However, future expansion plans are carefully reviewed by management to determine optimum petrol station requirement.

We will also launch a new SMART model of petrol stations offering better customer experience and convenience.

Our priority focus area will be to grow our nonfuel business through category enhancements initiatives, new services, introduction of new branded products, strategic tie ups with specialized service providers.

In terms of providing better customer experience and improve service level, we will be exploring Autonomous Sidra store option as part of our Retail Digital Transformation project. Furthermore, We will also be launching our in-house customer loyalty & retention program.

We are also working with several government authorities to launch new line of businesses under Fahes. These initiatives are at different level of execution and are planned to launch in 2023 subject to necessary approvals from relevant government authorities.

We are planning to start the service that will allow buyers of used cars to have the detailed inspection check before purchase. The report will provide comprehensive information about vehicle's present condition and full history (like major accident, repairs, mileage etc.). This service will be introduced at different centers, and currently in the test phase at the new upcoming station in Madinat Al Mowather, a strategic location as government plans to relocate all used car dealers to this area.

Our Strategy | Financial Review | **Business Review** | Governance Review

2021 1,449
2022
Million Liters
1,406
3% ↓
BULK FUEL VOLUMES

2021 4,063
2022
Million Liters
4,864
20% ↑
JET FUEL VOLUMES

2021 286
2022
Million Liters
364
27% ↑
DIESEL BUNKERING VOLUMES

Commercial Business

Our commercial business distributes diesel, gasoline, jet fuel and liquefied petroleum gas (LPG) through a modern fleet of 339 vehicles, to commercial, industrial and government customers in Qatar. We also sell lubricants (engine oils and greases), used by commercial, industrial and marine customers, Natural Gas for industrial and Transportation purposes and Bunker Fuel.

Fuel – Diesel, Gasoline & Jet A1

Our bulk business has witnessed decreased demand in 2022 as compared to the same period last year. Overall fuel sales in 2022 decreased by 3% as compared to 2021 driven by low market demand. WOQOD started supplying the Gas to Liquid (GTL) Gas Oil to Mowasalaat buses as a country's initiative to promote consumption of cleaner fuel domestically.

As part of HIA expansion, four new tanks, five new hydrant pumps along with one new pipeline at Midfield Tank farm, were commissioned and are in operation.

New tanks augments the storage capacity by additional 36,000 m3. West Field Tank Farm will be partially in operation to support the required demand for HIA and DIA during World Cup.

Furthermore, Defueling tanks were recommissioned to augment storage capacity for defuel product. This assists Q Jet to carry out defueling for other airlines apart from national carrier.

Fuel Volume Sales:

- Diesel sales decreased by 3% driven by macro economic factors
- Gasoline sales increased by 3% driven by market demand and easing of restrictions
- Jet Fuel sales increased by 20% driven by easing of travel restrictions
- Diesel bunkering sales increased by 27% driven by market demand

In terms of promoting paperless transactions, WOQOD maintained 95% of the fuel Delivery Receipts to customers in electronic format.

Fuel Bunkering

WOQOD provides bunkering service in Qatari waters. Our product range includes low sulfur gas oil and Fresh Water. Currently our vessels are chartered by Qatar Energy for bunkering operations. Our fuel bunkering volumes increased by 27% in 2022 as compared to the same period last year driven by market demand.

WOQOD Supported FIFA World Cup Qatar 2022™ by supplying to the international visitors' boats, yachts and cruise vessels in Qatari waters, specifically at Old Doha Port, through specially chartered DP2 capable vessel.

WOQOD will continue to leverage its domestic bunker supplier market position to tap into the opportunities associated with the north field expansion project as well as other offshore bunkering activities.

Lubricants

OTO was launched in 2019 using the latest technology from Shell lubricants and Qatari GTL base oil. The new OTO range of lubricants includes various grades of engine oil & ancillary products.

WOQOD's OTO brand continued to perform better in 2022 and improved sales in bulk channel by acquiring several bulk supply contracts. Lubricants 2022 volumes increased by 60% as compared to 2021.

WOQOD branded lubricants acquired approvals from several American and European standardization organization. Furthermore, WOQOD Branded Lubricants has obtained OEM approvals from various reputed automobile brands.

Going forward, WOQOD will continue to promote its branded lubricants through its network of Petrol Stations and increasing bulk customers to gain market share.

LPG & Natural Gas

LPG sales increased by 14% and Natural Gas (including CNG) sales increased by 4 % driven by increase in market demand.

WOQOD commissioned a container cylinder filling system to avoid Single Point of Failure. This added a spare filling capacity of 50%. Going forward, the New LPG bottling plant project has been reinitiated by QatarEnergy.

In terms of ensuring highest safety & standards of our products, WOQOD requalified more than 22,000 SHAFAF cylinders of 2012 batch (inspected & hydrotested).

Outlook

WOQOD expects challenging business prospects in 2023 mainly driven by post World Cup 2022 economic slowdown, high inflation, fear of global recession and reemergence of Covid-19. Post 2022, North Field expansion and Qatar National Vision 2030 developments are expected to spur the economic growth in Qatar.

We anticipate that our bulk business will continue to grow steadily in the coming years driven by North Field expansion and QNV 2030. In view of catering to the future market demand, we will continue to enhance our supply capabilities, and further optimize our fleet performance in order to maximize payload delivery.

In terms of LPG business, we will continue to work closely with QatarEnergy to construct a new LPG plant and Distribution Center.

In terms of our jet fuel business, we will be focusing on introducing new services in line with our current business.

WOQOD's marine business grew in the last 2 years driven by our fuel bunkering agreement with Qatar Energy. We are now focusing on optimizing our vessel's fleet operation and will continue to look for opportunities to create a growth/optimisation balance.

Our Strategy | Financial Review | **Business Review** | Governance Review

GOVERNANCE REVIEW

Governance Review

WOQOD is a public listed company and subject to Corporate Governance as set by Qatar Financial Management Authority (QFMA).

The Board of Directors (BOD) complies with Governance Rules and Corporate Discipline Standards applicable to public joint stock companies listed on the Qatar Stock Exchange (QSE). The complete details are available in our annual Corporate Governance Report, which is appended to this report, and shareholders can also access it on WOQOD's website.

The BAC met 6 times during 2022 and reviewed key matters such as Business Continuity Management (BCM), Enterprise Risk Management (ERM), Internal control, Business and Financial reports, Cybersecurity status, conformance with Code of Business Ethics and Conflict of Interest Policy, legal cases status etc.

Board Audit Committee

The Board Audit Committee (BAC) in WOQOD effectively functions as an oversight body of the Board. The BAC assists the Board of Directors in discharging its responsibilities regarding financial reporting, external and internal audits, Governance, Risk Management and Internal controls.

The BAC makes coordination with External Auditors to ensure adherence to Financial Reporting Standards in preparation of Financial Statements, makes coordination with Board, Senior Executive Management, Internal Audit and External Audit, overseas the Internal Control over financial reporting and Enterprise Risk Management activities.

The BACs responsibilities in relation to Internal Audit function include the review and approval of the overall Internal Audit Strategies, annual audit work plan, budget and overseeing the Internal Audit programs and performance. Further, the BAC ensures that the Internal Audit (IA) has full and unrestricted access to all required sources of information relevant to performance of its work.

Internal Audit Function

The Board of Directors has approved and implemented governance functions and structures including the Internal Audit Function that is independent of the executive management.

In order to ensure independence of the IA function, it reports functionally to the BAC and administratively to the MD&CEO. In order to strengthen the Internal Audit Function, processes for establishing in-house IA function have been initiated in 2022 and relevant recruitments are in progress.

The Internal Audit activities are performed by a team of appropriately qualified and experienced members. The IA function performed reassessment of risks at the beginning of the year, prepared the Risk Based Internal Audit Work plan and got it approved by the BAC.

All planned audits have been initiated in the respective quarters as per the audit plan and the audits that are initiated in the last quarter of 2022 are ongoing.

All the closed audit reports have been acknowledged by respective Chiefs and Department Managers. All audit findings are reported to the BAC and the executive management regularly. 79% of all Management Action Plans (MAPs) against audit observations issued during 2019 to 2021 have been closed and remediation actions for the remaining MAPs are in progress.

As part of periodical review and update of Governance documents, in 2022, the following documents related to BAC and IA have been reviewed, updated and approved by appropriate authorities:

- Board Audit Committee Charter
- Internal Audit Charter
- Whistle Blowing Policy and Procedures

Nomination & Remuneration Committee

Our Nomination and Remuneration Committee assists the Board of Directors in discharging its responsibilities relating to the composition and make-up of the Board of Directors and any committees of the Board of Directors.

The committee is chaired by one of the Board Member. The committee is responsible for developing general principal and criteria used by general assembly to elect the candidates for Board Membership. It is also responsible for nominating whom it deems fit for the Board membership as the need may arise. It also evaluates Board performance and submit the comprehensive report to the Board on annual basis.

In addition, the Nomination and Remuneration Committee assists the Board of Directors in determining its responsibilities in relation to remuneration, including setting the company's remuneration policy including the way of identifying remuneration of the Chairman and all Board Members and setting the foundations of granting allowances and incentives in the company, including issuance of incentive shares for its employees.

Board of Directors

Mr. Ahmad Saif Al-Sulaiti
Chairman of the Board of Directors
Qatar Fuel Company Q.P.S.C. (WOQOD)

Mr. Abdulaziz Jassim Mohd Al-Muftah
Vice - Chairman

Mr. Saad Rashid Al-Muhannadi
MD & CEO

SHK. Saoud Khalid Hamad Al-Thani
Member - Board of Directors

Mr. Nasser Sultan N Al-Hemaidi
Member - Board of Directors

Mr. Mohammed Abdulaziz Saad Rashed Al-Saad
Member - Board of Directors

Mr. Abdulrahman Saad Zaid Al-Shathri
Member - Board of Directors

Mr. Faisal Al-Hammadi
Member - Board of Directors

Executive Management

Mr. Saad Rashid Al-Muhannadi
Managing Director & CEO

Our Strategy
Financial Review
Business Review
Governance Review

Mr. Mubarak Ali Al-Briki
Chief Operations Officer

Mr. Fahad Abdullah Al-Subaiey
Chief Commercial Officer

Mr. Ahmed Ali Merza
Chief Support Services Officer

Mr. Saeed Rashid Al-Kaabi
Chief Administration Officer

Mr. Pradeep Kumar
Chief Financial Officer

Management Team

Mr. Sultan Jassim Al-Maadeed
Finance Manager

Mr. Khalid Ahmed Al-Hetmi
QHSSE Manager

Mr. Ibrahim Abdulla Al-Abdulla
Sales and Marketing Manager

Shk. Hamad Bin Saud Al-Thani
FAHES Manager

Mr. Khalid Yousuf Al Sahlawi
Engineering & Projects Manager

Mr. Abdulla Ibrahim Obaidan Fakhroo
Information & Communication Technology (ICT) Manager

Mr. Annas Ibrahim Eid
Logistics, Distribution & Operations Manager

Mr. Naja Mahdi Al-Ahbabi
Gas Operations Manager

Mr. Abdulrahman Salmeen Al-Jabri
Asset Integrity Manager

Our Strategy | Financial Review | Business Review | **Governance Review**

Mr. Ibrahim Elmakki
Legal Affairs Manager

Mr. Amer Al-Anzi
QJet Aviation Operations Manager

Mr. Yousef Khalid Aljaber
Public Relations Manager

Ms. Fatma AlHammadi
Procurement & Contracts Manager

Mr. Yousef Al-Sulaiti
General Services Manager

Mr. Abdulrahman Al-Hammadi
Accounting Manager

Mr. Madathil Gopakumar Nair
Internal Audit Manager

Ms. Najla Abdulla Al-Hajri
Human Capital Manager

Mr. Mansour Abdulhadi Al Fuhied Al Hajri
Retail Manager

Internal Controls

WOQOD has a well-established Internal Controls over Financial Reporting (ICOFR) which is in line with the COSO framework and meeting the requirements of the Regulatory Authorities. The design and implementation of this Framework ensures that WOQOD has robust internal control mechanism, and these are operating effectively.

WOQOD's Internal Controls includes IT general controls. The framework and all of its components are tested stringently throughout the year. Any control deficiency identified are fixed and additional mitigating controls are introduced to improve sustainability of controls and avoid repeated failures or control weaknesses.

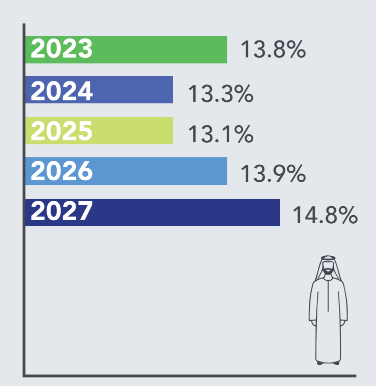
Our People

WOQOD greatly values its employees and endeavor to create an environment where everyone can contribute its unique skills. We aim to provide equal opportunities. All applicants are strictly considered based on merit, competence and qualification. This allows WOQOD to tap into a vast pool of talent, which would otherwise be not possible. We invest in the development of our staff with on-the-job and structured training programs in both technical and soft skills.

Qatarization

During the year, we achieved 14.6% Qatarization exceeding the 2022 target of 13.5%.

WOQOD was awarded by Ministry of labor in recognition for the Qatarization program undertaken in WOQOD.



Qatarization

Sponsorship to Leadership

As part of our sponsorship program, we sponsor fresh high school graduates according to the business needs in coordination with Qatar Energy. In 2022, as of December, we sponsored 10 New national students, and 2 graduated students were absorbed for into developee roles.

For the graduate students absorbed into the developee roles, we develop Individual Development Program (IDP) whereby the role-based performance measures are provided and continuously monitored by the Human Capital & respective department.

Employee Recognition

Recognition and award programs are integral part of WOQOD. WOQOD considers its employees as the most valuable partner and therefore, respecting and appreciating their substantial contributions to the company. WOQOD is determined to establish a culture of continuous recognition of employee's accomplishments, in order to reinforce the desired behaviors, in line with its organizational values, support business objectives, and retain motivated and high performing employees.

WOQOD Recognition & Award Programs is designed to encourage staff to make a performance difference either individually or through teams.

During the year, 31 Staff were recognized for their outstanding contribution to the organization and were awarded the Outstanding achievement award.

Enterprise Risk Management (ERM)

The objective of WOQOD's enterprise risk management is to develop a holistic, portfolio view of the most significant risks to the achievement of WOQOD's objectives.

WOQOD's ERM process is focused on identifying, assessing, managing, and monitoring risks to the viability of the enterprise, the ERM process is positioned to be an important strategic tool where risk management and strategy leadership are integrated.

WOQOD's ERM process is helping management keep an eye on internal and external events that might trigger risk opportunities or threats to the business. It generates an understanding of the top risks that management collectively believes are the current most critical risks to the strategic success of the enterprise.

The reporting system comprises of Risk Representatives, Risk Champions, Risk Management Working Group (RMWG), Enterprise Risk Management Committee (ERMC) and Board Audit Committee (BAC).

WOQOD promotes best practice in risk management and is following the International Organization for Standardization (ISO 31000 : 2018 – Risk Management Principal and Guidelines).

The framework is reviewed periodically to ensure its relevancies to the current standard. As part of the ERM framework, WOQOD has identified corporate and departmental risks currently faced by the organization and devised mitigation plans.

Key Achievements in 2022 for ERM:

- Completed 20 Risk Management Working Group (RMWG) meetings and 4 Enterprise Risk Management Committee (ERMC) meetings with C-suite
- ERM system automation has been successfully completed including providing training to risk champions, risk representatives, managers and C-suite
- Continuous review and enhancement of risk registers and risk mitigation plans for Top 5 corporate and departmental risks
- Enhancing ERM knowledge by conducting trainings for selected Risk Champions and Risk representatives

Business Continuity Management (BCM)

Disruption is a part of life and business, and leaders at WOQOD are tasked with making important decisions amid uncertainty. Based on insights from best international and industry practices, WOQOD has developed and published plans to effectively prepare to withstand disruptions.

WOQOD's BCM is a holistic management process that integrates various key elements, namely Business Continuity Plan (BCP), Emergency Response Plan, Crisis Management, Disaster Recovery, Risk Management and Business Impact Analysis (BIA).

WOQOD has successfully completed BCM implementation for all operations and support service groups/units. Operations group has been certified with ISO 22301:2019.

Key Achievements in 2022 for BCM:

- Establishment of BCM Framework, policies and procedures followed with continuous review and improvements
- WOQOD has carried out BCM testing and exercise as part of preparation and readiness for World Cup 2022 and including 5 working groups and 1 management committee meeting in Q4 2022
- Implementation of BCM for 23 support service sections to identify and highlight possible threats and the impact of such threats on business operations
- Operation group certified with ISO 22301:2019 – Locations certified include Gas Operations (GO), QJet, Marine Operations, Logistics Distribution and Operations (LDO) Doha Depot, LDO Bitumen Plant, LDO RasLaffan D&W Bunkering Operations (including HFO)
- Conducted Business Impact Analysis (BIA) with all sections and outlined business recovery plans (BRP) under three different scenarios for 23 support service sections
- Providing continuous guidance to departments in ensuring adherence to best BCMS practices according to international standards and ISO 22301:2019 requirements

Health, Safety and Environment (HSE)

Periodic Medical Examination

WOQOD Periodic Medical Examination (PME) program aims to detect susceptible workers for whom corrective actions are required before they develop overt occupational diseases. In 2022, PME was completed for 539 staff from identified Similar Exposure Group (SEG) like LDO & GO Road Transport Officer (RTO), Shafaf Pick Up Operators, Forecourt Attendants and AID Maintenance Technicians.

Indoor Air Quality Monitoring (IAQM)

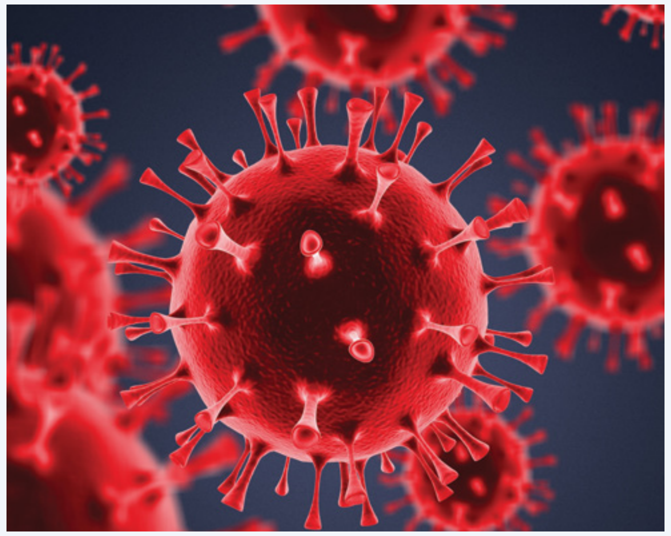
WOQOD continues to demonstrate its commitment to safeguarding employee's health and well-being at workplace by conducting IAQM in WOQOD Tower. Regular monitoring allows acting on specific issues to ensure good indoor air quality.

The test results show a significant reduction in indoor air pollutant concentration and substantial improvement in the indoor air quality by the result of air balancing in WOQOD Tower.

COVID-19 Case Reporting and Management

The COVID-19 pandemic has affected different organizations' operations and lives of many. But with WOQOD leadership and QHSSE management commitment and support from the Energy Sector Regulator, WOQOD effectively and efficiently overcame the pandemic.

Despite further relaxation of precautionary measures, WOQOD continues to implement requirements by the Ministry of Public Health (MOPH).



Breath Alcohol Testing

The WOQOD Breath Alcohol Testing Program aims to ensure that RTOs and drivers are alcohol free while at workplace and especially while driving. This is in line with WOQOD's commitment to road safety and zero harm to people and public.

Heat Stress Management Program Implementation

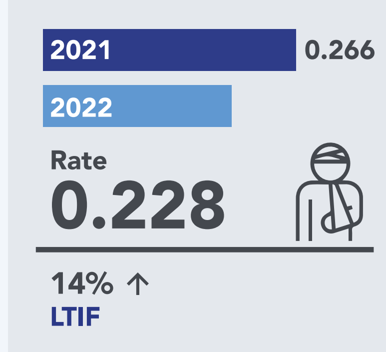
In line with regulatory requirement and our commitment to protect personnel from ill health, WOQOD successfully implemented its Heat Stress Management Program (HSMP) from April 01 to October 31, 2022, to help the organization protect its employees and contractors from health-related illness or injuries resulting from exposure to heat.

WOQOD HSE Team, in coordination with Operations and Maintenance Teams, effectively managed and implemented the HSMP in all WOQOD operational areas through diligent heat index monitoring and communication, audits, and intervention. Consequently, there were no cases of heat stress or health-related illness/ injuries in the year 2022.

HSE Performance and Key Performance Indicators

WOQOD aims to continually improve its safety performance and achieve lower LTI and TRC cases, and frequency rates. WOQOD 2022 LTIF performance improved by 14% as compared to 2021.

WOQOD successfully completed major projects like Floating Roof Tank Rim Seal Replacement, and Diesel Fire Water Pump Replacement without LTI and TRC.



Management Safety Commitment and Leadership

A team, led by COO, conducted the Management Site Tours for Doha Depot, LPG Plant, QJET, RALF/ HFO/ Bunkering, and Bitumen with the participation of senior and line management representatives from operations, and QHSSE departments.

Management Site Tours are carried out annually for each operation facility with the main objective to ensure the management's presence on site, demonstrate management leadership and commitment, and expedite resolving issues and to monitor current developments.

HSE Communication and Awareness

QHSSE in coordination with stakeholders from Learning & Development, Operations, Maintenance, and WOQOD contractors has completed internal and external awareness & training sessions and achieved remarkable participation of WOQOD staff and contractor personnel.

- Toolbox Talks – 85,720 participants
- Site Induction – 3,916 participants
- Internal/ external HSE Training – 4,175 participants

Awareness and training sessions covered topics like Heavy Vehicle Defensive Driving, Emergency Actions in case of fire or spill in PS forecourt, Lines of Fire, Incident Reporting and Investigation, Permit to Work System, Confined Space Entry, Authorized Gas Tester, and Basic Firefighting/ First Aid.

Furthermore, as part of HSE awareness, QHSSE launched various campaigns among the staff and general public through out the year.

- Four Safety Campaigns and an Awarding Ceremony
- Ministry of Interior (MOI) Traffic Awareness sessions
- Speed Monitoring Campaign
- Petrol Station Staff Technical and Safety Awareness campaign
- Public Awareness Campaign on LPG (SHAFAF Cylinder) and Petrol Station Safety with Government School

Our Strategy | Financial Review | Business Review | Governance Review

Process Safety Management (PSM)

In line with its strategic objective and continual improvement, WOQOD kick started the companywide program for Establishment and Implementation of PSM System through a 3rd party consultant.

The PSM is a disciplined framework for managing the integrity of operating systems and processes that handle hazardous substances. The system relies on good design principles, engineering and operating and maintenance practices. The system has ben established based on international best practices and implementation of system will further enhance WOQOD's reputation and encourage stakeholder confidence in its business.

Security & Firefighting (SFF)

SFF department in coordination with Qatar Civil Defense, and various other government ministries, conducted Desktop drill for WOQOD at National Command Center. Desktop drill is performed to:

- Improved coordination and communication between the authorities (National Command Center - Administration General Civil Defense) by testing and verification of WOQOD crisis management including contingency plans and effectivity of policies and procedures
- Update gaps in resources and training and identify areas for improvement and development
- Improving individual and organizational performance through practice
- Demonstrate emergency preparedness as part of the due diligence

Environmental Sustainability

Our goal is always to conduct our operations in a way that minimizes the environmental impact and the risk of environmental incidents. We continuously identify and evaluate where environmental impact arises in our operations and how we can work to reduce negative environmental impact.

Waste Management

Waste derived from WOQOD's operational and business activities can be categorized as non-hazardous and hazardous waste. We ensure that the waste is handled, stored and disposed in compliance with company standards and Ministry of Environment and climate change (MoECC) regulations.

WOQOD focused on waste reuse and waste recycling. The objective is to improve recycling rate and reduce waste to landfill facility in order to reduce environmental footprint and conserve valuable resource.

Waste Recycle

In 2022, we have sent recyclable papers, plastic, batteries and used oil to the MoECC authorized recycling facility.

The Company promotes and implements on-site waste segregation and provides adequate support to the operational facilities to improve recyclable waste segregation. Our focus has always been on adopting WOQOD waste management practices of efficient recycling and disposal methods. By our recycling program, the amount of waste sent to landfill reduced. WOQOD has been making continuous progress towards reducing environmental impact from its business activities.

Energy Management

WOQOD seeks to optimize the use of valuable natural resources in our operations, facilities, fleets and office facilities by conserving energy and reducing fuel consumption. In our operations, we drive environmental programs to manage and consistently reduce our greenhouse gas emissions, through alternative energy usage. In 2022, we continued to track our energy use derived from electricity purchased from the Qatar National Utility Company (Kahramaa) and from the transportation fleet used for delivery of our products to customers.

2021 81,935

2022

Mega Watt Hours

85,893

5% ↑

ELECTRICITY CONSUMPTION

Items	Qty.	Unit
Used Oil	966,255	Liters
Paper	234	Tons
Batteries	281	Tons
Plastic	24	Tons

Renewable Energy

As part of our renewable energy initiative in line with Qatar's 2030 vision for sustainability, WOQOD opened 2 petrol stations with Photovoltaic (PV) system units to generate electricity from solar energy to cover part of the energy used in the station. WOQOD is also planning to install PV system in 1 more station.

Emission Management

Qatar is taking decisive steps to reduce Greenhouse Gas (GHG) emissions by 25% by 2030. Oil and Gas sector strives to adopt lower emission intensive technologies in line Qatar National Vision 2030.

Our efforts in this capacity include tracking and reporting GHG emissions that result from our operations, developing methods and introduce emission reduction technologies to reduce emissions.

The main source of WOQOD's GHG emissions is the electricity purchased from third parties and use of transportation fuels. WOQOD is in process of installing stage II vapor recovery in all new petrol stations to control Volatile organic compounds (VOC) emissions.

Fire and Emergency Preparedness

In line with WOQOD's commitment to emergency preparedness and readiness, WOQOD coordinated a Tier 3 Major Emergency Response Plan (ERP) testing with National Emergency Coordination Team for Gas Operations – LPG Bottling Plant.

ERP testing and exercises planned for WOQOD work locations were conducted internally and with the participation of Qatar Civil Defense.

2021 18,431

2022

Tons

18,364 CO_2

0.4% ↑

CO2 EMISSION

Quality Assurance

2021 4.17
2022
Rating
4.32
4% ↑
WOQOD B2B

2021 4.25
2022
Rating
4.40
4% ↑
WOQOD B2C

Customer Satisfaction Improvement

WOQOD values its customers greatly, listens to their feedback and responds accordingly. We have developed an index for measuring customer satisfaction and monitor it regularly through customers' surveys.

Customer Engagements

Customer Surveys are done for 24 Business Segments for WOQOD Group (5 B2C – Vehicle Inspection, Retail FS, Sidra, APC, LPG Residential and 19 B2B). We also conducted a customer townhall meeting for Fahes. Queries such as vehicle inspection & legal related-faults and inspection booking concerns were discussed during the townhall.

There are several improvement milestones in customer communication focused on "Voice of Customers"

- Analysis of repeated customer complaints and formulation of corrective actions to reduce the number of customer complaints received
- Monthly Meeting with all functions to discuss repeated customer complaints
- Root Cause Analysis Workshops
- 100% Customer Call Back through Call Center for every complaint received

Quality Day

This is the 4th year of participation of WOQOD & Subsidiaries in the global occasion of Quality with the theme: DOING-THE-RIGHT-THING.

Inspired by this year's Quality theme, Quality Dedication Video was launched to dedicate focus on employees who perform their tasks and responsibility tirelessly with focus on doing things right.

In the tradition of Quality Day Main Event for the past years, Quality Assurance Highlights were presented by QHSSE Manager, Mr. Khalid Al-Hetmi. The focus of this presentation was on continual improvements arising from customer communication such as townhall meetings and addressing repeated customer complaints.

Our Strategy | Financial Review | Business Review | **Governance Review**

The Quality Award for the Department, this year, was given to Aviation Department. The award was received by Aviation Operations Manager, Amer Al-Anzi from Acting CSSO Khalid Yousuf M Al Sahlawi on behalf of the MD&CEO. In his Award Acceptance Remarks, Mr. Amer Al-Anzi expressed his appreciation for the acknowledgement of quality efforts from his team.

The Quality Award for Department has evolved into a prestigious company award that departments work for diligently to get every year. Aviations Operations Department is the 4th Department Awardee.

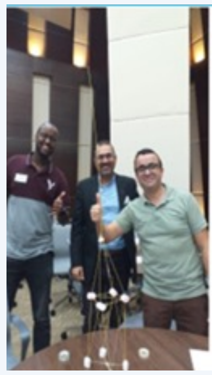
Root Cause Analysis Workshop

The workshop focused on several quality tools on Root Cause Analysis (RCA) and was held at WOQOD Doha Depot – Meeting Room. The workshop topic, "Root Cause Analysis of Repeated Customer Complaint on Reckless Driving / Concerns on Drivers' Behavior" was selected as part of the corporate customer communication procedure to address repeated customer complaints monitored by QA/ QHSSE Department in line with continual improvement process of the customer communication.

Workshops & Teambuilding Activities

Quality Workshop

The Quality Circle members once again accomplished a milestone on improved platform on mentorship and knowledge sharing through Quality Workshops. These workshops are part of the key activities during the Annual Quality Day 2022 events.



Teambuilding Activities in Operations Areas

These activities enable increased communication, collaboration, and camaraderie among employees of different role levels and work locations.

Information Technology

Information technologies were leveraged to increase business value proposition by implementing systems and applications that support enablement of revenue generation streams for WOQOD, increasing customer satisfaction index and providing long term benefits to customers including but not limited to:

- Enhancement of WOQOD mobile app services
- Automation of service charge calculations for Bulk LPG customers
- Implementation of e-invoices for Saudi Airlines
- Automation for GTL Gasoil product and Chery automotive APC services
- Development of WASEL application for fuel deliveries

These services were backed up with enhanced infrastructure availability and security in compliance with FIFA World Cup Qatar 2022™ regulatory requirements.

JEDARIART Public Art Programme - Qatar Museums

WOQOD has participated in supporting and sponsoring the JEDARIART, an ongoing public art program held by Qatar Museums to activate urban areas by adding vibrancy and meaning the walls of different parts and buildings across the city of Doha through street wall art.

WOQOD Wholesale Market petrol station has been selected as one of the designated areas of the program where local and resident artists had painted a vibrant remarkable mural on its walls to promote the Qatari culture to the world and to the visitors of FIFA World Cup Qatar 2022™.

Qatar National Day Celebrations

As part of our continuous support and commitment towards the vision and identity of our nation and to emphasize and promote our loyalty, unity and pride. WOQOD has donated the amount of QAR 1,000,000 to Qatar National Day Committee as a participation in sponsoring the Qatar National Day celebrations event on December 18th.

Our Strategy | Financial Review | Business Review | **Governance Review**

INDEPENDENT ASSURANCE REPORTS

Independent Assurance Reports

QR. 99-8
RN: 414/MS/FY2023

The Shareholders of
Qatar Fuel Company Q.P.S.C. ("Woqod")
Doha - Qatar

Independent Assurance Report, to the Shareholders of Qatar Fuel Company Q.P.S.C. ("Woqod"), on the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting.

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the 'Directors' ICFR Report') as of 31 December 2022.

Responsibilities of the directors and those charged with governance

The Board of Directors of Qatar Fuel Company Q.P.S.C. ("Woqod") (the "Company") and its subsidiaries (together the "Group") is responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates and judgements that are reasonable in the circumstances.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as of 31 December 2022, based on the criteria established in the Internal Control — Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework").

The Group's assessment of its internal control system is presented by the Board of Directors in the form of the Directors' ICFR Report, which includes:

- A description of the system of Internal Control over Financial Reporting in place within the Components of Internal Control as defined by the COSO Framework;
- The scope of material business processes and entities in the assessment of Internal Control over Financial Reporting;
- The Company's conclusion on the design, implementation and operating effectiveness of Internal Control over Financial Reporting as at 31 December 2022; and
- Any material weaknesses in the design, implementation and operating effectiveness of controls as at 31 December 2022.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the "Directors' ICFR Report" based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of 31 December 2022.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Directors' ICFR Report is fairly presented. The COSO Framework comprises the criteria by which the Group's Internal Control over Financial Reporting is to be evaluated for purposes of our reasonable assurance opinion.

An assurance engagement to issue a reasonable assurance opinion on the Directors' ICFR Report involves performing procedures to obtain evidence about the fairness of the presentation of the Report. Our procedures on the Directors' ICFR Report included:

- Obtaining an understanding of the Group's components of internal control as defined by the COSO Framework and comparing this to the Director's ICFR Report;

Independent Assurance Report, to the Shareholders of Qatar Fuel Company Q.P.S.C. ("Woqod"), on the Board of Directors' Report on the Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting. (Continued)

Our Responsibilities (Continued)

- Obtaining an understanding of the Group's scoping of significant processes and material entities, and comparing this to the Director's ICFR Report;
- Performing procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosures and comparing this to the Director's ICFR Report;
- Obtaining Management's testing of the design, implementation and operating effectiveness of internal control over financial reporting, and evaluating the sufficiency of the test procedures performed by management and the accuracy of management's conclusions reached for each internal control tested;
- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management's testing for normal risks of material misstatement.
- Assessing of the severity of deficiencies in internal control which are not remediated at
- 31 December 2022 and comparing this to the assessment included in the Directors' ICFR Report , as applicable.

The components of internal control as defined by the COSO Framework are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring.

We performed procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosure.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: Entity Level Controls, Revenue and Account Receivable, Cash and Treasury, Financial Investments, Fixed Assets, Accounts Payable, Inventory, Equity, Payroll, and Cost of Sales, Information Technology and Financial reporting and disclosures.

The procedures to test the design, implementation and operating effectiveness of internal control depend on our judgement including the assessment of the risks of material misstatement identified and involve a combination of inquiry, observation, reperformance and inspection of evidence.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the fairness of the presentation of the Directors' ICFR Report.

Meaning of Internal Control over Financial Reporting

An entity's internal control over financial reporting system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that;

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;

Meaning of Internal Control over Financial Reporting (Continued)

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

Because of the inherent limitations of Internal Control over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, Internal Control over Financial Reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

In addition, projections of any evaluation of the Internal Control over Financial Reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

In our opinion, the Directors' ICFR Report is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of 31 December 2022.

Doha - Qatar
18 January 2023

For **Deloitte & Touche**
Qatar Branch

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

INDEPENDENT AUDITOR'S REPORTS

Independent Auditor's Report

QR. 99-8
RN: 411/MS/FY2023

To the Shareholders of Qatar Fuel Company Q.P.S.C ("WOQOD") Doha, Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar Fuel Company Q.P.S.C ("WOQOD") (the "Company"), and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

Key Audit Matters	How our audit addressed the key audit matters
Valuation of Property, Plant and Equipment The Group has property, plant and equipment with a carrying value of QR 3,305,881 thousand at 31 December 2022. Included in property, plant and equipment is land which is measured at fair value of QR. 528,750 thousand. The determination of fair value of this land is based on external valuations. We focused on this area as the valuation process requires significant judgements to be applied, in determining the appropriate valuation methodology to be used, and significant estimates to be made. The results of the valuations are highly sensitive to the estimates made, for example the discount rate, price of comparable plots, disposal period and infrastructure cost. Refer to the following notes to the consolidated financial statements for more details relating to this matter: • Note 3(e) - Significant accounting policies on property, plant and equipment; • Note 5 - Property, plant and equipment.	Our audit procedures included, inter alia, the following: We assessed the design and implementation of controls over the valuation of land; We involved our internal real estate valuation specialist to review the valuation reports on a sample basis and assessed whether the valuation approach and method used are in accordance with the established standards for valuation of the properties. Our internal specialist also assessed the assumptions used by the third-party valuers in the valuation process; We evaluated the qualifications, independence, skills and competence of the external valuers; We reviewed the engagement letter with the external valuers to determine if their scope was sufficient for audit purposes; We agreed the inputs into the valuations, where applicable, to supporting documentation, on a sample basis; We reperformed the arithmetical accuracy of the valuation; We agreed the results of the valuation to the amount reported in the consolidated financial statements; and We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Key Audit Matters	How our audit addressed the key audit matters
Land received from the Government The Group has received the right to use for 101 plots of land from the Ministry of Municipality and Urban Planning ("the Ministry"). During 2021, the Group has received draft lease agreements for certain plots of land from the Ministry for use of the land, which created a present obligation to pay rent to the Ministry. The lease agreements are still under discussion, which has resulted in material uncertainty in the determination of the lease liability and right of use assets. The Group has recognised a provision of QR 179 million for the accumulated annual rental until 31 December 2022. We considered this to be a Key audit matter, because of the significant judgements applied in the accounting treatment and estimates made in the determination of the aforementioned provision. Refer to the following notes to the consolidated financial statements for more details relating to this matter: • Note 5 – Property, plant and equipment. • Note 21 – Trade and other payables	Our audit procedures included, inter alia, the following: We assessed the design and implementation of controls over the determination of the provision for the accumulated annual rental; We inspected the documentation received from the Ministry relating to the right to use the 101 plots of land; We assessed the judgements applied by management in determining the accounting treatment for the accumulated annual rental up until 31 December 2022; We assessed management's estimates used to determine the aforementioned provision by agreeing the amounts used to calculate the provision to the lease agreements where applicable; We assessed the calculation of the provision for mathematical accuracy; We agreed the results of the calculation of the provision to the amount reported in the consolidated financial statements; and We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Independant Auditor's Report (Continued)

Other Information

Management is responsible for the other information. The other information comprises the Board of Directors' Report, which we obtained prior to the date of this auditor's report and other information included in the Annual Report, which is expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or 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 obtained prior to the date of this auditor's 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 Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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.

Independant Auditor's Report (Continued)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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 and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- The Company has maintained proper books of account were maintained by the Company, physical inventory verification has been duly carried out and the contents of the director's report are in agreement with the Company's accompanying consolidated financial statements.
- We obtained all the information and explanations which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association were committed during the year which would materially affect the Group's consolidated financial position or its consolidated financial performance.

Doha - Qatar
18 January 2023

For **Deloitte & Touche**
Qatar Branch

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statement

Consolidated Statement of Financial Position As at 31 December 2022

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

	Note	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,305,881	3,149,365
Right-of-use assets	6	106,828	146,880
Investment properties	7	894,976	899,954
Investments	8	3,640,919	4,106,169
Goodwill and intangibles	9	140,497	135,376
Total non-current assets		8,089,101	8,437,744
Current assets			
Inventories	10	705,403	447,942
Due from related parties	11 (b)	321,442	285,873
Trade receivables	12	1,895,076	2,070,333
Prepayments and other receivables	13	134,918	158,470
Cash and bank balances	14	3,264,500	1,907,740
Total current assets		6,321,339	4,870,358
TOTAL ASSETS		14,410,440	13,308,102
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	**994,256**	**994,256**
Legal reserve	16	**498,914**	**498,914**
Fair value reserve	17	**(93,431)**	**240,413**
Revaluation surplus		**507,333**	**504,703**
Retained earnings		**7,290,337**	**6,800,728**
Equity attributable to equity holders of the parent		**9,197,409**	**9,039,014**
Retained earnings		**115,199**	**138,481**
TOTAL EQUITY		**9,312,608**	**9,177,495**

Consolidated Statement of Financial Position As at 31 December 2022

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

	Note	2022	2021
LIABILITIES			
Non-current liabilities			
Finance lease liabilities	18	81,643	109,792
Employees' end of service benefits	19	114,107	97,947
Decommissioning provision	20	25,826	24,596
Total non-current liabilities		221,576	232,335
Current liabilities			
Due to related parties	11 (c)	3,867,225	2,954,489
Finance lease liabilities	18	29,269	40,934
Trade and other payables	21	979,762	902,849
Total current liabilities		4,876,256	3,898,272
TOTAL LIABILITIES		5,097,832	4,130,607
TOTAL EQUITY AND LIABILITIES		**14,410,440**	13,308,102

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 18 January 2023:

Ahmad Saif Al-Sulaiti
Chairman

Saad Rashid Al-Muhannadi
Managing Director & Chief Executive Officer

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only. The notes on pages 11 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss
For the year ended 31 December 2022

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

	Note	2022	2021
Revenues	22	29,934,920	19,531,496
Cost of sales	23	(29,005,252)	(18,650,923)
Gross profit		**929,668**	880,573
Other income	24	269,030	220,581
General and administrative expenses	25	(235,162)	(230,322)
Finance income	26	141,399	119,807
Provisions / impairments	27	(3,577)	11,784
Net profit for the year		**1,101,358**	1,002,423
Attributable to:			
Equity holders of the Parent		1,070,065	1,070,065
Non-controlling interests		31,293	31,293
Net profit for the year		**1,101,358**	1,002,423
Basic earnings per share (expressed in QR per share)	28	**1.08**	0.98

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December 2022

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

	2022	2021
Net profit for the year	**1,101,358**	1,002,423
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in fair value of investments	(138,478)	124,922
Revaluation gain / (loss) for the year	2,630	(7,010)
Other comprehensive income for the year	(135,848)	117,912
Total comprehensive income for the year	965,510	1,120,335
Attributable to:		
Equity holders of the Parent	940,792	1,089,719
Non-controlling interests	24,718	30,616
	965,510	1,120,335

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

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

	Attributable to the equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Legal reserve	Fair value reserve	Revaluation surplus	Retained earnings	Total		
Balance at 1 January 2021	994,256	498,914	158,339	511,713	6,267,782	8,431,004	155,865	8,586,869
Total comprehensive income for the year:								
Net profit for the year	-	-	-	-	974,026	974,026	28,397	1,002,423
Other comprehensive income for the year	-	-	82,074	(7,010)	40,629	115,693	2,219	117,912
Total comprehensive income for the year	-	-	82,074	(7,010)	1,014,655	1,089,719	30,616	1,120,335
Cash dividends paid for 2020 (Note 29)	-	-	-	-	(457,358)	(457,358)	-	(457,358)
Contribution to social and sports fund	-	-	-	-	(24,351)	(24,351)	-	(24,351)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(48,000)	(48,000)
Balance at 31 December 2021	994,256	498,914	240,413	504,703	6,800,728	9,039,014	138,481	9,177,495
Balance at 1 January 2022								
Total comprehensive income for the year:	994,256	498,914	240,413	504,703	6,800,728	9,039,014	138,481	9,177,495
Net profit for the year	-	-	-	-	1,070,065	1,070,065	31,293	1,101,358
Other comprehensive loss for the year	-	-	(333,844)	2,630	201,941	(129,273)	(6,575)	(135,848)
Total comprehensive income for the year	-	-	(333,844)	2,630	1,272,006	940,792	24,718	965,510
Cash dividends paid for 2021 (Note 29)	-	-	-	-	(755,634)	(755,634)	-	(755,634)
Contribution to social and sports fund	-	-	-	-	(26,763)	(26,763)	-	(26,763)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(48,000)	(48,000)
Balance at 31 December 2022	**994,256**	**498,914**	**(93,431)**	**507,333**	**7,290,337**	**9,197,409**	**115,199**	**9,312,608**

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

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

	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		**1,101,358**	**1,002,423**
Adjustments for:			
Depreciation on property, plant and equipment	5	163,320	164,253
Depreciation on right-of-use assets	6	41,709	41,360
Depreciation on investment properties	7	16,454	16,287
Amortisation of intangibles	9	1,680	1,081
Unwinding of finance cost of decommissioning provision		1,230	1,171
Interest on finance lease liabilities		8,111	7,508
Reversals for bad and doubtful debts	12 (b)	(15,115)	(13,279)
Impairment of property, plant and equipment	5	(830)	220
Impairment of investment properties	7	1,335	1,275
Impairment for slow moving inventories	10	797	5,268
Provision for employees' end of service benefits	19	24,230	19,356
Loss on sale and write off of property, plant and equipment and right-of-use assets		300	359
Income tax expense		1,286	3,626
Dividend income	24	(92,014)	(60,832)
Finance income		(141,398)	(119,807)
		1,112,453	1,070,269
Changes in:			
- inventories		(258,258)	(137,889)
- due from related parties		(35,569)	(109,747)
- trade receivable and prepayments		213,924	(204,787)
- trade and other payables		88,178	179,861
- due to related parties		912,736	689,758
Cash generated from operating activities		2,033,464	1,487,465
Employees' end of service benefits paid	19	(8,070)	(11,517)
Payment of contribution to social and sports fund		(24,351)	(17,685)
Income tax paid		(1,691)	(1,795)
Net cash generated from operating activities		**1,999,352**	1,456,468

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 41 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

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

	Note	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		17,147	-
Additions to property, plant and equipment		(347,066)	(146,395)
Additions to investment properties	7	(12,811)	(11,200)
Additions to intangible assets		(6,801)	(1,286)
Dividends received	24	92,014	60,832
Finance income received		141,398	119,807
Net movement of investments		226,942	(61,586)
Net movement in the fixed deposit accounts		572,195	(1,040,259)
Net cash generated used in investing activities		**683,018**	(1,080,087)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	29	(755,634)	(457,358)
Dividends paid to non-controlling interest		(48,000)	(48,000)
Lease payments		(49,609)	(46,860)
Net cash used in financing activities		**(853,243)**	(552,218)
Net increase / (decrease) in cash and cash equivalents		**1,829,127**	(175,837)
Cash and cash equivalents at 1 January		1,335,373	1,511,210
Cash and cash equivalents at 31 December	14	**3,164,500**	1,335,373

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 41 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

1. REPORTING ENTITY

Qatar Fuel Company Q.P.S.C. (WOQOD) (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 with commercial registration No. 24872. The Company is listed on Qatar Stock Exchange. The Company's registered office address is P.O.Box 7777, Doha, State of Qatar.

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. The Group mainly operates in the State of Qatar.

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

Name of subsidiaries	Country	Effective Group Shareholding 2022	2021
WOQOD Vehicle Inspection Company ("FAHES") W.L.L.	Qatar	100%	100%
Qatar Jet Fuel Company W.L.L.	Qatar	60%	60%
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.	Kingdom of Saudi Arabia	100%	100%
Ard Al Khaleej Real Estate W.L.L.	Qatar	100%	100%
Polaris Marine Services L.L.C.	Oman	100%	100%
Sidra Al Ghariya Shipping Company	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Company	Republic of Liberia	100%	100%
Ocean Marine Services Limited	Republic of Liberia	0%	100%
Sidra Al Ruwais Shipping Company	Republic of Liberia	100%	100%
Orbit Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping Company	Republic of Liberia	100%	100%
Sidra Messaied Shipping Company	Republic of Liberia	100%	100%
Sidra Doha Shipping Company	Republic of Liberia	100%	100%
Sidra Al Khor Shipping Company	Republic of Liberia	100%	100%
Horizon Marine Services Limited	Republic of Liberia	100%	100%

As per Law No 21 of 2019 - Extending the concession granted to Qatar Fuel Company (WOQOD) for the marketing, sale, transportation and distribution of gas and petroleum products, the Company's concession was extended till 17th June 2023. The concession will be under renewal during 2023.

The consolidated financial statements of Group for the year ended 31 December 2022 were authorised for issuance in accordance with a resolution of the Board of Directors on 18 January 2023.

2. BASIS OF PREPARATION

a) Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"), applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association. Details of the Group's accounting policies are included in Note 3.

b) Basis of measurement

These Consolidated Financial Statements have been prepared under the historical cost convention except for investments and owned land, which have been measured at fair value.

c) Functional and presentation currency

These Consolidated Financial Statements are presented in Qatari Riyals, which is the Group's functional currency. All financial information presented in Qatari Riyals is rounded to the nearest thousands of Qatari Riyals unless otherwise indicated.

d) Use of judgements and estimates

The preparation of these Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements, assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the consolidated financial statements in the next financial year are included in the following notes:

i) Note 3 (e) – useful lives, residual values and related depreciation charges of property and equipment;
ii) Note 3 (h) - Financial assets – Business model assessment;
iii) Note 4 (ii)- measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted-average loss rate;
iv) Note 5 (i & iii)- accounting for land under property, plant and equipment using the fair value model and determining the fair values on the basis of significant unobservable inputs;
v) Note 7- accounting for investment properties and determining the fair values on the basis of significant unobservable inputs;
vi) Note 8 – recognition of investment at fair value through other comprehensive income;
vii) Note 9 - impairment test of goodwill: key assumptions underlying recoverable amounts;
viii) Note 20 – key judgements and estimations for determination of decommissioning provision;
ix) Notes 21 (i) and 31 – recognition and measurement of provisions and contingencies: key judgements and assumptions about the likelihood and magnitude of an outflow of resources;
x) Note 32 - lease term: whether the Group is reasonably certain to exercise extension options.

2. BASIS OF PREPARATION (CONTINUED)

e) New and amended IFRSs that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

i) Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
ii) Annual Improvements to IFRS Standards 2018–2020
iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
iv) Reference to the Conceptual Framework – Amendments to IFRS 3

f) New and revised IFRSs in issue but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Effective for annual periods beginning on or after	1 January 2023

New and revised IFRSs

Amendments to IAS 1 *Presentation of Financial Statements—Classification of Liabilities as Current or Non-Current*

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

In November 2022, IAS 1 has been amended to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or non-current.

An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The 2022 amendments deferred the effective date of the amendments to IAS 1 Classification of Liabilities as Current or Non-current published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.The amendments are applied retrospectively with early application permitted.

2. BASIS OF PREPARATION (CONTINUED)

f) New and revised IFRSs in issue but not yet effective and not early adopted (Continued)

Effective for annual periods beginning on or after	1 January 2023

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The IASB has amended IAS 1 require entities to disclose its "material accounting policies" instead of its 'significant accounting policies' with 'material accounting policy information'. Further amendments to IAS 1 are made to explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are also added.

To support the amendments, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

2. BASIS OF PREPARATION (CONTINUED)

f) New and revised IFRSs in issue but not yet effective and not early adopted (Continued)

Effective for annual periods beginning on or after	1 January 2023

New and revised IFRSs

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates
The IASB has amended IAS 8 to define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty—that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

The IASB has retained the concept of changes in accounting estimates in the Standard, even though the definition was deleted, with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

2. BASIS OF PREPARATION (CONTINUED)

f) New and revised IFRSs in issue but not yet effective and not early adopted (Continued)

Effective for annual periods beginning on or after **1 January 2023**

New and revised IFRSs

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments provide a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

2. BASIS OF PREPARATION (CONTINUED)

f) New and revised IFRSs in issue but not yet effective and not early adopted (Continued)

Effective for annual periods beginning on or after **1 January 2024**

New and revised IFRSs

Amendments to IFRS 16 Leases: Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions

The amendments requires a seller-lessee to subsequently measure lease liabilities by determining "lease payments" and "revised lease payments" arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been applied in the preparation of these consolidated financial statements:

a) Basis of consolidation

i) The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is decognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii) Non-controlling interests ('NCI')

NCI are measured initially at the proportionate share of the acquiree's identifiable net assets on the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises 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.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from the intra-group transactions are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

c) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over the goods or services to a customer.

i) Sale of goods

Revenue is recognized when the control over goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

ii) Rendering of services

The Group is involved in providing services related to vehicles inspection, transportation and distribution of refined petroleum products and chartering of ships and vessels. Revenue from such services is recognised upon completion of services as the duration of services is generally short in nature.

d) Other income

i) Interest Income

Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of financial instrument to the gross carrying amount of the financial asset.

In calculating interest income, the EIR is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the EIR to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

ii) Rental income

Rental income from investment property is recognized as revenue over the term of the lease. Rental income is included in "Other Income".

iii) Dividend income

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are recognized at cost of acquisition and measured thereafter at cost less accumulated depreciation and any accumulated impairment losses, except for land owned by the Group that is measured at fair value.

Cost includes all costs necessary to bring the asset to working condition for its intended use and includes project management costs, that are directly attributable to the acquisition of the relevant asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent expenditure

Subsequent costs that can be reliably measured 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.

iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Land is not depreciated.

The estimated useful lives of the depreciable assets for the current year are as follows:

Buildings and infrastructure	20-40 years
Plant and equipment	20 years
Vehicles, office equipment and furniture	5-10 years
Vessels	25-30 years

Management has determined the estimated useful lives of each asset and/ or category of assets based on the expected usage of the assets, physical wear and tear depending on operational and environmental factors and legal or similar limits on the use of the assets.

Depreciation methods, residual values and useful lives are reviewed at each reporting date and adjusted, if appropriate.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment (Continued)

iv) Derecognition

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

v) Revaluation model

Land held for use for supply of goods or services (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from the fair values if determined at the reporting date.
Any revaluation increase is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A revaluation decrease is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

vi) Project in progress

Project in progress comprises projects under construction and is carried at cost less impairment, if any. Project in progress is not depreciated. Once the construction of assets is completed and is put into use, they are capitalized to either the property, plant and equipment or the investment properties depending on their use and depreciated accordingly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Investment properties

Investment properties represents land and buildings that are occupied substantially for use by third parties and are held by the Group to earn rentals or capital appreciation. Changes in fair values are not recognised as the Group recognises these investment properties at cost model and carries investment properties at cost less accumulated depreciation and any impairment in value.

i) Recognition and measurement

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

ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Group.

iii) Depreciation

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. Depreciation is calculated using the straight-line method over the estimated useful lives of 40 years and is recognised in profit or loss.

iv) Derecognition

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, bank balances and short-term deposits with maturities of three months or less, if any, net of any outstanding balances and are used by the Group in the management of its short-term commitments.

h) Financial instruments

i) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (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.

ii) Classification and subsequent measurement

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

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment and FVOCI – equity investment or FVTPL.

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (Continued)

ii) Classification and subsequent measurement (Continued)

Financial assets – Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (Continued)

ii) Classification and subsequent measurement (Continued)

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

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

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the EIR method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value net of transaction costs. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (Continued)

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

i) Impairment

i) Non-derivative financial assets

Financial instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost. The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade receivables and other receivables.

Loss allowances for trade receivables (including lease receivables) are always measured at an amount equal to lifetime ECLs.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment (Continued)

i) Non-derivative financial assets (Continued)

Financial instruments (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the EIR of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment (Continued)

i) Non-derivative financial assets (Continued)

Financial instruments (Continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 360 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is more than 1 year past due and not secured by any guarantees, based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment (Continued)

ii) Non-financial assets (Continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

j) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs include expenses incurred in bringing each product to its present condition and location and measured on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion, marketing, selling and distribution and further disposal. Inventories are adjusted for an allowance for any slow moving or obsolete items.

k) Earnings per share

Inventories are stated at the lower of cost and net realizable value. Costs include expenses incurred in bringing each product to its present condition and location and measured on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion, marketing, selling and distribution and further disposal. Inventories are adjusted for an allowance for any slow moving or obsolete items.

l) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Foreign currency (Continued)

ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Qatari Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Qatari Riyals at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve.

m) Employees' end of service benefits

The Group provides end of service benefits to its employees that meets or exceeds the provisions of the Qatar Labour Law and any amendments thereof. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of minimum service period. The expected costs of these benefits are accrued over the period of employment.

The Group makes contributions to the General Retirement and Social Insurance Authority in respect to its national employees which is calculated as a percentage of the employees' salaries.

n) Provision

A provision is recognized when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that the Group will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

o) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The Group's primary format for segment reporting is based on business segments which are determined based on the Group's management and internal reporting structure.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases

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

i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

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

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The 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.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases (Continued)

i) As a lessee (Continued)

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

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

The 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

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

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases (defined as leases with a lease term of 12 months or less), including IT equipment. The Group recognises the lease payments associated with these leases as an expense over the lease term.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases (Continued)

ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative standalone prices.

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components then the Group applies IFRS 15 to allocate the consideration in the contract. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

The Group recognises lease payments received under operating leases as income over the lease term as part of 'Other income'.

q) Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of a liability reflects its non-performance risk.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Fair value measurement (Continued)

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Group has an established control framework with respect to the measurement of fair values. The valuation is reviewed for significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or valuation services, is used to measure fair values, then the valuation is assessed based on the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

a) Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

i) Risk management framework

The Group's Board of Directors has the overall responsibility for establishment and oversight of the Group's risk management framework. Risk management function is established, which is responsible for developing and monitoring the Group's risk management policies and reports regularly to the Board of Directors.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework.

ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the reporting date, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The below table details the maximum exposure to credit risk at the reporting date:

(Amount in thousands of QR)	Notes	Gross carrying amounts	
		2022	2021
Long term deposits	8	2,183,847	2,283,678
Trade receivables	12	2,040,653	2,231,025
Due from related parties	11 (b)	321,442	285,873
Bank balances	14	3,263,819	1,907,072
		7,809,761	6,707,648

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (Continued)

ii) Credit risk (Continued)

Trade receivables and due from related parties

The Group has a rigorous policy of credit screening prior to providing goods or services on credit. Credit evaluations are performed on customers requiring credit and are approved by the Group's management.

The Group seeks to limit its credit risk by setting credit limits for individual customers. The Group further mitigates the credit risk by requesting bank guarantees in accordance with its credit policy. Management regularly monitors outstanding receivables and reviews the collectability of its trade receivables and due from related parties. The Group has a policy to provide for any amounts the collection of which is no longer probable or writes off as bad debts any amounts whose recovery is unlikely. As a result, management believes that there is no significant credit risk on its trade and other receivables and due from related parties as presented on the consolidated statement of financial position. The Group maintains a provision for doubtful trade receivables; the estimation of such provision is reviewed regularly and established on a case by case basis. Refer to Note 12 for trade receivables ageing.

The Group has 5,087 (2021: 5,768) customers with its largest 5 customers accounting for 64% (2021: 70%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking.

The trade receivables and other receivables are unrated.

The movement in the provision for impairment of trade receivables is disclosed in Note 12.

(i) The loss allowance as at December 31, 2022 and December 31, 2021 was determined as follows for trade receivables and due from related parties.

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (Continued)

ii) Credit risk (Continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and due from related parties:

(Amount in thousands of QR)	Gross carrying amount		
	2022		
	Trade Receivables	Due from Related Parties	Loss allowance
Current	1,332,518	242,426	40,978
0-90 days	343,691	47,100	25,275
91 to 180 days	23,726	1,816	6,013
181 to 270 days	58,915	67	4,446
271 to 365 days	52,875	25	3,438
More than 365	228,928	30,008	65,427
	2,040,653	**321,442**	**145,577**

(Amount in thousands of QR)	Gross carrying amount		
	2021		
	Trade Receivables	Due from Related Parties	Loss allowance
Current	992,935	185,818	31,498
0-90 days	933,269	43,500	48,802
91 to 180 days	109,716	232	5,155
181 to 270 days	42,274	(175)	2,184
271 to 365 days	10,422	4,402	1,342
More than 365	142,409	52,096	71,711
	2,231,025	285,873	160,692

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (Continued)

ii) Credit risk (Continued)

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

The Group has recognised a loss allowance of QR. 146 million (2021: QR. 161 million) against trade receivables.

The Group believes that the unimpaired amounts that are past due by more than 90 days are still collectible, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers credit ratings, when available. Most of the above receivables are either secured against a bank guarantee or are receivable from government entities.

As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

Bank balances

The Group limits its exposure to credit risk on bank balances by maintaining balances and deposits with banks having high credit ratings. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no significant impact of impairment and hence not recorded impairment allowance accordingly.

iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management ensures, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group maintains adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities including finance cost payments but excluding the impact of netting agreements, if any. These are expected to mature around their due dates and for the similar amounts:

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (Continued)

iii) Liquidity risk (Continued)

(Amount in thousands of QR)	Contractual cash flows				
2022	**Carrying Amounts**	**Total**	**Less than 1 year**	**2 - 5 years**	**More than 5 years**
Finance lease liabilities	110,914	(110,914)	(29,270)	(40,377)	(41,267)
Due to related parties	3,867,225	(3,867,225)	(3,867,225)	-	-
Trade and other payables	979,760	(979,760)	(979,760)	-	-
	4,957,899	**(4,957,899)**	**(4,876,255)**	**(40,377)**	**(41,267)**

(Amount in thousands of QR)	Contractual cash flows				
2021	**Carrying Amounts**	**Total**	**Less than 1 year**	**2 - 5 years**	**More than 5 years**
Finance lease liabilities	150,726	(150,726)	((40,934)	(61,476)	(48,316)
Due to related parties	2,954,489	(2,954,489)	(2,954,489)	-	-
Trade and other payables	902,849	(902,849)	(902,849)	-	-
	4,008,064	(4,008,064)	(3,898,272)	(61,476)	(48,316)

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (Continued)

iv) Market risk

Market risk is the risk that changes in market prices, such as 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 optimising the return.

i) Equity price risk

The Group is subject to equity price risk in relation to the equity securities at FVOCI. The Group manages its market risk by evaluating the current market value and other factors including normal volatility in share price for quoted equities by way of investment manager's periodical reports relating to equities. Management monitors the price fluctuations on a continuous basis and acts accordingly.

A 10% increase or decrease in market values of the Group's quoted portfolio of equity securities at FVOCI is expected to result in an increase or decrease of QR 140 million (2021: QR 181 million) in the assets and equity of the Group.

ii) Currency risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The Group does not have significant transactions in foreign currency. As the US Dollar is pegged with the Qatari Riyal, the Group is not exposed to currency risk when it transacts in this currency. Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

iii) Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument fluctuates because of changes in market interest rates. The Group has interest rate risk arising from bank deposits. These deposits are issued at fixed rates which expose the Group to fair value interest rate risk. However, a change in interest rates at the reporting date would not affect profit or loss.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

b) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. The Group's capital management policy remained unchanged since the previous year. The Group is not subject to any externally imposed capital requirements.

c) Fair Values

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. The carrying amounts of financial assets and financial liabilities reasonably approximate their fair values because of their short-term nature or due to the immaterial effect of discounting when the present value of future cash flows from these instruments are calculated.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Land at fair value	Buildings & infrastructure	Pant & equipment	Vehicles, office equipment and furniture	Vessels	Projects in progress	Total
Cost							
At 1 January 2022	525,290	2,201,706	890,458	982,027	407,737	136,984	5,144,202
Additions	-	18,340	21,524	77,484	16,702	230,969	365,019
Revaluation	3,460	-	-	-	-	-	3,460
Transfers from projects in progress	-	94,794	27,286	29,518	-	(151,598)	-
Disposals / Transfers	-	(21,233)	(6,098)	(68,556)	(20,075)	(1,663)	(117,625)
At 31 December 2022	528,750	2,293,607	933,170	1,020,473	404,364	214,692	5,395,056
Accumulated depreciation							
At 1 January 2022	-	523,668	535,625	773,598	161,946	-	1,994,837
Depreciation charge	-	52,926	25,419	68,320	16,655	-	163,320
Disposals / Transfers	-	5	(644)	(63,606)	(4,737)	-	(68,982)
At 31 December 2022	-	576,599	560,400	778,312	173,864	-	2,089,175
Carrying value At 31 December 2022	**528,750**	**1,717,008**	**372,770**	**242,161**	**230,500**	**214,692**	**3,305,881**

	Land at fair value	Buildings & infrastructure	Pant & equipment	Vehicles, office equipment and furniture	Vessels	Projects in progress	Total
Cost							
At 1 January 2021	532,520	2,110,273	849,716	935,359	400,539	177,317	5,005,724
Additions	-	31,160	8,213	30,633	7,268	80,321	157,595
Revaluation	(7,010)	-	-	-	-	-	(7,010)
Impairment loss for the year	(220)	-	-	-	-	-	(220)
Transfers from projects in progress	-	71,473	31,895	17,286	-	(120,654)	-
Disposals / Transfers	-	(11,200)	634	(1,251)	(70)	-	(11,887)
At 31 December 2021	525,290	2,201,706	890,458	982,027	407,737	136,984	5,144,202
Accumulated depreciation							
At 1 January 2021	-	471,439	510,860	700,686	147,927	-	1,830,912
Depreciation charge	-	52,229	23,848	74,161	14,015	-	164,253
Disposals / Transfers	-	-	917	(1,249)	4	-	(328)
At 31 December 2021	-	523,668	535,625	773,598	161,946	-	1,994,837
Carrying value At 31 December 2021	525,290	1,678,038	354,833	208,429	245,791	136,984	3,149,365

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

i) In prior years, the Group has received Government aid in the form of non-monetary assets at nominal value (6 plots of land located in State of Qatar) and the title deeds for these plots have been transferred to the Group and was accounted for using revaluation model.

Further, a right-of-use has been granted by the Ministry of Municipality and Urban Planning ("Municipality") for one hundred and one (101) plots of land for the purpose of constructing and operating petrol stations. Out of these lands, the Group has received draft agreements for 10 plots of land which are still under discussion.

The Group has 9 (2021: 10) vessels that operate mainly in fuel bunkering, bitumen and chartering.

Seven vessels are owned by Woqod Marine Services Company W.L.L and two vessels by Polaris Marine Services L.L.C.

ii) Depreciation allocated to cost of sales amounted to QR 145 million (2021: QR 144.7 million) and general and administrative expenses in amount to QR 18.3 million (2021: QR 19.5 million).

iii) The fair value of the Group's land as at 31 December 2022 has been determined on the basis of valuation carried out by an independent and professionally qualified valuer having appropriate experience in the location and category of the properties being valued.

The fair value measurement of the land has been categorized as a Level 2 fair value based on the inputs to the valuation technique used.

The Group used Market approach for measuring the fair value of the land. The inputs for this valuation technique involved margin for negotiation, size and location adjustments, planning and zoning regulations. These inputs in relation to size, location and commercial viability impact directly the estimated fair value. There is no material change in the valuation assumptions during the year.

6. RIGHT-OF-USE ASSETS

	Land & Buildings	Vehicle	Total
Cost			
As at 1 January 2022	144,284	103,158	247,442
Additions during the year	346	1,338	1,684
Disposals	-	(378)	(378)
	144,630	104,118	248,748
Accumulated Depreciation			
As at 1 January 2022	44,705	55,857	100,562
Charge for the period	20,587	21,122	41,709
Disposals	-	(351)	(351)
	65,292	76,628	141,920
Carrying value At 31 December 2022	**79,338**	**27,490**	**106,828**
Cost			
As at 1 January 2021	110,203	102,628	212,831
Additions during the year	34,081	530	34,611
	144,284	103,158	247,442
Accumulated Depreciation			
As at 1 January 2021	24,036	35,166	59,202
Charge for the period	20,669	20,691	41,360
	44,705	55,857	100,562
Carrying value At 31 December 2021	99,579	47,301	146,880

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

7. INVESTMENT PROPERTIES

	2022	2021
Cost		
Balance at 1 January	1,086,377	1,076,452
Additions	148	-
Transfer from property, plant and equipment	12,663	11,200
Impairment	(1,335)	(1,275)
Balance at 31 December	1,097,853	1,086,377
Accumulated depreciation		
Balance at 1 January	186,423	170,136
Depreciation charge for the year	16,454	16,287
Balance at 31 December	202,877	186,423
Carrying Value At 31 December	**894,976**	899,954

The total fair value of the investment property as at 31 December 2022 was QR 1,706 million (2021: QR 1,620 million). 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 investment properties were valued using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

The fair value 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.

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

8. INVESTMENTS

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

	2022	2021
Investment at FVOCI	1,403,820	1,806,764
Investments account	53,252	15,727
Long term deposits	2,183,847	2,283,678
	3,640,919	4,106,169

Term deposits carry interest and profit at market rates.

The movement in balances of investments at FVOCI during the year is as follows:

	2022	2021
Balance at 1 January	1,806,764	1,382,133
Net (disposal) / acquired during the year	(73,240)	333,384
Net movement in fair value reserve	(329,704)	91,247
Balance at 31 December	**1,403,820**	1,806,764

Fair Value Hierarchy

The Group uses the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as described in Note 2 (d). As at 31 December 2022 and 2021, the Group held the following classes of financial instruments measured at fair value:

Investments securities at FVOCI

	Total	Level 1	Level 2	Level 3
2022	**1,403,820**	**1,403,820**	-	-
2021	1,806,764	1,806,764	-	-

During the years ended 31 December 2022 and 2021, there were no transfers between levels of fair value measurements.

9. GOODWILL AND INTANGIBLES

	2022	2021
Goodwill (i)	132,935	132,935
Intangibles (ii)	7,562	2,441
	140,497	135,376

(i) Goodwill	2022	2021
Relating to Qatar Jet Fuel Co. W.L.L. (Q-Jet)	57,700	57,700
Relating to Woqod Vehicles Inspection Co. W.L.L. (Fahes)	75,235	75,235
	132,935	132,935

The recoverable amounts of these CGUs have been based on value-in-use calculations using cashflow projections from financial budgets approved by management covering a five-year period. Based on this exercise, the Group concluded that there were no indications of impairment. The key assumptions used in calculations are set out in the table below:

	Qatar Jet Fuel Co. W.L.L		Woqod Vehicle Inspection Co. W.L.L	
	2022	2021	2022	2021
Revenue growth	1.5%	5%	3%	1%
Expenses growth	2%	3%	2%	1%
Discount rate	5.4%	4%	5.4%	4%

Revenue growth was projected considering the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that sales prices would grow at a constant margin above forecast inflation over the next five years, in line with information obtained from industry statistical analysis of long-term market trends.

Operating expenses are projected to increase at a single-digit growth rate and at a slower pace than revenue.

Discount rates are derived from the Group's weighted average cost of capital (WACC) which is used by the management to assess operating performance and to evaluate future investment proposals. In determining discount rates, regard has been given to various market information, including, but not limited to, government bond yield and market risk premium.

Management believes that any reasonably possible change in key assumptions on which the recoverable amount is based would not cause its carrying amount to exceed its recoverable amount.

9. GOODWILL AND INTANGIBLES (CONTINUED)

(ii) Intangibles

Intangibles include softwares having useful life of 5 years

	2022	2021
Cost		
Balance at 1 January	3,819	2,533
Additions	6,801	1,286
Balance at 31 December	10,620	3,819
Accumulated amortisation		
Balance at 1 January	(1,378)	(297)
Amortisation charge for the year	(1,680)	(1,081)
Balance at 31 December	(3,058)	(1,378)
Carrying value	**7,562**	2,441

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

10. INVENTORIES

	2022	2021
Fuel inventory	537,245	290,706
Materials and spare parts	133,577	129,195
Retail stores inventory	36,311	30,855
Other inventory items	12,062	10,181
	719,195	460,937
Provisions slow moving items	(13,792)	(12,995)
	705,403	447,942

The movement in the provision for inventories is as follows:

	2022	2021
Balance at 1 January	12,995	7,727
Provided during the year	797	5,268
Balance at 31 December	**13,792**	12,995

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

11. RELATED PARTY TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 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 with related parties

The Group, in the normal course of business, carries out major transactions with QatarEnergy. Sales transactions to QatarEnergy are at arm's length and purchases from QatarEnergy are in accordance with approved contractual terms. The details of the transactions with this related parties are as follows:

Transactions with related parties

	Transaction Type	2022	2021
QatarEnergy	Sales	180,905	157,410
	Purchases	27,437,470	17,226,385
Qatar Gas	Sales	2,757,468	1,869,388
North Oil Company	Sales	253,813	163,390
Rasgas	Sales	228	884
Gulf Drilling International	Sales	23,882	19,630
Amwaj Catering Services	Sales	39,466	32,685
	Services	60,271	42,220
Qatar Chemical and Petrochemical Marketing and Distribution Company	Sales	49,667	41,974
Oryx Gtl	Sales	5,566	5,737
Qatar Steel Company	Sales	7,445	4,984
Nakilat Agency Co.	Sales	238	219
Gulf Helicopter	Sales	25,549	12,207
Qatex Limited	Sales	8,573	9,496
Qatar Aluminium	Sales	8,462	9,855
Dolphin Energy Limited.	Sales	7,227	8,567
Qatar Petroleum Development	Sales	614	6,106
Qatar Chemical Company Ltd	Sales	3,437	2,469
Qatar Fuel Additives Company	Sales	2,257	1,633
Alkoot Insurance & Reinsurance Company	Services	33,264	26,728
Others	Sales	4,393	6,143

11. RELATED PARTY TRANSACTIONS (CONTINUED)

b) Balances due from related parties:

	2022	2021
Qatar Gas Operation Co. Ltd.	227,669	166,564
QatarEnergy	61,478	85,005
North Oil Company	15,309	14,137
Gulf Drilling International	4,672	5,425
Qatar Chemical and Petrochemical Marketing and Distribution Company	3,650	3,752
Gulf Helicopters	2,029	806
Dolphin Energy Limited.	1,753	1,004
Amwaj Catering Services	1,591	1,504
Qatar Steel Company	966	108
Qatex Limited	732	915
Qatar Gas Transport Co. Limited	382	403
Qatar Aluminium	363	947
Qatar Fuel Additives Company	219	122
Qatar Petroleum Development	138	2,385
Qatar Chemical Company Ltd	103	82
Gasal	78	122
Qatar Petrochemical Company	69	1,165
Rasgas	62	582
Qatar Fertiliser Company	51	373
Oryx Gtl	36	250
Ras Laffan Power Co. Limited	31	7
Umm Al Houl Power	23	29
Ras Girtas Power Co.	21	35
Messaied Power company	9	146
Nakilat Agency Co.	5	3
Seef Ltd.	3	2
	321,442	285,873

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There are no guarantees provided or received for related party receivables or payables.

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

11. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Balances due to related parties:

	2022	2021
QatarEnergy	3,850,137	2,940,200
Amwaj Catering Services	17,088	14,289
	3,867,225	2,954,489

d) Compensation to key management personnel

	2022	2021
Salaries of executive management	14,653	12,532
Board's remuneration (i)	11,820	11,820
Secondment Allowance	4,598	4,362
Other committee allowances	1,233	1,004
	32,304	29,718

(i) Board of Directors' remuneration for the year is subject to approval at the ordinary general assembly meeting of the Group to be held on 15 February 2023.

12. TRADE RECEIVABLES

	2022	2021
Trade receivables	2,040,653	2,231,025
Less: allowance for impairment of trade receivables	(145,577)	(160,692)
	1,895,076	2,070,333

a) The aging for trade receivables is as follows:

	2022	2021
Current	2,021,070	992,935
1-90 Days	12,737	933,269
91-180 Days	1,531	109,716
181-270 Days	1,424	42,274
271-365 Days	-	10,422
More than 365 days	3,891	142,409
	2,040,653	2,231,025

b) Movement in allowance for impairment of trade receivables:

	2022	2021
At 1 January	160,692	173,971
Net provided during the year	1,329	2,593
Reversal of provision	(16,444)	(15,872)
At 31 December	**145,577**	160,692

13. PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
Staff advances and loans	29,036	28,765
Advances, deposits and prepaid expenses	25,791	54,967
Receivable from Ministries	64,986	64,986
Other receivables	15,105	9,752
	134,918	158,470

14. CASH AND BANK BALANCES

	2022	2021
Cash	681	668
Balances with banks		
- Current and call accounts	508,477	142,669
- Fixed deposits	2,655,342	1,192,036
Cash and cash equivalents	3,164,500	1,335,373
Fixed deposits having maturity more than 3 months	100,000	572,367
Cash and bank balances	**3,264,500**	1,907,740

Fixed deposits carry interest and profit at market rate.

15. SHARE CAPITAL

	2022	2021
Authorized:		
1,000,000,000 ordinary shares of QR 1 each (2021: 1,000,000,000 shares of QR 1 each)	**1,000,000**	1,000,000
Issued and fully paid up share capital:		
994,255,760 ordinary shares of QR 1 each (2021: 994,255,760 shares of QR 1 each)	**994,256**	994,256

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

16. LEGAL RESERVE

The Group maintains a legal reserve in line with the requirements of the Qatar Commercial Companies Law, which states that at least 10% of the profit in each year should be transferred to a legal reserve until the balance in such reserve is at least 50% of a Group's paid-up share capital. This reserve is not available for distribution, except in circumstances specified in the above-mentioned Law.

17. FAIR VALUE RESERVE

The fair value reserve comprises of the cumulative net change in the fair value of investments at FVOCI until the assets are derecognized.

Movement in the fair value reserve related to Investments at FVOCI is as follows:

	2022	2021
At 1 January	240,412	158,339
Net change in fair value	(333,843)	82,074
At 31 December	**(93,431)**	240,413

18. FINANCE LEASE LIABILITIES

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2022	2021	2022	2021	2022	2021
Current Portion						
Less than one year	34,214	47,772	4,945	6,838	29,269	40,934
Non-Current Portion						
Between 1 and 5 years	52,292	76,043	11,915	14,567	40,377	61,476
More than 5 years	55,981	65,221	14,715	16,905	41,266	48,316
	108,273	141,264	26,630	31,472	81,643	109,792
Total	**142,487**	189,036	**31,575**	38,310	**110,912**	150,726

19. EMPLOYEES' END OF SERVICE BENEFITS

	2022	2021
Balance at 1 January	97,947	90,108
Provided during the year	24,230	19,356
Paid during the year	(8,070)	(11,517)
Balance at 31 December	**114,107**	97,947

20. DECOMMISSIONING PROVISION

Provision was made during the year in respect of the Group's obligation to decommission assets at the end of the lease term.

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will be incurred. In particular, the Group has assumed that the site will be restored using technology and materials that are currently available. The Group has been provided with a range of reasonably possible outcomes for the total cost, reflecting different assumptions about pricing of the individual components of the cost. The provision has been calculated using a discount rate which is the addition of risk-free rate and market risk premium.

21. TRADE AND OTHER PAYABLES

	2022	2021
Trade payables	73,732	120,384
Retentions payable	12,789	13,231
Accruals, provisions and other payables (i)	893,241	769,234
	979,762	902,849

(i) includes QR 179 million (2021: QR 141 million) provision for rent towards 101 plots of land located in State of Qatar upon which a right-of-use has been received from the Ministry of Municipality and Urban Planning ("Ministry") for constructing and operating petrol stations.

Since the Group expects to receive the agreements for the remaining plots of lands, the Group makes provision for all the lands received from the Ministry on the basis of the information available in these draft contracts.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

22. REVENUES

The Group derives its revenue from contracts with customers for the transfer of goods and services as following:

	2022	2021
Sale of fuel products	28,769,625	18,479,476
Sale of non-fuel products	995,551	879,948
Revenue from services	169,744	172,072
	29,934,920	19,531,496

Sale of non-fuel products and services include QR. 169,744 thousand (2021: QR 172,072 thousand) of revenue for transfer of services over time. Remaining revenue is derived for the transfer of goods and services at a point in time.

23. COST OF SALES

	2022	2021
Cost of goods sold	28,813,171	18,463,433
Depreciation	192,081	187,490
	29,005,252	18,650,923

24. OTHER INCOME

	2022	2021
Dividend income	92,014	60,832
Rental income	146,955	138,356
Miscellaneous income	30,061	21,393
	269,030	220,581

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Staff cost and related benefits	140,436	136,775
Depreciation	31,079	35,496
Office expenses	11,494	8,542
Other expenses	30,051	28,770
Interest expense	-	1,601
Selling and marketing expenses	22,102	19,138
	235,162	230,322

26. FINANCE INCOME

	2022	2021
Profit from deposits with Islamic banks	90,491	67,596
Interest from non-Islamic banks	50,908	52,211
	141,399	119,807

27. PROVISIONS/IMPAIRMENT

	2022	2021
(Provision) / reversal for bad and doubtful debts	(1,329)	13,279
Impairment of property, plant and equipment	(913)	(220)
Impairment of investment properties	(1,335)	(1,275)
	(3,577)	11,784

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

28. BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit for the year attributable to the equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year as follows:

	2022	2021
Profit for the year attributable to the equity holders of the Parent	**1,070,065**	974,026
Weighted average number of shares outstanding during the year (thousand shares)	**994,256**	994,256
Basic and diluted earnings per share (in QR)	**1.08**	0.98

There were no potentially dilutive shares outstanding at any time during the period and therefore the diluted earnings per share are equal to the basic earnings per share.

29. DIVIDENDS

The shareholders approved a cash dividend of QR 0.76 per share, amounting to QR 755.6 million for the year ended 31 December 2021 at the Annual General Assembly meeting held on 27 February 2022.

The Board of Directors has proposed cash dividends of QR 0.90 per share, amounting to a total of QR 894.8 million for the year ended 31 December 2022. The proposed dividend will be submitted for approval at the Annual General Assembly meeting.

30. OPERATING SEGMENT

a) Basis for segmentation

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. Other operations include the vehicle inspection services, marine bunkering, vessel chartering and rental of investment properties.

The Group's geographical segment is the State of Qatar and Sultanate of Oman.

The Group's Chief Executive Officer reviews the internal management reports of each division at least quarterly.

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

30. OPERATING SEGMENT (CONTINUED)

b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Fuel products and related services	Others	Total
31 December 2022			
Segment revenue	29,929,750	216,066	30,145,816
Inter-segment revenue	(171,225)	(39,671)	(210,896)
External revenues	**29,758,525**	**176,395**	**29,934,920**
Segment profit	1,065,653	107,705	1,173,358
Interest income	136,122	5,276	141,398
Interest expense	9,340	-	9,340
Depreciation and amortisation	189,275	33,888	223,163
Other material non-cash items:			
– Impairment losses on trade receivables	55	1,274	1,329
– Impairment losses on non-financial assets	1,335	-	1,335
Segment assets	**12,201,963**	**2,208,477**	**14,410,440**
Capital expenditure	**348,644**	**18,033**	**366,677**
Segment liabilities	**5,028,618**	**69,214**	**5,097,832**

30. OPERATING SEGMENT (CONTINUED)

b) Information about reportable segments (continued)

	Fuel products and related services	Others	Total
31 December 2021			
Segment revenue	19,503,099	213,965	19,717,064
Inter-segment revenue	(143,222)	(42,346)	(185,568)
External revenues	19,359,877	171,619	19,531,496
Segment profit	1,002,312	72,111	1,074,423
Interest income	103,935	15,870	119,805
Interest expense	8,679	-	8,679
Depreciation and amortisation	191,361	31,627	222,988
Other material non-cash items:			
– Impairment losses on trade receivables	15,872	-	15,872
– Impairment losses on non-financial assets	8,285	220	8,505
Segment assets	10,717,129	2,590,973	13,308,102
Capital expenditure	150,305	8,576	158,881
Segment liabilities	4,060,798	69,809	4,130,607

c) Reconciliations of profit on reportable segments to the amounts reported in the consolidated financial statement

	2022	2021
Total profit before tax for reportable segments	1,065,653	1,002,312
Profit before tax for other segments	107,705	72,111
Elimination of inter-segment profit	(72,000)	(72,000)
Consolidated profit before tax	1,101,358	1,002,423

30. OPERATING SEGMENT (CONTINUED)

d) Geographic information

The sale of fuel products and related services segments are carried out primarily in the State of Qatar. However, marine operations are carried out in State of Qatar and Sultanate of Oman.

The geographic information analyses the Group's revenue and non-current assets by the Group's country of domicile and other countries. In presenting the geographic information, segment revenue and segment assets were based on the geographic location of the country of origin of Companies.

	2022	2021
i) Revenue		
State of Qatar	29,919,010	19,499,577
All foreign countries		
Sultanate of Oman	15,910	31,919
	29,934,920	19,531,496

	2022	2021
ii) Non-current assets		
State of Qatar	8,023,960	8,361,191
All foreign countries		
Sultanate of Oman	41,717	53,129
Kingdom of Saudi Arabia	23,424	23,424
	8,089,101	8,437,744

31. COMMITMENTS AND CONTINGENCIES

	2022	2021
Capital commitments		
Capital commitments	**29,409**	211,150

Notes to the Consolidated Financial Statements
For the year ended 31 December 2022
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

31. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	2022	2021
Contingent liabilities		
Bank guarantees	**132,784**	131,912
Letters of credit	-	531

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.

32. LEASES

a) Leases as lessee

The Group leases warehouses, plots of land and vehicles. The leases typically run for a period of range of 5 to 30 years.

Amounts recognised in consolidated statement of profit or loss

	2022	2021
Leases under IFRS 16		
Interest on lease liabilities	**8,111**	7,508
Expenses relating to short-term leases	**8,444**	5,043

Amounts recognised in consolidated statement of cash flows

	2022	2021
Total cash outflow for leases	**49,609**	46,860

i) Extension options

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Group does not have any variable leases.

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

32. LEASES (CONTINUED)

b) Leases as lessor

The Group leases out its investment properties consisting of its owned commercial properties as well as leased property. All leases are classified as operating leases from a lessor perspective.

Operating lease

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2022	2021
Operating lease rentals – Group as a lessor		
Less than one year	176,451	179,122
One to two years	168,368	173,455
Two to three years	165,031	163,405
Three to four years	131,246	155,829
Four to five years	60,665	120,829
Total	701,761	792,640

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January	Financing cash flows	Non-cash changes	31 December
2022	**150,726**	**(41,498)**	**1,684**	**110,912**
2021	155,469	(39,353)	34,610	150,726

34. COMPARATIVE FIGURES

An amount of QR. 54 million has been reclassified in the comparative year from general and administrative expenses to cost of services to maintain consistency in line with business. However, such reclassification did not have any effect on the net profit or the equity of the comparative year.

QR. 99-8

Independent Assurance Report to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the Qatar Financial Markets Authority relevant Regulations including the Corporate Governance Code ("Code") for Companies and Legal Entities Listed on the Main Market as at 31 December 2022

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' Statements on Compliance (the "Directors' Statements on Compliance") of the Group with the QFMA relevant regulations including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") included in Chapter 2 of the Annual Corporate Governance Report as at 31 December 2022, in accordance with the terms of our engagement letter dated 15 June 2022.

Responsibilities of the Board of Directors

The Board of Directors are required to provide a corporate governance report as part of the Group's annual report including the Group's disclosure on its compliance with the relevant QFMA regulations including the provisions of the Code in accordance with the requirements of Article 4 included in these regulations.

Responsibility for compliance with the Code, including adequate disclosure and the preparation of the corporate governance report and that of the Directors' Statement on Compliance, is that of the Board of Directors, and where appropriate, those charged with governance. This responsibility includes designing, implementing and maintaining internal controls relevant to the Directors' Statement on Compliance that are free from misstatement, whether due to fraud or error.

The Board of Directors, and where appropriate, those charged with governance, are solely responsible for providing accurate and complete information requested by us. Deloitte & Touche - Qatar Branch has no responsibility for the accuracy or completeness of the information provided by or on behalf of the Group.
The responsibilities of the Board of Directors includes, inter alia, the following:

(a) acceptance of responsibility for internal control procedures;
(b) evaluation of the effectiveness of the Group's control procedures using suitable criteria and supporting their evaluation with sufficient documentary evidence; and
(c) providing a written report of the effectiveness of the Group's internal controls for the relevant periods.

The Board of Directors has provided its Report on compliance with QFMA's relevant regulations including the Code ("Directors' Statement on Compliance") in Chapter 2 of the Annual Corporate Governance Report.

Independent Assurance Report to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the Qatar Financial Markets Authority relevant Regulations including the Corporate Governance Code ("Code") for Companies and Legal Entities Listed on the Main Market as at 31 December 2022 (Continued)

Our Responsibilities

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Directors' Statements on Compliance does not present fairly, in all material respects, the Group's compliance with the QFMA relevant regulations including the Code.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB').

This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Directors' Statements on Compliance, taken as a whole, does not present fairly, in all material respects, the Group's compliance with the applicable QFMA regulations including the Code. The applicable QFMA regulations including the Code comprises the criteria by which the Group's compliance is to be evaluated for purposes of our limited assurance conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance procedures comprise mainly of inquiries of management and inspection of supporting policies, procedures, and other documents to obtain an understanding of the processes followed to identify the requirements of the applicable QFMA regulations including the Code (the 'requirements'), the procedures adopted by management to comply with these requirements and the methodology adopted by management to assess compliance with these requirements. We also inspected supporting documentation compiled by management, on a sample basis to assess compliance with the requirements, which we considered necessary in order to provide us with sufficient appropriate evidence to express our conclusion.

Independent Assurance Report
Corporate Governance

Independent Assurance Report to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the Qatar Financial Markets Authority relevant Regulations including the Corporate Governance Code ("Code") for Companies and Legal Entities Listed on the Main Market as at 31 December 2022 (Continued)

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

Due to the inherent limitations of a system of internal control, errors or fraud may not be prevented or deterred, and a properly designed and performed assurance engagement may not detect all irregularities.

Control procedures designed to address specified control objectives are subject to inherent limitations and, accordingly, errors or irregularities may occur and not be detected. Such control procedures cannot guarantee protection against (among other things) fraudulent collusion especially on the part of those holding positions of authority or trust. Furthermore, our conclusion is based on historical information and the projection of any information or conclusions in our report to any further periods would be inappropriate.

Our Independence and Quality Control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Directors' Statements of Compliance is not compliant with the applicable QFMA regulations as at 31 December 2022.

Independent Assurance Report
Corporate Governance

Independent Assurance Report to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the Qatar Financial Markets Authority relevant Regulations including the Corporate Governance Code ("Code") for Companies and Legal Entities Listed on the Main Market as at 31 December 2022 (Continued)

Use of Our Report

This limited assurance report is made solely to the Group in accordance with the terms of the engagement letter between us. Our work has been undertaken so that we might state to the Group those matters we are required to state to them in an independent limited assurance report and for no other purpose. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Group, we acknowledge that in connection with the Group's compliance with the Code, the Group is required to publish this report, which will not affect or extend our responsibilities for any purpose or on any basis. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and QFMA for our limited assurance work, for this limited assurance report or for the conclusion we have formed.

Doha - Qatar
13 February 2023

For **Deloitte & Touche**
Qatar Branch

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