Qatar Fuel (WOQOD)
Annual Report 2021

Sustainability, Resilience & Customer Satisfaction

WOQOD وقود

Head Office

WOQOD Tower
West Bay, P.O. Box 7777
Doha, Qatar
Tel +974 40217777

www.woqod.com

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

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

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 & industrial requirements.

Vision

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

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.

Our Brand Values

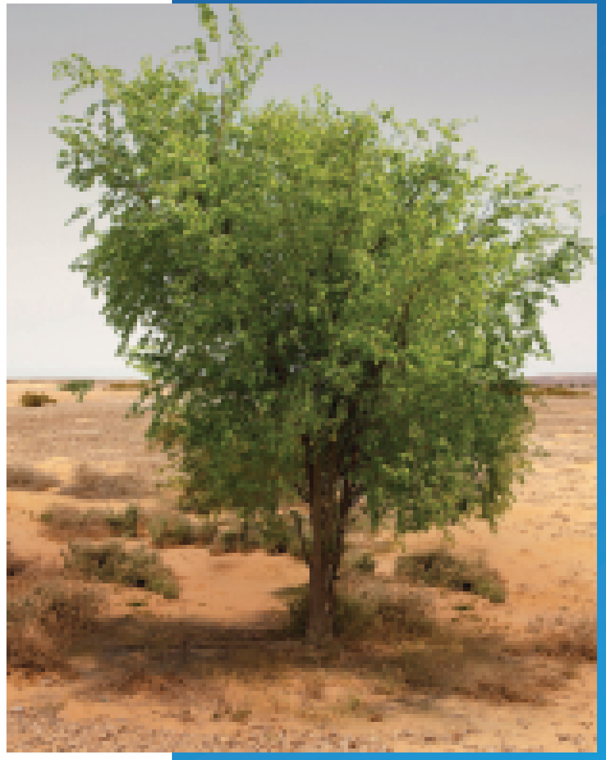
Professional
WOQOD aspires to be the most professionally managed company in Qatar.

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.



Key Milestones

2002

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

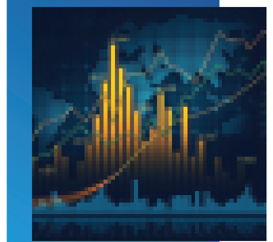
2003

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

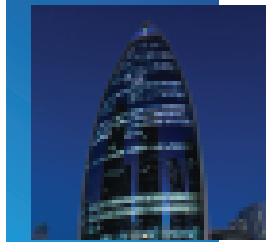
2014

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

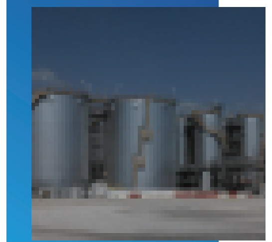
2017

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

Chairman's Message

Our esteemed shareholders,

I am pleased to present the annual report that includes the key performance indicators, financial results and the key achievements of WOQOD Group during the year 2021, which demonstrates the significant efforts exerted by the Group, despite Covid-19 pandemic challenges. We have vaccinated almost all of our employees, coordinated with all relevant authorities and taken adequate measures to ensure the continuity of our operations and safety of our staff.

With regard to the performance of the WOQOD Group, it had continued its efforts during the year 2021 despite the circumstances of the Covid-19 pandemic to achieve the Group's vision, mission and strategic goals. WOQOD consolidated its position as an exclusive downstream oil and gas distributor and met the increasing local market oil and gas requirements. The overall fuel sales increased by 10% during 2021 as compared to 2020. WOQOD's share in the local fuel retail market reached 85%, which was achieved through operating 111 petrol stations by the end of the year 2021. The company took robust steps to further optimize its retail business in the year 2021, and most notably partnering with Kahramaa for installing EV chargers at various WOQOD stations, opening of more Sidra convenience stores, and introduced more WOQOD branded products. WOQOD's OTO lubricants achieved 13% growth in 2021 as a result of the company tie-up with three renowned Original Equipment Manufacturers. We have also launched various initiatives and projects in aviation, marine, bunkering, technical inspection and non-retail segments.

As a result of the efforts extended towards retail business optimization as aforesaid, the retail fuel sales exceeded pre-Covid-19 levels, as compared to 2019, and this was reflected in the Group financial performance and profits of the financial year 2021.

As for the Group's financial performance in the year ended 31 December 2021, it continued efforts to implement efficiency and cost optimization policy which, together with recovery from the negative repercussions of Covid-19 pandemic, had significantly supported the Group profitability achieved during the year.

The net profits of the WOQOD Group, after excluding the rights of the minority, amounted to QAR. 974 million, as compared to QAR. 707 million for the year 2020.

The Honorable Shareholders, based on the financial results achieved for this period, and after taking into account the capital projects planned in the coming years, the Board of Directors is pleased to submit a recommendation for the distribution of cash dividends of QAR. 756 million at a rate of 78% of the net profit for 2021, equivalent to QAR. 0.76 per share.

I am pleased to take this opportunity to express my thanks and gratitude to his Highness Sheikh Tamim Bin Hamad Al Thani, The Emir of Qatar, for his continuous support to WOQOD Group, which has had a great impact on the development and prosperity of the company. I would also like to thank the members of the Board of Directors for their works extended in the fiscal year 2021 that have enabled the Group to achieve its strategic objectives and its vision and mission. The complete details are available in our Annual Report and the Corporate Governance Report appended thereto, and our esteemed shareholders and stakeholders can also access them on WOQOD's website.

In conclusion our thanks are extended to our valued shareholders for their confidence in investing in WOQOD despite the challenging situation brought in by Covid-19 pandemic, as we affirm our pride and appreciation to the Group employees who continued to make sincere efforts and strived to support the company, despite the risks of working in exceptional circumstances, and we are very confident that they will continue their loyalty to achieve the company's goals for the benefit of all.

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 most important achievements of WOQOD Group during the financial year 2021, in addition to the Group's current and future projects, where the Group had achieved remarkable results during the past year despite the negative impacts of the Corona pandemic (Covid-19), as detailed in the annual report.

It is worth mentioning in brief the most important performance indicators during the year 2021, and as the Chairman pointed out, the Group had achieved a net profit of QAR. 974 million compared to QAR. 707 million in 2020, representing 38% increase in net profit. It had also achieved an earnings per share of QAR. 0.98 compared to QAR. 0.71 for the year 2020. The volume of profits achieved despite the circumstances of the pandemic was attributable for the continuation of the implementation of the cost optimization and efficiency measures adopted by the Group since 2018, supported by the surge in demand to the Group's products and services prompted by the recovery from the negative effects of Covid-19 pandemic, and further consolidated by several proactive steps and initiatives taken in furtherance the Group Business Continuity and optimization of the retail business.

In terms of the Petrol Stations Projects, the total number of operating stations reached one hundred and eleven (111), highest level in the history of WOQOD, and the technical inspection centers have reached twelve (12). Also, we have opened (9) new Sidra convenience stores during 2021, bringing the overall number of Sidra stores in operation to 95 stores. The year of 2022 will witness the completion of the construction and commissioning of twelve (12) new petrol stations. Regarding the construction of new stations in future, the company has a dynamic plan that will be reviewed periodically according to the demand for new petrol stations throughout the state of Qatar.

Due to the expansion of petrol stations as mentioned above, the share of WOQOD in the retail market of petroleum products has reached to about 85% by the end of 2021.

Regarding sales of petroleum products, the year 2021 witnessed an increase in total fuel sales volume by 10% as compared to the year 2020, due to market conditions and the ease in restrictions of the "Covid-19" pandemic, where diesel sales increased by 4%, Super gasoline by 12%
Premium gasoline by 6%, while Jet fuel sales increased by 15%, due to the increase in airline operations as a result of the ease of travel restrictions in most countries of the world. Bitumen sales also increased by 10% driven by market conditions and the rising market demand. LPG and natural gas sales have also increased by 1% and 13% respectively compared to the same period of 2020, and retail fuel sales through petrol stations have increased as well by 8%. Sales of bunker fuel increased by 28% as compared to the same period in 2020.

I would also like to mention the steps we had taken towards the Qatarization of jobs and the application of Tawteen Initiative in regards to services localization, as well as the measures we have taken to reduce the effects of Corona pandemic, where we continued to work closely with the relevant authorities to combat and reduce the negative effects of the pandemic, which have enabled us to implement our plans to ensure the continuous and regular supply of refined petroleum products and gas to all sectors in Qatar, and in accordance with the procedures and standards of health, safety, security and environment.

It should also be noted that Qatar Fuel (WOQOD) ranked Sixth best company on the MSCI QSE ESG index in terms of compliance with environment, social responsibility and governance requirements. Furthermore, The Forbes Consulting Group has also ranked WOQOD among the top 100 oil & gas companies in the Middle East.

At the end, I would like to thank the Chairman and the honorable members of the Board for their good guidance and continued support to the Group. We would also thank all government agencies, and all the employees of the Group for their sincere efforts to serve and promote the Group. We will deploy all our efforts in order to achieve the company's goals and the aspirations of its valued shareholders.

Peace be upon you and God's mercy and blessings.

Saad Rashid Al-Muhannadi
MD & CEO

2021 KEY ACHIEVEMENTS

2021 was a remarkable year driven by recovery from COVID-19 pandemic setback in 2020. Our effective COVID-19 crisis management and focused strategy, enabled us to make achievements through out the year.

Improved safety performance and Loss Time Incident Frequency (LTIF) by 25%

WOQOD branded lubricants achieved 13% growth

Total Revenue increased by 47%

Opened 9 Sidra Convenience Stores and 4 Auto-care Services Centers

Net profit attributable to shareholders increased by 38%

WOQOD ranked 53rd among the Top 100 Middle East Companies

Total Fuel Sales higher by 10%

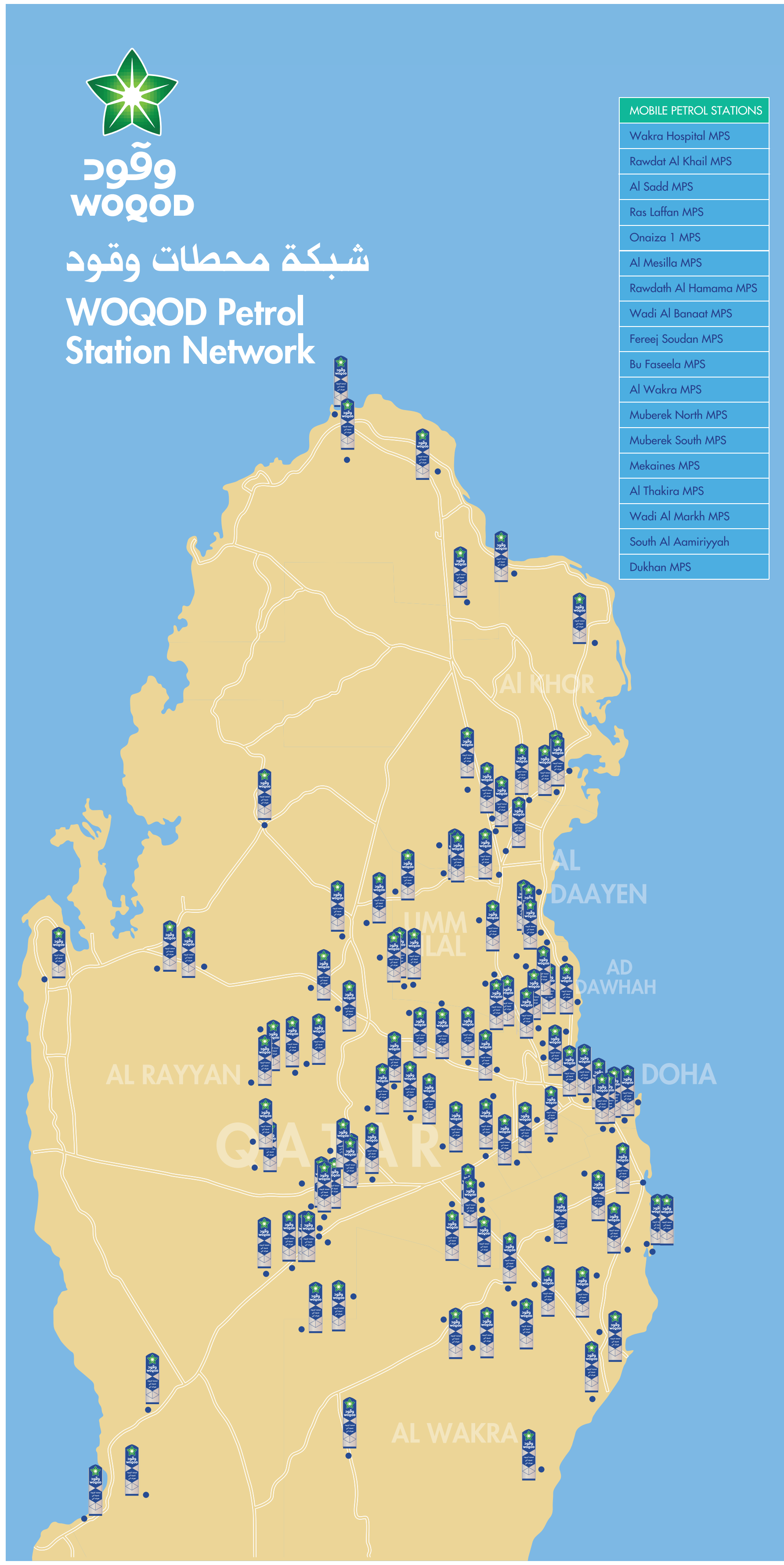
WOQOD ranked among top 10 companies in the first ever QSE ESG Index

111 petrol stations fully operational by end of 2021

Partnering with Kahramaa to install 37 EV chargers at various WOQOD Petrol Stations

Retail fuel market share reached 85%

WOQOD Auto-care made a strategic tie up with QNB Loyalty program



MOBILE PETROL STATIONS
Wakra Hospital MPS
Rawdat Al Khail MPS
Al Sadd MPS
Ras Laffan MPS
Onaiza 1 MPS
Al Mesilla MPS
Rawdath Al Hamama MPS
Wadi Al Banaat MPS
Fereej Soudan MPS
Bu Faseela MPS
Al Wakra MPS
Muberek North MPS
Muberek South MPS
Mekaines MPS
Al Thakira MPS
Wadi Al Markh MPS
South Al Aamiriyyah
Dukhan MPS

FIXED PETROL STATIONS	
Mesaimeer West PS	New Slata PS
Musheireb PS	Al Thumama PS
Mesaimeer East PS	Madinat Mawater PS
Al Hilal PS	Fareej Kulaip PS
Dukhan PS	Old Slata PS
Rayyan PS	Lusail Fox Hill PS
Gharaffa PS	Al Thumama 2 PS
Industrial PS	HIA PS
Markhiya PS	Al Kharaitiyat PS
Onaiza PS	Al Froosh PS
Al Shahaniya PS	Ezghawa (Al Gharaffa) PS
Wadi Al Banaat PS	Mesaimeer South PS
Al Dayeen PS	Wakra Bypass 2 PS
Mekaines PS	Wholesale Market PS
Al Sailiya PS	Rawdat Hamama East
Muaither PS	Umm Ebairiya PS
Bu Fassela PS	Hazm Al Markhiya PS
Lekhdaira PS	Al Aziziyah PS
Rawdat Hamama PS	Wadi Aba Saleel PS
Pearl Qatar PS	New Al Rayan 2 PS
Mesaieed West PS	Umm Garn PS
Bu Samra PS	Ras Abuabboud PS
Mesaieed North PS	Al Thumama 3 PS
Al Wajba PS	Al Wajba 2 PS
Lijimiliya PS	Al Dafna PS
Legtaifiya PS	Bul Hemmaid PS
Wakra PS	Umm Al Seneem (Ain Khalid-2) PS
Al Thakhira PS	Al Sailiya-2 PS
Fereej Bin Derham PS	New Industrial Area PS
New Rayyan PS	Al Baaya
Mezhabiya PS	Al Khor PS
Soundanatheel PS	Al Nigyan (Orbital Highways)
Simaisma PS	Rawdat Hamama-3 PS
Ain Senan PS	Sealine PS
Old Ghanim PS	Al Mearad-2 PS
Al Themaid PS	Al Mazrouaah PS
New Musheireb PS	Umm Al Jawashen (Orbital Highway7)PS
Old Rayyan (Green Carpet) PS	Umm Slal (Orbital Highway2)P
Shamal City PS	Al Mazrouaah PSS
Al Muntaza PS	Al Wajba -3PS
Al Wukair PS	Al Mearad-4PS
Al Wakra South PS	Lebsayyer PS
Al Mashaf PS	Al Hilal-2 PS
Abu Nakhla PS	Al Mearad-3 PS
Umm Ghuwailina PS	Ras Laffan PS
Al Egda (Al Khor) PS	Water Front Lusail-2 PS
Al Egla (Lusail City) PS	

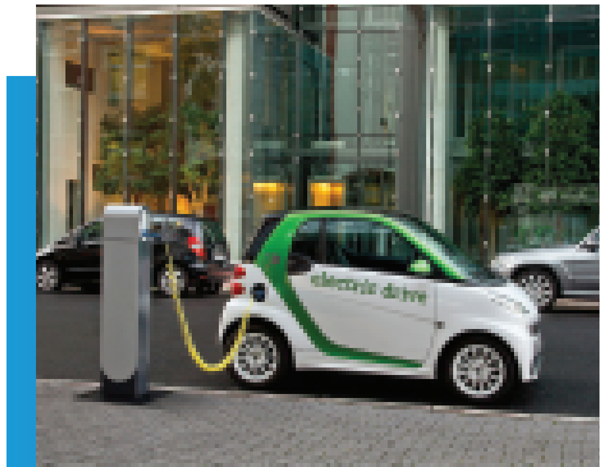
Our Strategy

Our Strategy

Changing spectrum of motor industry and customer needs, our business strategy continues to build on customer satisfaction by offering convenient and sustainable solutions.

2021 was a remarkable year driven by turnaround of the setbacks faced in 2020 due to COVID-19 pandemic. Our effective COVID-19 crisis management and focused strategy, enabled us to make achievements through out the year. Going forward, WOQOD will continue to take necessary steps against COVID-19 pandemic impacts to ensure business continuity and safety of employees and stakeholders.

WOQOD foresees falling fuel demand in future as Electric Vehicles (EV) make inroads in Qatar market and changing customer lifestyle. We are aiming to provide convenience to our customers through adapting latest technology and seamless retail experience at our stations.



Our network of convenience stores and auto-care shops offer ample opportunities to grow our business by offering the best suited products and services to our customers.

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's commercial business segment offers integrated fuel service to our bulk customers. Our service range from supply of fuel to offering storage infrastructure at customers location.

The business was affected by the economic slow down in 2020 due to the COVID-19 pandemic. However, it improved in 2021 due to easing of restrictions. Going forward, we expect our bulk segment to grow driven by upcoming 2022 Football World Cup event and Qatar National Vision 2030.

We have a strategy in place to cater to the high demand and undertook several strategic projects such as improving our storage capacities and payload improvement. We are also exploring options to leverage our expertise to capture opportunities associated with the North Field Expansion.

Our Jet Fuel business was hardest hit in 2020 due to COVID-19 pandemic travel restrictions. However, it has recovered in 2021 and expected to grow in future driven by easing of travel restrictions, World Cup event and pent-up demand in Travel and Tourism industry from 2023 onwards. Future demand is expected to increase gradually due to easing of travel restrictions and uptick in economic activities.

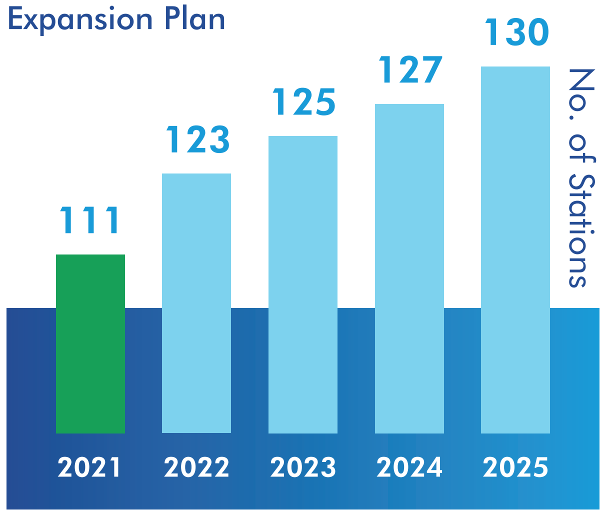
In relation to Jet fuel storage capacity enhancement to meet the future demand, additional fuel farm construction is in advance stages and expected to be completed by 2Q 2022. This will further improve our ability to cater to the future demand.

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 in 2022 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 12 stations in 2022 to further improve customer experience at the station. This will help us in maintaining the dominant market share in Qatar.

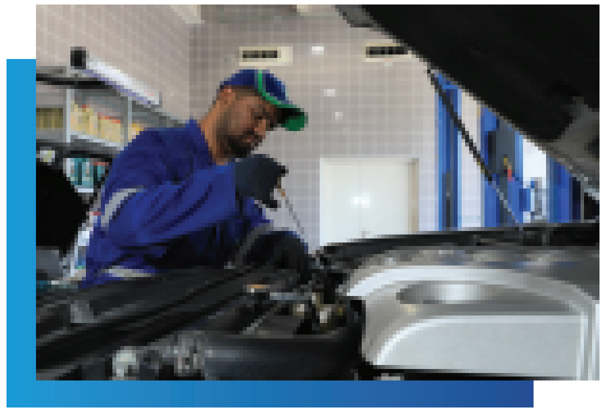
Petrol Station Expansion Plan



In line with our strategy to grow non-fuel Retail business, WOQOD will continue to roll out key strategic initiatives in future to improve service and convenience for its customers and to augment revenue. The strategy is to focus on customer centric offering, revitalizing categories to extract maximum value and exploring opportunities associated with the 2022 Football World Cup event.

We are planning to launch an inhouse loyalty program for our retail customers. This will enable us to retain our customers. Based on the learning obtained, we will be able to roll out customized offers for our customers based on their tastes and preferences.

In terms of developing our Autocare business, we are working towards several strategic initiatives to improve business. We are focusing on building tie ups with strategic companies, introducing our branded range of products, etc.



Our vehicle inspection business presents ample opportunities for us to offer services which are in line with the nature of the business. In terms of enhancing our vehicle inspection business, we are currently in advance stages of discussion with government authorities to launch several initiatives.

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 are in advance stages of implementing Business Continuity Management (BCM). Our BCM program encompasses the measures to mitigate any sudden business interruptions. We are also in process of implementing several system enhancement projects such as Asset Tracking and Tagging application, Business Intelligence and Dashboard Solution Program, etc.

Our Strategy Financial Review Business Review Governance Review

We are working on automating our processes to enhance communication and collaboration with suppliers. We will be implementing latest applications like I-Supplier and I-Sourcing. The latter will make the tendering process easier for both buyers and suppliers and covers the entire process from procurement planning, tendering to contract management. It is used in order to improve the efficiency of the tendering process.

Safety

WOQOD is committed to contribute to the community in line with QNV 2030. This involves minimizing our impact on the environment through improving processes, employing new technologies and improved facilities management.

Our focus is consistently ensuring safe and reliable operations. In 2022, the company is planning to achieve 5% reduction in loss time incidents, 80% compliance with planned medical examination, and 100% compliance with certified security and quality standards.

Reliability

Our Asset Integrity Plan focuses on improving reliability of assets and processes and enhancing asset performance. We ensure that all critical equipment is periodically inspected and maintained to the highest standards.

Our plan includes several key strategic projects focusing on meeting asset compliance, performance enhancement of critical equipments, storage enhancements etc. All these projects are progressing as scheduled.

WOQOD has a long-term relation with QatarEnergy and as part of that, we have several sales & purchase agreements until 2023. The company will start reviewing these in 2022 to reflect the market and industry changes, and to further enhance our relationship with QatarEnergy.

Qatarization

WOQOD recognizes that engaging local business partners play a central role in stimulating growth of the local economy. The company gives priority to Qatari companies for procurement, thus promoting on self-sufficiency of the country. This is done in a manner that does not restrict products from any specific geographic location and all suppliers are invited to participate in the tendering process subject to stated prerequisites. As a part of WOQOD's commitment to this localization initiative, we have implemented "Investment Opportunity" and currently in process of implementing "In-Country value (ICV)".

In terms of staff Qatarisation plan, we achieved 15% Qatarization during the year despite pandemic situation and exceeded the 2021 target of 13%. In addition, we sponsored 8 new national students and 3 Graduated Students were absorbed for development into developee roles during the year.

Financial Review

Financial Review

The year 2021 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 9.1 Billion Liters in 2021, an increase of 10% as against 2020 driven by market demand.

Revenue

Revenue for **2021** was QAR **19.5** Billion, an increase of **47%** compared to **2020**, mainly driven by increase in sales volume and fuel prices

Net Income

Net income attributable to WOQOD shareholders for **2021** is QAR **974** MM, an increase of **38%** compared to **2020** due to increase in sales volume and better pricing

Return on Equity

Return on Equity for **2021** is **11%** as compared to **8%** in **2020**

Non Current Assets

WOQOD non-current assets in **2021** are QAR **8.4** Billion, an increase of **19%** as compared to **2020**

Key Financial Indicators

QAR Million	2021	2020	Change (%)
Revenue	19,531	13,245	47%
Gross Profit	935	697	34%
General & Administrative Expenses	284	287	1%
Profit for the year (Attributable to Owners of the company)	974	707	38%
Non-Current Assets	8,438	7,082	19%

2021 General & Administrative expenses lower by 1% driven by cost optimization initiatives and efficiency improvements, despite opening of new Petrol stations.

Business Review

Business Review

WOQOD's business has seen a good recovery in 2021 from setbacks faced in 2020 due to COVID-19 pandemic. Our effective COVID-19 crisis management and focused strategy, enabled us to make achievements through out the year.

Commercial Business

Our commercial business distributes diesel, gasoline, jet fuel, liquefied petroleum gas (LPG), and compressed natural gas (CNG), through a modern fleet of 306 vehicles, to commercial, industrial and government customers in Qatar. We also sell lubricants (engine oils and greases), used by commercial, industrial and marine customers and various Bitumen grades for road construction and other purposes.

Fuel – Diesel, Gasoline & Jet A1

Our bulk business has witnessed increased demand in 2021 as compared to the same period last year due to easing of COVID-19 restrictions and improved economic activity. Overall fuel sales in 2021 increased by 10% as compared to 2020 driven by market demand.

- Diesel sales increased by 4% driven by market demand
- Super and Premium Gasoline sales increased by 12% and 6% respectively driven by easing of COVID-19 restrictions
- Jet Fuel sales increased by 15% driven by easing of travel restrictions, however full recovery is expected to take longer owing to COVID-19 travel restrictions around the world
- Diesel bunkering sales increased by 28% driven by market demand

The revenue from fuel business, as shown in the table below, increased by 51% as compared to 2020 driven by higher volumes.

QAR Million	2021	2020	Change (%)
Sales of Fuel Products	18,479	12,225	51%
Revenue from Services	172	189	-9%

Lubricants

WOQOD's OTO brand continued to perform better in 2021 and increased market share at our petrol stations. Lubricants 2021 volumes increased by 13% as compared to 2020.

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.

Various initiatives are planned to boost the Lubricants sales in the local market and gain market share. One of the key step in 2021 was OEM approvals, which has now been received from three renowned automobile companies. This will further enhance OTO lubricants brand image and expected to increase market share in the coming periods.

Fuel Bunkering

Our fuel bunkering volumes increased by 28% in 2021 as compared to the same period last year driven by market demand.

WOQOD provides bunkering service in Qatari waters. Our product range includes low sulfur gas oil (VLSFO & LSMGO) and Fresh Water.

Currently our vessels are chartered by QatarEnergy for bunkering operations. The company is now planning to start offshore bunkering to further grow our business. Negotiations are ongoing with potential customers in this regard.

Bitumen

Bitumen sales increased by 10% in 2021 as compared to 2020 driven by macro economic factors.

WOQOD commissioned bitumen plant, with storage capacity of 15,000 Metric Ton, in June 2019. However, bitumen business is challenged with the subsiding market demand driven by completion of most of the infrastructure projects.

LPG & Natural Gas

LPG sales marginally increased by 1% and Natural Gas (including CNG) sales increased by 13% driven by easing of restrictions and increase in market demand.

We supply natural gas through a network of pipeline and the CNG is sold to mowasalaat buses through a dedicated CNG station. In 2021, two (2) New CNG stations were commissioned at Ras Laffan & Mesaieed, taking the total CNG stations number to three (3) including the existing SAMI station.

It is worth mentioning here that WOQOD undertook efficiency enhancement projects in our bulk LPG operations in 2021. The LPG bulk dispatching process was automated covering distribution process from scheduling and vehicles checklist to delivery and customer site checklists. In order to avoid single point of failure and ensure business continuity, we are in advance stages of installing additional cylinder filling capacity.

Outlook

We are expecting our bulk business to grow steadily in the next 5 years driven by North Field expansion and QNV 2030. In view of ensuring our preparedness to cater to the future market demand, we will continue to enhance our bulk storage and supply capabilities, and further optimize our fleet performance in order to maximize payload delivery.

In terms of jet fuel, Mid Field Fuel Farm (MFFF) & Western Fuel Farm (WFF) expansion projects are expected to be completed by 2Q 2022. We will be focusing on ensuring operational readiness for the same. We will undertake several planned initiatives to improve our assets' reliability and ensure business continuity.

WOQOD's marine business grew in the last 2 years driven by our fuel bunkering agreement with QatarEnergy. We are now focusing on optimizing our vessels' fleet operation and will continue to look for opportunities to create a growth / optimisation balance. We intend to penetrate several bulk channels to market our branded range of lubricants to increase our market share in Qatar.

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

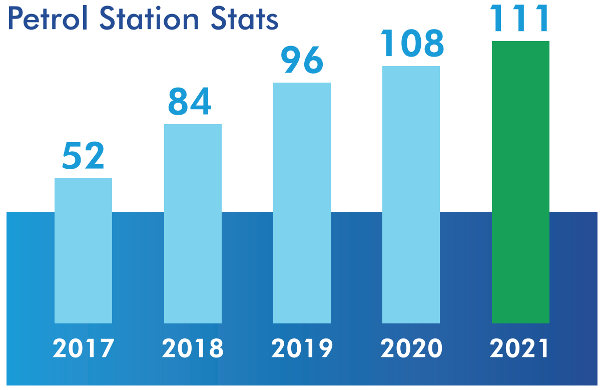
Our Retail fuel volumes improved by 8% in 2021 as compared to the same period last year. This was mainly due to easing of COVID-19 restrictions and new petrol stations.

- Diesel fuel sales increased by 4%
- Gasoline fuel sales increased by 9%

WOQOD's fuel retail market share reached 85% during 2021. Our annual throughput per station of 26 MM liters is significantly higher than industry and reflects our operational efficiency.

The total number of stations in operation reached to 111 in 2021.

Petrol Station Stats



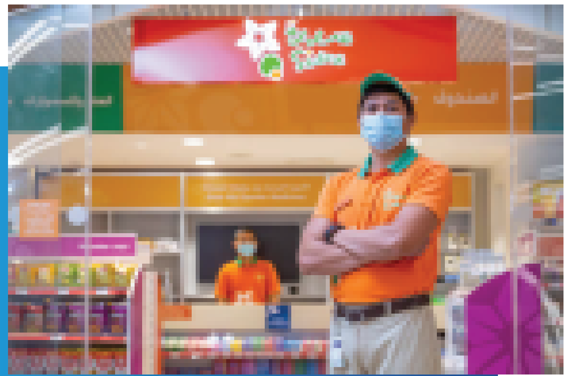
We are the largest fuel retailer in the State of Qatar. WOQOD continues to expand its network of petrol station to serve customers in Qatar. Our permanent petrol stations feature state-of-the art technology with modern facilities. We also introduced Mobile Fueling station model that has proven to be very successful in providing fuel to locations that have limited or no fueling options.

Non-Fuel

Our retail non-fuel margin increased by 3% in 2021 driven by growth in network. We are working on several strategic projects to improve our nonfuel retail business.

WOQOD currently operates 90 state-of-the-art convenience stores located at our petrol stations and 5 standalone stores, offering refreshments and snacks, confectionery, groceries and various services. Sidra has tie up with Sainsbury's for shop in shop concept at selected 10 stations.

We offer auto-care services at 69 number of petrol station locations. Our auto-care services include, car wash, vehicle servicing and repairs, tyre change and lube change services.



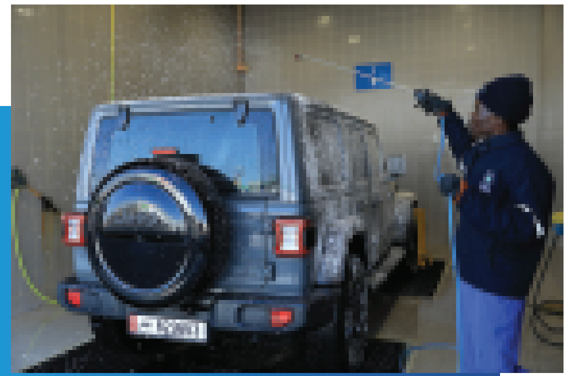
We also started free vehicle health check campaigns to promote safety awareness among customers and to take precautionary measures to keep the vehicles safe to drive.

WOQOD launched a new product line of premium lubricants "OTO" at its petrol stations in 2019. Ever since the launch of our own branded lubricants, we attained a volume of 68% sold from our petrol stations. Apart from our branded range of lubricants, we sell other brands as well at our petrol stations including OEM brands. We are also in advance stages of launching WOQOD branded additives.

In 2021, we initiated several strategic initiatives to maximize revenue from our non-fuel businesses. In terms of ensuring customer loyalty, we did a strategic tie up with Qatar National Bank (QNB) Loyalty program wherein customers can redeem their earned QNB points and thereby bringing more footfalls to service stations.

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

In order to attract Fleet customers into our services, we have customized car care services offering dedicated for fleet customers. We also run several promotions round the year providing variety of options to the customers.



Our WOQODe tag revenue increased by 27% as compared to 2020. We distributed 39,478 number of WOQODe RFID tags. Going forward, we are also planning to launch our in-house customer loyalty program. This program will help WOQOD to Increase the number of customers and persuade current customers to buy in larger volumes.

We introduced our WOQODe System to Marine customers, moreover, the fueling needs have been served for the fisheries in the country in coordination with the Ministry.

Kenar

Kenar business was significantly impacted in 2020 due to COVID-19 situation. WOQOD waived off the rental for all tenants for three months. Our tenants include fast food international chains, local restaurants and coffee shops, laundries, car accessories and servicing etc. During the year, we added 51 shops to the Kenar. As of 2021, total 452 shops leased out of 507 shops available.

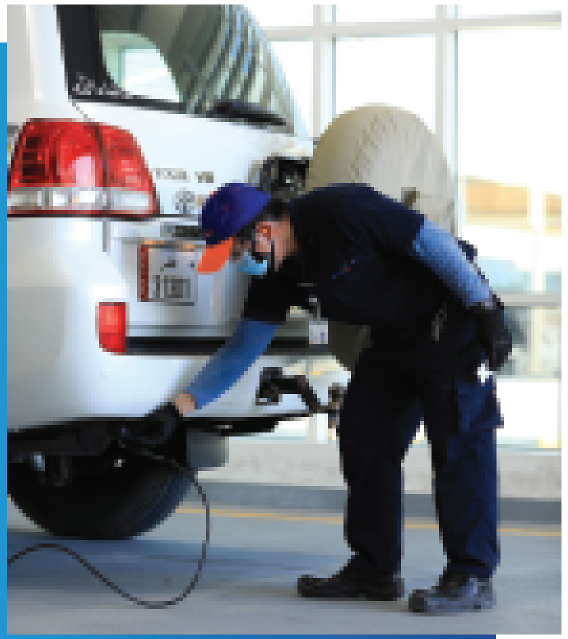
We added 9 new Drive Thru stand-alone units at petrol stations and further planning to add more drive through in future to align with market demand.

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 7 permanent and 5 mobile inspection centers across Qatar. An additional service of inspection at customers location is also provided by Fahes.

In 2021, FAHES inspections decreased by 7% driven by the exemption of vehicle inspection last year as the customers utilized this opportunity. 1 new FAHES inspection center (Madinat Al Mowather) is currently under construction stage and planned to open in 2022.

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



Outlook

2020 was an exceptional year in terms of the economic impacts due to the ongoing COVID-19 pandemic and sharp fall in global oil prices. Qatar was no exception to witness the adverse impact of these scenarios. However, due to easing of restrictions, the situation improved in 2021.

In line with country's growth plans, we are planning to grow the network of our branded petrol stations within the country to 130 by 2025. However, future expansion plans are carefully reviewed by management to determine optimum petrol station requirement.

Our priority focus area will be to grow our nonfuel business through delivering superior customer experience, undertaking category enhancements initiatives, introduction of new products and services.

We have already initiated several strategic initiatives to maximize the revenue from our APC business. We are currently evaluating alternatives to launch several WOQOD branded car care products such as batteries, additives etc, which will improve our profit margins. We will also be exploring opportunities for several strategic tie ups.

In terms of our convenience store business maximization, we will be launching WOQOD branded range of products to improve margins & to be competitive in the market. We are also enhancing new Sidra Saver concept and improving product category to improve the average basket size from the convenience store.

We will also launch a customer–centric loyalty program for our nonfuel customers. The loyalty program will enable customers to earn points while availing our services and it will also include points redemption option.

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 2022 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.

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.

Audit Committee

Audit Committee in WOQOD effectively functions as an oversight body of the Board. Audit Committee 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.

Internal Audit Activities

Internal Audit performed reassessment of risks at the beginning of the year, prepared the internal Audit plan and got it approved by Audit Committee. All audits have been initiated in the respective quarters as per the audit plan and some of the audits are initiated in the last quarter of 2021 and are ongoing. All the closed audit reports had been acknowledged by respective Chiefs and Department Managers.

84% of observations of the 2019 audits had been closed and corrective actions had been taken and for 2020 audits 71% of observations had been closed so far.

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 Members. 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

SH. Saoud Bin 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. Ali Hassan Salem Abdulla Al-Khalaf
Member - Board of Directors

Mr. Faisal Al-Hammadi
Member - Board of Directors

Executive Management

Mr. Saad Rashid Al–Muhannadi
Managing Director & CEO

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

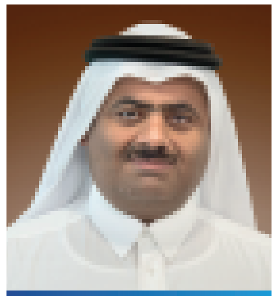
Mr. Pradeep Kumar
Chief Financial Officer

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



SH. 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 El-Makki
Legal Affairs Manager

Mr. Amer Al-Anzi
QJet Aviation Operations Manager

Mr. Yousef Khalid Al-Jaber
Public Relations Manager

Ms. Fatma Al-Hammadi
Acting Procurement & Contracts Manager

Mr. Abdulrahman Al-Hammadi
Accounting Manager

Mr. Yousef Al-Sulaiti
General Services Manager

Mr. Mansour Al-Hajri
Retail Manager

Mr. Madathil Gopakumar
Internal Audit Manager

Ms. Najla Abdulla Al-Hajri
Human Capital Manager

Internal Controls

WOQOD has a well-established Internal Controls over Financial Reporting (ICOFR) system 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 it is operating effectively.

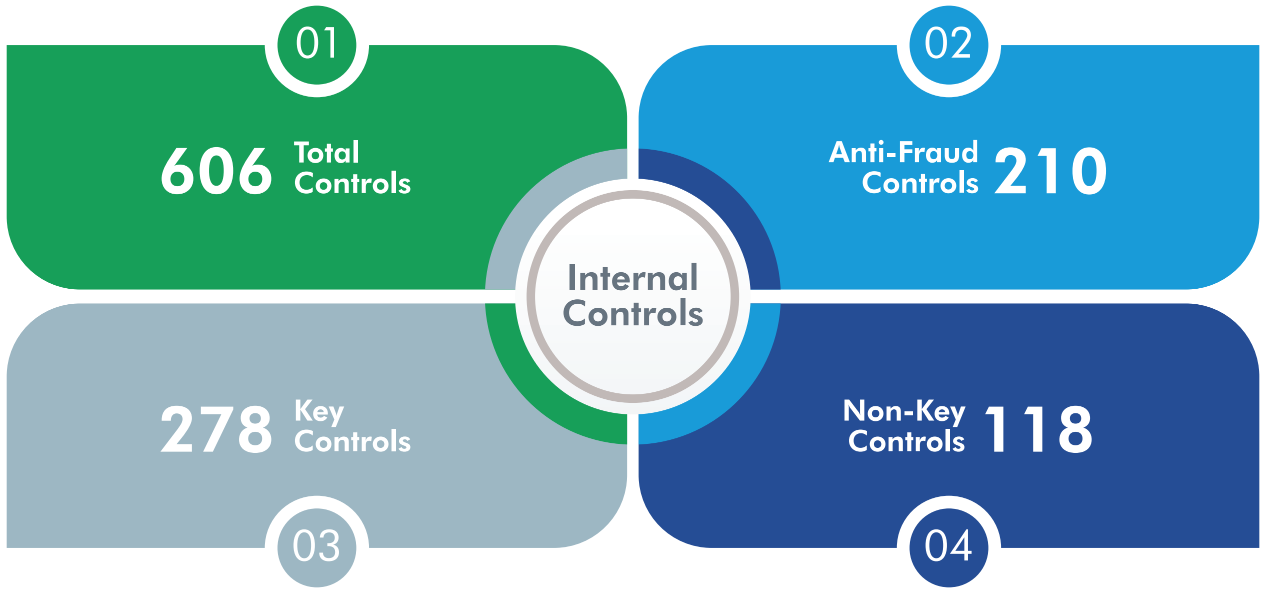
WOQOD's Internal Controls includes IT General Controls (ITGC). The framework and all of its components are tested stringently throughout the year. Any control deficiency identified are fixed and additional mitigating controls are introduced to improve sustainability of controls and avoid repeated failures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

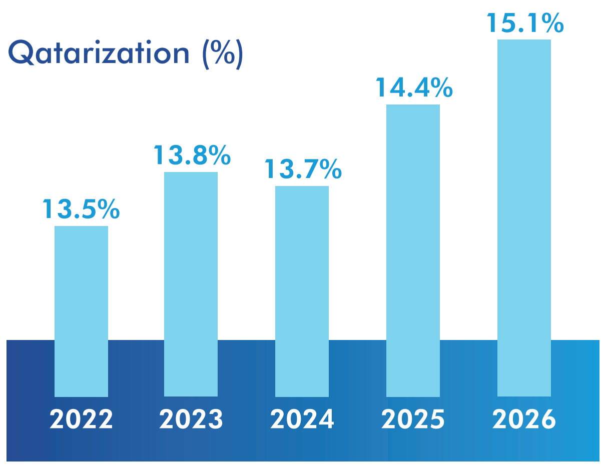
Employee Engagement

Employee Engagement Index is WOQOD & Subsidiaries approach to measure the employee's commitment to our organization's goals and values, extent of motivation to contribute to organizational success and at the same time ability of employees to enhance their own sense of well-being given the current leadership style, management and organization strategies. To date, the average Employee Engagement Index for WOQOD & Subsidiaries is 4.19 out of 5.00.



Qatarization

During the year, we achieved 15% Qatarization exceeding the 2021 target of 13%.



Sponsorship to Leadership

As part of our sponsorship program, we sponsor fresh high school graduates according to the business needs in coordination with QatarEnergy. In 2021, as of November, we sponsored 8 New national students, and 3 graduated students were absorbed 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 Program 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)

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

The management at WOQOD has established an ERM framework to assist the organization in managing uncertainty in WOQOD's value creation process. The framework is reviewed periodically to ensure its relevance to the current standard.

As part of the ERM framework, we have identified the corporate and departmental risks currently faced by the organization and devised mitigation plans.

The reporting system comprises of Risk Representatives, Risk Champions, Risk Management Working Group (RMWG), Enterprise Risk Management Committee (ERMC) and Board Audit Committee (BAC). Through this system, the risks are identified, analyzed, evaluated, treated, monitored and communicated on quarterly basis.

WOQOD embarked into Business Continuity Management (BCM) for 3 locations namely LDO, QJet and Gas Operations, started in Q2 2021 and completed in Q4 2021.

Key Achievements in 2021 for ERM and BCM

- Establishment of BCM Framework, policies and procedures
- Enhancing the BCM knowledge by conducting trainings and certification programs for selected BCM champions
- Development and evolution of ERM Framework
- Completed risk registers with detailed mitigation plans for all identified risks
- Completed BCM implementation for QJet, LDO and Gas Operations; expected ISO certification in 2022

Occupational Health Program

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 2021, Periodic Medical Examination (PME) completed for 539 staff from identified SEG's like LDO-RTO's, GO RTO's, Shafaf Pick Up Operators, Forecourt Attendants and AID Maintenance Technicians.

COVID-19 Case Reporting and Management

The COVID-19 pandemic has affected different organizations' operations and lives of many. WOQOD group Crisis Management Committee established COVID-19 management system to ensure that operations are managing potential Coronavirus exposure in the workplace and complying with the requirements of the Ministry of Public Health (MOPH) government and Energy sector regulator. Key aspects of WOQOD's COVID -19 Management system:

- To report COVID-19 confirmed/ suspected cases
- To provide preventive measures protocols for de-escalation phases and plan
- To identify and establish COVID-19 information zone
- To conduct COVID-19 phase audits

WOQOD fully supported QatarEnergy's COVID-19 Vaccination Program for staff who are willing to be vaccinated and achieved 92% of staff vaccination.

WOQOD HSE Support for HIA Expansion Project

HSE promotes WOQOD's commitment to Zero Harm to its personnel, contractors, customers and neighbors. Accordingly, HSE team has extended its support to the HIA Mid-field Expansion Project.

WOQOD HSE management system has been implemented for the HIA project activities inside WOQOD operational areas. HSE management system includes:

- Permit to Work System
- HSE Inspection Program
- HSE Observation Reporting etc.

We recruit HSE professionals and deploy to support WOQOD HSE team. WOQOD provides 24-hour HSE coverage at HIA project site.

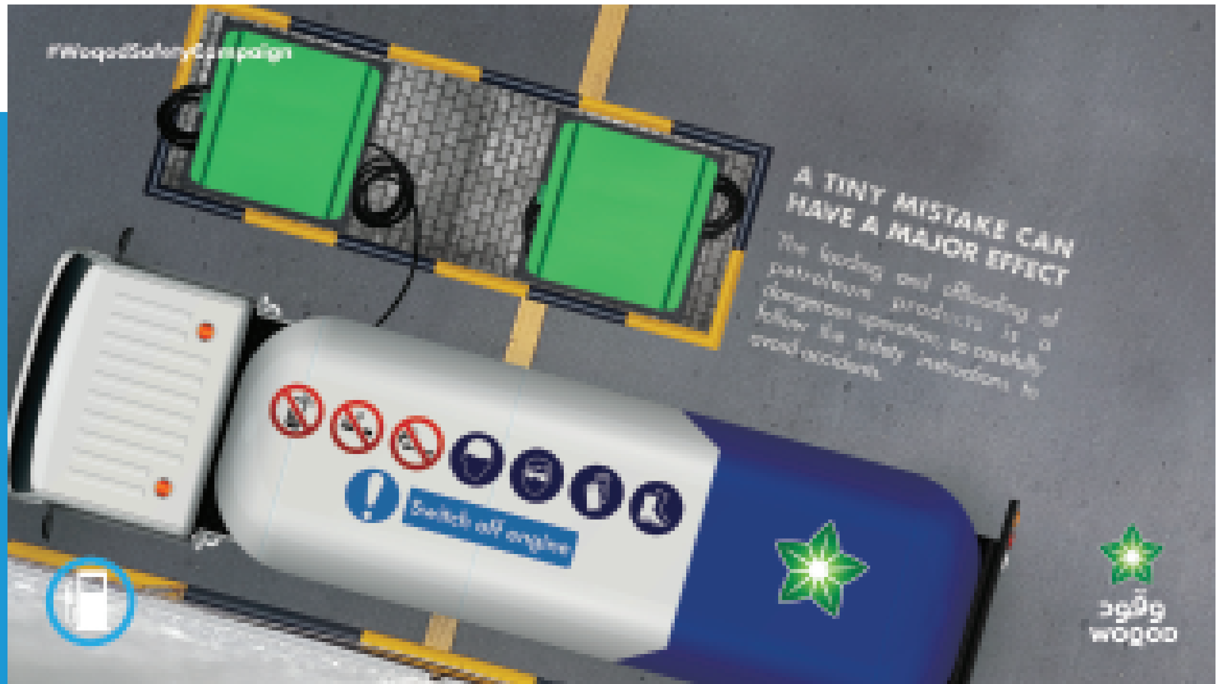
HSE Performance and Key Performance Indicators

WOQOD successfully completed major projects like Doha Depot Jet A1 tank conversion, Doha Depot closed drain network, and LPG storage vessel requalification without Lost Time Injury (LTI) and Total Recordable Case (TRC). WOQOD safety performance has continually improved to achieve lower LTI and TRC cases, and frequency rates.

	2021	2020	Change (%)
LTIF	0.266	0.353	25%
TRCF	0.931	0.942	1%

Some of the key achievements of HSE during 2021 were as follows:

- Development and Implementation of Personal Protective Equipment (PPE) internal request portal
- HAZID/ HAZOP study revalidation and implementation for WOQOD facilities study
- QHSSE department in coordination with ICT has initiated the requirement for customized HSE Software
- WOQOD successfully completed tank conversion project and closed drain network project without LTI and TRC



Our Strategy Financial Review Business Review Governance Review

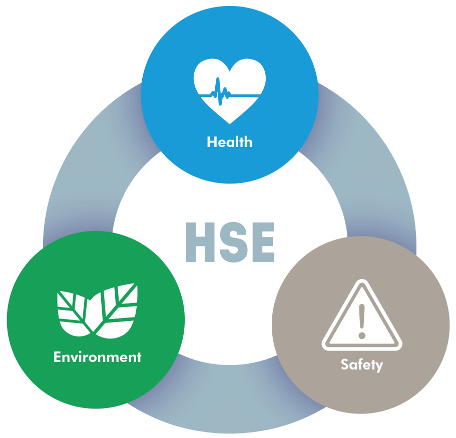
HSE Communication and Awareness

Road Safety and Weather Alert

QHSSE department in coordination with ICT has configured the WOQOD SMS sender application to convey safety messages, especially on road safety like safety tips during foggy, rainy, or dusty weather condition.

HSE Moments

HSE Moments are regularly announced through email and the WOQOD portal to enhance personnel awareness and safety consciousness while in or out of their workplace. 30 HSE Moments has been published so far in 2021, while a total of 92 were published from 2018 till date.



Do not walk under a suspended load

Security & Firefighting

QHSSE Coordination Meeting with External Stakeholder

Joint Emergency Exercise

We conducted a coordination meeting with members of the Qatar Civil Defense Council Committee at WOQOD Tower.

We successfully commissioned Doha Depot Security Upgrade Project. The security upgradation project includes:

- High security equipment such as road blockers, gate barriers, under vehicle inspection
- Zone fencing system between different areas common and high risk
- Constructed new boundary wall, in order to isolate visitors from the critical locations
- Turnstile gates between different zones to enhance access control system
- X-Ray and screening machines at main entrance

Environmental Sustainability

We understand our responsibility to preserve and protect the environment. Our sustainability goals are aligned with Qatar National Vision 2030 for the future. We continuously identify and evaluate where environmental impact arises in our operations and how we can work to reduce negative environmental impact.

Waste Management Recycling Initiatives

We developed a five-tiered waste management hierarchy to guide our operational team in waste management decision-making. 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 and constantly looking for opportunities to innovate and reduce its dependence on resources, which would result in minimal emissions and waste.

In 2021, we have sent recyclable papers, plastic, batteries and used oil to the Ministry of Environment and Climatic Change authorized recycling facility.

	Items	Qty.	Unit
01	Used Oil	778,870	Liters
02	Paper	136	Tons
03	Batteries	338	Tons
04	Plastic	19	Tons

Energy Management

In 2021, 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. After experiencing the decline in electricity consumption due to pandemic, our electricity demand increased modestly from 2020, mainly due to business recovery and new petrol stations. Electricity consumption increased by 33% in the year 2021.

Mega Watt Hours	2021	2020	Change (%)
Electricity Consumption	81,934	61,574	33%

Renewable Energy

We, at WOQOD, have aligned our sustainability strategy with Qatar National Vision 2030 to promote renewable energy. Photovoltaic (PV) system provides a way for petrol stations to reliably reduce their electricity costs, and this PV system will reduce carbon emissions from our retail operations.

WOQOD signed MoU with Siraj Energy to build and operate Photovoltaic (PV) system in three petrol stations, these three new stations are expected to start operating in the middle of the third quarter of 2022 and WOQOD plans to add more Solarized petrol stations in coming years.

Our Strategy Financial Review Business Review Governance Review

In 2022, WOQOD is also planning to install electric charging modules at various stations for catering to the foreseeable electric vehicles surge in the market. WOQOD is committed to using and purchasing energy (Kahramaa) in the most efficient, cost effective and environmentally responsible manner possible.

Emission Management

WOQOD and its subsidiaries GHG emissions is in the form of electricity purchased from third parties and use of transportation fuels such as gasoline and diesel.

The company actively works to reduce its environmental impact by identifying emission sources and implementing emission control initiatives through industrial best practices and technologies in our operations.

GHG Emission Management and Control Initiatives

WOQOD and subsidiaries in line with Qatar National Vision 2030 policy of reducing the country's carbon footprint, WOQOD and QatarEnergy are working towards expanding the CNG network, in order to meet the growing demand on CNG, as local authorities and public transport companies are looking to substitute diesel and gasoline for more environmentally friendly fuels. Our CO2 emissions reduced by 8% in 2021 as compared to 2020.

In 2021, WOQOD inaugurated two (2) new CNG stations at Ras Laffan and Mesaieed. These two stations will provide the service of providing public transport buses with CNG.

Tons	2021	2020	Change (%)
CO2 Emissions	18,431	20,087	-8%

Quality Assurance

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.

	2021	2020	Change (%)
WOQOD (B2B)	4.17	4.03	3%
WOQOD (B2C)	4.25	4.30	-1%

CSI – Highlights

- Average External Customer Satisfaction Index (CSI) value of 4.21 out of 5.00 for 24 business segments
- Completed 8 Special External Surveys with the objective to evaluate customers' perception on 21 future business initiatives. 10 of these initiatives are perceived beneficial and innovative by customers which are all currently being considered by business functions
- 100% Digitalization of Customer Communication
- Completed 912 Training Hours for Customer Service Excellence for key departments

Quality Day

This is the 3rd year that WOQOD & Subsidiaries participated in the global occasion of Quality with this year's theme: Role of Quality in Sustainability: Improving our Products, People and Planet.

Inspired by this year's Quality theme, a special collaboration with Al Attiyah Foundation has been arranged by QHSSE Department. The Keynote Speech titled "Quality in Sustainability: The Foundation for Long-Term Excellence" was delivered by Harry Sealy, a nominated speaker from the Al Attiyah Foundation and the Founding Chairperson of the Institute of Environmental Management and Assessment.

Another highlight of the main event was the Quality Award Ceremony with the main goal of giving recognition to employees who achieved tangible initiatives towards Quality by performing internal audits or engaging quality-oriented activities such as Quality Circle Talks. A special group award is given to The Best Team" during the Teambuilding Event, a part of Quality Day activities.

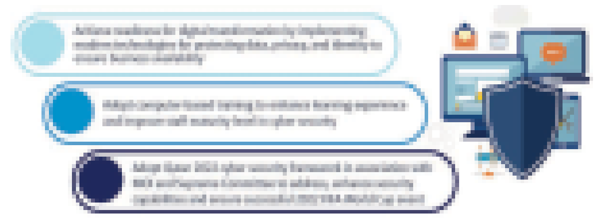
E-Procurement

All tenders & variations are now routed through the tender automation portal thereby monitoring the cycle time closely and monitoring each stages of the tender cycle. This has also contributed to WOQOD's environment sustainability objective by reducing the usage of paper significantly. Continuous modifications are in process to fine tune the minute details and process upgrade. Dashboard for Management has been developed for 360° review.

Information Security

WOQOD is committed to provide secure services to customers and facilitate cyber safe FIFA World Cup tournament by focusing on cyber security, governance, data protection and data privacy. During the year, WOQOD continued to strengthen its cyber security capabilities to defend against threats by use of enhanced solutions for prevention, detection and mitigation.

To further enhance cyber security posture and safeguard WOQOD and its customers' data assets, following initiatives have been undertaken.



Social Media Engagement

WOQOD continues to satisfy its customers by responding to their needs and queries through all the social media platforms that they prefer to use. It has an active presence through Twitter, Facebook, Instagram, LinkedIn, YouTube, and even Snapchat.

Those communications channels have proven their value as the increasing numbers of their followers prove, which encouraged WOQOD to adopt new tools and technologies to allow us to give more value to our customers.

Corporate Social Responsibility

To demonstrate its realization of Qatar National Vision and promotion of loyalty, solidarity, unity, and pride in the Qatari national identity, WOQOD has continued to support and sponsor national events in 2021 by donating one million Riyals for the QND celebrations.

Independent Assurance Reports

Independent Assurance Report on Internal Control over Financial Reporting

QR. 99-8
RN: 746/SM/FY2022

Independent Assurance Report, to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C., 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 Managements' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the 'Directors' ICFR Report') as of 31 December 2021.

Responsibilities of the directors and those charged with governance

The Board of Directors of Qatar Fuel Company ("Woqod") Q.P.S.C. (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 & operating effectiveness of its internal control system as of 31 December 2021,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 controls in place within the Components of Internal Control as defined by the COSO Framework;
- A description of the scope covering material business processes and entities in the assessment of Internal Control over Financial Reporting;
- A description of control objectives;
- Identification of the risks that threaten the achievement of the control objectives;
- An assessment of the design, implementation and operating effectiveness of Internal Control over Financial Reporting; and
- An assessment of the severity of design, implementation and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2021.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the "Managements' 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 2021.

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 Directors' ICFR Report;
- Obtaining an understanding of the Group's scoping of significant processes and material entities, and comparing this to the Directors' 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 Directors' 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 the severity of deficiencies in internal control which are not remediated at 31 December 2021, and comparing this to the assessment included in the Directors' ICFR Report, as applicable.

As part of this engagement, we have directed and supervised the performance of procedures by auditors of all significant components of the Group, and have obtained sufficient appropriate audit evidence regarding the design, implementation and operating effectiveness of internal controls of material entities or business activities within the Group to express a conclusion on the Group's ICFR. We remain solely responsible for our evaluation and conclusion.

Our Responsibilities (Continued)

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, Account Receivable, 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 is a system designed to prevent errors and fraud in the financial reporting process and in the preparation of financial statements 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;

2) ensure receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity;

3) ensure transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and

4) ensure 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 Managements' 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 2021.

Doha – Qatar
19 January 2022

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257

QFMA Auditor
License No. 120156

Independent Assurance Report on Compliance with Qatar Financial Markets Authority Laws & Relevant Legislations

QR. 99-8
RN: 747/SM/FY2022

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 applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market

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 applicable QFMA Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") included in the relevant sections of the Annual Corporate Governance Report as at 31 December 2021.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Group is also responsible for preparing the Directors' Report that covers, at the minimum, the requirements of Article 4 of the Code.

The Board of Directors provided its Report on compliance with QFMA's law and regulations and other relevant legislation including the Code ("Directors' Statement on Compliance").

Our Responsibilities

Our responsibilities are to issue 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 Law and relevant regulation including the Code.

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 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, is not prepared in all material respects in accordance with the applicable QFMA Laws and relevant legislations including the Code. The applicable QFMA Laws and relevant legislations 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. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

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 Laws and relevant legislations 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. When deemed necessary, we observed evidences gathered by management to assess compliance with the requirements.

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 applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (Continued)

Our Responsibilities (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.

Because of the inherent limitations of certain qualitative criteria in the application of the relevant QFMA Laws and relevant legislations including the Code, many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain an audit trail.

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 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.

Our 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.

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 applicable Qatar Financial Markets Authority Laws and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market (Continued)

Other information

The Board of Directors is responsible for the other information. The other information comprises the Annual Corporate Governance Report, which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Statements on Compliance with applicable QFMA Laws and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our engagement to report on the Directors' Statements on Compliance, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Directors' Statements on Compliance or our knowledge obtained in the engagement, 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 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.

Conclusions

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 with the applicable QFMA Laws and relevant legislations including the Code, is not, in all material respects, fairly stated as at 31 December 2021.

Doha – Qatar
19 January 2022

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257

QFMA Auditor
License No. 120156

Independent Auditor's Report

Independent Auditor's Report

QR. 99-8
RN: 745/SM/FY2022

The shareholders
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 2021, 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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, 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 ("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. 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, & we do not provide 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 3,149,365 thousand at 31 December 2021. Included in property, plant and equipment is land which is measured at fair value of QR. 532,520 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 and the impacts of COVID-19, for example the discount rate, price of comparable plots, disposal period and infrastructure cost.	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 report and assess 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.

Key audit matters	How our audit addressed the key audit matters
Refer to the following notes to the consolidated financial statements for more details relating to this matter: • Note 3 – Significant accounting policies on Property plant and equipment; • Note 5 – Property Plant and Equipment.	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
Lands received from the Government The Group has received the right to use for 92 plots of land from the Ministry of Municipality and Urban Planning ("the Ministry"). During the year, the Group 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 141 million for the accumulated annual rental until 31 December 2021. 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 andEquipment. • 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 92 plots of land; We assessed, with the assistance of our internal accounting specialists, the judgements applied by management in determining the accounting treatment for the accumulated annual rental up until 31 December 2021; 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.

Other Information

Management is responsible for the other information. The other information comprise Chairman's Message, MD& CEO's Message, Our Strategy, Operational and Financial Highlights, Our Businesses, Corporate Governance Report, Financial Review, which we obtained prior to the date of this auditor's report and the annual report, which is expected to be made available to us after that date. 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.

Other Matter

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

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.

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 control.

- 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.

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

- 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, related safeguards.

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:

- We are of the opinion that 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
19 January 2022

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257

QFMA Auditor
License No. 120156

Consolidated Financial Statements

Consolidated Financial Statements

Consolidated Statement of Financial Position
As at 31 December 2021

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

	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,149,365	3,174,812
Right-of-use Assets	6	146,880	153,629
Investment properties	7	899,954	906,316
Investments	8	4,106,169	2,712,250
Goodwill and intangibles	9	135,376	135,171
Total non−current assets		**8,437,744**	**7,082,178**
Current assets			
Inventories	10	447,942	315,322
Due from related parties	11 (b)	285,873	176,126
Trade receivables	12	2,070,333	1,883,540
Prepayments and other receivables	13	158,470	127,197
Cash and bank balances	14	1,907,740	2,250,729
Total current assets		4,870,358	4,752,914
TOTAL ASSETS		**13,308,102**	**11,835,092**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	994,256	994,256
Legal reserve	16	498,914	498,914
Fair value reserve	17	240,413	158,339
Revaluation surplus		504,703	511,713
Retained earnings		6,800,728	6,267,782
Equity attributable to equity holders of the parent		9,039,014	8,431,004
Non – controlling interests		138,481	155,865
TOTAL EQUITY		**9,177,495**	**8,586,869**

Consolidated Statement of Financial Position
As at 31 December 2021

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

	Note	2021	2020
LIABILITIES			
Non-current liabilities			
Finance lease liability	18	109,792	118,615
Employees' end of service benefits	19	97,947	90,108
Decommissioning provision	20	24,596	23,425
Total non-current liabilities		232,335	232,148
Current liabilities			
Due to related parties	11 (c)	2,954,489	2,264,731
Finance lease liability	18	40,934	36,854
Trade and other payables	21	902,849	714,490
Total current liabilities		3,898,272	3,016,075
TOTAL LIABILITIES		**4,130,607**	**3,248,223**
TOTAL EQUITY AND LIABILITIES		**13,308,102**	**11,835,092**

These Consolidated Financial Statements were approved by the Board of Directors and signed on its behalf by the following on 19 January 2022:

Ahmad Saif Al-Sulaiti
Chairman

Saad Rashid Al-Muhannadi
Managing Director & Chief Executive Officer

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 85 to 150 form an integral part of these Consolidated Financial Statements.

Consolidated statement of profit or loss
For the year ended 31 December 2021

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

	Note	2021	2020
Revenues	22	19,531,496	13,245,433
Cost of sales	23	(18,596,849)	(12,548,859)
Gross profit		934,647	696,574
Other income	24	220,581	227,675
General and administrative expenses	25	(284,396)	(286,650)
Finance income	26	119,807	139,116
Provisions / impairments	27	11,784	(49,204)
Net profit for the year		**1,002,423**	**727,511**
Attributable to:			
Owners of the Company		974,026	707,425
Non-controlling interest		28,397	20,086
Net profit for the year		**1,002,423**	**727,511**
Basic earnings per share	28	**0.98**	**0.71**
(expressed in QR per share)			

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 85 to 150 form an integral part of these Consolidated Financial Statements.

Consolidated statement of profit or loss & other comprehensive income
For the year ended 31 December 2021

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

	2021	2020
Net profit for the year	**1,002,423**	**727,511**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in fair value of investments	124,922	64,636
Revaluation deficit for the year	(7,010)	(14,300)
Other comprehensive income for the year	117,912	50,336
Total comprehensive income for the year	**1,120,335**	**777,847**
Attributable to:		
Owners of the Company	1,089,719	749,387
Non-controlling interest	30,616	28,460
	1,120,335	**777,847**

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 85 to 150 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

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

	Attributable to the Owners of the company						Non-Controlling Interest	Total Equity
	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings	Total		
Balance at 1 January 2020	994,256	498,914	73,155	526,013	6,402,369	8,494,707	207,405	8,702,112
Total comprehensive income for the year:								
Net profit for the year	-	-	-	-	707,425	707,425	20,086	727,511
Other comprehensive income for the year	-	-	85,184	(14,300)	(28,922)	41,962	8,374	50,336
Total comprehensive income for the year	-	-	85,184	(14,300)	678,503	749,387	28,460	777,847
Cash dividends paid for 2019 (Note 29)	-	-	-	-	(795,405)	(795,405)	-	(795,405)
Contribution to social and sports fund	-	-	-	-	(17,685)	(17,685)	-	(17,685)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(80,000)	(80,000)
Balance at 31 December 2020	994,256	498,914	158,339	511,713	6,267,782	8,431,004	155,865	8,586,869
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

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 85 to 150 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2021

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

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		1,002,423	727,511
Adjustments for:			
Depreciation on property, plant and equipment	5	164,253	155,134
Depreciation on right-of-use assets	6	41,360	36,718
Depreciation on investment properties	7	16,287	15,797
Amortisation of intangibles	9	1,081	297
Unwinding of finance cost of decommissioning provision		1,171	1,115
Interest on lease liabilities		7,508	7,230
Reversal / (provision) for bad and doubtful debts	12 (b)	(13,279)	61,005
Impairment of property, plant equipment	5	220	1,580
Impairment of investment properties	7	1,275	7,428
Impairment / (reversal) for slow moving inventories	10	5,268	(4,796)
Provision for employees' end of service benefits	19	19,356	32,167
Loss / (gain) on sale of property, plant and equipment		359	(2,707)
Income tax expense		3,626	1,155
Dividend income	24	(60,832)	(80,795)
Finance income		(119,807)	(139,116)
		1,070,269	**819,723**
Changes in:			
- inventories		(137,889)	117,306
- due from related parties		(109,747)	149,531
- trade receivable and prepayments		(204,787)	(430,897)
- trade and other payables		179,861	(101,204)
- due to related parties		689,758	(619,828)
Cash (used in) / generated from operating activities		1,487,465	(65,369)
Employees' end of service benefits paid	19	(11,517)	(31,306)
Payment of contribution to sports fund		(17,685)	(30,409)
Income tax paid		(1,795)	(2,064)
Net cash generated from / (used in) operating activities		**1,456,468**	**(129,148)**

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 85 to 150 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2021

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

	Note	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	511
Additions to property, plant and equipment		(146,395)	(265,342)
Additions to investment properties	7	(11,200)	(43,269)
Additions to intangible assets		(1,286)	(2,533)
Dividends received	24	60,832	80,795
Finance income received		119,807	139,116
Net purchase of investments		(61,586)	(468)
Net movement in the fixed deposit accounts		(1,040,259)	35,544
Net cash used in investing activities		**(1,080,087)**	**(55,646)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	29	(457,358)	(795,405)
Dividends paid to non-controlling interest		(48,000)	(80,000)
Lease payments		(46,860)	(41,760)
Net cash used in financing activities		**(552,218)**	**(917,165)**
Net decrease in cash and cash equivalents		(175,837)	(1,101,959)
Cash and cash equivalents at 1 January		1,511,210	2,613,169
Cash and cash equivalents at 31 December	14	**1,335,373**	**1,511,210**

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.
The notes on pages 85 to 150 form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

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 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 subsidiary	Country	Effective Group Shareholding (%) 2021	2020
WOQOD Vehicle Inspection Co. ("FAHES") W.L.L.	Qatar	100%	100%
Qatar Jet Fuel Company W.L.L.	Qatar	60%	60%
WOQOD Marine Services Co. W.L.L.	Qatar	100%	100%
WOQOD International Co. W.L.L.	Qatar	100%	100%
WOQOD Kingdom Co. 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	100%	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%
Horizon Marine Services Limited	Republic of Liberia	100%	100%
Sidra Doha Shipping Company	Republic of Liberia	100%	100%
Sidra Al Khor Shipping Company	Republic of Liberia	100%	100%

The Consolidated Financial Statements of Group for the year ended 31 December 2021 were authorised for issuance in accordance with a resolution of the Board of Directors on 19 January 2022.

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) Impact of COVID-19 on the consolidated financial statements

During the year ended 31 December 2021, the Government and health authorities have taken appropriate and timely actions to manage the impact of COVID-19. With these efforts and policies, the Government moderated the restrictions to resume the business activities with some precautionary measures.

These actions taken by the Government, helped the business activities to continue and the demand of fuel increased as compared to the comparative period. The management of the Company is of the view that there is no material impact of COVID-19 on the carrying amounts of assets and liabilities as at 31 December 2021. Management will continue to monitor the situation and will take all possible steps to mitigate the effects in future.

c) 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.

d) 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 Riyal unless otherwise indicated.

e) Use of judgements and estimates

The preparing 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.

2. BASIS OF PREPARATION (CONTINUED)

e) Use of judgements and estimates (continued)

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 adjustments to the carrying amounts of assets and liabilities in the next financial year are included in the following notes:

i) Note 3(h) - Financial assets – Business model assessment;

ii) Note 4 (ii)- measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted-average loss rate;

iii) Note 5 (i & iii)- accounting for lands under property, plant and equipment using the fair value model and determining the fair values on the basis of significant unobservable inputs;

iv) Note 8 – recognition of investment as fair value through other comprehensive income;

v) Note 9 - impairment test of goodwill: key assumptions underlying recoverable amounts;

vi) Note 20 – key judgements and estimations for determination of decommissioning provision;

vii) 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;

viii) Note 32 - lease term: whether the Group is reasonably certain to exercise extension options.

f) 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, 2021, have been adopted in these 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) Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16

ii) Impact of the initial application of Interest Rate Benchmark Reform

2. BASIS OF PREPARATION (CONTINUED)

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

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards 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 affect only the presentation of liabilities as current or non-current 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.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

Effective for annual periods beginning on or after	1 January 2022

Amendments to IFRS 3 *Business Combinations—Reference to the Conceptual Framework*

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

Effective for annual periods beginning on or after	1 January 2022

New and revised IFRSs

Amendments to IAS 16 *Property, Plant and Equipment—Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise 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 the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

Effective for annual periods beginning on or after	1 January 2022

Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise 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 the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

Effective for annual periods beginning on or after — 1 January 2022

New and revised IFRSs

Annual Improvements to IFRS Standards 2018-2020—*Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, and IFRS 16 Leases*

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 *Financial Instruments*

The amendment clarifies that in applying the '10 per cent' test to assess whether to recognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 *Leases* — No effective date is stated

The amendment removes the illustration of the reimbursement of leasehold improvements.

As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

Effective for annual periods beginning on or after — No effective date is stated

New and revised IFRSs

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

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB 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 effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively.

The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

Effective for annual periods beginning on or after 1 January 2023

Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard 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 periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & 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 introduce 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 recognise 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.

2. BASIS OF PREPARATION (CONTINUED)

g) New and revised IFRSs in issue but not yet effective & not early adopted (continued)

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.

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 recognised 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of consolidation (continued)

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 recognised 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.

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 recognises revenue when it transfers control over the goods or services to a customer.

i) Sale of goods

Revenue is recognised 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition (continued)

ii) Rendering of services

The Group is involved in providing services related to vehicles inspection and transportation and distribution of refined petroleum products. 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 recognised 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 as 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 recognised 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 for the current year are as follows:

Buildings and infrastructure	20-40 years
Plant and equipment	20 years
Vehicles, office equipment & 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.

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

Lands 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) Capital work in progress

Capital work in progress comprises projects under construction and is carried at cost less impairment, if any. Capital work 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 property depending on their use and depreciated accordingly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Investment property

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

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.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment (continued)

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).

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

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.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and other receivables.

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

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment (continued)

i) Non-derivative financial assets (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Impairment (continued)

i) Non-derivative financial assets (continued)

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

The Group presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

i) As a lessee (continued)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

i) As a lessee (continued)

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'

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Fair value measurement (continued)

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.

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 Company'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 Company. 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	
		2021	2020
Trade receivables	12	2,231,025	2,057,511
Due from related parties	11	285,873	176,126
Bank balances	14	1,907,072	2,250,343
		4,423,970	4,483,980

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

ii) Credit risk (continued)

(i) Trade and other 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. 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 as presented on the Statement of Financial Position. The Group maintains a provision for doubtful accounts receivable; 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 5,768 (2020: 5,411) customers with its largest 5 customers accounting for 70% (2020: 63%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking.

In response to the COVID-19 pandemic, the credit control function has been performing frequent reviews of sales limits for customers in industries that are severely impacted. The Group is monitoring the economic environment in response to the COVID-19 pandemic to minimize the impacts from credit risks.

The trade and other receivables are unrated.

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

(ii) The loss allowance as at December 31, 2021 and December 31, 2020 was determined as follows for trade receivables and due from related parties

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

ii) Credit risk (continued)

(Amount in thousands of QR)	Gross carrying amount		
	Trade Receivables	Due from Related Parties	Loss allowance
			2021
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**

	Gross carrying amount		
	Trade Receivables	Due from Related Parties	Loss allowance
			2020
Current	503,463	91,112	7,505
0-90 days	1,019,850	27,979	61,981
91 to 180 days	325,379	2,019	31,066
181 to 270 days	33,481	280	3,293
271 to 365 days	23,679	4,203	2,075
More than 365	151,659	50,533	68,051
	2,057,511	176,126	173,971

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.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

ii) Credit risk (continued)

The Group has recognised a loss allowance of QR. 161 million (2020: QR. 174 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 Company limits its exposure to credit risk on bank balances by maintaining balances 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 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 2021

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

iii) Liquidity risk (continued)

(Amount in thousands of QR)		Contractual cash flows			
	Carrying Amounts	Total	Less than 1 year	2 – 5 years	More than 5 years
2021					
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)**

		Contractual cash flows			
	Carrying Amounts	Total	Less than 1 year	2 – 5 years	More than 5 years
2020					
Finance lease liabilities	155,469	(155,469)	(36,854)	(77,933)	(40,682)
Due to related parties	2,264,731	(2,264,731)	(2,264,731)	-	-
Trade and other payables	714,490	(714,490)	(714,490)	-	-
	3,134,690	(3,134,690)	(3,016,075)	(77,933)	(40,682)

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 181 million (2020: QR 138 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 Company has interest rate risk arising from bank deposits. These deposits are issued at fixed rates which expose the Company 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	Buildings & infrastructure	Plant and equipment	Vehicles, office equipment & 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

	Land	Buildings & infrastructure	Plant and equipment	Vehicles, office equipment & furniture	Vessels	Projects in progress	Total
Cost							
At 1 January 2020	548,400	1,835,673	781,374	825,224	324,901	446,947	4,762,519
Additions	-	85,043	16,573	49,597	34,006	123,392	308,611
Revaluation	(14,300)	-	-	-	-	-	(14,300)
Impairment loss for the year	(1,580)	-	-	-	-	-	(1,580)
Transfers from projects in progress	-	233,246	54,680	64,270	40,826	(393,022)	-
Disposals / Transfers	-	(43,689)	(2,911)	(3,732)	806	-	(49,526)
At 31 December 2020	532,520	2,110,273	849,716	935,359	400,539	177,317	5,005,724
Accumulated depreciation							
At 1 January 2020	-	423,401	492,434	629,699	135,612	-	1,681,146
Depreciation charge	-	48,045	20,481	74,633	11,975	-	155,134
Disposals / Transfers	-	(7)	(2,055)	(3,646)	340	-	(5,368)
At 31 December 2020	-	471,439	510,860	700,686	147,927	-	1,830,912
Carrying value							
At 31 December 2020	532,520	1,638,834	338,856	234,673	252,612	177,317	3,174,812

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

i) The Group has received Government aid in the form of non-monetary assets (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 to use has been granted by the Ministry of Municipality and Urban Planning ("Municipality") for ninety-two (92) plots of land for the purpose of constructing and operating petrol stations. However, during the year, the Company received draft contracts for 10 lands from the Municipality which is still under discussion. Kindly refer to Note 23, Trade and Other Payable for details.

The Group has 10 (2020: 10) vessels that operate mainly in fuel bunkering, bitumen and chartering.

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

ii) Depreciation allocated to cost of sales amounted to QR 144.7 million (2020: QR 134 million) and general and administrative expenses in amount to QR 19.5 million (2020: QR 21 million).

iii)The fair value of the Group's land as at 31 December 2021 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.

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

6. RIGHT-OF-USE ASSETS

	Land & Buildings	Vehicle	Total
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**
Cost			
As at 1 January 2020	70,701	76,801	147,502
Additions during the year	40,704	25,827	66,531
Disposals	(1,202)	-	(1,202)
	110,203	102,628	212,831
Accumulated Depreciation			
As at 1 January 2020	6,834	16,510	23,344
Charge for the period	18,062	18,656	36,718
Disposals	(860)	-	(860)
	24,036	35,166	59,202
Carrying value			
At 31 December 2020	86,167	67,462	153,629

7. INVESTMENT PROPERTIES

	2021	2020
Cost		
Balance at 1 January	1,076,452	1,040,611
Transfer from property, plant and equipment	11,200	43,269
Impairment	(1,275)	(7,428)
Balance at 31 December	1,086,377	1,076,452
Accumulated depreciation		
Balance at 1 January	170,136	154,339
Depreciation charge for the year	16,287	15,797
Balance at 31 December	186,423	170,136
Carrying Value At 31 December	**899,954**	906,316

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

The 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 total fair value of the investment property as at 31 December 2021 was QR 1,620 million (2020: QR 1,585 million).

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

8. INVESTMENTS

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

	2021	2020
Investment at FVOCI	1,806,764	1,382,133
Investments current account	15,727	253,851
Long term deposits	2,283,678	1,076,266
	4,106,169	2,712,250

The movement in balances of investment securities at FVOCI and at amortised cost during the year is as follows:

	2021	2020
Balance at 1 January	1,382,133	1,553,936
Acquired during the year	1,238,264	1,685,966
Disposals	(904,880)	(1,964,051)
Net movement in fair value reserve	91,247	106,282
Balance at 31 December	**1,806,764**	1,382,133

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 2021 and 2020, the Group held the following classes of financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
2021	**1,806,764**	**1,806,764**	-	-
2020	1,382,133	1,382,133	-	-

During the year ended 31 December 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements also.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

9. GOODWILL AND INTANGIBLES

	2021	2020
Goodwill (i)	132,935	132,935
Intangibles (ii)	2,441	2,236
	135,376	135,171

(i) Goodwill

	2021	2020
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	
	2021	2020	**2021**	2020
Revenue growth	**5%**	10%	**1%**	1%
Expenses growth	**3%**	3%	**1%**	1%
Discount rate	**4%**	4%	**4%**	4%

9. GOODWILL AND INTANGIBLES (CONTINUED)

(i) Goodwill (continued)

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.

(ii) Intangibles

Intangibles include software having useful life of 5 years

	2021	2020
Cost		
Balance at 1 January	2,533	-
Additions	1,286	2,533
Balance at 31 December	3,819	2,533
Accumulated amortisation		
Balance at 1 January	(297)	-
Amortisation charge for the year	(1,081)	(297)
Balance at 31 December	(1,378)	(297)
Carrying value	**2,441**	2,236

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

10. INVENTORIES

	2021	2020
Fuel inventory	295,926	143,116
Materials and spare parts	129,195	140,908
Retail stores inventory	30,855	30,182
Other inventory items	10,181	8,843
	466,157	323,049
Provisions slow moving items	(18,215)	(7,727)
	447,942	315,322

The movement in the provision for inventories is as follows:

	2021	2020
Balance at 1 January	7,727	12,523
Provided / (reversed) during the year	10,488	(4,796)
Balance at 31 December	**18,215**	7,727

(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 party are as follows:

Transactions with related parties	Transaction Type	2021	2020
QatarEnergy	Sales	157,410	93,640
	Purchases	17,226,385	11,124,413
Qatar Gas	Sales	1,869,388	1,302,888
North Oil Company	Sales	163,390	108,653
Rasgas	Sales	884	813
Gulf Drilling International	Sales	19,630	18,595
Amwaj Catering Services	Sales	32,685	22,589
	Services	42,220	37,491
Qatar Chemical and Petrochemical Marketing and Distribution Company	Sales	41,974	33,569
Oryx Gtl	Sales	5,737	8,989
Qatar Steel Company	Sales	4,984	4,986
Nakilat Agency Co.	Sales	219	4,918
Gulf Helicopter	Sales	12,207	6,372
Qatex Limited	Sales	9,496	5,001
Qatar Aluminium	Sales	9,855	6,303
Dolphin Energy Limited.	Sales	8,567	6,333
Qatar Petroleum Development	Sales	6,106	2,264
Qatar Chemical Company Ltd	Sales	2,469	3,095
Qatar Fuel Additives Company	Sales	1,633	1,849
Alkoot Insurance & Reinsurance Company	Services	26,728	24,894
Others	Sales	6,143	3,797

11. RELATED PARTY TRANSACTIONS (CONTINUED)

a) Transactions with related parties (continued)

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.

b) Balances due from related parties:

	2021	2020
Qatar Gas Operation Co. Ltd.	166,564	78,237
QatarEnergy	85,005	68,779
North Oil Company	14,137	13,042
Gulf Drilling International	5,425	5,515
Qatar Chemical & Petrochemical marketing & Distribution Co.	3,752	2,479
Qatar Petroleum Development	2,385	940
Amwaj Catering Services	1,504	878
Qatar Petrochemical Company	1,165	358
Dolphin Energy Limited.	1,004	907
Qatar Aluminium	947	517
Qatex Limited	915	913
Gulf Helicopters	806	976
Rasgas	582	861
Qatar Gas Transport Co. Limited	403	159
Qatar Fertiliser Company	373	383
Oryx Gtl	250	239
Messaied Power company	146	21
Qatar Fuel Additives Company	122	322
Gasal	122	63
Qatar Steel Company	108	73
Qatar Chemical Company Ltd	82	158
Ras Girtas Power Co.	35	32
Umm Al Houl Power	29	9
Ras Laffan Power Co. Limited	7	12
Nakilat Agency Co.	3	232
Seef Ltd.	2	2
Qatar Vinyl Co. Ltd.	-	19
	285,873	176,126

11. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Balances due to related parties:

	2021	2020
QatarEnergy	2,940,200	2,258,163
Amwaj Catering Services	14,289	6,568
	2,954,489	2,264,731

d) Compensation to key management personnel

	2021	2020
Salaries of executive management	12,532	11,878
Board's remuneration (i)	11,820	11,820
Secondment Allowance	4,362	5,263
Other committee allowances	1,004	669
	29,718	29,630

(i) Board of Directors' remuneration for the year is subject to approval at the ordinary general assembly meeting of the Company to be held on 27 February 2022.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

12. TRADE RECEIVABLES

	2021	2020
Trade receivables	2,231,025	2,057,511
Less: impairment of receivables	(160,692)	(173,971)
	2,070,333	1,883,540

a) The aging for trade receivables net of impairment allowances is as follows:

	2021	2020
Current	992,935	503,463
1-90 Days	933,269	1,019,850
91-180 Days	109,716	325,379
181-270 Days	42,274	33,481
271-365 Days	10,422	23,679
More than 365 days	142,409	151,659
	2,231,025	2,057,511

b) Movement in provision for receivables:

	2021	2020
At 1 January	173,971	112,966
Net provided during the year	2,593	40,196
Pricing difference adjustments in cost of sales	-	26,572
Reversal of provision	(15,872)	(5,763)
At 31 December	**160,692**	173,971

13. PREPAYMENTS AND OTHER RECEIVABLES

	2021	2020
Staff advances and loans	28,765	23,238
Advances, deposits and prepaid expenses	54,967	26,839
Receivable from Ministries	64,986	64,986
Other receivables	9,752	12,134
	158,470	127,197

14. CASH AND BANK BALANCES

	2021	2020
Cash	668	386
Balances with banks		
- Current and call accounts	142,669	124,201
- Fixed deposits	1,192,036	1,386,623
Cash and cash equivalents	**1,335,373**	1,511,210
Fixed deposits having maturity more than 3 months	572,367	739,519
Cash and bank balances	**1,907,740**	2,250,729

15. SHARE CAPITAL

	2021	2020
Authorized:		
1,000,000,000 ordinary shares of QR 1 each		
(2020: 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		
(2020: 994,255,760 shares of QR 1 each)	**994,256**	994,256

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

16. LEGAL RESERVE

The Company maintains a legal reserve in line with the requirements of the Qatar Commercial Companies Law No. 11 of 2015, 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 company'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 the cumulative net change in the fair value of investment securities at FVOCI until the assets are derecognized.

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

	2021	2020
At 1 January	158,339	73,155
Net change in fair value	82,074	85,184
At 31 December	**240,413**	158,339

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

18. FINANCE LEASE LIABILITIES

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2021	2020	**2021**	2020	**2021**	2020
Current Portion						
Less than one year	47,772	43,607	6,838	6,753	40,934	36,854
Non-Current Portion						
Between 1 and 5 years	76,043	91,597	14,567	13,664	61,476	77,933
More than 5 years	65,221	53,669	16,905	12,987	48,316	40,682
	141,264	145,266	31,472	26,651	109,792	118,615
Total	**189,036**	188,873	**38,310**	33,404	**150,726**	155,469

During the current year, the Group has capitalized right-to-use assets in compliance with IFRS 16. The assets are capitalized as part of right-of-use assets. The present value of minimum lease payments is determined using a discounted factor, which is the addition of risk-free rate and market risk premium.

19. EMPLOYEES' END OF SERVICE BENEFITS

	2021	2020
Balance at 1 January	90,108	89,247
Provided during the year	19,356	32,167
Paid during the year	(11,517)	(31,306)
Balance at 31 December	**97,947**	90,108

20. DECOMMISSIONING PROVISION

Provision was made during the year in respect of the Group's obligation to decommission the 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

	2021	2020
Trade payables	120,384	122,238
Retentions payable	13,231	36,892
Accruals, provisions and other payables (i)	769,234	555,360
	902,849	714,490

(i) includes QR 141 million provision for rent towards 92 plots of land located in State of Qatar upon which a right to use has been received from the Ministry of Municipality and Urban Planning ("Ministry") for constructing and operating petrol stations.

Out of these lands, the Group has received draft agreements during the year for 10 plots of land where the rent is effective from the operation date of the petrol stations. All these agreements are currently under discussion.

Since the Group expects to receive the agreements for the remaining plots of lands, the Group has made provision for all the lands received from the Ministry based on the information available from the draft contracts.

22. REVENUES

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

	2021	2020
Sale of fuel products	18,479,476	12,225,497
Sale of non-fuel products	879,948	831,333
Revenue from services	172,072	188,603
	19,531,496	13,245,433

23. COST OF SALES

	2021	2020
Cost of goods sold	18,409,359	12,374,462
Depreciation	187,490	174,397
	18,596,849	12,548,859

24. OTHER INCOME

	2021	2020
Dividend income	60,832	80,795
Rental income	138,356	130,365
Miscellaneous income	21,393	16,515
	220,581	227,675

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Staff cost and related benefits	161,787	163,542
Depreciation	35,496	33,559
Office expenses	30,688	28,638
Other expenses	35,686	27,907
Interest expense	1,601	13,966
Selling and marketing expenses	19,138	19,038
	284,396	286,650

26. FINANCE INCOME

	2021	2020
Profit from deposits with Islamic banks	67,596	78,483
Interest from non-Islamic banks	52,211	60,633
	119,807	139,116

27. PROVISIONS / IMPAIRMENT

	2021	2020
Reversal / (provision) for bad and doubtful debts	13,279	(40,196)
Impairment of property, plant and equipment	(220)	(1,580)
Impairment of investment properties	(1,275)	(7,428)
	11,784	(49,204)

(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 shareholders of the Company by the weighted average number of ordinary shares outstanding during the year as follows:

	2021	2020
Profit for the year attributable to the Owners of the Company	**974,026**	707,425
Weighted average number of shares outstanding during the year	**994,256**	994,256
Basic and diluted earnings per share (in QR)	**0.98**	0.71

29. DIVIDENDS

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

The Board of Directors has proposed cash dividends of QR 0.76 per share, amounting to a total of QR 755.6 million for the year ended 31 December 2021. 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. None of these segments, individually met the quantitative thresholds for reportable segments in either 2020 or 2021.

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

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

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.

30. OPERATING SEGMENT (CONTINUED)

	Sale of fuel products & 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 (loss) before tax	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**
31 December 2020			
Segment revenue	13,181,896	233,766	13,415,662
Inter-segment revenue	(124,702)	(45,527)	(170,229)
External revenues	13,057,194	188,239	13,245,433
Segment profit (loss) before tax	697,757	149,754	847,511
Interest income	122,616	16,500	139,116
Interest expense	8,632	-	8,632
Depreciation and amortisation	180,736	27,210	207,946
Other material non-cash items:			
– Impairment losses on trade receivables	61,695	-	61,695
– Impairment losses on non-financial assets	21,728	1,580	23,308
Segment assets	9,361,218	2,473,874	11,835,092
Capital expenditure	229,884	81,258	311,142
Segment liabilities	3,210,109	38,114	3,248,223

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

30. OPERATING SEGMENT (CONTINUED)

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

	2021	2020
Total profit before tax for reportable segments	1,002,312	697,757
Profit before tax for other segments	72,111	149,754
Elimination of inter-segment profit	(72,000)	(120,000)
Consolidated profit before tax	**1,002,423**	727,511

d) Geographic information

The fuel and related product 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 Company'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.

i) Revenue	**2021**	2020
State of Qatar	19,499,577	13,200,574
All foreign countries		
Sultanate of Oman	31,919	44,858
	19,531,496	13,245,432

ii) Non-current assets	**2021**	2020
State of Qatar	8,361,190	6,910,978
All foreign countries		
Sultanate of Oman	53,129	148,765
Kingdom of Saudi Arabia	23,424	22,433
	8,437,743	7,082,176

31. COMMITMENTS AND CONTINGENCIES

Capital commitments

	2021	2020
Capital commitments	211,150	13,804

Contingent liabilities

	2021	2020
Bank guarantees	131,912	101,319
Letters of credit	531	769

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.

i) Amounts recognised in statement of profit or loss

	2021	2020
Leases under IFRS 16		
Interest on lease liabilities	7,508	7,230
Expenses relating to short-term leases	5,043	4,923

Notes to the Consolidated Financial Statements
For the year ended 31 December 2021
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

32. LEASES (CONTINUED)

a) Leases as lessee (continued)

ii) Amounts recognised in statement of cash flows

	2021	2020
Total cash outflow for leases	46,860	41,760

iii) 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.

b) Leases as lessor

The Group leases out its investment property 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.

Operating lease commitments – Group as a lessor	2021	2020
Less than one year	179,122	150,758
One to two years	173,455	158,768
Two to three years	163,405	151,148
Three to four years	155,829	140,707
Four to five years	120,829	137,628
Total	792,640	739,009

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

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
2021	**155,469**	**(39,353)**	**34,610**	**150,726**
2020	125,668	(34,530)	64,331	155,469