WOQOD وقود

Serving Customers with Energy

2020

Qatar Fuel (WOQOD)
Annual Report

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

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HIS HIGHNESS
SHEIKH TAMIM BIN HAMAD AL THANI

THE EMIR OF THE STATE OF QATAR

HIS HIGHNESS
SHEIKH HAMAD BIN KHALIFA AL THANI

THE FATHER EMIR

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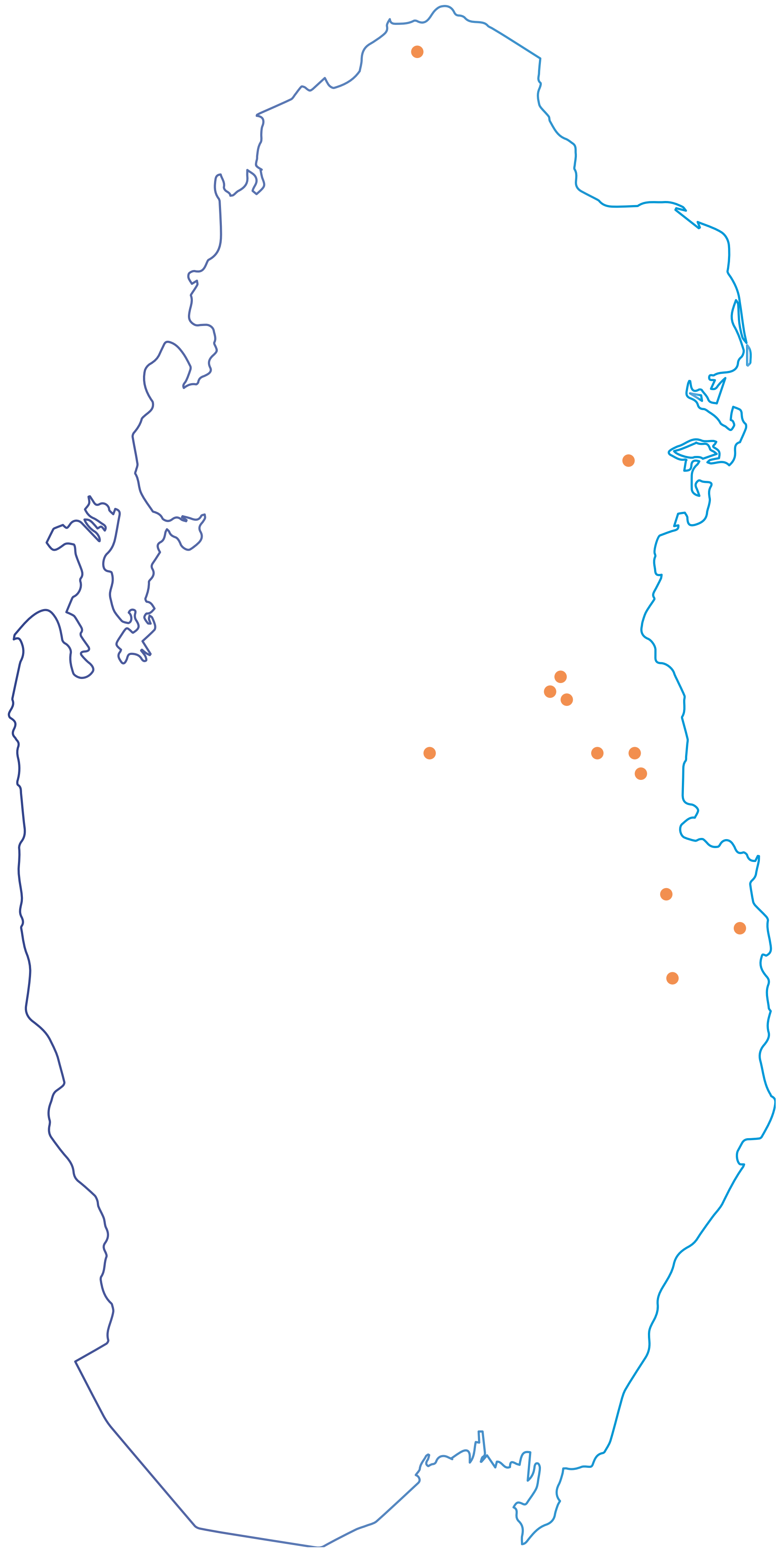
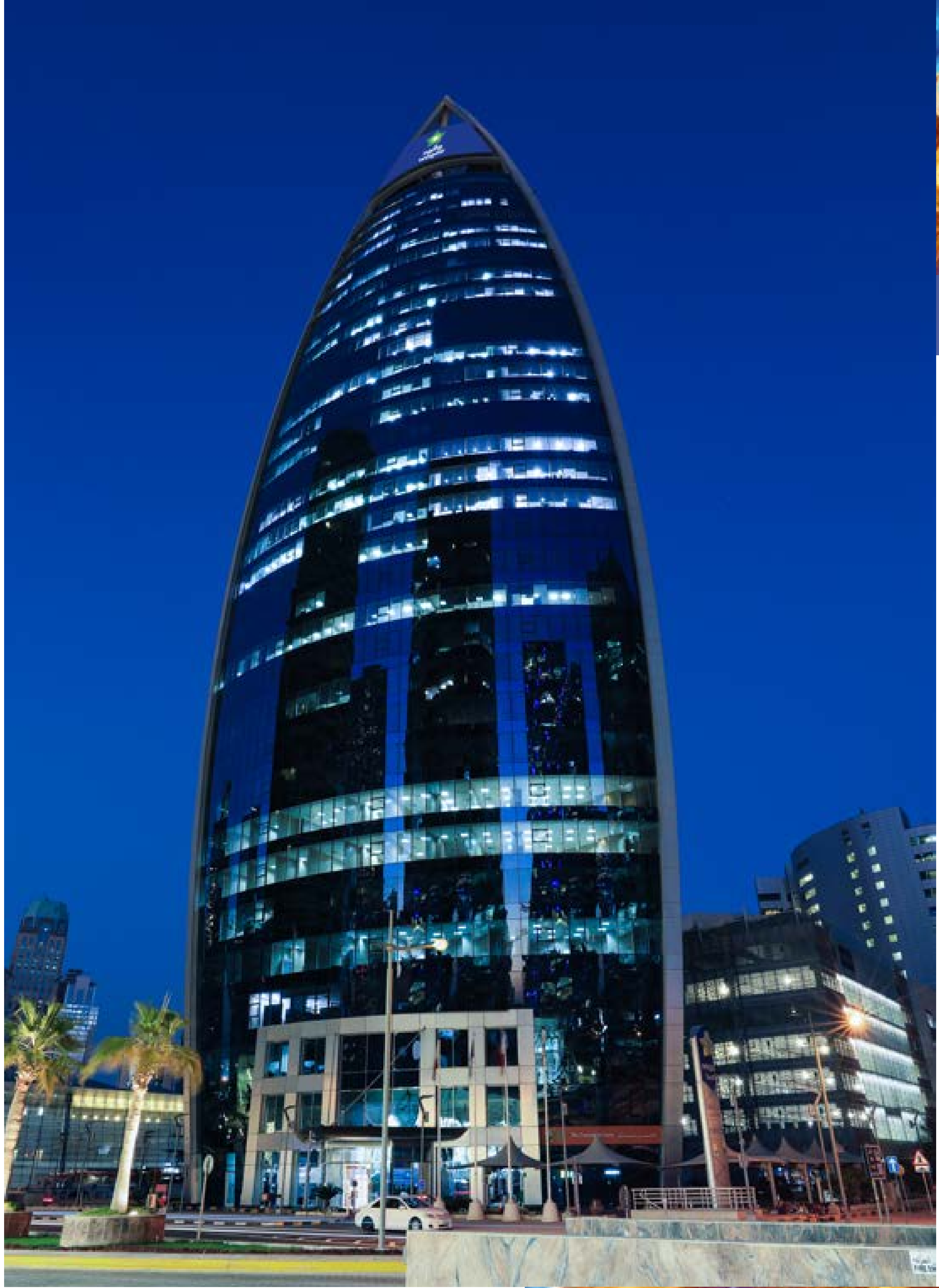




Our Profile

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 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 diesel fuel with lowest sulfur content.

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 and tyre change services. WOQOD Lubricants have a complete range of automotive and industrial lubricants developed to suit all types of vehicles and 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 aspire to be the most professionally managed company in Qatar.

Solid
WOQOD as a company is built on a solid foundation financially through its shareholders.

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

Innovation
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 launched its own branded range of lubricants

2010

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

2011

WOQOD obtains International Organization for Standardization (ISO) 14001 certification

2012

WOQOD inaugurated the first CNG station in Qatar

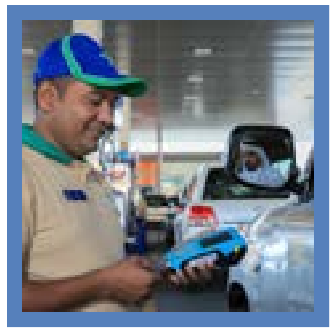
2014

FAHES opened its first station under WOQOD ownership

2015

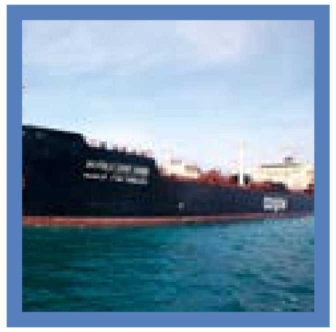
The company launched Radio Frequency Identification technology based fueling system

2016



WOQOD network of branded petrol stations reached to 42

2017



WOQOD Marine acquired a new vessel for bitumen transportation

2018

WOQOD retail fuel market share reached 70%

2019

WOQOD stock included in the MSCI and FTSE Russell World Indices

2020

WOQOD network of petrol stations crossed 100

Chairman's Message

On my own behalf and on behalf of my honorable colleagues, I am pleased to welcome your good selves, and to present the annual report that includes the most important performance indicators, financial results and the achievements of the WOQOD Group during the year 2020,which demonstrates the significant efforts exerted by the Group, despite the challenges and difficulties faced by us and the whole world due to the Corona pandemic where, as part of the efforts made and precautionary measures issued by the official authorities to deal with the pandemic, we have coordinated with all relevant authorities and taken adequate measures to ensure the continuity of our operations and safety of our staff.

It's worth commending the achievements of the Qatari economy for accomplishing highest credit ratings during 2020, which unanimously assured its strength and robust capability to recover from the effects of the pandemic as a result of the financial and economic stimulus incentives provided by the State under the leadership of His Highness Sheikh Tamim Bin Hamad Al Thani, the Amir of Qatar to support the economy and mitigate the negative effects of the pandemic.

With regards to the performance of the WOQOD Group, the Group had intensified and deployed all its efforts during the year 2020 despite the circumstances of the Corona pandemic to achieve the company's strategic objectives, strengthen its position in the field of internal distribution of petroleum products and gas, meet local market energy requirements, in addition to increasing its share in the market. The Group has also launched various infrastructure projects in the fields of petroleum product distribution, technical inspection of vehicles, natural gas and bunker fuel, in which we achieved a historic sales level in 2020, where the company strengthened the fleet of ships by purchasing two vessels to transport and refuel ships in Qatari ports, which have positively reflected on the various performance indicators and results achieved as detailed in the annual report.

As for the Group's financial performance in the fiscal year ended December 31, 2020, the Group had continued its efforts to implement its policy of efficiency, effectiveness and rationalization of expenditures, which had the greatest impact in reducing the decline trend in profits achieved during the year despite the negative effects of the Corona pandemic, that brought in a significant reduction in the volume of fuel consumption and other services, where the net profit of the WOQOD Group, after excluding the rights of the minority, amounted to QR. 707 million, compared to the amount of QR. 1,216 million for the year 2019.

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 QR. 457 million at a rate of 65% of the net profit for 2020, equivalent to QR. 0.46 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 Amir of Qatar, for his continuous support to WOQOD Group, which has had a great impact on the development and prosperity of the company.

In conclusion, I would like to thank the members of the Board of Directors for their continuous work in order to achieve the company's objectives and its strategic mission, and our valued shareholders for their confidence in investing in WOQOD, as we affirm our pride and appreciation to the employees of the company who continued to make sincere efforts and strive to promote the company, despite the risks of working in the circumstances of the Corona pandemic, and we hope 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

I am pleased to present to our valued shareholders a summary of the most important achievements of The WOQOD Group during the fiscal year 2020 ,in addition to the company's most important plans and future projects, where the Group had achieved remarkable results during the past year despite the negative effects of the Corona pandemic (Covid-19), as detailed in the annual report.

It is worth mentioning the most important performance indicator during the year, and as the Chairman of the Board pointed out, the company had despite the circumstances of the pandemic, achieved a net profit of QR. 707 million compared to QR. 1,216 million in 2019. It had also achieved an earnings per share of QR. 0.71. The percentage of profits achieved despite the circumstances of the pandemic was attributable to the continuation of the Implementation of the cost optimization and efficiency measures adopted by the company since 2018, which has had a significant impact on reducing the decline in profits achieved compared to 2019.

In terms of the Petrol Stations Projects, the year 2020 had witnessed the completion of the construction of 12 stations, bringing the total number of operating stations to 108. The first quarter

of 2021 will witness the completion of the construction and commissioning of three new stations, in addition to 5 more stations expected to be completed in 2021. Regarding the construction of new stations in future, the company has dynamic plan that will be reviewed periodically according to the demand for new petrol stations.

Due to the expansion of petrol stations as mentioned above, the share of WOQOD in the retail market of petroleum products has increased to about 85% by the end of 2020, and we are currently working to raise this percentage to 90% by the end of this year. As for the technical inspection centers, we have opened and operated one more center, and therefore the number of active centers has reached 12 centers. Also, we have opened 20 new Sidra Shops for consumer products, including 3 shops designated in metro stations.

On the other hand, in order to enhance the bunkering service, we have purchased two vessels to provide service to ships visiting Qatari ports, which have resulted in achieving a record number of sales of bunker fuel since the establishment of the company, where total sales by the end of 2020 amounted to about 949 thousand metric tons.

Regarding sales of petroleum products, the year 2020 had witnessed a decrease in total sales by 21% compared to the year 2019, due to market conditions and the negative effects of the "COVID-19" pandemic, where diesel sales decreased by 9%, super gasoline by 10%, premium gasoline by 9%, while Jet A-1 fuel sales decreased by 33%, due to the decline in airline operations as a result of the cessation of air traffic in most of the countries of the world. Bitumen sales had also decreased by 60% driven by market conditions and the completion of infrastructure projects. LPG Gas sales have also decreased by 3% compared to the same period of 2019, and retail fuel sales through gas stations have decreased as well by 2%, sales of bunker fuel and natural gas increased by 7% and 13%, respectively compared to the same period in 2019, while non-fuel retail sales, including sales of Sidra, increased by 11%, driven by growth in network. It is worth mentioning that in 2020, we have supported the retail sector by tying-up with the top international companies in order to secure an optimal marketing of lubricating oil and grease products.

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 environmental health.

It should also be noted that Qatar Fuel ranked first on the Qatar Stock Exchange in terms of compliance with safety, environmental health, social responsibility and governance requirements in accordance with the standards index adopted in this regard. The Boston Consulting Group has also ranked WOQOD within the top 20 oil & gas companies in the world as the world's top performers in total shareholder returns over the past three to five and 10 years.

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 company. We also thank all government agencies, and all the employees of the company for their sincere efforts to serve and promote the company. We promise to give more and to deploy all our efforts in order to achieve the company's goals and the aspirations of its valued shareholders.

Saad Rashid Al-Muhannadi
MD & CEO

2020 Key Achievements

2020 was an exceptional year to WOQOD driven by the COVID-19 pandemic. Although the demand for fuel has fallen, we managed to overcome challenges from COVID-19 pandemic and ensured business continuity throughout the year.

Effective management during the COVID-19 pandemic and Loss time incident frequency (LTIF) improved by 5%

Completed 12 new petrol stations and 1 fahes inspection center

Retail fuel market share increased to 85%

Opened 20 new C-stores including 3 in Metro stations

Partnered with Talabat home delivery for Sidra convenience stores

Acquired 2 new vessels for fuel bunkering

Recorded the all-time high fuel bunkering supply of 949 KMT

WOQOD branded lubricants achieved 62% share at WOQOD petrol stations

Topped the QSE on ESG compliance

Achieved cost optimization of 15%

Achieved certification of ISO 27001 standard on Information Security

Our Strategy

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Our Strategy

WOQOD's business strategy is to achieve customer satisfaction by providing value and quality offerings. Our fuel business growth is experiencing challenges driven by the technological advancement in the motor industry and dependency on demographic factors.

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. However, there remains considerable uncertainty around the COVID-19 pandemic, its macroeconomic fallout, and the associated impact on our business.

As part of our strategic priorities, we are focusing on five key areas:

- Growth
- Efficiency Improvement
- Cost optimization
- Safety & Reliability
- Qatarization

Growth

WOQOD's commercial business segment is faced with challenges such as reducing market demand coupled with economic slow down due to the COVID-19 pandemic. However, football world cup event and the Qatar National Vision 2030 presents growth opportunities. We aim to build our storage and supply capabilities to cater to the foreseen demand increase.

During the year, we acquired two new vessels for our VLSFO bunkering operations. We are also exploring options to leverage our expertise to capture opportunities associated with the North Field Expansion.

The global transport industry is on the verge of massive changes, with the rise of Electric Vehicles (EV), autonomous (self-driving) vehicles, and new fuels (LNG & CNG). Environment has always been a priority for the State of Qatar and the country has been very keen in cuttingdown its carbon footprint. According to the MOTC plan, 25% of the public transit bus fleet in Qatar would become electric by 2022.

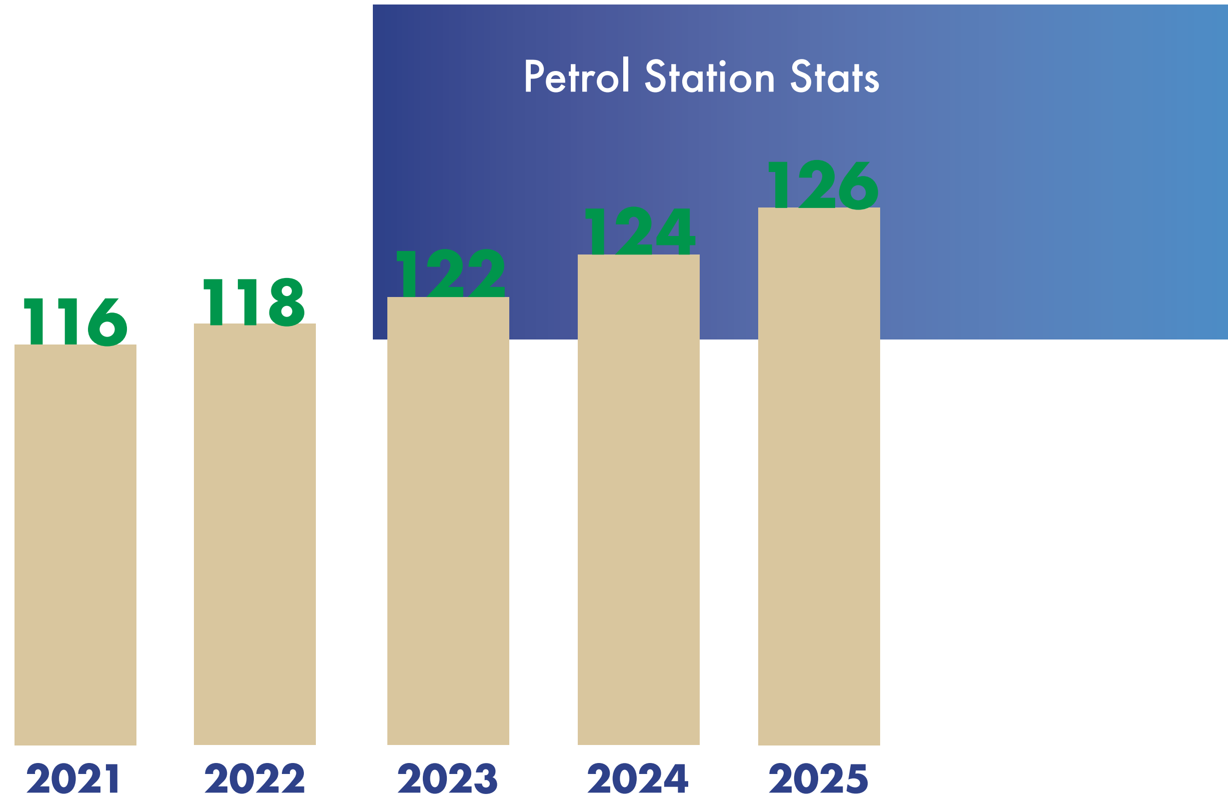
WOQOD is currently exploring possibilities of leveraging its auto-care services network for tapping opportunities associated with the introduction of EVs in Qatar. The company is planning to install EV chargers at selected WOQOD petrol stations.

Regarding fuel retail and marketing, the company's petrol station expansion plan is dynamic and is constantly revisited by the management to fulfill the market demand.

The company is planning to open another 8 stations in 2021 to further improve customer experience at the station. This is expected to result in increase in retail fuel market share to 90%. At the end of 2020, WOQOD's Retail fuel market share increased by 3% (85% in 2020 vs. 82% in 2019) driven by the opening of new stations.

In line with our strategy to grow non-fuel Retail business, WOQOD is planning to roll out several initiatives in 2021 across its network of auto-care centers and sidra convenience stores to improve service and convenience for our customers and to optimize revenue.

The strategy is to focus on customer needs and optimize the network in order to extract maximum value. The key focus areas include, introducing new services, launching WOQOD branded products, improving customer service level etc.



Efficiency Improvement

WOQOD is trying to minimize the costs through efficiency improvement while maintaining the quality of products and services we offer to our customers. In our commercial business, we are undertaking strategic initiatives to develop operational efficiencies. We are in the process of automating the fuel dispatch process.

In our non-fuel retail business, we are undertaking several strategic initiatives including supplier negotiations, improving product category to improve the average basket size from the convenience store, etc.

We are also in process of implementing i-supplier portal for efficient vendor management. As part of the process, Vendor Data Update, Order Acknowledgement, Invoicing and Advance shipment notification will now be automated/self-managed directly by vendor using i-supplier portal.

Cost Optimization

We always aim to rationalize our operations to optimize operating and capital expenditures. We achieved 37% of operating cost savings in the last three years through company's cost optimization initiatives. For example, our fuel distribution fleet optimization initiative has achieved the optimum level of 170 fuel trucks and resulted in operating and capital expenditure savings. We are planning to enhance our fuel supply fleet by adding aluminium tankers to improve average payload.

Safety & Reliability

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

In 2021, the company is planning to achieve 10% reduction in loss time incidents, 90% compliance with planned medical examination, and 100% compliance with certified security and quality standards.

Our focus is consistently around building operational efficiencies and ensuring safe and reliable operations. We ensure that all critical equipment is periodically inspected and maintained to the highest standards. We are undertaking several initiatives to ensure reliability and business continuity.

WOQOD has a long-term relation with QP and as part of that, we have several sales & purchase agreements with QP. We recently concluded the Fuel Bunkering and LPG SPA and currently working on CNG Operational agreement with QP.

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 Qatar Petroleum's Tawteen initiative, we implemented "Investment Opportunity". We have identified investment opportunity for the supply of Fuel tanks for 5 years with a minimum commitment to a local SMEs short listed by Tawteen. We are also in advance stages of implementing "In-Country Value (ICV)".

In terms of staff Qatarization plan, we achieved 15% Qatarization during the year despite pandemic situation and exceeded the 2020 target Of 14.3%. In addition, we sponsored 11 new national students and 11 Graduated Students were absorbed for development into developee roles during the year.

Financial Review

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Financial Review

In 2020, WOQOD business was impacted by COVID-19 pandemic. The market demand for fuel & related products fell sharply starting Q2 until August and gradual recovery was witnessed towards the end of the year. Total fuel volume sold is 8.2 Billion Liters in 2020, a reduction of 21% as against 2019 driven by market demand reduction due to the COVID-19 pandemic.

Key Financial Indicators

QAR Million	2020	2019	Change%
Revenue	13,245	22,446	- 41%
Gross Profit	697	1,165	- 40%
General & Administrative Expense	287	323	- 11%
Profit for the year (Attributable to Owners of the company)	707	1,216	- 42%
Non-Current Asset	7,082	7,246	- 2%

- 2020 General & Administrative expenses lower by 11% driven by cost optimization initiatives and efficiency improvements, despite opening of new Petrol stations and a FAHES inspection center

Revenue

2019 22,446 MM

2020 13,245 MM

Revenue for 2020 is QAR 13,245 MM, a decrease of 41% compared to 2019, mainly driven by decline in market demand due to COVID-19 pandemic

Net Income

2019 1,216 MM

2020 707 MM

Net income attributable to WOQOD shareholders for 2020 is QAR 707 MM, a decrease of 42% compared to 2019 due to COVID-19 pandemic impact

Return on Equity

2019 14%

2020 8%

Return on Equity for 2020 is 8%, a decrease of 6% compared to 2019

Non-Current Assets

2019 7,246 MM

2020 7,082 MM

WOQOD non-current assets in 2020 is QAR 7,082 MM, a decrease of 2% compared to 2019

Business Review

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Business Review

WOQOD is the leading downstream fuel distribution and marketing company in the State of Qatar. We are the sole distributor of fuel to commercial and retail market in the country.

Commercial Business

WOQOD is sole distributor of diesel, gasoline, jet fuel, liquefied petroleum gas (LPG), and compressed natural gas (CNG) to commercial, industrial and government customers in Qatar. Our modern fleet of 295 vehicles distributes refined petroleum & gas products to commercial, retail & Jet fuel customers. We also sell lubricants (engine oils and greases), used by commercial, industrial and marine customers.

Fuel – diesel, gasoline, jet A1

In 2020, majority of our bulk business were impacted by COVID-19. Qatar implemented lockdown in order to contain the pandemic and the overall business activity shrunk significantly during March to August 2020.

The lockdown had a direct impact on our bulk fuel & LPG business. Jet fuel sales declined the most as travel restrictions around the world took its toll.

Overall fuel sales were lower by 21% as compared to 2019 driven by pandemic impacts

- Diesel sales lower by 9% driven by macro economic and pandemic factors
- Super and Premium Gasoline sales lower by 10% and 9% respectively driven by pandemic factors
- Jet Fuel sales lower by 33% driven by air travel restrictions in many countries

The revenue from fuel business, as shown in the table below, decreased by 52% as compared to 2019 driven by lower prices and lower volumes.

QAR MM	2020	2019	Change%
Sales of Fuel Products	6,648	13,795	-52%
Revenue from Services	40	87	-54%

Lubricants

WOQOD launched a new product line of its premium lubricants "OTO" at its petrol stations in 2019. OTO has been developed using the latest technology from Shell lubricants and Qatari GTL base oil, to create a world class lubricant. The new OTO range of lubricants includes various grades of engine oil & ancillary products.

We are currently working towards introducing our branded range of lubricants in several bulk channels with required OEM approvals.

Lubricants 2020 volumes increased by 95% as compared to 2019.

Fuel Bunkering

WOQOD provides bunkering service in Qatari waters. Our product range includes VLSFO, LSMGO & Fresh Water. We concluded the Sales & Purchase agreement with QP. As part of the SPA, we acquired two new marine vessels that are chartered directly to QP for bunkering operations.

HFO bunkering volumes increased by 7% driven by market demand

Bitumen

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.

Bitumen 2020 volumes decreased by 60% as compared to 2019 driven by macro economic factors, sunset of major projects and COVID-19 impacts.

LPG & Natural Gas

LPG sales decreased by 3% driven by the market demand and Natural Gas (including CNG) sales increased by 13%.

We supply natural gas through a network of pipeline operated by WOQOD and the CNG is sold to mowasalaat buses through a dedicated CNG station. Due to ongoing pandemic, our CNG volumes were significantly impacted as public transport was stopped. However, the natural gas volume increased significantly due to increased consumption by the industries.

Outlook

In 2021, we will continue to enhance our bulk supply capabilities and storage facilities to cater to the future market demand. We are also planning to supplement our cylinder filling facility to mitigate risks in order to avoid Single Point of Failure.

In line with Qatar National Vision 2030 policy of reducing the country's carbon footprint, we are currently working with QP on CNG station network expansion.

We intend to penetrate several bulk channels to market our branded range of lubricants to increase our market share in the Qatar market. We will undertake several planned initiatives to improve our asset›s reliability and ensure business continuity.

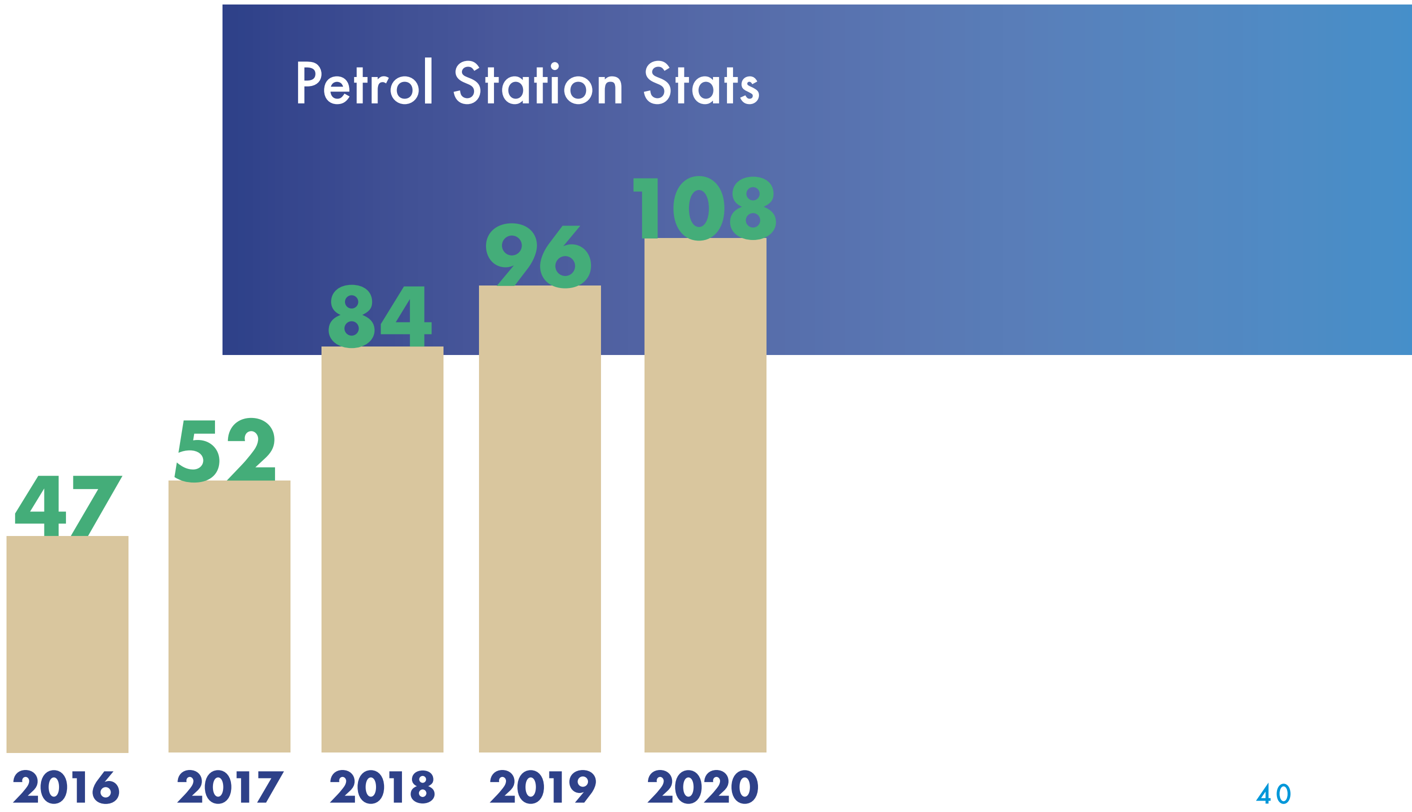
Retail Business

WOQOD's fuel retail business includes sale of Diesel, Gasoline, LPG, Lubricants, car care services, convenience store and rental shops.

Fuel

We are the largest fuel retailer in the State of Qatar with 108 petrol stations. 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. These scaled-down fuel station models are faster to setup.

During the year, the company added 12 new petrol stations including 2 mobile petrol stations. The total number of stations in operation reached to 108 petrol stations in 2020.



WOQOD Retail fuel volume sales in 2020 is 2.8 Billion Liters, a decrease of 2% as compared to 2019. Decrease in retail fuel volume is attributed to the micro economic factors and pandemic impact. However, WOQOD's fuel retail market share reached 85% during 2020 vs 82% in 2019. Our annual throughput per station of 26.5 MM liters is significantly higher than industry and reflects our operational efficiency.

The retail fuel revenue also decreased by 27% as a result of decline in the volumes and lower prices.

WOQOD currently operates 81 state-of-the-art convenience stores located at our petrol stations and standalone stores, offering motorists refreshments and snacks, confectionery, groceries and various services. We offer auto-care services at 65 number of petrol station locations. Our auto care services include, car wash, vehicle servicing and repairs, tire change and lube change services.

Non - Fuel

Retail non-fuel revenue increased by 11% in 2020 driven by growth in network and customer choice to shop at our convenience stores due to clean and hygienic environment. We implemented strict monitoring of COVID related symptoms across our convenience stores.

WOQOD launched a new product line of its premium lubricants "OTO" at its petrol stations in 2019. In addition to our branded range of lubricants, we also sell other brands at our petrol stations including OEM brands. Since introduction of our own branded lubricants, we achieved 62% share of volume sold from our petrol stations.

In 2020, we initiated several strategic initiatives to maximize revenue from our non-fuel businesses. In terms of expanding the network of standalone convenience stores, we opened 3 standalone convenience stores at various metro stations.

We distributed 46,132 number of WOQODe RFID tags free of cost to retail customers to promote cashless fueling transactions across the network of WOQOD petrol stations.

In terms of convenience store space optimization, We partner with reputed café brands and provide space within our convenience store to maximize the revenue from our convenience stores.

Our outdoor media advertisement plan is also progressing as scheduled. Upon successful completion of the pilot project, we are planning to roll out the outdoor media advertisement program at other petrol stations. This will diversify the sources of revenue for WOQOD.

We also partnered with Specialized home delivery service company, Talabaat. This enabled us to increase our customer outreach and at the same time provided convenience to our customers.

Kenar

WOQOD also offers lease retail space at our petrol stations. Our tenants include fast food international chains, local restaurants, coffee shops, laundries, car accessories and servicing etc. During the year, we added 160 shops to the Kenar. As of Dec, total 414 shops leased out of 456 shops available.

Kenar business was significantly impacted in 2020 due to COVID-19 situation. WOOQD waived off the rental for all tenants for three months. In terms of leasing process enhancement, we moved our leasing application process online with applications being submitted through leasing module available on WOQOD website. In order to provide long term stability to our tenants, we Increased the renewal contract period from one year to three years.

During the year, we added 25 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 provide by Fahes.

In 2020, we added one new Fahes inspection center at Al Mazroouah. This facility includes 14 inspection lanes. The new facility caters the inspection needs of heavy and light vehicles. The station is built with state-of-the-art inspection facilities and is one among the biggest in the gulf region.

In 2020, FAHES inspections increased by 9% driven by online renewal of istamarah. 1 new FAHES inspection centers (Madinat Al Mowather) is currently under construction stage and planned to open in 2021.

Owing to the COVID-19 pandemic, we launched a mobile application for online registrations in March 2020. The application aided significantly in doing the online registration when the COVID restrictions were imposed.

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, Qatar GDP growth is expected to recover in 2021 in line with the economic recovery post COVID-19 pandemic and country's long term LNG growth plans and benefiting from 2022 football world cup event. All these measures are expected to support economic growth and demand for fuel and nonfuel products.

In line with country's growth plans, we are planning to grow the network of our branded petrol stations within the country to 126 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 launching customer vehicle service packages which will cater to period maintenance needs of our APC customers.

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 exploring opportunities to introduce 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 2021 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

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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).

Audit Committee

The BoD has established an Audit Committee to assist the Board in discharging its responsibilities for financial reporting, external and internal audits and internal controls. During the year Board Audit Committee Charter was revised to incorporate the QFMA guidelines and the best practices across industry.

Internal Audit Activities

Internal Audit planned to conduct 22 audits in 2020. Unexpected restrictions of staff availability in the office due to COVID-19 restrained Internal Audit from initiating the audits in the respective quarters, however Internal Audit is trying to initiate all the audits before the yearend. In the audits that are closed, all observations had been agreed by the auditee departments, corrective actions and target completion dates had been obtained. All closed audit reports had been signed by respective Chiefs and department managers.

Nomination & Remuneration Committee

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

The committee is chaired by one of the Board Member and 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 BoD 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

Sheikh 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 Aabdullah 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. Annas Ibrahim Eid
Logistics, Distribution & Operations Manager

Mr. Naja Mahdi Al-Ahbabi
Gas Operations Manager

Sh. Hamad Bin Saud Al-Thani
FAHES Manager

Mr. Majid Abdulla Al-Malki
Procurement & Contracts Manager

Mr. Khalid Ahmed Al-Hetmi
QHSSE Manager

Mr. Khalid Yousuf Al Sahlawi
Engineering & Projects Manager

Mr. Yousef Khalid Aljaber
Human Capital Manager

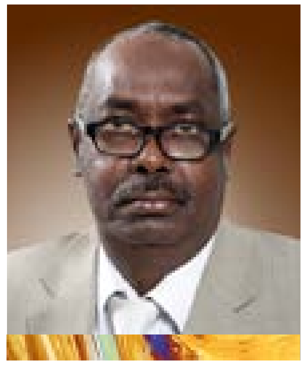
Mr. Abdulla Ibrahim Obaidan Fakhroo
Information & Communication Technology (ICT) Manager

Mr. Yousef Al-Sulaiti
General Services Manager

Mr. Soud Mesallem AlDosari
Public Relations Manager

Mr. Abdulrahman Al-Hammadi
Accounting Manager

Mr. Sultan Jassim Al-Maadeed
Finance Manager



Mr. Ibrahim Elmakki
Legal Affairs Manager

Internal Controls

WOQOD embarked on a journey on implementing the Internal Controls over Financial Reporting (ICOFR) in line with the requirements of the Regulatory Authorities. For this, Internal Control framework was established in WOQOD.

WOQOD has already identified several processes, controls, key controls and anti-fraud controls to improve the internal controls. Testing has been conducted regularly to ensure the effectiveness of the controls and necessary mitigations measures have been taken wherever needed to improve the controls. The aim is to make sure that WOQOD will have one of the best-in-class internal control system in place and it is tested for effectiveness on a regular basis.

Our People

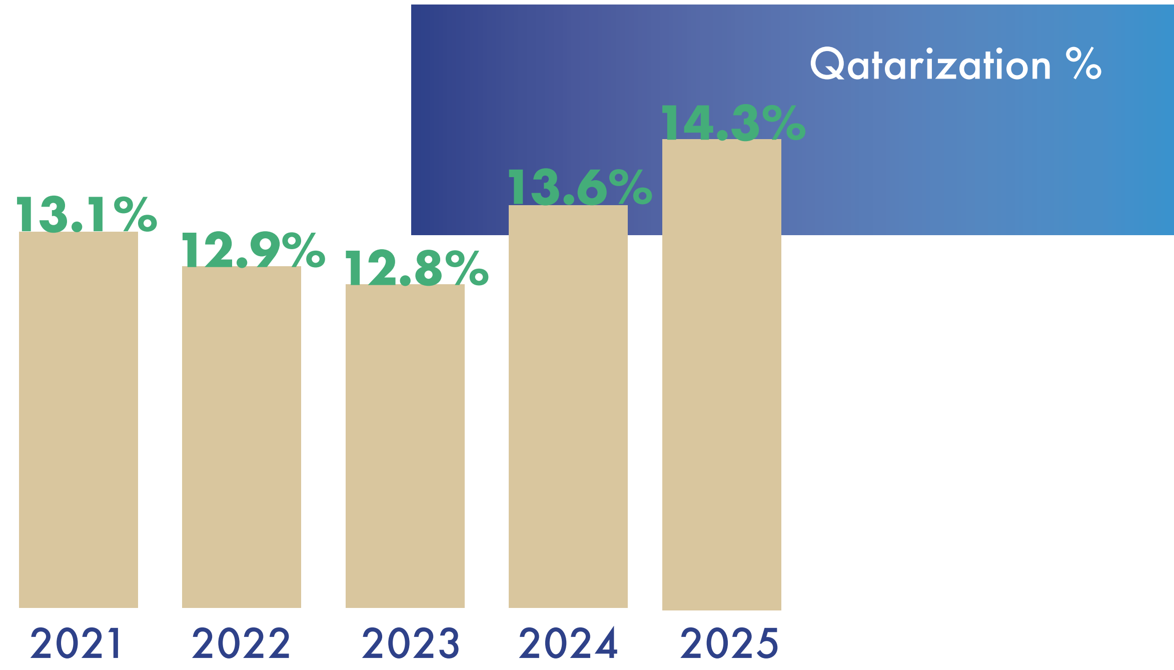
WOQOD greatly values its employees and endeavor to create an environment where everyone can contribute its unique skills. We aim to provide equal opportunities to all, and applicants are strictly considered based on merit, competence and qualification. This allows WOQOD to tap into a vast pool of talent, 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 3.98 out of 5.00.

Qatarization

During the year, we achieved 15% Qatarization despite pandemic situation exceeding the 2020 target of 14.3%.



Sponsorship to Leadership

As part of our sponsorship program, we sponsor fresh high school graduates according to the business needs in coordination with Qatar Petroleum. In 2020, we sponsored 11 New national students despite COVID situation, and 11 graduated students were absorbed for into developee roles.

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

Employee Recognition

Recognition and award programs are integral part of WOQOD. WOQOD considers its employees as the most valuable partner and therefore, respecting and appreciating their substantial contributions to the company.

WOQOD is determined to establish a culture of continuous recognition of employee's accomplishments, in order to reinforce the desired behaviors, in line with its organizational values, support business objectives, and retain motivated and high performing employees.

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

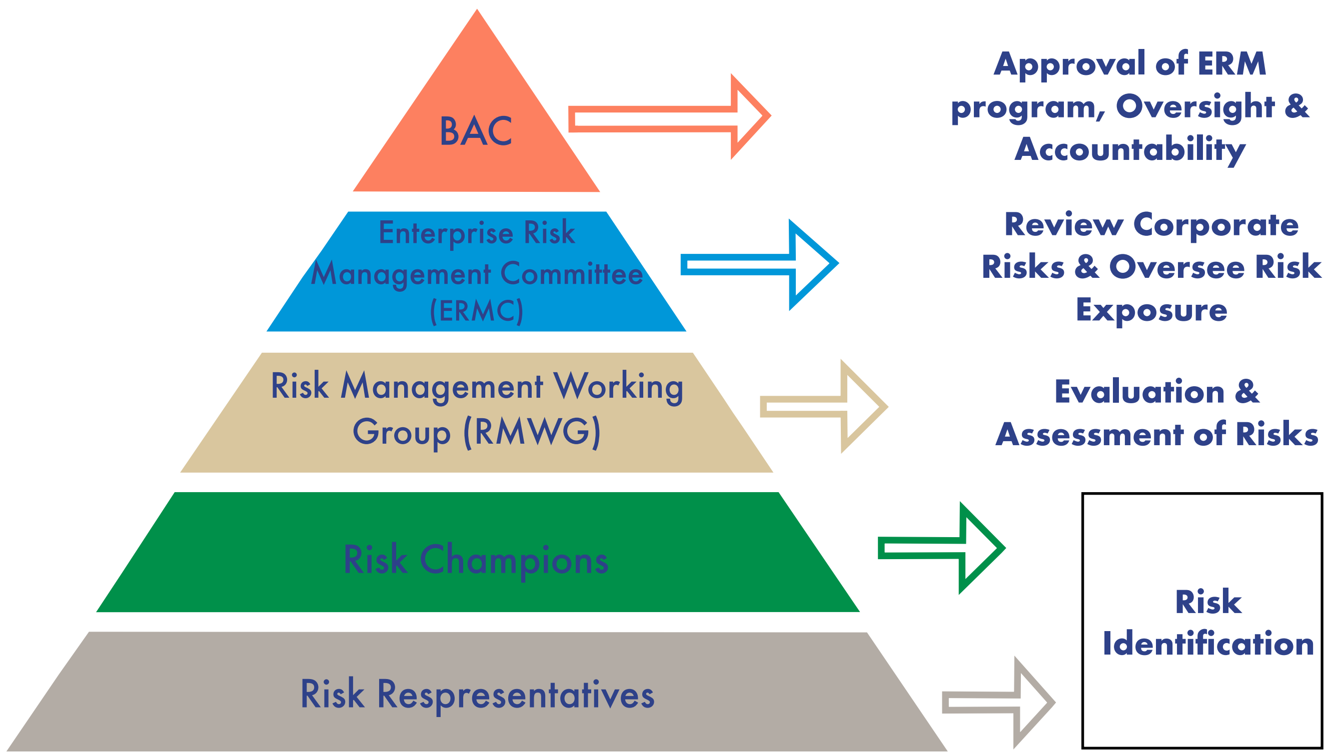
During the year, 13 Staff were recognized for their outstanding contribution to the organization and were awarded the Outstanding achievement award.

Enterprise Risk Management (ERM)

The management at WOQOD has established an enterprise risk management ("ERM") framework to assist the organization in managing uncertainty in WOQOD's value creation process.

WOQOD has developed a risk reporting system which comprises of Risk Representatives, Risk Champions, Risk Management Working Group (RMWG), Enterprise Risk Management Committee (ERMC) and Board Audit Committee (BAC). Through this system, risks are identified, analyzed, evaluated, treated (including the development and implementation of risk mitigation plans), monitored and communicated on quarterly basis. WOQOD maintains risk registers at a departmental level as well as at a corporate level highlighting the top key risks faced by the organization.

Risk Reporting System at WOQOD



WOQOD seeks to promote best practice in risk management and is following the International Organization for Standardization (ISO 31000 – Risk Management Principal and Guidelines). As part of the ERM framework, we have identified the Top Key Corporate Risks currently faced by the organization and devised mitigation plan.

Key Achievements in 2020

- Introduction of "Risk Representatives" as another line of defense and improve the risk reporting structure.
- As part of the commitment to improve the risk culture at WOQOD, risk management trainings for Risk Representatives were organized and the ERM Information tab has been launched on WOQOD portal.
- Development and evolution of ERM Framework.
- Completed risk registers with detailed mitigation plans for all identified risks.

COVID-19 Pandemic Business Continuity Management

The COVID-19 pandemic has led to unprecedented interruption to normal business activity. WOQOD Group Crisis Management Committee (CMC) has been actively engaged in addressing and providing a timely and effective response to the COVID-19 pandemic and to ensure our employees' safety and business continuity.

Protecting and caring for our employees and customers is a key priority that is imbedded in all our plans and actions; special consideration is given to our frontline employees. Our robust health measures remain in place and are frequently aligned with our partners in the energy sector and Ministry of Public Health in order to mitigate any outbreak within our operations.

WOQOD guidelines enforcement

- Body temperature checking/monitoring in entrance gates
- Social distancing at workplace
- Dedicated Isolation facilities/ room, available in all WOQOD facilities
- HSE conducted Joint inspections at staff accommodation with operations team to ensure that the arrangements fulfill MOPH / QP requirements

Personal Protective Equipment (PPE)

WOQOD HSE were actively working with P&C and engaged in delivering essential medical supplies and COVID-19 PPEs and addressing related challenges of operating within available resources.

COVID-19 awareness

WOQOD HSE has continued to undertake its essential role of enhancing HSE awareness, particularly in relation to prevention of the novel coronavirus (COVID-19) infection. Awareness on COVID-19 to WOQOD staff, outsourced staff and contractors through toolbox talks, posters, pamphlets, HSE moment, and WOQOD e-portal with reference to MOPH/ QP awareness material.

COVID-19 information zone is in place in WOQOD portal for employees' easy access on related references like circulars, awareness, and guidelines.

COVID-19 Pandemic Impact – Business Continuity

WOQOD undertook adequate measures to ensure the safe and reliable operations and Business Continuity. We closely liaised with QP and other Government entities in this regard. Crisis Management Team was formed which met periodically and released weekly reports and bi-weekly committee message to the employees. In addition, the following key steps were taken to ensure business continuity:

- Arrangements were made to redeploy employees to 30 stations scattered in different parts to ensure business continuity of 75 stations operating at 15KMs apart
- Arrangements were also made to ensure that Jet Fuel Operations are uninterrupted
- Work from home arrangements were made for many employees
- Critical staff were identified, and necessary arrangements were made to ensure that they can attend work if curfew is imposed by the State

Contractor Management

In WOQOD, 37 contractors are serving in different departments and subsidiaries. The following actions were taken to ensure safe and reliable operation:

- HSE issued & enforced accommodation guidelines to the contractor
- Instructed Contractors to prepare and submit their COVID-19 prevention plan
- Conducted HSE COVID-19 audit to ensure compliance with the required protocols and restrictions
- Reporting of any COVID-19 related cases (contractor and outsourced) to HSE
- Liaise with suspected cases and inclusion in WOQOD case register

Health & Safety

At WOQOD, we endeavor to achieve and maintain operational excellence. In order to fulfill the organization's Quality, Health, Safety, Security & Environment (QHSSE) commitments and achieve continuous improvement, we have developed standards and guidelines encompassing the following:

- Quality
- Occupational health and safety
- Environment and sustainable development
- Asset integrity and process safety and security

HSE Performance Improvement Program

To demonstrate the organization's commitment to Health and Safety Environment (HSE), we have a structured guidance in place for the annual monitoring of HSE progress. The aim of this program is to improve performance by:

- Reducing injuries
- Reducing financial burden from losses to people, assets and the environment
- Enhancing customer profile and stakeholder acceptance

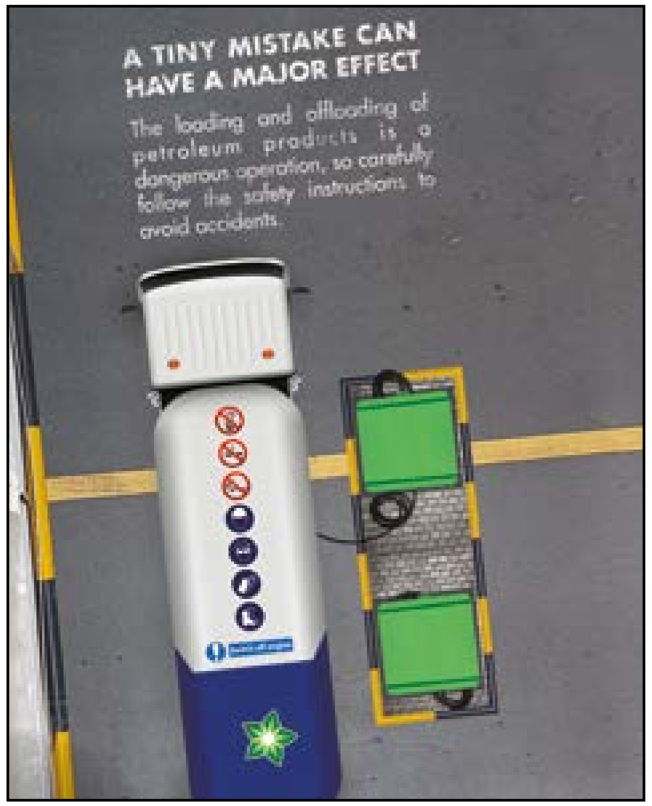
	2020	2019	Change (%)
LTIF	0.353	0.288	-23%
TRCF	0.942	0.921	-2%

WOQOD completed Doha Depot Lagoon rehabilitation in 2020 with no Lost Time Injury (LTI) and No recordable incidents in tank conversion and Security upgradation projects.

HSE observation & reporting system is effectively implemented across the organization. Observation administration and validation is done by HSE team efficiently to resolve the issues highlighted.

HSE Awareness & Awards

To encourage our staff to focus on safety, we regularly issue flyers and short videos addressing important HSE issues on the company's Intranet. We also host monthly awards for best HSE performance for individuals, sections and departments.



Sustainability

WOQOD is committed to conduct its operation in a manner compatible with environment and economic development of the community. We adopt most sustainable, energy-efficient and environmentally adapted way to provide our services. Our goal is always to conduct our operations in a way that minimizes the environmental impact and the risk of environmental incidents. We continuously identify and evaluate where environmental impact arises in our operations and how we can work to reduce negative environmental impact.

WOQOD's integrated management system (IMS) is in full adherence to and certified with the following international standards:

- ISO 14001: 2004 on environmental management systems
- OHSAS 18001: 2007 on Occupational Health & Safety
- ISO 90001: 2008 on quality management systems
- ISO/TS 29001: 2010 on quality management systems specific to petroleum, petrochemicals, natural gas products and service supply organizations

Energy Management

WOOQD seeks to optimize the use of valuable natural resources in our operations, facilities, fleet vehicles, andoffice facilities by conserving energy and reducing fuel consumption.

WOQOD recognize that an industry-wide reduction of carbon emissions is crucial to global environmental sustainability. WOQOD accepts with full gravity and responsibility to identify ways in which our business can contribute to this reduction.

WOQOD track its energy use sourced from Qatar General Electricity and Water Corporation (KAHRAMAA) and from the transportation fleet used for delivery of our products to customers.

Mwh	2020	2019	Change (%)
Electricity Consumption	61,574	59,701	3%

Renewable Energy

Electricity is vital for the economic growth. We, at WOQOD, have aligned our sustainability strategy with QATAR's National Vision 2030 to promote renewable energy.

In 2021, WOQOD plan to integrate renewable energy source (Solarized petrol stations) in two petrol stations. Solar energy provides a way for petrol stations to reliably reduce their electricity costs. We are striving to be more environmentally conscious overall and working hard to reduce direct (fuel) and in-direct energy (Kahramaa) use.

Waste Management

WOQOD implemented a waste management system that is specific for each type of operating activities. Corporate Waste Management plan was introduced in the year 2019 and effectively implemented across WOQOD and its Subsidiaries.

In 2020, Company focused on waste reuse and waste recycling, the objective is to improve recycling rate and reduce waste to landfill facility. Priority is given to hazardous waste in the context of action aimed at minimizing waste generation.

Waste Management – Waste Recycle

We aim to reduce waste generation and to reuse or recycle waste materials. In 2020, we sent more than 1MM Liters of used oil off-site for recycling and we extended waste recycling program to recyclable papers, plastic, batteries and tires. WOQOD new waste management contracts gives more importance to waste recycling such as:

- Used oil
- Used batteries
- Used Tires
- Paper
- Plastic

The Company promotes and implements on-site waste segregation and provides adequate support to the operational facilities to improve recyclable waste segregation. 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.

WOQOD signed an agreement with leading waste treatment company for used oil recycling and used oil from WOQOD operational facilities and PS collected and sent to the recycling facility.

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. WOQOD is taking continuous efforts in this capacity which includes tracking and reporting greenhouse gas (GHG) emissions that result from our internal operations and developing methods to reduce those emissions. In 2020, our CO2 emissions were lower by 17% as compared to the previous year.

Tons	2020	2019	Change (%)
CO2 Emission	20,087	24,243	17%

WOQOD and subsidiaries in line with Qatar National Vision 2030 policy of reducing the country's carbon footprint joined hands with Qatar Petroleum's leading CNG program to meet fuel demand in the state of Qatar. The concept to cater for the CNG fuel requirement of public and private sector vehicles in future. WOQOD CNG station expansion project is in full swing. Expansion projects includes changes in the CNG filling capacity from 750 SCMH to 5,250 SCMH and additional fueling area for buses with sheds etc.

E-Procurement

Our centralized procurement & contracts department is responsible, as a core business unit, for providing contracting and procurement services for all the goods, services and capital assets required by WOQOD and its subsidiaries, in a timely and cost-effective manner and in compliance with WOQOD vision, objectives and corporate policy.

As a part of business process improvement, we implemented E-Procurement whereby all tenders 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 environmental objective by reducing the usage of paper significantly.

IT Security

One of our prime focus is Cyber Security and Data protection specially that WOQOD has been selected as one of the critical service providers during World Cup Qatar 2022. 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's assets, we have undertaken the following initiatives:

- Conducting annual organizational security awareness programs to improve our staff maturity level in cyber security.
- Building state-of-the-art security operation center with real time monitoring and detection of security incidents to demonstrates our commitment to excellence.
- Achievement of internationally recognized ISO 27001 standard and implementation of National Information Assurance (NIA) controls to meet compliance requirement to relevant laws and regulations of Qatar.
- Adopting Qatar 2022 cyber security framework in association with MOI and Supreme Committee to address, enhance cyber security capabilities and to contribute towards a successful 2022 FIFA World Cup event.

ICT has planned for a complete business continuity plan and disaster recovery plan to assure no disruption in WOQOD services.

Customer Satisfaction

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

Customer Satisfaction Survey

	2020	2019	Change (%)
WOQOD (B2B)	4.03	4.03	-
WOQOD (B2C)	4.30	4.02	7%

WOQOD's customer engagement strategy is focused on increasing customer satisfaction indices (CSI values 5-1) by having more positive interactions with them, both with external customers and internal customers within the organization. Initiatives in support of this Customer Engagement strategies include identifying business segments and the unique "business language" that enables these segments, identifying their actual needs, analyzing these customer perception to evaluate current business and stimulate the business growth process.

In consideration of current Crisis Management protocols, all customer events and surveys were done remotely. We completed more than 700 hours of awareness sessions focused on Creating Customer Value during Quality Day Celebration. We also conduct 24 business segments survey on quarterly basis.

To increase customer satisfaction, WOQOD implemented digital online solutions that are within the reach of its customers all around the clock. Using industry leading development platforms, in partnership with MOI, WOQOD expanded the capabilities of FAHES mobile application during COVID-19 pandemic, to allow completion of technical car inspection without the need to visit WOQOD vehicle inspection centers.

We also implemented customer ordering portal for placing secured online orders for fuel products in a convenient and easy interface, which requires minimal effort or learning.

Social Media Engagement

As social media has become one of the most important communications channels these days, WOQOD utilizes various social media platforms such as, Twitter, Facebook, Instagram, LinkedIn and Snapchat to reach its customers.

WOQOD attracts thousands of followers through advertisements, promotions, announcements and awareness campaigns on the above platforms. This has proved very useful during the COVID-19 restrictions, as we were able to reach our customers without the need for them to leave their homes.

Our social media channels also played a vital role in supporting the company's efforts to further improve customer satisfaction. Customers' complaints received through our social media platforms were channeled to the concerned department for resolution and response was provided to customers in a timely manner.

Quallity Assurance

Documentation of Policies & Procedures

Published Revised WOQOD & Subsidiaries revised Mission, Vision & IMS Policy. Standardized document registration process. Worked with Corporate Internal Audit Team to address documentation gaps. We also implemented RACI (Responsible, Accountable, Consulted & Informed) Matrix in policies and procedures.

Integrated Management System (IMS)

ISO 45001 transition, ISO 27001 Certification expanding the scope of common elements to Information Security, Revision of IMS Manual to reflect modification in IMS governance, Successful Re-Certification Audit for the next three years (4 ISO Standards) is ongoing

Strengthening Quality Culture

This is the second year that WOQOD & Subsidiaries participated in the global celebration of Quality with this year's theme: "Creating Customer Value"

One of the goals of the WOQOD Quality Day was to increase awareness and enhance employee engagement towards strong quality culture driven by customer-focused strategic initiatives. With more than 700 manhours of QualityDay-related engagement, this goal has been successfully achieved. The highlights of these sessions were focused on future actions and continual improvements that are feasible for implementation and can increase value both for WOQOD & Subsidiaries business models and increase value for our customers as well.

The main goal of celebrating Quality Day for WOQOD & Subsidiaries is to give recognition to departments and employees who achieved tangible initiatives towards Quality. It is the intent of the Executive Management to motivate employees to participate in these value-adding activities in years to come. During the Quality Day Celebration, the Award Ceremony was presided by QHSSE Manager and attended by Executive Management. As a part of celebrating world quality day, QHSSE completed quality assurance for sustainability eLearning Series with of total of 273 eLearning hours.

Corporate Social Responsibility (CSR)

WOQOD, as the leading downstream fuel distribution and marketing company in the State of Qatar, understands its responsibility towards the community and invests in social development. We are doing this by creating job opportunities, participating in activities and projects that support the environment and the local community. During the year, we participated in the following activities and events:

Blood Donations

Qatar Fuel Company (WOQOD) organized a Blood Donation event in cooperation with Hamad Medical Corporation.

Qatar National Day Support

WOQOD has continued to support and sponsor national events in 2020 by donating one million Riyals for the QND 2020 celebration as a show of its realization of Qatar National Vision and a promotion of loyalty, solidarity, unity and pride in the Qatari national identity.

Promoting Art

WOQOD has participated in "Jedairat" which is an initiative of Qatar Museums which brings together artists to add vibrancy and meaning to the walls across Doha through carefully curated murals and street art. The aim of the project is to activate urban areas and artistic innovation by inviting artists to submit artwork proposals for the walls of the Fire Station and other designated places throughout the city of Doha, creating new reference points for people to go and visit across the city. WOQOD has selected the Qatari artist Haifa Al Khuzaei to add an artwork to a wall at Fareej Kulaip petrol station.

Independent Assurance Report

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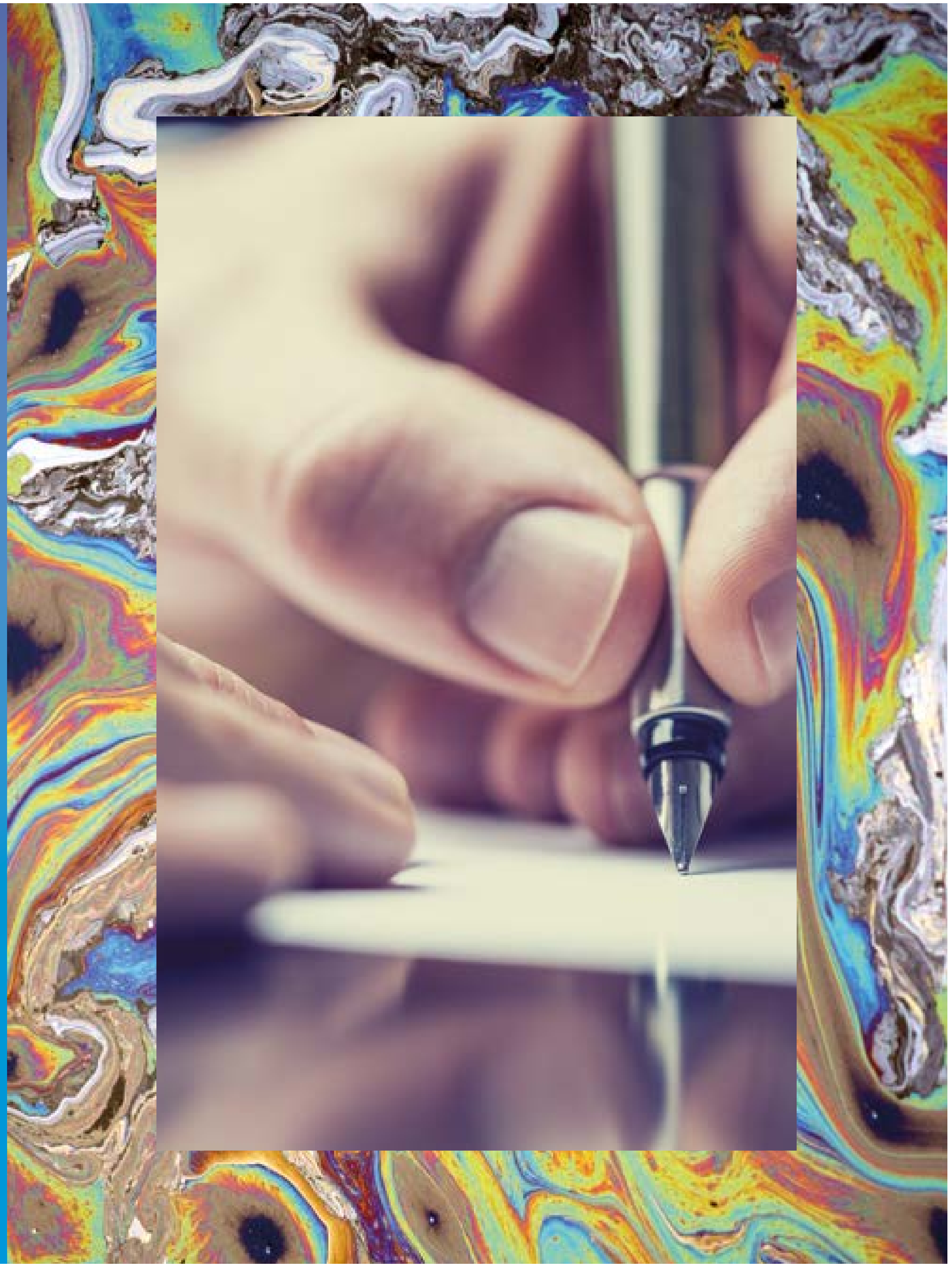

Independent Reasonable Assurance Report

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

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal entities Listed on the Main Market ("the Code") Issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Qatar Fuel Company (Q.P.S.C.) ("the Company") and its subsidiaries (together referred to as "the Group") to carry out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (the 'ICOFR') as at 31 December 2020 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors are responsible for fairly stating that the Statement is free from material misstatement and for the information contained therein.

The Statement, which was signed by the Group CEO and shared with KPMG on 20 January 2021 and is to be included in the annual report of the Group, includes the following:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- the description of the process and internal controls over financial reporting for the processes of lending and credit risk management, treasury, tender, general ledger and financial reporting, information technology, entity level controls, disclosure controls, and human resources;
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and testing internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and testing controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Group's ICOFR.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Group and to issue a report thereon including an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) *3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Statement whether due to fraud or error.

Our engagement included assessing the appropriateness of the Group's ICOFR, and the suitability of the control objectives set out by the Group in preparing and presenting the Statement in the circumstances of the engagement. Furthermore, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed and implemented and are operating effectively as of 31 December 2020 based on the COSO Framework.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Group to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
  - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");
  - Entity level controls documentation and related risks and controls as summarized in the RCM;
  - Information Technology risks and controls as summarized in the RCM;
  - Disclosure controls as summarized in the RCM.

- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed.
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

We have made such enquiries of the auditors of significant components within the Group concerned and have reviewed their work to the extent necessary to form our conclusion. We remain solely responsible for our conclusion.

Other information

The other information comprises the information to be included the Group's annual report which are expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read the annual report if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

The Group's internal controls over financial reporting, because of their nature, 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.

Historic evaluation of design, implementation and operating effectiveness of an internal control system may not be relevant to future periods if there is a change in conditions or that the degree of compliance with policies and procedures may deteriorate.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR was properly designed and implemented and are operating effectively as at 31 December 2020.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Group and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

20 January 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Auditor's Registration No. 289
Licensed by QFMA: External
Auditor's License No. 120153

Independent Limited Assurance Report

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

Report on Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal entities Listed on the Main Market ("the Code") Issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Qatar Fuel Company (Q.P.S.C.) ("the Company") to carry out a limited assurance engagement over Board of Director's assessment whether the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation and compliance with the Code as at 31 December 2020.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for preparing the corporate governance 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 (the 'Statement'), which is shared with KPMG on 20 January 2021, which is to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement.

The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

The Board of Directors is also responsible for compliance with all applicable laws and regulations applicable to its activities.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to issue a report thereon including an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, in accordance with the Code, as the basis for our limited assurance conclusion.

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

We have complied with the independence and other ethical requirements of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Company's compliance with the Code and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Company's process for compliance with QFMA's law and regulations and other relevant legislation, the Company's compliance with the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design assurance procedures that are appropriate in the circumstances.

Our engagement included assessing the appropriateness of the Company's process for compliance with QFMA's law and regulations and other relevant legislation and the Company's compliance with the Code, and evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the Statement.

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

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the Code.

The procedures performed over the Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation including the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the Code; and
- Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The other information comprises the information to be included the Company's annual corporate governance report which are expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement is an assessment of the process for compliance with QFMA's law and regulations and other relevant legislation and compliance with the provisions of the Code.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on our limited assurance procedures performed, nothing has come to our attention that causes us to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Company has a process in place to comply with QFMA's law and regulations and other relevant legislation and the Company's compliance with the provisions of the Code as at 31 December 2020.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

20 January 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Auditor's Registration No. 289
Licensed by QFMA: External
Auditor's License No. 120153

Independent Auditor's Report

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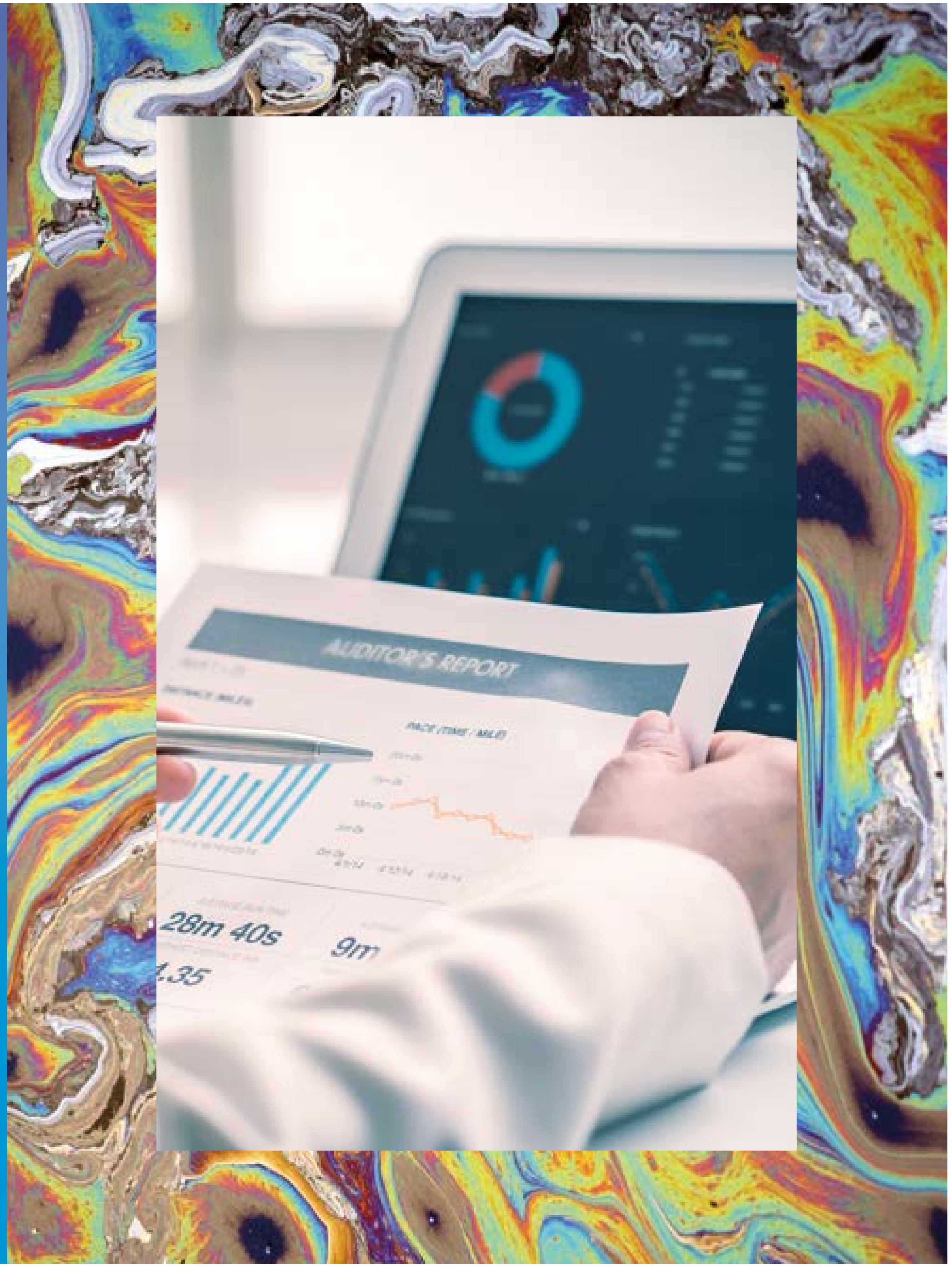

Independent Auditor's Report

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

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 2020, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising 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 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the Company's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	**How the matter was addressed in our audit**
Valuation of Property, Plant and Equipment (PPE) (Note 6 to the consolidated financial statements) The Group Property, Plant and Equipment balance includes land that is held at re valuation model amounting to QR 532,520,000 (2019: QR 548,400,000). Estimating the fair value which is required for revaluation model is a complex process involving a number of judgements and making use of experts. The valuation expert has exercised judgements particularly in determining the relevant valuation models and inputs to the models. Consequently, we have determined the determination of the valuation models and inputs to be a key audit matter.	Our audit procedures in this area included, among others: • Assessing objectivity, independence and competency of the valuation expert appointed by the Group; • Involving our own real estate valuation expert to evaluate the appropriateness of assumptions used by the valuation expert; and • Evaluating the adequacy of the disclosures in the consolidated financial statements in line with the relevant accounting standards.

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

If, based on the work we have performed on the other information that we have 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.

Independent Auditor's Report (continued)

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.

We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2020.

20 January 2021
Doha
State of Qatar

Yacoub Hobeika
KPMG
Qatar Auditor's Registry No. 289
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Consolidated Financial Statements

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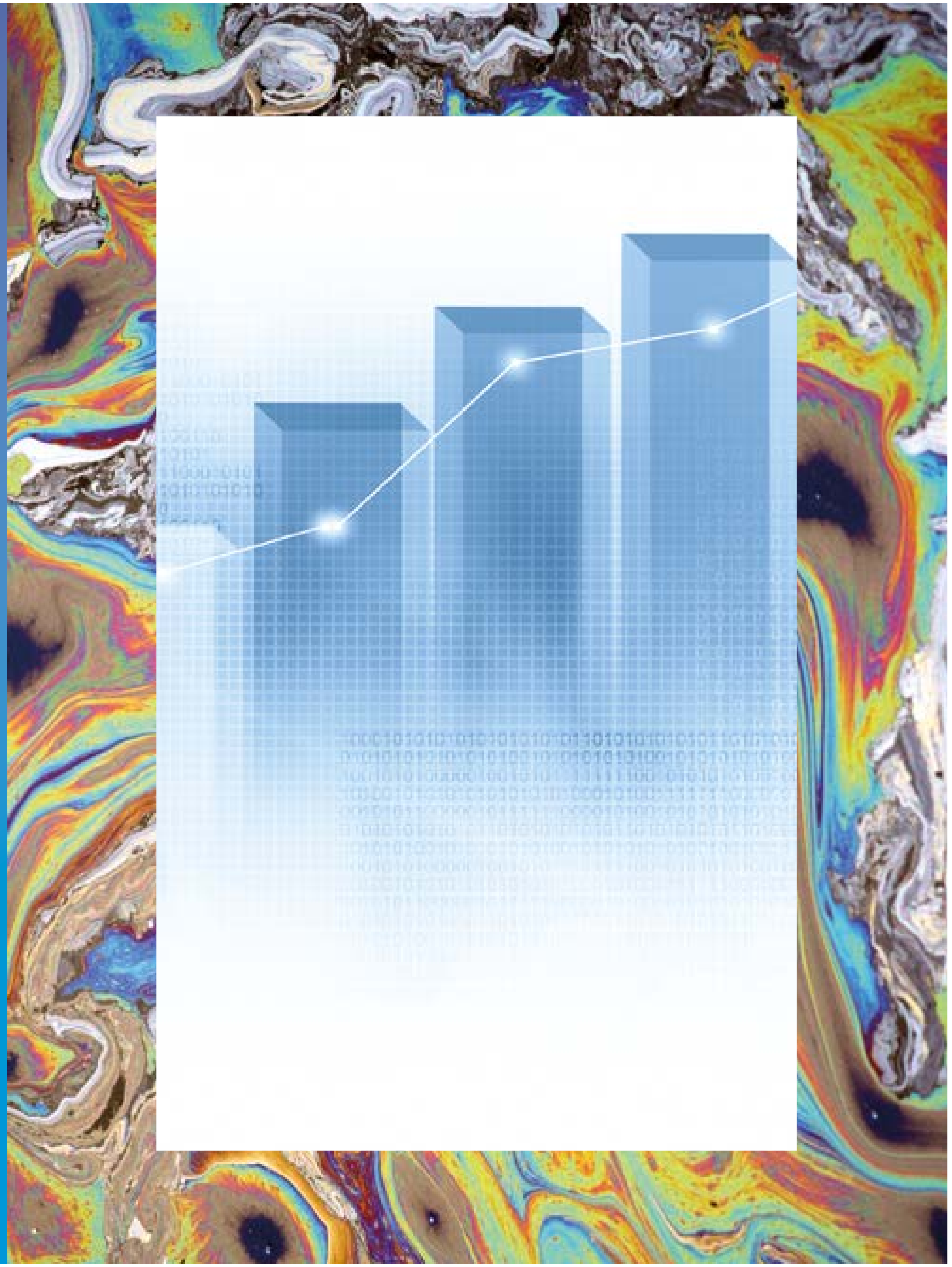

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(All amount are expressed in thousands of Qatari Riyals unless otherwise stated)

	Note	2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,174,812	3,081,373
Right-of-use Assets	7	153,629	124,158
Investment properties	8	906,316	886,272
Investments	9	2,712,250	3,021,682
Goodwill and intangibles	10	135,171	132,935
Total non-current assets		7,082,178	7,246,420
Current assets			
Inventories	11	315,322	426,565
Due from related parties	12 (b)	176,126	325,657
Trade receivables	13	1,883,540	1,481,489
Prepayments and other receivables	14	127,197	159,356
Cash and bank balances	15	2,250,729	3,013,734
Total current assets		4,752,914	5,406,801
TOTAL ASSETS		11,835,092	12,653,221
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	994,256	994,256
Legal reserve	17	498,914	498,914
Fair value reserve	18	158,339	73,155
Revaluation surplus		511,713	526,013
Retained earnings		6,267,782	6,402,369
Equity attributable to equity holders of the parent		8,431,004	8,494,707
Non – controlling interests		155,865	207,405
TOTAL EQUITY		8,586,869	8,702,112

	Note	2020	2019
LIABILITIES			
Non-current liabilities			
Due to related parties	12 (c)	-	80,743
Finance lease liability	19	118,615	105,390
Employees' end of service benefits	20	90,108	89,246
Decommissioning provision	21	23,425	22,310
Total non-current liabilities		232,148	297,689
Current liabilities			
Due to related parties	12 (c)	2,264,731	2,803,816
Finance lease liability	19	36,854	20,278
Trade and other payables	22	714,490	829,326
Total current liabilities		3,016,075	3,653,420
TOTAL LIABILITIES		3,248,223	3,951,109
TOTAL EQUITY AND LIABILITIES		11,835,092	12,653,221

These Consolidated Financial Statements were approved by the Board of Directors and signed on its behalf by the following on 20 January 2021:

Ahmad Saif Al-Sulaiti
Chairman

Saad Rashid Al-Muhannadi
Managing Director & Chief Executive Officer

The notes on pages 96 to 136 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amount are expressed in thousands of Qatari Riyals unless otherwise stated)

	Note	2020	2019
Revenues	23	13,245,433	22,446,258
Cost of sales	24	(12,548,859)	(21,280,860)
Gross profit		696,574	1,165,398
Other income	25	227,675	257,557
General and administrative expenses	26 (a)	(286,650)	(323,104)
Finance income	27	139,116	169,132
Provisions / impairments	26 (b)	(49,204)	(10,629)
Net profit for the year		727,511	1,258,354
ATTRIBUTABLE TO:			
Owners of the Company		707,425	1,216,382
Non-controlling interest		20,086	41,972
Net profit for the year		727,511	1,258,354
Basic earnings per share (expressed in QR per share)	28	0.71	1.22

The notes on pages 96 to 136 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020	2019
Net profit for the year	727,511	1,258,354
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in fair value of investments	64,636	74,068
Revaluation deficit for the year	(14,300)	(5,780)
Other comprehensive income for the year	50,336	68,288
Total comprehensive income for the year	777,847	1,326,642
Attributable to:		
Owners of the Company	749,387	1,282,769
Non-controlling interest	28,460	43,873
	777,847	1,326,642

The notes on pages 96 to 136 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

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

	Attributable to the Owners of the company							
	Share Capital	Legal Reserve	Fair value Reserve	Revaluation Surplus	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at 1 January 2019	994,256	497,791	(7,485)	531,793	6,014,885	8,031,240	247,383	8,278,623
Total comprehensive income for the year:								
Net profit for the year	-	-	-	-	1,216,382	1,216,382	41,972	1,258,354
Other comprehensive income for the year	-	-	80,640	(5,780)	(8,473)	66,387	1,901	68,288
Total comprehensive income for the year	-	-	80,640	(5,780)	1,207,909	1,282,769	43,873	1,326,642
Sale of Fractional Shares	-	1,123	-	-	5,389	6,512	-	6,512
Cash dividends paid for 2018 (Note 29)	-	-	-	-	(795,405)	(795,405)	-	(795,405)
Contribution to social and sports fund	-	-	-	-	(30,409)	(30,409)	-	(30,409)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(83,851)	(83,851)
Balance at 31 December 2019	994,256	498,914	73,155	526,013	6,402,369	8,494,707	207,405	8,702,112
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	727,515
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

The notes on pages 96 to 136 form an integral part of these Consolidated Financial Statements.

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

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		727,511	1,258,354
Adjustments for:			
Depreciation on property, plant and equipment	6	155,134	209,105
Depreciation on right-of-use assets	7	36,718	20,525
Depreciation on investment properties	8	15,797	34,957
Amortisation of intangibles	10	297	-
Unwinding of finance cost of decommissioning provision		1,115	-
Provision for bad and doubtful debts	13 (b)	61,005	7,166
Impairment of property, plant equipment	6	1,580	3,463
Impairment of investment properties	8	7,428	-
(Reversal) / impairment for slow moving inventories	11	(4,796)	5,198
Provision for employees' end of service benefits	**20**	32,167	43,460
(Gain) / loss on sale of property, plant and equipment		(2,707)	1,685
Dividend income	25	(80,795)	(85,478)
Finance income		(139,116)	(169,132)
		811,338	1,329,303
Changes in:			
- inventories		117,306	(9,313)
- due from related parties		149,531	111,695
- trade receivable and prepayments		(430,897)	1,056,445
- trade and other payables		(102,113)	84,707
- due to related parties		(619,828)	(1,745,084)
Cash (used in) / generated from operating activities		(74,663)	827,753
Employees' end of service benefits paid	20	(31,306)	(45,759)
Payment of contribution to sports fund		(30,409)	(29,003)
Net cash (used in) / generated from operating activities		(136,378)	752,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		511	7,306
Additions to property, plant and equipment		(265,342)	(657,689)
Additions to investment properties	8	(43,269)	(12,134)
Additions to intangible assets		(2,533)	-
Dividends received	25	80,795	85,478
Finance income received		139,116	169,132
Proceeds from sale of fraction shares		-	6,513
Purchase of investments		(1,685,966)	(1,092,990)
Proceeds from sale of investments		1,685,498	1,108,109
Net movement in the fixed deposit accounts		35,544	(20,539)
Net cash used in investing activities		(55,646)	(406,814)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	29	(795,405)	(795,405)
Dividends paid to non-controlling interest		(80,000)	(83,851)
Lease payments		(34,530)	(18,146)
Net cash used in financing activities		(909,935)	(897,402)
Net decrease in cash and cash equivalents		(1,101,959)	(551,225)
Cash and cash equivalents at 1 January		2,613,169	3,164,394
Cash and cash equivalents at 31 December	15	1,511,210	2,613,169

The notes on pages 96 to 136 form an integral part of these Consolidated Financial Statements.

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 %	
		2020	2019
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.	KSA	100%	100%
Ard Al Khaleej Real Estate W.L.L.	Qatar	100%	100%
Polaris Marine Services L.L.C.	Oman	100%	100%
Star Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Company	Republic of Liberia	100%	100%
Ocean Marine Services Limited	Republic of Liberia	100%	100%
Galaxy Marine Services Limited	Republic of Liberia	100%	100%
Orbit Marine Services Limited	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping 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%	-
Sidra Al Khor Shipping Company	Republic of Liberia	100%	-

The Consolidated Financial Statements of WOQOD for the year ended 31 December 2020 were authorised for issuance in accordance with a resolution of the Board of Directors on 20 January 2021.

2. Basis of Preparation

a) Statement of accounting

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). Details of the Group's accounting policies are included in Note 3.

b) Impact of COVID19- on the consolidated financial statements

The COVID19- pandemic caused slowdown in economic activities during the period from March 2020. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in the State of Qatar.

Although the Company has taken adequate measures to ensure business continuity during the pandemic period, business operations were impacted due to the circumstances arising from COVID19- including the compression of demand for petroleum products and volatility in regulated fuel prices, resulting in lower revenue and gross profits. The management has assessed the accounting implications of these developments on these consolidated financial statements wherever applicable, including but not limited to fair value of investments, expected credit losses and modification of financial liability under IFRS 9, 'Financial Instruments', the impairment of tangible assets under IAS 36, 'Impairment of non-financial assets', the net realisable value of inventory under IAS 2, 'Inventories' and contingent liabilities under IAS 37. The management has ensured that all necessary steps have been taken to ensure smooth and adequate continuation of its business in order to maintain business performance despite the hindered economic activity.

Based on all the assessments and after considering all the adjustments, the management of the Company is of the view that there is no material impact of COVID - 19 on the carrying amounts of assets and liabilities as at 31 December 2020. Going forward, the management will continue to monitor the potential impact and take necessary steps to mitigate any effects.

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.

2. Basis of Preparation (continued)

e) Use of judgements and estimates

In preparing these Consolidated Financial Statements, management has made judgments and estimates that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

i) Note 3 (e) – change in the useful life of the property, plant and equipment
ii) Note 3 (h) – change in the useful life of the investment property
iii) Note 4 (ii)- measurement of Expected Credit Loss (ECL) allowance for trade receivables and bank balances: key assumptions in determining the weighted-average loss rate.
iv) Note 6 (iii)- determining the fair values of land on the basis of significant unobservable inputs.
v) Note 10 - impairment test of goodwill: key assumptions underlying recoverable amounts,
vi) Notes 31 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- 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).

2. Basis of Preparation (continued)

e) Use of judgements and estimates (continued)

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

i) Note 6 – property, plant and equipment
ii) Note 8 – investment property; and
iii) Note 9 – investment securities

f) Newly effective amendments and improvements to standards

During the current year, the below amended IFRS and improvements to standards became effective for the first time for financial year ended 31 December 2020:
- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Definition of a Business (Amendments to IFRS 3)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

The adoption of the above amended standards and improvements to standards had no significant impact on the Group's Consolidated Financial Statements.

Adoption not expected to impact the Group's Consolidated Financial Statements

Effective for year ending after 31 December 2020	- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
	- Interest Rate Benchmark Reforms – Phase 2 (Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
	- Annual Improvements to IFRS Standards 2018–2020
	- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
	- Reference to the Conceptual Framework (Amendments to IFRS 3)
	- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

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) Business combinations

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.

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.

3. Summary of Significant Accounting Policies (continued)

a) Basis of consolidation (continued)

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 arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses, if any.

c) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. 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.

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.

3. Summary of Significant Accounting Policies (continued)

d) Other income (continued)

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.

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 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 expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure 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 and the comparative year are as follows:

	31 December 2020	31 December 2019
Buildings and infrastructure	20-40 years	10-20 years
Plant and equipment	20 years	10-20 years
Vehicles, office equipment and furniture	5-10 years	5-10 years
Vessels	25-30 years	25-30 years

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

During the year, the Group conducted an assessment of the useful life of its property, plant and equipment, which resulted in a change in the expected useful lives which have increased when compared to the previous year. The effect of these changes is a decrease in depreciation expense amount to QR 99.5 million.

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.

f) Government grants

The Group recognises an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognised at nominal value.

g) 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.

h) 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 to write off the cost of items of investment properties using the straight-line method over the estimated useful lives of 40 years (2019: 20 years) and is recognised in profit or loss.

During the year, the Group conducted an assessment of the useful life of its investment properties, which resulted in a change in the expected useful lives which have increased when compared to the previous year. The effect of these changes is a decrease in depreciation expense amount to QAR 11.2 million.

3. Summary of Significant Accounting Policies (continued)

h) Investment property (continued)

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.

i) 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.

j) 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.

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.

3. Summary of Significant Accounting Policies (continued)

j) Financial instruments (continued)

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.

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).

3. Summary of Significant Accounting Policies (continued)

j) Financial instruments (continued)

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

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

Financial assets – Subsequent measurement and gains and losses:

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

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.

3. Summary of Significant Accounting Policies (continued)

j) Financial instruments (continued)

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.

k) 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 360 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. -12month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

Measurement of ECLs

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

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost

3. Summary of Significant Accounting Policies (continued)

k) Impairment (continued)

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.

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.

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.

3. Summary of Significant Accounting Policies (continued)

l) 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 and disposal.

m) 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.

n) 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 OCI and accumulated in the translation reserve.

o) 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 Civil Human Resources Law No. 15 of 2016 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.

3. Summary of Significant Accounting Policies (continued)

p) 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.

q) 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.

r) 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.

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.

3. Summary of Significant Accounting Policies (continued)

r) Leases (continued)

i) As a lessee (continued)

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. Generally, the Group uses its incremental borrowing rate as the discount 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.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- 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; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property and finance lease liability in the statement of financial position.

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, including IT equipment. The Group recognises the lease payments associated with these leases as an expense over the lease term.

COVID-19-related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Group applies the practical expedient allowing it to not assess whether eligible rent concessions that are a direct consequence of the COVID19- pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and circumstances.

3. Summary of Significant Accounting Policies (continued)

r) 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.

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'.

s) 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. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities (Note 2(d)).

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.

3. Summary of Significant Accounting Policies (continued)

s) Fair value measurement (continued)

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.

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.

4. Financial Risk and Capital Management (continued)

a) Financial risk management (continued)

ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The maximum exposure to credit risk at the reporting date is as follows:

(Amount in thousands of QR)	Carrying amounts	
	2020	2019
Trade receivables	2,057,511	1,594,455
Due from related parties	176,126	325,657
Bank balances	2,250,343	3,013,409
	4,483,980	4,933,521

Trade and other receivables and due from related parties

The Group has 5,411 (2019: 4,691) customers with its largest 5 customers accounting for 63% (2019: 51%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking. 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 13 for Trade Receivables ageing.

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 except for Government customers.

The movement in the provision for impairment of trade receivables is disclosed in Note 13.

4. Financial Risk and Capital Management (continued)

a) Financial risk management (continued)

ii) Credit Risk (continued)

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

(Amount in Thousands of QR)	2020		2019	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Current	503,463	7,505	1,016,001	6,963
1-30 days	379,518	12,380	177,024	1,673
31 to 60 days	332,388	20,557	78,490	2,312
61 to 90 days	307,943	29,044	64,365	2,270
91 to 180 days	325,379	31,066	89,456	5,162
More than 181-365	208,820	73,419	169,119	94,586
	2,057,511	173,971	1,594,455	112,966

The Group uses an allowance matrix to measure the ECLs of trade receivables which comprises a very large number of small balances.

Loss rates are calculated using a 'net flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Net flow rates are calculated separately for exposures in different segments.

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Bank balances
The Company limits its exposure to credit risk on bank balances by maintaining balances with banks having high credit ratings.

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.

4. Financial Risk and Capital Management (continued)

a) Financial risk management (continued)

iii) *Liquidity Risk* (continued)

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:

(Amount in Thousands of QR)		Contractual Cash Flows			
2020	Carrying Amounts	Total	Less than 1year	2-5 years	More than 5 years
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)
2019	Carrying Amounts	Total	Less than 1year	2-5 years	More than 5 years
Finance lease liabilities	125,668	(125,668)	(20,278)	(62,392)	(42,998)
Due to related parties	2,884,559	(2,884,559)	(2,803,816)	(80,743)	-
Trade and other payables	829,326	(829,326)	(829,326)	-	-
	3,839,553	(3,839,553)	(3,653,420)	(143,135)	(42,998)

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 138 million (2019: QR 155 million) in the assets and equity of the Group.

4. Financial Risk and Capital Management (continued)

a) Financial risk management (continued)

iv) *Market Risk* (continued)

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. 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.

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.

The fair value of due to related party is based on the discounted value of expected future cash flows using applicable market rates for similar types of instruments as at reporting date.

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

5. Change in Accounting Policy

The Group has early adopted COVID-19-Related Rent Concessions – Amendment to IFRS 16 issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID19- coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020.

6. Property, Plant and Equipment

	Land	Buildings & infrastructure	Plant and equipment	Vehicles, office equipment and 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**
Accummulated 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**

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

6. Property, Plant and Equipment (continued)

Cost	Land	Buildings & infrastructure	Plant and equipment	Vehicles, office equipment and furniture	Vessels	Projects in progress	Total
At 1 January 2019	557,643	1,600,500	695,349	840,822	322,637	172,415	4,189,366
Additions	-	76,071	57,350	27,625	991	517,962	679,999
Transfer to right-of-use assets	-	-	-	(34,309)	-	-	(34,309)
Revaluation	(5,780)	-	-	-	-	-	(5,780)
Impairment loss for the year	(3,463)	-	-	-	-	-	(3,463)
Transfers from projects in progress	-	159,102	36,876	46,179	1,273	(243,430)	-
Disposals / Transfers	-	-	(8,201)	(55,093)	-	-	(63,294)
At 31 December 2019	**548,400**	**1,835,673**	**781,374**	**825,224**	**324,901**	**446,947**	**4,762,519**
Accumulated depreciation							
At 1 January 2019	-	336,193	439,585	626,830	125,595	-	1,528,203
Depreciation charge	-	86,842	53,827	58,419	10,017	-	209,105
Transfer to right-of-use assets	-	-	-	(2,859)	-	-	(2,859)
Disposals / Transfers	-	366	(978)	(52,691)	-	-	(53,303)
At 31 December 2019	**-**	**423,401**	**492,434**	**629,699**	**135,612**	**-**	**1,681,146**
Carrying value							
At 31 December 2019	**548,400**	**1,412,272**	**288,940**	**195,525**	**189,289**	**446,947**	**3,081,373**

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

Out of the Ninety (90) plots of land received, the title deeds for seven (7) plots have been transferred to the Group and was accounted for using revaluation model. A right to use has been granted by the Ministry of Municipality and Urban Planning for eighty three (83) plots of land.

6. Property, Plant and Equipment (continued)

The Group has 10 (2019: 8) vessels that operate mainly in fuel bunkering, bitumen and chartering.

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

ii) Depreciation allocated to cost of sales amounted to QR 134 million (2019: QR 188 million) and general and administrative expenses in amount to QR 21 million (2019: QR 21 million).

iii) The fair value of the Group's land as at 31 December 2020 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 significant unobservable 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.

7. Right of Use Assets

	Land	Vehicles	Total
Cost			
Transfer from property, plant & equipment	-	34,309	34,309
Capitalisation on initial application of IFRS 16	63,009	6,131	69,140
Additions during the year	7,692	38,268	45,960
Disposals	-	(1,907)	(1,907)
	70,701	**76,801**	**147,502**
Accumulated Depreciation			
Transfer from property, plant & equipment	-	2,859	2,859
Charge for the period	6,834	13,691	20,525
Disposals	-	(40)	(40)
	6,834	**16,510**	**23,344**
Carrying value At 31 December 2019	**63,867**	**60,291**	**124,158**

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

7. Right of Use Assets (continued)

Cost	Land	Vehicles	Total
As at Dec 31, 2019	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 Dec 31, 2019	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**

8. Investment Properties

Cost	2020	2019
Balance at 1 January	1,040,611	1,025,610
Additions	-	12,134
Transfer from property, plant and equipment	43,269	2,867
Impairment	(7,428)	-
Balance at 31 December	**1,076,452**	**1,040,611**
Accumulated Depreciation		
Balance at 1 January	(154,339)	(119,384)
Depreciation charge for the year	(15,797)	(34,079)
Transfer from property, plant and equipment	-	(876)
Balance at 31 December	**(170,136)**	**(154,339)**
Carrying value Balance at 31 December 2020	**906,316**	**886,272**

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 2020 was QR 1,585 million (2019: QR 1,512 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.

9. 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:

	2020	2019
Investment at FVOCI	1,382,133	1,553,936
Investments current account	253,851	16,980
Long term deposits	1,076,266	1,450,766
	2,712,250	**3,021,682**

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

	2020	2019
Balance at 1 January	1,553,936	1,485,015
Acquired during the year	1,685,966	1,092,990
Disposals	(1,964,051)	(1,106,265)
Net movement in fair value reserve	106,282	82,196
Balance at 31 December	**1,382,133**	**1,553,936**

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 2019 and 2018, the Group held the following classes of financial instruments measured at fair value:

Investments securities at FVOCI

	Total	Level 1	Level 2	Level 3
2020	**1,382,133**	1,382,133	-	-
2019	**1,553,936**	1,553,936	-	-

During the year ended 31 December 2020 and 2019, 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.

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

10. Goodwill and Intangibles

	2020	2019
Goodwill (i)	132,935	132,935
Intangibles (ii)	2,236	-
	135,171	**132,935**

(i) Goodwill

	2020	2019
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	
	2020	2019	2020	2019
Revenue growth	10%	7.5%	1%	10%
Expenses growth	3%	3%	1%	3%
Discount rate	4%	5%	4%	5%

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.

10. Goodwill and Intangibles (continued)

(ii) Intangibles

	2020	2019
Cost	2,533	-
Amortisation	(297)	-
	2,236	**-**

Intangibles include software having useful life of 5 years.

11. Inventories

	2020	2019
Fuel inventory	143,116	216,792
Materials and spare parts	140,908	146,193
Retail stores inventory	30,182	31,708
Other inventory items	8,843	44,395
	323,049	**439,088**
Provisions slow moving items	(7,727)	(12,523)
	315,322	**426,565**

The movement in the provision for slow moving items is as follows:

	2020	2019
Balance at 1 January	12,523	7,325
(Reversed)/Provided during the year	(4,796)	5,198
Balance at 31 December	**7,727**	**12,523**

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

12. 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 Qatar Petroleum. Sales transactions to Qatar Petroleum are at arm's length and purchases from Qatar Petroleum are in accordance with approved contractual terms. The details of the transactions with this related party are as follows:

		2020	2019
Qatar Petroleum	Sales	93,640	163,832
	Purchases	11,124,413	20,100,209
Qatar Gas	Sales	1,302,888	1,435,795
North Oil Company	Sales	108,653	172,699
Rasgas	Sales	813	9
Gulf Drilling International	Sales	18,595	25,257
Amwaj Catering Services	Sales	22,589	26,528
	Services	37,491	27,002
Qatar Chemical and Petrochemical Marketing and Distribution Company	Sales	33,569	42,163
Oryx Gtl	Sales	8,989	10,758
Qatar Steel Company	Sales	4,986	11,745
Nakilat Agency Co.	Sales	4,918	33,664
Gulf Helicopter	Sales	6,372	12,650
Qatex Limited	Sales	5,001	9,806
Qatar Aluminium	Sales	6,303	8,324
Dolphin Energy Limited.	Sales	6,333	8,516
Qatar Petroleum Development	Sales	2,264	4,401
Qatar Chemical Company Ltd	Sales	3,095	3,339
Qatar Fuel Additives Company	Sales	1,849	2,064
Alkoot Insurance & Reinsurance Company	Services	24,894	22,636
Others	Sales	3,797	6,447

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.

12. Related Party Transactions (continued)

b) Balances due from related parties:

	2020	2019
Qatar Petroleum	68,779	130,423
Qatar Gas Operation Co. Ltd.	78,237	155,008
Rasgas	861	1,198
North Oil Company	13,042	21,735
Nakilat Agency Co.	232	956
Gulf Drilling International	5,515	3,883
Qatar Fuel Additives Company	322	539
Gulf Helicopters	976	1,021
Dolphin Energy Limited.	907	1,174
Qatar Petrochemical Company	358	75
Qatar Aluminium	517	667
Amwaj Catering Services	878	1,739
Qatar Gas Transport Co. Limited	159	642
Qatar Petroleum Development	940	900
Qatar Steel Company	73	762
Qatar Chemical Company Ltd	158	195
Qatar Fertiliser Company	383	314
Qatar Galvanizers	-	59
Qatar Vinaly Co. Ltd.	19	14
Oryx Gtl	239	104
Gasal	63	49
Seef Ltd.	2	14
Qatex Limited	913	731
Ras Laffan Power Co. Limited	12	-
Messaied Power company	21	159
Ras Girtas Power Co.	32	46
Umm Al Houl Power	9	31
Qatar Chemical and Petrochemical marketing and Distribution compnay	2,479	3,219
	176,126	**325,657**

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

12. Related Party Transactions (continued)

c) Balances due to related parties:

	2020	2019
Qatar Petroleum	2,258,163	2,871,590
Amwaj Catering Services	6,568	12,684
Al Koot	-	285
	2,264,731	**2,884,559**

	2020	2019
Non-current portion	-	80,743
Current portion	2,264,731	2,803,816
	2,264,731	**2,884,559**

d) Compensation to key management personnel

	2020	2019
Salaries of executive management	11,878	10,714
Board's remuneration (i)	11,820	11,820
Secondment Allowance	5,263	7,798
Other committee allowances	669	435
	29,630	**30,767**

Board of Directors' remuneration for the year is subject to approval at the ordinary general assembly meeting of the Company to be held on 08 March 2021.

13. Trade Receivables

	2020	2019
a) Trade receivables	2,057,511	1,594,455
Less: impairment of receivables	(173,971)	(112,966)
	1,883,540	**1,481,489**

a) The aging for trade receivables is as follows:

	2020	2019
Current	503,463	1,016,001
1-30 days	379,518	177,024
31 to 60 days	332,388	78,490
61 to 90 days	307,943	64,365
91 to 180 days	325,379	89,456
181-365 days	208,820	169,119
	2,057,511	**1,594,455**

b) Movement in provision for receivables:

	2020	2019
At 1 January	112,966	108,650
Provided during the year	40,196	7,166
Pricing difference adjustments in cost of sales	26,572	-
Reversal of provision	(5,763)	(2,850)
At 31 December	**173,971**	**112,966**

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

14. Prepayments and other receivables

	2020	2019
Staff advances and loans	23,238	25,757
Advances, deposits and prepaid expenses	26,839	57,998
Receivable from Ministries	64,986	64,986
Other receivables	12,134	10,615
	127,197	**159,356**

15. Cash and Bank Balances

	2020	2019
Cash	386	325
Balances with banks		
- Current and call accounts	124,201	178,274
- Fixed deposits	1,386,623	2,434,570
Cash and cash equivalents	**1,511,210**	**2,613,169**
Fixed deposits having maturity more than 3 months	739,519	400,565
Cash and bank balances	**2,250,729**	**3,013,734**

16. Share Capital

	2020	2019
Authorized: 1,000,000,000 ordinary shares of QR 1 each (2019: 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 (2019: 994,255,760 shares of QR 1 each)	994,256	994,256

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17. 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.

18. 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:

	2020	2019
At 1 January	73,155	(7,484)
Net change in fair value	85,184	80,639
At 31 December	**158,339**	**73,155**

19. Finance Lease Liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2020	2019	2020	2019	2020	2019
Current Portion						
Less than one year	43,607	26,017	6,753	5,866	36,854	20,278
Non-Current Portion						
Between one and five years	91,597	76,285	13,664	13,892	77,933	62,392
More than 5 years	53,669	57,774	12,987	14,774	40,682	42,998
	145,266	134,059	26,651	28,666	118,615	105,390
Total	**188,873**	**160,076**	**33,404**	**34,532**	**155,469**	**125,668**

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.

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

20. Employees' end of service benefits

	2020	2019
Balance at 1 January	89,247	91,545
Provided / (reversal) during the year	32,167	43,460
Paid during the year	(31,306)	(45,759)
Balance at 31 December	**90,108**	**89,246**

21. 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.

22. Trade and other payables

	2020	2019
Trade payables (suppliers and contractors payable)	122,238	147,451
Retentions payable	36,892	42,150
Accruals, provisions and other payables	555,360	639,725
	714,490	**829,326**

23. Revenues

	2020	2019
Sale of fuel products	12,225,497	21,095,441
Sale of non-fuel products	831,333	1,122,572
Revenue from services	188,603	228,245
	13,245,433	**22,446,258**

24. Cost of Sales

	2020	2019
Cost of goods sold	12,374,462	21,071,204
Depreciation	174,397	209,656
	12,548,859	**21,280,860**

25. Other Income

	2020	2019
Dividend income	80,795	85,478
Rental income	130,365	146,893
Miscellaneous income	16,515	25,186
	227,675	**257,557**

26. (a) General and administrative expenses

	2020	2019
Staff cost and related benefits	163,542	157,416
Depreciation	33,559	54,931
Office expenses	28,638	31,935
Other expenses	27,907	32,905
Interest Expense	13,966	22,572
Selling and marketing expenses	19,038	23,345
	286,650	**323,104**

26. (b) Provisions / Impairment expenses

	2020	2019
Provision for bad and doubtful debts	40,196	7,166
Provision / impairment of property, plant and equipment	1,580	3,463
Provision / impairment of investment properties	7,428	-
	49,204	**10,629**

27. Finance Income

	2020	2019
Profit from deposits with Islamic banks	78,483	95,334
Interest from non-Islamic banks	60,633	73,798
	139,116	**169,132**

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28. Basic and Diluted Earning 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:

	2020	2019
Profit for the year attributable to the Owners of the Company	707,425	1,216,382
Weighted average number of shares outstanding during the year	994,256	994,256
Basic and diluted earnings per share (in QR)	0.71	1.22

29. Dividends

The shareholders approved a cash dividend of QR 0.8 per share, amounting to QR 795.4 million for the year ended 31 December 2019 at the Annual General Assembly meeting held on 22 April 2020 (2018: cash dividend of QR 0.8 per share amounting to QR 795.4 million).

The Board of Directors has proposed cash dividends of QR 0.46 per share, amounting to a total of QR 457.4 million for the year ended 31 December 2020. The proposed dividend will be submitted for approval at the Annual General Assembly meeting.

30. Operating Segment

The Group is mainly engaged in sale and distribution of refined petroleum products, technical inspection of vehicles and marine transportation. More than 95% of the Group's revenue is generated through a single segment i.e. sale and distribution of refined petroleum products. The Company operates in a single geographical segment.

31. Commitments and Contingencies

	2020	2019
Capital commitments	13,804	53,705

Contingent liabilities

	2020	2019
Bank guarantees	101,319	103,552
Letters of credit	769	1,357

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 profit or loss

Leases under IFRS 16	2020	2019
Interest on lease liabilities	7,230	4,513
Expenses relating to short-term leases	4,923	28,265

ii) Amounts recognised in statement of cash flows

	2020	2019
Total cash outflow for leases	34,530	18,146

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.

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32. Leases (continued)

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	2020	2019
Less than one year	150,758	194,490
One to two years	158,768	153,936
Two to three years	151,148	156,994
Three to four years	140,707	150,713
Four to five years	137,628	139,591
More than five years	-	48,416
Total	**739,009**	**844,140**

33. Comparative Figures

Comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. However, such reclassifications did not have any effect on the net profit or equity of the comparative year.