Qatar Fuel (WOQOD)
Annual Report 2023

Delivering Excellence

Head Office

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

www.woqod.com

In the name of

ALLAH

the most Gracious, the most Merciful

HIS HIGHNESS

SHEIKH TAMIM BIN HAMAD AL THANI

THE EMIR OF THE STATE OF QATAR

HIS HIGHNESS

SHEIKH HAMAD BIN KHALIFA AL THANI

THE FATHER AMIR

CONTENTS

INTRODUCTION

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 2002 and its shares are listed on Qatar Stock Exchange. The company has sole concession for distribution and marketing of fuels to commercial, industrial, retail and government customers throughout the country, including Natural and Liquefied Gas, and Jet A1 refueling and related services at all airports in the State of Qatar. The company is considered pioneer in the GCC region to convert to fully unleaded gasoline and low sulfur diesel.

Our resilient fuel distribution network operates from North and South of the country, through a fleet of modern trucks, steel aluminum tankers, airplane refuelers and bowsers. Beside distribution of conventional fuel products, we supply LPG to domestic customer using safer, lightweight and transparent fiberglass "SHAFAF" cylinders that are filled at the state-of-the-art high-tech LPG filling plant. For industrial and commercial users, the company supplies LPG through tankers at customer sites. WOQOD supplies VLSFO to marine customers in order to meet the fueling requirements of marine customers in Qatari waters. 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 the State of Qatar. In addition, we provide complete auto-care and maintenance services at our petrol stations including car wash, repairs, oil, tyre and battery change services. WOQOD branded Lubricants have a complete range of automotive and industrial lubricants developed to suit all types of vehicles and industrial requirements.

Our 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.

WOQOD
KEY MILESTONES

2002

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

2003

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

2006

WOQOD opened its first state of the art petrol station

2008

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

2009

WOQOD commissioned new LPG bottling and distribution plant

2010

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

2011

WOQOD obtained International Organization for Standardization (ISO) 14001 certification

2012

WOQOD inaugurated the first CNG station in Qatar

2014

FAHES opened its first station under WOQOD ownership

2015

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

2016

The total assets of the group crossed QAR 10 Billion mark

2017

FAHES opened 3 new stations to better serve the customers

2018

WOQOD opened record 31 petrol stations in a year

2019

WOQOD Bitumen Plant became fully commissioned

2020

WOQOD topped QSE on ESG compliance

2021

Petrol Station reached 111 and opened 2 New CNG stations

2022

WOQOD Opened 100th fixed station

2023

Commenced operations at the newly built West Field Fuel Farm (WFFF) at HIA

STRATEGY REVIEW

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.

VALUES

Professionalism

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.

Innovative

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

Accountable

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

Chairman's Message

"

Dear Shareholders,

I am pleased to present to you the annual report for the year 2023, which contains a summary of the business results, key performance indicators, other achievements and financial results achieved by WOQOD Group during the mentioned year, which reflect our determination to continue to achieve good results that will enhance the value of the company, and maximize the benefits of our valued shareholders. We also confirm our determination in moving steadily towards achieving the company's strategic objectives.

"

I am also pleased to place in your hands the Corporate Governance Report for the year 2023 to enable shareholders and all stakeholders to take cognizance on the efforts we have exerted in order to implement the rules of governance in accordance with the Corporate Governance Code for listed companies, preserve the rights of all stakeholders, pay attention to environmental considerations, social dimensions and localization of services, which qualified WOQOD to rank third in the Governance, Social Responsibility and Environment Index, as well as being classified among the strongest shareholding companies in the Middle East in terms of financial strength, profitability and the return to shareholders, in addition it also ranked second in the In-Country Value (ICV) ranking in the initiatives of implementation of service localization.

As for the financial performance of WOQOD Group, the net profit for 2023 (excluding minority rights) amounted to QR 984 million, as compared to an amount of QAR 1,070 million (one billion and seventy million Qatari Rials) achieved in the year 2022, representing a decrease of 8%. Earnings per share for the year amounted to QAR 0.99, as compared to QR 1.08 for the past year, while Shareholders Equity increased to reach QR.9.3 billion compared to QAR. 9.2 billion for the year 2022. The value of the Group's assets base increased to QAR 14.6 billion compared to QAR 11.3 billion in 2016 with an increase of 29%.

Based on the financial results for 2023, and considering the future planned capital projects and the company's commitments, the Board of Directors is pleased to recommend the distribution of cash dividend of QR 895 million, which is equivalent to QR 0.90 per share.

It is worth mentioning that the comprehensive details of WOQOD's performance during the year 2023, some aspects of which will be addressed by the CEO in his speech, are available to shareholders in the Annual Report and the Corporate Governance Report, which can be accessed on WOQOD's website, and hard copies of them have been provided in this hall.

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

I also thank our valued shareholders for their continued confidence in WOQOD, and to the Group's employees for their ongoing efforts to support and promote the Group's work.

Ahmad Saif Al–Sulaiti
Chairman of the Board of Directors

MD&CEO's Message

"

Our esteemed shareholders,

I am pleased to present to you a summary of the key achievements of WOQOD Group during the fiscal year 2023 as WOQOD has accomplished significant achievements as detailed in the Annual Report.

"

At the onset, I would like to address the most important performance indicators during the mentioned year, and as explained by the Chairman of the Board, WOQOD Group achieved a net profit of QAR 984 million, compared to QAR 1,070 million in 2022, representing a decrease of 8%. In general, the decrease in profits and earnings per share were due to supply and demand factors, especially diesel product and associated activities, due to the completion of most infrastructure projects in the country.

The year 2023 witnessed 5% increase in total fuel sales volume, compared to 2022. Total fuel sales reached a record high of 10.7 billion liters compared to 10.1 billion liters for the year 2022, mainly driven by the increase in the sales volume of jet fuel and gasoline, which also recorded the highest annual sales volume in the company's history. Jet fuel sales reached 5.7 billion liters and Gasoline Sales reached 2.9 billion liters, with an increase of 16% and 4% respectively, as compared to 2022. Income from non-fuel retail activity has also increased by 1% compared to 2022, driven by increase in the petrol stations network.The year 2023 witnessed a noticeable improvement in the field of Security and Safety compared to the year 2022. It is worth mentioning that the sales purchase agreements for petroleum products have been renewed and the Cabinet has approved the extension of WOQOD concession for the next five years. Also, Fahes agreement with MOI renewed for a similar period.

Regarding the petrol station projects, there has been an unprecedented growth in the number of petrol stations. The number of petrol stations have grown more than double in 6 years. During the year 2023, four petrol stations have been built. In line with Qatar Vision 2030, we have fixed several Electric Vehicle Charging Points in our stations, and we also produce electricity from solar energy at some stations. It is worth noting that WOQOD has a dynamic plan for the construction of stations which is reviewed periodically according to local demand. We are studying foreign investment opportunities compatible with the company's core business.

Our annual report provides further details of WOQOD's achievements in 2023, as well as its future plans.

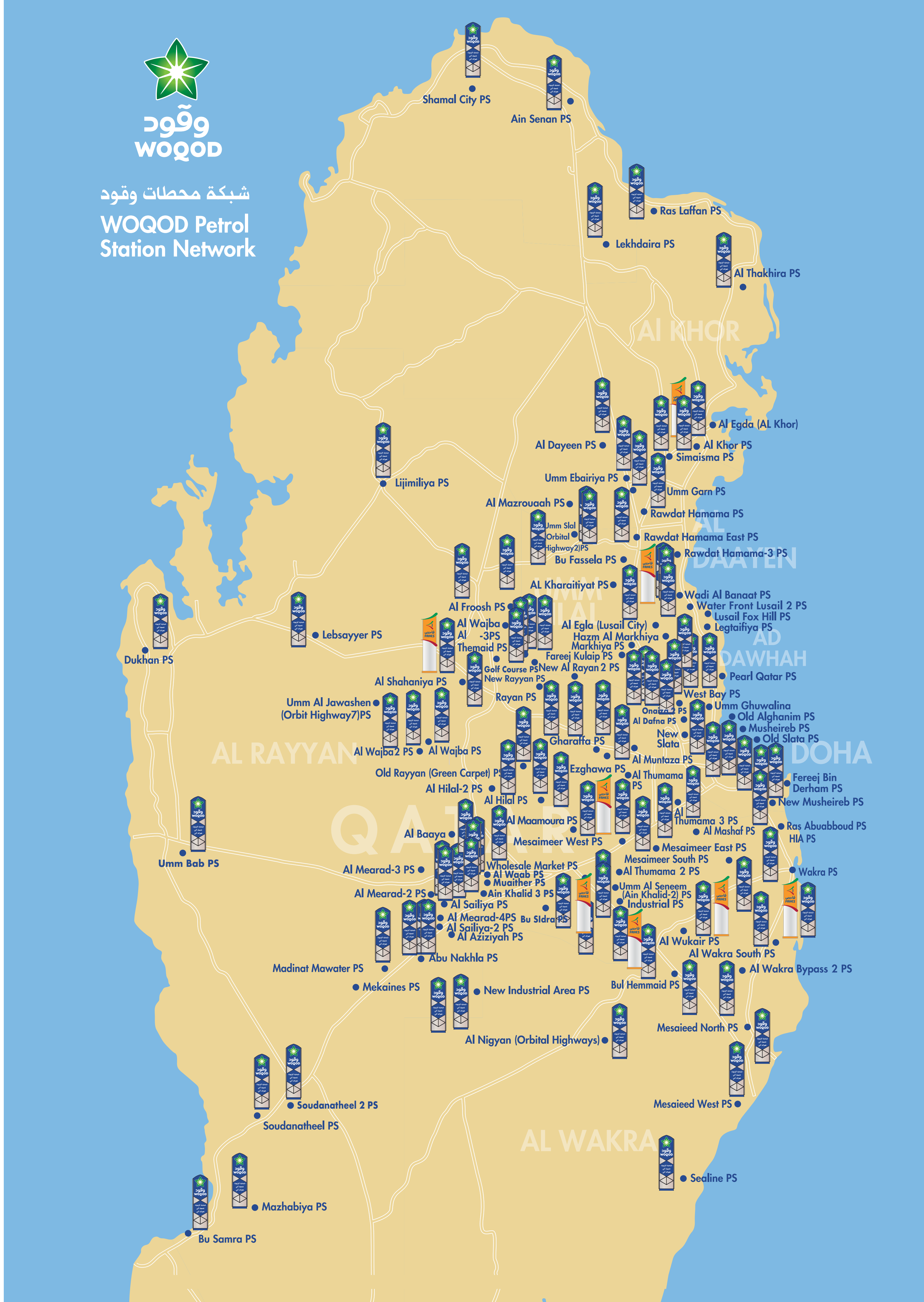
In the end, I would like to thank the Chairman and the Members of the Board for their continued support. We would also like to thank all government and regulatory agencies, and all our employees for their sincere efforts to serve and enhance the company's business. I also emphasize that we will take appropriate initiatives in the development of the distribution sector, and we will continue to strive to achieve the best results in future, that satisfies the aspirations of our valued shareholders.

Saad Rashid Al–Muhannadi
MD & CEO

2023 KEY ACHIEVEMENTS

WOQOD demonstrated resilience despite overall market slowdown and delivered its strategic initiatives with excellence. Delivering value and enhanced customer experience remain the core of our strategy.

- Improved safety performance for Loss Time Incident Frequency (LTIF) by **17%**
- Upgraded **13** stations with Electric Vehicle Chargers and **3** stations operating on Solar power.
- Renewed SPAs for Refined Petroleum Products for 5 years with QatarEnergy
- Total Fuel Sales higher by **5%**. Supplied highest ever jet fuel and gasoline volumes in the history of WOQOD
- Commenced operations at newly build West Field Fuel Farm (WFFF) at HIA
- Re-certification of **ISO 22301:2019** completed for BCM for all Operations
- WOQOD ranked 2nd in ICV ranking by QatarEnergy on Tawteen initiatives
- Jet Fuel sales at record volumes of **5.7** billion liters, up by **16%** compared to 2022
- Constructed **4** stations. Total number of fuel stations in operations reached **126**
- WOQOD among top **10** most valuable oil and gas brand in the middle east
- Successfully implemented Automatic Number Plate Recognition at all WOQOD Petrol Stations and FAHES
- Gasoline sales reached record volumes of **2.9** billion liters, up by **4%** compared to 2022



WOQOD's Strategy

WOQOD's strategy is focused on delivering Value Proposition to all stakeholders and elevating the customer experience by prioritizing convenience. Our strategy is supported by five guiding pillars that help us achieve our goals.

The primary goal of WOQOD's strategy is to foster sustainable growth to provide shareholders with a long-term return. WOQOD's diversified portfolio of business operations offers numerous growth opportunities in both fuel and non-fuel business segments. WOQOD exercises vigilant oversight of market dynamics and capitalizes on emerging opportunities while maintaining a commitment to cost optimization.

WOQOD is committed to achieving operational excellence. To this end, we consistently explore opportunities for enhancing our business processes. Customer satisfaction is a fundamental cornerstone of WOQOD's strategic approach. WOQOD has made substantial investment in enhancing its offerings, including products and services, thereby fostering customer trust in WOQOD as a reliable partner.

WOQOD values safety and reliability as one of the core pillars of its business strategy. We believe that the success of the company lies in the strong, reliable and safe working environment.

WOQOD places high value to Qatarization in terms of developing local talent as part of Qatar National Vision 2030 and promoting local products through Tawteen initiative of QatarEnergy.

WOQOD 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.

Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Growth

Our growth strategy focuses on Leveraging our expertise and identifying opportunities for growth in our fuel and non-fuel business segments.

In 2024, we anticipate our total fuel volume to increase marginally driven by Jet Fuel sales. Going forward, the jet fuel demand will continue to grow due to Qatar Airways global expansion plan and Country's focus on tourism. WOQOD is committed to meet the fueling requirements from additional fuel farms constructed at the Hamad International Airport (HIA) in line with Qatar National Vision 2030.

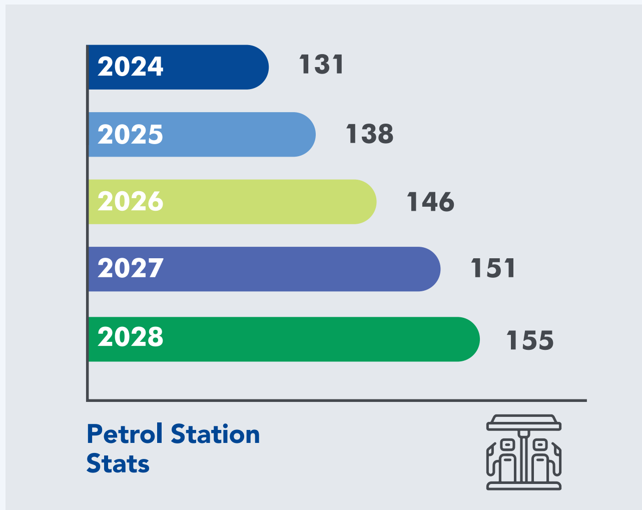
Bulk Fuel segment declined in 2023 due to the sunset of major projects post FIFA™ World Cup 2022. However, we anticipate a steady growth in Bulk Fuel Segment in the upcoming years, due to opportunities associated with the North Oil Field Expansion and Qatar National Vision 2030.

WOQOD's Retail Fuel market share maintained at **86%** in the year 2023. We expect to further increase our market share in the Retail Fuel business by increasing our network and with the introduction of relevant growth initiatives.

We will continue to enhance our supply capabilities to ensure sustainable fuel supply in timely and most efficient manner.

In line with the country's vision to control carbon emission, WOQOD is progressing with its ramp-up plan for installation of the Electric Vehicles (EV) chargers at multiple gas stations. So far, we have installed, **25** chargers at the **19** stations. Additional chargers will be installed in accordance with the market demand.

In terms of our fuel station network expansion, we are continuously assessing the market demand to determine optimum requirement. We are also in process of introducing our SMART fuel station model to further enhance customer experience.



WOQOD will continue to implement key strategic initiatives in line with its strategy to improve its Non-Fuel Retail business. Key focus for our convenience store business will be revitalizing the stores to maximize the income. In addition, we are planning to introduce a customer loyalty program for our retail customers.

Autocare business in Qatar is very competitive. WOQOD will pursue strategic tie-ups with specialized service providers and evaluate different operating business models to improve its Autocare business with the aim of maximizing profitability.

In terms of efficient utilization of our fuel stations space, we are in process of launching Digital Outdoor Advertisement initiative in collaboration with specialized service providers. This will enhance our service portfolio to the customers.

Regarding our vehicle inspection business, we are in advance stages of introducing several services that are aligned to the inspection business. To further enhance customer convenience, we intend to open an additional Fahes station with a range of services.

Business Process Improvement

WOQOD is committed to operational excellence to provide customers with the finest products and services. Our internal processes are routinely evaluated to ensure that the quality of our products and services remains at the highest level.

We are currently prioritizing the automation of several internal processes to accomplish efficiency, reduce service turnaround time and enhance service quality. In our Retail fuel business, we are progressing with our Retail Digital Transformation system initiative to improve resource planning. Several other projects such as Phase 2 of Asset Tagging, Enterprise Performance Management, I-Supplier and I-Sourcing programs are progressing as planned.

We have made significant improvements in our Environmental Social and Governance (ESG) and Internal Controls over Financial Reporting (ICOFR). Going forward, we are planning to continuously monitor the developments in both areas and enhance reporting accordingly.

WOQOD has accomplished the implementation of Business Continuity Management (BCM) across all its operational and support service divisions. Going forward, we will continue to test the effectiveness of our BCM program through annual review of the Business Continuity Plan (BCP).

Safety & Reliability

Our safety performance in 2023 has been exceptional. Going forward, In 2024, we will be aiming to Maintain good Safety Standards and focus on Improvements. Our focus areas will be to maintain compliance to WOQOD Occupational Health Program in coordination with QatarEnergy and strengthening HSE culture within the company.

In terms of reliability, we will continue to improve the Reliability of our Storage Depots through our comprehensive periodic inspection and maintenance program. Furthermore, we will continue to upgrade our existing Fixed fuel stations to comply with the Petrol Station Executive Committee (PSEC) regulations.

WOQOD is collaborating closely with QatarEnergy in augmenting the LPG supply chain within the country. This will ensure continuous supply of LPG to its customers across the country by avoiding Single Point of failure.

In order to further strengthen the safety & security at our LPG plant, we have initiated a Security System Upgradation at existing LPG Plant to comply with the requirements of Ministry of Interior (MOI), General Security Establishment and Authorities Security department to enhance the security features of the plant.

Qatarization

In line with Qatar National Vision 2030 and Tawteen initiative of QatarEnergy, our procurement strategy is to prioritize the In Country Value (ICV) score during commercial evaluation to encourage local manufacturers. WOQOD was ranked 2nd best in ICV ranking by QatarEnergy. Going forward, WOQOD will continue with its commitment to Tawteen program to promote local manufacturing.

In terms of Qatarization plan, we are committed in developing the Qatari Human Capital and enable them to have the best opportunities to join WOQOD workforce. WOQOD offers multiple platforms such as Graduation project Support, Sponsorship and Internship program to develop the Qatari workforce. We have achieved **14.1%** Qatarization in 2023 and exceed the target of **13.8%**. Going forward, we are aiming to increase the Qatarization rate and continue to develop the local workforce.

Cost Optimization

WOQOD is dedicated in achieving sustainable business growth through a two-pronged strategy, i.e., continued assessment of new business opportunities and expenditure optimization. WOQOD has managed to progress significantly in terms of expanding its network and range of services and products offered to customers while optimizing expenditures wherever possible to ensure sustainable growth. Moving forward, we will continue to prioritize growth while keeping costs under control.

DELIVERY OF THE STRATEGY

Growth

- Constructed **4** petrol stations.
- Jet Fuel Day Sales Inventory (DSI) improved from **3.8** days to **6.9** days.
- **25** EV Charging Units installed at **19** WOQOD stations.
- **1**% growth in our non-fuel retail business.

BPI

- Re-certification of **ISO 22301:2019** completed for BCM for all operations.
- Phase 1 of Asset Tagging and Tracking project completed.

Reliability

- Sales Purchase Agreement (SPA) renewals with QatarEnergy for another five-year term.

Safety

- **43%** improvement in our safety performance for LTIF as compared to the 2023 target.

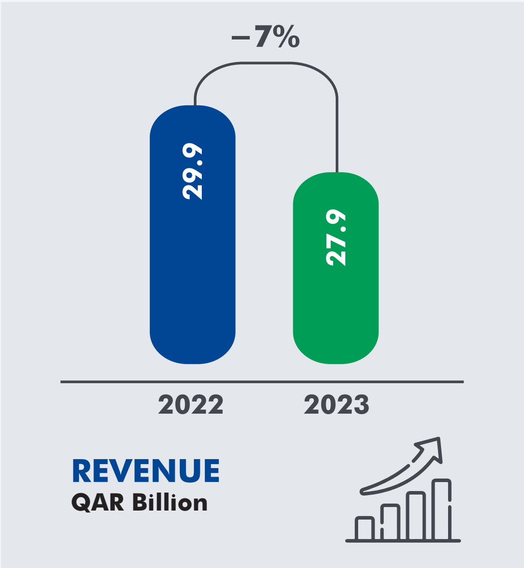
Qatarization

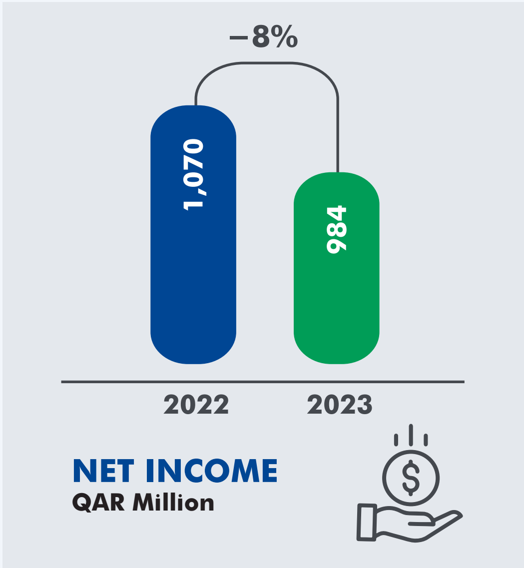
- Ranked 2nd best in In Country Value (ICV) ranking by QatarEnergy.
- Achieved **14.1%** Qatarization rate.

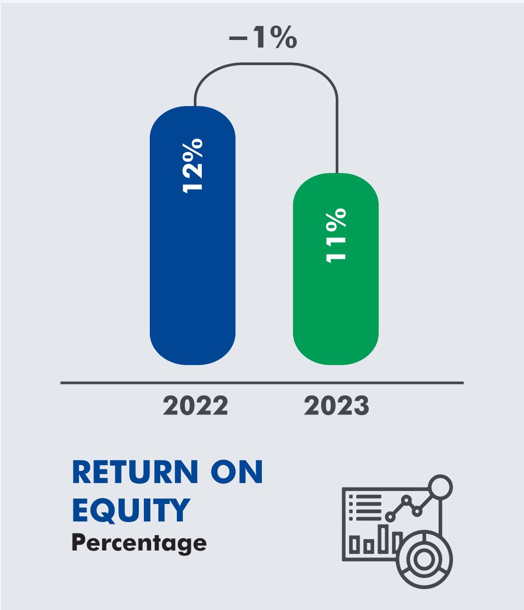
FINANCIAL REVIEW

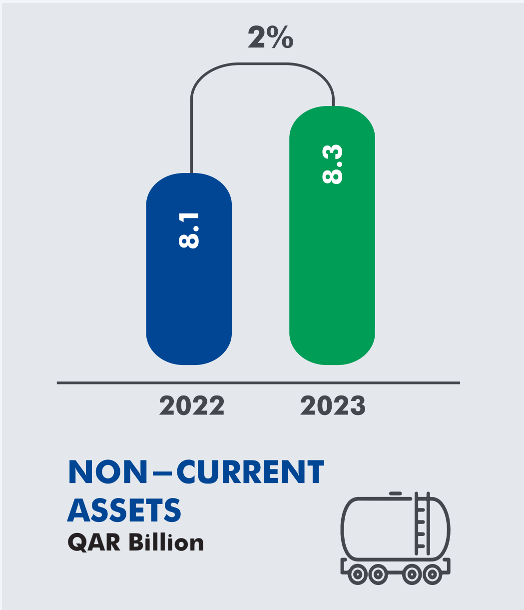
Financial Review

WOQOD results reflect a resilient performance in 2023 despite the market challenges from various segments and managed to generate strong earnings and cash flows allowing us to strengthen our asset base. Total fuel volume sold was 10.7 Billion Liters in 2023, an increase of 5% as against 2022 driven by market demand.









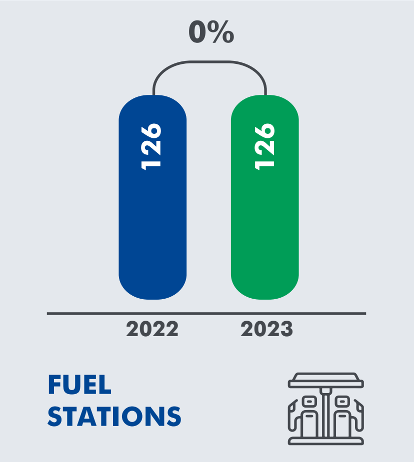
Key Financial Indicators

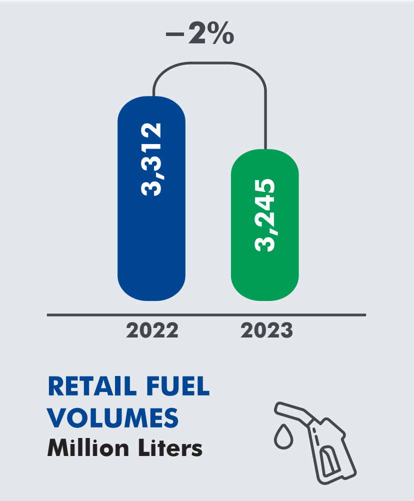
QAR Million	2023	2022	Change (%)
Revenue	27,933	29,935	-7%
Gross profit	739	930	-21%
General & Administrative Expense	(230)	(235)	2%
Profit for the year (Attributable to Equity Holders of the Parent)	984	1,070	-8%
Non-Current Asset	8,259	8,089	2%

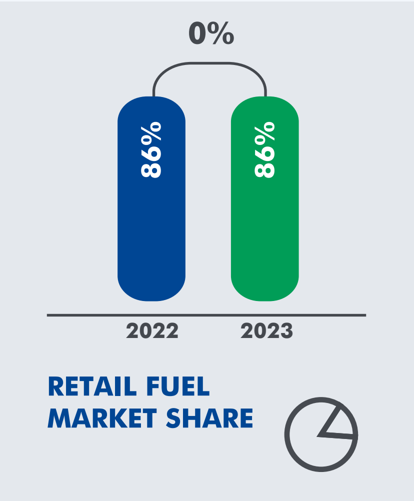
BUSINESS REVIEW

Business Review

WOQOD demonstrated resilience despite overall market slowdown and delivered its strategic initiatives with excellence. Delivering value and enhanced customer experience remain the core of our strategy. WOQOD renewed SPAs for Refined Products (Diesel, Gasoline, Kerosene, Jet A1 and LPG) for additional 5 years with QatarEnergy.







Retail Business

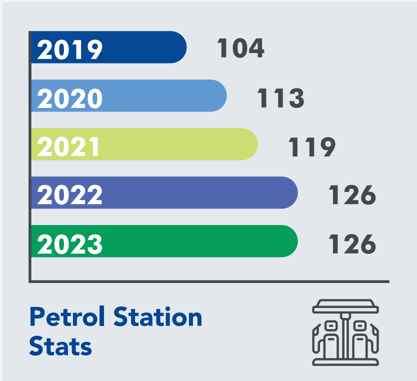
WOQOD's retail business comprises of fuel and non-fuel products and service. Fuel retail business includes sale of Diesel, Gasoline and LPG at our petrol stations. While non-fuel retail business covers Sidra convenience store, auto-care services including lubricants, tyres and leasing of Kenar shops.

Fuel

Our Retail fuel volumes decreased by **2%** in 2023 as compared to the same period last year. This was mainly driven by low market demand.

- Diesel fuel sales decreased by **14%**
- Gasoline fuel sales increased by **3%**
- WOQOD's fuel retail market share is manitained at **86%** during 2023. Our annual throughput per station of **26** MM liters is significantly higher than industry and reflects our operational efficiency.

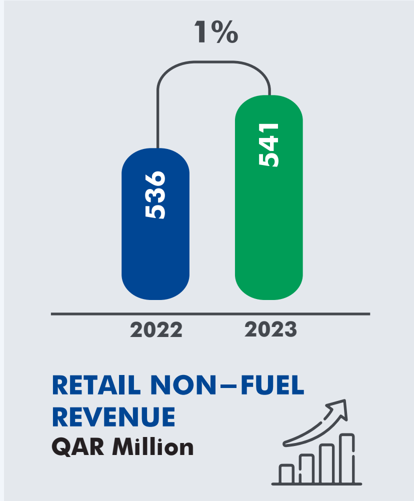
The total number of stations in operation reached to **126** in 2023.

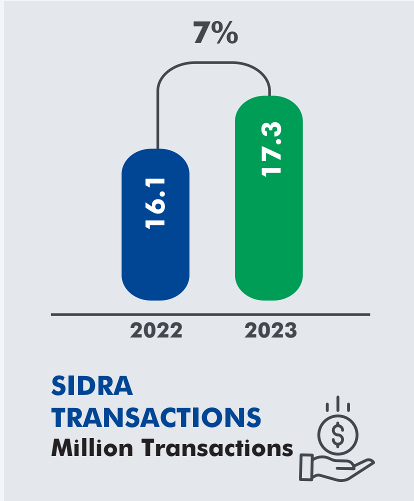


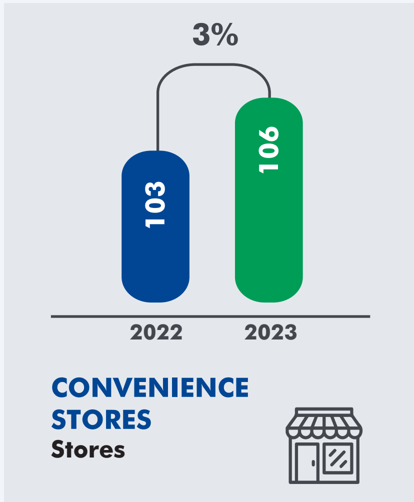
We are the largest fuel retailer in the State of Qatar. WOQOD continues to expand its network of petrol station to serve customers in Qatar. Our permanent petrol stations feature state-of-the art technology with modern facilities. Going forward, we intend to implement the SMART petrol station model, which will allow us to extend the network to smaller sites and thus provide the public with a greater variety of in-place services.

Electric Vehicle Charging

In line with WOQOD strategy to promote sustainable development, Electric Vehicle Charging units are installed at **19** fuel stations, in cooperation with M/s. Kahramaa. Future expansion of the EV charging network is subject to the market demand.







Non–Fuel

Our retail non-fuel revenue increased by **1%** in 2023 as a result of network expansion. Multiple strategic initiatives are currently underway in an effort to expand our non-fuel retail business.

At present, WOQOD manages **101** advanced convenience stores situated within its petrol stations and **5** standalone locations, which provide a diverse selection of services including confectionery, groceries, refreshments, munchies, and other services.

We introduced several new brands at our convenience stores providing customers with additional choices.

Furthermore, we launched numerous promotions throughout the year.

We offer auto-care services at **74** petrol stations. Our auto-care services include, car wash, vehicle servicing and repairs, tyre change and lube change services.

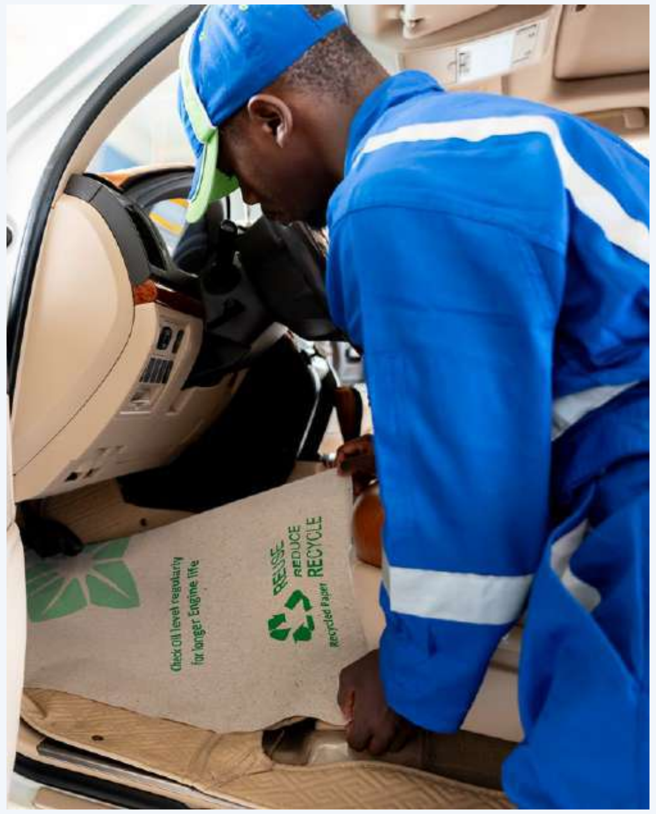
We launched Staff privilege program for various companies which helped to attract greater number of customers to our Autocare centers. The segment witnessed a growth of **75%** against last year.

We launched several new autocare services such as 'Vehicle Diagnostic Service' and 'Complete AC Service' augmenting our auto care service offers to our customers.

Furthermore, we successfully launched WOQOD's own brand of additive "OTO PRO" meeting international standards. The initiative would further enhance our market position.

We are also exploring alternative operating models for our Autocare business to optimize profitability. In this regard, we have reached an agreement with a specialized provider to franchise selected Autocare centers on agreed terms. This would bring leading automobile service expertise into WOQOD network.

We implemented Recycled "Paper Floor Mat" in our vehicle wash services as part of our strong commitment to environmental sustainability.



Kenar

Our tenants include fast food international chains, local restaurants and coffee shops, laundries, car accessories and servicing etc. As of end of 2023, total **520** shops were leased out of **577** shops available.

We commenced new Drive Thru at different locations with renowned brands such as Starbucks, Pizza Hut, McDonald's, Costa Coffee, and Texas Chicken. This would increase the variety of restaurants available to our customers and encourage them to frequent our stations.

Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Vehicle Inspection

FAHES is the sole organization authorized to perform inspections on heavy equipment, light vehicles, and heavy vehicles within the State of Qatar. At the moment, our organization operates a total of **8** permanent inspection centers and **5** mobile inspection centers throughout Qatar. Fahes additionally offers the service of conducting inspections at the customer's locations.

In 2023, FAHES inspections increased by **8%** driven by the normal trend of newly registered vehicles coming in for inspection after 3 years from their first registration and increase in export vehicles being registered. WOQOD is planning to add one new FAHES inspection centers (Madinat Al Mowather).

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

Outlook

In 2023, WOQOD effectively implemented its strategy notwithstanding the economic slowdown post FIFA™ World Cup. Our retail business, especially the non-fuel division witnessed significant growth.

Our network expansion strategy is adaptable and continuously evaluated by management to meet the market demand. We intend to augment our network taking the total stations to **155** by the year 2028. Additionally, we are developing the SMART petrol station model, which will provide our consumers with convenience and better customer experience.

Our objective is to optimize the value derived from our non-fuel operations by implementing a range of strategic initiatives, including category enhancements, strategic partnerships with specialized service providers, etc.

To enhance the quality of our customer's experiences, we have initiated an extensive digital transformation with a specific emphasis on our retail operations. This will include a multitude of functionalities, including analytics, a loyalty program, e-commerce capabilities, and more. Furthermore, to extract maximum value from the petrol station land, we have initiated a Strategic business partnership for digital outdoor advertisement at several petrol stations. To offer varied service to our FAHES customers, we are in process of rolling out several services under fahes which are in line with the nature of Fahes business.

Commercial Business

Our commercial business distributes diesel, gasoline, jet fuel and liquefied petroleum gas (LPG) through a modern fleet of **331** vehicles, to commercial, industrial and government customers in Qatar. We also sell lubricants (engine oils and greases), used by commercial, industrial and marine customers, Natural Gas for industrial and Transportation purposes and Bunker Fuel.

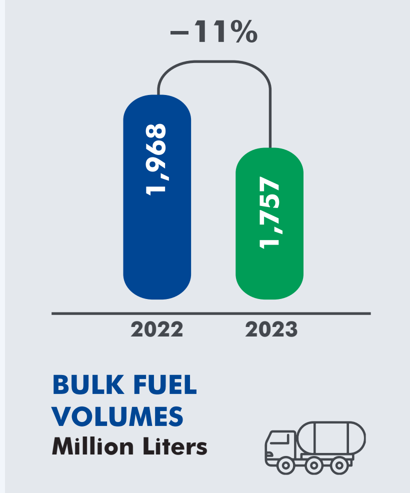
Fuel — Diesel and Gasoline

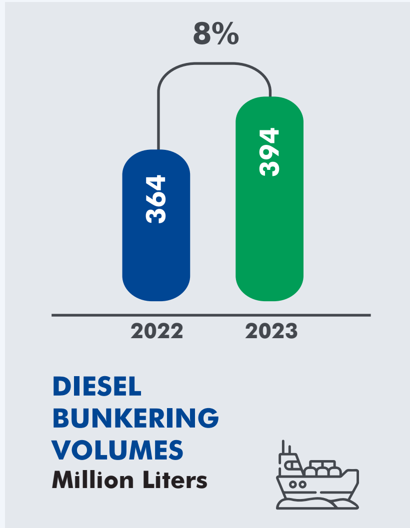
In 2023, our bulk fuel business experienced a decline in demand compared to the same period last year. This was primarily attributed to reduced market demand, influenced by the conclusion of significant projects associated with FIFA™ World Cup 2022. Overall fuel sales in 2023 decreased by **11%** as compared to 2022 driven by low market demand. WOQOD successfully managed the GTL Gas Oil to Mowasalaat buses as a country's initiative to promote consumption of cleaner fuel domestically.

In order to enhance the safety of the depot operations, Gasoline tanks rim seal repair project completed for 6 floating roof tanks at Doha Depot, without any disruptions to operations.

Fuel Volume Sales:

- Diesel sales decreased by **16%** driven by macro economic factors
- Gasoline sales increased by **7%** driven by market demand
- Diesel bunkering sales increased by **8%** driven by market demand





Supply to Formula 1 Event

WOQOD supplied fuel for Formula 1 event to support power supply systems at the stadiums and other events drawing on the best practices established in previous mega events such as the FIFA™ Arab Cup 2021 and the FIFA™ World Cup 2022.

Fuel Storage Tanks

WOQOD launched new storage tanks of smaller sizes that are ideally suited for Winter camping demand.

Fuel Bunkering

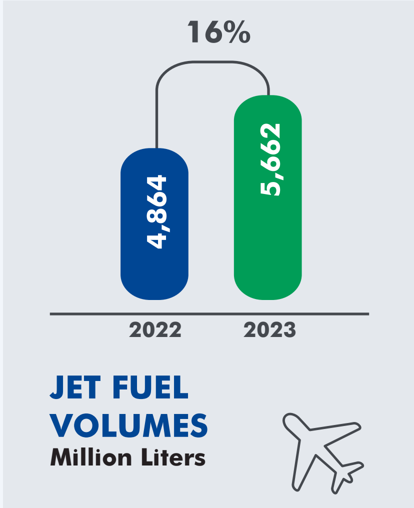
WOQOD provides bunkering service in Qatari waters. Our product range includes low sulfur gas oil and Fresh Water. Our fuel bunkering volumes increased by **8%** in 2023 as compared to the same period last year driven by market demand.

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

We are constantly evaluating the opportunities presented in the market to tailor our vessel mix to optimum level.

Jet Fuel

Our Jet Fuel sales increased by **16%** driven by market demand. Going forward, we anticipate that the jet fuel demand will continue to grow due to Qatar Airways global expansion plan and Country's focus on tourism.



As part of HIA expansion project, Western Field Fuel Farm (WFFF) was commissioned and is operated successfully by WOQOD Group. WFFF will support the required demand for HIA and maximize the resiliency of Jet A1 strategic storage and supply chain to support the aviation operations for many years to come. Commissioning of WFFF is a substantial milestone achievement to support the Qatar National Vision 2030.

Our state-of-the-art Jet fuel fleet includes Bowsers and Refuellers which are sufficient to meet the existing jet fuel demand. We will constantly evaluate the service age of our fleet with the aim of enhancing our fleet requirement as and when required.

Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Lubricants

WOQOD's OTO brand continued to perform better in 2023. WOQOD branded lubricants 2023 volumes decreased by **2%** as compared to 2022.

WOQOD branded lubricants acquired approvals from several American and European standardization organizations as well as OEM approvals from several reputed automobile brands.

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

LPG & Natural Gas

LPG sales increased by **7%** and Natural Gas (including CNG) sales decreased by **4%** driven by market demand.

In order to augment the LPG supply chain in the State of Qatar, WOQOD is collaborating with QatarEnergy to construct a new LPG plant to avoid Single Point of Failure. This will ensure continuous supply of LPG to its customers across the country in case of any supply disruption caused by the unforeseen event/accident at the existing LPG plant.

In terms of ensuring highest safety & standards of our products, WOQOD requalified more than **62,000** SHAFAF in 2023 as compared to the **24,000** in 2022 (inspected & hydrotested).

Outlook

WOQOD expects challenging business prospects in 2024 mainly driven by post FIFA™ World Cup 2022 economic slowdown, high inflation and fear of global recession. North Field expansion and Qatar National Vision 2030 developments are expected to spur the economic growth in Qatar.

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

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

For jet fuel business, WOQOD will be focusing on introducing new services in line with our current business.

For Marine business, WOQOD will be focusing on optimizing vessel's fleet operations and continue to look for opportunities to create a growth/ optimisation balance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW

Governance Review

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

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

Board Audit Committee

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

The BAC coordinates with External Auditors to ensure adherence to International Financial Reporting Standards (IFRS) in preparation of Financial Statements. BAC also coordinates with BOD, Senior Executive Management, Internal and External Auditors, overseas the Internal Control over Financial Reporting and Enterprise Risk Management activities.

The BACs responsibilities in relation to Internal Audit (IA) function include the review and approval of the overall Internal Audit Strategies, annual audit work plan, budget and overseeing the Internal Audit programs and performance.

Further, the BAC ensures that the IA function has full and unrestricted access to all required sources of information relevant to performance of its work.

The BAC met 6 times during 2023 and reviewed key matters such as Business Continuity Management (BCM), Enterprise Risk Management (ERM), Internal Controls, Business and Financial reports, Cybersecurity status, conformance with Code of Business Ethics and Conflict of Interest Policy and legal cases status etc.

Internal Audit Function

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

In order to ensure independence of the IA function, it reports functionally to the BAC and administratively to the MD & CEO.

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

All planned audits have been initiated in the respective quarters as per the audit plan and the audits that are initiated in the last quarter of 2023 are ongoing.

All the closed audit reports have been acknowledged by respective Chiefs and Department Managers. All audit findings are reported to the BAC and the executive management regularly. 77% of all Management Action Plans (MAPs) against audit observations issued during 2019 to June 2023 have been closed and remediation actions for the remaining MAPs are in progress. In order to ensure timely implementation of the MAPs, IA Function has established a quarterly follow-up mechanism in 2023.

As part of periodical review and update of Governance documents, and to provide a structured and systematic approach to identifying, assessing, and managing risks that could impact the IA function, the IA Department has developed and established the "Internal Audit Risk Management Framework" which was reviewed and approved by appropriate authorities.

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

In addition, the Nomination and Remuneration Committee assists the 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.

Information Technology

Information technologies and solutions were leveraged to increase business value proposition by implementing systems and applications that support enablement of revenue generation streams, increasing customer satisfaction index and ensuring highest level of operational resiliency. Following are the key IT solutions and services implemented in the year 2023;

- Seamless system enablement of banking services transition with uninterrupted financial operations.
- Establishing WOQOD Disaster Recovery (DR) services to ensure business continuity and seamless switchover of automation services in case of disruption.
- Achieving compliance with National Cyber Security Agency (NCSA) information security framework and policies to safeguard WOQOD assets, services and operations.
- Implementation of dispatch automation solution for Gas Operation and Distribution.
- Implementation of enterprise risk management system for WOQOD and its subsidiaries.
- Launch of virtual chatbot support services for enhanced customer assistance.
- Enhancement of WOQOD mobile application and website to elevate customer experience.
- Designing of end-to-end departmental unified service management policies, processes, procedures, performance metrics and service desks for optimal delivery of corporate services.

Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Board of Directors

Mr. Ahmad Saif Al–Sulaiti

Chairman of the Board of Directors
Qatar Fuel Company Q.P.S.C (WOQOD)

Strategy Review
Financial Review
Business Review
Environmental, Social and Governance Review

Mr. Abdulaziz Jassim Mohd Al–Muftah

Vice - Chairman

Mr. Saad Rashid Al–Muhannadi

MD & CEO

SHK. Saoud Khalid Hamad Al–Thani

Member - Board of Directors

Mr. Nasser Sultan N Al–Hemaidi

Member - Board of Directors

Mr. Mohammed Abdulaziz Saad Rashed Al–Saad

Member - Board of Directors

Mr. Abdulrahman Saad Zaid Al–Shathri

Member - Board of Directors

SKH. ALI HAMAD A H AL–THANI

Member - Board of Directors

Mr. Faisal Al–Hammadi

Member - Board of Directors

Executive Management Team

Mr. Saad Rashid Al–Muhannadi

Managing Director & CEO

Mr. Mubarak Ali Al–Briki

Chief Operations Officer

Mr. Fahad Abdullah Al–Subaiey

Chief Commercial Officer

Mr. Ahmed Ali Merza

Chief Support Services Officer

Mr. Saeed Rashid Al–Kaabi

Chief Administration Officer

Mr. Pradeep Kumar

Chief Financial Officer

Management Team

Mr. Khalid Ahmed Al-Hetmi
QHSSE Manager

Mr. Ibrahim Abdulla Al-Abdulla
Sales & Marketing Manager

Shk. Hamad Bin Saud Al-Thani
FAHES Manager

Mr. Khalid Yousuf Al Sahlawi
Engineering & Projects Manager

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

Mr. Annas Ibrahim Eid
Logistics, Distribution & Operations Manager

Mr. Naja Mahdi Al-Ahbabi
Gas Operations Manager

Mr. Abdulrahman Salmeen Al-Jabri
Asset Integrity Manager

Mr. Ibrahim Elmakki
Legal Affairs Manager

Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Mr. Amer Al-Anzi
QJet Aviation Operations Manager

Mr. Yousef Khalid Aljaber
Public Relations Manager

Ms. Fatma AlHammadi
Procurement & Contracts Manager

Mr. Yousef Al-Sulaiti
General Service Manager

Mr. Abdulrahman Al-Hammadi
Accounting Manager

Mr. Madathil Gopakumar Nair
Internal Audit Manager

Ms. Najla Abdulla Al-Hajri
Human Capital Manager

Mr. Mansour Abdulhadi Al-Hajri
Retail Manager

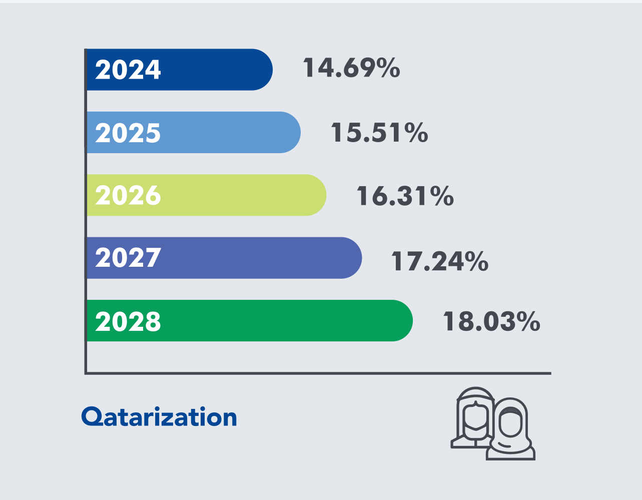
Mr. Sultan Jassim Al-Maadeed
Finance Manager

Our People

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

Qatarization

During the year, we achieved **14.1%** Qatarization exceeding the 2023 target of **13.8%.**



Sponsorship to Leadership

As part of our sponsorship program, we sponsor fresh high school graduates according to the business needs in coordination with Qatar Energy. 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.

The following accomplishments transpired on this front in 2023:

- **5** New national students sponsored.
- **1** Graduated student was absorbed as well as **2** developees recruited from the market for advancement into developee roles.
- **9** Developees moved into confirmed positions.

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.

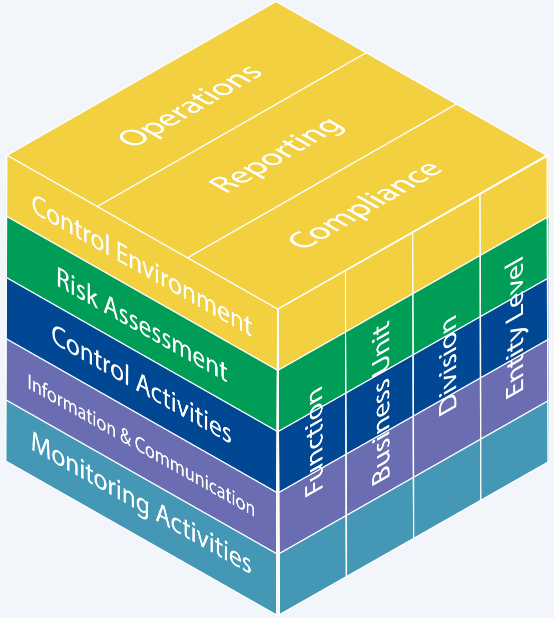
WOQOD Recognition & Award Programs is designed to encourage staff to make a performance difference either individually or through teams.

During the year, **37** Staff were recognized for their outstanding contribution to the organization and were awarded the Outstanding achievement award.

Internal Controls

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

WOQOD's Internal Controls includes Entity Level Controls and IT general controls. The framework and all of its components are tested stringently throughout the year. Control deficiencies, if any, are identified, fixed and additional mitigating controls are introduced to improve sustainability of controls and avoid repeated weakness or failures.



Key–Controls

These controls provide reasonable assurance that material errors will be prevented or timely detected. These controls covers a risk of material misstatement in financial statements. A failure may indicate a high probability that other controls will be able to detect the absence of controls. As such if it fails it will render controls ineffective for the entire process. Hence, Key-Controls must be tested to provide assurance over financial assertions.

Non Key–Controls

These controls are secondary controls i.e., activity or operational controls. They have an indirect effect on the risk of material misstatement in the financial statements. Failure of Non-Key controls does not indicate the failure of the entire process or ability to detect absence of controls. Generally, these do not involve significant transactions.

Anti–Fraud Controls

These controls are designed to detect, prevent or deter fraud. Mainly, Anti-fraud controls are designed to achieve the following:

1. Prevent individuals, both within and outside the organization, from committing fraud against the organization.
2. Detect a fraud when it occurs so that losses can be mitigated and illegal or unethical activity can be stopped immediately.

Enterprise Risk Management (ERM)

The primary goal of WOQOD's enterprise risk management is to establish a comprehensive, overarching perspective of the most significant risks that could impact the accomplishment of WOQOD's objectives.

WOQOD's ERM process is specifically designed to identify, evaluate, manage, and closely monitor risks that could potentially jeopardize the sustainability of the enterprise. This process is strategically positioned as a crucial tool that seamlessly integrates risk management with strategic leadership.

Through WOQOD's ERM process, management remains vigilant regarding both internal and external events that could serve as catalysts for either risk opportunities or threats to the organization. It fosters a deep understanding of the primary risks that the collective management team deems to be the most critical at the present moment, with regard to the strategic success of the enterprise.

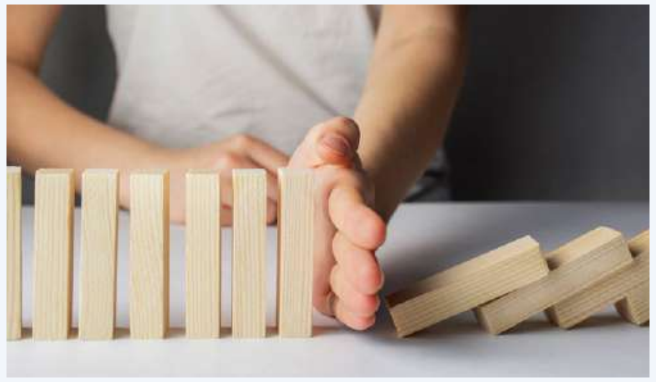
The reporting system encompasses various components, including Risk Representatives, Risk Champions, the Risk Management Working Group (RMWG), the Enterprise Risk Management Committee (ERMC), and the Board Audit Committee (BAC).

WOQOD is committed to promoting best practices in risk management and adheres to the International Organization for Standardization's guidelines, specifically ISO 31000:2018 - Risk Management Principles and Guidelines.

The framework undergoes regular reviews to verify its alignment with current standards. Within the context of the ERM framework, WOQOD has identified both corporate and departmental risks currently faced by the organization and has developed plans for mitigating them.

Key Achievements in 2023 for ERM:

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



Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Business Continuity Management (BCM)

Disruption is an inherent aspect of both life and the business environment, and leaders within WOQOD bear the responsibility of making crucial decisions in situations marked by uncertainty. Drawing upon valuable insights gleaned from the finest international and industry practices, WOQOD has developed and published comprehensive plans to ensure effective readiness to face any disruptions.

WOQOD's BCM constitutes a comprehensive management approach that incorporates several critical components, including the Business Continuity Plan (BCP), Emergency Response Plan, Crisis Management, Disaster Recovery, Risk Management, and Business Impact Analysis (BIA).

WOQOD has accomplished the implementation of Business Continuity Management (BCM) across all its operational and support service divisions. The Operations Group has obtained ISO 22301:2019 certification as a testament to this achievement.

Key Achievements in 2023 for BCM:

- Establishment of BCM Framework, policies and procedures followed with continuous review and improvements.
- In 2023, WOQOD conducted Business Continuity Management (BCM) testing and exercises for each department and section.
- Business Recovery Plans for 23 support service sections have been highlighted to identify and outline potential threats, assess their impact on business operations, and detail the recovery strategies for these threats.

Health, Safety and Environment (HSE)

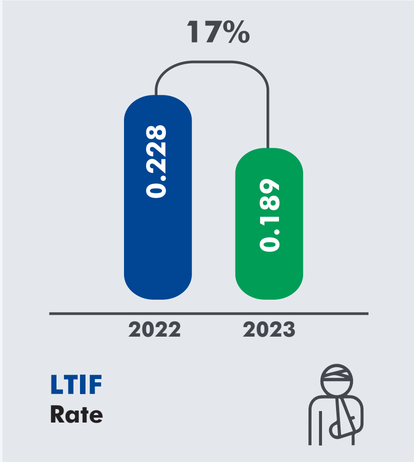
Management Safety Commitment and Leadership

A team, led by Chief Operations Office (COO), conducted the Management Site Tours for Doha Depot, LPG Plant and other operational facilities with the participation of senior and line management representatives from operations and QHSSE departments.

Since Ministry of Public Health (MOPH) lifting of COVID-19 pandemic restrictions, Management Site Tours were continued to be carried out annually for each operation facility with the main objective to ensure the management's presence on site, demonstrate management leadership and commitment, and expedite resolving issues and to monitor current developments.

HSE Performance and Key Performance Indicators

WOQOD aims to continually improve its safety performance and achieve lower Lost Time Incident (LTI) rates. WOQOD 2023 LTI performance improved by **17%** as compared to 2022.



WOQOD successfully completed major projects like Tank Rim Seal Replacement and provided full support to meet the HIA Mid-field Expansion Project's HSE coverage requirement at QJET Fuel Farm and FRS without any incident.

Periodic Medical Examination

WOQOD Periodic medical examination (PME) program aims to detect susceptible workers for whom corrective actions are required before they develop overt occupational diseases. In 2023, Periodic Medical Examination (PME) was completed for **390** staff from identified Similar Exposure Group (SEG) like LDO & GO Road Transport Officer (RTO), Shafaf Pick Up Operators, Forecourt Attendants and AID Maintenance Technicians.

HSE Communication and Awareness

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

- Toolbox Talks – **58,670** participants.
- Site Induction – **3,105** participants.
- Internal/ external HSE Training – **882** participants.

Awareness and training sessions covered various topics such as Defensive Driving, Safe Operations, Road Safety, Life Saving Rules, Land Transportation of Dangerous Goods, etc.

In line with WOQOD's objective to enhance safety culture and awareness through involvement and participation of WOQOD employees and contractors, QHSSE completed **3** Safety Campaigns in 2023.

WOQOD celebrated Safety Day and an awarding event, in line with World Day for Safety and Health at Work. The event promoted and recognized management leadership and commitment, highlighted WOQOD safety achievements and milestones, and concluded the WOQOD safety awareness campaigns of 2023. The event was attended by representatives from contractors and WOQOD's executive management along with WOQOD employees.

During the ceremony, three companies were awarded the Contractor Safety Management Award for compliance and commitment to WOQOD workplace safety. Operation Group Department Managers were recognized for their commendable safety commitment and achievements. Also, for appreciation for safety commitment, employees were recognized for project management contributions, positive safety attitudes, and contributions to or engagement in safety programs.

Process Safety Management

In line with its strategic objectives and an ongoing commitment to improvement, WOQOD has continued its journey towards establishing Process Safety Management (PSM).

Throughout the year 2023, the PSM system has been successfully instituted within the organization and is currently progressing towards full implementation with active engagement from relevant stakeholders. The developed process safety framework adheres to international standards and best practices, incorporating sound design principles and excellence in engineering, operating, and maintenance practices.

WOQOD is dedicated to effectively implementing this established system, which will further bolster the integrity of its assets and reinforce its reputation as a trusted brand. This will also instill confidence among stakeholders in the company's operations and business practices.

Heat Stress Management Program implementation

In line with regulatory requirement and our commitment to protect personnel from ill health, WOQOD successfully implemented its Heat Stress Management Program (HSMP) from April 01 to October 31, 2023, to help the organization protect its employees and contractors from health-related illness or injuries resulting from exposure to heat.

WOQOD HSE Team, in coordination with Operations and Maintenance Teams, effectively managed and implemented the HSMP in all WOQOD operational areas through diligent heat index monitoring and communication, audits, and intervention. Consequently, there were no cases of heat stress or health-related illness/ injuries in the year 2023.

Contractor HSE Management

WOQOD ensures contractor compliance with the highest safety standards throughout the contract lifecycle. In line with this, Contractor Safety Management campaign was conducted from January to March 2023.

14 major contractors were selected and participated and verified their compliance to HSE requirements through site walkthrough and audits, and accommodation inspection and audits. **80.23%** close out of corrective actions from the 2022 was noted. A total of **1,071** personnel participated in the awareness sessions.

International Safety Awards

As part of WOQOD's aspiration for development of an effective global health and safety strategy which complies with international standards, QHSSE participated in international safety awards by British Safety Council (BSC) and Royal Society for the Prevention of Accidents (RoSPA).

The Five Star Audit process involves an in-depth examination of an organization's entire health and safety management system and associated arrangements. The audit focuses on the key aspects of managing occupational health and safety at the workplace and offers a structured path for continual improvement towards best practice status.

QHSSE also participated in RoSPA Fleet Safety Award and achieved Bronze Award. The RoSPA Fleet Safety Awards are noncompetitive and are based on organization's systems for managing occupational road risk.

Security & Firefighting (SFF)

In line with WOQOD's commitment to emergency preparedness and readiness, WOQOD coordinated a Tier 2 Major Emergency Response Plan (ERP) testing with QatarEnergy in Bitumen Plant (MIC), RALF (RLIC) and at HIA - Mid Field Fuel Farm (MFFF). Emergency Response Plan testing and exercises planned for WOQOD work locations were conducted internally and with the participation of Qatar Civil Defense.

Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Environmental Sustainability

Our goal is to carry out our activities with a strong focus on environmental responsibility, prioritizing the minimization of ecological impact and the prevention of environmental incidents. We continually assess the origins of environmental impact within our operations and proactively strive to mitigate any adverse environmental effects.

Waste Management

Waste derived from WOQOD's operational and business activities can be categorized as non-hazardous and hazardous waste. We take diligent measures to manage, store and dispose of this waste in accordance with both company guidelines and the regulations established by the Ministry of Environment and Climate Change (MoECC).

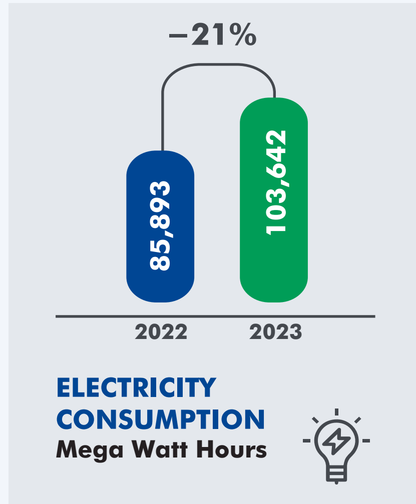
Waste Recycling

We are fully committed to WOQOD's waste management practices, focusing on efficient recycling and disposal. Our dedicated recycling program has substantially reduced landfill waste and repurposed materials for other products, contributing to WOQOD's ongoing efforts to minimize our environmental impact.

Energy Management

WOQOD aims to enhance the efficient utilization of precious natural resources across our operations, facilities, fleets, and office locations through energy conservation and maximizing fuel efficiency. Within our operations, we actively implement environmental initiatives to oversee and steadily curtail our greenhouse gas emissions by incorporating alternative energy sources. In the year 2023, we maintained our vigilance in monitoring energy consumption from electricity supplied by the Qatar National Utility Company (Kahramaa) and the transportation fleet responsible for delivering our products to customers.

Items	Qty.	Unit
Used Oil	1,025,500	Liters
Paper	370	Tons
Batteries	324	Tons
Plastic	32	Tons



Renewable Energy

In line with Qatar's 2030 sustainability vision and our unwavering commitment to renewable energy, WOQOD added one more petrol station to its existing network of two petrol stations which are equipped with cutting-edge solar panels. These petrol stations now feature Photovoltaic (PV) systems designed to harness solar energy, thereby contributing to the station's power requirements. Introduction of Photovoltaic (PV) systems at our petrol station underscores our dedication to the Qatar National Vision 2030.

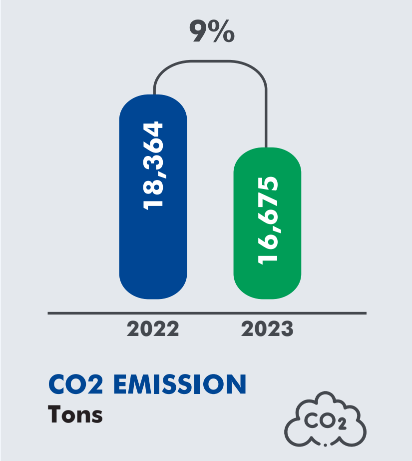
Energy Management Initiatives — Pilot Project

WOQOD has launched a pilot project installing sub-energy meters at one petrol station to track specific energy usage patterns. Six meters have been installed at the pilot site, aiming to gather vital consumption data within its buildings. The company aims to pinpoint areas of high energy usage, enabling efficient energy optimization strategies.

Emission Management

Qatar is determined to cut Green House Gas (GHG) emissions by 25% by 2030, as per the Qatar National Vision 2030.

To achieve this, WOQOD is actively monitoring and reporting emissions stemming from our operations. We are also dedicated to adopting technologies that reduce emissions, particularly in our energy consumption, including purchased electricity and transportation fuels. Additionally, we are implementing stage II vapor recovery systems in all new petrol stations to control VOC emissions.



Strategy Review | Financial Review | Business Review | Environmental, Social and Governance Review

Quality Assurance

Integrated Management System

WOQOD & its subsidiaries successfully completed the ISO Re-Certification Audit to the five standards in 2023. The ISO Certificates were awarded by the independent Certification Body. WOQOD started with compliance with one ISO certification and evolved to the following five certifications;

- ISO 9001 – Quality
- ISO 14001 - Environment
- ISO 45001 - Occupational Health & Safety
- ISO/IEC 27001 – Information Security
- ISO 22301 – Business Continuity

WOQOD Group meets global standards for businesses and these ISO Certificates guarantees credibility and trust within customers and stakeholders.

WOQOD Continual Improvement System

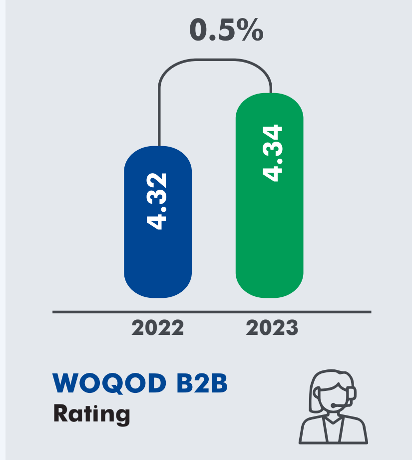
Moving beyond the requirements of ISO standards and focusing on continuous improvement, WOQOD leadership team established the Continuous Improvement & Innovation Committee (CIIC) chaired by the Chief Support Service Officer and QHSSE Manager as Deputy Chairman and permanent member, respectively. The main mandate of the committee is to "Sponsor Initiatives and facilitate dialogue between departments leading to better performance for WOQOD Group".

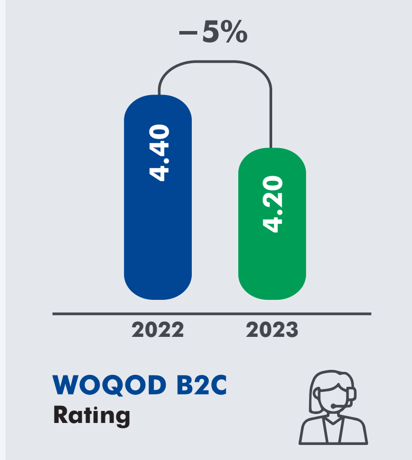
The Committee met twice in 2023 to discuss continual improvement ideas coming from Quality Assurance activities as well as from Employee Suggestion Programs.

Customer Engagements

Customer Surveys are done for two customer categories: external customer & internal customer for WOQOD Group. Customer Satisfaction Index (CSI) ratings are scaled from 1 to 5, with 1 indicating low satisfaction and 5 indicating high satisfaction.

Internal Surveys were conducted for selected support departments to ensure internal alignment and satisfaction of operations departments. Results of these surveys are consistently at a satisfactory level of **4.0** out of **5** CSI. External Customer Surveys focus on three primary process owners: Fahes, Retail Operations, and Sales Customer Segments. Average CSI value of **4.29** out of **5** demonstrates high satisfaction of WOQOD customers in these segments.





Customer Communication

WOQOD Group consistently values the "Voice of Customers" as source of insights into what customer wants, needs and expects from WOQOD products and services. An effective system is in place to listen to and address customer requirements and request such as monthly analysis of repeated customer complaints and formulation of corrective actions to reduce customer complaints.

Further QA/ QHSSE facilitates workshops to internally align business processes, policies and procedures to address these complaints. In 2023, two Root Cause Analysis Workshops have been conducted to identify main cause of complaints related to support processes.

Townhall Meeting

For the past three years, QHSSE has successfully engaged with all customer segments through townhall meetings. This year, with the aim to engage additional stakeholders, the Retail Townhall Meeting was conducted for Sidra Suppliers. The townhall meeting was well attended by suppliers and served as an effective forum to collectively address several concerns and get suggestions on how to improve mutually beneficial vendor- Sidra relationships.

Quality Day Event

This year was the 5th year of participation of WOQOD in World Quality Day. The theme of the World Quality Day focused on "Realizing Competitive Potential" with the aim to increase awareness on the importance of competitive edge of any organization.

Guided by this year's global Quality theme, a highly informative and enlightening panel discussion composed of WOQOD group CAO Mr. Saeed Rashid Al-Kaabi, COO Mr. Mubarak Ali-Al-Briki and CFO Mr. Pradeep Kumar marked as a milestone main event. The highlight of the panel discussion was the audience Q&A session where in, MD & CEO Mr. Saad Rashid Al-Muhannadi provided the most inspiring perspective on the topic. The panel provided informative and inspiring answers to the questions asked by the participants.

The attendees were notably pleased with the insightful and dynamic conversation that unfolded during the panel discussion.

Following the remarks, MD & CEO then led the Awarding Ceremony. This year's Quality Awardees are the five best IMS Lead Auditors who launched the IMS Functional Audits this year.

WOQOD's quality day event has not only become an annual event in the WOQOD Leadership calendar but has also set standards for year long excellence of delivering quality products and services for all WOQOD business segments.

Corporate Social Responsibility

Blood Donation

As part of our dedication to community welfare and health initiatives, WOQOD actively participated in the Blood Donation drive to support the vital healthcare needs of our community. Recognizing the critical role of blood donation in saving lives, we encourage our employees and the wider community to join us in this noble cause, contributing to the well-being and resilience of our society. Together, let's make a meaningful impact through the gift of life.

Qatar National Day Celebrations

As part of our steadfast commitment to uphold the vision and identity of our nation and to emphasize and promote our loyalty, unity and pride, WOQOD donated the amount of QAR 1,000,000 to Qatar National Day Committee. This donation serves as our active participation in sponsoring the esteemed Qatar National Day celebrations event on December 18th.

INDEPENDENT ASSURANCE REPORTS

Independent Assurance Report

QR. 99–8

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

Independent Assurance Report to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the Qatar Financial Markets Authority relevant Regulations including the Corporate Governance Code ("Code") for Companies and Legal Entities Listed on the Main Market as at 31 December 2023

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' Statements on Compliance (the "Directors' Statements on Compliance") of the Group with the QFMA relevant regulations including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") included in Chapter 2 of the Annual Corporate Governance Report as at 31 December 2023, in accordance with the terms of our engagement letter dated 30 October 2023.

Responsibilities of the Board of Directors

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

Responsibilities of the Board of Directors (continued)

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

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

The responsibilities of the Board of Directors includes, inter alia, the following:

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

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

Our Responsibilities

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

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

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

Our Responsibilities (continued)

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

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

Inherent limitations

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

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

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

Our Independence and Quality Control

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

Independent Assurance Report to the Shareholders of Qatar Fuel Company ("Woqod") Q.P.S.C. (the "Company") and its subsidiaries (referred together as the "Group") on the Board of Directors' Statements on Compliance with the Qatar Financial Markets Authority relevant Regulations including the Corporate Governance Code ("Code") for Companies and Legal Entities Listed on the Main Market as at 31 December 2023 (continued)

Our Independence and Quality Control (continued)

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

Conclusion

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Directors' Statements of Compliance is not compliant with the applicable QFMA regulations as at 31 December 2023.

Use of Our Report

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

Doha — Qatar
07 February 2024

For Deloitte & Touche
Qatar Branch

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

Independent Assurance Report

QR. 99–8

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

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

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority ("QFMA") Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' Report on the evaluation of Design, Implementation and Operating Effectiveness of Internal Control over Financial Reporting (the 'Directors' ICFR Report') as of 31 December 2023.

Responsibilities of the directors and those charged with governance

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

The Group has assessed the design, implementation and operating effectiveness of its internal control system as of 31 December 2023, based on the criteria established in the Internal Control — Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO Framework).

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

- A description of the system of Internal Control over Financial Reporting in place within the Components of Internal Control as defined by the COSO Framework;
- The scope of material business processes and entities in the assessment of Internal Control over Financial Reporting;
- The Company's conclusion on the design, implementation and operating effectiveness of Internal Control over Financial Reporting as at 31 December 2023; and
- Any material weaknesses in the design, implementation and operating effectiveness of controls as at 31 December 2023.

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the fairness of the presentation of the Directors' ICFR Report based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of 31 December 2023.

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

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

- Obtaining an understanding of the Group's components of internal control as defined by the COSO Framework and comparing this to the Director's ICFR Report;
- Obtaining an understanding of the Group's scoping of significant processes and material entities, and comparing this to the Director's ICFR Report;
- Performing procedures to conclude on the risk of material misstatement within significant processes considering the nature and value of the relevant account balance, class of transaction or disclosures and comparing this to the Director's ICFR Report;

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

Our Responsibilities (continued)

- Obtaining Management’s testing of the design, implementation and operating effectiveness of internal control over financial reporting, and evaluating the sufficiency of the test procedures performed by management and the accuracy of management’s conclusions reached for each internal control tested;

- Independently testing the design, implementation and operating effectiveness of internal controls that address significant risks of material misstatement and reperforming a proportion of management’s testing for normal risks of material misstatement.

- Assessing of the severity of deficiencies in internal control which are not remediated at 31 December 2023 and comparing this to the assessment included in the Directors’ ICFR Report, as applicable.

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

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

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

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

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

Meaning of Internal Control over Financial Reporting

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

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

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

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

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

Inherent limitations

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

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

Our Independence and Quality Control

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

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

Opinion

In our opinion, the Directors’ ICFR Report is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Internal Control over Financial Reporting as of 31 December 2023.

Doha — Qatar
25 January 2024

For Deloitte & Touche
Qatar Branch

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

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

QR. 99–8

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Qatar Fuel Company Q.P.S.C ("WOQOD") (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Valuation of Property, Plant and Equipment The Group has property, plant and equipment with a carrying value of QR 3,261,214 thousand at 31 December 2023. Included in property, plant and equipment is land which is measured at fair value of QR. 523,130 thousand. The determination of fair value of this land is based on external valuations. We focused on this area as the valuation process requires significant judgements to be applied in determining the appropriate valuation methodology to be used and significant estimates to be made. The results of the valuations are highly sensitive to the estimates made, for example the discount rate, price of comparable plots, disposal period and infrastructure cost. Refer to the following notes to the consolidated financial statements for more details relating to this matter: • Note 3(e) – Material accounting policies on property, plant and equipment; • Note 5 – Property, plant and equipment.	Our audit procedures included, inter alia, the following: We assessed the design and implementation of controls over the valuation of land; We involved our internal real estate valuation specialist to review the valuation reports on a sample basis and assessed whether the valuation approach and method used are in accordance with the established standards for valuation of the properties and IFRSs. Our internal specialist also assessed the assumptions used by the third-party valuers in the valuation process; We evaluated the qualifications, independence, skills and competence of the external valuers; We reviewed the engagement letter with the external valuers to determine if their scope was sufficient for audit purposes; We agreed the inputs into the valuations, where applicable, to supporting documentation, on a sample basis; We reperformed the arithmetical accuracy of the valuation; We agreed the results of the valuation to the amount reported in the consolidated financial statements; and We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Key audit matters	How our audit addressed the key audit matters
Land received from the Government The Group has received the right to use for 106 plots of land from the Ministry of Municipality and Urban Planning ("the Ministry"). During 2021, the Group has received draft lease agreements for certain plots of land from the Ministry for use of the land, which created a present obligation to pay rent to the Ministry. The draft lease agreements, and the ones remaining, are still under discussion, which has resulted in material uncertainty in the determination of the lease liability and right of use assets. The Group has recognised a provision of QR 258 million for the accumulated annual rental until 31 December 2023. We considered this to be a key audit matter, because of the significant judgements applied in the accounting treatment and estimates made in the determination of the aforementioned provision. Refer to the following notes to the consolidated financial statements for more details relating to this matter: • Note 5 – Property, plant and equipment • Note 21 – Trade and other payables	Our audit procedures included, inter alia, the following: We assessed the design and implementation of controls over the determination of the provision for the accumulated annual rental; We inspected the documentation received from the Ministry relating to the right to use the 106 plots of land; We assessed the judgements applied by management in determining the accounting treatment for the accumulated annual rental up until 31 December 2023; We assessed management's estimates used to determine the aforementioned provision by agreeing the amounts used to calculate the provision to the draft lease agreements where applicable; We assessed the calculation of the provision for mathematical accuracy; We agreed the results of the calculation of the provision to the amount reported in the consolidated financial statements; and We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Other Information

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

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

risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Doha — Qatar
17 January 2024

For Deloitte & Touche
Qatar Branch

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Consolidated Statement of Financial Position
As at 31 December 2023

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

	Note	2023	2022
ASSETS			
Non–current assets			
Property, plant and equipment	5	3,261,214	3,305,881
Right-of-use assets	6	119,530	106,828
Investment properties	7	859,665	894,976
Investments	8	3,877,865	3,640,919
Goodwill and intangibles	9	140,330	140,497
Total non–current assets		8,258,604	8,089,101
Current assets			
Inventories	10	592,165	705,403
Due from related parties	11(b)	206,000	321,442
Trade receivables	12	1,937,515	1,895,076
Prepayments and other receivables	13	146,561	134,918
Cash and bank balances	14	3,416,820	3,264,500
Total current assets		6,299,061	6,321,339
TOTAL ASSETS		**14,557,665**	14,410,440
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	994,256	994,256
Legal reserve	16	498,914	498,914
Fair value reserve	17	52,274	(93,431)
Revaluation surplus		501,513	507,333
Retained earnings		7,254,467	7,290,337
Equity attributable to equity holders of the Parent		9,301,424	9,197,409
Non – controlling interests		112,363	115,199
TOTAL EQUITY		9,413,787	9,312,608

Consolidated Statement of Financial Position
As at 31 December 2023

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

	Note	2023	2022
LIABILITIES			
Non–current liabilities			
Finance lease liabilities	18	92,171	81,643
Employees' end of service benefits	19	117,935	114,107
Decommissioning provision	20	31,759	25,826
Total non–current liabilities		241,865	221,576
Current liabilities			
Due to related parties	11(c)	3,804,101	3,867,225
Finance lease liabilities	18	29,923	29,269
Trade and other payables	21	1,067,989	979,762
Total current liabilities		4,902,013	4,876,256
TOTAL LIABILITIES		5,143,878	5,097,832
TOTAL EQUITY AND LIABILITIES		**14,557,665**	14,410,440

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 17 January 2024:

Ahmad Saif Al–Sulaiti
Chairman

Saad Rashid Al–Muhannadi
Managing Director & Chief Executive Officer

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 39 form an integral part of these consolidated financial statements.

Consolidated Statement of Profit or Loss
For the year ended 31 December 2023

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

	Note	2023	2022
Revenues	22	27,932,507	29,934,920
Cost of sales	23	(27,193,557)	(29,005,252)
Gross profit		**738,950**	929,668
Other income	24	252,696	269,030
General and administrative expenses	25	(230,466)	(235,162)
Finance income	26	243,270	141,399
Provisions / impairments	27	15,688	(3,577)
Net profit for the year		**1,020,138**	1,101,358
Attributable to:			
Equity holders of the Parent		983,957	1,070,065
Non-controlling interests		36,181	31,293
Net profit for the year		**1,020,138**	1,101,358
Basic earnings per share (expressed in QR per share)	28	**0.99**	1.08

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 39 form an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December 2023

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

	2023	2022
Net profit for the year	**1,020,138**	1,101,358
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Net change in fair value of investments	46,290	(138,478)
Revaluation (loss) / gain for the year	(5,820)	2,630
Other comprehensive income / (loss) for the year	**40,470**	(135,848)
Total comprehensive income for the year	**1,060,608**	965,510
Attributable to:		
Equity holders of the parent	1,023,444	940,792
Non-controlling interests	37,164	24,718
	1,060,608	965,510

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.
The notes on pages 11 to 39 form an integral part of these consolidated financial statements

Consolidated Statement of Changes in Equity
For the year ended 31 December 2023

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

	Attributable to the equity holders of the parent						Non–controlling interests	Total equity
	Share capital	Legal reserve	Fair value reserve	Revaluation surplus	Retained earnings	Total		
Balance at 1 January 2022	**994,256**	**498,914**	**240,413**	**504,703**	**6,800,728**	**9,039,014**	**138,481**	**9,177,495**
Total comprehensive income for the year:								
Net profit for the year	-	-	-	-	1,070,065	1,070,065	31,293	1,101,358
Other comprehensive loss for the year	-	-	(333,844)	2,630	201,941	(129,273)	(6,575)	(135,848)
Total comprehensive income for the year	-	-	(333,844)	2,630	1,272,006	940,792	24,718	965,510
Cash dividends paid for 2021 (Note 29)	-	-	-	-	(755,634)	(755,634)	-	(755,634)
Contribution to social and sports fund	-	-	-	-	(26,763)	(26,763)	-	(26,763)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(48,000)	(48,000)
Balance at 31 December 2022	994,256	498,914	(93,431)	507,333	7,290,337	9,197,409	115,199	9,312,608
Balance at 1 January 2023	994,256	498,914	(93,431)	507,333	7,290,337	9,197,409	115,199	9,312,608
Total comprehensive income for the year:								
Net profit for the year	-	-	-	-	983,957	983,957	36,181	1,020,138
Other comprehensive income for the year	-	-	145,705	(5,820)	(100,398)	39,487	983	40,470
Total comprehensive income for the year	-	-	145,705	(5,820)	883,559	1,023,444	37,164	1,060,608
Cash dividends paid for 2022 (Note 29)	-	-	-	-	(894,830)	(894,830)	-	(894,830)
Contribution to social and sports fund	-	-	-	-	(24,599)	(24,599)	-	(24,599)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(40,000)	(40,000)
Balance at 31 December 2023	**994,256**	**498,914**	**52,274**	**501,513**	**7,254,467**	**9,301,424**	**112,363**	**9,413,787**

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The notes on pages 11 to 39 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

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

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year		1,020,138	1,101,358
Adjustments for:			
Depreciation on property, plant and equipment	5	179,018	163,320
Depreciation on right-of-use assets	6	52,261	41,709
Depreciation on investment properties	7	16,587	16,454
Amortisation of intangibles	9	2,923	1,680
Unwinding of finance cost of decommissioning provision		1,512	1,230
Interest on finance lease liabilities		6,973	8,111
Reversal for expected credit loss	12(b)	(15,527)	(15,115)
Impairment of property, plant and equipment	5	(200)	(830)
Impairment of investment properties	7	35	1,335
(Reversal) / impairment for slow moving inventories	10	(3,820)	797
Provision for employees' end of service benefits	19	26,070	24,230
(Gain) / loss on sale and write-off of property, plant and equipment and right-of-use assets		(5,217)	300
Income tax expense		2,108	1,286
Dividend income	24	(72,947)	(92,014)
Finance income		(243,270)	(141,398)
		966,644	1,112,453
Changes in:			
- inventories		117,058	(258,258)
- due from related parties		115,442	(35,569)
- trade receivable and prepayments		(38,562)	213,924
- trade and other payables		90,213	88,178
- due to related parties		(63,124)	912,736
Cash generated from operating activities		1,187,671	2,033,464
Employees' end of service benefits paid	19	(22,242)	(8,070)
Payment of contribution to social and sports fund		(26,763)	(24,351)
Income tax paid		(1,922)	(1,691)
Net cash generated from operating activities		**1,136,744**	1,999,352

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The notes on pages 11 to 39 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2023

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

	Note	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		33,860	17,147
Additions to property, plant and equipment		(136,766)	(347,066)
Additions to investment properties	7	(8,738)	(12,811)
Additions to intangible assets		(2,756)	(6,801)
Dividends received	24	72,947	92,014
Finance income received		243,270	141,398
Net movement of investments		(67,655)	226,942
Net movement in the fixed deposit accounts		(23,000)	572,195
Net cash generated from investing activities		**111,162**	683,018
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	29	(894,830)	(755,634)
Dividends paid to non-controlling interests		(40,000)	(48,000)
Lease payments		(60,756)	(49,609)
Net cash used in financing activities		**(995,586)**	(853,243)
Net increase in cash and cash equivalents		**252,320**	1,829,127
Cash and cash equivalents at 1 January		3,164,500	1,335,373
Cash and cash equivalents at 31 December	14	**3,416,820**	3,164,500

This statement has been prepared by the Group and stamped by the Auditors for identification purposes only.

The notes on pages 11 to 39 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

1. REPORTING ENTITY

Qatar Fuel Company Q.P.S.C. (WOQOD) (the "Company" or the "Parent") is a Qatari Public Shareholding Company formed in accordance with the Emiri Decree No. 5 of 2002 on 10 February 2002 with commercial registration No. 24872. The Company is listed on Qatar Stock Exchange. The Company's registered office address is P.O.Box 7777, Doha, State of Qatar.

The principal activities of the Parent along with its subsidiaries (the "Group") are the sale, marketing and distribution of oil, gas and refined petroleum products, vehicle inspection services, marine bunkering, bitumen, transportation of oil and gas, vessel chartering and real estate services. The Group mainly operates in the State of Qatar.

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

Name of subsidiaries	Country	Effective Group Shareholding 2023	2022
WOQOD Vehicle Inspection Company ("FAHES") W.L.L.	Qatar	100%	100%
Qatar Jet Fuel Company W.L.L.	Qatar	60%	60%
WOQOD Marine Services Company W.L.L.	Qatar	100%	100%
WOQOD International Company W.L.L.	Qatar	100%	100%
WOQOD Kingdom Company W.L.L.	Kingdom of Saudi Arabia	100%	100%
Ard Al Khaleej Real Estate W.L.L.	Qatar	100%	100%
Polaris Marine Services L.L.C.	Oman	100%	100%
Sidra Al Ghariya Shipping Company	Republic of Liberia	100%	100%
Sidra Al Wajbah Shipping Company	Republic of Liberia	100%	100%
Sidra Al Ruwais Shipping Company	Republic of Liberia	100%	100%
Sidra Al Wakra Shipping Company	Republic of Liberia	100%	100%
Sidra Al Rumeila Shipping Company	Republic of Liberia	100%	100%
Sidra Messaied Shipping Company	Republic of Liberia	100%	100%
Sidra Doha Shipping Company	Republic of Liberia	100%	100%
Sidra Al Khor Shipping Company	Republic of Liberia	100%	100%
Sidra Qatar Shipping Company	Republic of Liberia	100%	100%

As per Law No. 21 of 2019 - Extending the concession granted to Qatar Fuel Company (WOQOD) for the marketing, sale, transportation and distribution of gas and petroleum products, the Company's concession was extended till 17 June 2023. The Cabinet ministers of the State of Qatar, in its meeting on 1 November 2023, approved the draft law to extend this concession for another term and referred it to Shura Council.

The consolidated financial statements of Group for the year ended 31 December 2023 were authorised for issuance in accordance with a resolution of the Board of Directors on 17 January 2024.

2. BASIS OF PREPARATION

a) Basis of accounting

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

b) Basis of measurement

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

c) Functional and presentation currency

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

d) Use of judgements and estimates

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

Judgements, assumptions and estimation uncertainties

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

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

2. BASIS OF PREPARATION (CONTINUED)

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2023, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

i) Amendments to IAS 1 (Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements): Disclosure of Accounting Policies
ii) Amendments to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors): Definition of Accounting Estimates
iii) Amendments to IAS 12 (Income Taxes): Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

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

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

New and revised IFRSs

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

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

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

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

2. BASIS OF PREPARATION (CONTINUED)

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

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

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

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

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

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

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

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application. Other changes issued but not yet effective are not applicable to the Group.

3.SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

a) Basis of consolidation

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

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

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

ii) Subsidiaries

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

iii) Non–controlling interests (‘NCI’)

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

iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Transactions eliminated on consolidation

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Goodwill

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

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

c) Revenue recognition

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

i) Sale of goods

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

ii) Rendering of services

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

d) Other income

i) Interest income

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

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

ii) Rental income

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

iii) Dividend income

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

e) Property, plant and equipment

i) Recognition and measurement

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

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

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

ii) Subsequent expenditure

Subsequent costs that can be reliably measured are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group.

iii) Depreciation

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

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

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment (continued)

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

v) Revaluation model
Land held for use for supply of goods or services (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from the fair values if determined at the reporting date.

Any revaluation increase is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A revaluation decrease is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

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

f) Investment properties

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Investment properties (continued)

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

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

g) Cash and cash equivalents

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

h) Financial instruments

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii) Classification and subsequent measurement

Financial assets

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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

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

On initial recognition of equity investments that are not held for trading, the Group has irrevocably elected to present subsequent changes in these investment's fair values in OCI. This election was made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI 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 provided to management. The information considered includes:

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets — Business model assessment (continued)

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

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

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

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

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

ii) Classification and subsequent measurement (continued)

Financial assets — Subsequent measurement and gains and losses:

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

Financial liabilities — Classification, 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.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

iii) Derecognition (continued)

Financial liabilities

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

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

iv) Offsetting

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

i) Impairment

i) Non−derivative financial assets

Financial instruments

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

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

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

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Impairment (continued)

i) Non–derivative financial assets (continued)

Financial instruments (continued)

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

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

Measurement of ECLs

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

Credit–impaired financial assets

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Impairment (continued)

i) Non–derivative financial assets (continued)

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

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

Write–off

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

ii) Non–financial assets

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

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

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

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

i) Impairment (continued)

ii) Non–financial assets (continued)

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

j) Inventories

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

k) Earnings per share

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

l) Foreign currency

i) Foreign currency transactions

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

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

ii) Foreign operations

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) Employees' end of service benefits

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

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

n) Provision

A provision is recognized when:

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

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

o) Segment reporting

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

p) Leases

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

i) As a lessee

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

i) As a lessee (continued)

costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

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

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

i) As a lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

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

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

Short-term leases and leases of low-value assets

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

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

p) Leases (continued)

ii) As a lessor (continued)

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

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

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

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

q) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of a liability reflects its non-performance risk.

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

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

q) Fair value measurement (continued)

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

i) *Risk management framework*

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

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

ii) *Credit risk*

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

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

(Amount in thousands of QR)	Notes	Gross carrying amounts	
		2023	2022
Long term deposits	8	2,306,847	2,183,847
Trade receivables	12	2,067,565	2,040,653
Due from related parties	11 (b)	206,000	321,442
Bank balances	14	3,415,943	3,263,819
		7,996,355	7,809,761

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

ii) *Credit risk (continued)*

Trade receivables and due from related parties

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

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

The Group has 5,804 (2022: 5,087) customers with its largest 5 customers accounting for 67% (2022: 64%) of its trade receivables. This significant concentration risk has been managed through enhanced monitoring and periodic tracking.

The trade receivables and other receivables are unrated.

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

The loss allowance as at December 31, 2023 and December 31, 2022 was determined as follows for trade receivables and due from related parties.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

ii) *Credit risk (continued)*

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

(Amount in thousands of QR)	Gross carrying amount		
	2023		
	Trade Receivables	**Due from Related Parties**	**Loss allowance**
Current	1,400,301	121,854	38,117
1-90 days	311,270	58,312	14,291
91 to 180 days	72,261	442	1,305
181 to 270 days	28,783	178	5,995
271 to 365 days	36,458	94	8,649
More than 365	218,492	25,120	61,693
	2,067,565	**206,000**	**130,050**

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

ii) *Credit risk (continued)*

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

The Group has recognised a loss allowance of QR. 130 million (2022: QR. 146 million) against trade receivables.

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

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

Bank balances

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

Receivable from Ministries

ECL for Receivable from Ministries is measured using the general approach and assessed to have low risk of default since the recoverability is imminent and will happen in due course. The Group has no doubt on the recoverability of these dues and hence no impairment is recognised.

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

4. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

iii) *Liquidity risk (continued)*

forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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

(Amount in thousands of QR) **2023**	Contractual cash flows				
	Carrying Amounts	**Total**	**Less than 1 year**	**2 – 5 years**	**More than 5 years**
Finance lease liabilities	122,094	(122,094)	(29,923)	(44,165)	(48,006)
Due to related parties	3,804,101	(3,804,101)	(3,804,101)	-	-
Trade and other payables	1,067,988	(1,067,988)	(1,067,988)	-	-
	4,994,183	**(4,994,183)**	**(4,902,012)**	**(44,165)**	**(48,006)**

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

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.

4. FINANCIAL RISK ANDCAPITAL MANAGEMENT (CONTINUED)

a) Financial risk management (continued)

iv) *Market risk*

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 154 million (2022: QR 140 million) in the assets and equity of the Group.

ii) *Currency risk*

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

iii) *Interest rate risk*

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

b) Capital management

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

c) Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amounts of financial assets and financial liabilities reasonably approximate their fair values because of their short-term nature or due to the immaterial effect of discounting when the present value of future cash flows from these instruments are calculated.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Land at fair value	Buildings & infrastructure	Plant & equipment	Vehicles, office equipment and furniture	Vessels	Projects in progress	Total
Cost							
At 1 January 2023	528,750	2,293,607	933,170	1,020,473	404,364	214,692	5,395,056
Additions	-	24,090	9,999	22,132	10,219	85,782	152,222
Revaluation	(5,620)	-	-	-	-	-	(5,620)
Transfers from projects in progress	-	58,421	19,897	18,851	-	(97,169)	-
Disposals / Transfers	-	18,380	(50,610)	(73,742)	(64,141)	-	(170,113)
At 31 December 2023	523,130	2,394,498	912,456	987,714	350,442	203,305	5,371,545
Accumulated depreciation							
At 1 January 2023	-	576,599	560,400	778,312	173,864	-	2,089,175
Depreciation charge	-	57,104	27,173	74,885	19,856	-	179,018
Disposals / Transfers	-	(177)	(45,398)	(71,364)	(40,923)	-	(157,862)
At 31 December 2023	-	633,526	542,175	781,833	152,797	-	2,110,331
Carrying value At 31 December 2023	**523,130**	**1,760,972**	**370,281**	**205,881**	**197,645**	**203,305**	**3,261,214**

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

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Further, a right-of-use has been granted by the Ministry of Municipality and Urban Planning ("Municipality") for one hundred and six (106) plots of land for the purpose of constructing and operating petrol stations. Out of these lands, the Group has received draft agreements for 10 plots of land which are still under discussion.

The Group has 7 (2022: 9) vessels that operate mainly in fuel bunkering, bitumen and chartering.

All vessels are owned by Woqod Marine Services Company W.L.L., a wholly owned subsidiary company at reporting date.

ii) Depreciation allocated to cost of sales amounted to QR 163 million (2022: QR 145 million) and general and administrative expenses in amount to QR 16.5 million (2022: QR 18.3 million).

iii) The fair value of the Group's land as at 31 December 2023 has been determined on the basis of valuation carried out by an independent and professionally qualified valuer having appropriate experience in the location and category of the properties being valued.

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

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

6. RIGHT–OF–USE ASSETS

	Land & Buildings	Vehicle	Total
Cost			
At 1 January 2023	144,630	104,118	248,748
Additions during the year	38,058	26,905	64,963
	182,688	**131,023**	**313,711**
Accumulated Depreciation			
At 1 January 2023	65,292	76,628	141,920
Charge for the period	29,494	22,767	52,261
	94,786	**99,395**	**194,181**
Carrying value At 31 December 2023	**87,902**	**31,628**	**119,530**
Cost			
At 1 January 2022	144,284	103,158	247,442
Additions during the year	346	1,338	1,684
Disposals	-	(378)	(378)
	144,630	104,118	248,748
Accumulated Depreciation			
At 1 January 2022	44,705	55,857	100,562
Charge for the period	20,587	21,122	41,709
Disposals	-	(351)	(351)
	65,292	76,628	141,920
Carrying value At 31 December 2022	79,338	27,490	106,828

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

7. INVESTMENT PROPERTIES

	2023	2022
Cost		
Balance at 1 January	1,097,853	1,086,377
Additions	8,738	148
Transfer (to) / from property, plant and equipment	(27,427)	12,663
Impairment	(35)	(1,335)
Balance at 31 December	1,079,129	1,097,853
Accumulated depreciation		
Balance at 1 January	202,877	186,423
Depreciation charge for the year	16,587	16,454
Balance at 31 December	219,464	202,877
Carrying Value At 31 December	**859,665**	894,976

The total fair value of the investment properties as at 31 December 2023 was QR 1,706 million (2022: QR 1,707 million). The fair value of investment properties was determined by independent external property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The investment properties were valued using the income earning approach. Under this approach, a property's fair value is estimated based on the capitalization of the net operating income of the relevant property using the market yield.

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

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

8. INVESTMENTS

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

	2023	2022
Investment at FVOCI	1,537,092	1,403,820
Investments account	33,926	53,252
Long term deposits	2,306,847	2,183,847
	3,877,865	3,640,919

Term deposits carry interest and profit at market rates.

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

	2023	2022
Balance at 1 January	1,403,820	1,806,764
Net disposal during the year	(22,995)	(73,240)
Net movement in fair value reserve	156,267	(329,704)
Balance at 31 December	**1,537,092**	1,403,820

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 2023 and 2022, the Group held the following classes of financial instruments measured at fair value:

	Total	Level 1	Level 2	Level 3
2023	**1,537,092**	**1,537,092**	-	-
2022	1,403,820	1,403,820	-	-

During the years ended 31 December 2023 and 2022, there were no transfers between levels of fair value measurements.

9. GOODWILL AND INTANGIBLES

	2023	2022
Goodwill (i)	132,935	132,935
Intangibles (ii)	7,395	7,562
	140,330	140,497

(i) Goodwill

	2023	2022
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	
	2023	2022	2023	2022
Revenue growth	3.9%	1.5%	3%	3%
Expenses growth	2%	2%	2%	2%
Discount rate	5.7%	5.4%	5.7%	5.4%

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

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

9. GOODWILL AND INTANGIBLES (CONTINUED)

(i) Goodwill (continued)

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

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

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

(ii) Intangibles

Intangibles include softwares having useful life of 5 years

	2023	2022
Cost		
Balance at 1 January	10,620	3,819
Additions	2,756	6,801
Balance at 31 December	13,376	10,620
Accumulated amortisation		
Balance at 1 January	(3,058)	(1,378)
Amortisation charge for the year	(2,923)	(1,680)
Balance at 31 December	(5,981)	(3,058)
Carrying value	**7,395**	7,562

10. INVENTORIES

	2023	2022
Fuel inventory	426,636	537,245
Materials and spare parts	124,962	133,577
Retail stores inventory	33,642	36,311
Other inventory items	16,897	12,062
	602,137	719,195
Provisions for slow moving items	(9,972)	(13,792)
	592,165	705,403

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

	2023	2022
Balance at 1 January	13,792	12,995
(Reversal) / provided during the year	(3,820)	797
Balance at 31 December	**9,972**	13,792

11. RELATED PARTY TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24, "Related Party Disclosures". Related parties comprise companies under common ownership and/or common management and control, key management personnel, entities in which the shareholders have controlling interest, affiliates, and other related parties.

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

11. RELATED PARTY TRANSACTIONS (CONTINUED)

a) Transactions with related parties

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

Transactions with related parties	Transaction Type	2023	2022
QatarEnergy	Sales	218,611	180,905
	Purchases	25,374,684	27,437,470
Qatar Gas	Sales	2,401,160	2,757,468
North Oil Company	Sales	248,145	253,813
Qatar Fertilizer Company	Sales	1,660	963
Gulf Drilling International	Sales	25,711	23,882
Amwaj Catering Services	Sales	36,157	39,466
	Services	35,008	60,271
Qatar Chemical and Petrochemical- Marketing and Distribution Co.	Sales	21,283	49,667
Oryx Gtl	Sales	5,911	5,566
Qatar Steel Company	Sales	10,085	7,445
Nakilat Agency Co.	Sales	254	238
Gulf Helicopter	Sales	23,996	25,549
Qatex Limited	Sales	8,591	8,573
Qatar Aluminium	Sales	9,151	8,462
Dolphin Energy Limited.	Sales	10,650	7,227
Qatar Petroleum Development	Sales	190	614
Qatar Chemical Company Ltd	Sales	3,905	3,437
Qatar Fuel Additives Company	Sales	2,035	2,257
Alkoot Insurance & Reinsurance- Company	Services	32,479	33,264
Qatar Gas Transport Company Ltd	Sales	3,878	1,238
Others	Sales	3,264	2,420

11. RELATED PARTY TRANSACTIONS (CONTINUED)

b) Balances due from related parties:

	2023	2022
Qatar Gas Operation Co. Ltd.	107,173	227,669
QatarEnergy	66,971	61,478
North Oil Company	15,685	15,309
Qatar Chemical and Petrochemical Marketing and - Distribution Co.	5,205	3,650
Gulf Drilling International	3,998	4,672
Dolphin Energy Limited.	1,658	1,753
Gulf Helicopters	1,242	2,029
Amwaj Catering Services	1,136	1,591
Qatex Limited	732	732
Qatar Aluminium	553	363
Qatar Gas Transport Co. Limited	411	382
Qatar Steel Company	323	966
Rasgas	199	62
Qatar Chemical Company Ltd	152	103
Qatar Fertiliser Company	130	51
Qatar Fuel Additives Company	120	219
Oryx Gtl	84	36
Qatar Petrochemical Company	79	69
Gasal	54	78
Messaied Power company	31	9
Nakilat Agency Co.	26	5
Ras Girtas Power Co.	23	21
Q-Chem	8	-
Umm Al Houl Power	5	23
Seef Ltd.	2	3
Qatar Petroleum Development	-	138
Ras Laffan Power Co. Limited	-	31
Gross balances	**206,000**	321,442

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

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

11. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Balances due to related parties:

	2023	2022
QatarEnergy	3,797,271	3,850,137
Amwaj Catering Services	6,497	17,088
Al Koot	333	-
	3,804,101	3,867,225

d) Compensation to key management personnel

	2023	2022
Salaries of executive management	20,469	20,469
Board's remuneration (i)	11,650	11,650
	32,119	31,024

(i) Board of Directors' remuneration for the year is subject to approval at the ordinary general assembly meeting of the Group to be held on 18 February 2024.

12. TRADE RECEIVABLES

	2023	2022
Trade receivables	2,067,565	2,040,653
Less: expected credit loss	(130,050)	(145,577)
	1,937,515	1,895,076

a) The aging for trade receivables is as follows:

	2023	2022
Current	1,400,301	1,332,518
1-90 Days	311,270	343,691
91-180 Days	72,261	23,726
181-270 Days	28,783	58,915
271-365 Days	36,458	52,875
More than 365 days	218,492	228,928
	2,067,565	2,040,653

b) Movement in expected credit loss of trade receivables:

	2023	2022
At 1 January	145,577	160,692
Net provided during the year	18,460	1,329
Reversal of provision	(33,987)	(16,444)
At 31 December	**130,050**	145,577

13. PREPAYMENTS AND OTHER RECEIVABLES

	2023	2022
Staff advances and loans	32,251	29,036
Advances, deposits and prepaid expenses	33,103	25,791
Receivable from Ministries	64,986	64,986
Accruals and Insurance claims	16,221	15,105
	146,561	134,918

14. CASH AND BANK BALANCES

	2023	2022
Cash	877	681
Balances with banks		
- Current and call accounts	92,040	508,477
- Fixed deposits	3,323,903	2,655,342
	3,416,820	3,164,500
Fixed deposits having maturity more than 3 months	-	100,000
Cash and bank balances	**3,416,820**	3,264,500

Fixed deposits carry interest and profit at market rate.

15. SHARE CAPITAL

	2023	2022
Authorized:		
1,000,000,000 ordinary shares of QR 1 each (2022: 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 (2022: 994,255,760 shares of QR 1 each)	**994,256**	994,256

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

16. LEGAL RESERVE

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

17. FAIR VALUE RESERVE

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

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

	2023	2022
At 1 January	(93,431)	240,412
Net change in fair value	145,705	(333,843)
At 31 December	**52,274**	(93,431)

18. FINANCE LEASE LIABILITIES

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2023	2022	2023	2022	2023	2022
Current Portion						
Less than one year	35,550	34,214	5,627	4,945	29,923	29,269
Non–Current Portion						
Between 1 and 5 years	57,470	52,292	13,305	11,915	44,165	40,377
More than 5 years	66,303	55,981	18,297	14,715	48,006	41,266
	123,773	108,273	31,602	26,630	92,171	81,643
Total	**159,323**	142,487	**37,229**	31,575	**122,094**	110,912

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

19. EMPLOYEES' END OF SERVICE BENEFITS

	2023	2022
Balance at 1 January	114,107	97,947
Provided during the year	26,070	24,230
Paid during the year	(22,242)	(8,070)
Balance at 31 December	**117,935**	114,107

20. DECOMMISSIONING PROVISION

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

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

21. TRADE AND OTHER PAYABLES

	2023	2022
Trade payables	76,412	73,732
Retentions payable	5,998	12,789
Accruals, provisions and other payables (i)	985,579	893,241
	1,067,989	979,762

(i) Includes QR 258 million (2022: QR 179 million) provision for rent towards 106 plots of land located in State of Qatar upon which a right-of-use has been received from the Ministry of Municipality and Urban Planning ("Ministry") for constructing and operating petrol stations.

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

22. REVENUES

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

	2023	2022
Sale of fuel products	26,950,722	28,769,625
Sale of non-fuel products	806,401	995,551
Revenue from services	175,384	169,744
	27,932,507	29,934,920

Revenue from services include QR. 175,384 thousand (2022: QR 169,744 thousand) for transfer of services over time. Remaining revenue is derived for the transfer of goods at a point in time.

23. COST OF SALES

	2023	2022
Cost of goods sold	26,977,925	28,813,171
Depreciation	215,632	192,081
	27,193,557	29,005,252

24. OTHER INCOME

	2023	2022
Dividend income	72,947	92,014
Rental income	147,843	146,955
Miscellaneous income	31,906	30,061
	252,696	269,030

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

25. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Staff cost and related benefits	148,752	140,436
Depreciation	35,156	31,079
Office expenses	15,506	11,494
Other expenses	9,609	30,051
Selling and marketing expenses	21,443	22,102
	230,466	235,162

26. FINANCE INCOME

	2023	2022
Profit from deposits with Islamic banks	133,646	90,491
Interest from non-Islamic banks	109,624	50,908
	243,270	141,399

27. PROVISIONS / IMPAIRMENT

	2023	2022
Reversal/ (provision) for expected credit loss	15,523	(1,329)
Reversal/ (impairment) of property, plant and equipment	200	(913)
Impairment of investment properties	(35)	(1,335)
	15,688	(3,577)

28. BASIC EARNINGS PER SHARE

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

	2023	2022
Profit for the year attributable to the equity holders of the Parent	**983,957**	1,070,065
Weighted average number of shares outstanding during the year (thousand shares)	**994,256**	994,256
Basic earnings per share (in QR)	**0.99**	1.08

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

29. DIVIDENDS

The shareholders approved a cash dividend of QR 0.90 per share, amounting to QR 894.8 million for the year ended 31 December 2022 at the Annual General Assembly meeting held on 15 February 2023.

The Board of Directors has proposed cash dividends of QR 0.90 per share, amounting to a total of QR 894.8 million for the year ended 31 December 2023. The proposed dividend will be submitted for approval at the Annual General Assembly meeting.

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

30. OPERATING SEGMENT

a) Basis for segmentation

For management purposes, the Group is organized into business units based on their products and services. Accordingly, the Group has identified single reportable operating segment i.e. sale and distribution of refined petroleum products. All other business units are combined as others. Other operations include the vehicle inspection services, marine bunkering, vessel chartering and rental of investment properties.

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

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

b) Information about reportable segments

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

	Fuel products and related services	Others	Total
31 December 2023			
Segment revenue	27,944,661	218,345	28,163,006
Inter-segment revenue	(198,380)	(32,119)	(230,499)
External revenues	**27,746,281**	**186,226**	**27,932,507**
Segment profit	973,662	106,476	1,080,138
Interest income	237,882	5,388	243,270
Interest expense	6,972	-	6,972
Depreciation and amortization	214,290	36,499	250,789
Other material non–cash items:			
– Impairment losses on trade receivables	15,126	397	15,523
– Impairment losses on non-financial assets	35	-	35
Segment assets	**12,310,996**	**2,246,669**	**14,557,665**
Capital expenditure	**162,363**	**9,006**	**171,369**
Segment liabilities	**5,080,851**	**63,027**	**5,143,878**

30. OPERATING SEGMENT (CONTINUED)

b) Information about reportable segments (continued)

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

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

	2023	2022
Total profit before tax for reportable segments	973,662	1,065,653
Profit before tax for other segments	106,476	107,705
Elimination of inter-segment profit	(60,000)	(72,000)
Consolidated profit before tax	**1,020,138**	1,101,358

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

30. OPERATING SEGMENT (CONTINUED)

d) Geographic information

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

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

	2023	2022
i) Revenue		
State of Qatar	27,928,651	29,919,010
All foreign countries		
Sultanate of Oman	3,856	15,910
	27,932,507	29,934,920

	2023	2022
ii) Non–current assets		
State of Qatar	8,237,025	8,023,960
All foreign countries		
Sultanate of Oman	-	41,717
Kingdom of Saudi Arabia	21,579	23,424
	8,258,604	8,089,101

31. COMMITMENTS AND CONTINGENCIES

	2023	2022
Capital commitments		
Capital commitments	**16,491**	29,409

31. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	2023	2022
Contingent liabilities		
Bank guarantees	**143,384**	132,784
Letters of credit	**3,430**	-

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

32. LEASES

a) Leases as lessee

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

Amounts recognised in consolidated statement of profit or loss

	2023	2022
Leases under IFRS 16		
Interest on lease liabilities	**6,973**	8,111
Expenses relating to short-term leases	**4,594**	8,444

Amounts recognised in consolidated statement of cash flows

	2023	2022
Total cash outflow for leases	**60,756**	49,609

32. LEASES (CONTINUED)

a) Leases as lessee (continued)

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

b) Leases as lessor

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

Operating lease

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

	2023	2022
Operating lease rentals — Group as a lessor		
Less than one year	168,063	176,451
One to two years	160,475	168,368
Two to three years	130,428	165,031
Three to four years	129,923	131,246
Four to five years	58,785	60,665
Total	**647,674**	701,761

Notes to the Consolidated Financial Statements
For the year ended 31 December 2023
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	1 January	Financing cash flows	Non–cash changes	31 December
2023	**110,912**	**(53,781)**	**64,963**	**122,094**
2022	150,726	(41,498)	1,684	110,912