MILAHA

Years

1957-2022

Where Excellence Meets Resilience

Annual Report 2022

His Highness
Sheikh Tamim bin Hamad Al Thani
Amir of the State of Qatar

His Highness
Sheikh Hamad bin Khalifa Al Thani
Father Amir

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Vision

To be the partner of choice in the maritime & logistics sector, with a dominant share in our home market and a strong international presence to deliver sustainable growth to our shareholders.

Mission

To consistently deliver reliable services by focusing on safety, quality and our customers; to provide an enriching work environment and to always live by our values.

About Milaha

Milaha is one of the largest and most diversified maritime and logistics companies in the middle east with a focus on providing marine transport and services, as well as supply chain solutions.

Milaha was established in 1957 as the first public shareholding company registered in the State of Qatar. Starting off as a small shipping agency, Milaha has transformed itself into one of the largest and most diversified maritime & logistics companies in the Middle East. The company has operations spanning marine transportation in gas and containers, offshore support services, port management and operations, logistics and supply chain services, shipyard, trading agencies, and real estate & financial investments.

History and Milestones

1957
Founding of Qatar National Navigation & Transport Company (QNNTC), the first shipping agent in Qatar.

1974
Launch of marine transport services in Doha Port, consisting of lighterage, berthing and towage.

1978
Opened a regional branch.

1982
Inaugurated the first fully integrated ship repair and fabrication facility in Mesaieed.

1992
Co-founded Qatar Shipping with an equity share of 15%.

2000
Co-founded Halul Offshore Services through a 50-50 joint venture with Qatar Shipping.

2001
Merged land transport, cranage, freight forwarding, customs clearance and warehousing into Navigation Freight Services.

2005
Equity investment in Qatar Gas Transport Company Ltd. (Nakilat).

2010
Acquisition of Qatar Shipping (and Halul Offshore Services as a result).

2011
Strategic transformation and launch of New Milaha brand.

Milaha was appointed as the operator of the Doha Port.

2015
Launch of first direct container service between Qatar and India.

2016
QTerminals begins managing phase one of Hamad Port.

2018
Added Majd, our largest container ship to date, to our already expanding fleet.

Inaugurated Milaha's first Qatar-based warehousing facility, Milaha Logistics City.

Kick-off of a multi-year digital transformation initiative.

2019
Milaha expanded its geographic footprint into the Black Sea and Mediterranean region through new container shipping services.

2020
Milaha has partnered with Schlumberger Limited to expand into the well services sector in Qatar by initially developing and equipping well stimulation vessels over the next five years.

2021
Milaha expanded its supply chain footprint adding the China-India Express service to our container shipping network

Milaha signed the first service contract for its 700,000-barrel capacity Floating Storage and Offloading (FSO) unit.

2022
Milaha launched Cross Border Trucking Service to connect customers and follow regional markets.

Milaha Logistic City (MLC) started to expand its internal capacity and bonded service offering.

"Milaha Express" service and fast-tracking customs clearance were launched by Milaha Logistic City (MLC).

Board of « Directors »

H.E. Sheikh Jassim bin Hamad bin Jassim bin Jaber Al-Thani
Chairman

H.E. Sheikh Khalid bin Khalifa bin Jassim Fahad Al-Thani
Vice Chairman

H.E. Sheikh Abdulrahman bin Saud Al-Thani
Board Member

H.E. Sheikh Suhaim bin Khaled bin Hamad Al-Thani
Board Member

H.E. Sheikh Hamad bin Mohammed Khalid Al-Thani
Board Member

H.E. Mr. Saad Mohammad Saad Al-Romaihi
Board Member

Mr. Adel Ali bin Ali
Board Member

Mr. Hamad bin Mohammad Al-Mana
Board Member

Dr. Mazen Jassim Jaidah
Board Member

Mr. Hitmi Ali Khalifa Al-Hitmi
Board Member

Mr. Mohammed Ebrahim Al-Sulaiti
Board Member

Chairman of the Board of Directors' «Message»

Jassim bin Hamad
bin Jassim bin Jaber Al-Thani
Chairman of the Board of Directors

Respected Shareholders,

On behalf of the members of the Board of Directors and myself, I am pleased to present to you the Annual Report of Qatar Navigation Q.P.S.C. (MILAHA) for the year 2022.

We have approached the "sixty-fifth" anniversary of Milaha's incorporation, and we are still committed to continuing development and excellence in providing the best shipping solutions and supply chains services not only in Qatar, but throughout the Gulf region and the Middle East.

Despite the ongoing business challenges affecting the shipping industry globally, Milaha continued focusing on its long-term strategy to achieve excellence, increase efficiency, and maintain stable and sustainability supply chains. This was reflected on our financial performance, as Milaha achieved a growth in net profit by 40%, which is equal to QR 1,013 billion in 2022, compared to QR 724 million in 2021.

We witness a significant growth in the "financial and operational performance" every year. As well as significant breakthroughs and steady increases in profit ratios. As for the operational side, there is a significant development in the quality of services and core business provided by Milaha, which has been reflected positively on the Groups financial and operational performance.

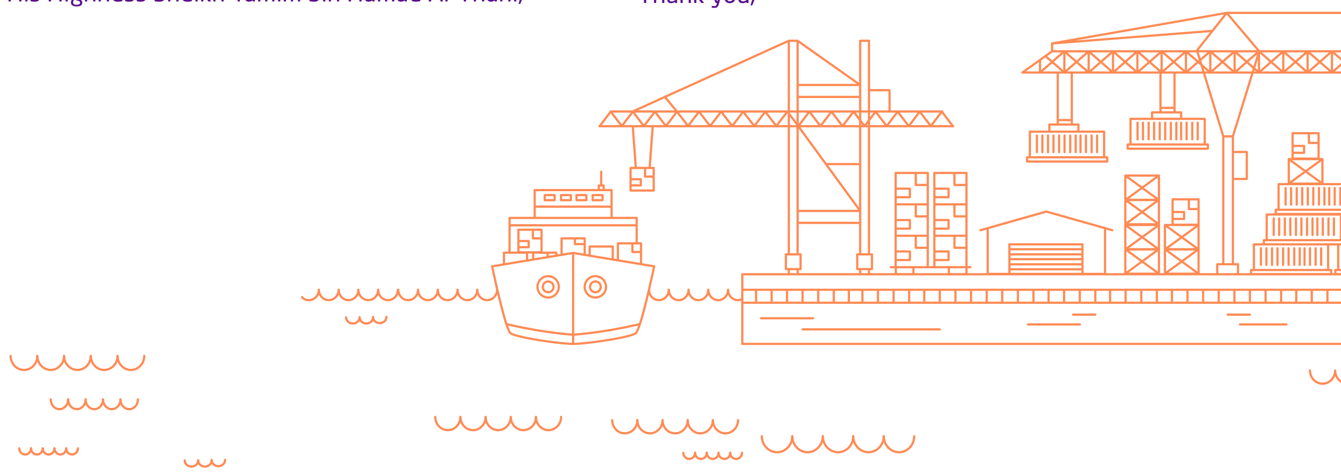
All our core business segments posted strong growth.

And after highlighting the company's financial performance in the year 2022, Milaha's Board of Directors recommends to the General Assembly a cash dividend distribution of 35% of the nominal share value, at 0,35 per share.

On behalf of Milaha's Board of Directors, I would like to extend my thanks and appreciation to His Highness Sheikh Tamim bin Hamad Al-Thani, the Emir of Qatar, and to His Highness Sheikh Hamad bin Khalifa Al-Thani, the Father Emir, for the continuous support and guidance towards the private sector that has enhanced Milaha's position and contribution to the realization of Qatar's Vision 2030 to build a diversified and sustainable economy.

I would also like to thank our valued Shareholders for their trust in us and their continuous support for the company, and I would like to extend my thanks to all Milaha employees for their sincerity, dedication and keenness on excellence and innovation.

Thank you,



President and CEO's «Message»

Mohammed Abdulla Swidan
(I) President & CEO

Dear Respected Shareholders,

It is my pleasure to present to you Milaha's 2022 Annual Report.

2022 was a special year for Milaha, celebrating its 65th anniversary. This milestone was achieved through our commitment and work with our customers and stakeholders and our full dedication and support towards the State of Qatar's development, national economic advancement, and achieving its 2030 National Vision.

Milaha has earned its name as the reliable partner of choice for customers and their supply chain needs. It serves as a service bridge, connecting Qatar to the world and the world to Qatar.

Encouraged by our achievement-filled history and strong financial performance, we continue to aim high and push ourselves. In 2022, Milaha signed several Memorandums of Understanding with different international companies to provide our clients with the best advanced marine services and were awarded several short and long-term contracts in the Oil & Gas, and Marine Transport sectors.

As for our responsibility toward the Environment and the Health and Safety of our operations and staff, in 2022, Milaha won (8) international awards from the British Safety Council (BSC) and several international recognitions and awards from international bodies. The British Highfield Organization also chose Milaha as an international center for outstanding training.

2022 was a special year for Milaha, as it celebrated its 65th anniversary.

In the field of (Cyber Security), Milaha has demonstrated its compliance with the standards of National Cyber Governance and Assurance Affairs. As a result, the National Cyber Security Agency (NCSA) has granted "Milaha" the Cyber Security Compliance Certification (NIA).

The great efforts put forth by our employees were the main reason behind our growth and success. Our dedicated employees live our common values while working enthusiastically to achieve excellence. This strongly motivates us to continue our development and innovation while providing professional growth opportunities for the workforce in line with the national vision to nurture and develop future leaders. In acknowledgment of the HR department's efforts in developing a qualified national cadre, the Ministry of Labour awarded one of our employees the Employee of the Year Award in recognition of his efforts towards Qatarization in Milaha.

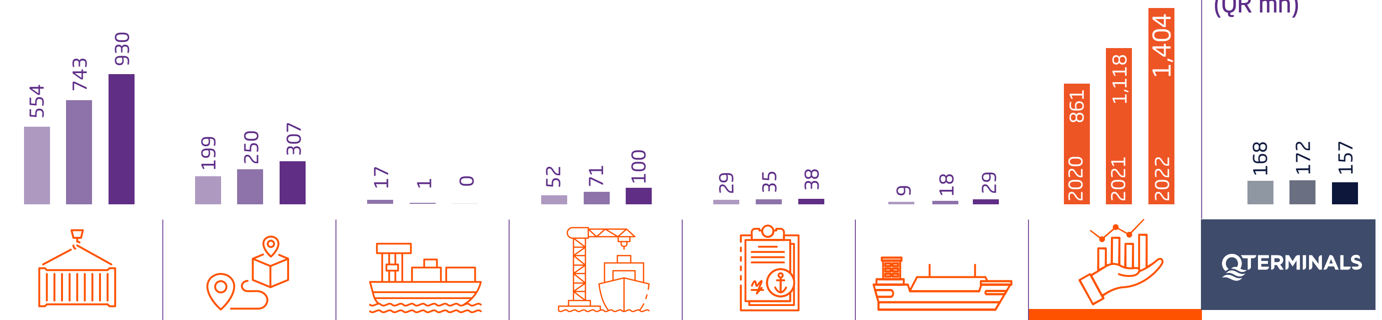
In closing, I would like to reemphasize my thanks to Milaha's employees for their efforts and dedication. I also express my sincere gratitude to His Excellency Chairman of the Board of Directors, members of the Board of Directors, and the Executive Management for their endless support and efforts that led to Milaha's success.

Board of Directors' Report on **Milaha's Performance 2022**

Maritime & Logistics

Operating Revenue (QR mn)

Share of Results of JV's & Associates (QR mn)



CONTAINER SHIPPING

- Provides feeder services operating on standard port rotation, with own/chartered vessels, in partnership with other container shipping companies. Main shipping routes include Middle East, Indian Sub-Continent, Europe, China and SE Asia.
- Own a fleet of dry and refrigerated (reefer) containers used by freight forwarders and cargo owners.

LOGISTICS

- Provides Freight-forwarding, Land Transport, Warehousing & Distribution, Port & Stevedoring Services, Heavy Lift and Industrial Logistics solutions

BULK SHIPPING

- Formerly owned and operated 1 bulk carrier, along with in-chartered vessels
- Unit shutdown and bulk vessel sold in Q1 2021

SHIPYARD

- Operate 1 floating dock, 1 shiplift and 200m+ jetty, along with a steel fabrication yard.
- Services include vessel maintenance and repair; drydocking and related services; fabrication and maintenance of marine & non-marine assets
- Caters to Milaha's own vessels as well as 3rd party marine (OSVs, yachts, naval fleet) and oil & gas customers (SBMs, plant equipment)

SHIPPING AGENCIES

- Provide full Port Agency Services to all types of ships and marine units calling on Qatari Ports and waters
- Provide Marine Surveys and P&I services for insurance clubs and members
- Provides commercial liner agency services for multiple container shipping lines, including Milaha

SHIP MANAGEMENT

- Provide both internal as well as 3rd Party Ship Management Services

TOTAL

QTERMINALS

- Jointly owned port and terminal operator between Mwani Qatar (51%) and Milaha (49%)

Fleet

Business Unit	No.	Year Built	Capacity
	1	2007	3,586 (TEU)
Container Shipping	2	2009	1,015 (TEU)
	1	2010	1,015 (TEU)

2022 Review

Maritime & Logistics had an exceptional financial and operational year, buoyed by high container shipping rates and increased volumes in most units. The segment recorded QAR 1.4 billion in revenue in 2022 as compared to QR 1.1 billion in 2021, for an increase of 26%. Net profit similarly increased from QAR 199 million in 2021 to QAR 284 million in 2022, for an increase of 43%.

The Container Shipping business delivered record financial results in 2022, benefiting from heightened market freight rates through most of 2022. The unit continued to expand its network with two new services connecting South-East Asia to the Arabian Gulf and Indian Sub-Continent, while the container box fleet was enhanced to further support service expansion. Cost reduction initiatives continued to reap benefits to further strengthen the bottom line, while the unit's priority digitization project kicked off for phased delivery during 2023.

Our Logistics unit continued to increase top line growth in 2022, through elevated freight rates and a general uptick in volume related to World Cup activity. Milaha Logistics City warehouse successfully expanded capacity and bonded service offerings, achieving full utilization during peak periods. The Industrial Logistics business successfully secured new long-term manpower and equipment supply contracts (+5 years) which commenced in 2022.

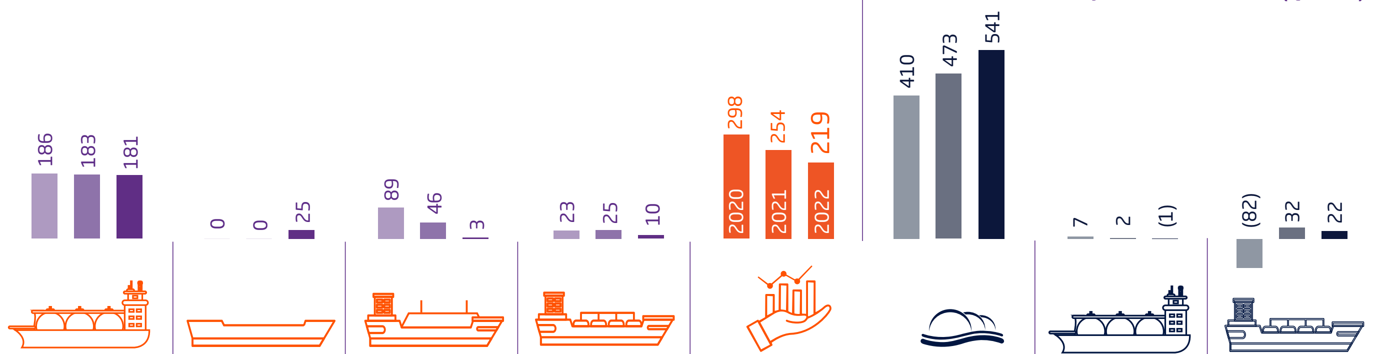
Milaha's Shipyard achieved record revenues in 2022, on the back of a significant increase in repair and refit of yachts and naval vessels, and support for marine vessels calling Qatari ports during the World Cup. Milaha also undertook its first major oil & gas fabrication project in partnership with Rosetti Marino. The Shipyard continued its upgrade program, taking delivery of a second floating dock of 230m overall length and commencing the marine and quayside infrastructure upgrade. The project is expected to be completed by the end of 2023 and will significantly increase the Shipyard's marine services capacity.

Shipping Agencies completed a successful year, expanding export cargo agency services in both upstream and downstream oil & gas and industrial products, and expanding its vessel agency services. The unit received the "Zero Damage" award from NYK, for handling the metro wagon RO-RO project for four years, the first award of its kind for an agent in the Middle East.

Gas & Petrochem

Operating Revenue (QR mn)

Share of Results of JV's & Associates (QR mn)



WHOLLY OWNED LNG VESSELS

- Own & commercially operate 2 LNG carriers

FSO

- Own & commercially operate 1 Floating Storage and Offloading (FSO) unit on a long term charter

TANKERS

- Unit shutdown and last tanker converted to FSO

GAS CARRIERS

- Unit shutdown with last carrier sold in 2022

TOTAL

NAKILAT

- Own 36% of Nakilat (largest shareholder)

LNG JV'S

- Own 15-30% share of 6 LNG carriers with global players
- 25 yr charter contracts

GULF LPG JV

- Own 50% of 4 VLGC's in partnership with Nakilat
- Vessels built in 2008 & 2009

Fleet

Business Unit	Type	No.	Year Built	Capacity
Floating Storage & Offloading	Crude	1	2022*	700,000 (Barrels)
LNG	LNG	1	2004	138,273 (CBM)
LNG	LNG	1	2006	145,602 (CBM)

*Converted in 2022 from Product Tanker built in 2006

2022 Review

The Gas & Petrochem segment continues to be the largest net income contributor to Milaha's results. Profits for 2022 grew to QAR 565 million from QAR 496 million in 2021, or 14%.

During 2022, the segment divested of its last gas carrier bringing to final close operations in the tanker and gas sectors which had been ongoing for the past couple years. This was a strategic shift for the Company which had been operating in these sectors for many years. Also, during 2022, the Gas & Petrochem segment completed conversion of an old tanker into its first FSO (floating storage and offloading) unit and placed her in service on a 5-year contract.

Results from associate companies, namely Nakilat, and one-time gains on the disposal of our gas carrier, more than offset higher vessel impairments on our wholly owned LNG vessels.

Offshore

Operating Revenue (QR mn)

VESSEL & ASSET CHARTERING

- Own and/or operate a diverse fleet of offshore support vessels
- Manage and charter highly specialized fleet of bespoke offshore and subsea vessels
- Own and/or operate construction, accomodation and rig-less well intervention jack-up barges
- Own, operate and charter safe walk to work gangway solutions

SERVICES

- Provide Construction / Maintenance, Modification & Operation (MMO) services to oil & gas and process industries
- Provide Geological and Geophysical services, including seismic, seabed topography and soil sampling & analysis
- Provide well services, including stimulation, intervention, and plug & abandonment

HARBOUR MARINE OPERATIONS

- Own and/or operate a diverse fleet of harbour and inshore support vessels
- Provide offshore and inshore harbour mooring, tug, tow, pilot, float over, rig move and marine solutions
- Manage 3rd Party harbour vessels and provide quayside services

TOTAL

Fleet

	# Year Built			
Type	**2002 - 2008**	**2009 - 2015**	**2016 - 2022**	**Total**
Safety Standby Vessels	1			1
Anchor Handling Towing Supply Vessels	5			5
DP1 Anchor Handling Towing Supply Vessels	3	1		4
Construction Support Vessels		2		2
Diving Support Vessels		2		2
DP2 Platform Support Vessels		5	4	9
DP2 Anchor Handling Towing Supply Vessels		5	1	6
DP2 Well Stimulation Vessel			1	1
DP2 Anchor Handling Towing Vessels		1		1
Anchor Handling Towing Vessels		1	1	2
Wireline Support Vessels	4			4
Multi-Purpose Support Vessels		3	1	4
Fast Supply Intervention Vessel			2	2
Liftboat Vessels			1	1
Total	**13**	**20**	**11**	**44**

Fleet

Business Unit	Type	No.	Year Built
Harbour Marine Operations	Harbor Towage Tug	3	2001
	Tanker Berthing Assistance Tug	1	2004
	Service Boats	1	2013
	Mooring Boats	6	2013
	Harbour Towage Tugs	3	2013
	Pilot Boats	4	2014
	Harbour Towage Tugs	5	2014
Total		**23**	

2022 Review

Milaha's Offshore segment delivered solid results for 2022 across all its business units. Revenue grew 26% from QAR 964 million in 2021 to QAR 1.2 billion in 2022, with bottom line growing from QAR (118) million loss making in 2021 to QAR 78 million in 2022. Increased vessel utilization and rates along with additional activity in subsea services in 2022, coupled with lower COVID-related expenses and one-off provisions/impairments compared with 2021, drove the improved year-over-year performance.

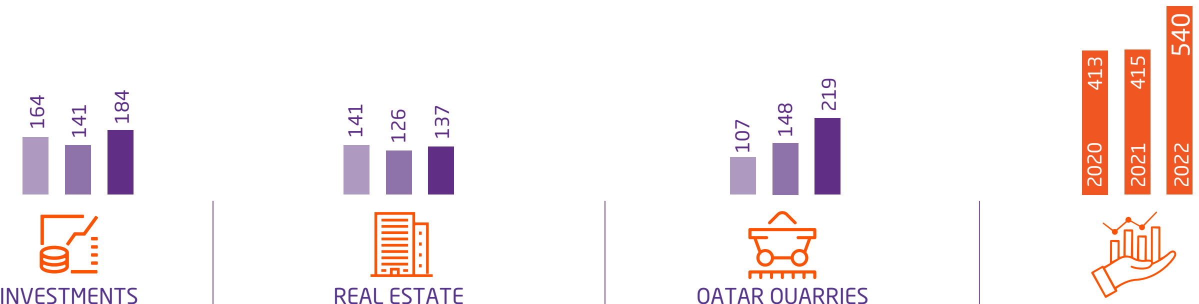
Increased vessel & asset chartering income came from the addition of several new and renewed high value contracts, along with employment of the Milaha Explorer liftboat. Milaha Explorer was idle most of 2021 and was repositioned to Qatar from Africa, where she was operational throughout 2022 and ultimately put on a 5-year contract.

Services income similarly increased with further expansion of subsea survey and ROV activities. The unit was awarded several construction, subsea surveys, and air and saturation diving contracts throughout the year.

The segment is focused on further positioning itself to benefit from Qatar's oil & gas expansion projects over the coming years.

Capital

Operating Revenue (QR mn)



INVESTMENTS

- QR 2.0 billion Available for Sale Portfolio
- QR 1.3 billion Fixed Income
- QR 680 million unquoted investments

REAL ESTATE

- Portfolio of commercial & residential development & land in Qatar
- Flagship 52 story tower in West Bay, Doha
- Smaller properties generating rental income

QATAR QUARRIES

- Company involved in aggregate import trade
- Milaha owns 50% share; financials consolidated line by line

TOTAL

2022 Review

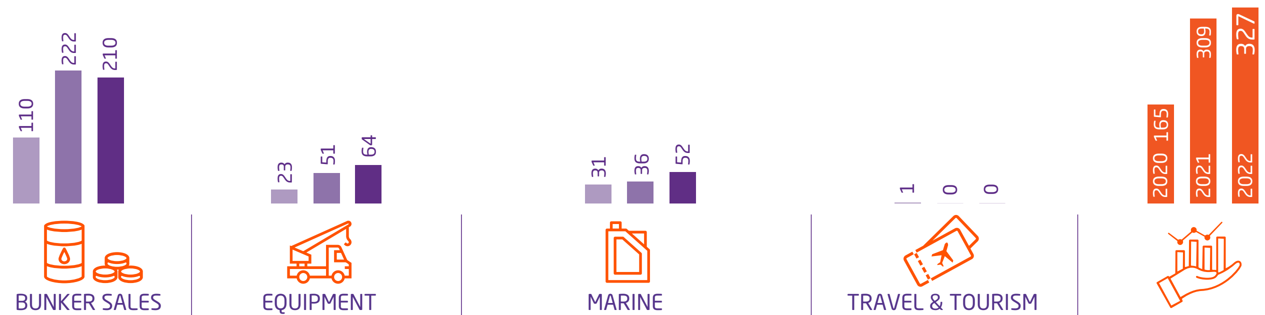
Milaha Capital's net profit was impacted by one-off provisions and impairments in 2022, causing a drop from QAR 159 million in 2021 to QAR 90 million in 2022.

The Investment unit recorded growth in both dividend and fixed income, but results were brought down by increased provisions for bad debt. Increasing yield enhancement of holdings remains a key focus area.

Our Real Estate arm similarly had stronger operational performance in 2022 vs 2021, driven by the full year effect of our 178-villa residential compound that was leased out in the third quarter of 2021. However, an QAR (86) million impairment on one of our properties more than offset the improved operational performance. Utilization of all properties remains high and is a key driver of sustained performance.

Trading

Operating Revenue (QR mn)



BUNKER SALES

- Distribute bunker to vessels
- Pass through revenue with small margin
- Fresh Water Supply to Vessels, Camps and Sites
- Sludge Removal Services

EQUIPMENT TRADING AGENCIES

- Dealer / distributor for trucks, truck attachments, heavy equipment, and spare parts
- Principals include Hino, Sennebogen, Terberg, Lonking, Socma and Hyundai Everdigm Cranes
- After Sales Services and Asset Management

MARINE SALES & SERVICE

- Distributor for marine equipment - including engines, spares parts, and accessories
- Distributor for lubricants and marine chemicals
- Principals include Hyundai Doosan Marine Engines, BP Marine (Castrol), Fuchs, Lukoil, Uni-Marine, KODEN & JMP Pumps
- Provide Ship Chandlering services to vessel owners & operators calling Qatari waters

TRAVEL & TOURISM

- Formerly operated a Qatari-based travel agency
- Unit shutdown in 2020

TOTAL

2022 Review

The Trading segment recorded a 6% increase in revenue, from QAR 309 million in 2021 to QAR 327 million in 2022. Bottom line performance similarly improved by QAR 7m vs 2021, driven by increased heavy equipment and marine engine sales, improved bunker sales margins, and increased ship chandlering activities.

The Trading segment continues to focus on optimizing and rationalizing its operations, whilst targeting higher margin product sales.

Assurance Reports

Board of Directors' Report on Internal Controls over Financial Reporting

31 December 2022

BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Board of Directors of Qatar Navigation Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") has carried an assessment of internal control framework over financial reporting as at 31 December 2022 in accordance with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 (the 'Code').

Responsibilities of the Board

The Board of Directors of the Group is responsible for establishing and maintaining effective internal control over financial reporting.

Internal control over financial reporting is a process designed by, or under the supervision of, the Group's Management, and affected by the Group's Board of Directors, management and other personnel, 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 ("IFRS") issued by the International Accounting Standards Board ("IASB"). It includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Group are being made only in accordance with the authorizations of management and Board of Directors of the Group; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Group's assets that could have a material effect on the financial statements.

The Board of Directors of the Group is responsible for design, and maintenance of adequate internal controls that when operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.

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 not be prevented or detected on a timely basis.

Further, projections of any evaluation of effectiveness of the internal control over financial reporting to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

(Continued)

Management assessment

In this section, we provide description of the scope covered by the assessment of the suitability of the Group's internal control over financial reporting, including the Significant Processes addressed, control objectives and the approach followed by management to conclude its assessment.

The Group is required to report on the suitability of the design and operating effectiveness of internal controls over financial reporting ("ICOFR") in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016.

We have conducted an evaluation of the design and operating effectiveness of internal control over financial reporting, as of December 31, 2022, based on the framework and the criteria established in Internal Control - Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Scope of assessment

Our internal control framework over financial reporting is the process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes controls over disclosure in the financial statements and procedures designed to prevent misstatements.

In assessing suitability of design and operating effectiveness of ICOFR, the management has determined Significant Processes as those processes in respect of which misstatement in the stream of transactions or related financial statements amounts, including those caused by fraud or error would reasonably be expected to impact the decisions of the users of financial statements.

The Significant Processes of the Group at 31 December 2022 are: revenue and receivables, investments management, purchasing, payables and payments, cash and treasury management, property and equipment management, inventory management, human resources and payroll, entity level controls, information technology, and general ledger and financial reporting.

External auditors

In accordance with the Code, PricewaterhouseCoopers Qatar Branch, the Group's independent external audit firm has issued a reasonable assurance report on the management assessment and the suitability of design and operating effectiveness of the Group's internal control framework over financial reporting.

Board of Directors' Conclusion

Based on management assessment, the Board of Directors concluded that, as at 31 December 2022, the Group's internal control over financial reporting is appropriately designed and operating effectively to achieve relevant control objectives based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Jassim bin Hamad bin Jassim bin Jaber Al-Thani
Chairman

15 February 2023

Mohammed Abdulla Swidan
(I) President & CEO

15 February 2023

Independent Assurance Report

To the Shareholders of Qatar Navigation Q.P.S.C

Report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant processes as at 31 December 2022.

Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") 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 Internal Controls over Financial Reporting of Qatar Navigation Q.P.S.C.)the "Company") and its subsidiaries (together the "Group") as at 31 December 2022, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

Responsibilities of the directors and those charged with governance

The Board of Directors' of the Group are responsible for presenting the Board of Directors' Report on Internal Controls over Financial Reporting, which includes:

- the Board of Directors' assessment of the suitability of design and operating effectiveness of internal controls over financial reporting;
- description of the identification of significant process and internal controls over financial reporting; and
- assessment of the severity of design, and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2022.

The assessment presented in the Annual Report will be based on the following elements included within the Risk Control Matrices provided by the Group's management:

- the control objectives; including identifying the risks that threaten the achievement of the control objectives; and
- designing and implementing controls to achieve the stated control objectives.

The Group's Board of Directors are also responsible for establishing and maintaining internal financial controls based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO framework").

These responsibilities include the design, and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations

Responsibilities of the Assurance Practitioner

Our responsibilities are to express a reasonable assurance conclusion based on our assurance procedures on the Board of Directors' Report on Internal Controls over Financial Reporting, based on the COSO framework.

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 on the Board of Directors' assessment of suitability of the design and operating effectiveness of the internal controls over financial reporting of significant processes, as presented in the 'Board of Directors' Report on Internal Controls over Financial Reporting, in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

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 impact the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are:

1. Revenue, receivables and receipts
2. Investments management
3. Purchasing, payables and payments
4. Cash and treasury management
5. Property, plant and equipment management
6. Inventory management
7. Human resources and payroll
8. Entity level controls
9. Information technology controls
10. General ledger and financial reporting.

An assurance engagement to express a reasonable assurance conclusion on the "Board of Directors' Report on Internal Controls over Financial Reporting based on the COSO framework and as presented in the Annual Report involves performing procedures to obtain evidence about the fairness of the presentation of the report. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for Significant Processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operation, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Board of Directors' Report on Internal Controls over Financial Reporting.

Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives were achieved.

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design and operating effectiveness of the controls over the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the 'Board of Directors' Report on Internal Controls over Financial Reporting.

Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), 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.

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

Concept of internal controls over financial reporting

An entity's internal control over financial reporting is a process 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 (IFRS). An entity's internal control over financial reporting includes those policies and procedures that:

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

(2) 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.

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF QATAR NAVIGATION Q.P.S.C.

(Continued)

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information.

Because of the inherent limitations of internal controls 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. Also, projections of any evaluation of the internal controls 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.

Furthermore, the controls activities designed and operated as of 31 December 2022 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

Other information

The Board of Directors are responsible for the other information. The other information comprise the Annual Report (but does not include the "Board of Directors' Report on Internal Controls over Financial Reporting presented in the Annual Report) which we obtained prior to the date of this assurance report.

Our conclusions on the 'Board of Directors' Report on Internal Controls over Financial Reporting do not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the 'Board of Directors' Report on Internal Controls over Financial Reporting, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to report that fact. We have nothing to report in this regard.

Conclusion

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' assessment of the suitability of the design and the operating effectiveness of the Group's internal controls over financial reporting of significant processes, based on the COSO framework and as presented in the Board of Directors' report is presented fairly, in all material respects, as at 31 December 2022.

For and on behalf of PricewaterhouseCoopers - Qatar Branch

Qatar Financial Market Authority registration number 120155

Waleed Tahtamouni
Auditor's registration number 370
Doha, State of Qatar
15 February 2023

Board of Directors' Assessment of Compliance with the QFMA's Requirements

For the Year Ended 31 December 2022

Report on compliance with the Qatar Financial Markets Authority's (QFMA's) law, related legislation, including the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Code") Issued by the QFMA's Board pursuant to the QFMA's Decision No. (5) of 2016.

BOARD OF DIRECTORS' ASSESSMENT OF COMPLIANCE WITH THE QFMA'S REQUIREMENTS

The Board of Directors of Qatar Navigation Q.P.S.C and its subsidiaries (together referred to as the "Group") has carried an assessment of compliance as at 31 December 2022 with the Qatar Financial Market Authority ('QFMA') law and relevant legislations, Governance Code for Companies & Legal Entities Listed on the Main Market ("QFMA's Requirements") issued pursuant to Decision No. (5) of 2016 (the 'Code') and other relevant legislations where applicable (all referred to as the "QFMA's Requirements").

Responsibilities of the Board

The Board of Directors is committed to implement the following Governance principles set out in the Code:

- Justice and equality among Stakeholders without discrimination among them on basis of race, gender, and religion;
- Transparency, disclosure, and providing Information to the QFMA and Stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly;
- Upholding the values of corporate social responsibility;
- Providing the public interest of the Group and Stakeholders over the personal interest; and
- Performing duties, tasks and functions in good faith, integrity, honor and sincerity and taking the responsibility arising therefrom to the Stakeholders and society.

Management evaluation of compliance

In accordance with Article 2 of the Code, we have conducted an evaluation of the Group's compliance with the QFMA's Law, the Code and other relevant legislations. The Compliance function of the Group has completed an extensive checklist, which enumerates the articles of the QFMA's Law, the Code and other relevant legislations to establish bases for our conclusion.

External auditors

In accordance with the Code, PricewaterhouseCoopers Qatar Branch, the external audit firm of the Group, has been appointed to issue a limited assurance report on the management's assessment of compliance with the QFMA's law, the Code and other relevant legislations as at 31 December 2022 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').

Compliance exceptions

As at 31 December 2022, there are no matters identified that are not in compliance with QFMA's Requirements, and that there is a process in place to ensure compliance with QFMA's relevant regulations.

Board of Directors' Conclusion

Based on our assessment of and results of procedures performed, the Board of Directors confirm compliance with the QFMA's Requirements as at 31 December 2022.

Jassim bin Hamad bin Jassim bin Jaber Al-Thani
Chairman of the Board

Doha, 15 February 2023

Independent Assurance Report

To the Shareholders of Qatar Navigation Q.P.S.C.

Report on Compliance with Qatar Financial Markets Authority's (QFMA's) law and related legislation, including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the QFMA's Board pursuant to the QFMA's Decision No. (5) of 2016 as at 31 December 2022 ("QFMA's Requirements")

Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") 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' assessment of compliance with the QFMA's Requirements of Qatar Navigation Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2022.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Group are responsible for preparing the Board of Directors' assessment of compliance with the QFMA's Requirements -as included in the Annual Report- that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Group's compliance with the QFMA's law and relevant legislations and the Governance Code (the "QFMA's Requirements") for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the Board of Directors' assessment of compliance with QFMA's Requirements.

The Board of Directors are also responsible for identification of areas of non-compliance and related justifications, where mitigated.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including compliance with applicable laws and regulations.

Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements – as included in the Annual Report – do not present fairly, in all material respects, the Group's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures;

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements, taken as a whole, is not prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' assessment of compliance with the QFMA's Requirements, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance conclusion about whether the Board of Directors' assessment of compliance with the QFMA's Requirements, taken as a whole has been prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies for the Group and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code; the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these Requirements;
- considered the disclosures by comparing the contents of the Assessment against the requirements of Article 4 of the Code;
- agreed the relevant contents of the Board of Directors' assessment of compliance with the QFMA's requirements to the underlying records maintained by the Group; and
- performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the QFMA's Requirements, and observed evidences gathered by management; and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

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 ("IESBA"), 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.

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

Inherent limitations

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment of compliance with the QFMA's requirements and the methods used for determining such information.

Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Other information

The Board of Directors are responsible for the other information. The other information comprise the Annual Report (but does not include the "Board of Directors' assessment on compliance with QFMA's Requirements), which we obtained prior to the date of this assurance report.

Our conclusions on the "Board of Directors' assessment on compliance with QFMA's Requirements as included in the Annual Report do not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the "Board of Directors' assessment on compliance with QFMA's Requirements" as included the Annual Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. Otherwise, we have nothing to report in this regard.

Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' assessment on compliance with QFMA's requirements does not present fairly, in all material respects, the Group's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2022.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Waleed Tahtamouni
Auditor's registration number 370
Doha, State of Qatar
15 February 2023

« Corporate » Governance Report

for the year ended 31 December 2022

Ladies and Gentlemen, Respected Shareholders,

It honors me to present to this meeting the Corporate Governance Report of Qatar Navigation Q.P.S.C. ("Milaha" or "the Company") covering the fiscal year ending 31 December 2022. The Corporate Governance Report has been prepared in accordance with the requirements of Articles (1 - 4) of the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the Qatar Financial Markets Authority (QFMA) on 10th November 2016 and other relevant laws and regulations of the State of Qatar. A full copy of the Corporate Governance Report is available on Milaha's official website.

It honors us to say that the situations in Milaha are conforming significantly to the Governance Code. The Board of Directors continuously, in cooperation with the Executive Management, takes all measures necessary for enhancing the systems of optimal management and disclosure in order to ensure the confidence of Milaha Shareholders and Investors.

Thank you,

Jassim bin Hamad bin Jassim bin Jaber Al-Thani
Chairman

Brief History

- Qatar Navigation Q.P.S.C ("Milaha" or "the Company") was incorporated on 5th July 1957 as a Qatari Shareholding Company; its shares are publicly traded in Qatar Exchange. The Company's operational and commercial activities include marine transport, shipping agency for foreign shipping lines, provision of overseas services, selling of transport vehicles and industrial equipment, ship repair and fabrication and installation of offshore facilities, land and air transport activities, vessel chartering, and investing in real estate. In 2016, the Company's Extraordinary General Assembly approved the activity of "Truck trading, and owning, selling, hiring, and leasing of all types of trucks." The Company already has branches in some GCC countries engaged in some activities of Milaha.
- The Company acquired all the shares of Qatar Shipping Company in 2010. Before that, the company was holding 15% of Qatar Shipping Company. Then, Milaha acquired the remaining 85% of the share capital of Qatar Shipping Company.
- As a result of the acquisition, Milaha gained full ownership of Milaha Offshore Support Services (Previously, Halul Offshore Services Company).
- The authorized and fully paid-up current capital of the Company amounts to Qatari Riyals 1,136,164,750 distributed over 1,136,164,750 shares, based on the resolution of the Extraordinary General Assembly meeting held on 8\11\2021 to reduce the Company's capital by the value of the treasury shares. Currently, the total number of employees approximates 4,862 including the crew and divers.

1. Introduction

The Company's Corporate Governance requires ratification of certain regulations and processes necessary for implementing the policies, procedures and measures that will establish relations between the Management and the Stakeholders, and lead to maximizing the returns to the Stakeholders and various parties through exercising effective guidance on and control over the Company's activities, while maintaining integrity and objectivity. In broader terms, governance describes why developing of an organizational structure can enable a company to better manage its resources within a legal framework. It also ensures that adopting the international standards will enable the Company to realize transparency, integrity, and trust in the Company's financial statements and thereby boost the confidence of debtors and lenders in the Company and encourage them to enter into transactions with the Company in line with their strategies. Qatar Navigation believes that applying a proper Corporate Governance framework and principles is essential to assist the Company in achieving its goals and realizing better performance. Moreover, this would improve its working environment internally and externally, safeguard the Shareholders' interests, assist the Company in assigning the roles and responsibilities perfectly, and will inevitably lead to substantiating the exact meaning of the principle of prioritizing public interest, Company's interest, and Stakeholders' interest before any other interest.

2. Compliance with Governance Principles

- Milaha is committed to strengthening its Corporate Governance practices in line with local and global standards. The Board of Directors is developing proper governance rules, which involve the highest standards of independence, supervision, and transparency in order to maintain the confidence of current and future Investors. In order to substantiate this commitment, the Board sought the help of an External Audit firm to develop a mechanism for monitoring the adherence to Corporate Governance practices as dictated by the new QFMA Corporate Governance Code and use it for improving the control on a regular basis. The Governance Report sheds light on the main elements of the control system, which have been designed and implemented for the fiscal year from 1 January 2022 to 31 December 2022.
- Further, the Board is committed to periodically review its policies, charters, and internal processes, which should be followed by the Board Member, Executive Management, and employees.
- The Company, as part of its method for protecting the Company's Stakeholders and in compliance with the Corporate Governance Code issued by QFMA, has established a separate section for Risk Management with the aim of monitoring and analyzing the risks and developing the internal control environment for ensuring the realization of all objectives of the Company.
- The Company also continued to pursue a succession plan of Milaha employees, in the year 2021 according to the agreed goals.
- The Company also has a list of policies and procedures that are applied to ensure the effectiveness of the Corporate System of Milaha, including:
  1. Enterprise Risk Management Policy.
  2. Dividends Distribution & Remuneration Policy.
  3. Insiders Trading Policy.
  4. Conflict of Interest & Contracting with Related Parties Policy.
  5. Board of Directors Nomination Procedures.
  6. Induction and Training Policy.
  7. Compliance Policy.
  8. Stakeholders Right Management Policy.
  9. Board Evaluation Policy.
  10. Disclosure Policy.
  11. Corporate Communication Policy.
  12. Shareholders Rights Policy.

3. Board of Directors

- The Company's Governance System includes the Board of Directors' charter approved by the Board Members, which is matching with the provisions of the new QFMA Corporate Governance Code, incorporating the duties and responsibilities of the Board. One of the most important duties of the Board of Directors is that the Board Members should always be loyal to the interests of the Company and its Shareholders. This duty requires the Board Members to side with the interests of the Company and Shareholders counter to their personal interests. The Board of Directors are required to rely on clear and transparent information and with due diligence, and to act effectively to the interest of the Company and Shareholders. The Board has updated the charter of the Board of Directors for including all the duties and responsivities provided for in the new Corporate Governance Code.
- The Board of Directors also directs Milaha's Investment Policy in general and is responsible for managing the Company and setting its strategical targets. The Board has been given all the powers and authorities necessary for managing and steering the whole business of the Company, under Qatar's Commercial Companies Law and the Company's Articles of Association.

3.1 Formation of the Board of Directors

- The Board of Directors consists of eleven members, all of them are non-executive members and more than a third of the Board are independent members; the term of membership for each Director is three years. A Board Member may be reelected more than once as per the Company's Articles of Association and the Commercial Companies Law. The current term of the Board started 16/3/2021 for the years 2021, 2022, and 2023.

The following table shows information about the Board Members:

No.	Board Member and Entity he Represents	Position in Milaha Board	Number of Shares Represented	Other Information
1.	**H.E Sheikh Jassim bin Hamad bin Jassim bin Jaber Al-Thani**	Chairman	1,444,030	H.E Sheikh Jassim bin Hamad bin Jassim bin Jaber Al Thani has occupied the position of Milaha's Board Member since 2000. Besides, he is the Chairman of QIB, and Chairman of Damaan Islamic Insurance Company (Beema). He is also a Board Member in several financial and investment institutions and companies, such as Qinvest, and Qterminals. H.E. is a graduate of Sandhurst Military Academy. In addition to several professional courses in the Arts of Administration and Finance. **[Non-executive, Non- independent member]**

No.	Board Member and Entity he Represents	Position in Milaha Board	Number of Shares Represented	Other Information
2.	**H.E Sheikh Khalid bin Khalifa bin Jassim Fahad Al-Thani, representing Qatar Petroleum**	Vice-Chairman	98,639,640	H.E Sheikh Khalid bin Khalifa bin Jassim Fahad Al-Thani has occupied the position of Milaha Board's Member since 2012; besides, he is the Chief Executive Officer of Qatar Gas Company, Chairman of Qatari Diar Company, and Chairman of the Board of Gulf International Services Company. **[Non-executive, Non- independent member]**
3.	**H.E Sheikh Abdulrahman bin Saud Al-Thani**	Board Member	2,900,950	H.E Sheik Abdulrahman bin Saud Al Thani has occupied the position of Milaha Board's Member in 2018. Besides, he is a Minister of State in the Qatari Government. He is a Board Member in both Qatar National Bank and Qatar Insurance Company. Previously, H.E occupied the position of Chief of the Amiri Diwan. He holds an MA in International Relations. **[Non-executive, Independent member]**
4.	**H.E Sheikh Suhaim bin Khaled bin Hamad Al-Thani**	Board Member	1,365,210	H.E Sheikh Suhaim bin Khaled bin Hamad Al-Thani has occupied the position of Board Member in Milaha since November 2020. He is a Board Member in Qatar Electricity & Water Company representing Milaha. He is also a Board Member in Qatar Central Markets Company. Besides, he previously occupied the position of Chairman of the Board in Dlala Holding. H.E. holds a Bachelor's in Business Administration. **[Non-executive, Independent member]**
5.	**H.E Sheikh Hamad bin Mohammed Khalid Al-Thani**	Board Member	423,000	H.E Sheikh Hamad bin Mohammed Al-Thani has occupied the position of Board Member in Milaha since 16 March 2021. H.E. occupies the position of Senior Vice-Chairman of Investment & Finance at Qatar Insurance Company. He is also the CEO of Mazaya Qatar. Besides, he is also a Board Member in Nakilat representing Milaha. H.E. holds a Bachelor's in Business Management from Heriot University and SBUM Masters from HEC Paris. **[Non-executive, Independent member]**
6.	**H.E. Mr. Saad Mohammad Saad Al-Romaihi**	Board Member	460,000	H.E. Mr. Saad Mohammad Saad Al-Romaihi has occupied the position of Milaha Board's Member since 2010; besides, he is a Board Member of Qatar Manufacturing Industries Co. He holds a Bachelor's in Trade and Economics. **[Non-executive, Independent member]**
7.	**Mr. Adel Ali Bin Ali, representing M/s Ali bin Ali Establishment**	Board Member	18,630,340	Mr. Adel Ali Bin Ali has occupied his position as Milaha Board's Member since 1994; besides, he is the President of Ali Bin Ali Establishment, and a Board Member in each of Doha Insurance and QEWC. He holds a Bachelor's in Electrical Engineering. **[Non-executive, Non-independent member]**
8.	**Mr. Hamad bin Mohammed Al-Mana**	Board Member	414,990	Mr. Hamad bin Mohammad Al-Mana has occupied the position of Milaha Board's Member since 2009; besides, he is the Chairman & Managing Director of Mohamed Hamad Al-Mana Group. He holds a Bachelor degree in Business Administration. **[Non-executive, Non- independent member]**

3. Board of Directors (continued)

3.1 Formation of the Board of Directors (continued)

No.	Board Member and Entity he Represents	Position in Milaha Board	Number of Shares Represented	Other Information
9.	**Dr. Mazen Jassim Jaidah**	Board Member	3,295,120	Dr. Mazen Jassim Jaidah has occupied the position of Milaha Board's Member since 2009; besides, he is the President of the Executive Council of Jaida Holding & a partner. Also, he is a Board Member in Qatar Foundation. He holds a PhD. Degree in Commercial Economics & Middle East History. **[Non-executive, independent member]**
10.	**Mr. Hitmi Ali Khalifa Al Hitmi, representing Ali bin Khalifa Al-Hitmi & Partners Co.**	Board Member	3,000,000	Mr. Hitmi Ali Khalifa Al Hitmi has occupied the position of Milaha Board's Member in 2018, representing Ali bin Khalifa Al Hitmi & Partners. Besides, he is a Board Member of Ali bin Khalifa Al Hitmi & Partners Group. Previously, he was a Board Member in Doha Insurance, Nakilat, and Barwa Real Estate Company. He is the Chairman of the Board at Al Hitmi Property Development. Also, he is a Member of the Board of Directors of Al Meera Group. Mr. Hitmi holds a Bachelor's in Business Administration. **[Non-executive, Non- independent member]**
11.	**Mr. Mohammed Ebrahim Al-Sulaiti**	Board Member	400,000	Mr. Mohammed Ebrahim Al-Sulaiti has occupied the position of Board Member in Milaha since 16 March 2021. He is the Vice-Chairman in Inma Holding representing Qatar International Islamic Bank. He also occupied the position of Member in Doha Securities Market Committee (Qatar Stock Exchange) in its second term. Also, he occupied the position of Board Membership in Al Meera Company, Barwa Real Estate, and Barwa Bank (Currently Dukhan Bank) representing Barwa Real Estate. In addition to Qatar Shipping Company representing Qatar Navigation (Milaha). Previously, he occupied the position of EVP Finance & Investment in Milaha. Mr. Al-Sulaiti holds a Bachelor's in Business Administration from the US. **[Non-executive, independent member]**

The following table shows information about the Executive Management Members:

No.	Name of the Executive Management Member	Position of Executive Management Member in the Company	Number of Shares Represented	Other Information
1.	**Eng. Mohammed Abdulla Swidan**	Interim President & CEO EVP - Milaha Offshore & Marine Acting EVP - Milaha Gas & Petrochem	-	Eng. Mohammed Abdulla Swidan was entrusted by Milaha's Board of Directors to carry out the duties of the President and CEO of Milaha group in 2022 and he is the Executive Vice President of Milaha Offshore & Marine since 2018. Prior to his position as EVP, Eng. Swidan held various leadership positions as Senior Commercial Manager at Halul Offshore Services Company in 2013 before being promoted to Vice President, Operations in 2014. Eng. Swidan holds a bachelor's degree in Maritime Engineering and a master's degree in" Ship and Port Operation Management" from Arab Academy for Science, Technology and Maritime Transport in addition to an MBA in "Global Shipping Management" from

No.	Name of the Executive Management Member	Position of Executive Management Member in the Company	Number of Shares Represented	Other Information
				Greenwich-London University, in addition to several distinguished industry-related certificates. Throughout his career, Eng. Swidan developed extensive experience in multiple fields including offshore marine operations, energy markets, and commercial activities, which contributed to the profitability and growth of Milaha as a whole.
2.	**Mr. Saleh Al-Haroon**	EVP - Support Services	-	Mr. Saleh Abdulla Al-Haroon has been EVP, Support Services in Milaha Group (Qatar Navigation) since 2017. Prior to joining Milaha, he held Senior Management positions with Gulf Air & Qatar Airways. He also held the position of Director of Ari Transport & Airports Affairs Department at Civil Aviation Authority. Mr. Al-Haroon holds a Degree in Political Science & Economics from USA.
3.	**Mr. Akram Iswaisi**	EVP - Finance & Investments Acting EVP - Milaha Capital	-	Mr. Akram Bashir Iswaisi Executive Vice President, Finance & Investments in Milaha Group (Qatar Navigation) is a seasoned finance professional with 24 years of experience in the USA and Middle East. He joined Milaha in 2011 and was appointed as Executive Vice President, Finance & Investments in 2015. Prior to that he was a Director with a large publicly listed Company in the USA. Mr. Iswaisi currently serves on the Board of QTerminals (a joint venture between Milaha & Mwani) and was previously the Vice Chairman of United Arab Chemical Carriers. Mr. Iswaisi holds a degree in Accounting from Kennesaw State University, USA.
4.	**Mr. Anders Lund Kristensen**	EVP - Milaha Maritime & Logistics	-	Mr. Anders Lund Kristensen has been the EVP, Maritime & Logistics in Milaha Group (Qatar Navigation) since 2018. Prior to joining Milaha, Mr. Kristensen held various leadership positions in maritime & logistics industry such as CEO of Damco in North Europe, COO of Maersk Line in North Europe and COO of Maersk Line in Asia Pacific. Previously, he has also held positions as Director of Strategy in A.P. Moller-Maersk in Denmark and Product Manager of Maersk Logistics in China, and various Board membership in China and Europe. Mr. Kristensen holds a Degree in International Shipping Management and a Degree in International Management & Economics.
5.	**Mr. Gautam Bellur**	EVP - Corporate Development & Strategy Acting EVP - Milaha Marine & Technical Services	-	Mr. Gautam Bellur has been EVP, Corporate Development & Strategy in Milaha Group (Qatar Navigation) since 2010. During this time, he also held multiple additional roles in an interim capacity. Prior to joining Milaha, Mr. Bellur held the position of Associate Partner in global strategy consultancy, Oliver Wyman in both USA and UAE. Mr. Bellur holds a BA in Economics from the University of Chicago (USA) and an MBA for the Tuck School of Business at Dartmouth College (USA).
6.	**Mr. Asem Al Naser**	Chief Internal Auditor	-	Mr. Asem Al Naser is a seasoned Internal Audit professional with more than 24 years of experience in the field of Internal audit. He has been the Chief Internal Auditor in Milaha Group (Qatar Navigation) since 2014. Prior to joining Milaha, Mr. Alnaser was head of the Internal Audit for various International and regional companies. He holds an MBA from the University of Manchester, and multiple professional certifications as the Certified Internal Auditor (CIA), Certified Public Accountant (CPA), and Certified Fraud Examiner (CFE) for the US.

3.2 Powers of the Board of Directors

The Board of Directors has the widest authorities necessary for reviewing and outlining the Company's strategic goals and targets, and it is responsible for achieving these goals and targets by monitoring the implementation of the policies through the Executive Management. Under Qatar's Commercial Companies Law and the Company's Articles of Association, the Board of Directors invites the Shareholders to Ordinary or Extraordinary General Assembly Meetings in order to obtain their approval on the issues and resolutions, which are not within the Board's authority. The Chairman will practice his responsibilities independent of the responsibilities of the Company's President& CEO, who is appointed by the Board of Directors. The organizational structure of the Company reflects the official responsibilities of either of them separately.

3.3 Duties of the Chairman

According to the Company's Articles of Association and the Board's Charter, the duties of the Chairman include, for example but not limited to, ensuring that the Board is fulfilling its duties efficiently and effectively, including that he should make sure that the Board Members are timely obtaining full information about the Board's work, and that essential issues are discussed properly and effectively as per the agenda of each meeting, and that any issue proposed by any Board Member is taken into consideration. The Chairman may delegate this role to another Board Member.

3.4 Meetings of the Board

The Board holds its periodic meetings according to a schedule pre-approved by the Board. At least six meetings per year should be held, under the provisions of the Company's Articles of Association, and if necessary and on emergency grounds the Board may pass resolutions of meeting which shall be included in the agenda of the next meeting as per the Qatari Commercial Companies Law.

A meeting of the Board shall be held upon an invitation from the Chairman or from the Vice-Chairman in his absence. Meeting shall also be invited to when two Board Members request a Board meeting to be held. Such invitations should be sent at least seven days ahead of the scheduled meeting date along with a detailed agenda of the meeting. In the financial year ending 31 December 2022, the Board of Directors held six meetings, in addition to some resolutions adopted off-meeting and Board Members were obligated to attend the meetings according to the requirements.

3.5 Secretary of the Board

The Board has appointed a Board Secretary working under the direct supervision of the Chairman. The Secretary has a bachelor's degree in Law from the University of Leeds - UK, he has experience in Corporate Governance processes and Board of Directors Secretariat, for example preparing the Board meeting agenda, ensuring that the invitations for Board meetings are delivered to all Board Members. As well as recording and maintaining Board minutes of meetings and distributing the Board resolutions to the competent departments after Board's approval. The Secretary is also required to follow up on the execution of the Board resolutions and shall present a report on the results to the Board in every meeting for review and ensuring that all resolutions issued by the Board has been executed, otherwise he shall provide the reasons of failure of executing the resolution(s). The Secretary is also responsible for distributing the relevant Company information demanded by Members of the Board.

The Board Members have the right to utilize the services of the Board's Secretary and his advice. The Board's Secretary can be appointed or dismissed only by a Board of Directors' resolution.

3.6 Board of Directors Remuneration

The Remuneration for the Board Members is determined under Article (40) of the Company's Articles of Association and Article (119) of Qatar's Commercial Companies Law .The Articles of Association of the Company shall specify the manner of determining the remuneration of the Members of the Board of Directors, provided such remuneration does not exceed (5%) of the net profit after deducting reserves, legal deductions and distributing a profit of not less than (5%) of the Company's paid up capital among its Shareholders. The Board of Directors also proposes the amount of cash allowances for Members of the Board who are assigned any administrative responsibilities within the Company in accordance with the Dividends Distribution & Remuneration Policy. The Remunerations of the Board of Directors and the Executive Management are disclosed in the combined annual report of the Company.

3.7 Duties and Other Obligations of the Board

- The Board shall ensure that Members of the Strategic & Investment Committee, Nomination & Remuneration Committee, Audit Committee, the Internal Auditors, and representatives of the External Auditors to attend the General Assembly Meetings.
- The Board shall hold induction session for the new Board Members including a visual display in order to ensure that they understand the Company's activities and operations and become fully aware of their obligations.
- The Board Members are responsible for understanding their roles and duties and for having knowledge about the financial, commercial, and industrial issues, and about the operations and activities of the Company. For this purpose, the Board approves and implements adequate official training courses aimed at enhancing the skills and knowledge of the Board Members.

- The Board members should always be aware of the latest developments in the area of Governance and of the best relevant practices.
- The Board Members are committed to attending the meetings of the Board regularly. In the event of absence, the provisions of Article No. (36) of the Company's Articles of Association and the Board's Charter shall be applied.

3.8 Appointing of Board Members

As per the conditions mentioned in the Commercial Companies Law and the Company's Articles of Association, the following should be observed:

- Nomination and appointment of the Board Members should take place in accordance with the procedures stated in the Commercial Companies Law and the Company Articles of Association.
- The Board of Directors formed a Nomination Committee in 2014, which has been re-formed after election of the Board of Directors on 16/3/2021. The Nomination Committee verifies the applications for nomination to the Membership of the Board of Directors, ensures the applications' conformity with the conditions provided for in the Commercial Companies Law, Company's Articles of Association, as well as the stipulation of Article No. (5) of the Governance Charter. (Nomination through the Committee does not prevent any Shareholder of the Company from standing by himself or from being nominated to the election).
- The Nomination Committee should take into consideration, among other things, the ability to give the candidates enough time for carrying out their duties as Board Members, in addition to their skill, knowledge, experience, and their professional, technical and academic qualifications, and personality. The Nomination Committee should also take into consideration "the appropriate guidelines for nominating the Board Members" which are subject to changes by the Authority from time to time.

4. Board of Directors Committees

The Board of Directors establishes Committees reporting to the Board and the performance of each Committee is based on the standards set in the Governance Charter. Generally, the Board committees do assist the Board in carrying out its duties, and the overall responsibilities of the Board in managing the Company.

The Board of Directors has established three Committees for assisting the Board and facilitating the execution of the Board's obligations and responsibilities. The Committees are:

1. Strategic & Investment Committee.
2. Audit Risk & Compliance Committee.
3. Nomination & Remuneration Committee.

The tables below show the Committees' formation and brief description of the duties assigned to each:

4.1 The Strategic & Investment Committee

This Committee was initially formed in March 2009, then it has been reformed in the subsequent terms of the Board, and last formation occurred after election of the new Board of Directors on 16/3/2021. According to the Strategic & Investment Committee's Charter, the most important duties of the Committee is overseeing the investment activities exceeding the value limit authority of the Chairman and the Chief Executive Officer, for protecting the interests of the Company from any future risks, and the Committee raises its recommendations in this regard to the Board. The Committee held five meetings in the year 2022. Below are the Members of the Strategic & Investment Committee:

No.	Name of the Member	Position
1.	H.E Sheikh Jassim bin Hamad bin Jassim bin Jaber Al-Thani	Chairman of the Board - Chairman of the Strategic & Investment Committee
2.	H.E Sheikh Khalid bin Khalifa bin Jassim Fahad Al-Thani	Vice-Chairman – Member of the Committee
3.	H.E Sheikh Suhaim bin Khaled Al-Thani	Board Member – Member of the Committee
4.	Mr. Adel Ali Bin Ali	Board Member – Member of the Committee
5.	Mr. Hamad bin Mohammed Al-Mana	Board Member – Member of the Committee

4.2 Audit Risk & Compliance Committee

- This Committee was initially established in 2003, and then has been repeatedly reformed in all subsequent terms of the Board, and last formation occurred after election of the new Board of Directors on 16/3/2021. The duties of the Committee include assisting the Board in carrying out its supervisory responsibilities by reviewing internal controls on financial reporting to ensure that the financial data presented to the Shareholders and other relevant parties are free from material misstatement and monitoring the findings and comments in the Audit Reports prepared by the Internal Audit and External Auditors. The Committee ensures the compliance of the departments and employees with the Board Policies, applicable laws, regulations, and instructions. The Committee submits to the Board periodical reports about the results of its activities. The Committee does not include any Member who was previously employed by the Company's External Auditor. The Committee held six meetings in the year 2022. Below are the Members of the Audit Committee:

No.	Name of the Member	Position
1	Dr. Mazen Jassim Jaidah	Board Member – Chairman of Audit Risk & Compliance Committee
2	H.E Sheikh Hamad bin Mohammed Khalid Al-Thani	Board Member – Member of Audit Risk & Compliance Committee
3	Mr. Mohammed Ebrahim Al-Sulaiti	Board Member – Member of Audit Risk & Compliance Committee

- The Board has updated the Audit Risk & Compliance Committee's Charter for incorporating the changes required by the QFMA new Governance Code.

4.3 The Nomination & Remuneration Committee

- The Nomination Committee has been merged with the Incentives & Remuneration Committee in 2018 to become one Committee named Nomination & Remuneration Committee. The Nomination duties are represented in verifying the nomination applications submitted by Shareholders for participation in the election of Members of the Board of Directors and ensuring that the applications are meeting the prescribed conditions and controls under Qatar's Commercial Companies Law, Company's Articles of Association, and QFMA Corporate Governance Code. The Committee presents its recommendation on these applications for election in the General Assembly Meeting.
- The Remuneration Committee duties include setting the policies for Remunerating the Board Members, Executive Management, and Company employees, and ensuring proper implementation of these policies. The remuneration for the Executive Management will be based on the profit recognized at the end of the financial year, and the Committee raises its recommendations in this regard to the Board of Directors. Also, the Committee also submits an Annual Evaluation Report to the Board of Directors & to the Committees, based on the annual declarations submitted by the Chairman and Board Members of Milaha, which includes an annual performance evaluation and an acknowledgment not to combine positions, in addition to updating the data of each Board Member. The Committee held two meetings in the year 2022.

Below are the members of the Nomination and Remuneration Committee:

No.	Name of the Member	Position
1	Mr. Adel Ali Bin Ali	Board member – Chairman of the Nomination & Remuneration Committee
2	H.E Sheikh Abdulrahman bin Saud Al-Thani	Board member – Member of Committee
3	H.E Mr. Saad Mohammad Al-Romaihi	Board member – Member of Committee

- The Nomination & Remuneration Committee should approve and publish its scope of work in a way that describes its authority and work, in accordance with the Nomination Charter approved by the Board of Directors.
- The role of the Nomination Committee will include conducting an annual self-assessment of the Board's performance. There is a mechanism set for self-assessment of the Board of Directors.
- The Nomination Committee must observe any conditions or requirements in connection with nominating, electing, or appointing the Board Members issued by any other authority.
- The Board has updated the Charter of the Nomination & Remuneration Committee for incorporating the changes required by the new QFMA Governance Code, including submitting an annual report to the Board of Directors that contains an assessment of the performance of the Board Members.

In addition to the Board Committees, and as part of the overall Governance framework, Qatar Navigation has formed certain Management Committees to oversee the core business activities.

5. Internal Audit

5.1 Purpose and Mission

The purpose of the Milaha Internal Audit Department (MIAD) is to provide independent, objective assurance and consulting services designed to add value and improve the operations of Milaha.

The mission of Milaha internal audit department is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. MIAD helps Milaha accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

5.2 Independence and Objectivity

Internal Audit reports functionally to the Audit Risk & Compliance Committee and administratively to the President & Chief Executive Officer.

The Chief Internal Auditor ensures that the internal audit department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content.

5.3 Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Risk & Compliance Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Milaha. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Milaha's strategic objectives are appropriately identified and managed.
- The actions of Milaha's officers, directors, employees, and contractors comply with Milaha's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Milaha.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately

MIAD audit universe includes all the entities, functions, departments, business processes, systems, projects, and activities of:

- Milaha.
- Milaha's subsidiaries, associate, and joint ventures and
- Requests from the Audit Risk & Compliance Committee, management, and other regulatory bodies.

5.4 Internal Audit Plan

Before the beginning of every financial year, the Chief Internal Auditor prepares a risk based Internal audit plan and the proposed related budget and presents both to the Audit Risk & Compliance Committee for approval.

The Audit plan covers Milaha and all its business units, and no activity is excluded from the scrutiny of Internal Audit. The Internal Audit Staff Members have full access to examine any documents or records they deem necessary for carrying out their responsibilities.

The Internal Audit Department is responsible for executing the Audit plan approved by the Audit Risk & Compliance Committee.

5.5 Reporting to Senior Management & Audit Risk & Compliance Committee

The CIA reports periodically to senior management and the ARC Committee regarding:

- The internal audit department's purpose, authority, and responsibility.
- The internal audit department's plan and performance relative to its plan.
- The internal audit department's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the ARC committee.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to Milaha.

The Audit Risk & Compliance Committee periodically presents reports to the Board on significant audit issues including internal control failures and provides assurance to the Board about the design and effectiveness of the internal control system in the Company. In addition, there is an Independent Reasonable Assurance Report in the Company's Annual Report that is provided to the Shareholders by the External Auditor which includes an assessment of the significance of any weakness in the Internal Controls.

5.6 Incident Management Framework

Milaha has an approved Incident Management Framework (IMF) which provides with the necessary policies and procedures to allow for the effective, efficient and consistent reporting and handling of all incidents.

Number, type and disposition of incidents is periodically reported to Audit Risk & Compliance Committee. The same is reported by Audit Risk & Compliance Committee to Board through its annual report.

6. The External Auditors

- The External Auditors are appointed by the General Assembly upon recommendations of the Board of Directors. In the General Assembly meeting held on 6/3/2022 the Shareholders approved the appointment of M/s PwC as the Company's External Auditor for the year 2022, which is the Second year of PwC as External Auditor of the Company. PwC is a licensed and accredited audit firm working independently from the Board of Directors and the Company's Management.
- The Company usually ensures the nonexistence of any conflict of interests between the Company and the External Auditors before appointing them. If it appears, after their appointment, that the matter had been otherwise, the External Auditor shall be replaced. The External Auditor or any of his staff should not be a Member of the Board or occupy any position in the Company.
- The External Auditors perform an Independent Audit of the annual financial statements and a review of the half yearly financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), in addition to the requirements of Qatar Financial Markets Authority (QFMA) and in accordance with the Governance System. The financial reports are published in local newspapers in both Arabic and English languages and are posted on the websites of both the Company and Qatar Exchange in order to allow the Shareholders and the public in general to access the Company's information.
- The External Auditors have the right to examine any records, books, and documents in the Company and to ask for any information deemed necessary for carrying out their duty as Auditor.
- Further, the External Auditors are eligible to have meetings with the Audit Risk & Compliance Committee and with the Board. They also attend the General Assembly meetings for answering questions raised by the Shareholders regarding the Company's financial statements.

7. The Disclosure

- The Company is fully committed to QFMA disclosure requirements. The major events of the Company are disclosed to Qatar Exchange and to the media according to the instructions of QFMA and requirements of the Company's Articles of Association, as follows:

7.1 Disclosure of Qatar Navigation Achievements in 2022

- In April 2022, Milaha has signed 2 new contracts with Mwani for 3 years. The first contract is with Assets Management and the second contract is with Al-Ruwais Port for Equipment Maintenance.
- In May 2022, Milaha, the sole distributer of Hino trucks in Qatar, has achieved the "2021 Hino Parts Department of the Year" prestigious award for Middle East & Africa Region.
- In June 2022, Milaha has launched "Go Green" initiative as a part of its Environmental Safety Policy and completed its "One Year". Due to this initiative, vessels operational speed was reduced to "8 Knots", thereby reducing CO_2.
- In July 2022, Milaha won Engineering, Procurement, Construction, and Installation (EPCI) contract from QatarEnergy valued at more than QR 1.4 billion for delivering services for offshore projects in Qatar.
- In July 2022, Milaha has achieved (8) 5 Star Awards from the British Safety Council "BSC". Four awards were in the field of Safety, while the other awards are in the Environmental sphere.
- In July 2022, Milaha was awarded a significant five-years contract from QatarEnergy valued at more than QR 280 million to charter FSO "Khawr Al-Adid" vessel to support the offshore operations in Al-Rayyan Oil Field.
- In July 2022, Milaha Liner won the Non-Vessel Operating Common Carrier "NVOCC" of the year at the prestigious India Maritime Awards, in its 6th edition.
- In July 2022, "Milaha Express" services to fast-tracking customs clearance was launched by Milaha Logistics City "MLC".
- In August 2022, the first Hino Showroom in Qatar was inaugurated.
- In September 2022, the National Cyber Security Agency awarded Milaha the National Information Security Assurance Compliance certificate (NIA). This certificate is considered the first of its kind to be awarded to a private sector company.
- In September 2022, Milaha was awarded "ISO 27001" certificate for the third year running.

- In September 2022, in acknowledging Milaha as an international excellence training destination, Highfield International has awarded Milaha the "International Excellence Certification". Highfield is an international training center of excellence based in UK.
- In October 2022, Ministry of Labor has honored Mr. Talal Al-Malki with "Employee of the Year 2022" for his role in appreciation for his efforts towards Qatarization.
- In October 2022, Milaha has achieved (4) Sword of Honour & (4) Globe of Honour from the British Safety Council. The Sword of Honour was awarded to Milaha Shipping Agencies, Milaha Gas & Petrochem, Milaha Container Shipping, and Milaha Corporate HSSEQ. The Globe of Honour was awarded to Milaha Corporate Services, Milaha Container Shipping, Milaha Gas & Petrochem, and Milaha Shipping Agencies.
- In 2022, Milaha was granted the "Platinum Safety Award" by QatarEnergy at Missaied Industrial City in connection to harbor operations for the 4th year running.
- In 2022, Milaha's Industrial Logistics has signed an agreement with Qatar Steel for hiring Milaha Mobile Equipment.
- In 2022, Milaha's Industrial Logistics has signed an 8-years contract with Qatar Gas to provide onshore services.
- In 2022, Milaha Project Logistics Team have started to implement expansion plans of working in North Field key projects and accompanied projects (Non-Standard Freight) in line with the strategy that Milaha has mapped out.

7.2 We Disclose Below the Number of Shares Held by the Members of the Board and by Major Shareholders as of 31/12/2022:

- Number of shares held by the Board Members: 130,973,280
- Number of shares held by Major Shareholders: 422,625,679

7.3 Capital Structure, Shareholders Rights, and Major Transactions

- The Capital structure of Milaha is disclosed in the Company's Annual Report, which is presented to the Shareholders General Assembly according to the International Accounting and Auditing Standards. The Company's authorized and fully paid-up capital amounts to QR 1,136,164,750 distributed over 1.136,164,750 shares.
- In the event that substantial transactions are approved, against which the Minority Shareholders vote, the Board of Directors should ensure the protection of the Minority Shareholders.
- The Board is compliant with the stipulation of Article (7) of the Company's Articles of Association through a mechanism ensuring equal rights to all Shareholders in the sense that ownership of a single Shareholder, whether a natural or legal person, may not exceed 10 % of the share capital.

7.4 Conflict of Interest and Third-Party Trading

In addition to the provisions of Milaha's Articles of Association and the Board of Director's Charter, the Company adopts the policy detailed below regarding its processes for preventing conflict of interests and third-party trading:

- The Company's policy for preventing conflict of interests and Insider(s) Trading comprise general rules and procedures that govern the Company's involvement in any commercial transaction with a related party. In general, the Company may not enter into any commercial transaction or contract with a related party, without fully observing the terms and conditions provided for in the Commercial Companies Law and the Company's Policy on related parties, including the principles of transparency, equity, and disclosure.
- In the event of presenting to the Board's meeting an issue of conflict of interests or a commercial transaction between the Company and a Member of the Board or a related party, this matter should be discussed in the absence of the concerned Board Member. This Member should never participate in voting on the transaction. In all cases, the transaction should be made at market prices and on absolute commercial basis, and with no conditions contrary to the interests of the Company.
- On the occurrence of such transactions, they should be disclosed in the Annual Report, which will be presented in the General Assembly Meeting held after these commercial transactions.
- The trading in the Company's shares and other securities by Members of the Board, Executive Management and key Staff is disclosed. The Company is adopting clear rules and procedures governing such trading based on the procedures in force in Qatar Exchange.

7.5 Legal Claims

- The Company's Legal Department is following up on the legal claims filed against the Company and those filed by the Company against other persons. None of the claims referred above has material impact on the company.
- All grievances, complaints, and communications that have reached litigation, are closely followed up by the Law firm entrusted with this matter, however, the number of cases filed against the Company as of 31 December 2022 is six (6) cases that were investigated, and the necessary measures taken to develop the internal control environment to ensure that it is not repeated.
- There are no violations to mention except what it has been disclosed on the QFMA website.

8. Rights of Other Stakeholders

- The Company's Executive Management is safeguarding the rights of the Stakeholders and related parties i.e., Shareholders, Employees, Creditors, Clients, Customers, Suppliers, Investors, etc.
- The Board of Director ensures the application of the principles of fairness and equality among all employees without discrimination based on race, gender or religion; further, the Executive Management is ensuring the distribution of incentives to the employees according to the Dividends Distribution & Remuneration Policy approved by the Board.
- Under the provisions of the Company's Human Resources Policy which is adopted by the Company's Board of Directors, the Executive Management is required to train and encourage the employees by creating helpful work environment in the Company, resolve their problems without affecting their productivity and performance, and encourage them to unfold their problems frankly to their managers. The Board is adopting a mechanism allowing the Company's employees to notify the Board about any suspicious behavior, which may constitute legal violations or cause damages to the Company. The Board ensures confidentiality to such employees and will protect them from any harmful reaction by their managers or from other Company employees.

9. Shareholders Rights

- The Shareholders enjoy the rights secured to them by the Commercial Companies Law and the Articles of Association, and the Governance Charter of Milaha. Each Shareholder attending the General Assembly Meeting has the right to discuss the topics listed in the agenda and direct questions to the Board Members and to the external auditors. The Board Members must answer the questions and queries raised by the Shareholders without endangering the Company's interest.
- Article no. (44) of the Company's Articles of Association states the following: "In the event of approving substantial transactions which the minority Shareholders had voted against, the minority Shareholders may submit a grievance to the Board of Directors for ensuring that they would not be impaired by such transitions".
- The Shareholders may also exercise their voting rights at the General Assembly Meeting and may delegate their voting rights to another member who is attending the meeting.
- The Annual General Assembly Meeting of Shareholders is held in accordance with Articles (46), (47), (48), and (49) of the Company's Articles of Association and the provisions of the Commercial Companies Law. The Shareholders will receive notification of this meeting in advance. The notification shall be sent to the Stakeholders, Qatar Exchange, and QFMA and shall be published in the local newspapers and the Company's website. Copies of the Annual Report and the financial statements shall be provided to the Shareholders before the meeting date in order to enable them to participate in the discussions about the contents of the report with the Board of Directors.

9.1 Shareholder Rights Regarding Distribution of Dividends

- The Board of Directors presents to the General Assembly a clear policy on the distribution of dividends as per the Company's Articles of Association and the Commercial Companies Law and gives the ground that justify such policy based on the benefit of both the Company and Shareholders.

9.2 Obtaining of Information

- Every Shareholder has the right to view the Company's Memorandum of Association and the Articles of Association and to obtain general information about the Company as per the controls provided for in this regard.
- Milaha has a website where documents, disclosures and general information that should be made public are posted, in accordance with applicable laws, the charter of the Board of Directors, and relevant regulations.

10. The Records of Shareholdings

10.1 The Company maintains correct and up-to-date records of the Shareholdings based on information we get from Qatar Exchange.

10.2 According to the instructions issued by Qatar Exchange to Listed Companies, the Shareholder records are deposited with Qatar Central Securities Depositary Company, which is the party responsible for Shareholder Affairs. The Company has delegated to Qatar Central Securities

Depositary Company the task of maintaining and organizing this record, under Articles (159) and (160) of the Commercial Companies Law. Any Shareholder has the right to approach Qatar Central Securities Depositary Company for viewing the record book as per the controls issued by Qatar Financial Markets Authority.

11. Investor Relations

- The Company maintains good relations with the Shareholders and Investors through open and transparent communication channels. Information is regularly provided to the existing and prospective Investors and related parties through the website of Qatar Exchange and various media venues in addition to the Company's website: www.milaha.com. The website provides detailed information to the Shareholders about the Company's governance, financial statements, and other important information. These can be accessed through Shareholders & Investor Relations window on the Company's website. In addition, phone conferences are held periodically for informing the Shareholders and Investors with the Company's reports and performance, after the Company has published all its annual, half yearly, and quarterly reports.

12. Corporate Social Responsibility Policy

- Milaha as a leading Maritime and Logistics Service Provider with various activities in Qatar and the Middle East, is committed to supporting the communities in which it operates.
- Corporate Social Responsibility is an integral part of our strategy, as Milaha provides abundant annual financial support to the Social and Sports Support Fund (DAAM) under Law No. (13) of 2008 and further clarification of this Law issued in January 2010, in addition to the initiatives in the areas of environment, HSSEQ, employee welfare, and equal employment opportunities.

12.1 Governance of Corporate Social Responsibility

- The Corporate Communications Department is responsible for managing and coordinating Corporate Social Responsibility initiatives and managing all events in the Company, including conferences and speech events.
- The Corporate Communications Department shall request the Company's social responsibility budget, which shall be approved by the Board of Directors within the annual budget of the Company's business.
- Among these activities are as follows:
  - Marking Milaha's "65" Anniversary.
  - Celebrating Qatar's National Sports Day.
  - Participating In Padel Cup Championship.
  - Organizing Iftar Gathering in Ramadan.
  - Eid Celebration.
  - Launching Innovation Challenge "Less Is More".

12.2 Corporate Social Responsibility Focus Areas

Environment & Sustainability

- Milaha is working diligently to minimize impacts on the environment associated with its operations and increase the sustainability of the business through the implementation of its environmental management system, which provides the framework for the following:
- Reduction of the carbon intensity of its operations
- Management of wastes and emissions (reduction, re-use, recycle and the support circular economy)
- Management of resources
- Sustainable procurement
- Compliance with national and international regulations and other obligations

Health, Safety, Security, Environment, & Quality (HSSEQ)

- Milaha is committed to protecting and improving the safety and health of all individuals associated to the Company by providing a safe, secure, and healthy work environment. The integration of safety principles into everyday business activities and striving to continually improve to ensure that our activities are carried out in a safe and ethical manner, is recognized as essential to achieve health and safety excellence.
- Our objective is to conduct our operations with ensuring employee safety and zero accidents, mitigate the negative impacts through encouragement to practicing the activities with due responsibility and stimulate improvements through initiatives such as:
  - Celebrating World Day of Safety & Health at Workplace.
  - Launching Milaha Wellbeing Initiative.
  - Launching of Blood Donation Campaign.
  - Celebrating the International Women's Day.
  - Launching Breast Cancer Awareness Month Campaign.
  - Celebrating World Earth Day.
  - Celebrating World Oceans Day.
  - Celebrating the Day of the Seafarer.
  - Launching "Be Green, Be Nature" Initiative.

  Through undertaking of operations in a manner reflecting Milaha's values this has resulted in the achievement of numerous awards and industry recognition, including:
  - Milaha was awarded eight prizes by the British Safety Council (BSC). Four of them were in the field of safety, while the other four are in the environmental sphere. (BSC) prized are categorized as 5 Star.
  - QatarEnergy at Messaied industrial city has granted Milaha the "Platinum Safety Award" in connecting to harbour operations for the 4th year in a row.

Employee Welfare

Milaha views its employees as its most valuable asset and is fully compliant with Labor Laws and Regulations relevant to the Company. Milaha also sets internal rules and controls for the protection of the legal rights and interests of all our employees, care for our employees' affairs, and provision of facilities for a healthy and safe work environment.

Equal Employment Opportunities

Milaha aims at protecting the rights of employment for qualified applicants, given that the priority is for Qataris and for Milaha employees irrespective to race, color, gender, age, home country, disability and/or other categories protected by applicable laws.

13. Compliance with Laws and Regulatory Regulations

The Company is fully compliant with all laws and regulations applicable in the State of Qatar. Where Milaha is in compliance with Law no. (8) of 2021 amending some provisions of the Commercial Companies Law promulgated by Law no. (11) of 2015, and the Company's Articles of Association was amended according to the requirements of Law no. (8) of 2021 based on the approval of the Company's Extraordinary General Assembly meeting held on 8 November 2021.

Consolidated Financial « Statements »

Independent Auditor's Report

To the Shareholders of Qatar Navigation Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion
In our opinion, the consolidated financial statements of Qatar Navigation Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited
The Group's consolidated financial statements comprise:

- The consolidated income statement for the year ended 31 December 2022;
- The consolidated statement of comprehensive income for the year ended 31 December 2022;
- The consolidated statement of financial position as at 31 December 2022;
- The consolidated statement of cash flows for the year ended 31 December 2022;
- The consolidated statement of changes in equity for the year ended 31 December 2022; and
- The notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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

Independence
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the State of Qatar.

Our audit approach

Overview

Key audit matter | Impairment of property, vessels and intangible assets
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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

Independent Auditor's Report (Continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (Continued)

Key Audit matter	How our audit addressed the key audit matter
Impairment of property, vessels and intangible assets Impairment of property, vessels and equipment represent the management's best estimate of the losses arising from the decline in value. The most significant risks in relation to management's assessment of the recoverability of the carrying amount of property, vessels and equipment relate to the identification of the Cash Generating Units ("CGUs") with indicators of impairment and, where relevant, the estimate of the fair values less costs to sell and the values in use, including determination of key assumptions. Bearing in mind the generally long-lived nature of the assets, the most critical assumptions in estimating the future cash flows are management's long-term outlook for contractual rates, utilization of property and vessels, growth rates, terminal value and capital expenditures as well as determining the discount rates. We focused on this area, as the carrying amounts are significant and because management is required to exercise considerable judgement due to the inherent complexity pertaining to the underlying assumptions used in estimating the fair values less costs to sell or the values in use, as disclosed in Note 7, 9 and 38 to the consolidated financial statements.	In addressing the risks, we performed the following procedures: • We examined the methodology used by management to assess the carrying amount of property, vessels and intangible assets assigned to CGUs, and the process for identifying CGUs that required impairment testing to determine compliance with IFRS. • We performed detailed testing for the assets where indicators of impairment were identified. For those assets, we reviewed management's testing of the fair values less costs to sell or the values in use, including analysing the reasonableness of key assumptions in relation to the ongoing operation of the assets. • We corroborated management's estimates of future cash flows and challenged whether these are appropriate in respect of key assumptions, such as contractual rates, growth rates, terminal value and capital expenditures. • We used our internal valuation specialists to independently challenge the discount rates. In calculating the discount rates, the key inputs used were independently sourced from market data, and we assessed the methodology applied. • We verified the valuation reports from external valuers appointed by management to assess its reasonableness to support the value of the asset. • We have ensured that the impairment has been accurately allocated to reduce the intangible asset (i.e., customer contracts) associated with those vessels. • Further, we tested the mathematical accuracy of the relevant fair value less cost to sell and value in use models prepared by management. • We ensured the reasonableness of the disclosures related to the impairment of property, vessels and intangible assets in the consolidated financial statements.

Other information

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

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

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

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.

When we read the complete annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, 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 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors' report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021, or of its Articles of Association, which would materially affect the reported results of its operations or its consolidated financial position as at 31 December 2022.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Waleed Tahtamouni
Auditor's registration number 370

Doha, State of Qatar
15 February 2023

Consolidated Income Statement

For the year ended 31 December 2022

	Notes	2022 QR'000	2021 QR'000
Operating revenues	4	**3,285,256**	2,783,873
Salaries, wages and other benefits		**(631,597)**	(603,459)
Operating supplies and expenses		**(1,562,538)**	(1,328,194)
Rent expenses		**(8,280)**	(6,754)
Depreciation and amortization		**(369,919)**	(367,684)
Provision for impairment of trade and other receivables	16	**(45,163)**	(10,486)
Other operating expenses	5	**(180,904)**	(214,333)
OPERATING PROFIT BEFORE IMPAIRMENTS		**486,855**	252,963
Impairment on property, vessels and intangible assets	7, 9	**(165,726)**	(147,627)
Finance cost		**(59,207)**	(72,689)
Finance income		**14,728**	15,130
Net gain (loss) on disposal of property, vessels, equipment and intangible assets		**20,816**	(4,703)
Share of results of joint ventures	11	**179,234**	204,910
Share of results of associates	12	**542,025**	475,988
Net (loss) gain on foreign exchange transactions		**(1,430)**	6,104
PROFIT BEFORE TAX		**1,017,295**	730,076
Tax expense		**(834)**	(3,503)
PROFIT FOR THE YEAR		**1,016,461**	726,573
Attributable to:			
Equity holders of the Parent		**1,012,738**	724,154
Non-controlling interests		**3,723**	2,419
		1,016,461	726,573
BASIC AND DILUTED EARNINGS PER SHARE (attributable to equity holders of the Parent expressed in QR per share)	6	**0.89**	0.64

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	2022 QR'000	2021 QR'000
Profit for the year	**1,016,461**	726,573
Other comprehensive income (OCI):		
Items that will not be reclassified subsequently to profit or loss		
Change in fair value of financial assets at FVOCI	**(31,231)**	261,761
Equity-accounted investees - share of OCI	**(8,702)**	15,336
	(39,933)	277,097
Items that may be reclassified subsequently to profit or loss		
Net gain resulting from cash flow hedges	**63,019**	39,737
Equity-accounted investees - share of hedging reserves	**651,971**	335,045
	714,990	374,782
Total	**675,057**	651,879
Total comprehensive income	**1,691,518**	1,378,452
Attributable to:		
Equity holders of the Parent	**1,688,162**	1,375,234
Non-controlling interests	**3,356**	3,218
	1,691,518	1,378,452

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2022

	Notes	2022 QR'000	2021 QR'000
ASSETS			
Non-current assets			
Property, vessels and equipment	7	**2,841,223**	3,005,027
Investment property	8	**884,419**	782,354
Intangible assets	9	**15,625**	90,788
Right-of-use assets	10	**209,590**	143,895
Investments in joint ventures	11	**1,024,826**	993,692
Investments in associates	12	**7,548,209**	6,605,230
Financial assets at FVOCI	13	**2,566,504**	3,556,869
Loans granted to LNG companies	14	**102,297**	125,196
Other assets		**138**	24,375
Total Non-current assets		**15,192,831**	15,327,426
Current assets			
Inventories	15	**114,945**	102,820
Trade and other receivables	16	**1,036,187**	879,120
Equity instruments at FVTPL	17	**501,750**	505,049
Investments in term deposits	18	**1,237,442**	350,102
Cash and cash equivalents	19	**230,052**	304,786
Total Current assets		**3,120,376**	2,141,877
Total Assets		**18,313,207**	17,469,303
EQUITY AND LIABILITIES			
Attributable to equity holders of the Parent			
Share capital	20	**1,136,165**	1,145,252
Treasury shares	21	**-**	(73,516)
Legal reserve	22	**4,693,986**	4,693,986
General reserve	23	**623,542**	623,542
Fair value reserve		**2,472,074**	3,407,966
Hedging reserve		**993,634**	278,644
Retained earnings		**6,122,169**	4,643,702
Equity attributable to equity holders of the Parent		**16,041,570**	14,719,576
Non-controlling interests		**42,195**	40,089
Total Equity		**16,083,765**	14,759,665
Liabilities			
Non-current liabilities			
Loans and borrowings	26	**299,351**	1,056,660
Advance from a customer	27	**82,861**	90,821
Lease liabilities	28	**139,469**	62,987
Provision for employees' end of service benefits	29	**115,049**	110,006
Total Non-current liabilities		**636,730**	1,320,474
Current liabilities			
Trade and other payables	30	**754,502**	810,088
Loans and borrowings	26	**756,996**	485,267
Lease liabilities	28	**81,214**	93,809
Total Current liabilities		**1,592,712**	1,389,164
Total Liabilities		**2,229,442**	2,709,638
Total Equity and Liabilities		**18,313,207**	17,469,303

On 15th February 2023, the Company's Board of Directors authorised these consolidated financial statements for issue, which were signed on its behalf by the following:

Jassim bin Hamad bin Jassim bin Jaber Al-Thani
Chairman

Mohammed Abdulla Swidan
Interim President and Chief Executive Officer

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 QR'000	2021 QR'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,017,295**	730,076
Adjustments for:			
Depreciation of property, vessels and equipment	7	**237,623**	224,300
Depreciation of investment property	8	**44,177**	40,382
Amortisation of intangible assets	9	**9,383**	12,769
Depreciation of right-of-use assets	10	**78,736**	90,233
(Gain) Loss on disposal of property, vessels and equipment		**(20,816)**	4,703
Share of results of joint ventures	11	**(179,234)**	(204,910)
Share of results of associates	12	**(542,025)**	(475,988)
Provision for employees' end of service benefits	29	**16,240**	16,328
Dividend income	4	**(139,556)**	(114,604)
Net fair value loss on equity instruments at FVTPL	4	**3,350**	4,203
Impairment on property, vessels and intangible assets	7, 9	**165,726**	147,627
Provision for impairment of trade and other receivables	16	**45,163**	10,486
Provision of slow moving inventories	15	**230**	904
Finance cost		**59,207**	72,689
Finance income		**(14,728)**	(15,130)
Operating profit before working capital changes		**780,771**	544,068
Changes in:			
Inventories		**(12,355)**	(26,109)
Trade and other receivables		**(204,112)**	(110,094)
Trade and other payables		**(66,243)**	118,472
Cash flows generated from operating activities		**498,061**	526,337
Employees' end of service benefits paid	29	**(8,060)**	(14,812)
Net cash flows from operating activities		**490,001**	511,525
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, vessels and equipment	7	**(226,358)**	(222,601)
Purchase of investment property	8	**(140,927)**	(20,497)
Additions to intangible assets	9	**(1,245)**	(197)
Investment in securities measured at FVOCI		**(134,452)**	-
Net movement of loans granted to LNG companies		**22,899**	(1,085)
Net movement of investment in term deposits		**(863,833)**	(279,401)
Proceeds from disposal of vessels, equipment and intangible assets		**69,305**	136,168
Proceeds from disposal of financial asset at FVOCI		**1,135,000**	430,758
Dividends received from joint ventures	11	**148,100**	175,625
Dividends received from associates	12	**242,315**	222,878
Dividend received from investments	4	**139,556**	114,604
Finance income received		**14,728**	15,130
Net cash flows from investing activities		**405,088**	571,382
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to the Company's shareholders	25	**(340,849)**	(340,849)
Dividends paid to Non-controlling interests		**(1,250)**	-
Payments of lease liabilities	28	**(82,937)**	(92,025)
Loans and borrowings settled		**(485,580)**	(724,811)
Loans and borrowings utilized		**-**	146,000
Finance cost paid		**(59,207)**	(72,689)
Net cash flows used in financing activities		**(969,823)**	(1,084,374)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(74,734)**	(1,467)
Cash and cash equivalents at 1 January		**304,786**	306,253
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	19	**230,052**	304,786

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Consolidated Statement of Change in Equity

For the year ended 31 December 2022

	Share Capital (Note 20) QR'000	Treasury shares (Note 21) QR'000	Legal reserve (Note 22) QR'000	General reserve (Note 23) QR'000	Fair value reserve QR'000	Hedging reserve QR'000	Retained earnings QR'000	Total QR'000	Non-controlling interest QR'000	Total QR'000
	Attributable to the equity holders of the Parent									
At 31 December 2020	1,145,252	(73,516)	4,693,986	623,542	3,367,639	(96,138)	4,042,530	13,703,295	55,089	13,758,384
Total comprehensive income:										
Profit for the year	-	-	-	-	-	-	724,154	724,154	2,419	726,573
Other comprehensive income	-	-	-	-	276,298	374,782	-	651,080	799	651,879
Total comprehensive income	-	-	-	-	276,298	374,782	724,154	1,375,234	3,218	1,378,452
Transactions with owners of the Company:										
Dividends paid (Note 25)	-	-	-	-	-	-	(340,849)	(340,849)	-	(340,849)
Transfer of reserves on disposal of financial assets at FVOCI	-	-	-	-	(235,971)	-	235,971	-	-	-
Other equity movement:										
Reduction in share capital	-	-	-	-	-	-	-	-	(18,218)	(18,218)
Contribution to Social and Sports Fund (Note 31)	-	-	-	-	-	-	(18,104)	(18,104)	-	(18,104)
At 31 December 2021	**1,145,252**	**(73,516)**	**4,693,986**	**623,542**	**3,407,966**	**278,644**	**4,643,702**	**14,719,576**	**40,089**	**14,759,665**
Total comprehensive income:										
Profit for the year	-	-	-	-	-	-	1,012,738	1,012,738	3,723	1,016,461
Other comprehensive income	-	-	-	-	(39,566)	714,990	-	675,424	(367)	675,057
Total comprehensive income	-	-	-	-	(39,566)	714,990	1,012,738	1,688,162	3,356	1,691,518
Transactions with owners of the Company:										
Dividends (Note 25)	-	-	-	-	-	-	(340,849)	(340,849)	(1,250)	(342,099)
Transfer of reserves on disposal of financial assets at FVOCI	-	-	-	-	(896,326)	-	896,326	-	-	-
Other equity movement:										
Cancellation of treasury shares (Note 21)	(9,087)	73,516	-	-	-	-	(64,429)	-	-	-
Contribution to Social and Sports Fund (Note 31)	-	-	-	-	-	-	(25,319)	(25,319)	-	(25,319)
At 31 December 2022	**1,136,165**	**-**	**4,693,986**	**623,542**	**2,472,074**	**993,634**	**6,122,169**	**16,041,570**	**42,195**	**16,083,765**

The attached notes 1 to 40 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

As at and for the year ended 31 December 2022

1. Reporting Entity

Qatar Navigation Q.P.S.C. (the "Company" or the "Parent") was incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Public Shareholding Company, and it is registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration number 1 dated 5 July 1957. The registered office of the Company is located at Street No. 523, Zone 56, Umm Al Saneem Area, East Industrial Road, Doha, State of Qatar. The shares of the Company are publicly traded on the Qatar Stock Exchange since 26 May 1997.

These consolidated financial statements comprise the Company and its subsidiaries (collectively referred as the "Group" and individually as the "Group entities") and the Group's interests in equity-accounted investees.

The principal activities of the Group, which remain unchanged from the previous year, include the provision of marine transport, acting as agent to foreign shipping lines, offshore services, warehousing, sale of heavy vehicles, ship repair, fabrication and installation of offshore structures, land transport, chartering of vessels, real estate, investments in listed and unlisted securities and trading of aggregates & building materials.

The consolidated financial statements of the Group were authorised for issue by the Company's Board of Directors on the 15th February 2023.

(a) The Company had the following active subsidiaries owned directly or indirectly, as at the current and the comparative reporting dates:

Name of the subsidiary	Country of incorporation	Principal activities	Group effective shareholding 2022	Group effective shareholding 2021
Qatar Shipping Company W.L.L.	Qatar	Chartering of vessels and maritime services	**100%**	100%
Halul Offshore Services Company W.L.L.	Qatar	Chartering of vessels offshore services	**100%**	100%
Qatar Quarries and Building Materials Company Q.P.S.C. (i)	Qatar	Trading in building materials	**50%**	50%
Gulf Shipping Investment Company W.L.L.	Qatar	Cargo handling	**100%**	100%
Milaha Ship Management (India) Private Limited (ii)	India	Operate and manage all types of ships	**100%**	100%
Ocean Marine Services W.L.L.	Qatar	Cargo handling, offshore support services	**100%**	100%
Halul United Business Services L.L.C.	Saudi	Offshore services	**100%**	100%
Milaha Trading Company W.L.L.	Qatar	Trading in industrial materials	**100%**	100%
Navigation Travel & Tourism W.L.L.	Qatar	Travel agency	**100%**	100%
Navigation Trading Agencies W.L.L.	Qatar	Trading in heavy equipment	**100%**	100%

1. Reporting Entity (Continued)

(a) The Group had the following active subsidiaries owned directly or indirectly, as at the current and the comparative reporting dates (continued):

Name of the subsidiary	Country of incorporation	Principal activities	Group effective shareholding 2022	Group effective shareholding 2021
Navigation Marine Service Center W.L.L.	Qatar	Marine services	**100%**	100%
Milaha Capital W.L.L.	Qatar	Investments	**100%**	100%
Milaha Real Estate Services W.L.L.	Qatar	Real estate maintenance	**100%**	100%
Milaha Integrated Maritime and Logistics W.L.L.	Qatar	Maritime and logistic services	**100%**	100%
Milaha International Maritime L.L.C	Qatar	Maritime and logistic services	**100%**	100%
Milaha Ras Laffan Verwaltungs GMBH	Germany	Managing the business activities of KG companies	**100%**	100%
Milaha Qatar Verwaltungs GMBH	Germany	Managing the business activities of KG companies	**100%**	100%
Milaha Real Estate Investment W.L.L.	Qatar	Real estate services	**100%**	100%
Milaha Ras Laffan Gmbh & Co. KG (KG1)	Germany	LNG transportation	**100%**	100%
Milaha Qatar Gmbh & Co. KG (KG2)	Germany	LNG transportation	**100%**	100%
Milaha Offshore Holding Co. PTE LTD	Singapore	Offshore support services	**100%**	100%
Milaha Explorer PTE LTD	Singapore	Offshore support services	**100%**	100%
Milaha Offshore Services Co PTE LTD	Singapore	Offshore support services	**100%**	100%
Milaha Real Estate Company LLC	Qatar	Real Estate Investments	**100%**	100%
Milaha (FZC) L.L.C.	Oman	Logistic services	**100%**	100%
Milaha Ship Management W.L.L.	Qatar	Fleet & Technical Services	**100%**	100%

(i) The Company controls Qatar Quarries and Building Materials Company Q.P.S.C. through its power to control its Board of Directors.

(ii) Formerly known as Qatar Shipping (India) Private Limited

1. Reporting Entity (Continued)

(b) The Company also had the following inactive subsidiaries, as at the current and the comparative reporting dates:

Name of Subsidiary	Country of incorporation	Company's ownership percentage 2022	Company's ownership percentage 2021
Milaha Technical & Logistics Services W.L.L. (i)	Qatar	-	100%
Milaha Offshore Support Services Company W.L.L.	Qatar	**99.5%**	99.5%
Milaha for Petroleum and Chemical Product W.L.L.	Qatar	**99.5%**	99.5%
Milaha Warehousing W.L.L.	Qatar	**100%**	100%
Milaha Capital Real Estate Complex W.L.L. (i)	Qatar	-	100%
Milaha for Ships and Boats W.L.L. (i)	Qatar	-	100%
Halul Ship Management & Operation W.L.L. (i)	Qatar	-	100%
Halul 49 L.L.C. (i)	Qatar	-	100%
Halul 68 L.L.C. (i)	Qatar	-	100%
Halul 69 L.L.C. (i)	Qatar	-	100%
Halul 70 L.L.C. (i)	Qatar	-	100%
Halul 71 L.L.C. (i)	Qatar	-	100%
Halul 80 L.L.C. (i)	Qatar	-	100%
Halul 81 L.L.C. (i)	Qatar	-	100%
Halul 82 L.L.C. (i)	Qatar	-	100%
Halul 83 L.L.C. (i)	Qatar	-	100%
Halul 90 L.L.C. (i)	Qatar	-	100%
Halul 100 L.L.C. (i)	Qatar	-	100%
Halul 101 L.L.C. (i)	Qatar	-	100%
Aliago W.L.L. (i)	Qatar	-	100%
Milaha Offshore Holdings (UK) Private Limited	United Kingdom	**100%**	100%
Milaha Offshore MEX1 Limited (i)	United Kingdom	-	100%
Milaha Offshore MIDAS1 Limited	United Kingdom	**100%**	100%
Milaha Offshore Services (UK) Limited	United Kingdom	**100%**	100%

(i) These inactive subsidiaries have been fully liquidated during the current reporting period

All subsidiary undertakings are included in the consolidation.

The Company also has the following registered branch in Dubai, United Arab Emirates, as at the current and the comparative reporting dates:

Name of branch	Principal activity
Qatar Navigation (Dubai Branch)	Marine, Maritime and Logistics services

The results and the assets and liabilities of the above branch have been included in these consolidated financial statements.

The Group also had equity-accounted investees as at the current and the comparative reporting dates. Details of which are given in Notes 11 and 12.

2. Basis of Preparation and Consolidation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in compliance with the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021.

b) Basis of measurement

The consolidated financial statements are prepared under the historical cost convention, except for the financial assets at FVOCI, the equity instruments at FVTPL, and the derivative financial instruments which have been measured at fair value.

2. Basis of Preparation and Consolidation (Continued)

c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company has the Qatari Riyal ("QR") as its functional currency. The following active subsidiaries of the Company, which operate in a foreign jurisdiction, have the following functional currencies:

Name of subsidiary	Functional currency
Halul United Business Services L.L.C.	Saudi Riyal
Milaha Ras Laffan Verwaltungs GMBH	United States Dollar
Milaha Qatar Verwaltungs GMBH	United States Dollar
Milaha Ras Laffan Gmbh & Co. KG (KG1)	United States Dollar
Milaha Qatar Gmbh & Co. KG (KG2)	United States Dollar
Milaha Offshore Holding Co. PTE LTD	United States Dollar
Milaha Explorer PTE LTD	United States Dollar
Milaha Offshore Services Co PTE LTD	United States Dollar
Milaha (FZC) L.L.C.	Omani Riyal
Milaha Ship Management (India) Private Limited	Indian Rupee

The functional currency of Company's branch "Qatar Navigation (Dubai Branch)" is the United Arab Emirates Dirham.

The Group's presentation currency is the QR, which is the Company's functional currency.

All amounts are rounded to the nearest thousand (QR' 000), unless otherwise stated.

d) Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of 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.

Information about significant areas that involve a higher degree of judgment or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the amounts recognised in the consolidated financial statements are disclosed in Note 38.

e) New currently effective IFRS requirements

The group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

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

f) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. The Group is in the process of assessing the impact of these standards, amendments and interpretations on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

3. Significant Accounting Policies

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated income statement and consolidated statement of other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. These consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Any investment retained is recognized at fair value;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

3. Significant Accounting Policies (Continued)

Business combination (Continued)

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.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 "Financial Instruments" is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of IFRS 9 "Financial Instruments", it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Revenue from contracts with customers

Revenue from contracts with customers for sales of goods or services in the ordinary course of the Group's activities is recognised in accordance with the following 5-step model:

1. Identify contracts with customers: A contract is an agreement which creates enforceable rights and obligations and sets out criteria that must be met;
2. Identify performance obligations within the contract: A performance obligation is a promise to deliver a good or a service to a customer;
3. Determine the transaction price: The transaction price is the amount to which the Group expects to be entitled in exchange for delivering the promised goods or services to a customer;
4. Allocate the transaction price to the performance obligations, if more than one;
5. Recognise revenue as and when the performance obligation(s) is/are satisfied.

The Group recognises revenue from the following major sources:

Chartering of vessels

Revenue from chartering of vessels, equipment and others is recognised over time as the performance obligation is satisfied, including a share of revenue from incomplete voyages at the balance sheet date

Sales of goods and services

Revenue from sales of goods to a customer is recognized at a point in time. Revenue from rendering of services is recognised in the period such services are rendered, by reference to a suitable method that depicts the transfer of the control of such services to the customer.

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

3. Significant Accounting Policies (Continued)

Revenue from contracts with customers (Continued)

Cargo transport and container barge income

The value of all work invoiced during the year as adjusted for uncompleted trips. Attributable profit on uncompleted trips is recognised over time, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, after making due allowance for future estimated losses.

Shipping agency income

Shipping agency income is recognised at a point in time based on how the performance obligation (on completion of all supply requirements for vessels) is satisfied.

Loading, clearance and land transport income

Loading, clearance and land transport income is recognised at a point in time based on how the performance obligation is satisfied.

Ship repairs and fabrication income

Ship repairs and fabrication income is recognised over the time based on how the performance obligation is satisfied.

Freight forwarding revenue

Freight forwarding revenue will continue to be recognised at a point in time, when the services are rendered to the customer.

Other operating revenues

Rental income

Rental income from investment properties is accounted over time.

Investment and dividend income

Income from investments is accounted at a point in time when the right to receive the income is established.

Interest income

Interest income is recognised as interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset, such as in the case of asset impairments.

Finance costs

Finance costs comprise interest on borrowings (bank loans and overdrafts). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are expensed in profit or loss using the effective interest method.

Taxation

Taxes are calculated based on tax laws and regulations in jurisdictions in which the Group operates. The amount of the tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent it is probable that taxable profit will be available to utilise these. Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used

3. Significant Accounting Policies (Continued)

Property, vessels and equipment

Property, vessels and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any impairment in value. The cost of property, vessels and equipment includes all directly attributable costs including the borrowing costs that are directly attributable to the construction of the asset.

Depreciation is provided on a straight-line basis on all property, vessels and equipment. The estimated residual value at the end of the estimated useful life is also considered in the depreciation of vessels. The rates of depreciation are based on the following estimated useful lives of the depreciable assets:

Buildings	25 - 35 years
New vessels	20 - 40 years
Used vessels	3 - 25 years
Barges and containers	10 - 20 years
Used containers	3 - 5 years
Machinery, equipment and tools	4 - 10 years
Furniture and fittings	3 - 5 years
Motor vehicles	3 - 7 years

The carrying amounts of property, vessels and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property, vessels and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, vessels and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred. Dry-docking and special survey costs are recognised in the carrying amount of ships when incurred and depreciated over the period until the next dry-docking which is generally over a period of 3 to 5 years.

An item of property, vessels and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognised.

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

Capital work-in-progress

The costs of capital work-in-progress consist of the contract value and directly attributable costs of developing and bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Capital work-in-progress in terms of vessels consist of cost recognised based on the milestones of the progress of work done as per contracts entered into by the Group with shipbuilders.

The costs of capital work-in-progress will be transferred to property, vessel and equipment when these assets reach their working condition for their intended use. The carrying amounts of capital work-in-progress are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying amounts exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Right-of-use assets

Recognition and measurement

Right-of-use assets are recognized at the lease commencement date at cost, which comprises the initial amount of the lease liability (see accounting policy "Lease liabilities") adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

3. Significant Accounting Policies (Continued)

Right-of-use assets (Continued)

Subsequent measurement

Items of right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of a right-of-use asset using the straight-line method over the earlier of the lease term and its useful life. It is depreciated over its useful life, if the lease agreement either transfers ownership of the right-of-use asset to the Group by the end of the lease term or reflects that the Group will exercise a purchase option at the end of the lease term.

Derecognition

An item of a right-of-use asset is derecognised at the earlier of the end of the lease term, cancellation of lease contract, or transfer of control of the underlying asset. In case control of the underlying asset passes to the Group, the carrying value of the right-of-use asset is reclassified to property and equipment.

Investment property

Land and buildings are considered as investment properties only when they are being held to earn rentals or for long term capital appreciation or both.

Investment properties are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated. The cost of property includes all directly attributable costs including the borrowing costs that are directly attributable to the construction of the assets and excludes the cost of day-to-day servicing of an investment property.

Depreciation on buildings is calculated on a straight-line basis over the estimated useful life of 25 years.

The carrying amounts of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement as the expense category that is consistent with the function of the intangible assets.

The useful life of intangible assets acquired on business combination is amortized over the expected duration of the contract which is over a period of 19 & 21 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

3. Significant Accounting Policies (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement to have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method except where Group opts to measure venture capital investments under FVTPL.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated income statement outside operating profit and represents profit.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. The Group determines whether there are any indicators that the investment in the associate or joint venture is impaired.

If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as "Share of profit of an associate and a joint venture" in the consolidated income statement.

Upon loss of significant influence over an associate or joint control over a joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of an associate or a joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Financial instruments

i. Recognition and initial measurement

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

ii. Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified at:

- Amortised cost - if it meets both of the following conditions and is not designated as at 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 (SPPI) on the principal amount outstanding.
- Fair Value Through Other Comprehensive Income (FVOCI) - if it meets both of the following conditions and is not designated as at FVTPL:
  - it is held within a business model whose objective achieved by both collecting contractual cash flows and selling financial assets; and
  - its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.
- Fair Value Through Profit or Loss (FVTPL) - All financial assets not classified as measured at amortised cost or FVOCI as described above.

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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.

The Group has classified on initial recognition its trade and other receivables, cash and cash equivalents, investments in term deposit receipts and loans granted to LNG companies at amortised cost.

Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are SPPI

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 SPPI, 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:

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

ii. Classification and subsequent measurement of financial assets (continued)

Assessment whether contractual cash flows are SPPI (continued)

- 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 SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional 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 additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated income statement. Any gain or loss on derecognition is recognised in consolidated income statement.
- Financial assets at Fair Value Through Profit or Loss (FVTPL) - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in consolidated income statement.
- Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in consolidated income statement. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to consolidated income statement.
- Equity investments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Dividends are recognised as income in consolidated income statement 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 derecognised to consolidated income statement.

iii. Classification, subsequent measurement and gains and losses on financial liabilities

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 consolidated income statement.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement. Any gain or loss on derecognition is also recognised in the income statement.

iv. 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 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 derecognised.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

iv. 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 the income statement.

v. 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.

vi. Derivative financial instruments and hedging

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated income statement.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to income statement in the same period or periods during which the hedged expected future cash flows affect income statement.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

vi. Derivative financial instruments and hedging (continued)

Cash flow hedges (continued)

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to income statement in the same period or periods as the hedged expected future cash flows affect income statement.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to consolidated income statement.

Loans granted to LNG companies / related party
Loans and receivables are non-derivative financial assets. The losses arising from impairment are recognised in the consolidated income statement. Refer to the policy on Financial instruments for recognition and measurement of these loans.

Impairment
i. Non-derivative financial assets
The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost and debt investments measured at FVOCI. The Group does not hold debt investments measured at FVTPL and contract assets.

The Group measures loss allowance either at an amount equal to:
- lifetime ECLs, which are those ECLs that result from all possible default events over the expected life of a financial instruments; or
- 12-month ECLs, which includes the portion of ECLs that results 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).

For trade receivables, the Group applied the simplified approach to measuring ECLs which recognises the lifetime ECLs of these assets that reflect an increased credit risk. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

For all other financial assets, the Group applies the 12-month ECL as detailed above.

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 and including forward looking information.

Loss allowances on bank balances and debt investments measured at FVOCI are always measured at an amount equal to 12-month ECLs. The Group considers cash and cash equivalents and investments in term deposit to have a low risk level when their credit risk rating is equivalent to the globally understood definition of "investment grade".

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). Cash flows are discounted at the effective interest rate of the financial asset.

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

3. Significant Accounting Policies (Continued)
Impairment (Continued)
i. Non-derivative financial assets (continued)
Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of impairment

Notes to the Consolidated Financial Statements (Continued)
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Provision for impairment of trade receivables is deducted from gross carrying value of trade receivables and impairment losses relating to trade receivables are separately presented in the consolidated income statement.

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. 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
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

Stores, spares and goods for sale	- Purchase cost on a weighted average basis
Work in progress	- Cost of direct materials, labour and direct overheads

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Cash and cash equivalents
For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Share capital
Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Repurchase, disposal and reissue of share capital (treasury shares)
When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in its own equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented separately in the equity.

3. Significant Accounting Policies (Continued)
Leases
Leases - Group as a lessee
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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the

period of use; and

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Where it is established that the Group is a lessee, a right-of-use asset (refer accounting policy "Right-of-use assets") and a lease liability are recognized at the lease commencement date.

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 incremental borrowing rate is used.

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

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

Lease liabilities are subsequently measured at amortised cost using the effective interest method.

A lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - Group as a lessor

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the statement of financial position as property and equipment. Lease income is recognized over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract. There are no variable lease payments that depend on an index or a rate.

3. Significant Accounting Policies (Continued)

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provision for employees' end of service benefits

End of service gratuity plans

The Group provides end of service benefits to its eligible employees in accordance with employment contracts and Qatar Law No. 14 of 2004, the Labour Law. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Management does not perform an actuarial valuation as required by International Accounting Standard 19 "Employee Benefits" as it estimates that such valuation does not

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

result to a significantly different level of provision. The provision is reassessed by management at the end of each year, and any change to the provision for employees' end of service benefits is adjusted in the profit or loss.

Pension plan

Under Law No. 24 of 2002 on Retirement and Pension, the Group is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange ruling at date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the exchange rate ruling at reporting date. Any gain or loss arising from changes in exchange rates is recognised in the consolidated income statement.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the year in which the dividends are appropriately authorized for payment.

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 ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group's Top Management (being the chief operating decision maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

3. Significant Accounting Policies (Continued)

Current versus non-current classification

The Group presents assets and liabilities based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Current versus non-current classification
A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Fair value measurement
The Group measures financial instruments, such as derivatives, at fair value at each reporting date.

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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.

3. Significant Accounting Policies (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

4. Operating Revenues

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major revenue streams. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 "Operating Segments" (see Note 35).

	2022 QR'000	2021 QR'000
Disaggregation of revenue		
Milaha Capital (1)	**493,647**	368,271
Milaha Maritime and Logistics	**1,194,626**	992,105
Milaha Offshore	**1,211,586**	964,482
Milaha Trading	**166,793**	204,659
Milaha Gas and Petrochem	**218,604**	254,356
	3,285,256	2,783,873

(1) Revenues of Milaha Capital comprise the following:

	2022 QR'000	2021 QR'000
Rental income	**91,263**	79,407
Dividend income	**139,556**	114,604
Sale of quarries and building material	**218,729**	148,047
Net fair value loss on equity instruments at FVTPL	**(3,350)**	(4,203)
Interest on bonds and deposits	**47,449**	30,416
	493,647	368,271

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Of the total revenues, the Group has recognized QR 2,716,079 thousand (2021: QR 2,290,350 thousand) over time and QR 569,177 thousand (2021: 493,523 thousand) at a point in time.

5. Other Operating Expenses

	2022 QR'000	2021 QR'000
Professional fees	**42,861**	45,753
Claims and insurance	**33,850**	37,042
Communication and utilities	**27,060**	22,417
Registration, certifications and formalities	**16,174**	13,499
Provision for slow moving inventories (Note 15)	**230**	904
Travel and entertainment	**16,268**	19,535
Security and safety	**11,855**	10,877

Office supplies and expenses	**9,582**	10,821
Marketing, sponsorship and gifts	**3,814**	3,181
Miscellaneous expenses	**19,210**	50,304
	180,904	214,333

6. Basic and Diluted Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of shares outstanding during the year. The diluted earnings per share based on the issued shares are equal to the basic earnings per share.

	2022	2021
Net profit for the year attributable to equity holders of the Parent (QR'000)	**1,012,738**	724,154
Weighted average number of shares (000's) (1)	**1,136,165**	1,136,165
Basic earnings per share (QR)	**0.89**	0.64

Diluted earnings per share

The diluted earnings per share (hereafter "EPS") is calculated by dividing the profit for the year attributable to the ordinary shareholders of the Company by the weighted-average number of shares outstanding during the year after adjustment for the effects of any dilutive potential ordinary shares. As the Company had no dilutive potential ordinary shares during the current year and the comparative year, the Diluted EPS is the same as the Basic EPS for both these years.

(1) The weighted average numbers of shares have been calculated as follows:

	2022	2021
Total number of shares outstanding (000's) (Note 20)	**1,136,165**	1,145,252
Adjustment for weighted average shares with respect to treasury shares (000's) (Note 21)	**-**	(9,087)
Weighted average numbers of shares during the year (000's)	**1,136,165**	1,136,165

7. Property, Vessels and Equipment

	Land QR'000	Buildings QR'000	Vessels, containers and barges QR'000	Machinery, equipment and tools QR'000	Furniture and Fittings QR'000	Motor vehicles QR'000	Capital work in progress QR'000	Total QR'000
Cost								
At 1 January 2021	393	595,067	5,070,358	463,471	41,344	66,987	216,800	6,454,420
Additions	-	254	104,175	15,280	39	946	101,907	222,601
Transfers and reclassifications	(393)	(11,065)	129,768	4,657	27	80	(137,864)	(14,790)
Disposals and write offs	-	(17,134)	(538,128)	(41,567)	(3,088)	(10,889)	-	(610,806)
At 31 December 2021/ 1 January 2022	**-**	**567,122**	**4,766,173**	**441,841**	**38,322**	**57,124**	**180,843**	**6,051,425**
Additions	**-**	**1,920**	**40,018**	**10,822**	**676**	**13,955**	**158,967**	**226,358**
Transfers and reclassifications	**-**	**(11,601)**	**114,153**	**1,706**	**638**	**1,037**	**(118,834)**	**(12,901)**
Disposals and write offs	**-**	**-**	**(152,472)**	**(26,242)**	**(1,089)**	**(1,532)**	**-**	**(181,335)**
At 31 December 2022	**-**	**557,441**	**4,767,872**	**428,127**	**38,547**	**70,584**	**220,976**	**6,083,547**
Accumulated depreciation & impairment								
At 1 January 2021	-	221,962	2,574,812	310,408	39,222	57,620	-	3,204,024
Charge for the year	-	20,552	180,759	19,489	1,034	2,466	-	224,300
Impairment (Note ii)	-	-	32,917	-	-	-	65,708	98,625
Transfers and reclassifications	-	(10,850)	-	248	-	80	-	(10,522)
Disposals and write offs	-	(16,814)	(399,095)	(40,139)	(3,091)	(10,890)	-	(470,029)
At 31 December 2021/ 1 January 2022	**-**	**214,850**	**2,389,393**	**290,006**	**37,165**	**49,276**	**65,708**	**3,046,398**
Charge for the year	**-**	**19,387**	**194,460**	**20,188**	**791**	**2,797**	**-**	**237,623**
Impairment (Note ii)	**-**	**85,522**	**12,721**	**-**	**-**	**-**	**-**	**98,243**
Transfers and reclassifications	**-**	**(6,381)**	**-**	**(687)**	**(8)**	**-**	**-**	**(7,076)**
Disposals and write offs	**-**	**-**	**(106,529)**	**(23,708)**	**(1,079)**	**(1,548)**	**-**	**(132,864)**
At 31 December 2022	**-**	**313,378**	**2,490,045**	**285,799**	**36,869**	**50,525**	**65,708**	**3,242,324**
Carrying amounts								
At 31 December 2021	-	352,272	2,376,780	151,835	1,157	7,848	115,135	3,005,027
At 31 December 2022	**-**	**244,063**	**2,277,827**	**142,328**	**1,678**	**20,059**	**155,268**	**2,841,223**

7. Property, Vessels and Equipment (Continued)

Notes:

(i) The encumbrances and liens on property, vessels and equipment are disclosed in Note 26.

(ii) Impairment losses for the current reporting period relate to a warehouse building and a vessel, which was written down by QAR 86 million and QAR 13 million respectively, following an exercise performed to evaluate the net present values. In the comparative period 10 vessels and 2 equipments under construction were written down by QAR 99 million. The values assigned reflect key assumptions which represent management's assessment of future trends in the logistics and warehousing industry, cash flow projection of revenues and costs and the weighted average cost of capital to discount the future cash flows to present value. The key assumptions used in the estimation of the recoverable amount are set out in Note 38.

8. Investment Property

	Land QR'000	Building QR'000	Investment properties under constructions QR'000	Total QR'000
Cost				
At 1 January 2021	162,423	958,326	12,401	1,133,150
Additions during the year	-	13,591	6,906	20,497
Transfers and reclassifications	393	14,689	(1,155)	13,927
At 31 December 2021/ 1 January 2022	**162,816**	**986,606**	**18,152**	**1,167,574**
Additions during the year	**-**	**29,926**	**111,001**	**140,927**
Transfers and reclassifications	**-**	**117,395**	**(105,003)**	**12,392**
At 31 December 2022	**162,816**	**1,133,927**	**24,150**	**1,320,893**
Accumulated depreciation				
At 1 January 2021	-	334,311	-	334,311
Charge for the year	-	40,382	-	40,382
Transfers and reclassifications	-	10,527	-	10,527
At 31 December 2021/ 1 January 2022	**-**	**385,220**	**-**	**385,220**
Charge for the year	**-**	**44,177**	**-**	**44,177**
Transfers and reclassifications	**-**	**7,077**	**-**	**7,077**
At 31 December 2022	**-**	**436,474**	**-**	**436,474**
Carrying amounts				
At 31 December 2021	162,816	601,386	18,152	782,354
At 31 December 2022	**162,816**	**697,453**	**24,150**	**884,419**

8. Investment Property (Continued)

Notes:

(i) All investment properties are located in the State of Qatar.

(ii) As at 31 December 2022 the fair value of investment properties at freehold land was QR 2,071,958,760 (2021: QR 1,943,370,000). Investment properties have been fair valued by an accredited independent valuer with recognised and relevant professional qualifications and recent experience in the location and category of investment properties being valued.

(iii) During the year the Group earned rental income amounting to QR 90,710,392 (2021: QR 77,268,862) from its investment properties. Direct operating expenses related to investment properties (including depreciation) amounting to QR 67,517,622 (2021: QR 62,620,024) have been included within operating expenses.

(iv) As at 31 December 2022 the cost of investment properties built on leasehold land was QR 46,759,044 (2021: QR 37,273,572).

9. Intangible Assets

	Customer contracts QR'000	Computer Software QR'000	Goodwill QR'000	Total QR'000
Cost				
At 1 January 2021	184,000	53,520	7,292	244,812
Additions	-	197	-	197
Disposals	-	(1,150)	-	(1,150)
Transfers	-	863	-	863
At 31 December 2021/ At 1 January 2022	**184,000**	**53,430**	**7,292**	**244,722**
Additions	**-**	**1,245**	**-**	**1,245**
Disposals	**-**	**(378)**	**-**	**(378)**
Transfers	**-**	**476**	**-**	**476**
At 31 December 2022	**184,000**	**54,773**	**7,292**	**246,065**
Accumulated amortisation & impairment				
At 1 January 2021	51,669	41,555	-	93,224
Charge for the year	9,394	3,375	-	12,769
Impairment (i)	41,710	-	7,292	49,002
Disposals	-	(1,056)	-	(1,056)
Transfers	-	(5)	-	(5)
At 31 December 2021/ At 1 January 2022	**102,773**	**43,869**	**7,292**	**153,934**
Charge for the year	**6,085**	**3,298**	**-**	**9,383**
Impairments (i)	**66,704**	**779**	**-**	**67,483**
Disposals	**-**	**(360)**	**-**	**(360)**
At 31 December 2022	**175,562**	**47,586**	**7,292**	**230,440**
Carrying amounts				
At 31 December 2021	81,227	9,561	-	90,788
At 31 December 2022	**8,438**	**7,187**	**-**	**15,625**

Notes:

(i) The customer contracts were allocated to their respective cash generating units and the carrying amounts were compared to their recoverable amounts, which resulted in an impairment of QR 67 million for the customer contracts (QAR 7million for goodwill and QR 42million for customer contracts respectively in the comparative periods).

10. Right-Of-Use Assets

The right-of-use assets relate to leasehold lands, vessels, warehouses and offices, with lease terms ranging from 2 to 15 years.

	2022 (QR'000)			2021 (QR'000)		
	Vessels	**Land & Buildings**	**Total**	Vessels	Land & Buildings	Total
Carrying amount at 1 January	**106,989**	**36,906**	**143,895**	189,509	38,404	227,913
Additions	**173,880**	**6,022**	**179,902**	19,688	2,004	21,692
Adjustments for lease modifications	**(7,342)**	**(301)**	**(7,643)**	(3,299)	-	(3,299)
Termination	**(22,445)**	**(5,383)**	**(27,828)**	(12,178)	-	(12,178)
Depreciation	**(74,389)**	**(4,347)**	**(78,736)**	(86,731)	(3,502)	(90,233)
Carrying amount at 31 December	**176,693**	**32,897**	**209,590**	106,989	36,906	143,895

11. Investments In Joint Ventures

Investments in joint ventures

The Group has following investments in Joint Ventures:

Name of the entity	**Country of incorporation**	**Group effective ownership**	
		2022	2021
Gulf LPG Transport Company W.L.L. (a)	Qatar	**50%**	50%
Qterminals L.L.C (b)	Qatar	**49%**	49%

a) Gulf LPG Transport Company W.L.L.

Gulf LPG Transport Company W.L.L ("GLPG") is a limited liability company established together with Qatar Gas Transport Company Q.P.S.C. (NAKILAT). Gulf LPG aims to provide various activities of owning, managing and operating liquid gas transporting ships.

b) Qterminals L.L.C.

Qterminals L.L.C. (Qterminals) was legally incorporated on 10 May 2017 with the Commercial Registration number 98511. The shareholding structure of Qterminals is 51% owned by Qatar Ports Management Company ("Mwani Qatar") and 49% owned by Milaha. The purpose of the company is to operate ports, managing the port activities including the new Hamad Port based on an agreement signed between Milaha and Mwani Qatar during December 2016.

Based on the concession agreement dated 1 October 2017, Qterminals L.L.C. accepted the delegation of the concession rights. The concession agreement compliments the terms of the shareholders' agreement signed by the by the shareholders of Qterminals, which requires the incorporation of a new company (Qterminals L.L.C.). In line with the overall arrangement, the Group transferred the concession rights to Qterminals amounting to QR 416,108,000. Accordingly the delegated concession rights has been accounted for as an investment in the books of Milaha. The concession agreement stipulates in the event of force majeure, the concession rights reverts back to Milaha.

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

11. Investments in Joint Arrangements (Continued)

Share of joint ventures' summarised statement of financial position:

	2022 (QR'000)			2021 (QR'000)		
	Qterminals	**Gulf LPG Transport Company W.L.L**	**Total**	Qterminals	Gulf LPG Transport Company W.L.L	Total
Current assets	**245,252**	**56,479**	**301,731**	243,200	51,328	294,528
Non-current assets	**934,861**	**284,917**	**1,219,778**	809,068	306,025	1,115,093
Current liabilities	**(111,022)**	**(186,747)**	**(297,769)**	(128,292)	(22,735)	(151,027)
Non-current liabilities	**(527,116)**	**-**	**(527,116)**	(425,738)	(182,017)	(607,755)
Net assets	**541,975**	**154,649**	**696,624**	498,238	152,601	650,839
Concession rights	**328,202**	**-**	**328,202**	342,853	-	342,853
Carrying value of investments	**870,177**	**154,649**	**1,024,826**	841,091	152,601	993,692

Share of joint ventures' summarized income statement and statement of comprehensive income :

	2022 (QR'000)			2021 (QR'000)		
	Qterminals	**Gulf LPG Transport Company W.L.L**	**Total**	Qterminals	Gulf LPG Transport Company W.L.L	Total
Operating revenue	**458,796**	**74,511**	**533,307**	458,686	84,150	542,836
Operating supplies and expenses	**(105,123)**	**(26,806)**	**(131,929)**	(112,571)	(26,655)	(139,226)
Depreciation and amortisation	**(57,974)**	**(16,820)**	**(74,794)**	(38,608)	(18,151)	(56,759)
Other operating expenses	**(109,954)**	**(1,757)**	**(111,711)**	(112,913)	(1,950)	(114,863)
Operating profit	**185,745**	**29,128**	**214,873**	194,594	37,394	231,988
Finance costs (net)	**(16,522)**	**(6,646)**	**(23,168)**	(7,749)	(4,400)	(12,149)
Income tax	**(12,012)**	**(459)**	**(12,471)**	(14,414)	(515)	(14,929)
Profit for the year	**157,211**	**22,023**	**179,234**	172,431	32,479	204,910

Reconciliation of the summarised financial information presented to the carrying amount of its investment in joint ventures:

	2022 QR'000	2021 QR'000
At 1 January	**993,692**	964,407
Share of results of joint ventures	**179,234**	204,910
Dividends received	**(148,100)**	(175,625)
At 31 December	**1,024,826**	993,692

12. Investments in Associates

The Group has the following investment in associates:

	Country of incorporation	Ownership %		Profit Sharing %	
		2022	2021	**2022**	2021
Cargotec Qatar W.L.L. (i), (viii), (ix)	Qatar	**51.0%**	51.0%	**40.0%**	40.0%
Iraq-Qatar Transport and Shipping Services Com. Ltd (ii), (viii), (ix)	Iraq	**51.0%**	51.0%	**51.0%**	51.0%
Hapag - Lloyd Qatar W.L.L. (Formerly: United Arab Shipping Agency Company W.L.L.) (iii), (viii), (ix)	Qatar	**51.0%**	51.0%	**20.0%**	30.0%
Qatar Gas Transport Company Limited (NAKILAT) Q.P.S.C. (iv)	Qatar	**36.3%**	36.3%	**36.3%**	36.3%
Camartina Shipping INC. (v),(x)	Liberia	**29.4%**	29.4%	**29.4%**	29.4%
Peninsula LNG Transport No. 1 Ltd. (vi),(ix)	Liberia	**29.4%**	29.4%	**29.4%**	29.4%
Peninsula LNG Transport No. 2 Ltd. (vi),(ix)	Liberia	**29.4%**	29.4%	**29.4%**	29.4%
Peninsula LNG Transport No. 3 Ltd. (vi),(ix)	Liberia	**29.4%**	29.4%	**29.4%**	29.4%
Man Diesel & Turbo Qatar Navigation W.L.L.(vii),(viii), (ix)	Qatar	**51.0%**	51.0%	**35.0%**	35.0%

Notes:

(i) Cargotec Qatar W.L.L. is engaged in providing maintenance and repair of marine, land based cargo access and control system to off-shore and on-shore oil services and gas facilities.

(ii) Iraq-Qatar Transport and Shipping Services Company Ltd. is engaged in providing transportation and shipping logistics and is yet to commence commercial operations.

(iii) Hapag - Lloyd Qatar W.L.L. is engaged in providing cargo and shipping services.

(iv) Qatar Gas Transport Company Limited (NAKILAT) Q.P.S.C. is engaged in the sector of gas transportation either through its own ocean-going vessels or by investing in joint ventures with other parties.

(v) Camartina Shipping INC. is engaged in operation of a time charter of 135,000 m³ Liquefied Natural Gas (LNG) vessel.

(vi) Peninsula LNG Transport Ltd No's 1, 2 & 3 were established to acquire, own, and operate a time charter Liquefied Natural Gas (LNG) vessel.

(vii) Man Diesel & Turbo Qatar Navigation W.L.L. is engaged in trading and maintenance of marine engines, equipment's and spare parts.

(viii) Even though the share ownership in the companies listed in point (i), (ii), (iii) and (vii) is more than 50%, the Group has only a significant influence over financial and operating policies. Therefore these companies have not been considered as subsidiaries of the Group.

(ix) The consolidated financial statements have been prepared based on the management accounts of these entities as of the reporting date.

12. Investments in Associates (Continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates:

	2022 QR'000	2021 QR'000
At 1 January	**6,605,230**	6,001,739
Share of results	**542,025**	475,988
Share of net movement in other comprehensive income	**643,269**	350,381
Dividends received	**(242,315)**	(222,878)
At 31 December	**7,548,209**	6,605,230

Set out below are the summarised financial information for investments in associates which are accounted for using equity method.

Share of associates' summarised statement of financial position:

	2022 (QR'000)			2021 (QR'000)		
	Nakilat	**Other associates**	**Total**	Nakilat	Other associates	Total
Current assets	**2,118,107**	**138,365**	**2,256,472**	1,563,311	140,486	1,703,797
Non-current assets	**10,323,595**	**391,281**	**10,714,876**	10,276,019	463,224	10,739,243
Current liabilities	**(1,507,423)**	**(53,249)**	**(1,560,672)**	(1,339,542)	(63,130)	(1,402,672)
Non-current liabilities	**(6,681,308)**	**(218,028)**	**(6,899,336)**	(7,193,394)	(278,613)	(7,472,007)
Interest in associate	**4,252,971**	**258,369**	**4,511,340**	3,306,394	261,967	3,568,361
Goodwill	**3,036,869**	**-**	**3,036,869**	3,036,869	-	3,036,869
Carrying value of investment	**7,289,840**	**258,369**	**7,548,209**	6,343,263	261,967	6,605,230

Share of associates' summarised income statement and statement of comprehensive income:

	2022 (QR'000)			2021 (QR'000)		
	Nakilat	**Other associates**	**Total**	Nakilat	Other associates	Total
Operating revenue	**1,501,047**	**64,528**	**1,565,575**	1,501,462	91,332	1,592,794
Profit *	**527,653**	**14,372**	**542,025**	459,637	16,351	475,988
Other comprehensive income	**633,302**	**9,967**	**643,269**	345,971	4,410	350,381
Dividends received	**240,972**	**1,343**	**242,315**	220,892	1,986	222,878

* Share of profit from Nakilat has been computed after the deduction of 2.5% for social and sports fund.

13. Financial Assets at FVOCI

The financial assets at FVOCI are analyzed as follows:

	2022 QR'000	2021 QR'000
Quoted equity investments in local companies (i)(ii)	**2,008,902**	3,167,558
Unquoted investments in foreign companies	**96,505**	-
Unquoted equity investments in local companies (iii)	**81,603**	80,985
Investments in bonds	**379,494**	308,326
	2,566,504	3,556,869

(i) Equity securities at FVOCI comprise direct investments in shares and investments with fund managers. Below is the summary of quoted equity investments:

	Fair value QR'000		Dividend received QR'000	
	2022	2021	**2022**	2021
Banking & Insurance companies	**1,034,389**	2,157,358	**55,155**	56,352
Industrial sector companies	**892,790**	865,519	**40,388**	35,190
Other sectors	**81,723**	144,681	**4,702**	634
	2,008,902	3,167,558	**100,245**	92,176

(ii) Quoted shares in local companies with a fair value of QR 38,940,000 as of 31 December 2022 (2021: QR 36,520,000) are frozen for trading.

(iii) Unquoted equity investments in local comprise shares in companies in which the Group is a founder shareholder.

14. Loans Granted to LNG Companies

The Group has provided loans to the following LNG companies. These loans carry interest at market rates.

Name of LNG companies	Company operating the LNG companies
• India LNG Transport Company No.1 Ltd	• Shipping Corporation of India Ltd
• Camartina Shipping INC, Liberia	• Mitsui OSK Lines
• India LNG Transport Company No.2 Ltd., Malta	• Shipping Corporation of India Ltd
• Peninsula LNG Transport No. 1 Ltd, Liberia	• NYK
• Peninsula LNG Transport No. 2 Ltd, Liberia	• K Line
• Peninsula LNG Transport No. 3 Ltd, Liberia	• Mitsui OSK Lines

The loans to the above LNG companies included the following:

	2022 QR'000	2021 QR'000
Loan principal	**102,297**	125,144
Accrued interest	**-**	52
	102,297	125,196

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

15. Inventories

	2022 QR'000	2021 QR'000
Heavy vehicles and spare parts	**61,530**	47,842
Gabbro and aggregate	**19,659**	26,473
Other inventories	**42,466**	36,985
	123,655	111,300
Provision for slow-moving inventories (i)	**(8,710)**	(8,480)
	114,945	102,820

(i) The movements in the provision for slow-moving inventories were as follows:

	2022 QR'000	2021 QR'000
At 1 January	**8,480**	7,576
Provision made during the year	**230**	904
At 31 December	**8,710**	8,480

16. Trade and Other Receivables

	2022 QR'000	2021 QR'000
Trade receivables (gross)	**527,690**	476,365
Less: Provision for impairment of trade receivables (i)	**(125,502)**	(107,085)
Trade receivable (net)	**402,188**	369,280
Notes receivable	**9,204**	8,380
Unbilled income	**296,513**	220,102
Staff receivables (ii)	**44,142**	41,518
Prepaid expenses	**50,589**	54,139
Advances made to suppliers	**39,850**	42,970
Receivables from related parties (Note 34)	**3,529**	6,083
Positive fair value of interest rate swaps	**34,974**	-
Other receivables (net) (iii) (iv)	**155,198**	136,648
	1,036,187	879,120

(i) The movements in the provision for impairment of trade receivables were as follows:

	2022 QR'000	2021 QR'000
At 1 January	**107,085**	100,356
Provision made during the year (iv)	**18,969**	10,486
Provision utilised	**(552)**	(3,757)
At 31 December	**125,502**	107,085

(ii)Staff receivables consists of loans obtained against end of service benefits.
(iii)Other receivables mainly comprise of deposits with government agencies, tax receivables, pending insurance claims and customs charges paid on behalf of customers and yet to be billed.

16. Trade and Other Receivables (Continued)

(iv) Expected credit losses in the consolidated income statement comprise of the following:

	2022 QR'000	2021 QR'000
ECL on trade receivables	**18,969**	10,486
ECL on other receivables	**26,194**	-
At 31 December	**45,163**	10,486

17. Equity Instruments At FVTPL

	2022 QR'000	2021 QR'000
Listed equity securities - held for trading:		
Qatar Stock Exchange	**204**	153
Venture capital investment in a joint venture (i)	**501,546**	504,896
	501,750	505,049

Notes:
(i)During December 2021, the Group made an equity investment in a jointly controlled venture capital and accounted for this at FVTPL, applying the exemption of IAS 28 "Investments in Associates and Joint Ventures". As at the reporting date, the Group's share of net asset value of the investee amounted to QR 505 million (2021:QR 122.8 million). During the year 2021, loans provided to the above entities amounting to QR 392.6 million were converted to share capital in those relevant entities. This is a non-cash transaction.

18. Investments In Term Deposits

	2022 QR'000	2021 QR'000
Term deposits with banks	**1,237,442**	396,194
Term deposits maturing within 90 days (Note 19)	**-**	(46,092)
Term deposits maturing after 90 days	**1,237,442**	350,102

Short-term deposits earn interests at market rates and these are with an original maturity of over 90 days.

19. Cash and Cash Equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise of following:

	2022 QR'000	2021 QR'000
Cash at bank	**225,421**	254,124
Cash in hand	**4,631**	4,570
	230,052	258,694
Term deposits maturing within 90 days (Note 18)	**-**	46,092
Cash and cash equivalents	**230,052**	304,786

Included in cash at bank is an amount of QAR 19mn which is restricted in use.

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

20. Share Capital

	Number of shares ('000')	QR'000
Authorised, issued and fully paid shares		
At 31 December 2022 :		
shares with nominal value of QR 1 each (i)	**1,136,165**	1,136,165

(i) All shares have equal rights.

21. Treasury Shares

Following the extraordinary General Meeting held on 8 November 2021, approving the cancellation of the outstanding treasury shares and receiving subsequent approvals from the QFMA on the 9th of January 2022, treasury shares amounting to QR 9,087,250 were cancelled. This resulted in the reduction in the share capital amounting to QR 9,087,250 with the corresponding adjustment affecting the fair value of treasury shares and the retained earnings.

22. Legal Reserve

In accordance with Qatar Commercial Companies Law No.11 of 2015 and Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company has resolved to discontinue such annual transfers as reserve totals 50% of the issued capital.

The legal reserve includes QR 360,000,000, QR 661,050,000 and QR 3,495,400,000 relating to share premium arising from the rights issue of shares in years 2004, 2008 and 2010 respectively.

The reserve is not available for distribution except in the circumstances stipulated in the Qatar Commercial Companies Law No. 11 of 2015, as amended by Law No. 8 of 2021.

23. General Reserve

In accordance with the Company's Articles of Association, the general assembly based on a Board of Directors' proposal may decide to transfer a portion of the net profit to a general reserve. This reserve may be used in any manner as decided by the General Assembly.

24. Derivative Financial Instruments

Cash flow hedges:
At 31 December 2022, the Group had cash flow hedges to hedge their exposure to interest rate risk which is as follows:

Halul Offshore Services W.L.L.:
At 31 December 2022, Halul Offshore Services Company W.L.L. had an interest rate swap agreement in place with a notional amount of USD 59,400,000 (translated to QR 216,810,000), whereby it received a variable rate of USD 3-month LIBOR and paid a fixed rate of 1.985% on the notional amount. In 2018, the company restructured its loan with the lender from 3-month LIBOR to 1 month LIBOR and entered into another hedging arrangement to cover the differential exposure (Pay 3 month LIBOR and receive 1 month LIBOR + 7 basis points). Both the arrangements are with the same party and are agreed to be settled on a net basis. In 2021, Group entered into another interest rate swap agreement for a loan with notional amount of USD 46,079,450 (translated to QR 168,189,992) as of 31 December 2022, whereby it received a variable rate of USD 3-month LIBOR and paid a fixed rate of 1.23% on the notional amount.

The above swaps are being used to hedge the exposure to interest rate fluctuations on its loans. The loan facility and the interest rate swaps have the same critical terms and the cash flow hedge is assessed to be

24. Derivative Financial Instruments (Continued)

highly effective. The fair value of the interest rate swaps is calculated by reference to the market valuation of the swap agreements.

Halul Offshore Services Company W.L.L. has recognised a fair value gain on its interest rate swaps of QR 25,432,787 as at 31 December 2022 (QR 15,028,200 for 2021) in respect of the effective portion of hedge. At 31 December 2022, the carrying value of the interest rate swaps amounts to QR 18,787,108 (negative QR 6,645,679 for 2021).

Milaha Ras Laffan GmbH & Co. KG ("KG 1") and Milaha Qatar GmbH & Co. KG ("KG 2"):
As a result of the business combination of KG 1 and KG 2 entities, the interest rate swap agreements entered by these two entities were absorbed by the Group. KG 1 and KG 2 had an interest rate swap agreement in place with a notional amount of USD 80,362,538 (translated to QR 293,323,265) and USD 81,971,562 (translated to QR 299,196,203), respectively, whereby it receives a variable rate of USD 3 months LIBOR and pays a fixed rate interest of 2.685% on the notional amount. The swap is being used to hedge the exposure to interest rate fluctuations on the loans. The loan facilities and the interest rate swaps have the same critical terms. These cash flow hedges are assessed to be highly effective. The fair value of the interest rate swaps are calculated by reference to the market valuation of the swap agreements.

KG1 and KG2 recognised fair value gain on its interest rate swaps of USD 5,097,856 (translated to QR 18,607,175) and USD 5,199,926 (translated to QR 18,979,730) in the current reporting period. As at 31 December 2022, the carrying values of the interest rate swaps for KG 1 and KG 2 amounts to USD 2,195,423 (translated to QR 8,013,295) and USD 2,239,380 (translated to QR 8,173,737).

25. Dividends

Dividend proposed
The Board of Directors have proposed a 35% cash dividend of QR 0.35 per share totaling QR 398 million for the year 2022 which is subject to the approval of the equity holders at the Annual General Assembly.

Dividend declared for the year:

	2022 QR'000	2021 QR'000
Final Dividend (i)	**397,658**	340,849

(i)During the year, following the approval at the Annual General Assembly held on 6 March 2022, the Company paid 30% cash dividend of QR 0.3 per share totaling QR 341 million relating to the year 2021. (2021: QR 0.3 per share, totaling QR 341 million relating to year 2020).

Notes to the Consolidated Financial Statements (Continued)
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26. Loans and Borrowings

	Notes	Interest rate %	Maturity	**2022 QR'000**	2021 QR'000
Loan 1	(i)	LIBOR + 1.4	Dec 2024	**199,750**	239,172
Loan 2	(ii)	LIBOR+1.4	Dec 2024	**168,190**	196,905
Loan 3	(iii)	LIBOR + 1.75	Oct 2022	**-**	167,170
Loan 4	(iv)	LIBOR + 1.7	Dec 2023	**592,210**	657,076
Loan 5	(v)	LIBOR + 2.2	Oct 2023	**96,517**	136,263
Loan 6	(vi)	2.1%	-	**-**	146,000
				1,056,667	1,542,586
Less: Deferred financing costs				**(320)**	(659)
				1,056,347	1,541,927

The loans and borrowings are presented in the consolidated statement of financial position as follows:

	2022 QR'000	2021 QR'000
Current portion	**756,996**	485,267
Non-current portion	**299,351**	1,056,660
	1,056,347	1,541,927

Notes:

(i) Loan 1 represents a facility of USD 135,000,000 (translated to QR 492,750,000). The full draw down of this facility was during March 2017. The repayment will be made in 35 equal quarterly instalments of USD 2,700,000 and a bullet payment for the remaining amount at the final instalment. At the reporting date, the full amount of the facility was utilized. The loan has been hedged against the interest rate exposure

(ii) Loan 2 represents a Murabaha facility of USD 135,000,000 (translated to QR 492,750,000) initially taken to finance the construction of vessels which was subsequently reduced to USD 101 million at the request of the Group. The repayment will be made in 36 equal quarterly instalments of USD 1,966,806 and a bullet payment at maturity of the facility. At the reporting date, the facility was utilised to the extent of USD 101 million. This facility has a mortgage over 8 vessels. The loan has been hedged against the interest rate exposure.

(iii) Loan 3 was obtained to finance the construction of 19 vessels and is repayable in 27 equal quarterly instalments commencing from September 2015 and one final balloon payment of USD 38,600,000 (translated to QR 145 million) at the end of the loan period. This facility has a mortgage over 17 vessels. This loan was fully settled during the current period.

(iv) These loans are recognised as a result of the business combination that occurred during the year 2015. These loans are repayable in 40 quarterly instalments over the period of ten years and a final balloon payment of approximately 50% of the principal borrowed. These loans are secured by the primary mortgage over the vessels (project financing) and a priority pledge of all the issued interest of the entity and issued shares of the General Partner, who manages the vessel operations. This loan has been hedged against interest exposure.

(v) During the year 2020, the Group availed an unsecured and uncommitted Islamic overdraft facility of QR 300 million which was fully utilized as at reporting date. The tenor of the loan is 3 years with an option for the Group to prepay the entire amount without incurring additional cost.

(vi) In the current reporting period the Group has settled the loan facility of USD 40 million (translated to QR 146 million) obtained during 2021 for the purpose of working capital financing. This facility carried an interest of 2.1% fixed.

(vii) The Group has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting period.

27. Advance from a Customer

During year 2011, the Group received an interest free advance from a customer of QR 187,497,000 for the construction of harbour tugs, pilot boats, mooring boats and service boats. These boats are in service by the customer. The advance payment is adjusted through deductions from the certified interim sales invoices to be raised by the Group to customer. An amount equal to 10% of the invoiced amounts will be deducted to settle from each invoice until such time the full amount of the advance payment has been repaid. Based on the work completed to date the amount of the long term payable amounts to QR 82,861,000 (2021: QR 90,821,000).

	2022 QR'000	2021 QR'000
At 1 January, as previously reported	**90,821**	98,947
Payments during the period	**(7,960)**	(8,126)
At 31 December	**82,861**	90,821

28. Lease Liabilities

The movements of finance lease liabilities were as follows:

	2022 QR'000	2021 QR'000
At 1 January, as previously reported	**156,796**	245,105
Additions	**179,902**	19,685
Modifications	**(7,525)**	(3,781)
Termination	**(25,553)**	(12,188)
Payments	**(82,937)**	(92,025)
At 31 December	**220,683**	156,796

The finance lease liabilities are presented in the statement of financial position as follows:

	2022 QR'000	2021 QR'000
Non-current	**139,469**	62,987
Current	**81,214**	93,809
At 31 December	**220,683**	156,796

The total finance cost for 2022 arising from lease liabilities amounted to QR 7.4 million (2021: QR 11.4 million).

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29. Provision for Employees' End of Service Benefits

The movements in the provision recognised in the consolidated statement of financial position are as follows:

	2022 QR'000	2021 QR'000
At 1 January	**110,977**	114,464
Provisions made	**16,240**	16,328
Provisions used	**(8,060)**	(14,812)
Transferred to the pension fund	**(3,061)**	(5,003)
At 31 December	**116,096**	110,977
End of service benefits plans (i)	**115,049**	110,006
Pension plan (ii) (Note 30)	**1,047**	971
At 31 December	**116,096**	110,977

(i) The Group has no expectation of settling its employees' end of service benefits obligation within 12 months from the reporting date and, therefore, it has classified the obligation within non-current liabilities in the statement of financial position. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

(ii) The Pension plan is a defined contribution pension plan and pension obligations that are payable on demand to a Government Pension Fund. Accordingly, these amounts have been disclosed as a current liability.

30. Trade and Other Payables

	2022 QR'000	2021 QR'000
Trade accounts and notes payable	**199,484**	107,264
Accrued expenses	**301,059**	326,112
Advances received from customers	**47,217**	55,656
Payables to related parties (Note 34)	**10,688**	15,884
Negative fair value of interest rate swaps (Note 24)	**-**	28,045
Contribution to social and sports fund (Note 31)	**25,319**	18,104
Pension plan (Note 29)	**1,047**	971
Other payables (i)	**169,688**	258,052
	754,502	810,088

(i) Other payables includes retention payable amounting to QR 3 million (2021: QR 24 million) and dividend payable of QR 51 million (2021 : QR 46 million)

31. Contribution To Social and Sports Fund

In accordance with Law No. 13 of 2008 and related clarifications issued in January 2010, the Group is required to contribute 2.5% of its annual net consolidated profit to the Social and Sports Fund (S.S.F). The clarification relating to Law No. 13 requires the payable amount to be recognised as distribution of income. Hence, this is recognised in the consolidated statement of changes in equity.

During the year, the Group appropriated an amount of QR 25.3 million (2021: QR 18.1 million) to the S.S.F representing 2.5% of the consolidated profit for the year attributable to equity holders of the parent.

32. Commitments

	2022 QR'000	2021 QR'000
Capital commitments - Property, vessels and equipment		
Estimated capital expenditure approved as at the reporting date	**673,744**	829,166

Rent commitments

The Group has entered into rent agreements which does not meet the definition of lease, or practical expedients have been availed, under IFRS 16. The future rental commitments in respect of the above arrangements are as follows:

	2022 QR'000	2021 QR'000
Within one year	**6,014**	6,209
After one year but not more than five years	**445**	1,191
Total rentals committed for at the reporting date	**6,459**	7,400

33. Contingent Liabilities

At 31 December 2022, the Group had the following contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise:

	2022 QR'000	2021 QR'000
Letters of guarantee	**1,014,687**	874,485
Letters of credit	**303**	22,756
	1,014,990	897,241

Legal case:

On 31 May 2021, the Group entered into an agreement with a third-party buyer for the sale of one of its vessels. However, the agreement was cancelled due to a dispute between the parties. Following the cancellation, the Buyer initiated legal proceedings against the Group.

Subsequent to the reporting date, the dispute has been settled following a settlement agreement.

34. Related Party Disclosures

Related parties represent associated companies, affiliate entities, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party transactions

Transactions with related parties during the year are as follows:

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

34. Related Party Disclosures (Continued)

	2022			
	Sales QR'000	Purchases QR'000	Interest income QR'000	Receipt of loan instalments QR'000
Associates	**2,176**	**784**	**10,066**	**27,841**

	2021			
	Sales QR'000	Purchases QR'000	Interest income QR'000	Receipt of loan instalments QR'000
Associates	7,204	3,576	10,112	7,129

Related party balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	2022		2021	
	Receivables QR'000	Payables QR'000	Receivables QR'000	Payables QR'000
Joint ventures	**-**	**10,339**	1,232	15,264
Associates	**3,262**	**105**	2,864	467
Directors	**267**	**244**	1,987	153
	3,529	**10,688**	6,083	15,884

The amounts receivable and payable to related parties are disclosed in Note 16 and Note 30 respectively.

Sales to, purchases and other transactions from related parties are made at agreed basis. Outstanding balances at the year-end are unsecured, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Loans granted to LNG companies (Associate companies)

Loans to LNG companies amounting to QR 102,297,000 (2021: QR 125,196,000) is disclosed as part of Note 14.

Compensation of directors and other key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2022 QR'000	2021 QR'000
Board of Directors remuneration and benefits	**13,950**	13,950
Short-term benefits	**10,635**	11,937
Employees' end of service benefits	**735**	805
	25,320	26,692

35. Segment Information

Group is organised into six pillars as follows, which constitute five reportable segments (strategic divisions):

- Milaha Capital provides corporate finance advisory services to the Parent and its subsidiaries, in addition to managing its proprietary portfolio of financial and real estate investments and holding the investment of Qatar Quarries and Building Material Company W.L.L.
- Milaha Maritime & Logistics delivers a comprehensive range of services to major importers, exporters and shipping companies in the region, including oil & gas majors. The activities include logistics services, warehousing, container feeder shipping, non-vessel operating common carriers (NVOCC) operations, bulk shipping, shipping agencies, port management and operations, shipyard and steel fabrication.
- Milaha Offshore provides comprehensive offshore support services to the oil and gas industry across the region. The Group currently operates a fleet of offshore service vessels, which include safety standby vessels, anchor handling tugs, crew boats, workboats and dynamic positioning (DP) vessels. It provides a complete range of diving services including saturation diving.
- Milaha Trading is engaged in trading trucks, heavy equipment, machinery and lubrication brands in Qatar. The segment markets its products and provides critical after sales service. Milaha Trading also owns and operates an IATA-approved travel agency, one of the oldest in the State of Qatar.
- Milaha Gas and Petrochem owns, manages and operates a fleet of LPG and LNG carriers and provides ocean transportation services to international energy and industrial companies. It further owns and manages a young fleet of product tankers and one crude carrier. The segment also operates a number of product tankers in partnership with international trading and shipping companies.
- Milaha Corporate provides necessary services to all the pillars to run their respective business. These services are costs of management, corporate development and communications, internal audit, legal affairs, shared services, information technology, procurement, human resources and administration and finance. The costs are subsequently allocated. Adjustments with respect to Milaha Corporate represent costs captured and subsequently allocated to various business pillars by way of a laid down methodology.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

35. Segment Information (Continued)

Year ended 31 December 2022

	Milaha Capital QR'000	Milaha Maritime and Logistics QR'000	Milaha Offshore QR'000	Milaha Trading QR'000	Milaha Gas and Petrochem QR'000	Adjustments relating to Milaha Corporate QR'000	Total segments QR'000	Adjustments and eliminations QR'000	Consolidated QR'000
Operating revenues	539,610	1,404,024	1,211,586	326,749	218,604	-	3,700,573	(415,317) (i)	3,285,256
Salaries, wages and other benefits	(11,703)	(345,778)	(93,292)	(15,891)	(26,097)	(138,836)	(631,597)	-	(631,597)
Operating supplies and expenses	(223,928)	(925,016)	(445,898)	(295,303)	(22,332)	(13,923)	(1,926,400)	363,862 (i)	(1,562,538)
Rent expenses	(1,831)	(42,653)	(1,314)	(2,562)	(409)	(7,369)	(56,138)	47,858 (i)	(8,280)
Depreciation and amortisation	(68,661)	(29,146)	(214,721)	(1,502)	(53,966)	(1,923)	(369,919)	-	(369,919)
Provision for impairment of trade and other receivables	(24,430)	(21,066)	666	(333)	-	-	(45,163)	-	(45,163)
Other operating expenses	(13,444)	(77,722)	(42,618)	(3,209)	(14,664)	(32,844)	(184,501)	3,597 (i)	(180,904)
Allocations relating to fleet and technical services	-	290,973	(284,826)	-	(6,147)	-	-	-	-
Allocations relating to Milaha Corporate	(21,837)	(120,180)	(27,844)	(13,435)	(11,589)	194,885	-	-	-
OPERATING PROFIT BEFORE IMPAIRMENTS	173,776	133,436	101,739	(5,486)	83,400	(10)	486,855	-	486,855
Impairment on property, vessels and intangible assets	(85,522)	(79)	-	-	(79,425)	-	(165,726)	-	(165,726)
Finance costs	(2,548)	(6,371)	(34,405)	-	(34,834)	-	(78,158)	18,951 (i)	(59,207)
Finance income	8,765	-	4,832	216	19,804	62	33,679	(18,951) (i)	14,728
Share of results of joint ventures	-	157,211	-	-	22,023	-	179,234	-	179,234
Share of results of associates	(1,620)	2,009	-	-	541,636	-	542,025	-	542,025
Net gain (loss) on disposal of property, vessels and equipment	-	812	8,478	(2)	11,531	(3)	20,816	-	20,816
Net gain (loss) on foreign exchange transactions	194	(2,074)	482	4	13	(49)	(1,430)	-	(1,430)
PROFIT BEFORE TAX	93,045	284,244	81,126	(5,268)	564,148	-	1,017,295	-	1,017,295
Tax credit (expense)	1,116	(602)	(2,779)	254	1,177	-	(834)	-	(834)
PROFIT FOR THE YEAR	94,161	283,642	78,347	(5,014)	565,325	-	1,016,461	-	1,016,461

35. Segment Information (Continued)

Year ended 31 December 2021

	Milaha Capital QR'000	Milaha Maritime and Logistics QR'000	Milaha Offshore QR'000	Milaha Trading QR'000	Milaha Gas and Petrochem QR'000	Adjustments relating to Milaha Corporate QR'000	Total segments QR'000	Adjustments and eliminations QR'000		Consolidated QR'000
Operating revenues	415,412	1,118,092	964,482	309,313	254,356	41	3,061,696	(277,823)	(i)	2,783,873
Salaries, wages and other benefits	(11,070)	(357,069)	(81,418)	(12,665)	(21,482)	(119,755)	(603,459)	-		(603,459)
Operating supplies and expenses	(155,863)	(773,233)	(284,465)	(286,838)	(44,694)	(10,092)	(1,555,185)	226,991	(i)	(1,328,194)
Rent expenses	(2,407)	(41,074)	(2,272)	(2,564)	(364)	(6,965)	(55,646)	48,892	(i)	(6,754)
Depreciation and amortisation	(66,714)	(25,673)	(206,868)	(1,464)	(64,656)	(2,309)	(367,684)	-		(367,684)
Provision for impairment of trade and other receivables	2,807	(10,071)	(3,718)	496	-	-	(10,486)	-		(10,486)
Other operating expenses	(9,857)	(81,026)	(67,431)	(6,008)	(16,862)	(35,089)	(216,273)	1,940	(i)	(214,333)
Allocations relating to fleet and technical services	-	307,890	(281,840)	-	(26,050)	-	-	-		-
Allocations relating to Milaha Corporate	(15,815)	(109,258)	(21,540)	(12,310)	(15,261)	174,184	-	-		-
OPERATING PROFIT BEFORE IMPAIRMENTS	**156,493**	**28,578**	**14,930**	**(12,040)**	**64,987**	**15**	**252,963**	**-**		**252,963**
Impairment on property, vessels and intangible assets	-	-	(98,625)	-	(49,002)	-	(147,627)	-		(147,627)
Finance costs	(7,229)	(5,505)	(34,490)	-	(30,576)	-	(77,800)	5,111	(i)	(72,689)
Finance income	8,179	-	117	73	11,835	37	20,241	(5,111)	(i)	15,130
Share of results of joint ventures	-	172,431	-	-	32,479	-	204,910	-		204,910
Share of results of associates	(603)	1,038	-	-	475,553	-	475,988	-		475,988
Net gain (loss) on disposal of property, vessels and equipment	-	1,790	1,160	-	(7,697)	44	(4,703)	-		(4,703)
Net gain (loss) on foreign exchange transactions	4,768	833	590	1	8	(96)	6,104	-		6,104
PROFIT BEFORE TAX	**161,608**	**199,165**	**(116,318)**	**(11,966)**	**497,587**	**-**	**730,076**	**-**		**730,076**
Tax expense	-	(166)	(1,257)	-	(2,080)	-	(3,503)	-		(3,503)
PROFIT FOR THE YEAR	**161,608**	**198,999**	**(117,575)**	**(11,966)**	**495,507**	**-**	**726,573**	**-**		**726,573**

Note:
(i) Inter-segment revenues are eliminated on consolidation.

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

35. Segment Information (Continued)

Geographic segments

The significant geographical segments of the Group are in the State of Qatar, United Arab Emirates (UAE) and Germany. Operating revenues and profits of the Group after the elimination of intercompany segments are as follows:

2022

	Qatar QR'000	Singapore QR'000	UAE QR'000	Germany QR'000	Total QR'00
Operating revenues	**2,794,642**	**6,462**	**303,708**	**180,444**	**3,285,256**
Profit (loss) for the year	**1,039,716**	**(12,829)**	**12,976**	**(23,402)**	**1,016,461**

2021

	Qatar QR'000	Singapore QR'000	UAE QR'000	Germany QR'000	Total QR'000
Operating revenues	2,399,634	-	201,475	182,764	2,783,873
Profit (loss) for the year	712,602	(72,042)	31,501	54,512	726,573

36. Financial Risk and Capital Management

a) Financial risk management

Objective and policies

The Group's principal financial liabilities comprise loans and borrowings, trade payables and notes payable, payables to related parties, negative fair value of interest rate swaps and contribution to social and sports funds. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and notes receivable, receivables from related parties, loans granted to LNG companies, positive fair value of interest rate swaps, financial assets at FVOCI, equity investments at FVTPL, staff and other receivables and cash and bank balances, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity price will affect the Group's income, equity or the value of its holdings of financial instruments. The management reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and borrowings and short term deposits with floating interest rates.

To manage the risk of changes in floating interest rate on its interest bearing loans, the Group has entered into interest rate swaps as explained in Note 24. Under the swap agreements, the Group will pay an agreed fixed interest rate and receive a floating interest rate.

36. Financial Risk and Capital Management (Continued)

a) Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments are as follows:

	2022 QR'000	2021 QR'000
Floating interest rate instruments		
Bank call accounts	-	1,861
Loans granted to LNG companies	-	2,993
Financial liabilities	(1,056,667)	(1,396,586)
	(1,056,667)	(1,391,732)
Fixed interest rate instruments		
Investments in term deposits	1,237,442	396,194
Investment in bonds	379,494	308,326
Loans granted to LNG companies	102,297	122,203
Financial Liabilities	-	(146,000)
	1,719,233	680,723

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates by 25 basis points, with all other variables held constant. The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates for one year, based on the floating rate financial assets and financial liabilities held at 31 December. The effect of decreases in interest rates is expected to be equal and opposite to the effect of the increases shown.

	Changes basis points	Effect on in profit for the year QR'000
2022		
Floating interest rate instruments	+25	(2,642)
2021		
Floating interest rate instruments	+25	(3,479)

Interest rate benchmark (IBOR) reform

Regulators and central banks in various jurisdictions have convened national working Groups to identify replacement rates for the interbank offer rates ('IBOR') to facilitate an orderly transition to these rates. LIBOR rate publication is being ceased by 31st December 2022 for GBP Libor, Euro LIBOR, CHF LIBOR & JPY LIBOR. In case of USD LIBOR, 1 week & 2 months tenor rates are being ceased by 31st December 2022 and other USD LIBOR tenor rates will cease by 30th June 2023.

The Group has an active transition project in place which had commenced in the year 2022 and also has in place plans, processes and procedures to support the transitioning of its exposures.

The Group does not have any material exposure to Euro LIBOR, CHF LIBOR, JPY LIBOR or GBP LIBOR hence there is no impact on the transition process. As at 31 December 2022, The Group has USD LIBOR based financial instruments with nominal amount of contracts amounting to QR 1,056 million, out of which QR 960 million will mature after anticipated replacement of USD LIBOR on 30 June 2023.

36. Financial Risk and Capital Management (Continued)

a) Financial risk management (continued)

Currency risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Group's balances are denominated in Qatari Riyals (presentation currency), US Dollars and UAE Dirhams. As the Qatari Riyal and UAE Dirhams are pegged to the US Dollars, the balances in US Dollars and UAE Dirhams are not considered to represent any currency risk to the Group.

Equity price risk

The Group's listed investments are susceptible to equity price risk arising from uncertainties about future values of the investments. Reports on the equity portfolio are submitted to the management for their review on a regular basis.

At the reporting date, the Group's exposure to listed equity securities at fair value includes both equity securities at FVOCI and FVTPL. An increase or decrease of 5% on the Qatar Exchange (QE) index would have an impact of approximately QR 10 thousand (2021: QR 8 thousand) on the consolidated income statement in respect of financial assets at fair value through profit or loss. In respect of equity securities at FVOCI, an increase or decrease of 5% on the QE index would have an impact of approximately QR 100 million (2021: QR 158 million) on the consolidated statement of changes in equity.

The Group also has unquoted investments for which fair value is estimated using appropriate valuation techniques. Impact of changes in equity prices will be reflected in the consolidated statement of changes in equity.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its assets which consist principally of trade and notes receivable, staff and other receivables, receivables from related parties, loans granted to LNG companies, investment in term deposits and bank balances.

Trade and other receivables

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. As it deals with credit worthy clients and the dues are collected based on the specified terms in the contracts, the Group's exposure to credit risk is minimal.

With respect to credit risk arising from the other financial assets of the Group, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments are as follows:

	2022 QR'000	2021 QR'000
Loans granted to LNG Companies (Note 14)	102,297	125,196
Trade receivable (net) (Note 16)	402,188	369,280
Notes receivable (Note 16)	9,204	8,380
Unbilled income (Note 16)	296,513	220,102
Staff receivables (Note 16)	44,142	41,518
Receivables from related parties (Note 34)	3,529	6,083
Other receivables (net) (Note 16)	155,198	136,648
Other assets	138	24,375
Term deposits with banks (Note 18)	1,237,442	396,194
Bank balance (Note 19)	225,421	254,124
	2,476,072	1,581,900

36. Financial Risk and Capital Management (Continued)

a) Financial risk management (continued)

Trade and other receivables (Continued)

Trade receivables are non-interest bearing and have settlement terms within 30 to 90 days, beyond which they are considered in default. As at 31 December 2022, trade receivable with nominal value of QR 126 million (2021: QR 107 million) were impaired.

As at 31 December, the ageing of trade receivables, (net of allowances for impairment) is as follows:

		Past due but not impaired				
	Total QR'000	0 - 30 days QR'000	31 - 120 days QR'000	121 - 210 days QR'000	211 - 365 days QR'000	> 365 days QR'000
2022	**402,188**	**253,702**	**125,537**	**16,910**	**4,312**	**1,727**
2021	369,280	278,726	64,518	3,769	13,029	9,238

Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. 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 direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Group's provision matrix. 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.

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

36. Financial Risk and Capital Management (Continued)

a) Financial risk management (continued)

Trade and other receivables (Continued)

	Trade receivables - Days past due					
2022	0 - 30 days QR'000	31 - 120 days QR'000	121 - 210 days QR'000	211 - 365 days QR'000	> 365 days QR'000	Total QR'000
Expected credit loss rate	**4%**	**10%**	**76%**	**68%**	**99%**	**25%**
Estimated total gross carrying amount at default Lifetime ECL	**9,540**	**14,219**	**9,673**	**9,908**	**82,162**	**125,502**

	Trade receivables - Days past due					
2021	0 - 30 days QR'000	31 - 120 days QR'000	121 - 210 days QR'000	211 - 365 days QR'000	> 365 days QR'000	Total QR'000
Expected credit loss rate	4%	11%	46%	26%	80%	22%
Estimated total gross carrying amount at default Lifetime ECL	10,505	8,196	3,239	4,606	80,539	107,085

Cash, bank, term deposits and other financial assets

Management considers that the Group's cash and bank have low credit risk based on the external credit ratings of the banks where the Group's cash and term deposits are held. All the banks are rated at Investment grade and above. The carrying amounts of the cash and bank balances of the Group did not require any adjustment because the result of applying the ECL model was immaterial. All other financial assets are also considered to have low credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Group limits its liquidity risk by ensuring adequate bank facilities are available. The Group's terms of revenue require amounts to be settled within its specified terms in the contracts. Trade payables are normally settled within the terms of purchase from the supplier.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted payments.

36. Financial Risk and Capital Management (Continued)

a) Financial risk management (continued)

Liquidity risk (continued)

	Less than 1 year QR'000	1 to 5 years QR'000	Over 5 years QR'000	Total QR'000
2022				
Trade accounts and notes payable	**199,484**	-	-	**199,484**
Contribution to Social and Sport Fund	**25,319**	-	-	**25,319**
Accrued expenses	**301,059**	-	-	**301,059**
Lease liabilities	**81,601**	**118,476**	**22,155**	**222,232**
Loans and borrowings	**756,996**	**299,351**	-	**1,056,347**
Payables to related parties	**10,688**	-	-	**10,688**
Other payables	**169,688**	-	-	**169,688**
Total	**1,544,835**	**417,827**	**22,155**	**1,984,817**

	Less than 1 year QR'000	1 to 5 years QR'000	Over 5 years QR'000	Total QR'000
2021				
Trade accounts and notes payable	107,264	-	-	107,264
Contribution to Social and Sport Fund	18,104	-	-	18,104
Accrued expenses	326,112	-	-	326,112
Lease liabilities	96,566	40,892	22,468	159,926
Loans and borrowings	527,561	1,126,313	228,549	1,882,423
Payables to related parties	15,884	-	-	15,884
Other payables	258,052	-	-	258,052
Interest rate swaps	28,045	-	-	28,045
Total	1,377,588	1,167,205	251,017	2,795,810

b) Capital management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group target is to achieve a return on equity greater than the weighted average interest expense on interest bearing loans and borrowings.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions and equity holders' expectation. To maintain or adjust the capital structure, the Company may adjust the dividend payment to equity holders or increase capital. No changes were made in the objectives, policies or processes during the years end 31 December 2022 and 31 December 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by equity attributable to the equity holders of the Parent. The gearing ratio as at 31 December is calculated as follows:

Notes to the Consolidated Financial Statements (Continued)
As at and for the year ended 31 December 2022

36. Financial Risk and Capital Management (Continued)

b) Capital management (continued)

	2022 QR'000	2021 QR'000
Debt (i)	**1,056,347**	1,541,927
Less: Cash and cash equivalents (Note 19)	**(230,052)**	(304,786)
Less: Investments in term deposits (Note 18)	**(1,237,442)**	(350,102)
Net (asset) debt	**(411,147)**	887,039
Equity attributable to equity holders of the Parent	**16,041,570**	14,719,576
Gearing ratio	**(3%)**	6%

(i) Debt comprises of loans and borrowings as detailed in Note 26.

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities are detailed below

	At 1 January 2022 QR'000	Financing cash flows QR'000	Non-cash changes QR'000	At 31 Dec 2022 QR'000
Loans and borrowings (Note 26)	**1,541,927**	**(485,580)**	**-**	**1,056,347**
Lease Liabilities (Note 28)	**156,796**	**(82,937)**	**146,824**	**220,683**
Dividend Payable (Note 25)	**-**	**(342,099)**	**342,099**	**-**

	At 1 January 2021 QR'000	Financing cash flows QR'000	Non-cash changes QR'000	At 31 Dec 2021 QR'000
Loans and borrowings (Note 26)	2,120,738	(651,500)	72,689	1,541,927
Lease Liabilities (Note 28)	245,105	(92,025)	3,716	156,796
Dividend Payable (Note 25)	-	(340,849)	340,849	-

37. Fair Values of Financial Instruments

Financial instruments comprise of financial assets, financial liabilities and derivative financial instruments.

Financial assets consist of bank balances and cash, investment in term deposits, financial assets at FVOCI, financial assets at fair value through profit or loss, other financial assets and receivables. Financial liabilities consist of bank overdrafts, loans and borrowings and payables. Derivative financial instruments consist of interest rate swaps.

A comparison by class of the carrying value and fair value of the Group's financial instruments that are carried in the consolidated statement of financial position are set out below:

	Carrying amount		Fair value	
	2022 QR'000	2021 QR'000	**2022 QR'000**	2021 QR'000
Financial assets at fair value through profit or loss				
Equity instruments at FVTPL	**501,750**	505,049	**501,750**	505,049

37. Fair Values of Financial Instruments (Continued)

	Carrying amount		Fair value	
	2022 QR'000	2021 QR'000	**2022 QR'000**	2021 QR'000
Financial assets (liabilities) at fair value through other comprehensive income				
Financial assets at FVOCI	**2,566,504**	3,556,869	**2,566,504**	3,556,869
Interest rate swaps (cash flow hedge)	**34,974**	(28,045)	**34,974**	(28,045)
	2,601,478	3,528,824	**2,601,478**	3,528,824

Fair value of financial assets and liabilities other than those disclosed above approximates their carrying amounts at reporting date.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, investmentS in term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of quoted equity securities at FVOCI and financial assets at fair value through profit or loss is derived from quoted market prices in active markets.
- Fair value of unquoted securities at FVOCI is estimated using appropriate valuation techniques.
- Loans granted to LNG companies are non-derivative financial assets with determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. These financial assets are considered to have low credit risk, and thus the impairment provision calculated based on 12 months of expected losses is considered immaterial. The credit risk has not increased significantly since the initial recognition and is considered low.
- As at 31 December 2022, the carrying amounts of such receivables are not materially different from their calculated fair values.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives are valued based on market valuation provided by the respective financial institution.

Fair value hierarchy

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

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At 31 December the Group held the following financial instruments measured at fair value:

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

37. Fair Values of Financial Instruments (Continued)

Fair value hierarchy (continued)

	2022 QR'000	**Level 1 QR'000**	**Level 2 QR'000**	**Level 3 QR'000**
Assets measured at fair value				
Equity instruments as FVTPL	**501,750**	**204**	**-**	**501,546**
Fair value through other comprehensive income:				
Quoted shares	**2,008,902**	**2,008,902**	**-**	**-**
Unquoted shares	**81,603**	**-**	**-**	**81,603**
Unquoted investments in foreign companies	**96,505**	**-**	**96,505**	**-**
Investments in corporate bonds	**379,494**	**-**	**379,494**	**-**
Interest rate swaps	**34,974**	**-**	**34,974**	**-**

	2021 QR'000	Level 1 QR'000	Level 2 QR'000	Level 3 QR'000
Assets measured at fair value				
Equity instruments as FVTPL	505,049	153	-	504,896
Fair value through other comprehensive income:				
Quoted shares	3,167,558	3,167,558	-	-
Unquoted shares	80,985	-	-	80,985
Investments in corporate bonds	308,326	-	308,326	-
Liabilities measured at fair value through OCI				
Interest rate swaps	28,045	-	28,045	-

The fair value of financial assets and liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

The fair value of Quoted shares is based on quoted prices at the reporting dates.

The fair value of Equity instruments at FVTPL, unquoted shares and investments in bonds have been estimated by using models that requires the management to make certain assumptions about the model inputs including forecast of cash flows, discount rates, credit risk and volatility.

The Group enters into interest rate swaps with financial institutions with investment grade credit ratings. Interest rate swaps are valued using valuation techniques which employs the use of market observable inputs.

38. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which has the most significant effect on the amounts recognised in the consolidated financial statements:

Interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group may obtain control, joint control or significant influence over the entity or arrangement. This assessment involves consideration of a variety

38. Significant Accounting Judgements, Estimates and Assumptions (Continued)

of factors, including shareholders' voting rights, Board representation and decision making rights, the existence of any contractual arrangements, and indicators of de facto control. Such classifications have a significant impact on the financial statements due to the significantly different accounting treatments of subsidiaries, associates and joint arrangements and other investments in the Group's consolidated financial statements.

Operating lease - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (refer to the accounting policy "Financial instruments" in Note 3). The Group determines the business model at a level that reflects how the Groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flows ("DCF") model. The cash flows are derived from the budget for the useful life of the assets along with the available approved cash flows. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different Cash Generating Unites ("CGUs") include discount rates, operating cash flow, price inflation, expected utilisation and residual values of the assets. The impairment exercise is usually performed at the lowest CGU level, in case of vessels it is performed at the vessel's CGU level.

Depreciation of property, vessels and equipment and investment property

Items of property, vessels and equipment and investment property are depreciated over their estimated individual useful lives. Management exercises significant judgement for the determination of useful lives and residual values of these assets, including their expected usage, physical wear and tear, and technological or commercial obsolescence. Such estimates could have a significant impact on the annual depreciation

Notes to the Consolidated Financial Statements (Continued)

As at and for the year ended 31 December 2022

38. Significant Accounting Judgements, Estimates and Assumptions (Continued)

charge recognized in consolidated income statement. Management reviews annually the residual values and useful lives of these assets. Future depreciation charge could be significantly adjusted where management believes the useful lives and / or the residual values differ from previous estimates. No such adjustment was made in the current year and the comparative year.

Impairment of receivables

The impairment model under IFRS-9 requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. In the previous year, the impairment review on trade receivables was performed only for receivables for which management had an indication for impairment. That also entailed significant judgement. It was determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation, but the "incurred loss" model disregarded entirely the current and expected future conditions. As a result, it is expected that under the new impairment model credit losses will be recognised earlier.

Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extent of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset.

Fair valuation of investment property

The fair value of investment property is determined by valuations from an external professional real estate valuer using recognised valuation techniques and the principles of IFRS 13 "Fair Value Measurement". These valuations entail significant estimates and assumptions about the future, which could result in significant differences in the valuations.

Fair value of unquoted investments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of cash flow hedges

The Group uses derivative financial instruments to manage its exposure to the variability of its bank loans due to fluctuations in interest rates. All such derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and recognized in other comprehensive income. Their fair values are estimated using models and valuation methods due to the absence of quoted prices or other observable, market-corroborated data. These contracts are valued using models with inputs that include price curves for each of the different products that are built up

38. Significant Accounting Judgements, Estimates and Assumptions (Continued)

from active market pricing data and extrapolated to the expiry of the contracts using the maximum available external pricing information.

Provision for slow moving and obsolete inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

Other provisions and liabilities

Other provisions and liabilities are recognized in the period only to the extent management considers it probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the actual cash outflows can take place in subsequent years, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances. A change in estimate of a recognized provision or liability would result in a charge or credit to consolidated income statement in the period in which the change occurs.

Legal proceedings

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. Management applies significant assumptions in measuring the risks of exposure to contingent liabilities related to existing legal proceedings and other unsettled claims. Management's judgment is required in estimating the probability of a successful claim against the Group or crystallising of a material obligation, and in determining the probable amount of the final settlement or obligation. As at the date of reporting, based on an assessment made by the internal / external legal advisors, management does not believe that the outcome of these matters will have a material effect on the Group's financial position.

Going concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

39. Comparative Information

The comparative figures for the previous year have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications do not affect the previously reported profit, gross assets or equity.

40. Subsequent Events

There were no significant events after the reporting date which have a bearing on the understanding of these consolidated financial statements.