QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (QPSC)

DOHA - QATAR

Consolidated financial statements for the year ended December 31, 2022

Together with independent auditor's report

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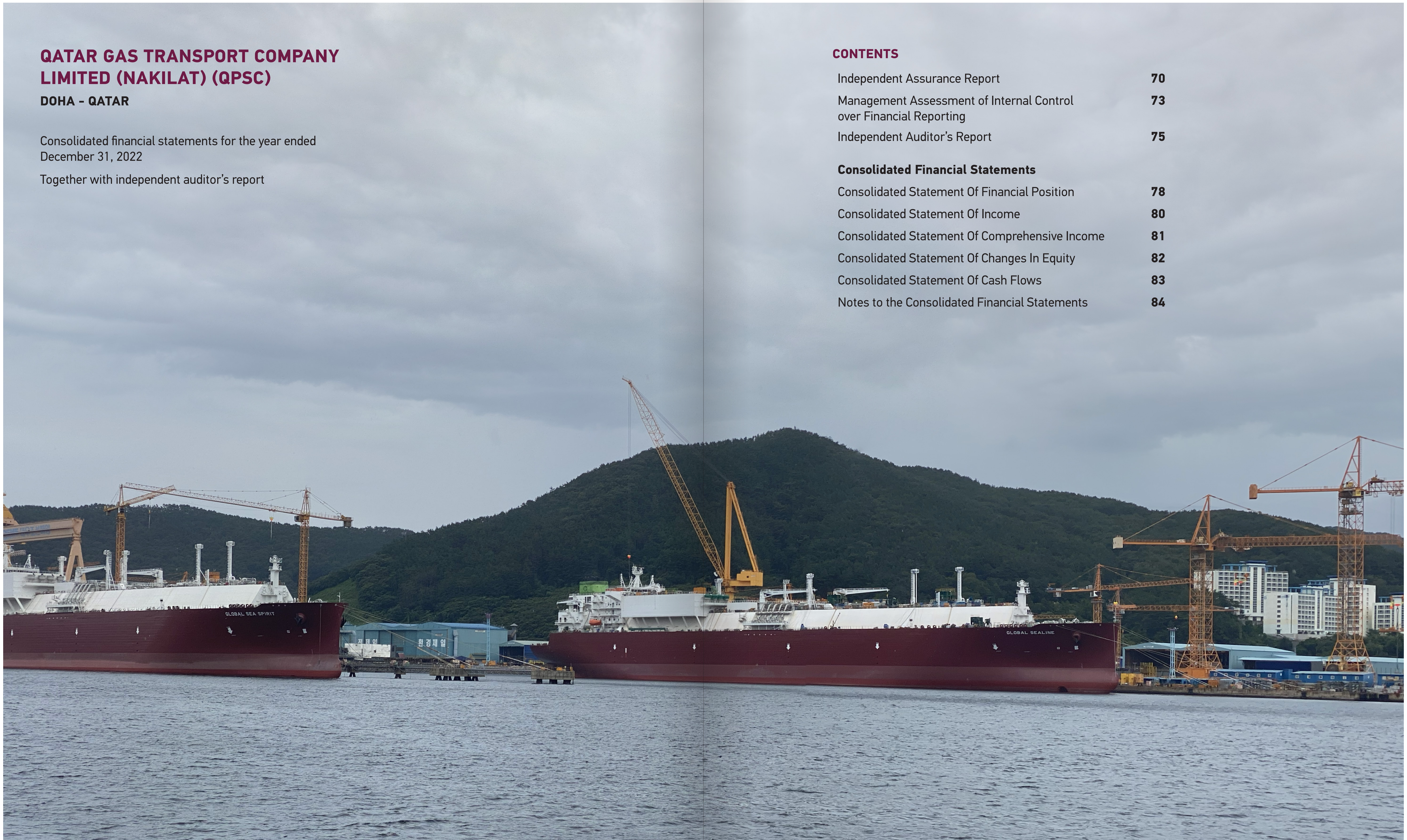

TO THE SHAREHOLDERS OF QATAR GAS TRANSPORT COMPANY LIMITED (NAKILAT) (QPSC)

Report on the Description of the Processes and Internal Controls and Suitability of the Design, Implementation and Operating Effectiveness of Internal Controls over Financial Reporting

Introduction

In accordance with Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' description of the processes and internal controls and assessment of suitability of the design, implementation and operating effectiveness of Qatar Gas Transport Company Limited (Nakilat) (QPSC) (the "Company"), and its subsidiaries (together referred as the "Group") internal controls over financial reporting as at 31 December 2022.

Responsibilities of the Board of Directors and Those Charged with Governance

The Board of Directors of the Company is responsible for preparing the accompanying Directors' Report on Internal Control over Financial Reporting that covers at the minimum the requirements of Article 4 of 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 (the 'Code').

The Board of Directors present the Directors' Report on Internal Control over Financial Reporting, which includes:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the processes of revenue, operating expenses, treasury, inventory, property, plant and equipment, human resources and payroll, general ledger, financial reporting, entity level controls, information technology general controls, and disclosure controls;
- the control objectives; identifying the risks that threaten the achievement of the control objectives;
- designing and implementing controls that are operating effectively to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Board of Directors is responsible for establishing and maintaining internal financial controls based on the criteria of framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO framework").

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

- adherence to Company'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.

Our Responsibilities

Our responsibilities are to express a reasonable assurance opinion on the fairness of the presentation of the "Board of Directors' report on the description and on the suitability of the design, implementation and operating effectiveness of the Company's internal controls over financial reporting of Significant Processes" presented in the Directors' Report on Internal Control over Financial Reporting to achieve the related control objectives stated in that description based on our 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 reasonable assurance about whether the Board of Directors' description of the processes and internal controls over financial reporting is fairly presented and the internal controls were suitably designed, implemented and operating effectively, in all material respects, to achieve the related control objectives stated in the description.

An assurance engagement to issue a reasonable assurance opinion on the description of the processes and internal controls and the design, implementation and operating effectiveness of internal controls over financial reporting at an organization involves performing procedures to obtain evidence about the fairness of the presentation of the description of the processes and internal controls and the suitability of design, implementation and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included, for all significant processes:

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

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to affect the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: revenue, operating expenses, treasury, inventory, property, plant and equipment, human resources and payroll, general ledger, financial reporting, entity level controls, information technology general controls, and disclosure controls.

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

1. Control Environment
   - Integrity and Ethical Values
   - Commitment to Competence
   - Board of Directors and Audit Committee
   - Management's Philosophy and Operating Style
   - Organizational Structure
   - Assignment of Authority and Responsibility
   - Human Resource Policies and Procedures
2. Risk Assessment
   - Company-wide Objectives
   - Process-level Objectives
   - Risk Identification and Analysis
   - Managing Change
3. Control Activities
   - Policies and Procedures
   - Security (Application and Network)
   - Application Change Management
   - Business Continuity/Backups
   - Outsourcing
4. Information and Communication
   - Quality of Information
   - Effectiveness of Communication
5. Monitoring
   - Ongoing Monitoring
   - Separate Evaluations
   - Reporting Deficiencies

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

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of 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 Company's internal control system over financial reporting.

Meaning 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. 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, which would reasonably be expected to impact the decisions of the users of financial statements.

Inherent limitations

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

Because of the inherent limitations of 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. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met.

INDEPENDENT ASSURANCE REPORT

In addition, 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, implemented and operated during the period covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over financial reporting prior to the date those controls were placed in operation.

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.

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 behavior 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.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Annual Report but does not include the Directors' Report on Internal Control over Financial Reporting, and our report thereon, which we obtained prior to the date of this auditor's report.

Our conclusion on the Directors' Report on Internal Control over Financial Reporting does not cover the other information and we do not and will not express any form of assurance conclusion thereon. We have been engaged by the Company to provide a separate limited assurance report on the Directors' Report on compliance with the Qatar Financial Markets Authority's Law and relevant legislations including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, included within the other information.

In connection with our engagement on the Directors' Report on Internal Control 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 the Directors' Report on Internal Control over Financial Reporting or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

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

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.

Conclusions

In our opinion, based on the results of our reasonable assurance procedures:

a. the Directors' Report on Internal Control over Financial Reporting fairly presents the Company's system that had been designed as at 31 December 2022; and

b. the controls related to the control objectives were suitably designed, implemented and operating effectively as at 31 December 2022, in all material respects, based on the COSO framework.

Ahmed Sayed

Ahmed Sayed
Of Ernst & Young
Auditor's Registration No.: 326

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Date: 13 February 2023

Doha, State of Qatar

MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

General

The Board of Directors of Qatar Gas Transport Company Limited (QPSC) ("Nakilat") and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal control over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either the consolidated financial statements are not presented fairly due to inadvertent or intentional errors or the publication of consolidated financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement accounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the consolidated financial statements.

To confine those risks of financial reporting, the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. We have also assessed the design, implementation and operating effectiveness of the Group's ICOFR based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate the adequacy of a control system. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence / Occurrence - assets and liabilities exist and transactions have occurred;
- Completeness - all transactions are recorded, account balances are included in the consolidated financial statements;
- Valuation / Measurement - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities; and
- Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.

However, any internal control system, including ICOFR, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business and support functions with an involvement in reviewing the reliability of the books and records that underlie the consolidated financial statements. As a result, the operation of ICOFR involves staff based in various functions across the organization.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the consolidated financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties;
- operate on a periodic basis such as those which are performed as part of the annual consolidated financial statement preparation process;
- are preventative or detective in nature;
- have a direct or indirect impact on the consolidated financial statements themselves. Controls which have an indirect effect on the consolidated financial statements include entity level controls and Information Technology general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item; and
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

Measuring Design, Implementation and Operating Effectiveness of Internal Control

For the financial year 2022, the Group has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR considering:

- The risk of misstatement of the consolidated financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature, timing and extent of evidence that management requires in order to assess whether the design, implementation and operating effectiveness of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Revenue, Operating Expenses, Treasury, Property, Plant and Equipment, Human Resources and Payroll, General Ledger and Financial Reporting. The evaluation also included an assessment of the design, implementation, and operating effectiveness of Entity Level Controls, Information Technology General Controls, and Disclosure Controls.

As a result of the assessment of the design, implementation, and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented, and operated effectively as of December 31, 2022.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF QATAR GAS TRANSPORT COMPANY LIMITED ("NAKILAT") (QPSC)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Qatar Gas Transport Company Limited ("Nakilat") (QPSC) (the "Company"), and its subsidiaries (together referred as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current 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. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addresses the key audit matter</th></tr>
<tr><td colspan="2">Fair valuation and hedge effectiveness of cash flow hedges</td></tr>
<tr><td>The Group entered into a number of interest rate swaps agreements to hedge its exposure to interest rate risk. These hedge transactions gave rise to derivative financial liabilities of QR 509,785 thousand as of 31 December 2022 (2021: QR 1,986,150 thousand). The net movement of cashflow hedge reserve for the year is QR 1,475,240 thousand (2021: QR 776,756 thousand), which is recorded in consolidated statement of other comprehensive income.

The hedging instruments are required to be fair valued at each reporting date. The valuation of the hedging instruments and forming a conclusion that hedge continues to be effective involve a significant degree of complexity and judgement, hence, we considered this to be a key audit matter.

Information regarding the hedging reserve and fair value of interest rate swaps is included in Note 12 and Note 14, respectively to the consolidated financial statements.</td><td>• We assessed whether the hedge instruments are correctly classified as cash flow hedges by reference to the requirements of the relevant accounting standards.

• We tested management's hedge documentation and contracts on a sample basis.

• We involved our own valuation specialists to assist us in challenging the valuations produced by the Group and assessing the appropriateness of the hedge effectiveness methodology on sample basis.

• We confirmed the counter parties' valuation from an independent source on a sample basis; and

• We evaluated the adequacy of the disclosures in the consolidated financial statements including disclosures of key assumptions, judgments and sensitivities.</td></tr>
</table>

Key audit matter	How our audit addresses the key audit matter
Carrying value of property and equipment	
The carrying value of the Group's property and equipment as at 31 December 2022 was QR 21,327,349 thousands (2021: QR 22,266,476 thousands) and the related depreciation charge for the year was QR 952,679 thousands (2021: QR 901,413 thousands) respectively. This represents 66.2% and 66.2 % of the Group's total assets and the net profit respectively, hence a material portion of the consolidated financial position and consolidated income. The useful life of the vessels including estimation of residual values for the purpose of depreciation charge are reviewed annually by the management, along with whether there are any indicators of impairment present with reference to the available facts and circumstances. Due to the significance of the property and equipment balance to the consolidated financial statements and considering the significant degree of management judgement and estimates involved in determining the carrying value of property and equipment we considered this to be a key audit matter. The property and equipment related disclosures included in the Notes to the consolidated financial statements are as follows: Note 4 - Property and Equipment Note 23 -Critical Accounting Estimates and Judgment	• We obtained understanding on the design and implementation of key controls around the processes of estimating useful lives and residual values. • We assessed the reasonableness of Group management's assertions and estimates regarding estimated useful lives and residual values based on our knowledge and experience of the industry. • We evaluated the recognition criteria applied to the costs incurred and capitalized during the financial year against the requirements of the relevant accounting standards and verified the additions to source documents on a sample basis. • We recalculated the depreciation charge, on a sample basis. • We verified the appropriateness of the amounts written-off during the year. • We challenged the Group's assessment of possible internal and external indicators of impairment in relation to the vessels, such as obsolescence, decline in market values, operating losses etc., based on our knowledge and experience of the industry and understanding of the charter hire agreements and assessed if impairment testing is required; and • We evaluated the adequacy of the disclosures in the consolidated financial statements including disclosures of key assumptions, judgments and sensitivities

Other Information Included in the Group's 2022 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management of the Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

The Board of Directors is 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with Board of Directors, 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 Legal and Other Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Company, an inventory count has been conducted in accordance with established principles and the consolidated financial statements comply with the Qatar Commercial Companies' Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No.8 of 2021, and the Company's Articles of Association. We have obtained all the information and explanations we required for the purpose of our audit and are not aware of any violations of the above mentioned law or the Articles of Association having occurred during the year, which might have had a material adverse effect on the Group's financial position or performance.

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Date: 13 February 2023

Doha, State of Qatar

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

	Note	December 31, 2022	December 31, 2021
ASSETS			
Non-Current Assets:			
Property and equipment	4	**21,327,349**	22,266,476
Investment in joint venture companies	5	**5,289,960**	4,900,345
Loans to joint venture companies	6	**68,484**	668,519
Equity investments	7	**138,687**	162,702
Total Non-Current Assets		**26,824,480**	27,998,042
Current Assets:			
Inventories		**26,300**	28,731
Trade and other receivables	8	**729,993**	775,086
Due from joint venture companies	17(b)	**55,448**	69,456
Cash and bank balances	9	**4,560,044**	3,439,310
Total Current Assets		**5,371,785**	4,312,583
Total Assets		**32,196,265**	32,310,625

ERNST & YOUNG
Doha - Qatar
13 FEB 2023
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The accompanying notes 1-28 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

	Note	December 31, 2022	December 31, 2021
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	10	**5,540,264**	5,540,264
Legal reserve	11	**1,356,650**	1,212,758
Fair value reserve		**27,274**	51,289
Proposed cash dividend	10.1	**720,234**	664,832
Retained earnings		**3,852,274**	3,313,455
Equity before hedging reserve and non-controlling interests		**11,496,696**	10,782,598
Hedging reserve	12	**(247,730)**	(2,018,752)
Equity after hedging reserve and before non-controlling interests		**11,248,966**	8,763,846
Non-Controlling Interests		**5,709**	7,644
LIABILITIES			
Non-Current Liabilities:			
Borrowings	13	**17,721,586**	18,142,697
Fair value of interest rate swaps	14	**253,784**	1,407,640
Lease liability		**41,005**	46,526
Provision for employees' end of service benefits		**38,411**	35,020
Other liabilities	15.1	**146,798**	211,963
Total Non-Current Liabilities		**18,201,584**	19,843,846
Current Liabilities:			
Borrowings	13	**1,085,201**	1,707,139
Fair value of interest rate swaps	14	**256,001**	578,510
Lease liability		**5,930**	5,787
Accounts payable and accruals	15	**1,391,946**	1,402,924
Due to joint venture companies	17(b)	**928**	929
Total Current Liabilities		**2,740,006**	3,695,289
Total Equity and Liabilities		**32,196,265**	32,310,625

Nakilat (Qatar Gas Transport Company Ltd. (NAKILAT) (Q.S.C))

These consolidated financial statements were approved by the Board of Directors and were signed on its behalf by the following on **February 13, 2023**.

Abdulaziz Jassim Al-Muftah	**Ahmad Saif Al-Sulaiti**	**Abdullah Fadhalah Al-Sulaiti**
Chairman	**Vice Chairman**	**Chief Executive Officer**

The accompanying notes 1-28 form an integral part of these consolidated financial statements.

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13 FEB 2023
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CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

	Note	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Income:			
Revenue from wholly owned vessels		**3,550,096**	3,541,032
Share of results from joint ventures	5	**689,373**	493,560
Income from marine and agency services		**55,430**	49,086
Interest income on loans to joint ventures	17(a)	**12,833**	35,201
Interest, dividend and other income		**93,765**	23,084
Total Income		**4,401,497**	4,141,963
Expenses:			
Operating costs	25	**(764,023)**	(746,303)
General and administrative	26	**(112,118)**	(97,318)
Depreciation of property and equipment	4	**(946,617)**	(895,351)
Finance charges		**(1,139,356)**	(1,048,767)
Total Expenses		**(2,962,114)**	(2,787,739)
Profit for the year		**1,439,383**	1,354,224
Attributable to:			
Owners of the Company		**1,438,918**	1,353,469
Non-controlling interests		**465**	755
Total		**1,439,383**	1,354,224
Basic and diluted earnings per share (expressed in QR per share)	19	**0.26**	0.24

The accompanying notes 1-28 form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

	Note	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Profit for the year		**1,439,383**	1,354,224
Other comprehensive income			
Items that will not be reclassified to statement of income:			
Changes in fair value of equity investments-at FVOCI	7	**(24,015)**	42,316
Items that may be reclassified subsequently to statement of income			
Changes in fair value of cash flow hedging derivatives		**1,475,240**	776,756
Group's share of joint ventures' changes in fair value of cash flow hedging derivatives		**295,782**	135,589
Total comprehensive income for the year		**3,186,390**	2,308,885
Total comprehensive income for the year attributable to:			
Owners of the Company		**3,185,925**	2,308,130
Non-controlling interests		**465**	755
Total		**3,186,390**	2,308,885

The accompanying notes 1-28 form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

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	Share Capital	Legal Reserve	Fair Value Reserve	Proposed Cash Dividend	Retained Earnings	Equity Before Hedging Reserve and Non-Controlling Interests	Hedging Reserve	Non-Controlling Interests
Balance as of January 01, 2021	5,538,780	1,077,411	8,973	609,429	2,794,002	10,028,595	(2,931,097)	6,889
Profit for the year 2021	-	-	-	-	1,353,469	1,353,469	-	755
Other comprehensive income for the year 2021:								
-Changes in fair value of equity investments -at FVOCI	-	-	42,316	-	-	42,316	-	-
-Changes in fair value of cash flow hedging derivatives	-	-	-	-	-	-	776,756	-
-Group's share of joint ventures' changes in fair value of cash flow hedging derivatives	-	-	-	-	-	-	135,589	-
Total comprehensive income for the year 2021	-	-	42,316	-	1,353,469	1,395,785	912,345	755
Transfer to legal reserve	-	135,347	-	-	(135,347)	-	-	-
Social and sports fund contribution 2021 **(note 16)**	-	-	-	-	(33,837)	(33,837)	-	-
Dividend declared for 2020 **(note 10.1)**	-	-	-	(609,429)	-	(609,429)	-	-
Proposed cash dividend for 2021 **(note 10.1)**	-	-	-	664,832	(664,832)	-	-	-
Proceeds from issue of shares against capital	1,484	-	-	-	-	1,484	-	-
Balance as of December 31, 2021	5,540,264	1,212,758	51,289	664,832	3,313,455	10,782,598	(2,018,752)	7,644
Profit for the year 2022	**-**	**-**	**-**	**-**	**1,438,918**	**1,438,918**	**-**	**465**
Other comprehensive income for the year 2022:								
-Changes in fair value of equity investments -at FVOCI	**-**	**-**	**(24,015)**	**-**	**-**	**(24,015)**	**-**	**-**
-Changes in fair value of cash flow hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**1,475,240**	**-**
-Group's share of joint ventures' changes in fair value of cash flow hedging derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**295,782**	**-**
Total comprehensive income for the year 2022	**-**	**-**	**(24,015)**	**-**	**1,438,918**	**1,414,903**	**1,771,022**	**465**
Transfer to legal reserve	**-**	**143,892**	**-**	**-**	**(143,892)**	**-**	**-**	**-**
Social and sports fund contribution 2022 **(note 16)**	**-**	**-**	**-**	**-**	**(35,973)**	**(35,973)**	**-**	**-**
Dividend declared for 2021 **(note 10.1)**	**-**	**-**	**-**	**(664,832)**	**-**	**(664,832)**	**-**	**(2,400)**
Proposed cash dividend for 2022 **(note 10.1)**	**-**	**-**	**-**	**720,234**	**(720,234)**	**-**	**-**	**-**
Balance as of December 31, 2022	**5,540,264**	**1,356,650**	**27,274**	**720,234**	**3,852,274**	**11,496,696**	**(247,730)**	**5,709**

The accompanying notes 1-28 form an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

	Note	For the year Ended December 31, 2022	For the year ended December 31, 2021
Cash Flows from Operating Activities:			
Profit for the year		**1,439,383**	1,354,224
Adjustments for:			
Depreciation of property and equipment	**4**	**946,617**	895,351
Finance charges		**1,139,356**	1,048,767
IFRS 16 lease classification		**7,766**	7,951
Share of results from joint ventures	**5**	**(689,373)**	(493,560)
Interest income on loans to joint ventures	**17(a)**	**(12,833)**	(35,201)
Interest, dividend and other income		**(93,765)**	(23,084)
Gain on derecognition of lease liability		**-**	(537)
Provision for slow moving inventory		**-**	9,710
Provision for bad debts /expected credit loss		**9,418**	3,785
Provision for employees' end of service benefits		**7,130**	4,705
		2,753,699	2,772,111
Working Capital Changes:			
Inventories		**2,431**	(1,802)
Trade and other receivables		**77,160**	11,983
Accounts payable and accruals		**60,219**	(14,964)
Other liabilities		**14,519**	(32,555)
Due from joint venture companies		**(5,824)**	13,499
Due to joint venture companies		**(1)**	(1,640)
Cash generated from operations		**2,902,203**	2,746,632
Finance charges paid		**(1,054,041)**	(1,035,428)
Employees' end of service benefits paid		**(3,739)**	(3,363)
Net Cash from Operating Activities		**1,844,423**	1,707,841
Cash Flows from Investing Activities:			
Loans to joint venture companies-net		**578,837**	592,462
Additional investment in a joint venture	**5**	**(58,694)**	(199,874)
Dividend income received from joint ventures	**5**	**563,012**	149,782
Acquisition of property and equipment	**4**	**(97,961)**	(14,237)
Investment income received		**87,672**	59,313
Time deposits maturing after 90 days		**(1,020,347)**	(666,234)
Changes in restricted cash		**89,956**	(4,819)
Net Cash From /(Used in) Investing Activities		**142,475**	(83,607)
Cash Flows from Financing Activities:			
Proceeds from issue of shares against capital		**-**	1,484
Dividend paid to shareholders		**(660,206)**	(636,901)
Dividend paid against non-controlling interests		**(2,400)**	-
Unpaid dividend transferred to separate bank account		**(15,242)**	(16,577)
Payment of lease liability		**(7,083)**	(7,167)
Costs incurred for new financing		**(37,905)**	(18)
Proceeds from borrowings		**3,710,719**	-
Repayments of borrowings		**(4,789,023)**	(1,164,764)
Net Cash Used in Financing Activities		**(1,801,140)**	(1,823,943)
Net Increase /(Decrease) in Cash and Cash Equivalents		**185,758**	(199,709)
Cash and Cash Equivalents at Beginning of the Year		**1,400,966**	1,600,675
Cash and Cash Equivalents at End of the Year	**9.1**	**1,586,724**	1,400,966

The accompanying notes 1-28 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

1. *Reporting Entity:*

Qatar Gas Transport Company Limited (Nakilat) (QPSC) ("QGTC" or "the Company") is a Public Shareholding Company, incorporated in the State of Qatar on June 9, 2004, under Commercial Registration Number 28566 issued by the Ministry of Economy and Commerce. The shares of the Company started trading in the Qatar Exchange on April 7, 2005.

The main purpose of the Company is to work in the industry of gas transport either through direct acquisition of ocean-going vessels or by investing in joint ventures with other parties.

The Company operates either directly or through its subsidiaries and joint venture companies (collectively referred to as the **"Group"**). The operations of the Group are conducted within the economic environment in the State of Qatar.

Although most of the joint venture entities are located abroad, their trading activities are mainly derived from contracts with local companies in Qatar. The Group can be therefore viewed to provide services within the same economic environment and subject to the same economic risk.

2. *Application of new and revised International Financial Reporting Standards (IFRSs):*

2.1 *New and amended standards and interpretations adopted by the Group*

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following new and amended standards and interpretations effective as of January 01, 2022, as noted below:

Standards, amendments, and Interpretations

-Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
-Reference to the Conceptual Framework – Amendments to IFRS 3
-Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
-IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter
-IFRS 9 Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities
-IAS 41 Agriculture – Taxation in fair value measurements

The adoption of the new and amended standards and interpretations does not have a material impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2.2 *Standards, amendments and interpretations issued but not yet effective*

The standards, amendments and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, amendments and interpretations if applicable, when they become effective.

Standards, amendments and Interpretations	***Effective dates***
IFRS 17: Insurance contracts	1 January 2023
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transactions – Amendments to IAS 12	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment to IFRS 10 and IAS 28)	Deferred indefinitely

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

2. *Application of new and revised International Financial Reporting Standards (IFRSs) (Continued):*

2.2 *Standards, amendments and interpretations issued but not yet effective (continued)*

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Group's consolidated financial statements.

3. *Basis of Preparation and Significant Accounting Policies:*

3.1 *Basis of Preparation*

a) *Statement of compliance*

These consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) and in compliance with Qatar Commercial Law No. 11 of 2015, as applicable.

b) *Basis of measurement*

These consolidated financial statements have been prepared under the historical cost basis, except for equity investments and cash flow hedging derivatives which are carried at fair value.

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, regardless of whether that price is directly observable or estimated using another valuation technique.

c) *Functional and presentation currency*

The consolidated financial statements are presented in Qatari Riyals, which is also the Company's functional currency. All financial information presented in Qatari Riyals has been rounded to the nearest thousands, except when otherwise indicated.

d) *Use of estimates and judgments*

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in **note 23** to these consolidated financial statements.

3.2 *Significant Accounting Policies*

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

a) *Basis of Consolidation*

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) and its share of movements in equity of joint venture entities collectively referred to as the "Group". Refer to **notes no. 5 and 18** for details.

3 *Basis of Preparation and Significant Accounting Policies (continued)*

3.2 *Significant Accounting Policies (continued)*

a) *Basis of Consolidation (continued)*

i) *Investment in Subsidiary Companies*

Subsidiaries are entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to effect its returns.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.
Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the Group are eliminated in full on consolidation.

ii) *Investment in Joint Ventures*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. 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 results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36, Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount.

b) *Property and Equipment*

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, including the capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in consolidated statement of income as the expense is incurred. An item of property and equipment is derecognized 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 consolidated statement of income in the year the asset is derecognized. The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication exists and where the carrying value of an asset exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

Dry-docking costs incurred on the vessels are capitalized and amortised over a period of five years.
Residual value of vessels is calculated based on the tonnage value of vessels.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

3 *Basis of Preparation and Significant Accounting Policies (continued)*

3.2 *Significant Accounting Policies (continued)*

b) *Property and Equipment (continued)*

Depreciation is charged following the straight-line method over the estimated useful lives of the related assets as follows:

Vessels	2.5%
Computer equipment	33.33%
Plant equipment	20%
Office equipment	15%
Telecom equipment	20%
Furniture and fixtures	15%
Vehicles	20%
Other assets	Up to 20%
Dry docking costs	20%

Favorable and unfavorable lease assets

Favorable and unfavorable lease terms consist of above and below market charters. When vessels are acquired with charters attached and the charter rate on such charters is above or below then-current market rates, fair value is allocated to these charters. The fair value is determined, where possible, using a third-party valuation of the vessel with and without the charter at the time of acquisition. If unavailable, the fair value is calculated as the present value of the difference between the contractual amount to be received over the term of the charter and management's estimate of the then-current market charter rate for an equivalent vessel at the time of acquisition. The asset or liability recorded is amortized over the remaining period of the charter.

c) *Borrowing costs*

Borrowing costs are finance and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. All the other borrowing costs are charged to consolidated statement of income.

d) *Financial Instruments*

Recognition and initial measurement

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

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

Non-derivative financial assets and liabilities

Non-derivative financial assets include equity investments, loans to joint ventures, trade and other receivables, due from joint venture companies and cash and bank balances. Non-derivative financial liabilities comprise accounts payable and accruals, borrowings and due to related parties.

Classification and subsequent measurement

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

3 *Basis of Preparation and Significant Accounting Policies (continued)*

3.2 *Significant Accounting Policies (continued)*

d) *Financial Instruments (continued)*

- *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, loans to joint venture companies, due from joint venture companies and its cash at bank at amortised cost. The Group does not hold any other financial assets at amortised cost.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual cash flows 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;
- 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 – Assessment whether contractual cash flows are solely payments of principal and interest

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

3 *Basis of Preparation and Significant Accounting Policies (continued)*

3.2 *Significant Accounting Policies (continued)*

d) *Financial Instruments (continued)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable 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.

Financial assets - Subsequent measurement and gains and losses:

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
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 profit or loss. The Group does not hold such assets.
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 profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.
Equity investments at Fair Value Through Other Comprehensive Income (FVOCI)	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amount Expressed in Thousands of Qatari Riyals)

3 ***Basis of Preparation and Significant Accounting Policies (continued)***

3.2 ***Significant Accounting Policies (continued)***

d) ***Financial Instruments (continued)***

i) ***Equity Investments***

Equity investments are non-derivative financial assets that are designated as an investment at fair value through other comprehensive income and are not classified as an investment at fair value through profit or loss. Equity investments are equity securities and are initially recognised at cost, being the fair value of the consideration given plus any directly attributable transaction costs. After initial recognition, they are remeasured at fair value. Unrealised gains and losses are recognized in other comprehensive income and presented as a separate component of equity.

For investments traded in active markets, fair value is determined by reference to quoted market bid prices at the close of business on the date of the statement of financial position.

ii) ***Trade and Other Receivables***

Trade receivables is initially recognised at the transaction price i.e. original invoice amount which is subsequently reduced by impairment losses. The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. Loss allowances are always measured at an amount equal to lifetime ECLs. Bad debts are written off as incurred.

iii) ***Cash and Cash Equivalents***

Cash and cash equivalents comprise cash on hand, current and call accounts with banks and bank deposits having maturities of less than 90 days.

iv) ***Accounts Payable and Accruals***

Liabilities are recognised for amounts to be paid in the future for goods or services received whether billed by the supplier or not.

v) ***Interest bearing Loans and Borrowings***

Interest bearing loans and borrowings are recognized initially at fair value of the amounts borrowed, less directly attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. Installments due within one year at amortized cost are shown as a current liability.

De-recognition of financial assets

A financial asset is de-recognized where:

- the right to receive cash flows from the asset have expired or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and
- either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
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3 ***Basis of Preparation and Significant Accounting Policies (continued)***

3.2 ***Significant Accounting Policies (continued)***

d) ***Financial Instruments (continued)***

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. 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) recognized in the consolidated statement of income.

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 an 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.

e) Inventories

Inventories include spares and consumables and are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method. Net realisable value is based on estimated replacement cost.

f) Provisions

Provisions are recognized when the Group has an obligation either legal or constructive arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

g) Employees' End of Service Benefits and Pension Contributions

Employees' end of service benefits represents terminal gratuity and are provided for services rendered based on entitlements stipulated in the employees' contracts of employment and their 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. The Group has no expectation of settling its end of service benefits obligations in near term and hence classified this as a non-current liability.

Under Law No. 24 of 2002 on Retirement and Pension, contributions by the Group to a Government Fund Scheme for Qatari employees are calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to its contributions which are expensed when due and remitted to the General Retirement and Pension Authority on a monthly basis.

h) Revenue and other income

The Group accounts for time charter revenue under IFRS 16 – Leases. A time charter contract involves placing a vessel at the charterer's disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Under time charters, operating cost such as for crews, maintenance and insurance are typically paid by the owner of the vessel. Charter income (net of any incentives given to lessees and any off-hire period) is recognized on a straight-line basis over the lease term of the respective time charter contract.

Revenue from marine and agency services is recognized as and when the services are rendered.

Revenue from vessel sub-chartering is recognized on the accrual basis.

Interest income is recognized on an accrual basis, taking into account the interest rate applicable and principal outstanding.

Dividend income from investments is recognized when the shareholder's right to receive payment is established.

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3. *Basis of Preparation and Significant Accounting Policies (continued)*

3.2. *Significant Accounting Policies (continued)*

i) *Impairment*

Impairment of Financial Assets

Non-derivative financial assets
The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

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

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

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

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be 'BBB' or higher per accredited rating agency.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the 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 are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. *Basis of Preparation and Significant Accounting Policies (continued):*

3.2 *Significant Accounting Policies (continued)*

i) *Impairment (continued)*

Presentation of allowance for ECL in the consolidated statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.
Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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.

Impairment of Non-Financial Assets
The carrying amounts of the Group's non-financial assets other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized in consolidated statement of income, whenever the carrying amount of an asset exceeds its recoverable amount.
The impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

j) *Foreign Currencies*
Foreign currency transactions are recorded in Qatari Riyals at the rate of exchange prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Qatari Riyals at the rate of exchange prevailing at the year end. The resultant exchange difference is included in the consolidated statement of income.

The individual financial statements of subsidiaries and joint ventures in the Group are presented in the currency of the primary economic environment in which they operate (functional currency). For the purpose of these consolidated financial statements, the results and financial position of each entity are expressed in the presentation currency of the parent company.

k) *Derivative Financial Instruments and Hedging Activities*
The Group entered into a number of derivative financial instruments to manage its exposure against adverse movement in interest rate.

Derivatives are initially recognized at fair value on the date the derivative contracts are entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group has designated its interest rate swaps as hedges of the exposure to variability in cash flows (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

In circumstances where derivative financial instruments do not qualify as effective hedges, they are marked to market at each period end and changes in fair value are recorded in consolidated statement of income.

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3. *Basis of Preparation and Significant Accounting Policies (continued):*

3.2 *Significant Accounting Policies (continued)*

k) Derivative Financial Instruments and Hedging Activities (continued)

IBOR Reforms
IFRS 9, IAS 39 & IFRS 7"Interest rate benchmark reform" Phase 1 amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform. The reliefs have the effect that IBOR reform should not generally cause hedge accounting to terminate prior to contracts being amended. However, any hedge ineffectiveness continues to be recorded in the income statement. Furthermore, the amendments set out triggers for when the reliefs will end, which include the uncertainty arising from interest rate benchmark reform no longer being present. In summary, the reliefs provided by the amendments that apply are:

- When considering the 'highly probable' requirement, we have assumed that the LIBOR interest rate, on which our hedged debts are based, does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis we have assumed that the LIBOR interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by IBOR reform.

The 'phase 2' amendments address issues arising during interest rate benchmark reform, including specifying when the 'phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

The Group has adopted the following hedge accounting reliefs provided by 'Phase 2' of the amendments:

Hedge Designation: When the phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of these changes:

a) designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk.

b) amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

c) amending the description of the hedging instrument.

The Group will update its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

Amounts accumulated in the cash flow hedge reserve: When the Group amends its hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate, SOFR (Secured Overnight Financing Rate).

Risk components: The Group is permitted to designate an alternative benchmark rate as a non-contractually specified risk component, even if it is not separately identifiable at the date when it is designated, provided that the Group reasonably expects that it will meet the requirements within 24 months of the first designation and the risk component is reliably measurable. The 24-month period applies separately to each alternative benchmark rate which the Group might designate.

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3. *Basis of Preparation and Significant Accounting Policies (continued):*

3.2 *Significant Accounting Policies (continued)*

l) *Capital work in progress*
Capital work in progress includes direct cost incurred in building assets, interest capitalized and other costs necessary to bring the assets in the location and condition to be capable of operating in the manner intended by the management. The cost is transferred to property and equipment when the assets are ready for their intended use.

m) *Deferred income*
Amounts received to compensate the Group for the cost of dry docking and construction of an item of property and equipment is presented as "Other liabilities" in the consolidated statement of financial position.

The Group follows an income approach which requires the amounts to be recognized in the consolidated statement of income on a systematic basis over the periods in which the related cost is depreciated over its estimated useful life.

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

Group as a lessee
At commencement or on modification of a contract that contains a lease component, the Group allocated the consideration in the contract to each lease component on the basis of its relative standalone prices. The Group recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of lease liability adjusted for any lease payment made at or before the commencement date , plus any initial incurred and an estimate of the 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 incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use reflects that the Group will exercise a purchase option. In that case, the right of use will be depreciated over the useful life of the underlying asset which is determined on the same basis as that of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. ***Basis of Preparation and Significant Accounting Policies (continued):***

3.2 ***Significant Accounting Policies (continued)***

n) ***Leases (continued)***

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

Lease payments included in the measurement of 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 at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of right of use asset has been reduced to zero.

The Group presents right of use assets in property and equipment.

Short term leases and leases of low-value assets

The Group has elected not to recognize right of use assets or lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

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

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

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

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term.

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3. ***Basis of Preparation and Significant Accounting Policies (continued):***

3.2 ***Significant Accounting Policies (continued)***

o) ***Operating Segments***

Wholly owned gas transportation vessels are the group's primary operating segment based on the nature of the services provided. Other segments including agency and marine services are immaterial and not reportable. These consolidated financial statements are therefore prepared on a single reportable segment basis.

p) ***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 Group by the weighted average number of ordinary shares outstanding during the period.

q) ***Current versus non-current classifications***

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 be 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.

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.

All other liabilities are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. ***Property and Equipment:***

	Vessels	*Furniture and Fixtures*	*Right of Use Assets*	*Others **	*Total*
Cost:					
At January 1, 2021	31,498,473	41,035	68,557	189,904	31,797,969
Additions during the year 2021	11,263	26	-	2,948	14,237
Transfer from capital work in progress	40	451	-	(491)	-
Disposals /adjustments during the year 2021	-	-	(7,937)	(139,100)	(147,037)
At December 31, 2021	31,509,776	41,512	60,620	53,261	31,665,169
Additions during the year 2022	**-**	**-**	**-**	**97,961**	**97,961**
Transfer from capital work in progress	**82,708**	**-**	**-**	**(82,708)**	**-**
Disposals /adjustments during the year 2022	**(80,136)**	**-**	**-**	**(5,062)**	**(85,198)**
At December 31, 2022	**31,512,348**	**41,512**	**60,620**	**63,452**	**31,677,932**
Accumulated Depreciation:					
At January 1, 2021	8,428,722	29,883	3,428	174,744	8,636,777
Charge for the year 2021 **	879,438	11,629	6,062	4,284	901,413
Disposals /adjustments during the year 2021	-	-	(397)	(139,100)	(139,497)
At December 31, 2021	9,308,160	41,512	9,093	39,928	9,398,693
Charge for the year 2022 **	**944,962**	**-**	**6,062**	**1,655**	**952,679**
Disposals /adjustments during the year 2022	**16**	**-**	**-**	**(805)**	**(789)**
At December 31, 2022	**10,253,138**	**41,512**	**15,155**	**40,778**	**10,350,583**
Net Carrying amount:					
At December 31, 2022	**21,259,210**	**-**	**45,465**	**22,674**	**21,327,349**
At December 31, 2021	22,201,616	-	51,527	13,333	22,266,476

*This includes capital work in progress amounting to **QR 16 million** (2021: QR 5.3 million).

** **QR 6 million** depreciation is classified under G&A (2021: QR 6 million)

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5. ***Investment in Joint Venture Companies:***

	QR
Balance – January 01, 2021	4,193,685
Additional investment in a joint venture	199,874
Share of results for the year	493,560
Loss adjusted against loan to joint ventures	13,184
Adjustment against additional liability for losses from joint ventures	17,829
Share of hedging reserve for the year *	131,995
Dividend received	(149,782)
Balance – December 31, 2021	4,900,345
Additional investment in a joint venture	**58,694**
Share of results for the year	**689,373**
Loss adjusted against loan to joint ventures	**21,197**
Adjustment against additional liability for losses from joint ventures	**(112,419)**
Share of hedging reserve for the year *	**295,782**
Dividend received	**(563,012)**
Balance – December 31, 2022	**5,289,960**

* This excludes the share of gain on the hedging reserve from joint ventures amounting to a total of **QR Nil** (2021: QR 3.6 million) adjusted against the loan to the respective joint venture.

Details of the Group's joint venture companies at **December 31, 2022** are as follows:

Name of Joint Ventures	*Place of Incorporation*	*Proportion of Ownership Interest*	*Principal Activity*
Maran Nakilat Company Ltd.	Cayman Islands	40%	Chartering of vessels
J5 Nakilat No. 1 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 2 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 3 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 4 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 5 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 6 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 7 Ltd.	Marshall Islands	40%	Chartering of vessels
J5 Nakilat No. 8 Ltd.	Marshall Islands	40%	Chartering of vessels

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. *Investment in Joint Venture Companies (continued):*

Name of Joint Ventures	*Place of Incorporation*	*Proportion of Ownership Interest*	*Principal Activity*
Peninsula LNG Transport No. 4 Ltd.	Marshall Islands	30%	Chartering of vessels
Teekay Nakilat Corporation	Marshall Islands	30%	Chartering of vessels
Pronav:			
- Neptana Schiffsbetriebsgesellschaft mbH & Co. TS "Alexandra" KG	Germany	45%	Chartering of vessels
- Nausola Schiffsbetriebsgesellschaft mbH & Co. TS "Britta" KG	Germany	45%	Chartering of vessels
-Nauranto Schiffsbetriebsgesellschaft mbH & Co. TS "Gabriela" KG	Germany	45%	Chartering of vessels
-Neptora Schiffsbetriebsgesellschaft mbH & Co. TS "Julia" KG	Germany	45%	Chartering of vessels
Teekay Nakilat (III) Corporation (1)	Marshall Islands	60%	Chartering of vessels
Nakilat Excelerate LLC (1)	Marshall Islands	55%	Chartering of vessels
Global Shipping Company Ltd (1)	Cayman Islands	60%	Chartering of vessels
India LNG Transport Company No.3 Limited	Malta	20%	Chartering of vessels
Nakilat Svitzerwijsmuller WLL (1)	Qatar	70%	Chartering of vessels
Gulf LPG Transport Company WLL	Qatar	50%	Chartering of vessels
Nakilat-Keppel Offshore & Marine Limited (QPJSC) (1)	Qatar	80%	Operate and maintain the Ship Repair Yard.
Nakilat Damen Shipyards Qatar Limited (QPJSC) (1) (2)	Qatar	70%	Design construct & operate the Ship Building Yard.
Qatar Fabrication Company (1)	Qatar	60%	Fabrication activities

(1) Although the Group holds more than half of the equity shares in these entities, it does not exercise control over the entities. Decisions need unanimous consent of both parties. The Group does not have any contractual rights to the assets and obligations for the liabilities relating to these joint ventures. Consequently, the above joint ventures are accounted for using equity method in these consolidated financial statements.

(2) The Group is in the process of winding down one of the joint ventures. The operation of the joint venture is non-significant to the consolidated financial statements.

5.1 *Summarized financial information of joint ventures:*

Summarized financial information in respect of the Group's joint venture companies represents amounts shown in the financial statements of respective joint ventures prepared in accordance with IFRS (adjusted by the Group for equity accounting purposes wherever the financial reporting framework is not IFRS).

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5. *Investment in Joint Venture Companies (continued):*

5.1 *Summarized financial information of joint ventures (continued):*

As of December 31, 2022:	**Shipping Joint Ventures**	**Marine Joint Ventures**	**Shipyard Joint Ventures**	**Total**
Current assets	**3,204,334**	**113,378**	**324,820**	**3,642,532**
Non-current assets	**24,783,502**	**216,574**	**228,254**	**25,228,330**
Current liabilities	**(1,901,130)**	**(6,033)**	**(435,564)**	**(2,342,727)**
Non-current liabilities	**(14,948,458)**	**(510)**	**(619,968)**	**(15,568,936)**
Net assets	**11,138,248**	**323,409**	**(502,458)**	**10,959,199**
Group's share of net assets	**5,063,574**	**226,386**	**-**	**5,289,960**
Net profit	**1,296,710**	**33,344**	**106,104**	**1,436,158**
Other Comprehensive Income	**710,460**	**-**	**-**	**710,460**
Group's share of net profit	**574,811**	**23,341**	**91,221**	**689,373**
Group's share of other comprehensive income	**295,782**	**-**	**-**	**295,782**
Other disclosures:				
Revenues	**3,780,827**	**98,890**	**620,107**	**4,499,824**
Cash & Cash Equivalents	**1,823,948**	**70,028**	**120,805**	**2,014,781**

As of December 31, 2021:	**Shipping Joint Ventures**	**Marine Joint Ventures**	**Shipyard Joint Ventures**	**Total**
Current assets	3,134,264	67,788	209,195	3,411,247
Non-current assets	25,218,414	227,727	258,840	25,704,981
Current liabilities	(1,565,632)	(5,043)	(361,654)	(1,932,329)
Non-current liabilities	(16,511,671)	(407)	(663,417)	(17,175,495)
Net assets	10,275,375	290,065	(557,036)	10,008,404
Group's share of net assets	4,697,299	203,046	-	4,900,345
Net profit	1,158,316	33,405	35,556	1,227,277
Other Comprehensive Income	314,347	-	-	314,347
Group's share of net profit / (loss)	506,384	23,384	(36,208)	493,560
Group's share of other comprehensive income	135,589	-	-	135,589
Other disclosures:				
Revenues	3,522,201	98,113	392,664	4,012,978
Cash & Cash Equivalents	2,210,422	39,590	74,531	2,324,543

6. *Loans to Joint Venture Companies:*

	December 31, 2022	December 31, 2021
India LNG Transport Company No. 3 Limited	**68,484**	68,541
Global Shipping Company Limited	**-**	599,978
Total	**68,484**	668,519

These interest-bearing loans have been given to the joint ventures and repayment is subject to liquidity of the joint venture companies. The weighted average interest rate at **December 31, 2022** is **1.17%** (2021: 2.19%).

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7. *Equity Investments:*

	December 31, 2022	December 31, 2021
Equity investments -at FVOCI	**162,702**	120,386
Changes in fair value	**(24,015)**	42,316
Balance at December 31	**138,687**	162,702

Equity investments represent investment in listed securities in the Qatar Exchange.

8. *Trade and Other Receivables:*

	December 31, 2022	December 31, 2021
Trade receivables	**95,508**	96,746
Less: Provision for doubtful receivables	**(229)**	(2,279)
	95,279	94,467
Less: Allowance for expected credit loss	**(17,141)**	(7,723)
Accrued income	**48,164**	13,186
Other receivables*	**603,691**	675,156
Total	**729,993**	775,086

* Other receivables and related advances from the customers (note 15) mainly pertain to unbilled invoices, upon receipt of which, these balances will be offset against each other.

The Group has provided fully for all receivables where collection of the amount is no longer probable.

The average credit period is approximately 60 days.
As at **December 31, 2022** the ageing of trade receivables and movement in the provision for doubtful receivables are as follows:

	December 31, 2022	December 31, 2021
(i) *Ageing of neither past due nor impaired*		
Less than 60 days	**26,519**	40,423
(ii) *Ageing of past due but not impaired*		
61-90 days	**3,508**	3,902
91-120 days	**2,413**	1,966
Over 120 days	**62,839**	48,176
Total	**68,760**	54,044
(iii) *Ageing of impaired trade receivables*		
Over 120 days	**229**	2,279
(iv) *Movement in the provision for doubtful receivables:*		
Balance at the beginning of the year	**2,279**	2,050
Additions during the year	**-**	300
Written off during the year	**(2,050)**	(71)
Balance at end of the year	**229**	2,279

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9. *Cash and Bank Balances:*

	December 31, 2022	December 31, 2021
Cash on hand	**490**	507
Cash at bank-Call and current accounts	**1,223,900**	847,920
Cash at bank-Time deposits*	**3,202,755**	2,462,569
Other bank balances **(a)**	**20,258**	20,298
Other bank balances **(b)**	**112,641**	108,016
Total	**4,560,044**	3,439,310

* The effective interest and profit rates on the time deposits varies between **0.44%** to **6.5%** (2021: 0.01% to 2.5%).

9.1 *Cash and Cash Equivalents:*

	December 31, 2022	December 31, 2021
Cash and bank balances	**4,560,044**	3,439,310
Less:		
Other bank balances **(a)**	**(20,258)**	(20,298)
Other bank balances **(b)**	**(112,641)**	(108,016)
Time deposits maturing after 90 days	**(2,693,849)**	(1,673,502)
Restricted cash	**(146,572)**	(236,528)
	1,586,724	1,400,966

(a) Cash payable to shareholders for unclaimed proceeds of their shares auctioned related to the second IPO call.
(b) Cash payable to shareholders for unclaimed dividend.

10. *Share Capital:*

	December 31, 2022	December 31, 2021
	Number of Shares	Number of Shares
Issued and subscribed share capital	**5,540,263,600**	5,540,263,600
	Amount	Amount
Issued, subscribed and paid up share capital with a par value of QR 1 each	**5,540,264**	5,540,264

10.1 *Proposed Cash Dividend:*

The Board of Directors has proposed a cash dividend of **QR 720 million** for the current year (2021: QR 665 million) which is subject to the approval of shareholders in the Annual General Meeting. The cash dividend for 2021 was approved by the shareholders at the Annual General Meeting held on February 28, 2022.

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11. *Legal Reserve:*

The Articles of Association of the Company require the Company to provide for a legal reserve at 10% of net profit for each year until it reaches 50% of paid-up share capital. This reserve is not available for distribution except for circumstances specified in the Articles of Association.

12. *Hedging Reserve:*

This represents the Group's share of the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge that was recognized by its subsidiaries and its share from the joint venture companies.

The negative hedging reserve represents an accounting entry from the revaluation to fair value the interest rate swaps. The hedging reserve is expected to decrease over time as loans are repaid and the notional amount of the swaps decreases. The reserve on designated hedges is not expected to impact either consolidated statement of income or retained earnings. The negative hedge reserve arises on interest rate swaps that relate to variable interest-bearing loans taken to build vessels. The Group also enters into long-term time charter agreements to lock-in the future cash inflows from vessels. This strategy is expected to result in a more stable stream of cash flows in the future and minimize uncertainties associated with shipping spot rate movements or interest rate movements.

13. *Borrowings:*

These consist of the following:	**December 31, 2022**	December 31, 2021
Loan - **note (a)**	**1,570,410**	1,661,448
Senior bank facilities - **note (b)**	**9,976,097**	10,473,231
Subordinated bank facilities - **note (c)**	**1,138,748**	1,195,672
Senior bonds – Series "A" - **note (d)**	**2,760,420**	2,932,859
Subordinated bonds Series "A" - **note (e)**	**702,811**	746,150
Loan -**note (f)**	**910,383**	910,383
Borrowings acquired through business combination -**note (g)**	**1,256,328**	1,473,759
Loan -**note (h)**	**546,230**	546,230
Less: Issuance costs of bonds	**(15,412)**	(16,813)
Less: Costs incurred for financing under note (a)	**(1,793)**	(3,190)
Less: Transaction costs of refinancing	**(24,838)**	(9,336)
Less: Costs incurred for loan under note (f)	**-**	(2,359)
Less: Costs incurred for loan under note (g)	**(12,597)**	(3,671)
Less: Costs incurred for loan under note (h)	**-**	(3,340)
Less: Fair value gain under business combination	**-**	(51,187)
Total	**18,806,787**	19,849,836
Classified as:		
Payable within one year	**1,085,201**	1,707,139
Payable after one year	**17,721,586**	18,142,697

Note (a):
Represents USD 500 million drawdown against the financing facility. The repayment began from June 2020 and will end in June 2024.

Note (b):
Represents USD 1,514.41 million against the senior bank facility Tranche I, USD 657.12 million against the senior bank facility Tranche II and USD 568 million against the senior bank facility Tranche V. The repayment of Tranche I began from December 2010 and will end in December 2025. The repayment of Tranche II began from June 2011 and will end in December 2025. The LIBOR based Tranche IV is refinanced and fully paid during the year and replaced with Tranche V under SOFR (secured overnight financing rate). The repayment of Tranche V will begin in June 2023 and will end in December 2033.

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13. *Borrowings (continued):*

Note (c):

Represents USD 118.91 million against the subordinated bank facility Tranche I, USD 87.80 million against the subordinated bank facility Tranche II and USD 106 million against the subordinated bank facility Tranche V. The repayment of Tranche I began from December 2010 and will end in December 2025. The repayment of Tranche II began from June 2011 and will end in December 2025. The LIBOR based Tranche IV is refinanced and fully paid during the year and replaced with Tranche V under SOFR (secured overnight financing rate). The repayment of Tranche V will begin in June 2023 and will end in December 2033.

Note (d):

Represents the senior bonds issued under the Tranche I financing program. The repayment began from June 2021 and will end in December 2033.

Note (e):

Represents the subordinated bonds issued under the Tranche I financing program. The repayment began from December 2010 and will end in December 2033.

Note (f):

Represents USD 250 million drawdown against the financing facility. The balloon repayment will be due in May 2024.

Note (g):

The borrowing relates to a subsidiary which was acquired as a result of business combination. Balloon payment of previous LIBOR based loan is refinanced and fully paid during the year. New loan is secured under SOFR (secured overnight financing rate). The repayment of new loan will begin in January 2023 and will end in October 2031.

Note (h):

Represents USD 150 million against a loan facility. The repayment will begin from December 2023 and will end in December 2027.

Note (i):

The table below shows the changes in liability arising from financing activities.

Particulars	*As at 01 January 2022*	*Cash flow changes*	*Non-cash changes - Transaction cost*	*As at 31 December 2022*
Borrowings	*19,849,836*	*(1,116,209)*	*73,160*	*18,806,787*

The weighted average interest rate on short / long term facilities (excluding hedge), loans and bonds as above at **December 31, 2022** is **3.47979%** (2021: 2.26534%).

The bank facilities and bonds have been used to finance the acquisition of the vessels.

The Group's obligation under the facilities is secured by a charge over the vessels and guarantees issued by each of the Group's subsidiaries who have irrevocably and unconditionally guaranteed the punctual payments of the debts.

The bank facilities and bonds are further secured against accounts and all permitted investments made from the funds received against the initial draw down, shares in each of the subsidiary, all the insurance policies entered by the Company or any of the subsidiary and insurance proceeds. These are also secured by Company's right, title and interest in any contract, intercompany loans and floating charges over the Company's other assets and any other contract in which each of the subsidiary is a party.

All these securities are subject to first priority to senior debts and bonds and second priority to subordinated debts and bonds.

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14. *Fair Value of Interest Rate Swaps:*

The Group has entered into interest rate swap agreements with several financial institutions. As at **December 31, 2022** the outstanding notional amount of swap agreements is **QR 8,165 million** (2021: QR 10,188 million) and net fair value is negative **QR 509.8** million (2021: negative QR 1,986 million).

15. *Accounts Payable and Accruals:*

	December 31, 2022	December 31, 2021
Accounts payable	**210,852**	146,252
Advances from customers **(Note 8)**	**602,415**	581,786
Payable to shareholders **(1)**	**20,258**	20,298
Other accruals	**251,017**	206,186
Other liabilities-current portion **(note 15.1)**	**5,868**	41,207
Social and sports fund contribution **(note 16)**	**35,973**	33,837
Dividend payable	**112,641**	108,016
Deferred liabilities **(2)**	**152,922**	265,342
Total	**1,391,946**	1,402,924

(1) This represents cash payable to shareholders for unclaimed proceeds of their shares auctioned related to the second IPO call.
(2) This represents the Group's share of additional losses from joint ventures and will be adjusted against the future profits of the same joint ventures.

15.1 *Other Liabilities:*

This includes deferred income relating to excess dry-docking costs, Ballast water treatment costs and proceeds from MEGI project. The excess dry dock costs amortized over the life of the dry-docking costs. The proceeds from MEGI project & Ballast water treatment will be amortized over the useful life of related assets. The balance of non-current portion is **QR 146,798** thousands (2021: QR 211,963 thousands).

16. *Social and Sports Fund Contribution:*

Qatar Law no. 13 of 2008 requires Qatari listed shareholding companies with IPO to pay 2.5% of net profit to a social and sports fund. In pursuant to this Law and further clarifications for the Law issued in 2010, the Group has made an appropriation of **QR 35,973** thousands representing **2.5**% of the net consolidated profit of the Group for the year ended **December 31, 2022** (December 31, 2021: QR 33,837 thousands). This appropriation has been presented in the consolidated statement of changes in equity.

17. *Related Party Disclosures:*

		For the year ended December 31, 2022	For the year ended December 31, 2021
(a)	Transactions with related parties during the year are as follows:		
	Loan to joint ventures-net	**578,837**	592,462
	Interest income on loans to joint ventures	**12,833**	35,201
(b)	Balances with related parties are as follows:		
	Due from joint venture companies	**55,448**	69,456
	Due to joint venture companies	**928**	929
(c)	Key management compensation:		
	Compensation of key management personnel	**10,323**	10,219
	Board of Directors' remuneration accrued	**5,900**	5,900

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18. *Subsidiaries:*

Details of the Company's subsidiaries at **December 31, 2022** are as follows:

Name of Subsidiaries	***Place of Incorporation (or registration)***	***Proportion of Ownership & Voting Interest***	***Principal Activity***
Nakilat Agency Company Navigation Limited (Q.P.J.S.C.)	Qatar	95%	Agency services
Nakilat Inc.	Marshall Islands	100%	Holding Company
-Nakilat Haloul Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat Umm Slal Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat Bu Samra Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1694 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1695 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1696 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1697 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat H.H.I 1908 Inc	Marshall Islands	100%	Chartering of vessels
-Nakilat H.H.I. 1909 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat H.H.I 1910 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat Al Ghuwairiya Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat Lijmiliya Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat Al Samriya Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2264 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2265 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2266 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1726 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1751 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1752 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1753 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat S.H.I. 1754 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2283 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2284 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2285 Inc.	Marshall Islands	100%	Chartering of vessels
-Nakilat DSME 2286 Inc.	Marshall Islands	100%	Chartering of vessels
Nakilat Marine Services Limited *	Marshall Islands	100%	Holding Company
-Nakilat Maritime Corporation	Marshall Islands	100%	Holding Company
-Overseas LNG H1 Corporation	Marshall Islands	100%	Chartering of vessels
-Overseas LNG H2 Corporation	Marshall Islands	100%	Chartering of vessels
-Overseas LNG S1 Corporation	Marshall Islands	100%	Chartering of vessels
-Overseas LNG S2 Corporation	Marshall Islands	100%	Chartering of vessels
QGTC Nakilat (1643-6) Holding Corporation *	Marshall Islands	100%	Holding Company
QGTC Nakilat (2245-8) Investment Limited *	Marshall Islands	100%	Holding Company
Nakilat Shipping (Qatar) Limited	Qatar	100%	Ship Management Company
QGTC Shipping (M.I.) Inc.	Marshall Islands	100%	Shipping Company
-QGTC Cyprus Limited	Cyprus	100%	Shipping Company

* Share capital in these subsidiaries was issued at no par value.

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19. ***Earnings Per Share:***

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

	For the year ended December 31, 2022	For the year ended December 31, 2021
Profit for the year attributable to the owners of the Company	**1,438,918**	1,353,469
Weighted average number of shares outstanding during the year	**5,540,263,600**	5,540,263,600
Basic and diluted earnings per share (expressed in QR per share)	**0.26**	0.24

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

20. ***Financial Risk Management:***

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

I Market risk

II Liquidity risk

III Credit risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and internal audit activities. A risk management committee have been established which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the CEO and the Board of Directors on its activities.

I Market Risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments.

(a) ***Interest Rate Risk***

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by the use of interest rate swap contracts. The Group's policy is to use interest rate swap instruments on certain of its borrowings. The difference between the fixed-rate interest cost (payment) and the variable-rate interest cost (receipt) is settled periodically.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge interest rate fluctuation risk exposure. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on interest rate risk, credit risk and the use of financial derivatives. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Treasury function reports periodically to the Group's management that monitors risks and policies implemented to mitigate risk exposures.

(i) ***Interest Rate Sensitivity Analysis***

The Group is exposed to interest rate risk on its bank balances, loans to joint ventures and borrowings. The table below demonstrates the sensitivity of the Group's profit to possible changes on the Group's floating interest rate of financial assets and liabilities held on **December 31, 2022**.

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20. ***Financial Risk Management (continued):***
I ***Market Risk (continued)***
(a) ***Interest Rate Risk (continued)***
(i) ***Interest Rate Sensitivity Analysis (continued)***

The Group's sensitivity analysis has been determined based on exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating liabilities, the amount of the liability outstanding at the end of the reporting period was assumed outstanding for the whole year. All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest on borrowings.

The Group's exposure to interest rate risk and the effective interest rates on its financial assets and liabilities are summarized below:

	December 31, 2022				December 31, 2021			
	Fixed interest rate	***Floating interest rate***	***Non-interest bearing***	***Total***	*Fixed interest rate*	*Floating interest rate*	*Non-interest bearing*	*Total*
Financial assets								
Bank balances and cash	**-**	**4,342,678**	**217,366**	**4,560,044**	-	3,156,163	283,147	3,439,310
Loans to joint ventures	**-**	**68,484**	**-**	**68,484**	-	668,519	-	668,519
	-	**4,411,162**	**217,366**	**4,628,528**	-	3,824,682	283,147	4,107,829
Financial liabilities								
Interest bearing loans and borrowings	**(3,447,819)**	**(7,193,627)**	**-**	**(10,641,446)**	(3,662,196)	(5,999,496)	-	(9,661,692)
Interest rate swap	**(8,165,341)**	**-**	**-**	**(8,165,341)**	(10,188,144)	-	-	(10,188,144)
	(11,613,160)	**(7,193,627)**	**-**	**(18,806,787)**	(13,850,340)	(5,999,496)	-	(19,849,836)
Net financial assets/ (liabilities)	**(11,613,160)**	**(2,782,465)**	**217,366**	**(14,178,259)**	(13,850,340)	(2,174,814)	283,147	(15,742,007)

If interest rates had been 50 basis points lower / higher and all other variables were held constant, the net effect on the profit for the year ended **December 31, 2022** would be an increase / decrease by **QR 13.9 million** (December 31, 2021: QR 10.8 million).

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20. ***Financial Risk Management (continued):***
I ***Market Risk (continued)***
(a) ***Interest Rate Risk (continued)***
(ii) Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows quoted by the respective swap counter parties.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

Cash flow hedges

Outstanding receive floating Pay fixed contracts	*Average contracted fixed interest rate*		*Notional principal amount outstanding*		*Fair value*	
	2022	2021	**2022**	2021	**2022**	2021
	%	%	**QR (million)**	QR (million)	**QR (million)**	QR (million)
Less than 1 year	**--**	--	--	--	--	--
1 to 2 years	**--**	--	--	--	--	--
2 to 5 years	**--**	--	--	--	--	--
5 years and above	**5.255**	5.255	**8,165**	10,188	**(510)**	(1,986)

In addition to the above, the Group has also accounted for its share of the positive fair value of interest rate swaps relating to Joint Ventures amounting to **QR 262 million** as of **December 31, 2022** (2021: negative fair value of QR 34 million).

The interest rate swap settles semi annually. The floating rate on interest rate swaps is LIBOR. The Group will settle the difference between the fixed and floating rate on a net basis.

The majority of interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously.

(iii) Effect of IBOR reforms

The Group's risk exposure that is directly affected by the interest rate benchmark reform will be addressed by the phase 2 implementation prior to the conclusion of the next reporting period. The Group has partially hedged this debt with interest rate swaps, and it has designated the swaps in a cash flow hedge of the variability in cash flows of the debt, due to changes in USD LIBOR which is the current benchmark interest rate.

All the USD LIBOR tenors will expire by June 30, 2023, and It is currently expected that SOFR (Secured Overnight Floating Rate) will replace USD LIBOR.

There are key differences between USD LIBOR and SOFR. USD LIBOR is a 'term rate', which means that it is published for a borrowing period (such as 3 months), and it is 'forward-looking', because it is published at the beginning of the borrowing period. SOFR is currently a 'backward-looking' rate; it is based on overnight rates from actual transactions, and it is published at the end of the overnight borrowing period. Furthermore, USD LIBOR includes a credit spread over the risk-free rate, which SOFR does not.

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20. ***Financial Risk Management (continued):***
I ***Market Risk (continued)***
(a) ***Interest Rate Risk (continued)***
(iii) Effect of IBOR reforms (continued)

Significant assumptions
In calculating the change in fair value attributable to the hedged risk of floating-rate debt, we have made the following assumptions that reflect its current expectations:

- The floating-rate debt will completely move to SOFR during 2023, and the spread will be similar to the spread included in the interest rate swap used as the hedging instrument.
- No other changes to the terms of the floating-rate debt are anticipated.

(b) ***Equity price risk***

The Group is subject to equity price risk in relation to equity investments. The Group evaluates the current market value and other factors including normal volatility in share price for quoted equities and other relevant factors in order to manage its market risk.

A 10% increase or decrease in market value of the Group's portfolio of equity investments at the reporting date is expected to result in an increase or decrease of **QR 13.87 million** (2021: QR 16.27 million) in the assets and equity of the Group.

Currency risk
(c) Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The significant foreign currency transactions are denominated in United States Dollar ("USD") which is pegged with the functional currency of the Company. Therefore, the Management is of the opinion that the Group's exposure to currency risk is minimal.

II ***Liquidity Risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity 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 Group's reputation.

The ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of non-derivative financial liabilities excluding the impact of netting agreements, if any:

Non-Derivative Financial Liabilities

31 December 2022	Carrying Amounts	Less than 1 year	1-5 years	Over 5 Years
Borrowings	**18,806,787**	**1,085,201**	**7,726,688**	**9,994,898**
Lease liability	**46,935**	**5,930**	**24,123**	**16,882**
Accounts payable	**982,139**	**982,139**	**-**	**-**
Due to joint venture companies	**928**	**928**	**-**	**-**
	19,836,789	**2,074,198**	**7,750,811**	**10,011,780**

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20. ***Financial Risk Management (continued):***
II ***Liquidity Risk (continued)***
Non-Derivative Financial Liabilities (continued)

31 December 2021	Carrying Amounts	Less than 1 year	1-5 years	Over 5 Years
Borrowings	19,849,836	1,707,139	7,052,260	11,090,437
Lease liability	52,313	5,787	23,294	23,232
Accounts payable	890,189	890,189	-	-
Due to joint venture companies	929	929	-	-
	20,793,267	2,604,044	7,075,554	11,113,669

III ***Credit risk***
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and receivable from joint venture companies and bank balances.

Exposure to credit risk
The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position as at December 31, 2022 and 2021 is the carrying amounts as illustrated below.

	Note	Carrying amount December 31, 2022	December 31, 2021
Loans to joint venture companies	6	**68,484**	668,519
Equity investments	7	**138,687**	162,702
Due from joint venture companies	17(b)	**55,448**	69,456
Trade and other receivables	8	**729,993**	775,086
Bank balances	9	**4,559,554**	3,438,803
Total		**5,552,166**	5,114,566

Bank balances

The bank balances are held with banks, which have good, accredited credit ratings (not below BBB) from independent international rating agencies.

Impairment on bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its bank balances have low credit risk based on the external credit ratings of the counterparties.

Loans and due from joint venture companies

The maximum exposure to credit risk for loans and due from related parties at the reporting date was equal to the amount disclosed in the consolidated statement of financial position. Management believes that there is limited credit risk from the receivable from joint venture companies because these counterparties are under the control of the ultimate parent company, who is financially healthy.

Trade receivables

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. Credit evaluations are performed on all customers requiring credit and are approved by the Group's management.

The Group uses an allowance matrix to measure the ECLs of trade receivables from customers.

Loss rates are calculated using a simplified approach method defined under IFRS 9, which is based on the probability of a receivable progressing through successive stages of delinquency to write-off.

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20. ***Financial Risk Management (continued):***
Fair Value of Financial Instruments
The fair value of equity investments is derived from quoted market prices in an active market. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows quoted by the respective swap counter parties. The fair value of other financial instruments approximates their carrying value.

Fair Value Hierarchy

As at December 31, the Group held the following financial instruments measured at fair value.
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.
Level 3. techniques which use inputs which have a significant effect on the recorded fair value that is not based on observable market data.

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value:				
Equity investments	**138,687**	**-**	**-**	**138,687**
Financial liabilities measured at fair value:				
Interest rate swaps used for hedging	**-**	**509,785**	**-**	**509,785**
31 December 2021				
Financial assets measured at fair value:				
Equity investments	162,702	-	-	162,702
Financial liabilities measured at fair value:				
Interest rate swaps used for hedging	-	1,986,150	-	1,986,150

21. ***Capital Management:***
The Group manages its capital to ensure that it will continue as a going concern while maximizing the return to stakeholders through the optimization of invested capital. The capital structure of the Group consists of debt and equity comprising issued share capital, legal reserve, fair value reserve, non-controlling interests, hedging reserve and retained earnings.

Gearing ratio
The Group's management reviews the capital structure on a regular basis. The gearing ratio at the year-end was as follows:

	Note	December 31, 2022	December 31, 2021
Total debt (Borrowings)	13	**18,806,787**	19,849,836
Cash and cash equivalents	9.1	**(1,586,724)**	(1,400,966)
Net debt		**17,220,063**	18,448,870
Equity before hedging reserve and non-controlling interests		**11,496,696**	10,782,598
Add: Non-controlling interests		**5,709**	7,644
Adjusted Equity (i)		**11,502,405**	10,790,242
Net debt to adjusted equity ratio		**150%**	171%

(i) Adjusted equity includes all equity except negative cash flow hedge reserve of the Group.

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22. ***Commitments and Contingencies:***

(A) Swap Commitments:

The Group has entered into several interest rate swap contracts in respect of interest payable on the variable interest rate bearing loans.

(B) Guarantees, Letter of Credit and Commitments:

(i) *Cross Guarantees*

The Company has issued cross guarantees to the various banks with regard to loans and interest rate swaps.

(ii) Bank Guarantees at **December 31, 2022** amounted to **QR 8.3 million (**2021: QR 7.9 million).

(iii) Letters of Credits and Guarantees including the share from joint ventures at **December 31, 2022** amounted to **QR 35.8 million (**2021: QR 32.9 million).

(iv) Capital commitments including the share from joint ventures at **December 31, 2022** amounted to **QR 127.1 million** which mainly relates to acquisition of LNG vessels (2021: QR 339.2 million).

(C) Time Charter:

The Group entered into various time charter agreements with time charterer parties for the time charter of its vessels for an initial term of approximately 25 years from delivery date of each vessel with an option to renew.

23. ***Critical Accounting Estimates and Judgments:***

In application of the Group's accounting policies, which are described in **note 3** management is required to make certain judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The associated assumptions are based on factors that are considered to be relevant. Actual results may differ from these estimates. The underlying assumptions are reviewed on an ongoing basis.

The following critical judgments were made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements.

(i)Useful life, residual value and impairment of property and equipment:

As described in **note 3.2(b)**, the Group's management reviews the estimated useful life and residual value of the property and equipment at the end of each annual reporting period. Management also performs impairment test for property and equipment when there is an indicator for impairment.

Management estimates the useful lives and residual value for the Group's vessels based on historical experience and other factors, including the tonnage value and the expectation of the future events that are believed to be reasonable under the circumstances.

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23. ***Critical Accounting Estimates and Judgments (continued):***

(ii) Impairment of receivables:

The impairment model of 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. Accordingly, management has assigned probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgment; 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.

The impairment review on trade receivables was performed only for receivables for which management had an indication for impairment that also entailed significant judgment. It was determined with reference to past default experience of a counterparty and an analysis of the counterparty's financial situation.

(iii) Fair value and hedge effectiveness of cash flow hedges:

Fair value of hedges is derived based on confirmation from banks. Management performs an independent check to assess the accuracy of the fair values. Management also reviews its hedging relationship between the interest rate swaps and the underlying loans on a regular basis. The hedge was found to be highly effective. As a result, the fair value of the derivative (negative **QR 509.8 million**) is recorded in equity under hedging reserve.

(iv) Classification of lease:

Lease classification is determined by Management at the inception of the lease. Changes to the particulars of a lease after inception, other than by renewing the lease, which would have resulted in a different classification of the lease had the revised terms been in effect at the inception of the lease, should be considered at the inception of a revised agreement over the remaining term.

Management has applied judgments for the classification of its lease arrangements based on the following primary indicators;

- transfer of ownership of the asset at the end of the lease term;
- option to purchase the leased asset at a price that is sufficiently lower than the fair value at the date of the purchase;
- term of the lease is for the major part of the economic life of the asset;
- present value of the minimum lease payments which is calculated based on rate of return implicit in the lease and fair value of the leased asset;
- nature of the asset including its specialization, purpose of creation for the lessee and requirements for major modification to be used by other lessee;
- The lease term is considered as firm period as per the contract based on the available information.

Key estimates used by Management include calculation of IRR, useful life and salvage value.

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24. ***Operating Lease Revenue:***

The Group has various lease agreements for wholly owned LNG vessels. The charter revenues of these vessels are accounted for as operating leases. The future minimum rental receivables under non-cancellable operating leases are as follows:

	December 31, 2022	December 31, 2021
Not later than 1 year	**3,537,021**	3,536,184
Later than 1 year but not later than 5 years	**14,157,777**	14,154,425
Later than 5 years	**22,684,476**	26,216,081
Total	**40,379,274**	43,906,690

25. ***Operating Costs:***

Operating cost mainly includes running and maintenance costs for vessels.

26. ***General and administrative expenses:***

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Employees Costs	**68,462**	65,519
Rent, utilities & others	**19,146**	10,902
Depreciation	**6,062**	6,062
Professional fee-audit, legal & others	**11,740**	8,316
Directors' fee / AGM expenses	**6,708**	6,519
Total	**112,118**	97,318

27. ***Events after the reporting date:***

There are no material events subsequent to the reporting date, which have a bearing on the understanding of these consolidated financial statements.

28. ***Comparative amounts:***

The comparative figures for the previous period have been reclassified where necessary, in order to conform to the current year's presentation. Such reclassification does not affect the previously reported net profits or net assets.