



QATAR FUEL COMPANY Q.P.S.C. ("WOQOD")

ANNUAL GENERAL ASSEMBLY MEETING INVITE, BOARD OF DIRECTORS REPORT SUMMARY AND CONSOLIDATED FINANCIAL STATEMENTS

INVITATION TO ATTEND THE ANNUAL GENERAL ASSEMBLY MEETING

The Board of Directors of Qatar Fuel Company Q.P.S.C. ("WOQOD") is pleased to invite you to attend the Annual General Assembly Meeting to be held on Wednesday, 18th March 2020 at 04:30 PM at The Grand Hayat Hotel. In case of absence of quorum, the alternative Ordinary General Assembly Meeting will be held on Tuesday, 31st March 2020 at 04:30 PM at Abdullah Bin Hamad Al Attiyah Hall, WOQOD Tower.

Agenda of the Annual General Assembly Meeting:

1. Opening Speech by the Chairman of the Board of Directors.
2. Present and approve the Board of Directors Report for the year ended on 31st December 2019.
3. Discuss and approve the External Auditors' Report on the Financial Information 2019.
4. Discuss and approve the Financial Statements for 2019.
5. Approval of recommendation of the Board to distribute cash dividends of 80% for the year 2019.
6. Discuss and approve the Corporate Governance Report for the year 2019.
7. Consider discharging the members of the Board of Directors and approve their remuneration.
8. Election of four members of the Board of Directors for the period from 2020 to 2022.
9. Re-appoint the External Auditor for the year 2020.

Notes:

- Exclusively for the inspection of the shareholders, a detailed statement will be available, 7 days before the AGM, showing the remuneration, attendance fees of meetings and expenses, allowance and privileges received in kind by the Chairman and each member of the Board of Directors at WOQOD Tower.
- All shareholders are requested to be present at the venue of the meeting one hour before the start time of the meeting, to register their attendance.
- A shareholder may appoint another shareholder to attend meeting on his behalf, using the proxy form available on company's website (www.wqod.com), duly signed. In case of company, the proxy form must be signed by the authorized person(s) and company stamp must be affixed.
- It is not permitted to grant proxy to a non-shareholder or to a member of Board of directors. The number of shares held by a proxy holder must not exceed 5% of the Paid up capital (49,712,788 shares).
- Dividends will be distributed from the **next working day** after being approved at the AGM and can be collected from any QNB branch.
- This invitation shall be considered as a legal invitation for all shareholders without the need to send personal invitations through mail in accordance with Law No. (11) For 2015

BOARD OF DIRECTORS' REPORT - SUMMARY

WOQOD has transformed to better serve customers with fuel across the state of Qatar. Our strategy encompassing environmental, social and governance aspects, has shown great results and this is reflected in our overall performance indicators.

Woqod Fuel sales and number of convenience stores expanded in-line with our fuel stations network expansion. Our top priority was to remain a responsible and efficient Fuel distributor in all our activities. At the same time helping to meet the challenge of reducing emissions. Our commitment to quality, health, safety, security and environment (QHSE) at workplace has achieved excellent results with Zero fatalities among our employees and contractors. Moreover, our recorded Lost Time Incident Frequency (LTIF) has improved by 72%. WOQOD continued to increase its corporate social responsibility contribution. In this regard, the company contributed 2.5% of the annual net profit to Sports Authority Fund. In addition, we supported other non-profit organizations and education institutions in Qatar through in-kind and training programs. To support the local production of agriculture products, we participated in Qatar International Agricultural Exhibition (AgriteQ). Our Human Capital Development actively participated in various career fairs to attract young Qatari talent. Our fuel supplies reached 10.5 billion liters in 2019. This was driven by Jet Fuel sales growth of 6% and optimization of distribution fleet, which was upgraded recently.

In order to better serve customers, WOQOD continues to expand its network of petrol stations. The company completed 30 petrol stations in 2019. This has shortened the fueling time at the station and improved customer satisfaction. The company aims to increase the total number of petrol stations to 150 by end of 2022. Our retail fuel sales increased by 24% driven by opening of new petrol stations and retail fuel market share reached 82% in 2019; an increase of 16% as compared to 2018. We also launched our premium lubricants "OTO" at WOQOD petrol stations. OTO has been developed using the latest technology from Shell lubricants and Qatari GTL base oil.

During the year, we made several improvements in our systems and processes to enhance efficiency. One of the key areas was Enterprise Risk Management (ERM) where we completed the framework for WOQOD and subsidiaries. We also successfully implemented Internal Control on Financial Reporting (ICFR) and established Investor Relations activities in line with the regulatory requirements.

WOQOD's financial performance continued to reflect the company's strategy to achieve operational efficiency and cost optimization. The company's net income attributable to the shareholders reached QAR 1,216 million in 2019, an increase of 4.8%, as compared to QAR 1,160 million in 2018. Earnings Per Share (EPS) grew to QAR 1.22 in 2019 as compared to QAR 1.17 in 2018.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATAR FUEL COMPANY Q.P.S.C. ("WOQOD")

Report on the audit of the Consolidated Financial Statements Opinion

We have audited the consolidated financial statements of Qatar Fuel Company Q.P.S.C. (WOQOD), (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statements of profit or loss, profit or loss and other comprehensive income, cash flows and changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in 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. Those 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 those matters.

Description of key audit matters

Valuation of Property, Plant and Equipment (PPE)

The Group Property, Plant and Equipment balance includes land that is held at revaluation model amounting to QR 548,400,000 (2018: QR 557,643,000).

Estimating the fair value which is required for revaluation model is a complex process involving a number of judgements and making use of experts. The valuation expert has exercised judgements particularly in determining the relevant valuation models and inputs to the models. Consequently, we have determined the determination of the valuation models and inputs to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures in this area included, among other:

- Assessing objectivity, independence and competency of the valuation expert appointed by the Group;
- Involving our own real estate valuation expert to evaluate the appropriateness of assumptions used by the valuation expert; and
- Evaluating the adequacy of the disclosures in the consolidated financial statements in line with the relevant accounting standards.

Adoption of IFRS 16 'Leases' effective from 1 January 2019

We focused on this area because:

IFRS 16 "Leases" which the Group implemented on 1 January 2019;

- Requires complex accounting treatments, including use of significant estimates such as lease terms and judgements for the determination of transition options and practical expedients; and



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- The transition of which, gave rise to a Right of use asset of QR 124,158,000 (Note 7), a decrease in Property, Plant and Equipment of QR 31,50,000 (Note 6) and a resultant increase in Lease liabilities of QR 125,668,000 (Note 19) which are material to the consolidated financial statements.

Accordingly, we have considered this to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Evaluating the appropriateness of the selection of accounting policies based on the requirements of IFRS 16, our business understanding and industry practice.
- Considering the appropriateness of the transition approach and practical expedients applied.
- Evaluating the completeness, accuracy and relevance of data used in preparing the transition adjustments.
- Assessing the completeness of the IFRS 16 lease population by inspecting relevant contracts that may contain a lease and testing the lease payments.
- Evaluating the reasonableness of management's key judgements and estimates made in preparing the transition adjustments, specifically around estimation of the lease terms.
- Evaluating the completeness, accuracy and relevance of the transition disclosures in with IFRS 16.

Other information

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

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

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

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

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

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

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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the annual report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the provisions of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Articles of Association and the amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2019.

Yacoub Hobeika
KPMG
Qatar Auditors' Registry Number 289
Licensed by QFMA : External Auditor's
License No. 120153

29 January 2020
Doha
State of Qatar

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

	2019	2018
ASSETS		
Non-current assets		
Property, plant and equipment	3,081,373	2,661,163
Right-of-use Asset	124,158	-
Investment properties	886,272	906,226
Investments	3,021,682	2,940,932
Goodwill	132,935	132,935
Total non-current assets	7,246,420	6,641,256
Current assets		
Inventories	426,565	422,450
Due from related parties	322,201	433,896
Trade receivables	1,484,936	2,517,504
Prepayments and other receivables	159,356	193,251
Cash and bank balances	3,013,734	3,566,422
Total current assets	5,406,792	7,133,523
TOTAL ASSETS	12,653,212	13,774,779
EQUITY AND LIABILITIES		
EQUITY		
Share capital	994,256	994,256
Legal reserve	498,914	497,791
Fair value reserve	73,155	(7,485)
Revaluation surplus	526,013	531,793
Retained earnings	6,402,369	6,014,885
Equity attributable to equity holders of the parent	8,494,707	8,031,240
Non-controlling interests	207,405	247,383
TOTAL EQUITY	8,702,112	8,278,623
LIABILITIES		
Non-current liabilities		
Due to related parties	80,743	232,776
Finance lease liability	105,390	25,441
Employees' end of service benefits	89,246	91,544
Decommissioning provision	22,310	-
Total non-current liabilities	297,689	349,761
Current liabilities		
Due to related parties	2,803,531	4,396,582
Finance lease liability	20,278	6,325
Trade and other payables	829,602	743,488
Total current liabilities	3,653,411	5,146,395
TOTAL LIABILITIES	3,951,100	5,496,156
TOTAL EQUITY AND LIABILITIES	12,653,212	13,774,779

These Consolidated Financial Statements were approved by the Board of Directors and signed on its behalf by the following on 29 January 2020:

Ahmad Saif Al-Sulaiti
Chairman

Saad Rashid Al-Muhannadi
Managing Director and Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2019
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

	2019	2018
Revenues	22,446,258	23,154,885
Cost of sales	(21,280,860)	(22,000,565)
Gross profit	1,165,398	1,154,320
Other income	257,557	314,252
General and administrative expenses	(333,733)	(371,577)
Finance income	169,132	146,969
Net profit for the year	1,258,354	1,243,964
Attributable to:		
Owners of the Company	1,216,382	1,160,112
Non-controlling interest	41,972	83,852
Net profit for the year	1,258,354	1,243,964
Basic earnings per share (expressed in QR per share)	1.22	1.17

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019
(All amounts are expressed in thousands of Qatari Riyals unless otherwise stated)

	2019	2018
Net profit for the year	1,258,354	1,243,964
Other comprehensive income <i>Items that will not be reclassified subsequently to profit or loss</i>		
Net change in fair value of investment securities	74,068	140,326
Revaluation surplus for the year	(5,780)	531,793
Other comprehensive income for the year	68,288	672,119
Total comprehensive income for the year	1,326,642	1,916,083
Attributable to:		
Owners of the Company	1,282,769	1,829,770
Non-controlling interest	43,873	86,313
	1,326,642	1,916,083

Note: The above published financial information are not the full set of the consolidated financial statements. The published audit report of the independent auditor is issued on the full set of consolidated financial statements which are available on the Company's website: www.wqod.com