QATAR ELECTRICITY & WATER COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

Invitation to attend the Ordinary General Assembly Meeting

The Board of Directors of Qatar Electricity and Water Company is pleased to invite you to attend the Meeting of the Ordinary General Assembly, which is scheduled to be held on Sunday, 10 March 2024 at 3:30 PM, in Sheraton Hotel at Al-Majlis Hall. In the event that the quorum is not met, the second meeting will be held on Monday , 18 March 2024 at 9:00 PM, in Sheraton Hotel at Al-Majlis Hall.

Agenda of the Ordinary General Assembly Meeting

1. The speech of His Excellency the Chairman of the Board of Directors.
2. Present and approve the Board of Directors Report for the company's activities, its financial position for the year ended on 31/12/2023 and the future plan.
3. Discuss and approve the External Auditors report on the company's financial position for the fiscal year 2023.
4. Discuss and approve the company's balance sheet and profit and loss account, and in addition to approve the proposal of cash dividends distribution.
5. Review and approve the company's annual corporate governance report for the year 2023.
6. Discharging the members of the Board of Directors for the financial year 2023 and approve their remuneration.
7. Approve the nomination of the External Auditor and their remuneration for the year 2024.

Note:

- Please come to the meeting room at least an hour before the meeting time to complete the registration procedures and kindly you are requested to present this invitation upon attendance.
- In the case that you are not able to attend in person, please authorize one of the shareholders, using the format of the power of attorney form. It is not permissible to authorize a member of the Board of Directors, and the number of shares held by the representative should not exceed (5%) of the company's capital.
- The invitation is considered legal for all shareholders in accordance with Law No. (11) of 2015 and its amendments.

Board of Directors Report for the Year ended on 31 December 2023

TThe Board of Directors of Qatar Electricity and Water Company is pleased to present to its esteemed shareholders the annual report on the Company's activities and its financial results for the fiscal year ended on 31 December 2023, prepared in accordance with the requirements of the Commercial Companies Law, the governance system, registration and listing rules, and the provisions of the company's articles of association. The annual report is accompanied by audited financial statements, notes and the corporate governance report for the year, which documents the activities and achievements of the company, its subsidiaries and associates and highlights its future vision to secure sustainable supply of electricity and water to all public and private state facilities.

First: Financial Results:

The operating revenues for the year 2023 amounted to QR 2,911 million, compared to QR 2,721 million for the year 2022, an increase of 7%. Share of results from joint venture companies and associates amounted to QR 672 million, compared to QR 669 million for the year 2022. Interest Income during the year amounted to QR 312 million, compared to QR 177 million for the year 2022. Other Income amounted to QR 283 million compared to QR 268 million during the previous year.

Cost of Sales for the year 2023 amounted to QR 1,902 million, compared to QR 1,669 million for 2022, an increase of 14%. General and administrative expenses amounted to QR 285 million, compared to 298 million Qatari riyals in 2022, a decrease of 4%. Financing expenditure amounted to QR 507 million, compared to QR 288 million for the year 2022, an increase of 76%. Gains from disposal of assets held for sale amounted to QR 78 million, compared to a loss of QR 86 million for the year 2022. Income tax recovery during the year amounted to QR 6 million and loss from discontinued operations is QR 7 million. The net profit attributable to minority shareholders amounted to QR 9 million, compared to QR 40 million for the year 2022.

Based on the foregoing, the net profit of Qatar Electricity and Water Company for the year 2023 amounted to QR 1,551 million, compared to QR 1,711 million for the year 2022, a decrease of 9%.

(Esteemed shareholders can view the detailed financial statements approved by the Board of Directors and the company's external auditor, in the annual report).

Based on the financial results for the year 2023, the Board of Directors recommends to the company's general assembly to approve distribution of cash dividends to the shareholders for the fiscal year 2023 at the rate of 86% of the nominal value of each share.

Second: The Company's Projects and Future plans:

Qatar Electricity and Water Company gives utmost importance for ensuring uninterrupted supply of electricity and water to the State of Qatar and for this purpose implements projects proposed by Kahramaa. On the other hand, its foreign investment arm, Nebras Power Company, is implementing overseas projects that support the company's investment plan.

The company has achieved many accomplishments and tasks entrusted to it in this regard and aspires for more achievements locally and in the international arena, by increasing the diversification of energy production sources in the State of Qatar and increasing its share in the global energy market. The following statement shows the company's projects and future plans, at the local and global levels:

Locally:

The company's future plans for investments are built within the framework of meeting the growing demand for electricity and water, by constructing higher capacity efficient plants by replacing the old low efficient plants. The company also works in line with the directions of the state and within the ambit of Qatar National Vision 2030, taking advantage of all available opportunities, to create a diversification in sources of energy.

Facility Project (E) "Ras Abu Fontas Power Company":

As requested by the Qatar General Electricity and Water Corporation (Kahramaa), considering the inefficient performance of the plant, the Ras Abu Fontas A station facilities were demolished and removed, in order to build a new power and water station in its place. The tender for the development of the new station was issued on 10th September 2019, offers were submitted on 27th August 2020 and the alternative offer was submitted on 15th November 2021. As per the original plan the Power and Water Purchase Agreement (PWPA) supposed to be signed in March 2022, but Kahramaa decided to re-tender the project. During September 2023, Kahramaa issued revised request for bids and the technical offers are expected to be received during April 2024.

Extension of the Ras Abu Fontas B1:

On 13th March 2023, the company signed agreement with Kahmamaa to extend the Power Purchase Agreement (PPA) for Ras Abu Fontas station "B1" power station for an additional period of 7 years until 31st December 2029. Earlier, the original PPA, which expired in August 2022 was extended until 31st December to cover the operation of the plant during Qatar World Cup 2022. Again the company agreed with Kahramaa to extend the PPA temporarily until 28th February 2023, in order to allow more time for both parties to study the PPA extension. The Fuel Gas Supply Agreement with QatarEnergy was also extended for the same period.

Globally:

Qatar Electricity and Water Company continued to expand its global presence and enhance its sustainable growth through its international investment arm, Nebras Power, which has achieved significant progress in its ongoing commitment to develop projects and investments globally. During 2023, Nebras Power Company continued its commitment to diversifying its investment portfolio in the energy and renewable energy sector across different geographical regions, and its efforts resulted in financially promising investment opportunities. In addition to its core target markets, Nebras is exploring investment opportunities in new and emerging markets that are consistent with the company's investment philosophy and will support its investment portfolio in terms of technology and geography mix. Nebras Power works to support the cause of sustainable development in various regions, through its commitment to environmental care, harnessing renewable energy sources, and implementing environmentally friendly practices, aiming to bring positive changes, reduce carbon footprints, and enhance long-term environmental and economic benefits in the regions in which it operates.

Nebras Power continued its commitment to clean energy by acquiring a stake in a UK company that owns stakes in a number of offshore wind power projects with a total production capacity of 2,400 MW in the UK. This investment is the company's first project in the United Kingdom and in the offshore wind energy sector and will strengthen the company's position in sustainable energy projects and enhance the company's opportunities to invest in other markets in offshore wind energy projects. Nebras Power has acquired stake in five solar energy projects in the development stage with a total capacity of 580 MW in the Republic of South Africa. This investment is a pivotal step for Nebras, as it will enable the company to enter in to the energy markets in South Africa and the African continent in general. In a similar move, Nebras Power invested with a local company in Brazil that works in the field of developing electricity generation projects through renewable energy with a total capacity of 1,000 MW using natural gas in Brazil, which will enable Nebras to expand its investments in the Brazilian energy market significantly and in the energy market in South America in general.

Nebras Power also increased its power generation capacity in the Netherlands by adding about 15 MW to the Dosterweg project, which entered commercial operation in the third quarter of 2023. This expansion reflects the company's commitment to providing sustainable energy solutions and to meet the growing demand for energy in the region. Nebras, through its subsidiary Nebras Power Investment Management B.V., continued to take necessary steps to complete the process of increasing its stake in several stations in the Kingdom of Jordan from 24% to 50%. The acquisition is expected to be completed in the first quarter of 2024.

Nebras owns 33.33% stake in the Syrdarya 2 combined cycle 1600 MW electricity generation project in Uzbekistan. The signing of all financial agreements for the project with the financing banks has been completed, and a notice to proceed has been issued to the main contractor of the project. Preliminary works for the project began in the first quarter of 2023, and construction work started during the fourth quarter of 2023. Work is currently progressing according to the agreed schedule, and it is expected that construction work will be completed and commercial operation of the plant will be achieved by the first half of 2026. The construction and installation operations have also been completed and the operational testing phase of the Unique combined cycle electricity generation project in Bangladesh has been completed, with a total capacity of 584 MW with natural gas as fuel, in which Nebras Power has 24% stake. The project will enter the commercial operation in the first quarter of 2024.

Third: Commitment to the Corporate Governance System:

The company is committed to applying the procedures contained in the governance system issued by the Qatar Financial Markets Authority. The Board of Directors reviews the governance practices and working to develop them in line with the changing needs. The company has taken several measures to apply the provisions of the governance system issued by the Board of Directors of Qatar Financial Markets Authority Resolution No. 5 of 2016, the most important of which are as follows: -

-The Ordinary General Assembly approved on 14th March 2023 the policies stipulated in the Resolution of the Board of Directors of the Qatar Financial Markets Authority No. (5) of 2016, namely, Stakeholders and Minority Shares Policy, Remuneration and Salaries Policy, Related Party Policy, Dividend Distribution Policy, Information, Communication and Disclosure Policy, Nominations and Appointments policy, Insider policy, and succession plan and It was published on the company's website.

-At the sixth meeting on 10th December 2023, the Board of Directors approved a set of policies required by the regulatory authorities, and published on the company's website: namely, the external auditor policy, policy and procedures for reporting, policy for induction and training of board members, and regulatory framework and compliance policy.

All reports and requirements stipulated in the company's Articles of Association, the Corporate Governance Law issued by the Authority, and the Commercial Companies Law have also been disclosed and published in accordance with the established procedures and deadlines.

The Corporate Governance report for the year 2023 is included in the Annual report, for approval by the general assembly of the company.

Fourth: Corporate Social Responsibility:

The company believes in its roles and responsibility in the development and advancement of society, preservation of the environment through its effective and active participation in the corporate social responsibility system. The company is providing support to a number of health, educational, cultural, artistic, social, humanitarian, sports and environmental centers and institutions, in addition to sponsoring and supporting some scientific and intellectual conferences and seminars that aim to serve the development of civil society institutions on their various activities and goals. The company provided support to the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development an amount of QR 1,000,000 (QR One million). It also provided 100 smart electronic watches worth QR 17,500 to the centers affiliated with the Ministry of Social Development and Family, and were distributed to the children of the Shafallah Center, Al-Noor Institute, the Aman Foundation and Dreama Center.

Fifth: Occupational Safety and Security:

The company considers the implementation of security and safety measures as one of its most important priorities and obligations towards its employees. The Company's Security, Fire and Safety Department works to implement all safety and occupational health requirements that ensure the provision of a safe environment that achieves protection from risks for the human and property. The company applies international standards and professionalism in safety and security, by providing all precautions and public safety means to preserve the safety and lives of workers. To save them from potential dangers that may occur as a result of any deficiency or negligence in maintaining public safety conditions and ensuring the safety of equipment, machinery, and property of the facility, by taking care of the surrounding environment and by not polluting it in any way.

Qatar Electricity and Water Company has obtained a first aid unit license from the Ministry of Public Health, valid until 8th November 2024. In addition the company obtained a first aid nurse license, valid until 15th November 2025. The company celebrated Environment Day at Ras Abu Fontas station with the participation of subsidiaries and in cooperation with the Ministry of Environment and Climate Change in March 2023. World Cleanup Day was celebrated on 18th September 2023. The company organized a set of security and safety events during the year 2023, including conducting a mock fire-fighting and rescue drill at RAF B GT-51 in cooperation with the Ministry of Interior (General Directorate of Civil Defense) on 2nd November 2023 and a mock evacuation exercise at RAF A3 station in cooperation with the operation and maintenance contractor, Acciona, and the QEWC firefighting team. A blood donation campaign was also organized in cooperation with Hamad Medical Corporation on 9th May 2023 at Ras Abu Fontas Station, and a health awareness campaign, titled 'Genetic Deseases' was organized by the Qatar Nursing Association on 1st June 2023 for Ras Abu Fontas Station employees. The certification body, Bureau Veritas, completed the first phase of certifying the policies related to occupational health and safety and the environmental policies of the Qatar Electricity and Water Company and ensuring their compliance with the international systems ISO 45001 for occupational health and safety management and ISO 14001 for environmental management.

Sixth: Administrative Development and Qatarization:

In accordance with the general policy of the company, it seeks to introduce all that is new in the world of management and apply it in proportion to the size and activity of the company in order to continuously develop its staff and achieve its objectives efficiently and effectively. This raises the level of efficiency in its production and services, and enhance customer confidence, which in turn helps to achieve higher profits.

The strategy of the Qatar Electricity and Water Company, through the Qatarization Committee, which includes members of the Qatar Electricity and Water Company and its seven subsidiary companies, aims to increase the employment rate of Qatari Nationals and bring them into leadership positions in the company and its subsidiaries. The company is also working with the universities, institutes and training centers, accredited at home and abroad with the aim of developing and training Qatari employees.

The total number of Qatari employees in the company at the end of 2023 was 145. The number of Qatari employees sent for university studies was 6 and the number of Qatari employees under training reached 3. The total number of employees in the company is 427 and the percentage of Qatarization in the company is 34%. The company aspires to raise this percentage by employing Qatari employees in leadership positions, followed by other positions.

May Allah Bless us..

Saad Bin Sherida Al-Kaabi,
Chairman of the Board of Directors

Mohammed Nasser Al-Hajri,
Managing Director and General Manager

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF QATAR ELECTRICITY AND WATER COMPANY Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Qatar Electricity and Water Company Q.P.S.C. (the 'Company') and its subsidiaries (together the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

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

1. Carrying value of property, plant and equipment	
The key audit matter	**How the matter was addressed in our audit**
The Group's property, plant and equipment (PPE) includes power generation and water desalination plants (production facilities and solar photovoltaic assets) representing more than 97% of total PPE (2022: 97%) and 25% of Group's total assets as at 31 December 2023 (2022: 22%), which are measured at cost less accumulated depreciation and impairment. Management's assessment of indicators of impairment and determining recoverable amounts could have significant impact on the carrying value of property, plant and equipment. The impairment testing of property, plant and equipment in accordance with IAS 36, requires management to make significant estimates and judgments in determining the assumptions to be used to arrive at the recoverable amount. The recoverable amount of the CGUs, which is based on higher of the value in use or fair value less cost of disposal. The value in use has been derived from discounted cash flow model that includes several key assumptions such as the growth rates applied in revenues, weighted average cost of capital (discount rate), operating costs and capital expenditures. Accordingly, we have considered above as a key audit matter.	Our audit procedures in this area included, among others:: • Testing the design and implementation of key controls around the impairment assessment process. • Making inquiries of management regarding the indicators they assessed as possible indicators of impairment for CGUs. • Inspecting management's assessment and considered whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. • Where impairment indicators are identified, involving our valuation specialists to assist us in: - evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with industry averages for the relevant markets in which the CGUs operate; and - evaluating the appropriateness of the assumptions applied to key inputs used in discounted cash flow model such as growth rate applied in forecasted revenues, operating costs and capital expenditures, by comparing these inputs with historical and externally derived data as well as our own assessments based on our knowledge of the client's business and the industry. • Performing our own sensitivity analysis on assumptions applied in discounted forecast cash flows model which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows, and reasonably possible increase in discount rates to evaluate the impact on the value in use forecast of the CGUs. • Evaluating the adequacy of the financial statements' disclosures, including disclosures of key assumptions, judgement, and estimates.

2. Carrying value of equity-accounted investees	
The key audit matter	**How the matter was addressed in our audit**
The Group has equity accounted investees amounting to QAR 8,305 million (2022: OR 8,905 million) which represents 36% of the total assets of the Group (2022: 32%). The impairment testing of equity-accounted investees in accordance with IAS 36, requires management to make significant estimates and judgments in determining the assumptions to be used to arrive at the recoverable amount. The recoverable amount of the Cash Generating Units (CGUs), which is based on the higher of the value in use or fair value less cost of disposal. The value in use has been derived from discounted forecast cash flows models. These discounted forecast cash flows models use several key assumptions, including estimates of growth in future revenues, operating costs, extension options, capital expenditures, and weighted average cost of capital (discount rate). Accordingly, we have considered above as a key audit matter.	Our audit procedures in this area included, among others: • Testing the design and implementation of key controls around the impairment assessment process. • Making inquiries of management regarding the indicators they assessed as possible indicators of impairment for CGUs. •Inspecting management's assessment and considered whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. • Involving our valuation specialists to assist us in: - evaluating the appropriateness of the discount rates applied, which included comparing the weighted-average cost of capital with industry averages for the relevant markets in which the CGUs operate; - evaluating the appropriateness of the related assumptions applied in discounted forecast cash flows models to key inputs such as growth rate applied in revenues, operating costs, extension options, capital expenditures etc., by comparing these inputs with historical and externally derived data as well as our own assessments based on our knowledge of the client's business and the industry; and - performing our own sensitivity analysis on assumptions applied in discounted forecast cash flows model which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows, and reasonably possible increase in discount rates to evaluate the impact on the value in use forecast of the CGUs., • Evaluating the adequacy of the financial statements' disclosures, including disclosures of key assumptions, judgement, estimates and sensitivities.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' 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 auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 Accounting Standards, 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.

Auditors' 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 auditors' 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Requirements

As required by the Qatar Commercial Companies Law No. 11 of 2015, whose certain provisions were subsequently amended by Law No. 8 of 2021 ("amended QCCL"), we also report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit.

ii) The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith.

iii) 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 line with the books and records of the Company.

iv) Furthermore, the physical count of the Company's inventories was carried out in accordance with established principles.

v) We are not aware of any violations of the applicable provisions of the amended QCCL or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2023.

14 February 2024
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251
Licensed by QFMA: External
Auditors' License No. 120153

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 — In thousands of Qatari Riyals

	2023	*2022*
ASSETS		
Non-current assets		
Property, plant and equipment	5,857,797	6,084,247
Right-of-use assets	49,129	57,710
Intangible assets and goodwill	66,635	72,605
Equity-accounted investees	8,304,635	8,904,680
Equity investments at fair value through other comprehensive income	2,017,318	2,322,763
Finance lease receivables	594,806	764,888
Derivative assets	24,530	77,536
Loans receivable from related parties	1,156,479	60,702
Deferred tax assets	48,819	32,124
Other non-current assets	60,385	42,990
	18,180,533	18,420,245
Current assets		
Inventories	96,913	93,987
Trade and other receivables	856,257	778,536
Finance lease receivables	170,082	33,531
Derivative assets	12,265	1,418
Cash and bank balances	3,787,311	8,116,971
Asset held-for-sale	-	236,327
Assets held-for-distribution	186,385	128,478
	5,109,213	9,389,248
TOTAL ASSETS	**23,289,746**	27,809,493
EQUITY AND LIABILITIES		
Equity		
Share capital	1,100,000	1,100,000
Legal reserve	550,000	550,000
General reserve	3,243,870	3,243,870
Hedge reserve	176,478	888,196
Fair value reserve	525,521	614,751
Foreign currency translation reserve	36,306	(1,148)
Retained earnings	9,254,158	8,728,092
Equity attributable to owners of the Company	14,886,333	15,123,761
Non-controlling interests	322,293	333,573
Total equity	15,208,626	15,457,334
Non-current liabilities		
Loans and borrowings	5,000,645	6,920,761
Lease liabilities	45,055	55,225
Employees' end of service benefits	92,266	87,628
Other non-current liabilities	18,683	62,567
	5,156,649	7,126,181
Current liabilities		
Loans and borrowings	1,817,647	4,154,055
Lease liabilities	10,762	6,609
Trade and other payables	916,392	932,097
Liabilities held-for-distribution	168,650	106,594
Other current liabilities	11,020	26,623
	2,924,471	5,225,978
Total liabilities	8,081,120	12,352,159
TOTAL EQUITY AND LIABILITIES	**23,289,746**	27,809,493

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by the following on 14 February 2024.

Saad Bin Sherida Al-Kaabi
Chairman

Mohammed Nasser Al-Hajri
Managing Director and General Manager

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023 — In thousands of Qatari Riyals

	2023	*2022*
Revenue from water and electricity	2,836,266	2,645,683
Income from finance lease	74,954	75,730
	2,911,220	2,721,413
Cost of sales	(1,902,292)	(1,669,118)
Gross profit	**1,008,928**	1,052,295
General and administrative expenses	(285,200)	(297,804)
Interest income	311,906	176,697
Other income	283,203	267,627
Operating profit	1,318,837	1,198,815
Finance costs	(507,302)	(287,533)
Bargain purchase gain arising on business combination	-	204,000
Step-up acquisition gain on deemed sale of a joint venture	-	50,948
Gain/(loss) on disposal of asset held-for-sale	77,652	(86,084)
Share of results from equity-accounted investees – net of tax	672,284	669,418
Profit before tax from continuing operations	**1,561,471**	1,749,564
Less: Income tax credit / (expense)	6,037	(2,339)
Profit after tax from continuing operations	**1,567,508**	1,747,225
(Loss) / profit from discontinued operation, net of tax	(7,156)	3,223
Profit for the period	**1,560,352**	1,750,448
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Equity-accounted investees - share of OCI – net of related tax	(598,647)	2,564,294
Cash flow hedges – effective portion of changes in fair value – net of related tax	(42,159)	151,972
Cash flow hedges reclassified to profit or loss on derecognition of an associate / joint venture – net of related tax	(78,720)	(49,368)
Foreign operations – foreign currency translation differences	28,371	21,093
Reclassification of foreign currency differences on derecognition of a subsidiary / joint venture	9,083	12,103
	(682,072)	2,700,094
Items that will not be reclassified to profit or loss:		
Equity investments at FVOCI – net change in fair value	11,287	(182,842)
Other comprehensive income for the period – net of tax	(670,785)	2,517,252
Total comprehensive income for the period	**889,567**	4,267,700
Profit attributable to:		
Owners of the Company	1,551,436	1,710,809
Non-controlling interests	8,916	39,639
	1,560,352	1,750,448
Total comprehensive income attributable to:		
Owners of the Company	880,651	4,228,061
Non-controlling interests	8,916	39,639
	889,567	4,267,700
Earnings per share:		
Basic and diluted earnings per share (Qatari Riyals)	**1.41**	1.56

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023 — In thousands of Qatari Riyals

	Share capital	Legal reserve	General reserve	Hedge reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2023	1,100,000	550,000	3,243,870	888,196	614,751	(1,148)	8,728,092	15,123,761	333,573	15,457,334
Profit for the period	-	-	-	-	-	-	1,551,436	1,551,436	8,916	1,560,352
Other comprehensive income for the period	-	-	-	(719,526)	11,287	37,454	-	(670,785)	-	(670,785)
Total comprehensive income for the period	-	-	-	(719,526)	11,287	37,454	1,551,436	880,651	8,916	889,567
Transfer upon disposal of equity investments FVOCI	-	-	-	-	(100,517)	-	100,517	-	-	-
Contribution to social and sports support fund	-	-	-	-	-	-	(35,937)	(35,937)	-	(35,937)
Deconsolidation of subsidiaries	-	-	-	-	-	-	-	-	139	139
Other movements	-	-	-	-	-	-	(817)	(817)	5,545	4,728
Prior period item										
Claim for social and sports support fund	-	-	-	-	-	-	(36,325)	(36,325)	-	(36,325)
Other movements	-	-	-	7,808	-	-	(7,808)	-	-	-
Transactions with owners of the Group										
Dividends	-	-	-	-	-	-	(1,045,000)	(1,045,000)	(25,880)	(1,070,880)
At 31 December 2023	**1,100,000**	**550,000**	**3,243,870**	**176,478**	**525,521**	**36,306**	**9,254,158**	**14,886,333**	**322,293**	**15,208,626)**
At 31 December 2021 / 1 January 2022	1,100,000	550,000	3,241,834	(1,778,702)	1,048,081	(34,344)	7,683,966	11,810,835	177,124	11,987,959
Profit for the period	-	-	-	-	-	-	1,710,809	1,710,809	39,639	1,750,448
Other comprehensive income for the eriod	-	-	-	2,666,898	(182,842)	33,196	-	2,517,252	-	2,517,252
Total comprehensive income for the eriod	-	-	-	2,666,898	(182,842)	33,196	1,710,809	4,228,061	39,639	4,267,700
Transfer upon disposal of equity nvestments FVOCI	-	-	-	-	(250,488)	-	250,488	-	-	-
Acquisition of NCI due to business ombination	-	-	-	-	-	-	-	-	145,970	145,970
Contribution to social and sports upport fund	-	-	-	-	-	-	(37,639)	(37,639)	-	(37,639)
Transactions with owners of the Group ividends	-	-	-	-	-	-	(880,000)	(880,000)	(29,160)	(909,160)
Other movements	-	-	2,036	-	-	-	468	2,504	-	2,504
At 31 December 2022	1,100,000	550,000	3,243,870	888,196	614,751	(1,148)	8,728,092	15,123,761	333,573	15,457,334

QATAR ELECTRICITY & WATER COMPANY Q.P.S.C.

CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2023

Consolidated statement of cash flows
For the year ended 31 December 2023

In thousands of Qatari Riyals

	2023	*2022*
OPERATING ACTIVITIES		
Profit for the period	1,560,352	1,750,448
Adjustments for:		
Depreciation of property, plant and equipment – net of reversals	337,280	287,167
Impairment of property, plant and equipment	-	83,094
Depreciation of right-of-use assets	10,376	8,409
Interest expense on lease liabilities	13,709	2,199
Amortization of intangible assets	5,970	5,970
Share of results of equity-accounted investees	(672,284)	(669,418)
Dividend income from equity investments at FVOCI	(113,948)	(160,909)
Amortization of other non-current assets	1,861	1,765
Provision / (reversal) for slow-moving inventories	477	(71,024)
Allowance for impairment of trade and other receivables	3,765	-
Loan amortization fee	771	3,389
Provision for employees' end of service benefits	13,293	12,637
Interest income	(311,906)	(176,697)
(Gain) / loss on sale of an asset held-for-sale	(77,652)	86,084
Bargain purchase gain arising on business combination	-	(204,000)
Step-up acquisition gain on deemed sale of a joint venture	-	(50,948)
Gain in termination of leases	-	(77)
Loss on sale of asset	1,289	-
Profit on deconsolidation of subsidiaries	(38,249)	-
Interest expense excluding interest on lease liabilities	493,593	285,334
Operating profit before working capital changes	1,228,697	1,193,423
Working capital adjustments:		
Inventories	(3,403)	40,947
Trade and other receivables	(96,436)	(212,496)
Finance lease receivables	33,531	24,887
Deferred tax assets	(16,695)	(32,124)
Trade and other payables	(41,702)	244,248
Cash flows from operating activities	1,103,992	1,258,885
Employees' end of service benefits paid	(8,655)	(7,286)
Net cash generated from operating activities	**1,095,337**	1,251,599
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment – net of adjustments	(50,951)	(36,319)
Proceeds from sale of asset held-for-sale – net of expenses	235,259	175,000
Net movement in other non-current assets	(63,140)	30,812
Proceeds from sale of property, plant and equipment	5,325	10,083
Cash acquired on acquisition of a subsidiary – net of consideration transferred	-	1,209,780
Investment in equity-accounted investees	(463,627)	(906,821)
Dividends received from equity-accounted investees	610,893	404,648
Proceeds from sale of equity investments at FVOCI	316,732	663,511
Dividends received from equity investments at FVOCI	113,948	160,909
Interest received	326,856	176,697
Net movement in term deposits with original maturity over 90 days	5,001,162	(3,636,815)
Net cash generation from / (used in) investing activities	**6,032,457**	(1,748,515)
FINANCING ACTIVITIES		
Repayment of lease liabilities (including interest)	(20,273)	(8,745)
Dividends paid to non-controlling interests	(25,880)	(29,160)
Repayment of loans and borrowings	(4,399,450)	(296,034)
Dividends paid to owners of the Company	(1,041,834)	(880,000)
Loan to related parties	(589,603)	(38,776)
Proceeds from loans and borrowings	124,666	2,920,373
Interest expense paid	(498,552)	(273,362)
Net cash (used in) / from financing activities	**(6,450,926)**	1,394,296
NET CHANGE IN CASH AND CASH EQUIVALENTS	676,868	897,380
Cash and cash equivalents at the beginning of the period	1,482,511	629,468
Effects of movements in exchange rates on cash held in foreign currencies	(5,366)	(44,337)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**2,154,013**	1,482,511

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