شركة الكهرباء والماء القطرية ش.م.ع.ق

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

ANNUAL REPORT 2023

www.qewc.com

بسم الله الرحمن الرحيم

His Highness

Sheikh Hamad Bin Khalifa Al Thani

The Father Amir

His Highness

Sheikh Tamim Bin Hamad Al Thani

The Amir of the State of Qatar

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Board of Directors

H.E. Eng. Saad Bin Sharida Al- Kaabi	Minister of State for Energy Affairs Chairman of QEWC
H.E Mr. Ahmed Bin Ali Al-Hamadi	Vice Chairman
H.E. Sh. Saud Bin Khalid Bin Hamad Al-Thani	Member
H.E. Sh. Suheim Bin Khalid Al-Thani	Member
H.E. Sh. Hamad Bin Jassem Al-Thani	Member
H.E. Sh. Hamad Bin Jabor Bin Jassim Al-Thani	Member
H.E. Mr. Nasser Bin Khaleel Al-Jaidah	Member
Mr. Adel Ali Bin Ali	Member
Mr. Fahad Bin Abdullah Al-Mana	Member
Mr. Abdullah Bin Khalifa Al-Rabban	Member
Mr. Mohammed Bin Nasser M. A. Al-Hajri	Managing Director and General Manager

Chairman's Message

His Excellency Eng.
Saad bin Sherida Al Kaabi

Minister of State for Energy Affairs
Chairman of the Board of Directors of
Qatar Electricity and Water Company

In the Name of Allah, the Most Gracious, Most Merciful

Distinguished Shareholders

May the peace and blessings of Allah be upon you...

On behalf of myself and the members of the Board of Directors, I am pleased to welcome you to the annual meeting of ordinary general assembly of Qatar Electricity and Water Company to review the performance and results of the company for the financial year ending on 31st December 2023.

Qatar Electricity and Water Company, within the framework of its commitment to its vision and mission, continues to play its vital role in supporting growth of the national economy in the electricity generation and water desalination sector, and meeting the country's electricity and water requirements with high efficiency and in accordance with the highest standards, in cooperation with the Qatar General Electricity and Water Corporation. The company also carry out its responsibilities towards society by supporting a range of community activities.

In terms of the company's performance, the company continued its efforts to diversify its sources of revenue and expand its business and worked in cooperation with QatarEnergy and KAHRAMAA to develop one of the most important local projects for the country's future, Ras Abu Fontas Power Project, which is going to be developed in that the Ras Abu Fontas A station site.

In terms of foreign investments, Qatar Electricity and Water Company continued to expand its global presence and enhance its sustainable growth through its international investment arm, Nebras Power.

During 2023, Nebras Power continued its commitment to diversifying its investment portfolio in energy and renewable energy sector and across different geographical regions. It also 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. This investment is the company›s first project in the United Kingdom and in the offshore wind power sector.

Nebras Power also acquired five solar power projects in the development stage with a total capacity of 580 MW in the Republic of South Africa.

In addition, Nebras Power invested with a local company in Brazil, which works in the field of developing electricity generation projects through renewable energy and natural gas and currently developing a total capacity of 1,000 MW in Brazil using natural gas as fuel.

Nebras Energy is also working with its partners to complete the implementation of its projects in Uzbekistan and Bangladesh, which are expected to be completed during the period from 2024 to 2026

Dear Shareholders,

Qatar Electricity and Water Company achieved a strong operational and financial performance during the year 2023 and maintained excellent operational results, resulting in a total revenue amounting to QR 2,911 million, and net profits amounting to QR 1,551 million.

Therefore, the company's Board of Directors recommends distributing 61% of the company's net profits, equivalent to 86 dirhams per share as dividend.

In conclusion, I am pleased to extend my sincere thanks and great gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, Emir of the country, "may God protect and preserve him," for his wise vision, sound guidance, and continued support.

I also thank the shareholders for their support in the company's journey towards achieving its goals. Thanks also go to the members of Board of Directors and the executive management team, and to all the employees of the company and its subsidiaries for their great efforts, sincerity and dedication.

May the peace and blessings of Allah be upon you...

COMPANY OBJECTIVES

Qatar Electricity and Water Company is one among the first few private sector companies in the region working in the field of electricity production and water desalination.

Mission:

To be the leading power generation and water desalination company in the Middle East.

Vision:

Our mission is to:

- Motivate our employee to work congenially towards positive growth.
- Partnering with our customers to ensure success.
- Operate in a clean and safe environment.
- Create wealth for our shareholders.

Values

- Social Responsibility

We value the safety and quality of life of our employees and respect the environment of the surrounding community where we operate.

- Integrity

- We are responsible for our decisions and actions.
- We honor our commitments. We are trustful and ethical. We treat others as we would like to be treated ourselves.

- Innovation

We create innovative processes and solutions to boost our productivity and meet our customers'requirements.

- Teamwork

We value our employees multicultural thinking and experience.

Qatar Electricity and Water Company (QEWC) was established in 1990 as a public shareholding company, in accordance with the provisions of the Qatari Commercial Companies Law, for the purpose of owning and operating power and water plants, and to sell its products. The Company is one among the first private sector companies in the region that operate in the field of electricity generation and water desalination.

The capital of the company at the time of incorporation was QR 1 billion distributed into 100 million shares QR 10 per share. Based on the decision of the Extraordinary General Meeting of February 25, 2014 to distribute ten million free shares to shareholders, one share for every ten shares held, the capital of the company has been modified to one billion one hundred million Qatari riyals, distributed into one hundred and ten million fully paid shares, where the government of the State of Qatar and its affiliated institutions own approximately 60% of the capital, and the rest of the corporate and individual shareholders own about 40%. Based on the decision of the Extraordinary General Assembly of March 6, 2019, the nominal value of the shares was changed to become one Riyal instead of ten Riyals, and thus the number of shares became one billion and one hundred million shares. Based on the decision of the Extraordinary General Assembly of March 14, 2023. The company increased Non-Qatari shareholders to 100%. The company is managed by an eleven-member board of directors headed by His Excellency Eng. Saad Bin Sherida Al Kaabi, Minister of State for Energy Affairs.

Qatar Electricity and Water Company is one of the largest companies in the field of electricity production and water desalination in the Middle East and North Africa Region, and it is the main provider of electricity and desalinated water in the State of Qatar. The company has experienced remarkable growth over the past decade in line with the steady growth of the Qatari economy, population increase and corresponding increase in demand for electricity and water. The company's total assets amount to approximately QR 23 billion

Company investments

I: The company owns and operates a number of key electricity generation and water desalination plants. They are as follows:

1. Ras Abu Fontas A1 :Production capacity of 45 MIGD of water.
2. Ras Abu Fontas A2 : Production capacity of 36 MIGD of water.
3. Ras Abu Fontas A3 : Production capacity of 36 MIGD of water.
4. Ras Abu Fontas B : Production capacity of 609 MW of electricity and 33 MIGD of water.
5. Ras Abu Fontas B1 : Production capacity of 376.5 MW of electricity.
6. Ras Abu Fontas B2 : Production capacity of 567 MW of electricity and 30 MIGD of water.

II: Furthermore, the company holds shares in domestic electricity generation and water desalination companies as follows

1. 80% in Ras Laffan Power Company Limited, which has a capacity of 756 MW of electricity and 40 MIGD of water. In addition, QEWC has full ownership of Ras Laffan Operating Company.
2. 55% in Qatar Power Company, which has a capacity of 1,025 MW of electricity and 60 MIGD of water.
3. 40% in Mesaieed Power Company, which has a capacity of 2,007 MW of electricity.
4. 45% in Ras Girtas Power Company, which is the largest power generation project in the region with a capacity of 2,730 MW of electricity and 63 MIGD of water.
5. 60% of Umm Al Houl Power Company, with a production capacity of 2,520 megawatts of electricity and 198 million gallons of water per day.
6. 100% in Nebras Power Company.

III: QEWC holds and participates, through Nebras Power Co, number of power generation plants outside the State of Qatar:

1. 9.8% of SUR IPP Power Plant in Oman, with a production capacity of 2000 MW of electricity.
2. 9.9% of Amin Solar Power Plant in Oman, with a production capacity of 105 MW of electricity.

3. 23.3% of Amman East Power Plant in Jordan, with a capacity of 370 MW of electricity.
4. 24% of IPP4 Power Plant in Jordan, with a production capacity of 241 MW of electricity.
5. 24% of AM Solar Power Plant in Jordan, with a production capacity of 40 MW of electricity.
6. 35% of Shams Maan Power Plant in Jordan, with a production capacity of 52.5 MW of electricity.
7. 25.99% of Paiton Energy Power Plant in Indonesia, with a production capacity of 2045 MW of electricity.
8. 24% of Unique Power Plant in Bangladesh, with a production capacity of 584 MW of electricity.
9. 33.33% of Syrdarya II CCGT Power Plant in Uzbekistan, with a production capacity of 1,572 MW of electricity.
10. 49% of Stock Yard Hill Wind Farm in Australia, with a production capacity of 527.6 MW of electricity.
11. 49% of Moorabool Wind Farm in Australia, with a production capacity of 312 MW of electricity.
12. 75% of Zen Power Plant in Netherlands, with a production capacity of 31 MW of electricity.
13. 40% of Terneuzen Power Plant in Netherlands, with a production capacity of 60 MW of electricity.
14. 40% of Duisterweg Power Plant in Netherlands, with a production capacity of 15 MW of electricity.
15. 75% of Terslav Power Plant in Ukraine, with a production capacity of 20 MW of electricity.
16. 75% of Scythia 1 Power Plant in Ukraine, with a production capacity of 13 MW of electricity.
17. 75% of Scythia 2 Power Plant in Ukraine, with a production capacity of 33 MW of electricity.
18. 75% of Partyzany Power Plant in Ukraine, with a production capacity of 18.5 MW of electricity.
19. 75% of Sun Power Plant in Ukraine, with a production capacity of 6.5 MW of electricity
20. 3.3% of UKGIRL Wind Farm in United Kingdom, with a production capacity of 2,400 MW of electricity.
21. 80% of Jaiba Power Plant in Brazil, with a production capacity of 88.5MW of electricity.
22. 80% of Salgueiro Power Plant in Brazil, with a production capacity of 90 MW of electricity.
23. 80% of Francisco Power Plant in Brazil, with a production capacity of 99 MW of electricity.
24. 80% of Lavras Power Plant in Brazil, with a production capacity of 135 MW of electricity.
25. 50% of Portfolio of Hydro Power Plant in Brazil, with a production capacity of 67.3 MW of electricity.

Future Investment Plans

The company and its subsidiaries continued with predetermined expansion plans and succeeded in increasing their production capacity locally and diversifying investments. The company has completed a number of projects such as the Umm Al Houl Power Plant Expansion Project and the Al Kharsaah Solar Power Plant Project, which is the first project of Siraj Energy Company and has been officially inaugurated on October 18, 2022, with a production capacity of 800 MW of electricity.

With regard to projects abroad, the company is also looking, through its foreign investment arm, Nebras Power, to expand into global markets. The company, through its wholly owned subsidiary, Ras Laffan Operating Company, purchased Qatar Holding Company's 40% stake in Nebras Power Company, and so now Nebras Power Company is fully owned by the QEWC. Nebras Power was able to enhance its investments and increase its assets by expanding its portfolio in the countries in which it has investments, and expanding its presence by entering many new markets in Asia, Latin America and Australia. These new investment additions provide Nebras with access to developing markets and enhance the "energy technology" mix in its portfolio in terms of natural gas-based and renewable projects.

The future plans for the company's investments aim to keep pace with the growing demand for electricity and water by establishing stations with a large production capacity, and other stations that operate with renewable energy such as solar energy, and energy produced from waste to create a diversity of energy sources.

Main Features and Attractions

The company is characterized by stability and low risk due to its investment in the infrastructure and utilities sector of Qatar. Company's shares are stable, with the possibility of a potential increase in market value, especially due to the noticeable improvements in the local economy and the completion of projects outside Qatar. The stable dividend distribution is also one of the positive contributing factors making the company shares attractive. The most important factors contributing to the company's success are:

• QEWC provides a guaranteed flow of revenue through the Power and Water Purchase Agreements with Qatar General Electricity and Water Corporation (KAHRAMAA).

• The company maintains long-term contracts for the supply of fuel to all plants based on the agreements signed with QatarEnergy, which ensures the stability of the fuel cost and is the largest component of the variable operating cost. QatarEnergy is one of the primary and certified sources to supply natural gas either in gaseous or liquefied gas form to many countries in the world. This ensures high reliability to the power and water plants of the company for the supply of gas and high thermal efficiency to meet international environmental standards.

- Due to the experience and reputation accumulated since its foundation in 1990, QEWC has expanded outside Qatar, North Africa and the Middle East as well as East Asian markets. With the implementation of successful projects in these markets, the company's status may rise further.
- Another contributing factor is the company's balanced policy in distributing profits annually is in line with the company's financial performance.

Fiscal policy

The company adopts a long-term policy to increase operating revenue, which is confirmed by the results achieved, thanks to good operating efficiency and optimal control over production costs, resulting in better financial results over the years. This enabled the company to pay shareholders higher dividends every year and it has reflected positively on the share price of the company in the local market, by showing stability in price and not be affected by market fluctuations.

The company adopted a balanced policy regarding the distribution of profits considering its financial commitments and requirement to finance new projects.

Social responsibility

The company believes in its role and responsibility in the development and advancement of society, and the preservation of the environment, through its effective and serious participation in the corporate social responsibility system. The company also provides support and donations to several health, educational, cultural, artistic, social, humanitarian, sports and environmental centres and institutions, in addition to sponsoring and supporting some scientific and intellectual conferences and seminars, that aims to serve and develop civil society institutions with its various activities and goals.

The company's total contributions for such activities during the year amounted to QR 1,017,500 (QR one million seventeen thousand five hundred only).

Company's Credit Rating

Moody's reaffirmed the company's overall credit rating as A1 for the year 2023, the same as last year's rating.

Conclusion

The company is committed to working on the development of its activities and projects in accordance with the highest international standards and practices while continuing to adhere to the principles of disclosure and transparency to the public and shareholders and achieving higher profit for the shareholders of the company. The company has achieved high levels of performance, that contributed to the continuation of its role in effectively supporting the comprehensive development of the country, which reflected positively on the financial results and dividends. The company rely on strong financial standards, confidence granted to it by the shareholders and esteemed board of directors and a highly qualified staff base, that shows a high team spirit to achieve the company's goals and dreams.

Board of Directors Report

for the Year ended on 31st December 2023

The 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 31st 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 Kahramaa 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

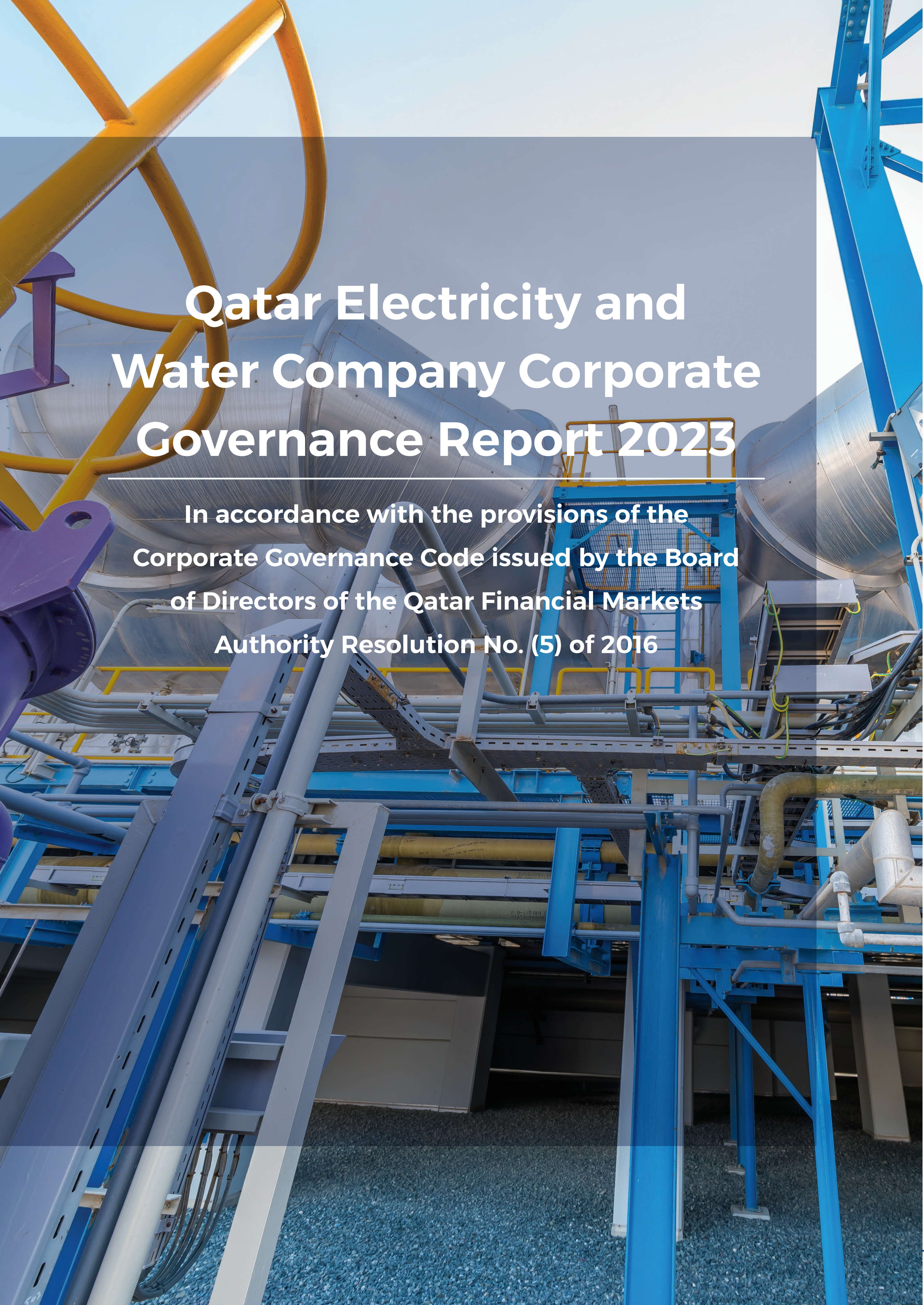
In accordance with the general policy of the company, it seeks to introduce all that is new in the world of management and apply it in proportion to the size and activity of the company in order to continuously develop its staff and achieve its objectives efficiently and effectively. This raises the 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 Sharida Al-Kaabi	**Mohammad Nasser Al-Hajri**
Chairman of the Board of Directors	**Managing Director and General Manager**



Qatar Electricity and Water Company Corporate Governance Report 2023

In accordance with the provisions of the Corporate Governance Code issued by the Board of Directors of the Qatar Financial Markets Authority Resolution No. (5) of 2016

Introduction:

The company applies specific procedures regarding governance to develop its performance in general, to achieve the true meaning of upholding the public interest, the interest of the company and its stakeholders, and to provide reassuring assurance to the Board in monitoring the company›s practices from the inside, and to establish the principles of transparency, responsibility, justice and equality, through the application of Law No. (11) of 2015 promulgating the Commercial Companies Law and its amendments, and the Governance Code for Companies and Legal Entities Listed on the Main Market issued by the Qatar Financial Markets Authority on November 10, 2016, in addition to all relevant regulations, legislations and circulars issued by the Authority and the Qatar Securities Exchange in order to establish the principles of transparency and disclosure, and the Board of Directors reviews governance practices on a permanent basis with the necessary amendments from time to time. Throughout the year ended 31 December 2023, the company has been in compliance with the Code provisions set out in the Article 2 of the QFMA Governance Code.

First: Applications of governance and commitment to its principles

The Board is committed to applying the principles of governance contained in the text of Article (3) of the Corporate Governance Law, and the Board is committed to reviewing and updating governance applications on an ongoing and regular basis, and is committed to applying the best principles of government, as well as developing professional codes of conduct that embody the company›s values, and to periodically and regularly review its policies, charters, and internal procedures that the members of the Board, senior executive management, consultants, and employees must adhere to.

The corporate governance report is an integral part of the company›s annual report and is signed by the Chairman, the latest of which was the 2022 report, which was approved by the General Assembly on March 14, 2023.

The corporate governance report includes the company›s disclosure of its commitment to the application of the provisions of the corporate governance system and all information related to the application of its principles and provisions.

Second: Procedures followed by the company regarding the application of the provisions of the Law

Based on the Board›s continuous review of governance procedures and the continuous and regular updating of their applications, the Board has taken several measures during 2023, the most important of which are:

- Amending the Company's Articles of Association by the decision of the Extraordinary General Assembly held on 14/3/2023, and the Articles of Association was published in the Official Gazette, Issue Eleven, on 17/08/2023.
- The Ordinary General Assembly approved on 14/3/2023 the policies stipulated in the Qatar Financial Markets Authority Board Resolution No. (5) of 2016: Stakeholder and Minority Shares Policy, Remuneration and Salaries Policy, Related Parties Policy, Dividend Distribution Policy, Information and Communication Disclosure Policy, Nominations and Appointments Policy, Insider Policy, and Succession Plan.
- The Board of Directors also approved in its sixth meeting on 10/12/2023 a set of policies required by the regulatory authorities: the external auditor policy, the reporting policy and procedures, the definition and training policy for board members, and the regulatory framework for compliance.

The amended Articles of Association and approved policies have been published on the Company' s website.

Third: Board of Directors

Board Composition:

In accordance with the Law and Article (26) of the Company›s Articles of Association as amended and documented on 092023/07/, the Board of Directors shall consist of eleven members, as follows:

First: Representatives of the State of Qatar:

1. The Minister concerned with energy as Chairman
2. Member appointed by Qatar Energy
3. Two members appointed by the Qatar Investment Authority representing Qatar Holding, one of whom shall be Vice-Chairman.
4. A member appointed by the General Retirement and Social Security Authority (Civil Pension Fund) as his representative.

The rest of the members are elected through the general assembly of the company, and the independent members constitute more than one-third, and all members of the board are non-executive except for the General Manager and Managing Director, Mr. Mohammed Nasser Al-Hajri, and the following list shows the members of the board during the year 2023, their qualities and the bodies they represent: (Annex to the report Curriculum vitae of the members of the Board).

Name	Membership Description	Who they Represent
Saad Bin Sharida Al Kaabi	Chairman Non-executive – Non independent	Minister of State for Energy Government of State of Qatar
Ahmad Ali Al Hammadi	Vice-Chairman Non-executive – Non independent	Qatar Investment Authority Government of State of Qatar
Fahad Abdulla Al Manaa	Non-executive – Non independent Member	Qatar Investment Authority Government of State of Qatar
Abdulla Khalifa Mohammed Al Rabban	Non-executive – Non independent Member	General Retirement and Social Insurance Authority - Government of the State of Qatar
Mohammed Nasser Al Hajri	Managing Director and General Manager – Executive, Non independent	Qatar Energy Government of the State of Qatar
Hamad bin Jaber bin Jassim Al Thani	Non-executive member – independent	Qatar National Bank
Saud bin Khalid bin Hamad Al Thani	Non-executive member – independent	Qatar Insurance Company
Suhaim bin Khalid Al Thani	Non-executive member – independent	Qatar Navigation Company
Hamad bin Jassim Al Thani	Non-executive member – independent	Private Sector and Individuals
Adel Ali bin Ali	Non-executive member – independent	Private Sector and Individuals
Nasser bin Khalil Al Jaidah	Non-executive member – independent	Private Sector and Individuals

The current Board was elected and appointed by the Ordinary General Assembly on 14 March 2023 for a period of three years, session (2023-2025), and Mr. Mohammed bin Nasser Al-Hajri was appointed as a member representing QatarEnergy on 1/1/2021.

With the exception of the representatives of the State of Qatar, there is no member of the Board of Directors, either personally or in his capacity as Chairman or Vice-Chairman of more than two companies with their head office in the State, nor a member of the Board of Directors of more than three companies with their headquarters in the State, he shall not be a Managing Director of more than one company headquartered in the State, nor shall he be a member of the boards of directors of two companies practicing homogeneous activity, nor shall His Excellency the Chairman exercise any executive position in the company, nor a member of any of the committees of the Board.

Both the Chairman and the members of the Board have submitted an acknowledgment kept with the Secretary in the portfolio prepared for this purpose, acknowledging that they will not combine the positions that are prohibited in accordance with the law and the provisions of the governance system.

Main functions and tasks of the Board:

The Board represents all shareholders, and exerts the necessary care in managing the company in an effective and productive manner in the interest of the company, partners, shareholders, and stakeholders, and achieves the public benefit and investment development in the country, and community development, and bears the responsibility of protecting shareholders from illegal or arbitrary acts and practices or any acts or decisions that may harm them, discriminate between them, or enable one category of another.

The Board of Directors has the widest powers in the management of the company and does not limit its powers except as stipulated in the law, articles of association or resolutions of the general assembly, and its members are collectively directly responsible for the decisions issued by the board (Article 32 of the Articles of Association), and the board regulations include the functions and tasks stipulated in Article (8) of the new governance system.

Invitation for the Meeting:

The Council shall meet at the invitation of its Chairman, and the Chairman shall invite the Council to a meeting whenever requested by at least two members, and the invitation shall be sent to each member accompanied by the agenda at least two weeks before the date specified for its convening, and any member may request the addition of one or more items to the agenda in accordance with the provisions of Article (34) of the Articles of Association and Articles (16-18-19) of the Board›s Bylaws.

Board Meetings:

According to the provisions of Article (34) of the Articles of Association and Article (20) of the Board Bylaws, the Board shall hold at least six meetings during the year, and three months may not elapse without holding a meeting, and the meeting of the Board shall not be valid except in the presence of the majority of the members, provided that they include the Chairman or Vice-President.

The absent member may delegate in writing one of the members of the Board to represent him in attendance and voting, provided that one member may not represent more than one member, and if a member of the Board is absent from attending three consecutive meetings, or four non-consecutive meetings without an excuse accepted by the Board, he shall be considered resigned as per Article (36) of the Company›s bylaws. It is permissible to participate in the meeting of the Board by any secure means of modern technology, which enables the participant to listen and participate effectively in the work of the Board and issue decisions.

The Board of Directors held (6) meetings during 2023, and this was done in person and using Microsoft Teams visual communication technology.

Most of the members attended the meetings of the Board and no one was absent without excuse or without authorization, as shown in the following table:

Meetings Number	Meetings date	Number of present members	Number of absent members	Quorum
1	19-02-2023	7	4	Completed
2	16-04-2023	9	2	Completed
3	11-06-2023	7	4	Completed
4	10-09-2023	9	2	Completed
5	22-10-2023	7	4	Completed
6	10-12-2023	8	3	Completed

Board Decisions:

The Board of Directors shall have the widest powers to manage the Company and shall have the right to carry out all the work required by this Department in accordance with its purpose and shall not limit this authority except as stipulated in the law or the governance system issued by the Board of Directors of the Qatar Financial Markets Authority, this Law or the resolutions of the General Assembly in accordance with the provisions of Article (32) of the Articles of Association, and the Board shall issue resolutions in the following matters, including but not limited to:

- Approving the strategic plan and main objectives of the company and supervising its implementation.
- Approving the establishment of projects and approving their cost.
- Approving the general budget and the annual balance sheet of the company.
- Approving the company›s executive regulations.
- Approving nominations for appointment to senior executive management positions.

Without prejudice to the provisions of the law in this regard, the decisions of the Board shall be issued by a majority of the votes of those present and representatives, and in the event of equality of votes, the side from which the chairman of the meeting shall prevail in accordance with the provisions of Article (34) of the Articles of Association, A minutes shall be drawn up for each meeting, specifying the names of the members present and absent and showing what took place in the meeting, and signed by the chairman of the meeting and the secretary, and the member who did not approve any decision taken by the Board may record his objection in the minutes of the meeting in accordance with the provisions of Article (39) of the Articles of Association.

The Board may, in case of necessity and for reasons of urgency, issue some of its decisions by circulation, provided that all its members approve in writing such decisions, and they shall be presented at the next meeting of the Board, to include the minutes of its meeting.

The Board issued (6) decisions by circulation during the year 2023, and the meetings of the Board were included after their issuance as follows:

- Board of Directors Resolution No. (1) of 2023 Concerning the Approval of the Extension of the Company›s Guarantee to Comply with the Amended Agreements and the Approval of All Related Existing Financing Restructuring Agreements for Ras Qurtas Power Company.
- Board of Directors Resolution No. (2) of 2023 Concerning the Assignment of the Members of the Board of Directors of Qatar Electricity and Water Company and the Appointment of the Secretary of the Board of Directors.
- Board of Directors Resolution No. (3) of 2023 Concerning the Working Capital Finance Loan of USD 100 Million with DBS Bank to include some provisions related to the impact of the LIBOR-SOFR transfer in relation to applicable banking facilities.
- Board of Directors Resolution No. (4) of 2023 Concerning the Amendment of the Working Capital Financing Loan Agreement with Credit Facilities Agents for Ras Abu Fontas Project (A-1), Ras Abu Fontas Project (A-2), Ras Abu Fontas Project (A-3) and Ras Abu Fontas Project (B-2) by Listing Some Provisions on the Effect of LIBOR-SOFR Transfer in relation to Bank Facilities.
- Board of Directors Resolution No. (5) of 2023 Concerning the Approval of the Financial Results for the Six Months Ended 30 June 2023.
- Board of Directors Resolution No. (6) of 2023 Concerning the Amendment of the Management List of Ras Laffan Operating Company (W.L.L).

Board Performance Assessment and its Committees and Senior Executive Management:

A self-assessment process for the Board for 2023 was conducted in accordance with the requirements of the Corporate Governance Code issued by the Qatar Financial Markets Authority, to measure independence, oversight and impartiality, the performance indicator of the Board›s objectives, the criteria for contributions and interaction, and the quality and understanding of key responsibilities and tasks. Based on the comprehensive evaluation report of the Council, its committees, and senior executive management, it was decided as follows:

- The effectiveness of the performance of the Board and its committees during the year 2023, where the chairman and members committed to the tasks and responsibilities prescribed in accordance with the law, the statute and the internal regulations of the Board, and no member issued a violation of the provisions of the law, the statute, the governance system or the regulations of the Board.
- The performance of the company›s senior executive management during 2023 is fruitful, by ensuring the progress of work in accordance with professional and ethical standards, taking into account integrity and independence in upholding the company›s interest.

- Contributions of members of the Board of Directors and Executive Directors, and those who own more than 5%:

Name	Position	Number of Shares	Ownership %
Qatar Company Holding	member	308,948,750	28.09
Retirement and Pension Fund General Retirement and Social Security Authority	member	158,450,717	14.40
QatarEnergy	member	118,166,440	10,74
Qatar Navigation Company	member	50,440,120	4.59
Qatar National Bank	member	7,391,136	0.67
Al Jaidah Company for Cars and Trading	member	5,225,000	0.47
Qatar Insurance Company	member	2,200,000	0.2
Hamad Jassim Mohammed Jassim Al-Thani	member	2,200,000	0.2
Adel Ali bin Ali Al Masalmani	member	2,200,000	0.2

Board Secretary:

Ms. Shaqra Adel Al-Sulaiti, Legal Advisor at the Company, assumes the duties of the Secretary of the Board of Directors pursuant to Board Resolution No. (2) issued by circulation on 22/03/2023, and undertakes the recording and coordination of all minutes of Board meetings, records, books and reports submitted to and from the Board, and the cooperation of the Chairman and all members of the Board in their tasks, and the conduct of all the work of the Board in accordance with the provisions of Article (16) of the Board Bylaws and Article (17) of the Governance Law.

Fourth: Board Committee’s

The Board formed three committees under its Resolution No. (2) of 2017, including the framework and functions of each committee in accordance with the text of Article (18) of the Governance Law, and the Nomination, Remuneration and Salaries Committee was merged by its Resolution No. (7) in its third meeting of 2020, as follows:

First: Nomination, Remuneration and Salaries Committee:

Chaired by Mr. Nasser bin Khalil Al-Jaidah and the membership of His Excellency Sheikh Suhaim bin Khalid Al-Thani and Mr. Fahad Abdullah Al-Mana, and have the necessary experience to exercise its competencies.

Its mandate includes setting general principles and criteria for selecting new board members, receiving applications for membership of the board of directors, submitting the list of candidates for membership of the board of directors to the board including its recommendations in this regard, sending a copy to the Qatar Financial Markets Authority, developing a draft succession plan in the company›s management, nominating whomever it deems appropriate to fill any position of senior executive management, and submitting an annual report to the board of directors including a comprehensive analysis of the performance of the board of directors to identify strengths, weaknesses and proposals in this regard.

The committee presented the nominations and appointments policy and the remuneration and salary policy, which was approved by the Board of Directors and presented to the Ordinary General Assembly for approval on 14/3/2023 and published on the company›s website.

The Committee presented its report on the evaluation of the work of the Board of Directors, its committees and senior executive management, and a report containing a recommendation to determine the remuneration of the members of the Board of Directors and the General Manager at its first meeting on February 14, 2024.

The Committee has held two meetings, and we outline the work of the Committee and its meeting:

- The Committee held the first meeting on 18/01/2024 and discussed the performance report of the Board of Directors, committees and senior executive management for the year 2023.
- The Committee held the second meeting on 14/2/2024 to submit the recommendation of the Board of Directors' remuneration for the year 2023, and the recommendation will be submitted to the Board of Directors in the first meeting held on 14/2/2024 for approval and submitted to the General Assembly for approval.

Second: Audit Committee:

Chaired by His Excellency Sheikh Hamad bin Jabor Al Thani (Independent) and the membership of His Excellency Sheikh Suhaim bin Khalid Al Thani and Mr. Abdullah Khalifa Al Rabban, none of them had previously audited the company›s accounts during the two years preceding the nomination for membership of the Committee directly or indirectly, and they have the necessary experience to exercise the terms of reference of the Committee, and the Committee submitted its report to the Board in its first meeting on February 14, 2024, including the nomination of the external auditor for the fiscal year 2024.

The committee held (6) meetings during 2023, a summary of the work of the Committee and its meeting is outlined:

- The Committee held the first meeting on 09/02/2023 and discussed the financial results for the year 2022, the work completed for the year 2022 with the external auditor (KPMG) and the latest developments of the internal audit projects.
- The Committee held the second meeting on 13/04/2023 and discussed the financial results for the first quarter of 2023 with the Director of Financial Affairs, the audit plan proposed by the External Auditor (KPMG) for the year 2023, the latest developments in internal audit matters, and the report of the State Audit Bureau.
- The Committee held its third meeting on 13/06/2023 and discussed the succession plan in the Internal Audit Department, the annual audit plan, the requirements of internal controls on financial reporting (ICoFR) for the year 2023, and the follow-up of the report of the State Audit Bureau.
- The Committee held the fourth meeting on 25/07/2023 and discussed the semi-annual financial results with the Director of Financial Affairs, presented the objectives and observations of the external auditor for the year 2023, followed up on the internal audit recruitment plan, updated the results of the audit bureau report, the ICoFR process and changes in the audit plan for 2023.
- The Committee held its fifth meeting on 18/10/2023 and discussed the financial results for the third quarter of 2023 with the Director of Financial Affairs, and presented the objectives and observations reached by the External Auditor (KPMG) for the third quarter of 2023, an update on the delivery of the internal audit plan for 2023, the progress made in the ICoFR test, updating the results of the audit bureau report, and reviewing and approving the audit budget for 2023.
- The Committee held its sixth meeting on 06/12/2023 and discussed the financial results for the end of the year 2023 with the Director of Financial Affairs, and presented the objectives and observations reached by the External Auditor (KPMG) for the end of the year 2023, reviewing and approving the audit plan for 2024, the progress made in the ICoFR test, updating the results of the audit bureau report, and implementing the audit plan for 2023.

Third: Investment Committee:

Chaired by Mr. Ahmed Ali Al Hammadi - Vice Chairman - and the membership of Mr. Nasser bin Khalil Al-Jaida, Mr. Adel Ali bin Ali, Mr. Mohammed Nasser Al-Hajri, and Mr. Fahad Abdullah Al-Mana. It was formed by the Board of Directors Resolution No. (12) in its first meeting on 14/2/2021, and Mr. Ahmed Ali Al-Hammadi was assigned by the Board of Directors› Resolution No. (2) dated 22/03/2023, and the committee manages and follows up the company›s investments, and submits a report to the Board at each meeting on the latest developments of the aforementioned investments and its new proposals in this regard.

The Committee held (6) meetings during 2023:

- The committee held the first meeting on 21/05/2023 and discussed the latest developments on investments in the Qatar Stock Exchange, the share sale project, the projects of the Qatar Electricity and Water Company, and a full detailed study of the performance of the portfolios of Qatar Electricity and Water Company in the Qatar Stock Exchange.
- The Committee held its second meeting on 25/06/2023 and discussed the detailed study on the portfolios of Qatar Electricity and Water Company on the Qatar Stock Exchange, new investment options and methods of financing.
- The committee held its third meeting on 17/07/2023 and discussed investment opportunities and options for the company.
- The Committee held its fourth meeting on 25/09/2023 and discussed the latest developments on investment portfolios in the Qatar Stock Exchange and the projects of the Electricity and Water Company.
- The committee held its fifth meeting on 29/11/2023, where the Nebras team presented the committee with an overview of the history, projects and strategy of Nebras. In addition, they provided a summary of the Nibras five-year plan.
- The Committee held the sixth meeting on 10/12/2023 and discussed the latest developments on investments in the Qatar Stock Exchange and Qatar Electricity and Water Company projects.

Committee’s Work:

According to the decision to form the committees referred to in the previous item, no member shall chair more than one of the committees formed by the Board, and the Chairman of the Audit Committee is not a member of any other committee, and the convening of the committee shall not be valid except in the presence of its chairman and the majority of its members, and a record shall be drawn up for each meeting, indicating what took place in the meeting, and signed by the chairman of the committee.

Evaluation of committees emanating from the Board of Directors:

The Board of Directors shall evaluate the work of the three committees, and ensure the extent of the members› commitment to achieving the interests of the company by attending the meetings of the committees and carrying out the work stipulated in the governance system, the internal regulations of the Board of Directors, and the directives and instructions issued by the Chairman of the Board of Directors, and the Board also approved the reports submitted by the committees, each according to its competence, which includes its work during the year 2023 and its recommendations.

Attendance Schedule of the Committee’s meeting:

Name	Nomination, Remuneration and Salaries Committee	Audit Committee	Investment Committee
Saad bin Sharida Al Kaabi			
Ahmad Ali Al Hammadi			6/6
Fahad Abdulla Al-Manaa	2/2		6/6
Abdullah Khalifa Mohammed Al-Rabban		6/6	
Mohammed Nasser Al-Hajri			6/6
Hamad bin Jaber Al-Thani		6/6	
Saud bin Khalid Al-Thani			
Suhaim bin Khalid Al-Thani	2/2	4/6	
Hamad bin Jassim Al-Thani			
Adel Ali bin Ali			6/6
Nasser bin Khalil Al-Jaidah	2/2		6/6

Senior Executive Management:

The senior executive management seeks to achieve the public interest and objectives of the company by exercising the powers and responsibilities contained in the contract, the company›s articles of association, the Commercial Companies Law and its amendments, the corporate governance system, the company›s internal regulations, and the work assigned to it by the resolutions issued by the Board of Directors in order to conduct business in the company.

- The Board of Directors evaluates the senior executive management regarding the application of the internal control and risk management system, including determining the number of grievances, complaints, suggestions, and reports, and the following list shows the senior executive management during the year 2023 and their experiences:
- Mr. Mubarak Nasser Al-Nasr - CEO of Ras Abu Fontas Power and Water Desalination Plants at Qatar Electricity and Water Company since January 2021, and prior to joining the company, he served as Managing Director of Ras Laffan Power Company for 11 years (2010 to 2020), Mr. Al-Nasr holds a Bachelor›s degree in Mechanical Engineering from Qatar University.
- Mr. Abdulrahman Nasrallah Al-Emadi has been appointed as Business Development Manager at Qatar Electricity and Water Company since January 2021, with nearly 30 years of experience in the energy and water sector, and previously served as CEO of Ras Abu Fontas Power and Water Plants (RAF) for 5 years (2016-2020), and holds a Bachelor›s degree in Mechanical Engineering from Qatar University.
- Mr. Rashid Nasser Al-Hajri has been appointed as Director of Public Relations and Shareholders Affairs at the company since January 2010, and has been in the position since his appointment in 2003 and served as Head of Communication and Media for 4 years (2007 to 2010).
- Mrs. Shia Eid Al-Qahtani has been appointed as the Director of Human Resources Department at Qatar Electricity and Water Company since May 2018, and held the position of Head of Warehouses Department at Qatar Electricity and Water Company including all stores belonging to the company›s stations for 8 years (2010 to 2018), and she has diverse experience since her appointment in 2000 She worked in the Laboratories Department/ Operations Department for (7) years and a period in the Planning Department, and Mrs. Al-Qahtani holds a Bachelor›s degree in Chemistry from Qatar University.
- Mr. Hamad Mohammed Sheikhan has been appointed as Procurement Manager at Qatar Electricity and Water Company since December 2020, and served as Head of Procurement Department at Qatar Electricity and Water Company for 15 years (2006 to 2020), Mr. Sheikhan holds an MBA degree in Business management with distinction and first honors from the University of Aberdeen and a Bachelor of Business Administration from Qatar University.
- Mr. Andrew Smith was appointed as Director of Internal Audit at Qatar Electricity and Water Company in June 2023. With over 25 years of experience in the energy and water sector, he previously served as Head of Internal Audit for 6 years (2017-2023) and holds a Master›s degree in Business Administration (MBA) specializing in corporate governance and a BA with honors in Politics.
- Mr. Narayana Rao was appointed as Acting Director of Finance at Qatar Electricity and Water Company in March 2020. He has over 30 years of experience in corporate finance,

accounting, auditing and governance, and previously served as Head of Financial Accounting for 18 years (2002-2020), and he is a qualified professional Chartered Accountant (CA) from India and Certified Public Accountant (CPA) from United States of America.

- Mr. Imran Humji was appointed as Acting Director of Information Technology at Qatar Electricity and Water Company in April 2014. With over 25 years of experience in the field of information technology, Mr. Humji holds a Bachelor›s degree with honors in Computer Engineering from the University of Mumbai, India.

Fifth: Remuneration of the Board, Committees and Senior Executive Management

The remuneration and salaries policy was developed in accordance with the provisions of the corporate governance system and was approved at the Ordinary General Assembly on 14/03/2023, and it is within the competence of the Remuneration and Salaries Committee to propose a remuneration, bonuses and incentives policy, and to direct the company›s remuneration system in a way that leads to raising the level of performance to ensure the company›s growth and achieve its goals. Reviewing and developing the Key Performance Indicator (KPI) system, which is used to evaluate the actual performance of the company and determine the basis for calculating annual incentives.

Remunerations of the Board and its Committees

The remuneration of the Chairman and members of the Board of Directors shall be determined by the General Assembly and shall not exceed 5% of the annual net profits in accordance with the provisions of Article (39) of the Articles of Association. The remuneration of the Chairman and members of the Board for the financial year 2022 at 0.69% of the net profit value was approved by a resolution of the Ordinary General Assembly on 14 March 2023 and a total amount is QAR 11.75 million.

The remuneration of the Board committees is determined by the Board of Directors, and the remuneration for the fiscal year 2023 was approved at the first Board meeting held on 14 February 2024 with a total amount of QR 290,000 for the Nomination, Remuneration and Salaries Committee, a total amount of QR 290,000 for the Audit Committee, and a total amount of QR 450,000 for the Investments Committee.

Remuneration of senior executive management and employees of the company

According to the regulations in force in the company, the occupants of senior executive management positions are not paid any special bonuses, and the periodic bonus and the fixed annual bonus are paid to all employees in the company, and it is calculated (50%) based on the annual evaluation of the employee›s performance, and (50%) for the goals and standards (KPI) achieved by the company.

Sixth: Internal Control and Risk

The Board of Directors is fully responsible for the internal control system in the company, and for setting policies, guidelines and controls to determine the limits of responsibility and performance to monitor mechanisms, and the company›s general management is responsible for the general control of these systems with department managers, heads of departments, and the business is evaluated by the internal financial controller and the external controller.

The company attaches utmost importance to developing the business management framework in a structured and structured manner, in order to identify, assess, mitigate and manage the company›s risks, and the task of assessing operational risks is carried out by the company›s technical advisor, and the financial risk assessment is carried out by the internal controller in coordination with the financial department.

Risk Management Committee

The Risk Management Committee was formed in Qatar Electricity and Water Company in order to identify the financial, legal and operational risks affecting the company and the committee›s charter was adopted, and the committee is chaired by the CEO and the membership of the technical advisor, the cost and budget controller and the head of the internal audit department, it›s responsibilities include, but are not limited to, assessing risks, assessing and reporting their impact on the company, making recommendations for mitigation, formulating policies and procedures in cooperation with the relevant departments and reviewing them periodically, and promoting constructive and open exchange in the company in order to achieve the objectives of the committee.

The high-level risk report is presented to the General Manager and Managing Director of the company during the quarterly meeting of the lead Committee.

Internal Control Unit:

The company has a full independent internal audit department, headed by a qualified and experienced specialized accountant appointed by the Board of Directors, who is accountable to it, and undertakes the work of financial audit, performance evaluation and risk management, and submits his reports to the Audit Committee including any irregularities or violations, if any, with the proposed action to be taken.

Internal Audit Reports:

The internal auditor shall submit a report on the company›s internal control work to the Audit Committee, including the following:

1. Control and supervision procedures for financial affairs, investments and risk management.
2. Review the evolution of risk factors in the company and the adequacy and effectiveness of the systems in force in the company in the face of radical or unexpected changes in the market.
3. A comprehensive evaluation of the company›s performance regarding compliance with the application of the internal control system, and the provisions of this system.
4. The extent of the company›s commitment to the rules and conditions governing disclosure and listing in the market.
5. The extent of the company›s commitment to internal control systems when identifying and managing risks.
6. The risks to which the company was exposed, their types, causes and what has been done in their regard.
7. Proposals for correcting violations and removing the causes of risks.

The internal auditor issued 7 reports during 2023 in this regard.

Seventh: External Audit

The Audit Committee reviews and examines the auditors' proposals registered in the Authority›s External Auditors Roll, and submits to the Board a reasoned recommendation to select one or more offers to appoint an external auditor for the Company, and once the Board approves the recommendation, it is included in the agenda of the Company's General Assembly Meeting.

The shareholders, through the ordinary general assembly meeting on 14/3/2022, appointed KPMG as the company›s auditor, and submitted its report to the general assembly on 14/3/2023 and read it to it, and it was approved by the general assembly, and a copy of it was sent to the authority including all control work in accordance with the text of Article (24) of the governance system.

KPMG Office has been re-assigned as the company›s auditors for a period of one year at the Ordinary General Assembly Meeting on 14/3/2023, and it has conducted a quarterly, semi-annual and annual review of the company›s financial statements for the year 2023 in accordance with the relevant laws and procedures, and will submit its annual report to the General Assembly to be held on 10/3/2024.

Eight: Disclosure and transparency

The company approved the information and communication disclosure policy, which was approved at the General Assembly meeting on 14/3/2023, and the company adheres to the periodic disclosure requirements, including financial reports, the number of shares owned by the chairman and members of the board, senior executive management, and major shareholders or controlling shareholders, as well as disclosing the information about the chairman and members of the board and its committees and their scientific and practical experiences based on their CVs, and whether any of them is a member of the board of directors of another company or its senior executive management or a member of any of the committees of its board of directors, through the periodic basic data sent to the Authority and the ASE and published on the company›s website, and no information shall be published or disclosed until it has been presented to the Board of Directors for approval. The members of the Board signed the Governance Approval for the year 2023, including not combining positions and jobs according to legal requirements, and the forms were kept with the Secretary of the Board.

Nineth: Disclosure of disputes and violations committed during the year

With regard to the disclosure of disputes or disputes to which the company is a party, including arbitration and lawsuits, there is a financial claim with Qatar General Electricity and Water Corporation (KAHRAMAA) that has been agreed to be referred to the expert for an opinion and no decision has been issued on it, and this claim does not affect the company›s financial position and activity.

There are disputes before the Qatari courts for employees and litigation continues.

An investigation was conducted with the Accounting Committee regarding non-compliance with the provisions of Article (8-18-19-25-36) of the Corporate Governance Law and Legal Entities Listed on the Main Market, and the company took the necessary measures during 2023, and submitted a settlement request and the matter is still before the esteemed Authority.

Tenth: Conflict of Interest

The company adopted and published on its website the Conflict of Interest Regulation, to ensure that the company, its employees and members of its board of directors adhere to the internationally recognized professional rules, standards and controls, to enhance the confidence of others in the integrity of the company and its employees at all levels, and according to Article (33) of the Bylaws of the Board, neither the Chairman nor any member may have a direct or indirect interest in contracts or deals concluded with or for the company›s account, and Article (40) of the Articles of Association obliges the Board of Directors to place a special disclosure of financial information at the disposal of shareholders one week before the General Assembly, including operations in which a member of the Board of Directors or managers has an interest that conflicts with the interest of the company.

No contracts or transactions were concluded between the Chairman or one of the members of the Board and the Company during the year 2023, whether directly or indirectly, and the members of the Board were notified of the suspension of any transactions on their shares before the Board meetings that discuss the periodic financial statements and fifteen days before the General Assembly meeting, and the Qatar Stock Exchange was notified at the same time.

The members of the Board signed the Governance Approval for the year 2023, including the disclosure of conflict of interest, and the forms were kept with the Secretary of the Board.

Eleventh: Disclosure of trading operations

The members of the Board, the senior executive management and all insiders, their spouses and minor children shall disclose their trading operations on the Company›s shares and all other securities, in accordance with the clear rules and procedures governing the trading of persons familiar with the securities issued by the Company, which were issued by the Board pursuant to its resolution No. (26) in its fifth meeting on 26 October 2018.

The members of the Board of Directors signed their disclosure form and their spouses and children for the year 2023, and the forms were kept with the Secretary of the Board.

Twelve: Stakeholder Rights

On 14/3/2023, the General Assembly approved the stakeholder and minority quotas policy, which includes the rights of stakeholders as follows:

Equality between shareholders in rights:

The shareholders are equal and have all the rights arising from the ownership of the share in accordance with the provisions of the law and the relevant regulations and decisions.

The Company›s Articles of Association include the procedures and guarantees necessary for all shareholders to exercise their rights, in particular the right to dispose of shares, the right to receive the prescribed share of dividends, the right to attend the General Assembly, participate in its deliberations and vote on its resolutions, and the right to access and request information in a manner that does not harm the interests of the Company. This is in accordance with the provisions of Articles (9-11-19-40-44-47-54-56) of the Basic Law.

The right of the shareholder to obtain information:

Articles (9) and (40) of the Company›s Articles of Association include the right of the shareholder to obtain information that enables him to exercise his rights in full, in a manner that does not prejudice the rights of other shareholders, or harm the interests of the company, and the company is committed to checking and updating information in a regular manner, and to provide all information of interest to shareholders and enable them to exercise their rights to the fullest, and it is published on the company›s website and the stock exchange website, and the company is committed to publishing periodic information in daily newspapers as well.

Shareholders' rights related to the General Assembly:

Articles (44-47-48-49-51-54-56) of the Company›s Articles of Association include the organization of shareholders› rights related to the general assembly meeting of both types, including the items stipulated in Article (32) of the governance system, voting rights and election of members of the Board of Directors, and the company has committed to applying them.

Shareholders' rights related to the distribution of dividends:

The company has approved the dividend distribution policy according to the resolution of the ordinary general assembly on 14/3/2023, and Articles (66-67-68) of the company›s articles of association clearly define the policy that governs the distribution of profits, and the company adheres to the decision of the Board of Directors of the Qatar Financial Markets Authority No. 7 of 2023 regarding the controls for the distribution of profits in joint stock companies listed in the financial markets, and is committed to applying them annually upon distribution, and is included in the company›s annual financial report distributed to shareholders for discussion at the General Assembly. And the right to receive the dividends approved by the General Assembly, whether cash or bonus shares, shall be for the shareholders registered in the shareholders' register at the depositary on the day of the General Assembly.

The shareholders' dividends for the fiscal year 2022 approved by the General Assembly on 14/3/2023, which are determined at 95% of the nominal value of the shares, have been transferred to Qatar National Bank for distribution to shareholders, in accordance with the agreement signed with the bank in this regard.

Shareholders' rights related to major transactions:

Article (69) of the Company's Articles of Association guarantees the protection of the rights of shareholders in general and the minority in particular in the event of any errors that may harm their interests or prejudice the ownership of the company›s capital. The company is committed to periodic disclosure to the Authority and the Stock Exchange of the company's capital structure and any agreement it makes in a timely manner in accordance with the specified procedures, and to disclose the owners (5%) or more of the company›s shares, directly or indirectly, during the periodic disclosure before June 30 and before December 31.

Rights of non-shareholders' stakeholders:

The company is keen to respect and preserve the rights of stakeholders by providing all the necessary documented information about all its dealings, whether by publishing in newspapers, the company›s website, the stock exchange website or through direct contact.

During 2019, the company established the Investor Relations Department on its website and identified the Investor Relations Officer, and based on the procedures of the Qatar Stock Exchange, it held a conference call during April to discuss the financial results for the first quarter, during August to discuss the financial results for the second quarter, during October to discuss the financial results for the third quarter of 2023, and during February 2024 to discuss the financial results for the fourth quarter to discuss the financial statements for the year ended December 31, 2023.

Each stakeholder in the Company may request information relevant to his interest, and the Company is obligated to provide the requested information in a timely manner and to the extent that it does not threaten the interests of others or harm its interests.

Thirteen: Dealing with rumors

In implementation of Article (25) of the Corporate Governance Code issued by the Qatar Financial Markets Authority, the company organized the procedures for dealing with rumors and the procedures for responding to them in accordance with the rules governing the information and communication disclosure policy approved by the Ordinary General Assembly on 14/03/2023. Rumors are referred to the competent person in the company, whether they are raised by an employee or a third party, and he may take appropriate action that does not conflict with the relevant rules of the authority.

Fourteen: Whistleblowing and Complaints Handling

In application of the Corporate Governance Law issued by the Qatar Financial Markets Authority, the Whistleblowing Policy was approved by the Board of Directors› resolution at the sixth meeting on 10/12/2023, which regulates the procedures for reporting any violation, violation or practices that may harm the company, shareholders and stakeholders, and decides a set of guarantees to protect the amount, and the company is committed to examining and deciding on the report or complaint, and this process is supervised by the Audit Committee.

Fifteen: Social Responsibility

The company, in turn, contributed to the development and advancement of society and the preservation of the environment, through its active participation in the corporate social responsibility system out of its commitment to national responsibility, and to achieve the Qatar National Vision 2030, and the company contributes to the development of society on an ongoing basis through various activities (under the law), and the company provided support to the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development in the amount of 1,000,000 (million Qatari Riyals).

It also provided (100) smart electronic watches worth 17,500 Qatari riyals to the centers of the Ministry of Social Development and Family, and they were distributed to the children of the Shafallah Center, Al-Noor Institute, Aman Foundation, and Dreama Center.

Sixteen: External Auditors' fee disclosure

The external auditors' total fee for the group (including controlled subsidiaries) are as follows:

Categories of services	For the year 2023	For the year 2022
Audit of the financial statements	1,222,647	1,196,039
Services other than audit:		
1. Audit related services	465,000	345,420
2. Tax compliance services	126,903	181,947
3. 3. Advisory services	4,500	-
Total Fee	**1,819,050**	**1,723,406**

Approved

Saad Bin Sharida Al-Kaabi

Chairman of the Board of Directors

Members of Board of Directors of Qatar Electricity and Water Company (Q.P.S.C.)

His Excellency Eng. Saad Bin Sherida Al Kaabi

Chairman of the Board of Directors

In 1986, Eng. Saad Bin Sherida Al-Kaabi joined QatarEnergy (Previously known as Qatar Petroleum) as a scholarship student to study Petroleum and Natural Gas Engineering at Pennsylvania State University in the United States of America and graduated in 1991 with a Bachelor of Science degree in Petroleum and Natural Gas Engineering.

Upon his graduation, he joined QatarEnergy's Reservoir & Field Development Department, where he held various technical, engineering and commercial positions. Eventually, he became Manager of Gas Development, with responsibility for the management of the North Field. In this position, Eng. Al-Kaabi, accompanied by his team, played a pioneering role in developing many giant gas projects based on the latest international technologies that were implemented in record time. In doing so, he contributed effectively to strengthen the leading position held by State of Qatar as the capital of the liquefied natural gas industry and the gas-to-liquids industry in the world. He also supervised construction of a number of giant gas pipeline projects intended for local exploitation and export.

In 2006, Eng. Al Kaabi became the Director of QatarEnergy's Oil and Gas Ventures Directorate, where he was responsible for managing and developing oil and gas resources in the State of Qatar. His job responsibilities included supervising all North Field gas development activities, oil field development, and all exploration activities in the country.

Eng. Al Kaabi was appointed in September 2014 as Managing Director and CEO of QatarEnergy, where in this position he supervised gas, oil and petrochemical activities in Qatar and around the world.

On 4th November 2018, Eng. Saad bin Sherida Al Kaabi was appointed as the Minister of State for Energy Affairs, a member of the Council of Ministers in the State of Qatar, and Deputy Chairman of the Board of Directors and Managing Director and CEO of QatarEnergy.

His Excellency Mr. Ahmed Ali Al Hammadi
Vice Chairman of the Board of Directors

- He works as director of General Retirement and Social Insurance Authority.
- He occupied several high-level positions, including the position of Chief Investment Officer for the Europe, Russia and Turkey region at the Qatar Investment Authority and he managed the European portfolio across a number of sectors.
- Mr. Ahmed Al Hammadi graduated from Wharton School at University of Pennsylvania and holds an MBA from Harvard Business School.
- Board Membership:
  - Chairman of Board of Directors of United Development Company.
  - Chairman of the Board of Directors of Qatar Cool Company.
  - Vice Chairman of the Board of Directors of Qatar Electricity and Water Company.
  - Board Member of Al Rayan bank.
  - Board Member of Industries Qatar
  - Mr. Al Hammadi also works as Board Member of Heathrow Airport, SoFi, Borsa Istanbul, and Dream International Company.

Mr. Muhammad Nasser Al-Hajri
Managing Director and General Manager

- He joined QatarEnergy (Previously known as Qatar Petroleum) in 1991 and has more than 32 years of experience in the oil and gas production and petrochemical industries. He occupied several leadership positions at QatarEnergy, including Executive Vice President for Petrochemical and Industrial Projects Development.
- He has a master's degree in Gas Engineering from University of Salford, United Kingdom, and a bachelor's degree in Chemical Engineering from Qatar University.
- Board Membership:
  - Managing Director and General Manager of Qatar Electricity and Water Company
  - Chairman of the Board of Directors of Umm Al Houl Power Company.
  - Chairman of the Board of Directors of Nebras Power Company
  - Board Member of Gulf International Services Company

His Excellency Sheikh/ Hamad bin Jassim Al Thani
Board member

- Businessman, owner and Chairman of the Board of Directors of the Arab Engineering Construction Co. (ACEC), which is one of the leading companies in the State of Qatar. It was incorporated in 1967 with a diverse group of companies with a focus on the oil and gas, communications, shipping, utilities and infrastructure sectors.
- He has a bachelor's degree in Economics from USA
- Board Membership:
  - He is currently member of the Board of Directors of Qatar Electricity and Water Company.
  - He previously worked as Chairman of the Board of Directors of Qatar Chamber of Commerce and Industry (1990-2002).

His Excellency Sheikh/ Hamad Bin Jabr Al Thani
Board member

- Sheikh Hamad bin Jabr Al Thani was able to manage institutions from private, public and mixed sectors and he achieved great results and goals in field of strategic planning and performance that is based on management and building national competence. He had an effective role in establishing the Qatar Statistics Authority and supervising preparation of the national strategy for developing statistics. He also worked as Director General of General Secretariat for Development Planning, where he had a major role in preparing and formulating Qatar National Vision 2030. He previously worked for seventeen years at QatarEnergy.
- Sheikh/ Hamad bin Jabr Al Thani holds a bachelor's degree in business administration from Metropolitan State College Denver, Colorado, in United States of America.
- Board Membership:
  - Board Member- The Supreme Committee of Qatar 2022
  - Head of National Heritage Committee 2022
  - Member of - Board of Trustees of Qatar University
  - Board Member- Qatar National Bank
  - Board Member of Qatar Chemical Company (Q-Chem)
  - Vice Chairman of AIDS Control Committee
  - Member of Advisory Board of Qatar Financial Center
  - Chairman of National Advisory Committee for Statistics
  - Chairman of Advisory Council of College of Management and Economics at Qatar University
- Regional and international positions:
  - Member of Board of Directors of Gulf Cooperation Council Statistical Center;
  - Member of the group concerned with studying proposals to transform the Cooperation Council from cooperation stage to union stage
  - Board Member of International Institute of Statistics and Chairman of Al-Khwarizmi Committee of the Institute;
  - Vice-Chairman of Board of UNESCO Institute for Statistics;
  - Board Member of the Partnership and Statistics for Development in the Twenty-First Century (Paris 21).

His Excellency Sheikh/ Saud bin Khaled Al Thani
Board member

- A member of royal family, who is the founder and Chairman of BOD of SPK Co.. He began his work in 1994 in trade and contracting. He chaired the Qatar Olympic Committee in the period 1995-2000, and chaired the Qatar Youth Committee in the period 2000-2008.
- Board Membership:
  - Chairman of Board of Directors of Al Rayyan Sports Club.
  - Chairman of Board of Directors of Qatar Life and Medical Insurance Company (Q-Life).
  - Board Member of Qatar Fuel Company (Woqod).
  - Board Member of Qatar Electricity and Water Company
  - Board Member of Qatar Insurance Company (QIC).

His Excellency Mr. Nasser Khalil Al Jaidah
Board member

- He joined QatarEnergy in 1977 and during that time he occupied many responsibilities and positions, progressing from position of Petroleum Geological Engineer in 1979 to Director of Oil and Gas projects in 1994. In 2006, he assumed position of CEO and Board Member of Qatar Petroleum International.
- Mr. Jaidah holds a bachelor's degree in Geology and Petroleum Engineering.
- His Excellency Mr. Nasser held several positions:
  - Member of the Shura Council and Chairman of the Qatari Friendship Group Committee with the United States, Canada, Australia and New Zealand 2004-2021.
  - Member of the Arab Parliament from 2004 to 2018.
  - Vice Chairman of the Board of Directors of Qatar Petroleum International.
  - Member of the Board of Directors of Qatar Gas and Vice Chairman of the Executive Committee.
  - Vice Chairman of the Board of Tasweeq.
  - Board Member of Industries Qatar.
  - Vice President at Qatar Petroleum Additives Company (QAFAC).
  - Chairman of the Board of Directors of South Hook Gas Liquefaction.
  - Chairman of the Board of Directors of Adriatic Gas Liquefaction.
  - Chairman of the management committees in several production sharing agreement companies.
  - Chairman of the Administrative Committee of the Gulf Gas Field Project.
  - Member of the Board of Directors of Hamad Medical Corporation.
  - Member of the Society of Petroleum Engineers (SPE) and the Society of American Geological Engineers(AAPG).
  - Board Member and Senior Advisor- QatarEnergy.
  - Audit Committee QatarEnergy.
  - Board member of Qatar Electricity and Water Company
  - Board member of Qatar Free Zone Authority.
  - Member of the Board of Trustees of Qatar University

Adel Ali bin Ali Al-Muslimani
Board member

- Mr. Adel Ali bin Ali leads as the Chairman of the Board of Directors of the Ali Bin Ali Holding Group, which is one of the esteemed and respected business conglomerates in Qatar, an institution with a heritage and legacy that spans over seven decades. He heads a diversified holding company that includes 18 distinct commercial activities. He also provides a wise leadership to more than 5,000 employees and planning local and regional business operations that reflect Ali Bin Ali's ambitious growth plans.
- In addition to the role played by him in leading Ali Bin Ali Holding co. in its various commercial interests and joint projects, he is involved in several local and international companies and commercial projects in various fields. In recognition of his distinguished contribution to the field of mutual trade cooperation and partnership with France, the French Republic honored Mr. Adel Ali Ben Ali with the title of "National Order of Merit."
- Mr. Adel Ali Bin Ali has a bachelor›s degree in electrical and electronic engineering from California State University, Sacramento.

- Board Membership:
  - General Manager and Managing Director of the Board of Doha Insurance Company
  - Board member of Qatar Navigation Company
  - Board Member of Qatar Electricity and Water Company
  - Former Board member of Amwal Co.
  - Former Honorary Treasurer of Qatar Chamber of Commerce and Industry.
  - Former Board member of Qatar National Bank
  - Former Vice Chairman of Board of Qatar Sports Club

His Excellency Sheikh/ Suhaim bin Khaled Al Thani
Board member

- Sheikh Suhaim bin Khal Al Thani has a bachelor's degree in Business Administration.
- Board Membership:
  - He has been a member of the Board of Qatar Navigation Company since November 2020.
  - He works as Board Member of the Qatar Electricity and Water Company, representing the Qatar Navigation Company.
  - He also works as Board member of Qatar Central Markets Company (Hyatt Plaza).
  - Board Member of Doha Festival City
  - He also worked as Chairman of Board of Dlala Brokerage Company.

Mr. Abdullah Khalifa Al-Rabban
Board member

- He joined the General Retirement and Social Insurance Authority - State of Qatar in January 2017.
- Mr. Al-Rabban has a degree in Business and Economics from University of Oregon, USA.
- Board Membership:
  - He joined the General Retirement and Social Insurance Authority - State of Qatar in January 2017.
  - Mr. Al-Rabban has a degree in Business and Economics from University of Oregon, USA.
  - Board Membership:
  - Board Member of Qatar Electricity and Water Company since March 2020.
  - Member of Mesaimeer City Real Estate Company's tender committee.
  - Board member of Mesaimeer City Real Estate Company
  - Secretary of Committee for Investing Funds of the Civil and Military Pension Funds (2017 – 2023
  - Board member of Gulf International Services Company from February 2018 to January 2020.

Mr. Fahd Abdullah Al Mana
Board member

- He joined Qatar Investment Authority in 2011 and is currently a member of the Real Estate Investments Department with a focus on Asian investments.
- Mr. Al Mana has a degree in Business Administration from Qatar University, specializing in Finance and Accounting
- Board Membership:
  - Board Member of Qatar Broadband Network Company
  - Board Member of Katara Hospitality.
  - Board Member of Qatar Electricity and Water Company

Management Assessment of Internal Control over Financial Reporting

General

The Board of Directors of the Company and its consolidated subsidiaries (together "the Group") is responsible for establishing and maintaining adequate internal controls 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.

During the year, the Group's ICOFR did not include foreign operations in Brazil, as management was still in the process of implementation of a comprehensive system of internal controls and formalization of rules and procedures.

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.

Organisation 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 Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) 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;
- 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 2023, the Group (excluding foreign operations in Brazil) 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 Power Generation and Sale, Purchases, Inventory Management, Human Resources and Payroll, General Ledger and Financial Reporting, Property, Plant & Equipment, Investment Management, Treasury Management, Entity Level Controls and Information Technology General 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 31 December 2023.

The Management Assessment of Internal Control over Financial Reporting as at and for the year ended 31 December 2023 were approved by the Board of Directors and signed on its behalf by the following on 14 February 2024.

Saad bin Sharida Al-Kaabi	Mohammad Nasser Al-Hajri
Chairman of the Board of Directors	Managing Director and General Manager

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Qatar Electricity and Water Company Q.P.S.C.

Report on Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Qatar Electricity and Water Company Q.P.S.C. ("the Company" to carry out a limited assurance engagement over Board of Director's assessment whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Company is in compliance with the requirements of the articles of the Code as at 31 December 2023.

Responsibilities of the Board of Directors

The Board of Directors of the Company is responsible for preparing the corporate governance report that covers the requirements of Article 4 of the Code that is free from material misstatement and for the information contained therein. The Board of Directors provided their assessment whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and the Company's compliance with the articles of the Code' (the 'Statement›), which was shared with KPMG on 14 February 2024, and to be included as part of the annual corporate governance report.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

The Board of Directors is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Statement is fairly presented, in all material respects, whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and whether the Company is in compliance with the requirements of the articles of the Code as at 31 December2023 as the basis for our limited assurance conclusion.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on our understanding of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and its compliance with the articles of the Code and other engagement circumstances, and our consideration of areas where material non-compliances are likely to arise.

In obtaining an understanding of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation, and its compliance with articles of the Code and other engagement circumstances, we have considered the process used to prepare the Statement in order to design limited assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and fair presentation of the Statement.

Our engagement also included assessing the appropriateness of the Company's process for compliance with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and its compliance with the articles of the Code, the suitability of the criteria used by the Company in preparing the Statement in the circumstances of the engagement, and evaluating the appropriateness of the methods and, policies and procedures used in the preparation of the Statement.

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

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by the Board of Directors to comply with the requirements of the articles of the Code.

The procedures performed over the Statement included, but were not limited to:

- Examining the assessment completed by the Board of Directors to validate whether the Company has a process in place to comply with its Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation including with the articles of the Code;
- Examining the supporting evidence provided by the Board of Directors to validate the Company's compliance with the articles of the Code; and
- Conducting additional procedures as deemed necessary to validate the Company's compliance with the Code (e.g. review governance policies, procedures and practices, etc.).

As part of this engagement, we have not performed any procedures by way of audit, review, or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Company's annual corporate governance report which is expected to be made available to us after the date of this report. The Statement and our limited assurance report thereon will be included in the corporate governance report. When we read the corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Characteristics and Limitations of the Statement

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, which do not form a clear set of criteria to compare with. Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment on the process in place to ensure compliance with article of association and provisions of the QFMA's law and relevant legislations, including compliance with the Code and the methods used for determining such information. Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement is an assessment of the process for compliance with the Company's Articles of Associations, and the provisions of the QFMA's law and regulations and other relevant legislation and compliance with the articles of the Code.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

Based on our limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Board of Directors› Statement does not present fairly, in all material respects, that the Company has a process in place to comply with OFMA› s law and regulations and other relevant legislation and that the Company is compliance with the articles of the Code as at 31 December 2023.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

14 February 2024

Doha

State of Qatar

Gopal Balasubramaniam

KPMG

Auditor's Registration No. 251

Licensed by QFMA: External

Auditor's License No. 120153

Attachment: Board of Directors assessment on compliance with QFMA's law and regulations and other relevant legislation including the articles of the Code

INDEPENDENT REASONABLE ASSURANCE REPORT

To the Shareholders of Qatar Electricity and Water Company Q.P.S.C.

Report on Internal Controls over Financial Reporting

In accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities Listed on the Main Market ("the Code") issued by the Qatar Financial Markets Authority ("QFMA"), we were engaged by the Board of Directors of Qatar Electricity and Water Q.P.S.C. ("the Company") and its subsidiaries (together referred to as "the Group") to carry out a reasonable assurance engagement over Board of Directors' description of the processes and internal controls and assessment of the suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (the 'ICOFR') as at 31 December 2023 (the "Statement").

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing and fairly stating that the Statement that is free from material misstatement and for the information contained therein.

The Statement, which was signed by the Board of Directors and shared with KPMG on 14 February 2024 and is to be included in the annual report of the Group, includes the following:

- the Board of Directors' assessment of the suitability of design, implementation and operating effectiveness of the ICOFR;
- the description of the process and internal controls over financial reporting for the processes of:
  - Power generation and sale;
  - Purchases;
  - Inventory management;
  - Human resources and payroll;
  - General ledger and financial reporting;
  - Property, plant and equipment;
  - Investment management;
  - Treasury management;
  - Entity level controls; and
  - Information technology general controls.
- designing, implementing and testing controls to achieve the stated control objectives;
- identification of control gaps and failures, how they are remediated, and procedures set to prevent such failures or to close control gaps; and
- planning and performance of the management's testing, and identification of the control deficiencies.

The Board of Directors is responsible for establishing and maintaining internal controls over financial reporting based on the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO" or "COSO Framework").

This responsibility includes designing, implementing, maintaining and effectively operating controls relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error. It also includes developing the control objectives in line with the COSO Framework; designing, implementing and testing controls to achieve the stated control objectives; selecting and applying policies, making judgments and estimates that are reasonable in the circumstances, and maintaining adequate records in relation to the appropriateness of the Company's ICOFR.

The Board of Directors is also responsible for preventing and detecting fraud and for identifying and ensuring that the Group complies with laws and regulations applicable to its activities. The Board of Directors is responsible for ensuring that management and staff involved with the preparation of the Statement are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our Responsibilities

Our responsibility is to examine the Statement prepared by the Company and to issue a report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Statement is fairly presented, in all material respects, in accordance with the control objectives set out therein.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the suitability of the design, implementation and operating effectiveness of the Company's internal controls over financial reporting, whether due to fraud or error.

Our engagement also included assessing the appropriateness of the Group's ICOFR, and the suitability of the criteria used by the Company in preparing and presenting the Statement in the circumstances of the engagement, evaluating the overall presentation of the Statement, and whether the internal controls over financial reporting are suitably designed, implemented and are operating effectively as of 31 December 2023 based on the COSO Framework. Reasonable assurance is less than absolute assurance.

The procedures performed over the Statement include, but are not limited to, the following:

- Conducted inquiries with management of the Company to gain an understanding of the risk assessment and scoping exercise conducted by management;
- Examined the in-scope areas using materiality at the Group's consolidated financial statement level;
- Assessed the adequacy of the following:
  - Process level control documentation and related risks and controls as summarized in the Risk & Control Matrix ("RCM");
  - Control Environment, Risk Assessment, Monitoring, and Information and Communication (CERAMIC) controls documentation and related risks and controls as summarized in the RCM;
  - Risk arising from Information Technology and controls as summarized in the RCM;
  - Disclosure controls as summarized in the RCM.
- Obtained an understanding of the methodology adopted by management for internal control design and implementation testing;
- Inspected the walkthrough and design and implementation testing completed by management and conducted independent walkthrough testing, on a sample basis, as deemed necessary;
- Assessed the significance of any internal control weaknesses identified by management;
- Assessed the significance of any additional gaps identified through the procedures performed.
- Examined the management plans for testing the operating effectiveness to evaluate the reasonableness of tests with respect to the nature, extent and timing thereof, and whether the testing responsibilities have been appropriately assigned;
- Examined the management's testing documents to assess whether the operating effectiveness testing of key controls has been performed by the management in accordance with the management testing plan; and
- Re-performed tests on key controls to gain comfort on the management testing of operating effectiveness.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Statement nor of the underlying records or other sources from which the Statement was extracted.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information to be included in the Group's annual report which is expected to be made available to us after the date of this report. The Statement and our reasonable assurance report thereon will be included in the annual report. When we read 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.

Characteristics and Limitations of the Statement

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information. Because of the inherent limitations of internal controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. 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.

Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Furthermore, the controls activities designed, and operated as of 31 December 2023 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting prior to the date those controls were placed in operation.

The Statement is prepared to meet the common needs of a broad range of users and may not, therefore, include every aspect of the information that each individual user may consider important in its own particular environment.

Criteria

The criteria for this engagement are the control objectives set out therein against which the design, implementation and operating effectiveness of the controls is measured or evaluated. The control objectives have been internally developed by the Group, based on the criteria established in the COSO Framework.

Conclusions

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

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

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' Statement fairly presents that the Group's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2023.

Emphasis of Matter

We draw attention to the Board of Directors Statement on ICOFR, which describes that the Company's ICOFR during the year did not include foreign operations in Brazil. Our conclusion is not modified in respect of this matter.

Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the shareholders of the Company and QFMA for any purpose or in any context. Any party other than the shareholders of the Company and QFMA who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the shareholders of the Company and QFMA for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to the shareholders of the Company and QFMA on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

14 February 2024

Doha

State of Qatar

Gopal Balasubramaniam

KPMG

Auditor's Registration No. 251

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Attachment: Board of Directors Statement on ICOFR.

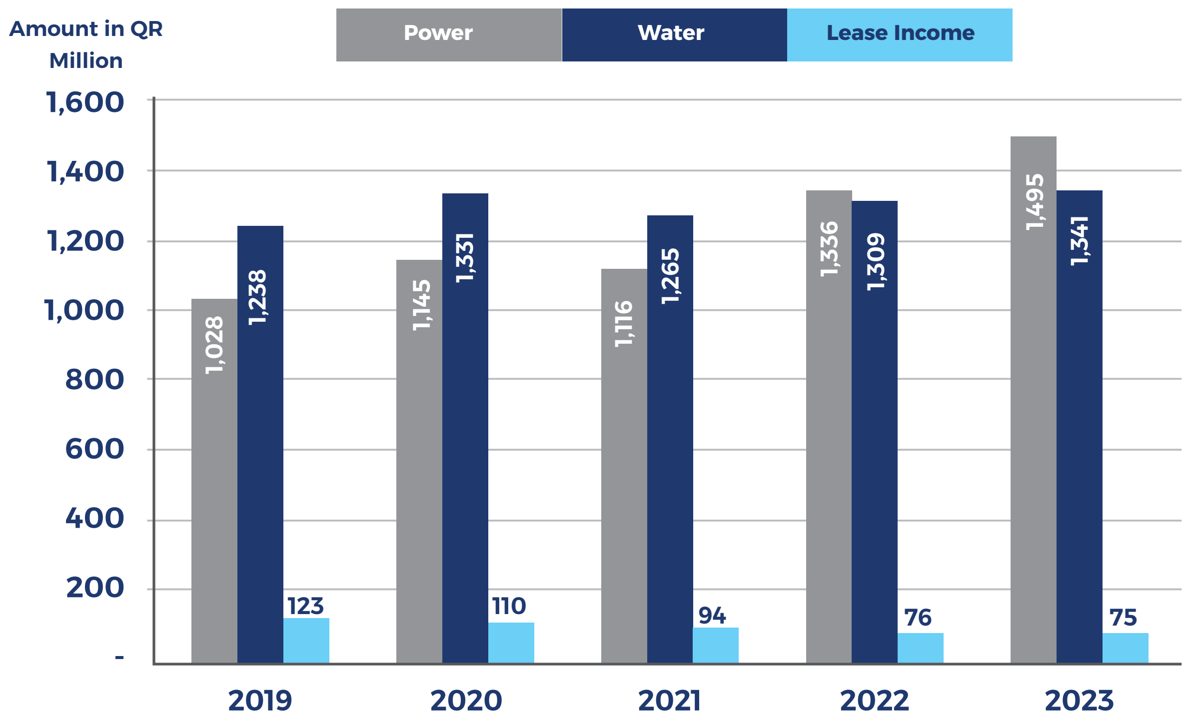
FINANCIAL HIGHLIGHTS

For the Year (amount in QR million)	2023	2022	2021	2020	2019
Sales Revenue	2,911	2,721	2,475	2,586	2,389
Gross Profit	1,009	1,052	966	899	856
Net Profit	1,551	1,711	1,468	1,158	1,414
At Year end(amount in QR million)					
Total Assets	23,290	27,809	18,491	17,150	17,494
Total Shareholders' equity	14,886	15,124	11,811	9,758	9,999
Long Term Debt	5,157	7,126	3,685	4,017	4,253
QR per Share					
Cash Dividends	0.860	0.950	0.800	0.630	0.775
Earnings per Share	1.41	1.56	1.33	1.05	1.29
Ratios					
Return on Equity (%)*	10.34	12.70	13.61	11.72	13.83
Return on Capital Employed (%)**	8.62	9.65	10.32	8.78	10.49
Debt Equity(Times)	0.35	0.47	0.31	0.41	0.43

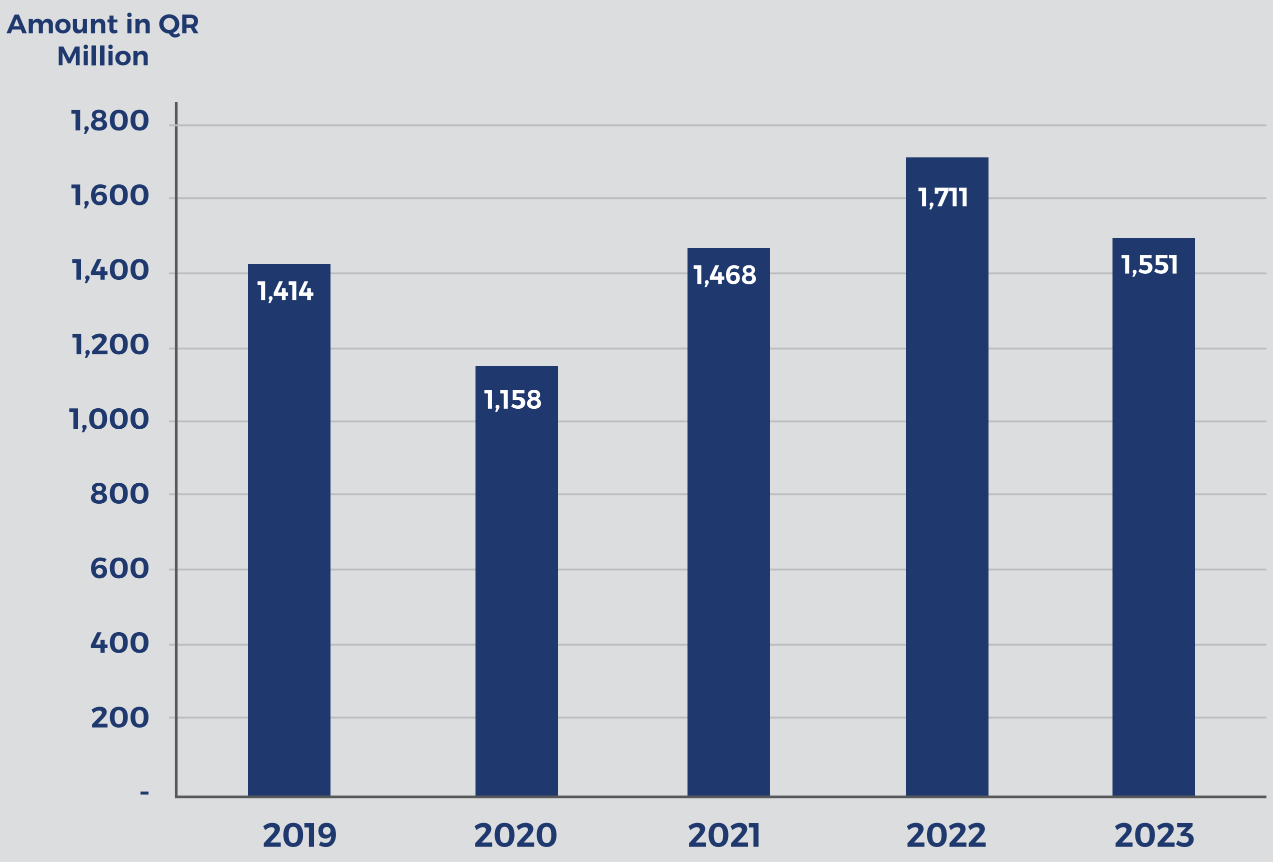
*Net Profit/Average Equity

**(Net Profit plus net finance cost)/Average capital Employed

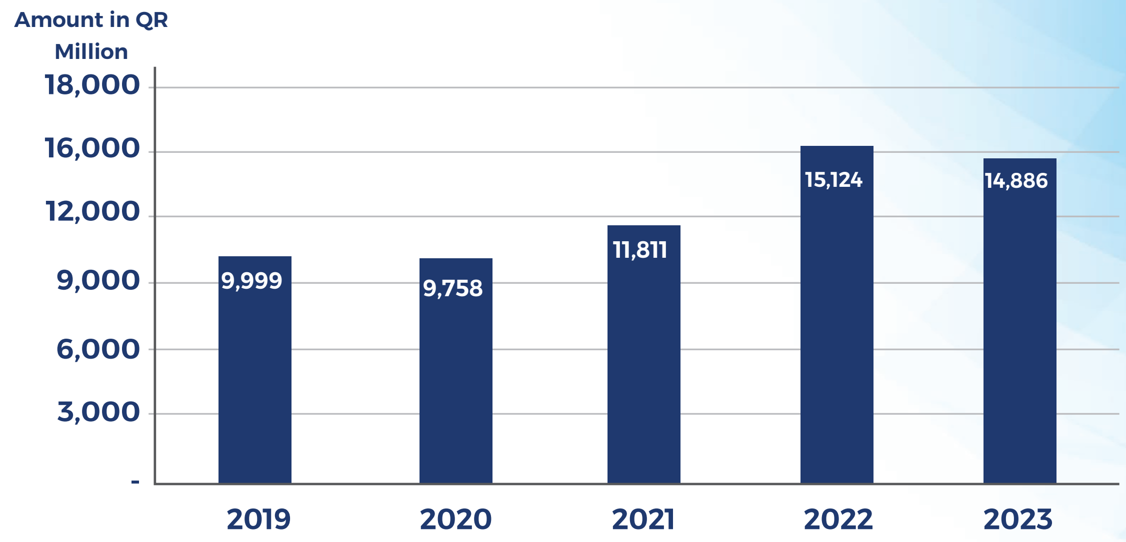
SALES BY PRODUCT



NET PROFIT



EQUITY GROWTH



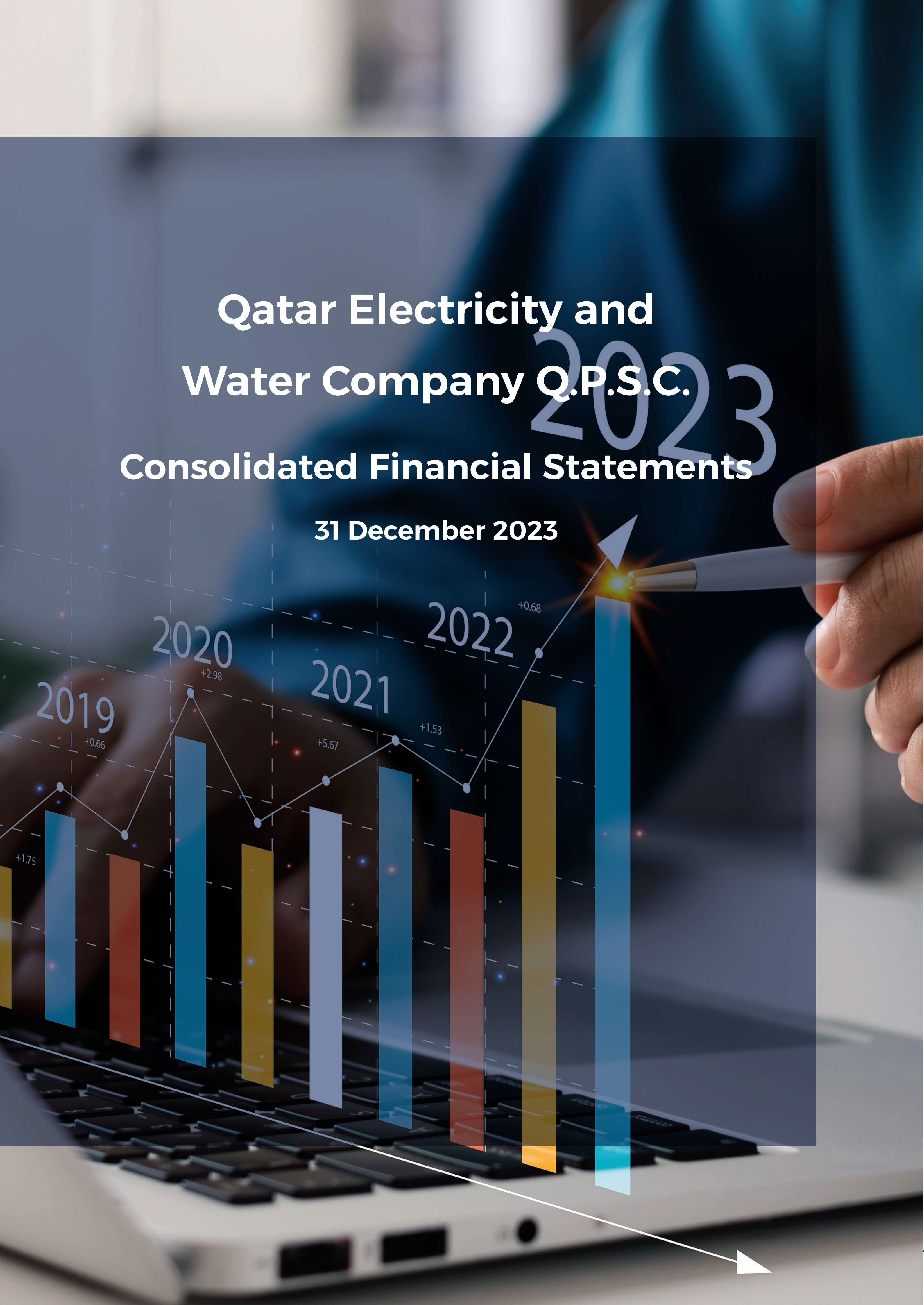
DIVIDEND GROWTH

EARNINGS PER SHARE

Qatar Electricity and Water Company Q.P.S.C.

Consolidated Financial Statements

31 December 2023



Consolidated financial statements

As at and for the year ended 31 December 2023

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Independent auditors' 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.

Independent auditors' report to the Shareholders of Qatar Electricity and Water Company Q.P.S.C. (continued)

Key Audit Matters (continued)

1. Carrying value of property, plant and equipment	
See Note 5 to the consolidated financial statements.	
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 (continued)	
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.

Independent auditors' report to the Shareholders of Qatar Electricity and Water Company Q.P.S.C. (continued)

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.

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

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.

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

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
Auditor's Registration No. 251
Licensed by QFMA: External
Auditor's License No. 120153

As at 31 December 2023 In thousands of Qatari Riyals

Consolidated statement of financial position

	Notes	2023	2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,857,797	6,084,247
Right-of-use assets	6(a)	49,129	57,710
Intangible assets and goodwill	7	66,635	72,605
Equity-accounted investees	8	8,304,635	8,904,680
Equity investments at fair value through other comprehensive income	9	2,017,318	2,322,763
Finance lease receivables	6(d)	594,806	764,888
Derivative assets	18(b)	24,530	77,536
Loans receivable from related parties	35(b)	1,156,479	60,702
Deferred tax assets	11	48,819	32,124
Other non-current assets	10	60,385	42,990
		18,180,533	**18,420,245**
Current assets			
Inventories	12	96,913	93,987
Trade and other receivables	13	856,257	778,536
Finance lease receivables	6(d)	170,082	33,531
Derivative assets	18(b)	12,265	1,418
Cash and bank balances	14	3,787,311	8,116,971
Asset held-for-sale	38	-	236,327
Assets held-for-distribution	39	186,385	128,478
		5,109,213	9,389,248
TOTAL ASSETS		**23,289,746**	**27,809,493**
EQUITY AND LIABILITIES			
Equity			
Share capital	15	1,100,000	1,100,000
Legal reserve	16	550,000	550,000
General reserve	17	3,243,870	3,243,870
Hedge reserve	18(a)	176,478	888,196
Fair value reserve	19	525,521	614,751
Foreign currency translation reserve	20	36,306	(1,148)
Retained earnings		9,254,158	8,728,092

Consolidated statement of financial position (continued)

	Notes	2023	2022
Equity attributable to owners of the Company		14,886,333	15,123,761
Non-controlling interests	21	322,293	333,573
Total equity		**15,208,626**	15,457,334
Non-current liabilities			
Loans and borrowings	22	5,000,645	6,920,761
Lease liabilities	6(b)	45,055	55,225
Employees' end of service benefits	23	92,266	87,628
Other non-current liabilities		18,683	62,567
		5,156,649	7,126,181
Current liabilities			
Loans and borrowings	22	1,817,647	4,154,055
Lease liabilities	6(b)	10,762	6,609
Trade and other payables	24	916,392	932,097
Liabilities held-for-distribution	39	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 Sharida Al-Kaabi
Chairman of the Board of Directors

Mohammad Nasser Al-Hajri
Managing Director and General Manager

The notes on pages 88 to 165 form an integral part of these consolidated financial statements.

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

Consolidated statement of profit or loss and other comprehensive income

	Notes	2023	2022
Revenue from water and electricity	25	2,836,266	2,645,683
Income from finance lease		74,954	75,730
		2,911,220	2,721,413
Cost of sales	26	(1,902,292)	(1,669,118)
Gross profit		1,008,928	1,052,295
General and administrative expenses	27	(285,200)	(297,804)
Interest income	28	311,906	176,697
Other income	29	283,203	267,627
Operating profit		1,318,837	1,198,815
Finance costs	30	(507,302)	(287,533)
Bargain purchase gain arising on business combination	41(b)	-	204,000
Step-up acquisition gain on deemed sale of a joint venture	41(c)	-	50,948
Gain/(loss) on disposal of asset held-for-sale	38	77,652	(86,084)
Share of results from equity-accounted investees – net of tax	8	672,284	669,418
Profit before tax from continuing operations		1,561,471	1,749,564
Less: Income tax credit / (expense)	11	6,037	(2,339)
Profit after tax from continuing operations		1,567,508	1,747,225
(Loss) / profit from discontinued operation, net of tax	39	(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	18(a)	(598,647)	2,564,294

Consolidated statement of profit or loss and other comprehensive income (continued)

	Notes	2023	2022
Cash flow hedges – effective portion of changes in fair value – net of related tax	18(a)	(42,159)	151,972
Cash flow hedges reclassified to profit or loss on derecognition of an associate / joint venture – net of related tax	18(a)	(78,720)	(49,368)
Foreign operations – foreign currency translation differences	20	28,371	21,093
Reclassification of foreign currency differences on derecognition of a subsidiary / joint venture	20	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	9	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	21	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)	31	1.41	1.56

The notes on pages 88 to 165 form an integral part of these consolidated financial statements.

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

Consolidated statement of changes in equity

	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 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 period	-	-	-	2,666,898	(182,842)	33,196	-	2,517,252	-	2,517,252
Total comprehensive income for the period	-	-	-	2,666,898	(182,842)	33,196	1,710,809	4,228,061	39,639	4,267,700
Transfer upon disposal of equity investments FVOCI (Note 19)	-	-	-	-	(250,488)	-	250,488	-	-	-
Acquisition of NCI due to business combination	-	-	-	-	-	-	-	-	145,970	145,970
Contribution to social and sports support fund (Note 33)	-	-	-	-	-	-	(37,639)	(37,639)	-	(37,639)
Transactions with owners of the Group										
Dividends (Note 32)	-	-	-	-	-	-	(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

The notes on pages 88 to 165 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	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 (Note 19)	-	-	-	-	(100,517)	-	100,517	-	-	-
Contribution to social and sports support fund (Note 33)	-	-	-	-	-	-	(35,937)	(35,937)	-	(35,937)
Deconsolidation of subsidiaries (Note 40)	-	-	-	-	-	-	-	-	139	139
Other movements							(817)	(817)	5,545	4,728
Prior period item										
Claim for social and sports support fund (Note 33)							(36,325)	(36,325)	-	(36,325)
Other movements	-	-	-	7,808	-	-	(7,808)	-	-	-
Transactions with owners of the Group										
Dividends (Note 32)	-	-	-	-	-	-	(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**

The notes on pages 88 to 165 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	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	5	337,280	287,167
Impairment of property, plant and equipment	5	-	83,094
Depreciation of right-of-use assets	6(a)	10,376	8,409
Interest expense on lease liabilities	6(b)	13,709	2,199
Amortization of intangible assets	7	5,970	5,970
Share of results of equity-accounted investees	8	(672,284)	669,418
Dividend income from equity investments at FVOCI	9	(113,948)	(160,909)
Amortization of other non-current assets	10	1,861	1,765
Provision / (reversal) for slow-moving inventories	12	477	(71,024)
Allowance for impairment of trade and other receivables	13	3,765	-
Loan amortization fee		771	3,389
Provision for employees' end of service benefits	23	13,293	12,637
Interest income	28	(311,906)	(176,697)
(Gain) / loss on sale of an asset held-for-sale	39	(77,652)	86,084
Bargain purchase gain arising on business combination	41(b)	-	(204,000)
Step-up acquisition gain on deemed sale of a joint venture	41(c)	-	(50,948)
Gain in termination of leases		-	(77)
Loss on sale of asset		1,289	-
Profit on deconsolidation of subsidiaries	40	(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

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

Consolidated statement of cash flows (continued)

	Notes	2023	2022
Employees' end of service benefits paid	23	**(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	5	(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	8	(463,627)	(906,821)
Dividends received from equity-accounted investees	8	610,893	404,648
Proceeds from sale of equity investments at FVOCI	9	316,732	663,511
Dividends received from equity investments at FVOCI	9	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)	6(b)	(20,273)	(8,745)
Dividends paid to non-controlling interests	21	(25,880)	(29,160)
Repayment of loans and borrowings	22	(4,399,450)	(296,034)
Dividends paid to owners of the Company		(1,041,834)	(880,000)
Loan to related parties	35(b)	(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	14	**2,154,013**	**1,482,511**

The notes on pages 88 to 165 form an integral part of these consolidated financial statements.

As at and for the year ended 31 December 2023 | In thousands of Qatari Riyals

Notes to the consolidated financial statements

1. Reporting entity

Qatar Electricity and Water Company Q.P.S.C. ("the Company" or "the Parent") is a Qatari Public Shareholding Company incorporated in the State of Qatar under commercial registration number 14275. The Company commenced its commercial operations in March 1992. The head office of the Company is located at Qatar Navigation Tower in Al-Dafna Area, West Bay, Doha, State of Qatar. The Company's shares are listed on the Qatar Stock Exchange since 3 May 1998.

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

The principal activities of the Group are to invest, develop, own and operate plants to produce electricity and desalinated water, including the renewable assets, inside and outside Qatar, and to supply them to the state owned entities and private corporate customers i.e. off-takers, as per the power and water purchase agreements.

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

Name of entities	Country of incorporation	Effective shareholding 2023	Effective shareholding 2022
Direct subsidiaries			
Ras Laffan Operating Company W.L.L.	Qatar	**100%**	100%
Ras Laffan Power Company Q.P.S.C.	Qatar	**80%**	80%
Nebras Power Q.P.S.C. ("Nebras")	Qatar	**100%**	100%
Subsidiaries of Nebras Power Q.P.S.C. (Indirect subsidiaries)			
Nebras Power Netherlands B.V.	Netherlands	**100%**	100%
Nebras Power Investment Management B.V.	Netherlands	**100%**	100%
Zon Exploitatie Nederland Holding B.V.	Netherlands	**75%**	75%
Zon Exploitatie Nederland B.V.	Netherlands	**75%**	75%
Zon Exploitatie Nederland 2 B.V.	Netherlands	**75%**	75%
Zonhandel B.V.	Netherlands	**75%**	75%
Zon Brabant B.V.	Netherlands	**37,5%**	37,5%
Carthage Power Company SARL	Tunisia	**60%**	60%
Nebras Netherlands Brazil Investments 1 B.V.	Brazil	**100%**	100%
Nebras Power Latin America Ltda.	Brazil	**100%**	100%
Nebras do Brazil Investments 1 Ltda.	Brazil	**100%**	100%
Salgueiro Solar Holding S.A.	Brazil	**80%**	80%
Jaíba Solar Holding S.A.	Brazil	**80%**	80%
Francisco Sá Solar Holding S.A.	Brazil	**80%**	80%
Lavras Solar Holding S.A.	Brazil	**80%**	80%
Salgueiro I Energias Renováveis S.A.	Brazil	**80%**	80%
Salgueiro II Energias Renováveis S.A.	Brazil	**80%**	80%
Salgueiro III Energias Renováveis S.A.	Brazil	**80%**	80%
Jaíba 3 Energias Renováveis S.A.	Brazil	**80%**	80%
Jaíba 4 Energias Renováveis S.A.	Brazil	**80%**	80%
Jaíba 9 Energias Renováveis S.A.	Brazil	**80%**	80%
Francisco Sá 1 Energias Renováveis S.A.	Brazil	**80%**	80%
Francisco Sá 2 Energias Renováveis S.A.	Brazil	**80%**	80%
Francisco Sá 3 Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 2 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 1 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 3 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 4 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 5 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Scythia-Solar-1 LLC	Ukraine	-	75%
Scythia-Solar-2 LLC	Ukraine	-	75%
Terslav LLC	Ukraine	**75%**	75%
Sun Power Pervomaisk LLC	Ukraine	**75%**	75%
Free-Energy Henichesk LLC	Ukraine	-	75%

Name of entities	Country of incorporation	Effective shareholding 2023	Effective shareholding 2022
Subsidiaries of Nebras Power Q.P.S.C. (Indirect subsidiaries) (continued)			
Nebras Power Australia Pty Ltd	Australia	**100%**	100%
Carmel Solar 1	South Africa	**100%**	-
Carmel Solar 2	South Africa	**100%**	-
Carmel Solar 3	South Africa	**100%**	-
Turffontein Solar 1	South Africa	**100%**	-
Varkenslaagte Solar	South Africa	**100%**	-

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

I. Reporting entity (continued)

The Company has the following equity-accounted investees as at 31 December:

Name of equity-accounted investees	Country of incorporation	Classification	Effective shareholding 2023	2022
Qatar Power Q.J.P.S.C.	Qatar	Joint venture	55%	55%
Mesaieed Power Company Q.P.S.C.	Qatar	Joint venture	40%	40%
Ras Girtas Power Company Q.P.S.C.	Qatar	Joint venture	45%	45%
Umm Al Houl Power Q.P.S.C.	Qatar	Joint venture	60%	60%
Equity- accounted investees via Nebras				
Unique Meghnaghat Power Limited	Bangladesh	Joint venture	18%	18%
NEKS Energy B.V.	Uzbekistan	Joint venture	33.30%	33.30%
Shams Ma'an Solar UK Ltd	United Kingdom	Joint venture	35%	35%
Nebras-IPC Power Developments Limited	United Kingdom	Joint venture	50%	50%
Zonnepark Masselbanken Terneuzen B.V.	Netherlands	Joint venture	40%	40%
Zonnepark Duisterweg B.V.	Netherlands	Joint venture	40%	40%
NEC Energia e Participacaoes S.A.	Brazil	Joint venture	50%	50%
NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.	Brazil	Joint venture	50%	50%
Diamante Geração De Energia	Brazil	Joint venture	50%	-
Phoenix Power Company SAOG	Oman	Associate	9.84%	9.84%
Phoenix Operation and Maintenance Company L.L.C.	Oman	Associate	15%	15%
AES Oasis Ltd	Cayman Islands	Associate	38.89%	38.89%
AES Baltic Holding B.V.	Netherlands	Associate	40%	40%
AES Jordan Solar B.V.	Netherlands	Associate	40%	40%
PT Paiton Energy Pte Ltd.	Indonesia	Associate	26%	26%
IPM Asia Pte Ltd	Singapore	Associate	35%	35%
Minejesa Capital B.V.	Netherlands	Associate	26%	26%
Stockyard Hill Wind Farm (Holding) Pty ltd	Australia	Associate	49.9%	49.9%
Moorabool Wind Farm (North and South)	Australia	Associate	49.9%	49.9%
Equitix Aragorn Holdco Ltd.	United Kingdom	Associate	49.9%	-

Notes to the consolidated financial statements

2. Major transactions and agreements of the Group

Below are the major transactions and agreements of the Group in chronological order:

a) On 10 February 1999, the Company entered into an agreement with the State of Qatar for the purcha of the power plant at Ras Abu Fontas B ("RAF B"). Based on the agreement, the Company was assigned the operation and management of the power plant.

b) In April 2001, the Company entered into a Power Purchase Agreement with the Qatar General Electricity and Water Corporation (hereafter the «KAHRAMAA») for the supply of electricity from the Company's Ras Abu Fontas B1 ("RAF B1") station, which commenced commercial operations on 29 August 2002.

c) In January 2003, the Company purchased the four stations set out below from KAHRAMAA for a total consideration of QAR 600 million. A Power and Water Purchase Agreement (hereafter "PWPA") was also signed with KAHRAMAA for its supply of electricity and desalinated water from these stations:

- Ras Abu Fontas A ("RAF A")
- Al Wajbah
- Al Saliyah
- Doha South Super

The Company discontinued the operations of the Al-Wajbah station during 2010 following instructions received from the State of Qatar. Also, Al Saliyah and Doha South Super facilities were discontinued as the relevant contracts with KAHRAMAA expired on 31 December 2014.

The Company discontinued the operations of the Ras Abu Fontas "A" station (RAF A) with effect from 31 December 2017.

d) In January 2003, the Company acquired from QatarEnergy, the Dukhan Desalination Plant for QAR 71.66 million. Subsequent to the conclusion of this purchase agreement, the Company also concluded a Land Lease Agreement, a Water Purchase Agreement, and a Fuel Supply Agreement with Qatar Energy relating to the Dukhan Desalination Plant. During the previous year, the Dukhan Desalination Plant's agreement with Qatar Energy was terminated, effective 31 December 2022, which resulted into an impairment of property, plant and equipment and other assets amounting to QAR 19.6 million. During the year, the Company received QAR 14.3 million from QatarEnergy to compensate the dismantling costs incurred.

e) Qatar Power Q.P.J.S.C.

On 27 January 2005 Qatar Power Q.P.J.S.C. was incorporated as a joint venture for the production of electricity and desalinated water from the Ras Laffan B Integrated Water and Power Plant. The percentage shareholdings in Qatar Power Q.P.J.S.C. as at the current and the comparative reporting dates were as follows:

- Qatar Electricity and Water Company Q.P.S.C. (55%)
- International Power PLC (40%)
- Chubu Electric Power Company (5%)

Notes to the consolidated financial statements

2. Major transactions and agreements of the Group (continued)

f) In October 2005, the Company entered into a PWPA with KAHRAMAA for the supply of electricity and desalinated water from the Company's Ras Abu Fontas B2 ("RAF B2") station.

g) Mesaieed Power Company Limited Q.P.S.C.

On 15 January 2007, Mesaieed Power Company Limited Q.P.S.C. (MPCL) was incorporated as a joint venture between MPCL, Marubeni Corporation and QatarEnergy for the production of electricity from the Mesaieed power plant. In May 2009, Chubu Electric Power Company joined the joint venture. The shareholdings in Mesaieed Power Company Limited Q.P.S.C. as at the current and the comparative reporting dates were as follows:

- Qatar Electricity and Water Cmpany Q.P.S.C. (40%)
- Marubeni Corporation (30%)
- QatarEnergy (20%)
- Chubu Electric Power Company (10%)

h) In May 2007, the Company entered into a Water Purchase Agreement with KAHRAMAA for the supply of desalinated water from the Company's Ras Abu Fontas A1 ("RAF A1") station (an extension of ("RAF A").

i) Ras Girtas Power Company Q.P.S.C.

On 25 March 2008, Ras Girtas Power Company Q.P.S.C. was incorporated as a joint venture for the production of electricity and desalinated water from the Ras Laffan C plant. The percentage shareholdings in Ras Girtas Power Company Q.P.S.C. as at the current and the comparative reporting dates were as follows:

- Qatar Electricity and Water Company Q.P.S.C. (45%)
- RLC Power Holding Company (40%)
- QatarEnergy (15%)

j) On 7 January 2013, the Company entered into a Water Purchase Agreement (WPA) for the Ras Abu Fontas A2 Water project with KHARAMAA.

k) Nebras Power Q.P.S.C.

On 20 May 2013, Nebras Power Q.P.S.C. ("Nebras") was incorporated as a joint venture for the purpose of acquiring electricity and water production projects outside the State of Qatar. In July 2022, the Group acquired additional 40% of the shares and voting interests in Nebras. As a result, the Group's equity interest in Nebras increased from 60% to 100%, granting it absolute control of Nebras.

l) Umm Al Houl Power Q.P.S.C.

On 13 May 2015, Umm Al Houl Power Q.P.S.C. was incorporated as a joint venture for the purpose of the production of electricity and desalinated water from the Facility D plant. The percentage shareholdings in Umm Al Houl Power Q.P.S.C. as at the current and the comparitive reporting date were as follows:

- Qatar Electricity and Water Company Q.P.S.C. (60%)
- QatarEnergy (5%)

Notes to the consolidated financial statements

2. Major transactions and agreements of the Group (continued)

l) Umm Al Houl Power Q.P.S.C. (continued)

- Qatar Foundation for Education, Science and Community Development (5%)
- K1 Energy Limited, incorporated in the U.K. (30%)

During 2021, the Group invested an additional amount of QAR 143.7 million in Umm Al Houl Power Q.P.S.C. The additional investment did not change the Company's shareholding percentage in the joint venture. The cash advances provided to Umm Al Houl Power Q.P.S.C. has been considered as an additional investment in the joint venture, effective from 2021, in accordance with the joint venture agreement.

m) On 13 October 2015, the Company entered into a Water Purchase Agreement (WPA) for the Ras Abu Fontas A3 Water project with KAHRAMAA.

n) Phoenix Power Company SAOG and Phoenix Operation and Maintenance Company L.L.C.

On 18 June 2015, Nebras Power Q.P.S.C. ('Nebras'), one of the subsidiaries of the Group purchased a 0.088% shareholding in Phoenix Power Company SAOG ("PPC") at its Initial Public Offer. PPC is incorporated in the Sultanate of Oman and owns and operates a gas fired power generation facility with a capacity of 2,000 MW.

On 30 December 2015, Nebras entered into an agreement with Qatar Electricity and Water Company Q.P.S.C ("QEWC") (At this time, QEWC did not have controlling interest in Nebras), to purchase an additional 9.75% shareholding in PPC and to purchase 15% of the share capital of Phoenix Operation and Maintenance Company L.L.C.("POM"). POM is incorporated in the Sultanate of Oman and its primary activity is to provide repair and maintenance services to PPC's power plant.

The Group exercises significant influence over the financial and operating policy decisions of PPC and POM through its representation in the Board of Directors. In particular, the Group appoints the Chairman on the Board of Directors of PPC.

o) AES Oasis Ltd

On 1 December 2015, Nebras, purchased from QEWC (at this time, QEWC did not have controlling interest in Nebras), a 38.89% shareholding in AES Oasis Ltd, incorporated in the Cayman Islands. AES Oasis Ltd holds effectively a 60% shareholding in AES Jordan PSC, which owns and operates a 370 MW combined cycle gas fired power plant in Jordan.

p) AES Baltic Holding BV

On 18 February 2016, Nebras purchased from QEWC (At this time, QEWC did not have controlling interest in Nebras), purchased 40% shareholding in AES Baltic Holding BV, incorporated in the Netherlands. AES Baltic Holding BV effectively holds a 60% shareholding in AES Levant Holdings B.V. Jordan PSC, which owns and operates a 241 MW gas power plant in the Kingdom of Jordan.

q) PT Paiton Energy Pte Ltd

On 22 December 2016, Nebras acquired a 35.514% shareholding in PT Paiton Energy Pte Ltd, incorporated in Indonesia, which owns and operates a 2,045 MW coal-fired power plant. During 2020, pursuant to the Board of Directors' approval, the Company entered into a Share Purchase Agreement ("SPA") to sell 9.513% stake in PT Paiton Energy Pte Ltd. The sale has been fully executed in March 2022.

Notes to the consolidated financial statements

2. Major transactions and agreements of the Group (continued)

r) IPM Asia Pte Ltd

On 22 December 2016, Nebras acquired a 35% shareholding in IPM Asia Pte Ltd, incorporated in Singapore. IPM Asia Pte Ltd owns 84.1% of PT IPM Operation and Maintenance Indonesia, incorporated in Indonesia, which provides operation and maintenance services to PT Paiton Energy Pte Ltd. In addition, IPM Asia Pte Ltd owns 100% of the share capital of IPM O&M Services Pte Ltd, incorporated in Singapore, which provides technical services to PT IPM Operation and Maintenance.

s) Siraj Energy Q.P.S.C.

On 25 September 2017, Siraj Energy Q.P.S.C. was incorporated as a Joint Venture Company for the purpose of identifying, evaluating and development of solar power opportunities in the State of Qatar. During 2021, the Group invested an additional amount of QAR 64.1 million (2020: QAR 78.9 million) in Siraj Energy Q.P.S.C. The additional investment did not change the Group's shareholding percentage.

During the previous year, the Group entered into a share purchase agreement (SPA) with QatarEnergy to sell its 49% stake in Siraj Energy to the latter, at a total consideration of QAR 235 million (US$ 64 million) and the investment was classified as held-for-sale. During the year, the sale transaction was approved in the annual general meeting held on 14 March 2023 and the commercial registration was updated. Hence, the asset held for sale was derecognised and a profit of QAR 77,652 thousands was recognised which was mainly on account of reclassification of cash flow hedge reserve to the consolidated statement of profit or loss (refer note 38).

t) Minejesa Capital BV

On 2 August 2017, Nebras Power Investment Management B.V., one of the subsidiaries of the Group entered into a shareholders' agreement with PT Batu Hitam Perkasa, Paiton Power Financing BV and Tokyo Electric Power Company International Paiton II BV for provision of governance and management services to Minejesa Capital BV, incorporated in the Netherlands on 29 June 2017 with the objective to provide financial services. As per the shareholders' agreement, the Group has a 35.51% shareholding in Minejesa Capital BV.

During 2020, pursuant to the Board of Directors' approval, the Company entered into a Share Purchase Agreement ("SPA") to sell 9.513% of its stake in the entity the sale was fully executed in March 2022.

u) AES Jordan Solar BV

On 31 October 2017, Nebras Power Netherlands B.V., one of the subsidiaries of the Group entered into a shareholders' agreement with AES Horizons Holdings BV for provision of governance and management services to AES Jordan Solar BV, incorporated in Jordan with the objective to provide engineering, procurement, construction, ownership, operation, maintenance, management, leasing and financing to AM Solar BV, a company registered in Jordan. As per the shareholders' agreement, the Group has a 40% shareholding in AES Jordan Solar BV.

Notes to the consolidated financial statements

2. Major transactions and agreements of the Group (continued)

v) Shams Maan Solar UK Limited

On 26 June 2015, Nebras acquired a 35% shareholding in Shams Maan Solar UK Ltd, a joint venture company registered in England and Wales engaged in the financing, building, ownership and operation of a 52.5 MW solar power plant in Ma'an city in the Kingdom of Jordan.

w) Brabant Zon B.V.

On 8 August 2018, Nebras acquired Zen Exploitatie Nederland Holding B.V, which owns 50% of Brabant Zon B.V., a joint venture company registered in the Netherlands engaged in the development of renewable energy projects. During 2019, the control structure of Bravant Zon B.V. was reassessed and the company was considered a subsidiary from 31 December 2019.

x) Stockyard Hill Wind Farm (Holding) Pty ltd

On 22 November 2019, Nebras entered into a shareholders' agreement with Goldwind International Holding Limited and acquired 49% of shares in Stockyard Hill Wind Farm (Holding) Pty ltd to develop and operate renewable energy projects in Australia. The Group holds significant influence in the associate company based on its voting rights and representation in the board committees.

y) Zonnepark Mosselbanken Temeuzen B.V.

On the 25 September 2020 Nebras acquired 40% shareholding in Zonnepark Mosselbanken Temeuzen B.V, a joint venture company registered in Netherlands engaged in the development of renewable energy projects.

z) Nebras IPC Power Developments Ltd

On the 7 October 2019, Nebras formed a joint venture, in which it owns 50%, with The Independent Power Corporation Plc. The joint venture was formed to develop, finance and construct one or more power projects in Azerbaijan, Kazakhstan, or any other country.

ab) Zonnepark Duisterweg B.V.

On 27 January 2021, Nebras entered into a joint venture agreement with Gutami Solar development and acquired 40% of shares in Zon Duisterweg BV to construct and commission solar photovoltaic plant of target capacity of 14.5 MW in Netherlands.

ac) NEC Energia e Participacaoes S.A.

On 6 September 2021 Nebras entered into a shareholders' agreement with Companhia Energética Integrada (CEI) and acquired 50% of shares in NEC Energia e Participações S.A., a joint venture company registered in Brazil. The partnership will promote management, and operation of hydroelectric and solar energy projects in Brazil.

ad) NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.

On the 6 September 2021 Nebras acquired 50% shareholding in NEC Desenvolvimento de Projetos em Energia e Participações S.A., a joint venture company registered in Brazil engaged in the development of renewable energy projects.

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

2. Major transactions and agreements of the Group (continued)

ae) Unique Meghnaghat Power Limtied

On 24 January 2022, Nebras acquired 18% shareholding in Unique Meghnaghat Power Limited, a joint venture company registered in Bangladesh for developing, constructing, building, owning and operating a 584 MW gas based power plant at Meghnaghat, Bangladesh on BOO (Build, Own and Operate) basis to cater to the growing power requirements of Bangladesh.

af) Moorabool Wind farm (North and South)

On 12 December 2022, Nebras acquired 49.9% shareholding in Moorabool Wind farms (North and South), an associate based in Victoria, Australia. The project achieved commercial operation in July 2022 and has 104,100 wind turbines with an estimated generation capacity of 312 MW.

ag) Equitix Aragorn Holdco Limited

On 14 December 2023, Nebras acquired 49.9% shareholding in Equitix Aragorn Holdco Limited, a company based in United Kingdom which is engaged in the business of owning, shares and other equity and debt securities in green infrastructure projects and investments in Australia.

ah) Diamante Geração De Energia Ltda

On 24 January 2023, the Group through one of its subsidiaries, Nebras Power Q.P.S.C. acquired 50% shareholding in Diamante Geração De Energia Ltda., a joint venture company registered in the State of Santa Catarina, Brazil for developing, and operating gas fired projects (natural gas thermoelectric projects) with an estimated capacity of 1,040 MW.

3. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) as issued by the International Accounting Standards Board (IASB).

b) Basis of measurement

The consolidated financial statements are prepared under the historical cost convention, except for equity investments at fair value through other comprehensive income and derivative financial instruments which are measured at fair value.

c) Functional and presentation currency

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

Notes to the consolidated financial statements

3. Basis of preparation (continued)

c) Functional and presentation currency (continued)

Name of the subsidiaries	Functional currency
Nebras Power Netherlands B.V.	USD
Nebras Power Investment Management B.V.	USD
Zon Exploitatie Nederland Holding B.V.	Euro
Zon Exploitatie Nederland B.V.	Euro
Zon Exploitatie Nederland 2 B.V.	Euro
Zonhandel B.V.	Euro
Zon Brabant B.V.	Euro
Carthage Power Company SARL	Euro
Nebras Netherlands Brazil Investments 1 B.V.	USD
Nebras Power Latin America Ltda.	Brazilian Real
Nebras do Brazil Investments 1 Ltda.	Brazilian Real
Salgueiro Solar Holding S.A.	Brazilian Real
Jaíba Solar Holding S.A.	Brazilian Real
Francisco Sá Solar Holding S.A.	Brazilian Real
Lavras Solar Holding S.A.	Brazilian Real
Salgueiro I Energias Renováveis S.A.	Brazilian Real
Salgueiro II Energias Renováveis S.A.	Brazilian Real
Salgueiro III Energias Renováveis S.A	Brazilian Real
Jaíba 3 Energias Renováveis S.A.	Brazilian Real
Jaíba 4 Energias Renováveis S.A.	Brazilian Real
Jaíba 9 Energias Renováveis S.A.	Brazilian Real
Francisco Sá 1 Energias Renováveis S.A.	Brazilian Real
Francisco Sá 2 Energias Renováveis S.A.	Brazilian Real
Francisco Sá 3 Energias Renováveis S.A.	Brazilian Real
Lavras 1 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 2 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 3 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 4 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 5 Solar Energias Renováveis S.A.	Brazilian Real
Scythia-Solar-1 LLC	Ukrainian Hryvnia
Scythia-Solar-2 LLC	Ukrainian Hryvnia
Terslav LLC	Ukrainian Hryvnia
Sun Power Pervomaisk LLC	Ukrainian Hryvnia
Free-Energy Henichesk LLC	Ukrainian Hryvnia
Nebras Power Australia Pty Ltd	Australian Dollars
Carmel Solar 1	South African Rand
Carmel Solar 2	South African Rand
Carmel Solar 3	South African Rand
Turffontein Solar 1	South African Rand
Varkenslaagte Solar	South African Rand

The Company's presentation currency is Qatari Riyal ("QAR"), which is also the Company's functional currency.

Notes to the consolidated financial statements

3. Basis of preparation (continued)

d) Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about areas that involve a higher degree of judgement or complexity, or areas where assumptions or estimates have a significant risk of resulting in a material adjustment to the consolidated financial statements are as follows:

Judgments

Classification of Power and Water Purchase Agreements

The Group has entered into several long-term Power and Water Purchase Agreements ("PWPA"), Power Purchase Agreements ("PPA") and Water Purchase Agreements ("WPA") with government and non-government off-takers. The Group assesses these PWPAs, PPAs and WPAs on a case-to-case basis to determine whether the arrangement would fall under IFRIC 12, IFRS 16, IFRS 15 or IFRS9. The Group applies significant judgement to assess the different arrangements entered into with the off-takers.

Under the PWPAs, PPAs and WPAs entered by the Group in Qatar, the Group receives payment for the provision of power and water capacity, whether or not the off-taker (KAHRAMAA) requests power or water output ("capacity payments"), and for the variable costs of production ("energy and water payments"). Based on management's estimate of the useful life and residual value of the assets, KAHRAMAA is not determined to control any significant residual interest in the property at the end of the concession term through ownership, beneficial entitlement or otherwise. Hence, the Group has assessed that these arrangements in the State of Qatar does not fall within the scope of IFRIC 12 and classified these agreements to contain lease under IFRIC 4 which were grandfathered on transition to IFRS 16.

Further, the Group assess the lease under IFRS 16 to be operating lease or finance lease. The classification of the PWPA, PPA or WPA as an operating lease is based on the judgement applied by management which considers that the Group retains the principal risks and rewards of ownership of the plants, based on management's estimate of the useful life and residual value of the assets. An estimate of the useful life of the asset and residual value is made and reviewed annually. The effects of changes in useful life and residual values are recognized prospectively, over the remaining life of the asset.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Notes to the consolidated financial statements

3. Basis of preparation (continued)

d) Use of estimates and judgments (continued) - Judgments (continued)

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (also refer Note 6 (a)).

Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date.

The extend of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset (also refer Note 6 (b)).

Recognition of deferred tax assets

Deferred tax assets are recognized only to the extent management considers it probable that future taxable profits will be available against which the Group can use the benefits therefrom.
Assets held for sale, disposal group held-for-distribution and discontinued operations

Management has applied judgement that some of its non-current assets and a disposal group are classified as held for sale / distribution owing to the fact that their carrying values will be recovered primarily through sale and it is highly probable that the sale / distribution will occur in the next twelve months. Consequently, these assets and liabilities are classified as held for sale / distribution. Further, as part of this classification, management has applied judgement over the costs associated with the sale / distribution and have recognised certain provisions which management believes are necessary and adequate for the closure of the sale / distribution (also refer Note 39 and 40).

Interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group

Notes to the consolidated financial statements

3. Basis of preparation (continued)

d) Use of estimates and judgments (continued) - Judgments (continued)

may obtain control, joint control or significant influence over an entity or arrangement. This assessment involves consideration of a variety of factors, including shareholders' voting rights, Board representation and decision-making rights, the existence of any contractual arrangements, and indicators of de facto control.

Such classifications have a significant impact on the consolidated financial statements due to the significantly different accounting treatments of subsidiaries, associates and joint arrangements.

Going concern

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

Estimates

Useful life and residual value of property, plant and equipment and right-of-use assets

Items of property, plant and equipment are depreciated on a straight-line basis over their estimated individual useful lives. Management exercises significant estimate and judgement for the determination of the depreciation method and the useful lives and residual values of these assets, including their expected usage over their lives, the rate of their physical wear and tear, and their technological or commercial obsolescence. Such estimates could have a significant impact on the annual depreciation charge recognized in profit or loss (also refer Note 5 (C)).

Impairment of non-financial assets (other than inventories)

The carrying amounts of the Group's non-financial assets other than goodwill (Property, plant and equipment, right-of-use assets and equity accounted investees) are reviewed at each reporting date to determine whether there is any indication of impairment. That assessment requires judgement. Goodwill is tested annually for impairment. The determination of recoverable amounts of non-financial assets (the higher of their fair values less costs of disposal and their "value in use") requires management to make significant judgments, estimations and assumptions. In particular the assessment of "value in use" requires management to estimate expected future cash flows from an asset or a cash generating unit and also to choose an appropriate discount rate to discount those cash flows to present value (also refer Note 5 (F)).

Impairment of inventories

When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. The necessity and setting up of a provision for slow moving and obsolete inventories requires considerable degree of judgment (also refer Note 12).

Impairment of financial assets measured at amortised cost

The "expected credit loss" (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude

Notes to the consolidated financial statements

3. Basis of preparation (continued)

d) Use of estimates and judgments (continued) - Estimates (continued)

of default to various categories of financial assets measured at amortised cost (loans receivable, trade receivables, receivables from related parties, dividend receivable, other receivables and cash at bank). Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive (also refer note 36).

Fair value of cash flow hedges

The Group uses derivative financial instruments to manage their exposure to the variability of bank borrowings due to fluctuations in interest rates. All such derivatives are carried at fair value. Their fair values are estimated using models and valuation methods due to the absence of quoted prices or other market-observable data. These contracts are valued using models with inputs that include price curves for each of the different products that are built up from active market pricing data and extrapolated to the expiry of the contracts using the maximum available external pricing information (also refer Note 18).

Finance lease receivable

The Group's management determines estimated future cash flows in respect of capacity charge for calculating effective interest rate of finance lease. This estimate is determined after considering the expected Scheduled and Forced outage of power supply in the future years. Management reviews the estimates annually while any difference between the estimated finance lease income and actual finance lease income is charged directly to the consolidated statement of profit or loss of the respective period (also refer Note 6 (c)).

Leases - estimating the incremental borrowing rate

Whenever the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is make certain entity-specific estimates (such as the Group's stand-alone credit rating).

Other provisions and liabilities

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

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

3. Basis of preparation (continued)

e) New currently effective IFRS requirements

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these consolidated financial statements.

Description	Effective for annual periods beginning after
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* - Definition of Accounting Estimates (Amendments to IAS 8) - IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)**	23 May 2023

* The Group also adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.

The amendments require the disclosure of ‹material›, rather than ‹significant›, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 4 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

Other than the above, these amendments had no impact on the consolidated financial statements of the Group.

**The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

e) New currently effective IFRS requirements (continued)

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure in the year-end financial statements.

Notes to the consolidated financial statements

3. Basis of preparation (continued)

e) New currently effective IFRS requirements (continued)

The Pillar Two model rules aim to ensure that large multinational groups pay taxes at least at a minimum rate of 15 percent on income arising in each jurisdiction in which they operate by applying a system of top-up taxes. There are three active mechanisms under Pillar Two model rules that countries can adopt:

- the income inclusion rule,
- the undertaxed payment rule and
- a qualified domestic minimum top-up tax.

They are often referred to as 'global minimum top-up tax' or 'top-up tax'.

As of the reporting date, the Group is not in the scope of the Pillar Two model rules as its revenue is less than EUR 750 million per year. Also, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax as at the reporting date. Therefore, there is no impact on the Group's consolidated financial statements as at and for the year ended 31 December 2023.

Management is currently focusing its assessment on the potential current tax impacts of the top-up tax for the upcoming financial year and onwards. Once the group revenue exceeds the threshold and changes to the tax laws in any jurisdiction in which the Group operates are enacted or substantively enacted, the Group may be subject to the top-up tax.

Through the issuance of its amended tax law No. 11 of 2022, the State of Qatar has committed to introducing global minimum tax with minimum effective tax rate of 15%. Further information in relation to the implementation, compliance or administrative provisions related to the global minimum tax are expected to be issued by the General Tax Authority as amendments to the Executive Regulations of the amended tax law in the near future.

Other than the above, these amendments had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements is disclosed below.

Description	Effective for annual periods beginning after
- Non-current liabilities with Covenants – Amendments to IAS 1 - Classification of Liabilities as Current or Non-current – Amendments to IAS 1 - Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 - Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
- Lack of Exchangeability – Amendments to IAS 21	1 January 2025
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Available to optional adoption / effective date deferred indefinitely (a)

The group intends to adopt these standards, if applicable, when they become effective, however, these are not expected to have a significant impact on the Group›s consolidated financial statements.

Notes to the consolidated financial statements

4. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements (refer note 3(e) for further information).

a) Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (See section on "Subsidiaries" below). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises (See accounting policy "Goodwill") is tested annually for impairment (See accounting policy "Impairment"). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities which are not measured at fair value through profit or loss.

Subsidiaries

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

Non-controlling interests (NCI)

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

Loss of control

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

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

In case the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to

the extent the Group has an obligation to the equity accounted investee or has made payments to third parties on behalf of the equity accounted investee.

Transactions eliminated on consolidation

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

b) Foreign currency

Foreign currency transactions and balances

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

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

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- an investment in equity securities designated as at FVOCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Qatari Riyals at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Qatari Riyals at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Notes to the consolidated financial statements

4. Summary of material accounting policies

c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition or construction of an asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Subsequent expenditure

The cost of renovations or replacement of a component of an item of property, plant and equipment is included in the carrying amount of the asset or recognised as a separate asset, as appropriate only when it is possible that the future economic benefits associated with the asset will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the consolidated statement of profit or loss.

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets or the duration of contractual agreements with off-takers.

	Useful life
- Production facilities	30 years
- Capital spares	30 years
- Solar photovoltaic assets	20 years
- Furniture, fixtures, and office equipment	3-7 years
- Motor vehicles	4-5 years
- "C" inspection costs	3-5 years

Capital work-in-progress are not depreciated. Once completed work-in-progress are re-classified to the appropriate category of property, plant and equipment and depreciated accordingly.

Capital spares are depreciated over its remaining useful life when it is being put to use.

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal (i.e. at the date the recipient obtain control) or when no future economic benefits are expected from its use or disposal. Profits and losses on disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts and is included in the consolidated statement of profit or loss.

d) Right-of-use assets

Recognition and measurement

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

Subsequent expenditure

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

Depreciation is calculated to write off the cost of a right-of-use asset using the straight-line method over the earlier of the lease term and its useful life. It is depreciated over its useful life, if the lease agreement either transfers ownership of the right-of-use asset to the Group by the end of the lease term or reflects that the Group will exercise a purchase option at the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the carrying value of a right of use asset may be periodically adjusted for certain remeasurements of the related lease liability (see accounting policy "Lease liabilities").

Derecognition

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

e) Goodwill

Initial measurement

Goodwill arising on the acquisition of a business is measured as the excess of the consideration transferred over the fair value of the identifiable net assets acquired. In case the consideration transferred is less than the fair value of the net identifiable assets acquired, then the difference is recognized directly in profit or loss as a bargain purchase. Where settlement of any part of consideration transferred is deferred, the consideration to be transferred in future periods is discounted to present value as at the date of the transaction. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

e) Goodwill (continued)

Subsequent expenditure

Goodwill is not amortised, but is tested for impairment on an annual basis or more frequently if there are events and circumstances indicating that it has been impaired (See accounting policy "Impairment").

f) Intangible assets

Recognition and measurement

Intangible assets comprise the Power and Water Purchase Agreements (PWPA) that are acquired by the Group and have finite useful lives and are measured at cost less accumulated amortization and any accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognized in the consolidated statement of profit or loss.

The estimated useful life of the contract rights over the Power and Water Purchase Agreement is 25 years.

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

Derecognition

An intangible asset is derecognized upon disposal (i.e. at the date the recipient obtains control) or losses when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

g) Inventories

Inventories comprise spare parts, chemicals, and consumables, which are measured at the lower of cost or net realisable value. The cost of inventories is based on the weighted average method or FIFO as appropriate, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business and the estimated costs necessary to make the sale.

When inventories are allocated to another asset the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. A provision is made for any write-down of inventories to net realisable value and such a provision is reflected as an expense in profit or loss in the period of the write-down. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised in profit or loss in the period in which the reversal occurs.

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

h) Leases

Leases – Group as a lessee:

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The above policy is applied to contracts effective as on or entered into after 1 January 2019.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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

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

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

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

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

h) Leases (continued) - Leases – Group as a lessee (continued)

Short-term leases and leases of low-value assets

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

Leases – Group as a lessor

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

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the statement of financial position as property and equipment. Lease income is recognized over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

Leases in which a significant portion of the risk and rewards of ownership are transferred to the lessee are classified as finance leases. They are initially recognised as "Finance lease receivables" on the statement of financial position at the present value of the minimum lease payments (the net investment in the lease) receivable from the lessee over the period of the lease. Over the lease term, each lease payment made by the lessee is allocated between the "Finance lease receivables" and "Finance lease income" in profit or loss so as to achieve a constant rate on the finance lease receivable balance outstanding.

i) 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 a financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. An accounts receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

Classification on initial recognition

On initial recognition, a financial asset is classified at:

- amortised cost – if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Fair Value Through Other Comprehensive Income (FVOCI) - if it meets both of the following conditions and is not designated as at FVTPL:

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

i) Financial instruments (continued) - Classification and subsequent measurement of financial assets (continued)

- 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 loans receivable, its trade receivables, its receivables from related parties, its dividend receivable, its other receivables and its cash at bank at amortised cost. The Group does not hold any other 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 assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

Assessment whether contractual cash flows are Solely Payments of Principle and Interest (SPPI)

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

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

i) Financial instruments (continued) - Classification and subsequent measurement of financial assets (continued)

could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

Subsequent measurement 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. The Group does not hold such assets.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The Group does not have financial liabilities at FVTPL.

Other financial liabilities (loans and borrowings, and other payables) are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

In the case the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the

modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

Offsetting

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

Derivative financial instruments and hedge accounting

The Group and certain equity-accounted investees of the Group hold derivative financial instruments to hedge their interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Certain derivatives are designated as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued) - i) Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued) - Cash flow hedges (continued)

portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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

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

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

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

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

Hedges directly affected by interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the changes required by IBOR reform. For this purpose, the hedge designation is amended only to make one or more of the following changes:

- designating an alternative benchmark rate as the hedged risk (SOFR);
- updating the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or
- updating the description of the hedging instrument.

The Group also amends the description of the hedging instrument if the following conditions are met:

- it makes a change required by IBOR reform by using an approach other than changing the basis for determining the contractual cash flows of the hedging instrument;
- the chosen approach is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued) - i) Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued) - Hedges directly affected by interest rate benchmark reform (continued)

- the original hedging instrument is not derecognized.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by IBOR reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in the discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by IBOR reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

j) Impairment

Non-derivative financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost (loans receivable, trade and other receivables, receivables from related parties, and cash at bank). The Group does not hold financial assets measured at FVOCI or debt investments and equity investments that are measured subsequently at FVTPL.

The Group measures loss allowance either at an amount equal to:

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

The Group considers that it is not exposed to any credit risk with respect to its receivables from governments or their controlled entities.

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

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

Loss allowances on bank balances are always measured at an amount equal to 12-month ECLs. The

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

j) Impairment (continued) - Non-derivative financial assets (continued)

Group considers bank balances to have a low risk level when their credit risk rating is equivalent to the globally understood definition of “investment grade”.

Measurement of ECLs

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

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;
- a breach of contract such as a default or a dispute with the customer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower / customer will enter into bankruptcy or other financial reorganisation.

Presentation of loss allowance on financial assets in the statement of financial position

Any loss allowance on 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.

Non-financial assets

At each reporting date, management reviews the carrying amounts of its non-financial assets (Property, plant and equipment, right-of-use assets, investment in equity accounted investees and goodwill, but not inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

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

The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

j) Impairment (continued) - Non-financial assets (continued)

a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the CGU.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

k) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash, bank balances and short-term deposits, with an original maturity of three months or less, as they are considered an integral part of the Group’s cash management.

l) Assets held for sale / distribution

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale / distribution if it is highly probable that they will be recovered primarily through sale rather than through continuing use or when the entity is committed to distributing the asset or disposal group to its owners .

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial recognition of assets held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale / distribution, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

m) Discontinued operations

A discontinued operation is a component of the Group’s business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale / distribution. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

o) Foreign currency translation reserve

The translation reserve records exchange differences arising from the translation of the financial statements of foreign operations. Upon disposal of foreign operations, the related accumulated exchange differences are recycled to the profit or loss.

p) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans which are provided to its employees, are expensed as the related service is provided. For Qatari nationals, the Group makes contributions to Qatar Retirement and Pension Authority as a percentage of the employees' salaries in accordance with the requirements of respective local laws pertaining to retirement and pensions. The Company's share of contributions to these schemes are charged to profit or loss to the year they relate.

Defined benefit plans

The Group provides end of service benefits to its employees in accordance with employment contracts and the Qatar Labour Law. The entitlement to these benefits is based upon the employees' final basic salary and length of service, subject to the completion of a minimum service period, and are payable to the employees on termination of their employment. The expected costs of these benefits are accrued over the period of employment.

q) Provisions

A provision is recognised when:

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

The amount of a provision is the present value, of the best estimate, of the amount required to settle the obligation. Provisions are reviewed annually to reflect current best estimates of the expenditure required to settle the obligations.

r) Revenue recognition

Revenue from contracts with customers

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

1. Identify contracts with customers: A contract is an agreement which creates enforceable rights and obligations and sets out criteria that must be met.

2. Identify performance obligations within the contract: A performance obligation is a promise to deliver a good or a service to a customer.

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

r) Revenue recognition (continued)

3. Determine the transaction price: The transaction price is the amount to which the Group expects to be entitled in exchange for delivering the promised goods or services to a customer.

4. Allocate the transaction price to the performance obligations, if more than one.

5. Recognize revenue as and when the performance obligation(s) is/are satisfied.

Revenue from sale of water and electricity

Revenue from sale of water and electricity is recognised at a point in time when control of the goods and service is transferred to the customer, generally on delivery of the goods and services. The Group recognises output charges revenue based on the sent-out electricity and water on a monthly basis.

The Group sells power and water, produced in power generation and water desalination plants operating with gas, coal, wind and solar energy. Customer takes control of the power and water at the time these are dispatched from the plant. At this point, the customer has full discretion over the manner of distribution and price to sell the power and water, has the primary responsibility when on selling the power and water, and bears the risks of loss in relation of power and water in the network. Therefore, revenue is recognised when the power and water leave the Group's plants.

Revenue from available capacity relating to fixed capital recovery and fixed operations and maintenance

Revenue from available capacity relating to fixed capital recovery and fixed operations and maintenance is recognised on a systematic basis in accordance with IFRS 16 when the Group makes the capacity available to off-taker as per the terms of the Power and Water Purchase Agreement (PWPA).

Revenue from other sources

Income from finance lease

Income from finance lease in which the Group is lessor is recognised based on a pattern reflecting a constant periodic rate of return on the Group›s net investment in the finance lease.

Dividend income

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

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Fee income

Fee income is recognized though the period for which the services are provided. The Group generates free income from providing technical, financial and construction management services.

Notes to the consolidated financial statements

4. Summary of material accounting policies (continued)

s) Income tax

Income tax expense comprises current and deferred tax attributed to each of the Group entities. It is recognized in profit or loss.

Current tax

Current tax comprises the total of the expected tax payable or receivable on the taxable profit or loss for the year, adjusted for any corrections to the tax payable or receivable of previous years. It is calculated on the basis of the local and foreign tax laws enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the financial statements of each Group entity and their respective amounts used for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled using tax rates based on tax laws that have been enacted or substantially enacted by the reporting date.

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

u) Foreign currency transactions and balances

Transactions in foreign currencies during the year are translated into the functional currency of the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate at the reporting date. Foreign currency differences are recognized in the consolidated statement of profit or loss. On consolidation, the assets and liabilities of foreign operations are translated into QAR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

v) Dividend distribution to the Company's shareholders

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

w) Government grants

A government grant in the form of a transfer of a non-monetary asset, such as land or other resources, which is intended for use by the entity are recognized, at a nominal amount.

x) Fair values

The Group measures financial instruments such as derivatives, and non-financial assets such as investment securities, at fair value at each reporting date.

Notes to the consolidated financial statements
4. Summary of material accounting policies (continued)

x) Fair values (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

y) Pass-through items

All pass-through items defined under the provision of PWPA shall be reimbursed by the off takers in accordance with the relevant clauses of PWPA. All pass-through items are recorded as receivable from the off takers and payable to respective third party.

z) Current versus non-current classification

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

- Expected to be recognise or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be recognise 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

The Group classifies all other liabilities as non-current

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

5. Property, plant and equipment

	Land	Production facilities (A)	Solar photovoltaic assets	Furniture, fixtures and office equipment	Motor vehicles	"C" inspection costs (B)	Capital spares	Capital work in progress	Total
Cost:									
At 1 January 2023	401	10,693,029	1,556,852	15,295	7,033	230,677	172,348	46,560	12,722,195
Additions	-	-	1,082	5,292	-		-	44,577	50,951
Disposals / transfers	-	-	(3,940)	(176)	(2,249)	(6,465)	(15,159)	(28,765)	(56,754)
Derecognitionon deconsolidation of subsidiaries (Note 40)	-	-	(76,403)	-	-	-	-	-	(76,403)
Effects of movements in exchange rates	-	-	118,165	90	-	-		4,040	122,295
At 31 December 2023	401	10,693,029	1,595,756	20,501	4,784	224,212	157,189	66,412	12,762,284
Accumulated depreciation and impairment									
At 1 January 2023	-	6,320,145	30,663	11,706	6,037	141,683	127,714	-	6,637,948
Depreciation (C)	-	228,788	61,652	1,840	342	41,630	3,028	-	337,280
Depreciation on disposals	-	-	(247)	(176)	(2,015)	(32,542)	-	-	(34,980)
Derecognition on deconsolidation of subsidiaries (Note 40)	-	-	(38,835)	-	-	-	-	-	(38,835)
Effects of movements in exchange rates	-	-	(7,279)	23	-	-	-	-	(7,256)
Other movements	-	-	10,330	-	-	-	-	-	10,330
At 31 December 2023	-	6,548,933	56,284	13,393	4,364	150,771	130,742	-	6,904,487
Carrying amounts									
At 31 December 2023	**401**	**4,144,096**	**1,539,472**	**7,108**	**420**	**73,441**	**26,447**	**66,412**	**5,857,797**

5. Property, plant and equipment

	Land	Production facilities (A)	Solar photovoltaic assets	Furniture, fixtures and office equipment	Motor vehicles	"C" inspection costs (B)	Capital spares	Capital work in progress	Total
Cost:									
At 1 January 2022	-	10,693,029	-	30,934	6,158	197,281	50,487	-	10,977,889
Additions	-	-	-	1,751	535	34,089	-	9,924	46,299
Acquired through business combination (Note 41)	528	-	882,161	750	550	-	-	771,133	1,655,122
Capitalisation	-	-	776,687	-	-	-	-	(776,687)	-
Disposals/transfers	-	-	(8,013)	(18,140)	(210)	(693)	(2,288)	-	(29,344)
Transfer from inventories (Note 12)	-	-	-	-	-	-	124,149	-	124,149
Effects of movements in exchange rates	(127)	-	(93,983)	-	-	-	-	42,190	51,920
At 31 December 2022	401	10,693,029	1,556,852	15,295	7,033	230,677	172,348	46,560	12,722,195
Accumulated depreciation and impairment									
At 1 January 2022	-	6,001,854		28,761	5,737	96,137	40,290	-	6,172,779
Depreciation (C)	-	235,197	40,029	1,917	510	46,239	2,949	-	326,841
Depreciation reversal	-	-		-	-	-	(39,674)	-	(39,674)
Depreciation on disposals	-	-	(2)	(18,356)	(210)	(693)	-	-	(19,261)
Transfer from inventories (Note 12)	-	-		-	-	-	124,149	-	124,149
Adjustments		-	(9,364)	(616)	-	-	-	-	(9,980)
Impairment (D)	-	83,094		-	-	-	-	-	83,094
At 31 December 2022	-	6,320,145	30,663	11,706	6,037	141,683	127,714	-	6,637,948
Carrying amounts									
At 31 December 2022	**401**	**4,372,884**	**1,526,189**	**3,589**	**996**	**88,994**	**44,634**	**46,560**	**6,084,247**

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Notes to the consolidated financial statements

5. Property, plant and equipment (continued)

(A) Production facilities

The land on which the RAF A1, RAF A2, RAF A3, RAF B, RAF B1 and RAF B2 plants were constructed has been leased to the Company by the State of Qatar free of rent for a period of 50 years commencing from 5 July 1990 under the Emiri Decree No. 24 of 2001.

B) «C» Inspection costs

Costs incurred for the production facilities under an Inspection and Maintenance program have been capitalized under "C" inspection costs. These costs are accounted for as separate assets as they have an estimated useful life of 3-5 years. Costs incurred on "C" inspections in progress are included under capital work in progress. On completion of these inspections, their cost will be capitalized under the "C" inspection costs category.

(C) Depreciation

The annual depreciation charge has been allocated to profit or loss as follows:

	2023	2022
Cost of sales (Note 26)	335,205	281,677
General and administrative expenses (Note 27)	2,075	5,490
	337,280	287,167

(D) Impairment

During the previous year, owing to the revision in the existing power purchase agreement (PPA) with KAHRAMAA for RAF B1 station and the early termination of water purchase agreement with QatarEnergy for Dukhan Plant, management identified impairment indicators related to these two plants. Following this an impairment assessment was performed by management, which resulted in an impairment loss amounting to QAR 63.4 million and QAR 19.7 million, respectively on these plants, which is recognised under the general and administrative expenses (Refer Note 27). The recoverable value of Dukhan Plant was considered to be zero as no future cashflows were forecasted due to termination of the contract, whereas for RAF B1 station the recoverable value was determined to be QAR 51.3 million as against the carrying value of QAR 114.7 million as of the reporting date. The recoverable value was determined based on the discounted cash flows forecasted until 31 December 2029 using a discount rate of 5.28%.

During the year, management reassessed the recoverable value of all the plants including RAF B1 and no further impairment is recognized.

6. Leases

The Group has sub-leased the office premises for a period of 60 months, with an option to renew the lease after that date by mutual agreement. Management has not considered any extension option for any of its leases. The Group is restricted from entering into any further sub-lease arrangements without the written consent of the lessor.

The Group also leases properties for staff accommodation. Majority of these leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases. Further, the Group leases vehicles and equipment on short-term basis where it does not recognise right of use assets and lease liabilities.

Notes to the consolidated financial statements

6. Leases (continued)

(a) Right-of-use assets

	2023	2022
Cost:		
At 1 January	72,030	31,825
Additions	1,322	21,724
Acquired through business combination	-	27,104
Effects of movements in exchange rates	1,439	788
Termination of lease	(864)	(9,411)
At 31 December	73,927	72,030
Accumulated depreciation		
At 1 January	14,320	8,890
Depreciation (Note 27)	10,376	8,409
Effects of movements in exchange rates	191	-
Termination of lease	(89)	(2,979)
At 31 December	24,798	14,320
Carrying amounts		
At 31 December	49,129	57,710

(b) Lease liabilities

	2023	2022
At 1 January	61,834	26,103
Additions	1,322	21,724
Acquired through business combination	-	27,062
Interest expense (Note 30)	13,709	2,199
Payments	(20,273)	(8,745)
Termination of lease	(775)	(6,509)
At 31 December	55,817	61,834

The lease liabilities are presented in the consolidated statement of financial position as at 31 December as follows:

	2023	2022
Non-current	45,055	55,225
Current	10,762	6,609
At 31 December	55,817	61,834

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

6. Leases (continued)

The following are the amounts recognised in the statement of profit or loss:

	2023	2022
Depreciation of right-of-use assets (Note 27)	10,376	8,409
Interest on lease liabilities (Note 30)	13,709	2,199
Loss on termination of lease	-	79

(c) Extension options

The sub-lease arrangements contain extension option exercisable by the Group and to be agreed by mutual consent. The extension options held are exercisable only by the Group and not by the lessor. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension option.

(d) Finance lease receivables

The Group has determined that one of the subsidiaries (Ras Laffan Power Company Limited Q.P.S.C.) Power and Water Purchase Agreement (PWPA) with KAHRAMAA contained a lease in accordance with IFRIC 4, which was grandfathered, when the group transitioned to IFRS 16 and, accordingly, the Group has accounted for the cost of the plant as a finance lease receivable.

Present value of minimum lease receivable is the gross lease receivable in the lease discounted at the interest rate implicit in the lease. The interest rate of 9.32% per annum (2022: 9.32% per annum) is estimated by the management as the interest rate implicit in the lease. Income from finance leases is recognised based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease. The finance lease receivables at the end of the reporting period were neither past due nor impaired.

	2023	2022
Gross lease receivable	942,979	1,048,521
Unearned finance income	(178,091)	(250,102)
Present value of minimum lease receivable	764,888	798,419

The finance lease receivable is presented in the consolidated statement of financial position as follows:

	2023	2022
Non-current portion	594,806	764,888
Current portion	170,082	33,531
	764,888	798,419

The non-current portion is further analysed as follows:

	2023	2022
Later than one year and not later than five years	558,674	633,868
Later than five years	36,132	131,020
	594,806	764,888

Notes to the consolidated financial statements

6. Leases (continued)

	2023	2022
At 1 January	798,419	823,306
Lease interest recognized during the year	74,954	75,730
Capital and lease interest recovered during the year	(108,485)	(100,617)
At 31 December	764,888	798,419

7. Intangible assets and goodwill

During the previous years, the Group has identified and recorded the following intangible assets with definite useful lives and goodwill.

(i) Intangible assets

	2023	2022
Intangible assets (i)	35,822	41,792
Goodwill (ii)	30,813	30,813
	66,635	72,605
Cost:		
As at 1 January (1)	113,430	113,430
At 31 December	113,430	113,430
Amortisation:		
At 1 January (1)	71,638	65,668
Amortisation (Note 27)	5,970	5,970
At 31 December	77,608	71,638
Net carrying amount:		
At 31 December	35,822	41,792

(1) This represents the contract rights from the Power and Water Purchase Agreement entered into between Ras Laffan Power Company Q.P.S.C., a subsidiary of the Company, and KAHRAMAA for the supply of electricity and desalinated water to KAHRAMAA for a period of 19 years from the date of step-up acquisition on 20 October 2010.

(ii) Goodwill

Acquisition of subsidiaries

Goodwill is the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities on the date of acquisition. Goodwill has been allocated to the cash-generating unit that benefits from the business combination as follows.

Cash generating unit	2023	2022
Ras Laffan Power Company Limited Q.P.S.C.	30,813	30,813

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

7. Intangible assets and goodwill (continued)

(ii) Goodwill (continued)

Impairment testing of goodwill

Key assumptions used in value in use calculations

The recoverable amount of cash generating unit has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering remaining power and water purchase agreement period.

The principal assumptions used in the projections relate to Weighted Average Cost of Capital (WACC). The assumptions are constructed based upon historic experience and management's best estimate of future trends and performance and take into account anticipated efficiency improvements over the forecasted period.

Discount rates

Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital for the cash generating unit (CGU). Please also refer accounting policies disclosed in note 4(e) and 4(j).

Cash generating units	Discount rates used in 2023	Discount rates used in 2022
Ras Laffan Power Company Limited Q.P.S.C.	5.12%	5.28%

Growth rate estimates

Future expected cash flows used in the calculation of the value in use were mainly derived from the existing power and water purchase agreements. These include fixed and variable capacity charges, specific yields, peak % and the proposed tariffs, which are all governed by the respective power and water purchase agreements.

Management has performed impairment testing exercise for the cash generating unit and determined the recoverable value to be higher than the carrying value. Therefore, no impairment was required to be recorded as at 31 December 2023 (2022: No impairment).

Sensitivity testing

At 31 December 2023, the results of the sensitivity tests show that no reasonably possible change in key assumptions brought the recoverable value of these CGUs below their net carrying amounts.

8. Investment in equity-accounted investees

The movements in the Group's investments in the equity-accounted investees were as follows:

	2023	2022
At 1 January	8,904,680	5,072,541
Acquired through business combination (Note 41)	-	3,501,579
Deemed disposal of existing interest in a joint venture	-	(3,190,091)
Additional investment made during the year	463,627	906,821
Reclassification to loans receivable from related parties (Refer Note 35 (b))	(506,174)	-
Reclassification to asset held-for-sale (Note 38)	-	(236,327)
Share of results for the year	672,284	669,418
Share of other comprehensive income – cash flow hedges	(598,647)	2,564,294
Share of other comprehensive income – foreign currency translation	(20,242)	21,093
Dividends received	(610,893)	(404,648)
At 31 December	8,304,635	8,904,680

The summarized financial information of the Group's equity-accounted investees as included in their own financial statements and reconciles the summarised information to the carrying amount of the Group's interest in the equity-accounted investees are shown below:

Notes to the consolidated financial statements

8. Investment in equity-accounted investees (continued)

	At 1 January 2023	Additions / (capital reduction)	Share of results	Dividends received	Share of other comprehensive income - cash flow hedges	Share of other comprehensive income - foreign currency translation	De-recognition / re-classification	At 31 December 2023
Joint ventures:								
Umm Al Houl Power Q.P.S.C.	2,159,960	-	116,613	(91,854)	(62,649)	-	-	2,122,070
Qatar Power Q.J.P.S.C. (Note i)	423,867	-	105,535	(100,514)	799	-	-	429,687
Ras Girtas Power Company Q.P.S.C. (Note iv)	1,520,669	-	128,003	(188,629)	(541,666)	-	-	918,377
Mesaieed Power Company Q.P.S.C.	499,644	-	49,015	(14,580)	10,548	-	-	544,627
Shams Maan Solar UK Ltd	43,454	-	3,026	(4,588)	2,151	-	-	44,043
Nebras IPC Power Developments Ltd	711	-	(64)	-	-	-	-	647
Zonnepark Mosselbanken Tem	28,042	-	1,575	-	-	-	-	29,617
Zonnepark Duisterweg B.V.	8,218	1,342	(108)	-	-	-	-	9,452
NEC Energia e Participacaoes S.A.	123,421	4,176	8,767	(5,469)	141	12,483	-	143,519
NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.	25,953	-	1,248	(1,094)	(19)	2,814	-	28,902
Associates:								
Phoenix Power Company SAOG	213,311	-	20,203	(7,155)	-	-	-	226,359
Phoenix Operation and Maintenance Company L.L.C.	3,207	-	2,755	(3,150)	-	-	-	2,812
AES Oasis Ltd	179,684	-	14,899	(875)	21	-	-	193,729
AES Baltic Holding B.V.	249,620	-	16,755	-	-	-	-	266,375
PT Paiton Energy Pte Ltd	1,493,224	-	174,319	(165,699)	17	-	-	1,501,861
IPM Asia Pte Ltd	94,709	-	9,641	(15,167)	(57)	-	-	89,126
Minejesa Capital B.V.	146,719	-	11,549	(12,119)	(754)	-	-	145,395
AES Jordan Solar B.V.	31,314	-	800	-	116	-	-	32,230
Stockyard Hill Wind Farm (Holding) Pty ltd	558,430	5,473	(18,196)	-	(7,295)	817	-	539,229
Unique Meghnaghat Power Limited	160,395	122,046	(824)	-	-	-	-	281,617
NEKS Energy B.V. (Netherlands)	7,073	(2,039)	7,004	-	-	-	-	12,038
Moorabool Wind Farm (North and South)	933,055	2,261	16,863	-	-	(36,209)	(506,174)	409,796
Diamante Geração De Energia	-	21,882	(229)	-	-	(147)	-	21,506
Equitix Aragorn Holdco Ltd.	-	308,486	3,135	-	-	-	-	311,621
	8,904,68	463,627	672,284	(610,893)	(598,647)	(20,242)	(506,174)	8,304,635

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Notes to the consolidated financial statements

8. Investment in equity-accounted investees (continued)

	At 1 January 2022	Acquired through business combination	Additions / (capital reduction)	Share of results	Dividends received	Share of other comprehensive income - cash flow hedges	Share of other comprehensive income - foreign currency translation	De-recognition / re-classification	At 31 December 2022
Joint ventures:									
Umm Al Houl Power Q.P.S.C.	994,485	-	-	264,455	(96,228)	997,248	-	-	2,159,960
Qatar Power Q.J.P.S.C. (Note i)	412,960	-	-	96,991	(109,615)	23,531	-	-	423,867
Ras Girtas Power Company Q.P.S.C. (Note iv)	150,202	-	-	168,710	(65,610)	1,267,367	-	-	1,520,669
Mesaieed Power Company Q.P.S.C.	138,398	-	-	45,930	(12,393)	327,709	-	-	499,644
Nebras Power Q.P.S.C.	3,205,145	-	-	(76,435)	-	39,141	22,240	(3,190,091)	-
Acquired through business combination									
Shams Maan Solar UK Ltd	-	45,625	-	2,085	(8,412)	4,156	-	-	43,454
Nebras IPC Power Developments Ltd	-	910	-	(199)	-	-	-	-	711
Zonnepark Mosselbanken Tem	-	27,389	250	8,557	(8,154)	-	-	-	28,042
Zonnepark Duisterweg B.V.	-	7,027	1,287	(96)	-	-	-	-	8,218
NEC Energia e Participacaoes S.A.	-	117,527	-	6,855	-	123	(1,084)	-	123,421
NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.	-	25,799	-	2,098	(1,764)	(117)	(63)	-	25,953
Associates:								-	
Siraj Energy Q.P.S.C. (Refer Note 39)	171,351	-	-	8,679	-	56,297	-	(236,327)	-
Acquired through business combination									
Phoenix Power Company SAOG	-	196,934	-	10,568	(3,409)	9,218	-	-	213,311
Phoenix Operation and Maintenance Company L.L.C.	-	-	-	958	2,249	-	-	-	3,207
AES Oasis Ltd	-	174,174	-	5,510	-	-	-	-	179,684
AES Baltic Holding B.V.	-	239,765	-	9,855	-	-	-	-	249,620
PT Paiton Energy Pte Ltd	-	1,498,467	-	84,708	(89,951)	-	-	-	1,493,224
IPM Asia Pte Ltd	-	86,580	-	8,129	-	-	-	-	94,709
Minejesa Capital B.V.	-	143,788	-	10,436	(11,361)	3,856	-	-	146,719
AES Jordan Solar B.V.	-	28,218	-	2,422	-	674	-	-	31,314
Stockyard Hill Wind Farm (Holding) Pty ltd	-	764,354	(50,681)	9,666	-	(164,909)	-	-	558,430
Unique Meghnaghat Power Limited	-	145,022	15,837	(464)	-	-	-	-	160,395
NEKS Energy B.V. (Netherlands)	-		7,073	-	-	-	-	-	7,073
Moorabool Wind Farm (North and South)	-	-	933,055	-	-	-	-	-	933,055
	5,072,541	3,501,579	906,821	669,418	(404,648)	2,564,294	21,093	(3,426,418)	8,904,680

Notes to the consolidated financial statements

8. Investment in equity-accounted investees (continued)

(i) Qatar Power Q.J.P.S.C.

During 2020, the General Tax Authority (GTA) issued an income tax assessment for the years 2016 and 2017 related to taxability of foreign shareholders› share of profits, requiring Qatar Power Q.J.P.S.C. (Qpower) to pay additional taxes of USD 17.2 million (QAR 62.7 million) and penalties amounting to USD 10.4 million (QAR 37.9 million). Basis the assessment, Qpower created a provision for the additional taxes claimed and also recognized the same amount as a receivable as per the MOU signed on 2 February 2020.

During 2022, although the appeal court and then the primary court (in line with the findings of the independent expert appointed) ruled in favour of Qpower with no tax liability due, Qpower appealed against the judgement before the Court of Cassation citing some discrepancies in the judgement. Court of Cassation also ruled in favour of Qpower agreeing with the expert's opinion but with some conflicting elements pertaining to the year 2017 where it was mentioned that the committee's decision was upheld as Qpower's appeal was groundless.

As advised by the legal firm appointed by Qpower, an appeal was filed in the Court of Cassation for clarity on this matter. In the hearing held on 06 March 2023, the Court of Cassation rejected the appeals filed by Qpower as well as the appeal filed by GTA. Currently management is consulting with their legal advisors for the next steps and the necessary actions to be taken to resolve this matter.

(ii) Ras Girtas Power Company Q.P.S.C.

During 2019, the General Tax Authority (GTA) issued an income tax assessment for the years 2010 to 2018 requiring Ras Girtas Power Company Q.P.S.C. (RGPC) to pay additional taxes of USD 85 million (QAR 310 million) including penalties amounting to USD 27 million (QAR 98.4 million). As the Company had a tax holiday for the period between April 2011 and March 2017, RGPC responded to GTA rejecting the full claim but did not receive a response. RGPC then filed an appeal with the Appeal Committee which is pending for hearing. However, in light of the tax assessment received, RGPC has recognised provision of USD 85 million (QAR 310 million).

Additionally, as per the MOU signed on 2 February 2020, the Ministry of Finance (MoF) also undertakes to settle the income tax amounts payable by RGPC for the previous years and RGPC also has pass through arrangements for income taxes as per the terms of the PWPA. Accordingly, RGPC has recorded a receivable for the same amount from the GTA. Management has applied its judgment in determining that the above arrangements will also cover any tax penalties to be paid, if any, for the prior years.

During the year, KAHRAMAA has disputed the receivables pertaining to the year 2019 to 2022 amounting to USD 51 million (QAR 185.9 million) citing the provisions of the tax law. Management believes that the same is recoverable from KAHRAMAA as per the provisions of the PWPA and based on the ongoing negotiations.

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Notes to the consolidated financial statements

8. Investment in equity-accounted investees (continued)

At 31 December 2023	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Group's interest	Revenue/ other income	Profit/ (loss) for the year	OCI for the year	TCI	Group's share of results	Group's share of OCI
Joint ventures:												
Umm Al Houl Power Q.P.S.C.	11,450,964	1,284,338	(8,464,279)	(734,712)	3,536,310	60%	2,152,789	194,355	(104,415)	89,940	116,613	(62,649)
Qatar Power Q.J.P.S.C.	431,809	838,011	(57,595)	(460,148)	752,076	55%	772,722	191,882	1,453	193,335	105,535	799
Ras Girtas Power Company Q.P.S.C.	9,771,004	2,214,153	(8,391,542)	(1,535,110)	2,058,505	45%	2,590,112	284,451	(1,203,702)	(919,251)	128,003	(541,666)
Mesaieed Power Company Q.P.S.C.	5,435,055	944,489	(4,308,614)	(709,368)	1,361,562	40%	1,087,040	122,538	26,370	148,908	49,015	10,548
Shams Maan Solar UK Ltd	268,755	32,026	(197,834)	(32,523)	70,423	35%	59,687	8,646	6,146	5,613	3,026	2,151
Nebras IPC Power Developments Ltd	3,642	1	(1,826)	(502)	1,314	50%		(128)	-	-	(64)	-
Zonnepark Mosselbanken Tem.	-	178	-	(4,115)	(3,937)	40%		3,938	-	(10,453)	1,575	-
Zonnepark Duisterweg B.V.	35,152	5,782	(30,479)	(7,178)	3,278	40%	143,118	(270)	-	(304)	(108)	-
NEC Energia e Participacaoes S.A.	226,480	41,513	(27,500)	(17,184)	223,309	50%	109,598	17,534	25,248	-	8,767	12,624
NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.	24,010	24,214	(1,191)	(3,826)	43,205	50%	-	2,496	5,590	-	1,248	2,795
Associates	4,570,861	388,567	(2,008,713)	(570,055)	2,380,659	9.84%	1,501,023	205,315	-	2005315	20,203	-
Phoenix Power Company SAOG	-	-	-	-	-	15%		18,367	-		2,755	-
Phoenix Operation and Maintenance Company L.L.C.	559,081	287,800	(289,905)	(75,528)	481,448	38.89%	67,764	38,311	54	62,713	14,899	21
AES Oasis Ltd	733,068	395,669	(440,102)	(62,499)	626,136	40%	48,130	41,888	-	69,988	16,755	-
AES Baltic Holding B.V.	12,344,418	2,190,110	(8,312,769)	(1,019,122)	5,202,636	26%	3,095,767	670,432	65	670,342	174,319	17
PT Paiton Energy Pte Ltd	4,643	925	-	(157)	5,410	35%	-	27,546	(163)	(203)	9,641	(57)
IPM Asia Pte Ltd	7,006,559	900,649	(7,008,329)	(772,355)	126,524	26%	473	44,418	(2,900)	44,419	11,549	(754)
Minejesa Capital B.V.	126,507	855	(17,291)	(3,383)	106,688	40%	-	2,000	290	(1,321)	800	116
AES Jordan Solar B.V.	2,660,312	85,404	(2,212,875)	(60,741)	472,100	49%	201,262	(89,727)	(13,220)	(170,256)	(18,196)	(6,478)
Stockyard Hill Wind Farm (Holding) Pty ltd	1,588,706	142,885	(1,291,071)	(45,827)	394,693	18%	-	(3,433)	-	(3,432)	(824)	-
Unique Meghnaghat Power Limited	939,940	38,159	(957,912)	(3,206)	16,981	33.33%	59,839	21,014	-	-	7,004	-
NEKS Energy B.V.	41,264	1,864,595	-	(1,253,185)	652,674	49%	160,629	34,414	(73,896)	34,394	16,863	(36,209)
Moorabool Wind Farm	10,613	464	-	(201)	10,875	50%	-	(458)	(294)	-	(229)	(147)
Diamante Geração De Energia	2,541,745	154,170	(1,437,165)	(377,652)	881,098	49.9%	69,793	6,270	-	98,920	3,135	-
Equitix Aragorn Holdco Ltd.											**672,284**	**(598,647)**

Notes to the consolidated financial statements

8. Investment in equity-accounted investees (continued)

At 31 December 2022	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Group's interest	Revenue/ other income	Profit/ (loss) for the year	OCI for the year	TCI	Group's share of results	Group's share of OCI
Joint ventures:												
Umm Al Houl Power Q.P.S.C.	11,812,536	1,085,309	(8,726,536)	(571,375)	3,599,934	60%	2,267,980	441,849	1,659,713	2,101,562	264,455	997,248
Qatar Power Q.J.P.S.C.	751,486	724,826	(308,316)	(419,707)	748,289	55%	784,663	143,741	42,781	186,522	96,991	23,531
Ras Girtas Power Company Q.P.S.C.	10,287,155	1,796,774	(8,372,587)	(1,549,340)	2,162,002	45%	2,630,825	374,686	1,593,446	1,968,132	168,710	1,267,367
Mesaieed Power Company Q.P.S.C.	5,620,119	949,853	(4,326,953)	(993,913)	1,249,106	40%	1,060,590	114,825	819,272	934,097	45,930	327,709
Shams Maan Solar UK Ltd	411,479	42,591	(306,095)	(43,951)	104,025	35%	38,293	5,957	11,874	17,831	2,085	4,156
Nebras IPC Power Developments Ltd	3,640	1	(2,104)	(115)	1,422	50%	-	(398)	-	(398)	(199)	-
Zonnepark Mosselbanken Tem.	131,259	8,469	(132,682)	(2,533)	4,513	40%	-	21,393	-	21,393	8,557	-
Zonnepark Duisterweg B.V.	1,805	166	(1,672)	(86)	213	40%	-	(240)	-	(240)	(96)	-
NEC Energia e Participacaoes S.A.	214,667	35,919	(30,993)	20,129	199,464	50%	51,456	13,710	246	13,956	6,855	(961)
NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.	13,568	32,194	(2,712)	(11,698)	31,352	50%	-	4,196	(234)	3,962	2,098	(180)
NEKS Energy B.V.	-	-	-	-	-	33.33%	-	-	-	-	-	-
Nebras Power Q.P.S.C.*	-	-	-	-	-	-	-	-	-	-	(76,435)	61,381
Associates												
Siraj Energy Q.P.S.C.**	-	-	-	-	-	-	-	-	-	-	8,679	56,297
Phoenix Power Company SAOG	4,755,955	580,722	(2,454,143)	(599,810)	2,282,724	9.84%	663,966	107,398	26,337	56,531	10,568	9,218
Phoenix Operation and Maintenance Company L.L.C.	-	32,600	(1,445)	(9,530)	21,625	15%	-	6,387	-	1,916	958	--
AES Oasis Ltd	606,859	243,086	(169,323)	(254,385)	426,237	39%	-	14,126	-	14,126	5,510	--
AES Baltic Holding B.V.	777,316	376,719	(524,307)	(77,956)	551,772	40%	-	24,638	--	24,638	9,855	--
PT Paiton Energy Pte Ltd	12,814,802	2,293,044	(9,032,951)	(12,814,802)	2,293,044	26%	1,754,356	325,800	-	325,800	84,708	-
IPM Asia Pte Ltd	8,762	324	-	(40)	9,046	35%	(862)	23,226	-	23,226	8,129	-
Minejesa Capital B.V.	7,618,778	518,853	(7,611,229)	(409,107)	117,295	26%	640	40,138	14,831	54,969	10,436	3,856
AES Jordan Solar B.V.	154,217	51,716	(49,831)	(118,608)	37,494	40%	32,438	6,055	1,685	7,740	2,422	674
Stockyard Hill Wind Farm (Holding) Pty ltd	2,744,847	141,951	(2,212,825)	(80,872)	(593,101)	49%	401,240	19,849	(140,058)	(120,209)	9,666	(164,909)
Unique Meghnaghat Power Limited	864,626	26,656	(652,054)	(7,208)	232,020	24%	--	(1,933)	--	(1,933)	(464)	--
											669,418	**2,585,387**

* During the previous year, the Group acquired controlling interest in Nebras Power Q.P.S.C. effective 1 July 2022 and hence, share of results and share of OCI pertains to six months period only.

**During the previous year, the Group reclassified its investment in Siraj Energy Q.P.S.C. to asset held-for-sale effective 1 October 2022 (Note 38) and hence, share of results and share of OCI pertains to nine months period only.

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Notes to the consolidated financial statements

9. Equity investments at fair value through other comprehensive income

	2023	2022
At 1 January	2,322,763	3,164,944
Acquired through business combination	-	4,172
Disposals	(316,732)	(663,511)
Net change in fair value	11,287	(182,842)
At 31 December	2,017,318	2,322,763

During the year, dividend income of QAR 113.9 million (2022: QAR 160.9 million) was received from equity investments at fair value through other comprehensive income, which is included under "other income" in the consolidated statement of profit or loss (Note 29).

All equity investments at fair value through other comprehensive income are equity securities listed on the Qatar Exchange. The fair value of the quoted equity shares is determined by reference to the published price quotations.

10. Other non-current assets

	2023	2022
Deferred asset	8,708	10,473
Project development costs (1)	4,440	5,397
Debt service reserve (2)	27,314	27,286
Other non-current assets	21,784	1,599
Amortisation (Note 27)	(1,861)	(1,765)
At 31 December	60,385	42,990

(1) This consists of incidental costs incurred for a potential future acquisition of an interest in an equity-investee and includes financial and technical due diligences, feasibility and market studies and financial and legal advisory expenses.

(2) This represents the balance the Group must hold on the reserve bank accounts, as a requirement from the lenders.

11. Taxation

	2023	2022
Current tax (i)	(13,676)	(1,336)
Deferred tax (ii)	19,713	(1,003)
	6,037	(2,339)

(i) Current tax

The current tax comprises of the tax expenses incurred by the foreign subsidiaries of the Group which were acquired through business combination of Nebras Power Q.P.S.C. during the year.

Further, on 17 January 2019, Qatar published the Income Tax Law No. 24 of 2018 (the "New Tax Law") in the official Gazette. The New Tax Law is effective for financial years starting on or after 13 December 2018. The Executive Regulations to the New Tax Law were issued in December 2019. Article 2(12) of the

Notes to the consolidated financial statements

11. Taxation (continued)

(i) Current tax (continued)

Executive Regulations states that for the purposes of Article 4(13) of the Law, the exemption referred to in respect of the share of a non-Qatari investor shall not apply to his shares in the profits of a company owned by a listed company (i.e., whose shares are traded on the stock exchange in the State). This means that effective non-Qatari ownership of Qatar Electricity and Water Company Q.P.S.C. (QEWC) in the subsidiaries, joint ventures and associates is taxable.

On 2 February 2020, QEWC, QatarEnergy ("QE"), Ministry of Finance (MoF) and the General Tax Authority (GTA) reached an agreement through a Memorandum of Understanding ("hereby referred to as the MOU") which states that the income tax liability pertaining to certain listed companies' (including QEWC) share in their subsidiaries, joint ventures and associates would be borne by the MoF. Accordingly, application of the new Income Tax Law requirements stated above did not have any material impact on Group's consolidated financial statements for the years ended 31 December 2023 and 2022.

(ii) Deferred tax

	Balance as of 1 January 2023	Recognised in profit or loss	Cumulative translation adjustment Impact	Deferred tax asset released	Transfer to an associate	Deferred tax assets as at 31 December 2023
Tax losses carried forward	-	-	-	-	-	-
Temporary differences for the year	32,124	19,713	408	(3,135)	(291)	48,819

	Acquired throug	Recognised in profit or loss	Cumulative translation adjustment Impact	Deferred tax asset as at 31 December 2022
Tax losses carried forward	49,157	(1,003)	(20,112)	28,042
Temporary differences for the year	(24,318)	-	28,400	4,082
	24,839	(1,003)	8,288	32,124

12. Inventories

	2023	2022
Spare parts	132,135	129,403
Provision for slow-moving inventories	(36,755)	(36,938)
	95,380	92,465
Others	1,533	1,522
	96,913	93,987

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

	2023	2022
At 1 January	36,938	232,111
Provision made (Note 27)	477	10,975
Transfer to property, plant and equipment (Note 5)	-	(124,149)
Utilisation/ Reversal of provision	(660)	(81,999)
At 31 December	36,755	36,938

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

13. Trade and other receivables

	2023	2022
Trade receivables (i)	692,163	633,855
Accrued interest receivables	43,641	58,591
Prepayments and advances	99,831	48,364
Other receivables (i)	24,387	37,726
	860,022	778,536
Less: Allowance for impairment of receivables	(3,765)	-
	856,257	778,536

(i) Amount due from related parties are disclosed in Note 35 (c).

14. Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2023	2022
Cash at bank – call and current accounts (1)	1,026,403	826,729
Term deposits (2)	2,755,630	7,290,167
Cash in hand	5,278	75
Cash and bank balances	3,787,311	8,116,971
Term deposits with original maturity over 90 days	(1,633,298)	(6,634,460)
Cash and cash equivalents	2,154,013	1,482,511

Notes:

1- Cash held in bank current accounts earns no interest.

2- Term deposits are made for varying terms depending on the immediate cash requirements of the Group and earn interest at market rates.

Cash and cash equivalents are denominated in the following currencies:

	2023	2022
Qatari Riyals	3,052,093	3,936,551
Euro	28,254	25,316
Brazilian Real	53,582	86,573
US Dollars	603,955	3,936,165
Ukrainian Hryvnia	4,520	20,498
Australian Dollars	44,907	111,868
	3,787,311	8,116,971

15. Share capital

	2023	2022
Authorized, issued and paid-up share capital		
1,100,000,000 ordinary shares with nominal value of QAR 1 each (All shares bear equal rights)	1,100,000	1,100,000

Notes to the consolidated financial statements

16. Legal reserve

In accordance with the provisions of the Qatar Commercial Companies› Law No. 11 of 2015 (as amended by Law No. 8 of 2021), a minimum amount of 10% of the profit in each year is required to be transferred to a legal reserve until the legal reserve becomes equal to 50% of the Company's paid-up share capital. This reserve is not available for distribution, except in circumstances specified in the above-mentioned Law. The Company made no transfers to its legal reserve in the current year and the comparative year as its legal reserve already reached 50% of its paid-up share capital.

17. General reserve

In accordance with the Company's Articles of Association, the General Assembly may allocate a portion of the profit to a general reserve. There is no restriction on the distribution of this reserve and the funds in the reserve are available for future development of the Company as decided by the General Assembly.

18. Hedge reserve

(a) Hedging reserves

The hedge reserve comprises the Group's share of the effective portion of the cumulative net change in the fair value of interest rate swaps used for cash flow hedging.

	2023	2022
At 1 January	888,196	(1,778,702)
Equity-accounted investees - share of OCI – net of related tax (1)	(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)
Prior period adjustment – reclassification to retained earnings	7,808	-
At 31 December	176,478	888,196

(I) The share of other comprehensive income from equity-accounted investees were as follows:

	2023	2022
Umm Al Houl Power Q.P.S.C.	(62,649)	997,248
Qatar Power Q.J.P.S.C.	799	23,531
Ras Girtas Power Company Q.P.S.C.	(541,666)	1,267,367
Mesaieed Power Company Q.P.S.C.	10,548	327,709
Nebras Power Q.P.S.C.	-	39,141
Siraj Energy Q.P.S.C.	-	56,297
Phoenix Power Company SAOG	-	9,218
PT Paiton Energy Pte Ltd	17	-
Shams Maan Solar UK Limited	2,151	4,156
Minejesa Capital B.V.	(754)	3,856
Stockyard Hill Wind Farm (Holding) Pty Ltd	(7,295)	(164,909)
NEC Energia e Participacaoes S.A.	141	123
NEC Desinvolvimentod e Projectos em Energia e Participaoes S.A.	(19)	(117)
AES Jordan Solar B.V.	116	674
AES Oasis Ltd	21	-
IPM Asia Pte Ltd	(57)	-
	(598,647)	2,564,294

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

18. Hedge reserve (continued)

(b) Derivatives

	2023	2022
Assets		
Interest rate swaps used for hedging	36,795	78,954

The derivative assets are classified in the consolidated statement of financial position as follows:

	2023	2022
Non-current portion	24,530	77,536
Current portion	12,265	1,418
	36,795	78,954

19. Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income.

	2023	2022
At 1 January	614,751	1,048,081
Transfer directly to retained earnings on disposal of equity securities	(100,517)	(250,488)
Net unrealised gain on equity investments designated at FVOCI	11,287	(182,842)
At 31 December	525,521	614,751

20. Foreign currency translation reserve

The foreign currency translation reserve comprises the exchange differences on translation of foreign operations.

	2023	2022
At 1 January	(1,148)	(34,344)
Charge for the year	28,371	21,093
Reclassified to statement of profit or loss on derecognition of a subsidiary / joint venture	9,083	12,103
At 31 December	36,306	(1,148)

21. Non-controlling interests

Proportion of equity interest held by non-controlling interests are as follows:

	2023	2022
At 1 January	333,573	177,124
Acquired through business combination (Note 41)	-	145,970
Profit for the year	8,916	39,639
Dividends paid during the year	(25,880)	(29,160)
Deconsolidation of subsidiaries	139	-
Other movement	5,545	-
At 31 December	322,293	333,573

Notes to the consolidated financial statements

21. Non-controlling interests (continued)

The financial information of Group›s subsidiaries that have material non-controlling interests are provided below.

At 31 December 2023	Ras Laffan Power Company Q.P.S.C.	Nebras Brazil
NCI percentage	20%	20%
Non-current assets	607,502	1,412,707
Current assets	311,826	94,461
Non-current liabilities	(14,023)	(851,868)
Current liabilities	(90,187)	(59,073)
Net assets	815,118	596,227
Net assets attributable to NCI	163,024	119,245
Revenue	489,723	113,386
Profit	105,958	33,747
Other comprehensive income	-	
Total comprehensive income	105,958	33,747
Profit allocated to NCI	21,192	6,749
OCI allocated to NCI	-	-
Total comprehensive allocated to NCI	21,192	6,749
Cash flows from operating activities	123,414	14,701
Cash flows from investing activities	-	(33,491)
Cash flows from financing activities	(132,103)	(21,936)
Net (decrease) in cash and cash equivalents	(8,689)	(40,726)

At 31 December 2023	Ras Laffan Power Company Q.P.S.C.	Nebras Brazil
NCI percentage	20%	20%
Non-current assets	779,723	1,558,792
Current assets	129,657	106,939
Non-current liabilities	(15,935)	(751,811)
Current liabilities	(54,888)	(88,335)
Net assets	838,557	825,585
Net assets attributable to NCI	167,711	165,117
Revenue	493,387	133,481
Profit	99,683	25,993
Other comprehensive income	-	-
Total comprehensive income	99,683	25,993
Profit allocated to NCI	19,937	5,199
OCI allocated to NCI	-	-
Total comprehensive allocated to NCI	19,937	5,199
Cash flows from operating activities	95,741	44,073
Cash flows from investing activities	-	(206,825)
Cash flows from financing activities	(148,506)	206,198
Net (decrease) / increase in cash and cash equivalents	(52,765)	43,446

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

22. Loans and borrowings

The movements in loans and borrowings were as follows:

	2023	2022
At 1 January	**11,118,807**	5,727,610
Additions	**124,666**	2,920,373
Acquired through business combination (Note 41)	**-**	2,766,858
Repayment of borrowings	**(4,399,450)**	(296,034)
Derecognition on deconsolidation of subsidiaries (Note 40)	**(79,571)**	-
Effects of movement in exchange rates	**97,060**	-
	6,861,512	11,118,807
Amortization of arrangement fee	**(43,220)**	(43,991)
At 31 December	**6,818,292**	**11,074,816**

Terms and repayment schedule

As at 31 December 2023	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
				2023	
RAFB2 Project loan - MUFG facility agent	USD	SOFR+1.15%	2031	448,000	785,874
RAFA1 Project loan -Conventional- MUFG facility agent	USD	SOFR+0.85%	2027	253,500	244,954
RAFA1 Project loan-Islamic - QIB facility agency	USD	Term SOFR+0.85%	2027	126,475	122,212
RAF A2 Project Loan-Conventional -QNB Facility agent	USD	SOFR+1.75%	2036	153,707	406,246
RAF A2 Project Loan- Islamic- QIB facility agency	USD	Term SOFR+1.75%	2036	255,819	676,127
RAF A3 Project Loan-Conventional -QNB Facility agent	USD	SOFR+1.75%	2040	284,587	828,570
RAF A3 Project Loan-Islamic- Masraf Alrayan facility agency	USD	Term SOFR+1.75%	2040	94,862	274,514
HSBC STL	USD	Term SOFR+0.45%	2023	125,600	-
DBFS BANK STL	USD	Term SOFR+0.80%	2023	100,000	-
Bank of China STL	USD	Term SOFR+0.45%	2023	125,600	-
Mizuho STL	USD	SOFR+0.4%	2023	550,000	-
Mizuho STL	USD	Term SOFR+0.45%	2023	150,000	-
Banco do Nordeste do Brasil	BRL	2.18%	2039	294,996	216,468
Banco do Nordeste do Brasil	BRL	1.55%	2042	244,707	217,177
Banco do Nordeste do Brasil	BRL	1.96%	2042	242,293	214,110
Banco do Nordeste do Brasil	BRL	1.41%	2042	225,208	186,867
Triodos Fixed Loan Facility A - 2015 TGF 017671	EUR	2.08%	2026	772	1,433
Triodos Fixed Loan Facility B - 2015 TGF 017698	EUR	2.08%	2031	13,904	22,488
Triodos Fixed Loan Facility A - 2016 TGF 018996	EUR	1.50%	2032	7,518	19,699
Triodos Fixed Loan Facility B - 2016 TBNL 2205373226	EUR	1.50%	2032	7,518	19,189
Triodos Fixed Loan Facility Brabant Zon - 2015 TGF 020028	EUR	2.08%	2031	3,498	8,173

Notes to the consolidated financial statements

22. Loans and borrowings (continued)

Loans and borrowings (secured) (continued) - Terms and repayment schedule (continued)

As at 31 December 2023	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
				2023	
Triodos Fixed Loan Facility A- 2023 TGF 7829	EUR	4.87%	2038	2,700	10,735
Triodos Fixed Loan Facility B- 2023 TGF 7837	EUR	4.88%	2038	1,000	3,976
Triodos Fixed Loan Facility C- 2023 TGF 7845	EUR	4.60%	2033	500	1,988
Terslav	EUR	8.00%	2025	7,467	26,736
Sun Power Pervomaisk	EUR	6.54%	2024	1,782	5,342
Nebras HQ 1 - Syndicated facility	USD	3m SOFR + 1.10%	2026	300,000	1,087,339
Nebras HQ 2 - Bank of China STL	USD	3M Term SOFR + 0.75%	2024	150,000	545,337
Nebras Australia - DBS Bank Ltd	AUD	1.00%	2024	375,000	926,116
RLPC Working capital facility	USD		2024	2,700	9,841
Unamortised Cost					(43,220)
					6,818,292

Production facilities for RAF A1, RAF A2, RAF A3 and RAF B2 are pledged to obtain the project finance loans.

As at 31 December 2022	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
				2022	
RAFB2 Project loan - MUFG facility agent	USD	LIBOR+1.15%	2031	448,000	864,374
RAFA1 Project loan -Conventional- MUFG facility agent	USD	LIBOR+0.85%	2027	253,500	307,694
RAFA1 Project loan-Islamic - QIB facility agency	USD	LIBOR+0.85%	2027	126,475	153,514
RAF A2 Project Loan-Conventional -QNB Facility agent	USD	LIBOR+1.75%	2036	153,707	430,057
RAF A2 Project Loan- Islamic- QIB facility agency	USD	LIBOR+1.75%	2036	255,819	715,757
RAF A3 Project Loan-Conventional -QNB Facility agent	USD	LIBOR+1.75%	2040	284,587	866,121
RAF A3 Project Loan-Islamic- Masraf Alrayan facility agency	USD	LIBOR+1.75%	2040	94,862	287,031
HSBC RCF	USD	Term SOFR+0.45%	2023	125,600	457,812
DBFS BANK RCF	USD	LIBOR+0.65%	2023	100,000	364,500
Bank of China RCF	USD	Term SOFR+0.45%	2023	125,600	457,812
SMBC RCF	USD	LIBOR+0.45%	2022	125,600	-
Mizuho Facility	USD	SOFR+0.4%	2023	550,000	2,004,750
Mizuho RCF	USD	Term SOFR+0.45%	2023	150,000	546,750
Banco do Nordeste do Brasil	BRL	2.18%	2039	294,996	201,206
Banco do Nordeste do Brasil	BRL	1.55%	2042	244,707	168,167
Banco do Nordeste do Brasil	BRL	1.96%	2042	242,293	166,104
Banco do Nordeste do Brasil	BRL	1.41%	2042	225,208	155,145

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

22. Loans and borrowings (continued)

Loans and borrowings (secured) (continued) - Terms and repayment schedule (continued)

				2022	
As at 31 December 2022	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount
Triodos Fixed Loan Facility A - 2015 TGF 017671	EUR	2.08%	2033	774	1,531
Triodos Fixed Loan Facility B - 2015 TGF 017698	EUR	2.08%	2033	13,904	24,033
Triodos Fixed Loan Facility A - 2016 TGF 018996	EUR	1.50%	2033	7,518	21,053
Triodos Fixed Loan Facility B - 2016 TBNL 2205373226	EUR	1.50%	2033	7,518	20,561
Triodos Fixed Loan Facility Brabant Zon - 2015 TGF 020028	EUR	2.08%	2033	3,498	8,925
Nebras Power QPSC	USD	1.10%	2025	370,000	1,341,357
Nebras Power QPSC	USD	0.75%	2024	150,000	546,225
Nebras Power Australia	AUD	1.00%	2024	375,000	930,346
Scythia Solar 1	EUR	6.65%	2024	2,915	7,566
Scythia Solar 2	EUR	8.00%	2025	10,521	28,164
Terslav	EUR	8.00%	2025	7,467	27,378
Sun Power Pervomaisk	EUR	6.54%	2024	1,782	5,496
Free-Energy Henichesk	EUR	4.22%	2024	3,521	9,378
Unamortised Cost					(43,991)
					11,074,816

As at the reporting date, all the existing hedging instruments which had exposure to US dollar LIBORs are transitioned and currently indexed to the Secured Overnight Financing Rate (SOFR) as part of the interest rate benchmark reform.

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

	2023	2022
Non-current portion	5,000,645	6,920,761
Current portion	1,817,647	4,154,055
	6,818,292	11,074,816

Notes to the consolidated financial statements

23. Employees' end of service benefits

	2023	2022
At 1 January	87,628	76,094
Acquired through business combination	-	6,183
Provision made during the year (1)	13,293	12,637
Payments made during the year	(8,655)	(7,286)
At 31 December	92,266	87,628

(1) The provision made for the year is included within staff costs in profit or loss (Note 27).

Management has classified the obligation within non-current liabilities in the consolidated statement of financial position as it does not expect that there will be significant payments towards its employees' end of service benefits obligation within 12 months from the reporting date. The provision is not discounted to present value as the effect of the time value of money is not expected to be significant.

24. Trade and other payables

	2023	2022
Trade payables	137,318	150,934
Accrued expenses	305,179	359,094
Dividend payable to shareholders	53,388	50,222
Social and sports support fund payable	60,922	37,408
Provision for claim received from KAHRAMAA (i)	139,482	139,482
Provision for staff costs	151	90
Other payables	219,952	194,867
	916,392	932,097

Notes:

(i) In December 2020, the Group provided for claim received from KAHRAMAA of QAR 139.5 million related to capacity charges paid by KAHRAMAA to the Group, in excess of the plant's technical limit.

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

25. Revenue

(a) Revenue streams

The Group generates revenue primarily from the production and sale of water and electricity as per the power and water purchase agreements with the off takers in and outside the state of Qatar.

	2023	2022
Revenue from electricity	1,495,093	1,336,778
Revenue from water	1,341,173	1,308,905
Total revenue	2,836,266	2,645,683

Operating lease revenue – capacity charges (IFRS 16)

	2023	2022
Electricity	651,144	678,898
Water	1,108,247	1,041,774
	1,759,391	1,720,672

Revenue from contracts with customers (IFRS 15)

	2023	2022
Sale of electricity	843,949	657,880
Sale of water	232,926	267,131
	1,076,875	925,011

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products, and timing of revenue recognition.

	2023	2022
Primary geographical markets		
Qatar	929,690	841,411
Latin America	106,676	62,120
Europe	40,509	21,480
	1,076,875	925,011

	2023	2022
Timing of revenue recognition		
Point in time (i)	890,752	862,125
Over time (ii)	186,123	62,886
	1,076,875	925,011

i) Revenue from sale of electricity and water are recognised at point in time.

(ii) Revenue recognized over the period includes revenue from operations and maintenance which is recognised over the period of time upon satisfaction of the services to the customer using an output method. The Group applied the practical expedient which allows the Group to recognise the revenue in the amount to which the entity has a right to invoice as this corresponds directly with the value to the customer of the entity's performance completed to date.

Notes to the consolidated financial statements

26. Cost of sales

	2023	2022
Cost of gas consumed	1,120,578	972,872
Depreciation of property, plant and equipment (Note 5 (c))	335,205	281,677
Staff costs	167,921	173,475
Spare parts, chemicals and consumables	70,171	73,035
Others	208,417	168,059
	1,902,292	1,669,118

27. General and administrative expenses

	2023	2022
Staff costs (1)	138,738	113,637
Impairment of property, plant and equipment (Note 5 (D))	-	83,094
Impairment loss on financial assets	26,872	-
Insurance	10,287	13,978
Board of Directors' remuneration	17,875	11,750
Provision for slow moving inventories (Note 12)	477	10,975
Telephone postage and couriers	1,448	10,579
Depreciation of right-of-use assets (Note 6(a))	10,376	8,409
Consultancy and professional fees	31,845	7,925
Amortization of intangible assets (Note 7)	5,970	5,970
Depreciation of property, plant and equipment (Note 5 (C))	2,075	5,490
Repairs and maintenance	2,647	3,536
Recruitment and training expenses	2,858	3,257
Office expenses	9,697	2,657
Amortization of other assets (Note 10)	1,861	1,765
Board committee remuneration	1,030	1,030
Donations	1,000	1,340
Rent expense - short term lease	1,008	1,256
Subscription and licenses	814	885
Advertisement and public relation expenses	661	297
Miscellaneous expenses	17,661	9,974
	285,200	297,804

(1) Staff costs includes a provision of QAR 13.3 million (2022: QAR 12.6 million) in respect of employees' end of service benefits (Note 23).

Notes to the consolidated financial statements

28. Interest income

	2023	2022
Interest earned on term and other call deposits	262,630	174,052
Interest income from related parties and others	49,276	2,645
	311,906	176,697

29. Other income

	2023	2022
Dividend income from equity investments at fair value through other comprehensive income (Note 9)	113,948	160,909
Secondment income	22,227	29,515
Miscellaneous income	147,028	77,203
	283,203	267,627

30. Finance costs

	2023	2022
Interest on bank loans	486,759	273,362
Interest on lease liabilities (Note 6(B))	13,709	2,199
Bank charges	6,834	11,972
	507,302	287,533

31. Earnings per share

Basic earnings per share

The calculation of basic earnings per share is arrived by dividing the profit attributable to the equity & ordinary shareholders of the Company for the year by the weighted average number of ordinary shares & outstanding during the year.

	2023	2022
Profit for the year attributable to owners of the Company	1,551,436	1,710,809
Weighted average number of ordinary and outstanding shares during the year (Number of shares in thousands)	1,100,000	1,100,000
Basic and diluted earnings per share (expressed in QAR per share)	1.41	1,56

Diluted earnings per share

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

Notes to the consolidated financial statements

32. Dividends

During the year, the Company declared and paid a cash dividend of QAR 0.95 per share totalling to QAR 1,045 million (2022: QAR 0.80 per share totalling to QAR 880 million). The proposed dividend amounting to QAR 946 million (QAR 0.86 per share) for the year ended 31 December 2023 will be submitted for formal approval at the next Annual General Meeting of the Company and not recognised as a liability as at 31 December 2023.

33. Contribution to social and sports fund

In compliance with Qatar Law No. 13 of 2008, the Company made an appropriation of QAR 35.9 million for the year ended 31 December 2023 (2022: QAR 37.6 million) to the Social and Sports Fund of Qatar. During the year, The Social & Sport Contribution Fund (Daam) claimed additional QAR 36.3 million from the Company pertaining to the previous years, which has been adjusted in the consolidated statement of changes in equity under retained earnings.

34. Commitments and contingent liabilitie

	2023	2022
(a) Contingent liabilities:		
Corporate guarantees issued on behalf of joint ventures	951,207	568,287
Letter of credits	331,089	91,150
	1,282,296	659,437

Other contingencies:

(i) Ras Laffan Power Company Q.P.S.C.

During the previous year, The General Tax Authority ("GTA») issued a presumptive tax assessment for the financial year 2016, requiring the Company to pay additional taxes of QR 27.7 million (including penalty of QR 13.9 million). During the year, the company filed an objection to the GTA which was subsequently rejected. Accordingly, the Company appealed to the Tax Appeal Committee and the response is currently awaited. In addition, the GTA issued assessment for the financial year 2017, claiming additional QR 16.1 million (including penalty of QR 8.1 million). The Company has filed an objection to the GTA in January 2024 on the grounds that the assessment issued is not in accordance with the tax provisions (Law No. 24 of 2018 and Law No. 21 of 2009) and the response is awaited.

(ii) Salgueiro Solar Holding S.A. (Brazil)

During the previous year, the EPC contractor of the Salgueiro plants ("SNEF Brasil") filed for an arbitration against the company claiming extra costs on account of force majeure, additional works and owner caused delays (QAR 39.5 million). Subsequently, Salgueiro filed their rejections along with a counterclaim with the Arbitral Tribunal on the grounds of breach of contract and indemnification for the losses incurred from SNEF Brasil's failure to properly execute and complete the work as per the agreed terms (QAR 26. million). As at the reporting date, the parties have submitted their final statements to the Arbitral Tribunal and the response is awaited.

	2023	2022
(b) Other commitments:		
Derivative financial instruments:		
Interest rate swaps (notional amount)	537,787	1,092,348
	537,787	1,092,348

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Notes to the consolidated financial statements

35. Related party disclosures

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

a) Transactions with related parties included in the statement of profit and loss are as follows:

	Nature of the transactions	2023	2022
Shareholder:			
QatarEnergy	Sale of desalinated water	-	7,659
	Cost of gas consumed	1,120,578	972,872
KAHRAMAA	Sale of electricity	1,354,303	1,336,778
	Sale of desalinated water	1,341,173	1,301,245
	Lease income from plant	74,954	75,730
Equity-accounted investees:			
Enersok FE LLC (Uzbekistan)	Interest income	35,748	126
NEC Energia	Interest income	7,954	-
Ras Girtas Power Company Q.P.S.C.	Secondment Income	7,638	7,651
Umm Al Houl Power Q.P.S.C.	Secondment Income	6,925	6,557
Qatar Power Q.J.P.S.C.	Secondment Income	5,253	5,211
Equitix Aragorn Holdco Ltd.	Interest income	2,128	-
Mesaieed Power Company Q.P.S.C.	Secondment Income	2,187	2,187
AM Solar B.V. /Jordan PSC	Interest income	1,207	1,229
IPM Asia Pte. Ltd.	Fee Income	783	20
Shams Ma'an Power Generation	Fee Income	382	-
Nebras-IPC Power Developments Limited	Fee Income	242	18
Siraj Energy Q.P.S.C.	Secondment Income	224	4,182
Minejesa Capital B.V.	Fee Income	182	82
NEKS Energy B.V	Fee Income	143	-
Zonnerpark Mosselbank Terneuzen	Fee Income	123	95
PT Paiton Energy	Fee Income	26	26
AES Baltic Holdings B.V.	Fee Income	26	7
AM Solar B.V. /Jordan PSC	Fee Income	7	-
Zonnepark Duisterweg	Other expense	21	-
Minejesa Capital B.V.	Other expense	95	-
Other related parties:			
Amin Renewable Energy Company SAOC	O&M Agreement	70	35

Notes to the consolidated financial statements

35. Related party disclosures (continued)

b) Loans receivable from related parties

The movements of loans receivable from related parties were as follows:

	2023	2022
At 1 January	60,702	-
Acquired through business combination	-	21,926
Additional loans during the year	589,603	38,776
Reclassification from Investee balance	506,174	-
At 31 December	1,156,479	60,702

Following are some of the major loans provided to the related parties in accordance with the following conditions:

- QR 21,926 thousand pertains to the loan granted to AES Jordan Solar. The loan carries an interest at 6% per annum and matures in December 2039.
- QR 8,186 thousand pertains to loan granted to NEC Energia through Nebras Power Investment Management B.V. The loan carries an interest of 8.75% per annum and matures in September 2049.
- QR 481,852 thousand pertains to the loan granted to Moorabool Wind Farm (North and South) through Nebras Power Australia Pty. Ltd. The interest on loan is indexed to the Bank Bill Swap Rate (BBSW) and carries an average interest of 4.5% to 5.5% per annum and matures on 20 December 2024.
- QR 607,859 thousand pertains to the loan granted to Equitix Aragorn by Nebras Power Investment Management B.V. The loan carries an interest of 7% per annum and is repayable on demand.

c) Receivables from related parties

	2023	2022
Shareholder:		
KAHRAMAA	658,254	558,835
QatarEnergy	14,373	933
Equity-accounted investees:		
Enersok FE LLC (Uzbekistan)	12,138	-
AES Jordan PSC	6,414	28
Equitix Aragorn Holdco Ltd.	2,128	-
Umm Al Houl Power Q.P.S.C.	1,921	4,726
Qatar Power Q.P.J.S.C.	1,488	1,818
Ras Girtas Power Company Q.P.S.C.	1,489	2,183
Mesaieed Power Company Limited Q.P.S.C.	1,015	1,082
Nebras-IPC Power Development Ltd	303	61
Zonnepark Mosselbanken Terneuzen B.V.	115	115
Siraj Energy Q.P.S.C.	-	538
Zonnepark Duisterweg	21	-
AES Oasis Ltd	18	-
IPM Asia Pty Ltd	19	19
AES Baltic Holdings B.V.	-	18
Other related parties:		
Others	8	6
	699,704	570,362

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Notes to the consolidated financial statements

35. Related party disclosures (continued)

c) Receivables from related parties (continued)

The above balances have arised in normal course of business, and are of trading and financing nature, bear no interest or securities and are receivable on demand, hence classified as current. The above balances are included under trade and other receivables (Note 13).

d) Payables to related parties

	2023	2022
Shareholder		
KAHRAMAA	142,586	141,661
QatarEnergy	156,077	150,575
Affiliates:		
Others	9,463	56
	308,126	292,292

The above balances have arised in normal course of business, and are of trading and financing nature, bear no interest or securities and are payable on demand, hence classified as current. The above balances are included under trade and other payables (Note 24).

e) Compensation of key management personnel

The remuneration the members of the Board of Directors and other members of key management were as follows:

	2023	2022
Short term employee benefits	35,596	29,429
Long term employee benefits	-	-
	35,596	29,429

36. Financial risk and capital management

a) Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise interest bearing loans and borrowings, lease liability, trade payables, accrued expenses and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets are bank balances and cash, finance lease receivable, loans receivables from joint ventures, trade receivables, accrued interest receivable and other receivables that derive directly from its operations. The Group also holds equity investments at fair value through other comprehensive income and enters into derivative transactions for hedging purposes. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk

Notes to the consolidated financial statements

36. Financial risk and capital management (continued)

a) Financial risk management (continued)

management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group is exposed to market risk, credit risk and liquidity risk and policies for managing each of these risks are summarized below.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity price risk will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which revenue, related costs and borrowings are denominated and the respective functional currencies of the Group entities. The functional currencies of the Group entities are primarily those that are mentioned in Note 3(c). The Group does not use forward exchange contracts to hedge its currency risk. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group – primarily the USD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied.

The Group uses derivatives to hedge its interest rate risk. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Interest rate risk

Interest rate risk arises when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises mainly from interest bearing bank loans and borrowings issued at variable rates, which expose it cash flow interest rate risk.

The Group has entered into a floating to fixed interest rate swap ("IRS") for the 50% of the notional amount of its syndicated long-term revolving credit facility ("RCF") to mitigate its exposure to interest rate risk. Under the IRS terms, the Group pays fixed rate to the hedge counterparties and receive floating rate ("SOFR") from hedge counterparties for settlement of its floating rate interest liability under the RCF. IRS has been executed with highly rated financial institutions as hedge counterparties in order to segregate the counterparty risk. The Group's approach is to opportunistically hedge its interest rate risks to (i) manage the impact of these risks on the cash flows and profit and loss of the Company and (ii) ensure compliance with the Company's financial covenants whilst optimizing finance costs.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORS) with alternative nearly risk-free rates (referred to as ‹IBOR reform›). In 2023, the Group undertook amendments to most financial instruments with contractual terms indexed to US dollar LIBORs such that they incorporate new benchmark rates ("SOFR"). As at 31 December 2023, all the existing hedging instruments which had exposure to US dollar LIBORs are transitioned and currently indexed to the Secured Overnight Financing Rate ("SOFR").

The following table shows the total amounts of unreformed contracts as at 1 January 2023 and those reformed with appropriate fallback clause / transitioned rate as at 31 December 2023. The financial liabilities (loans and borrowings) are shown at their carrying amounts and derivatives are shown at their

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

36. Financial risk and capital management (continued)

a) Financial risk management (continued) - Market risk (continued) - Interest rate risk (continued)

market value. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments were:

31 December 2023	USD LIBOR Total amount of unreformed contracts	 Amount with appropriate fallback clause
Financial liabilities		
Loans and borrowings (carrying amount)	-	6,861,512
Derivatives		
Interest rate swaps (market value)	-	36,795

31 December 2022	USD LIBOR Total amount of unreformed contracts	 Amount with appropriate fallback clause
Financial liabilities		
Loans and borrowings (carrying amount)	7,651,683	3,467,124
Derivatives		
Interest rate swaps (market value)	78,954	-

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has transitioned both the hedged item and the hedging instrument on the loan rest date in September 2023 and has measured its hedging instruments indexed to SOFR using available quoted markets rates of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOFR on a similar basis.

Sensitivity

The following table shows the sensitivity of the consolidated income statement to possible changes in interest rate by 25 basis points, with all other variables held constant. The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates for one year, on the floating rate borrowing held at 31 December.

	Change in basis points	Effect on OCI	Effect on profit
2023			
Floating interest rate instruments			
Interest bearing loans and borrowings	+/-25 bps	-	+/- 17,154
2022			
Floating interest rate instruments			
Interest bearing loans and borrowings	+/-25 bps	-	+/- 27,797

Notes to the consolidated financial statements
36. Financial risk and capital management (continued)

a) Financial risk management (continued) - Market risk (continued) - Sensitivity (continued)

Equity price risk

All the Group's equity investments are listed on the Qatar Exchange.

The following table demonstrates the sensitivity of the cumulative changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

	Change in equity price	Effect on equity 2023	Effect on equity 2022
Quoted shares	+/(-) 10%	**+/(-) 201,732**	+/(-) 231,859

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, payables and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are disclosed in Note 3(c). The currencies in which these transactions are primarily denominated are Euro, USD and Brazilian Real.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group are as follows:

	Foreign currency	Functional currency	2023	2022
Bank balances	EUR	USD	**11,251**	12,232
Bank balances	GBP	USD	**2,398**	-
Loans and borrowings	EUR	Hryvnia	**(32,079)**	(83,287)
Loans and borrowings	GBP	USD	**607,859**	-
Statement of financial position exposure-net			**589,966**	**(71,055)**

The following significant exchange rates have been applied during the current year:

	Average rate		Year-end spot rate	
	2023	2022	**2023**	2022
EUR – USD	**1.08**	1,05	**1.10**	1,07
EUR – Hryvnia	**39.89**	34,77	**40.79**	39,24
GBP – USD	**1.24**	-	**1.27**	-

Sensitivity analysis

A reasonably possibly strengthening (weakening) of the currencies against the others at the year-end would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

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Notes to the consolidated financial statements

36. Financial risk and capital management (continued)

a) Financial risk management (continued) - Market risk (continued) - Sensitivity (continued) - Sensitivity analysis (continued)

	2023		2022	
	strengthening	weakening	strengthening	weakening
EUR - USD (10% movement)	**1,125**	**(1,125)**	1,223	(1,223)
EUR – Hryvnia (10% movement)	**(3,208)**	**3,208**	(8,329)	8,329
GBP - USD (10% movement)	**61,080**	**(61,080)**	-	-
	58,997	**(58,997)**	(7,106)	7,106

The Group did not have significant exposure to currency risk during the previous year, as its majority of receivables and payables balances were held in QAR and USD.

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 its customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are as follows

	2023	2022
Trade receivables	**688,398**	633,855
Bank balances	**3,782,033**	8,116,896
Finance lease receivables	**764,888**	798,419
Loans receivable from related parties	**1,156,479**	60,702
Accrued interest receivable	**43,641**	58,591
Asset held-for-sale	-	236,327
Derivative assets	**36,795**	78,954
Other receivables	**24,387**	37,726
	6,496,621	**10,021,470**

Trade receivables

The Group has Power and Water Purchase Agreements (PWPA) with government companies, and non-government companies (private corporate customers) to whom the electricity is sold in the open market.

At 31 December 2023, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	2023		2022	
	Not credit-impaired	Credit impaired	Not credit-impaired	Credit impaired
Government companies (1)	**675,701**	-	589,574	-
Non-government companies (2)	**16,462**	-	44,281	-
Gross carrying amount	**692,163**	-	633,855	-
Loss allowance	(3,765)	-	-	-
Net carrying amount	**688,398**	-	633,855	-

Notes to the consolidated financial statements
36. Financial risk and capital management (continued)

a) Financial risk management (continued) - Market risk (continued) - Credit risk (continued)

At 31 December 2023, the carrying amount of the trade receivables from the Group's most significant customer (KAHRAMAA, a Qatar based government company) was QAR 658.2 million (2022: QAR 558.8 million).

(1) Expected credit loss assessment for government companies

The Group performs expected credit loss assessment at each reporting date using an allowance matrix to measure its expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The Group's trade receivables from government companies arise mainly from KAHRAMAA (see note above) and, consequently, the Group has credit concentration risk. Management believes that the credit concentration is not of significant concern, because KAHRAMAA is a government-controlled entity with high financial credibility and has never defaulted in the past. Furthermore, the credit risk of KAHRAMAA is negligible as it is backed by unconditional guarantee from the State of Qatar. As a result, the expected credit loss is determined to be insignificant from KAHRAMAA.

On the remaining trade receivable balances from other government companies outside Qatar, the Group has determined that these customers have been transacting with the Group for over two years, and none of these government customers' balances have been written off or are credit-impaired at the reporting date, hence, the expected credit loss on these receivables is insignificant as of the reporting date.

The Group is monitoring the economic environment in Ukraine and is taking appropriate actions to limits its exposure. During the year, the Guaranteed buyer stopped clearing payments related to the plants (subsidiaries) which are in the occupied territories and accordingly, management provided fully for the receivables pertaining to these plants (Scythia 1, Scythia 2 and Free Energy Henichesk) amounting to QR 9.5 million. Subsequently, these subsidiaries were deconsolidated due to loss of control. On the remaining receivables pertaining to the plants in the unoccupied territories, management has assessed that the expected credit loss is not significant as of the reporting date.

(2) Expected credit loss assessment for non-government companies

The Group uses an allowance matrix to measure the expected credit losses from its non-government companies, which comprise of private corporate companies operating in a regulated market. Loss rates are based on actual credit loss experience over the past two to three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The Group has determined that since these private corporate companies operate in a regulated market, there has been no history of default in the past. Further, the Group has determined that none of its non-government customers' balances have been written off or are credit impaired as at the reporting date. Therefore, the expected credit loss on these receivables from non-government companies is considered to be insignificant.

The Group doesn't require collateral in respect of its trade receivables from government and non-government companies.

At 31 December 2023, the exposure to credit risk for trade receivables by geographic region was as follows:

Notes to the consolidated financial statements

36. Financial risk and capital management (continued)

a) Financial risk management (continued) - Market risk (continued) - Credit risk (continued)

	2023	2022
Qatar	658,513	533,148
Brazil	16,359	20,302
Netherlands	1,718	53,872
Ukraine	11,808	26,533
	688,398	633,855

Set out below is the information about the credit risk exposure on the Group's trade receivables using an allowance matrix:

31 December 2023	Weighted average loss	Gross carrying amount	Loss allowance	Credit-impaired
Current (not past due)	0.0%	420,414	-	-
1-30 days past due	0.0%	164,449	-	-
31-60 days past due	0.0%	42,858	-	-
61-90 days past due	0.0%	44,717	-	-
More than 90 days past due	0.0%	19,725	(3,765)	-
		692,163	(3,765)	-

31 December 2022	Weighted average loss	Gross carrying amount	Loss allowance	Credit-impaired
Current (not past due)	0.0%	394,567	-	-
130- days past due	%0.0	211,832	-	-
3160- days past due	%0.0	704	-	-
6190- days past due	%0.0	274	-	-
More than 90 days past due	%0.0	26,478	-	-
		633,855	-	-

Cash at bank and term deposits

The Group held bank balances of QAR 3,782,033 thousand at 31 December 2023 (2022: QAR 8,116,971 thousand). Management considers that its cash at bank and term deposits have low credit risk based on external credit ratings of the counterparties, which are rated AA- to AA+, based on moody's ratings. Impairment on cash at bank and term deposits have been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures.

As at the reporting date, none of the bank balances were credit impaired. On the non-credit impaired balance, based on the expected credit loss (ECL) exercise performed by the management, the ECL was determined to be immaterial, therefore, no ECL on the cash and cash equivalents was recognised in these consolidated financial statements.

Receivables from related parties, loans receivable, finance lease receivable and other receivables

Management has performed detailed analysis on receivables from related parties, including loans receivable, finance lease receivable and other receivables and has determined the ECL to be insignificant, hence, no ECL is recognized on these balances as of the reporting date.

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements
36. Financial risk and capital management (continued)
a) Financial risk management (continued) - Market risk (continued) - Credit risk (continued)

Derivatives

The derivates are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on moody's ratings.

Guarantees

The Group's policy is to provide financial guarantees only for its affiliates' liabilities. At 31 December 2023 and 2022, the Company and one of its subsidiaries has issued guarantees to certain financial institutions in respect of credit facilities granted to its affiliate companies. Please also refer note 34.

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.

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 table below summarizes the contractual discounted maturities of the Group's financial liabilities at the reporting date.

	Note	Carrying amounts	Less than 1 year	1 - 5 years	More than 5 years
31 December 2023					
Trade payables		137,318	137,318	-	-
Accrued expenses		305,179	305,179	-	-
Other liabilities		334,262	334,262	-	-
Lease liabilities		55,817	10,762	30,162	14,893
Interest bearing loans and borrowings (1)		6,818,292	1,817,647	2,407,300	2,593,345
		7,650,868	2,605,168	2,437,462	2,608,238

	Note	Carrying amounts	Less than 1 year	1 - 5 years	More than 5 years
31 December 2022					
Trade payables		150,934	150,934	-	-
Accrued expenses		359,094	359,094	-	-
Other liabilities		282,497	282,497	-	-
Lease liabilities		61,834	6,609	55,225	-
Interest bearing loans and borrowings (1)		11,118,807	4,198,046	2,990,696	3,930,065
		11,973,166	4,997,180	3,045,921	3,930,065

(1) The Group has secured project finance loans that contain covenants. A future breach of covenants may require the Group to repay the loan earlier than indicated in the above table. The Group has developed a strong debt compliance framework to actively control and manage this risk.

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

36. Financial risk and capital management (continued)

b) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and healthy capital ratios in order to support its business and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of economic conditions. The Board of Directors monitors the return on capital. No changes were made in the objectives, policies or processes during the year ended 31 December 2023.

The Group monitors capital using a gearing ratio, which is calculated as net debt divided by total equity and net debt. The debt is calculated as total borrowings (including current and non-current loans as shown on the consolidated statement of financial position) less cash and cash equivalents.

Total equity is the equity attributable to owners of the Company.

	2023	2022
Total interest-bearing loans and borrowings	6,861,512	11,118,807
Cash and bank balances	(3,787,311)	(8,116,971)
Net debt	3,074,201	3,001,836
Equity attributable to owners of the Company	14,886,333	15,123,761
Total equity and net debt	17,960,534	18,125,597
Gearing ratio	17.1%	16.6%

37. Fair values of assets and liabilities

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. The Group's principal financial liabilities comprise interest bearing loans and borrowings, bank overdrafts, accounts payable, amounts due to related parties and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets comprise bank balances and cash, trade receivable, investments through OCI, amounts due from related parties and certain other receivables that arise directly from its operation.

Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group›s financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Notes to the consolidated financial statements

37. Fair values of assets and liabilities (continued)

Fair value measurements (continued)

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

As at 31 December 2023, the Group held the following classes of financial instruments measured at fair value:

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2023 Carrying value	Fair value	Fair value Hierarchy
Cash and bank balances*	Amortised cost	3,787,311	-	-
Accounts and other receivables*	Amortised cost	856,257	-	-
Financial assets at fair value through OCI	FVOCI	2,017,318	2,017,318	Level 1
Loans receivable from a related party	Amortised cost	1,156,479	-	-
Derivative assets	FVOCI	36,795	36,795	Level 2
Disposal group held-for-distribution	Fair value less costs to sell	186,385	186,385	Level 3
Liabilities held-for-distribution	Other financial liabilities	(168,650)	(168,650)	Level 3
Interest bearing loans and borrowings	Other financial liabilities	(6,818,292)	(6,818,292)	Level 2
Lease liabilities*	Other financial liabilities	(55,817)	-	-
Accounts payable and accruals* (excluding derivative financial liabilities)	Other financial liabilities	(916,392)	-	-

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 31 December 2022 Carrying value	Fair value	Fair value Hierarchy
Cash and bank balances*	Amortised cost	8,116,971	-	-
Accounts and other receivables*	Amortised cost	778,536	-	-
Financial assets at fair value through OCI	FVOCI	2,322,763	2,322,763	Level 1
Loans receivable from a related party	Amortised cost	60,702	-	-
Derivative assets	FVOCI	78,954	78,954	Level 2
Assets held-for-sale	Fair value less costs to sell	236,327	236,327	Level 2
Disposal group held-for-distribution	Fair value less costs to sell	128,478	128,478	Level 3
Liabilities held-for-distribution	Other financial liabilities	(106,594)	(106,594)	Level 3
Interest bearing loans and borrowings	Other financial liabilities	(11,074,816)	(11,074,816)	Level 2
Lease liabilities*	Other financial liabilities	(61,834)	-	-
Accounts payable and accruals* (excluding derivative financial liabilities)	Other financial liabilities	(932,097)	-	-

*These financial assets and financial liabilities are carried at amortised cost. The fair values of these financial assets and financial liabilities are not materially different from their carrying values in the consolidated statement of financial position, as these assets and liabilities are either of short-term maturities or are re-priced frequently based on market movement in interest rates.

There is no in or out movement from Level 3 fair value measurements. The assets and liabilities classified under Level 3 category have been fair-valued based on the available information.

As at and for the year ended 31 December 2023 In thousands of Qatari Riyals

Notes to the consolidated financial statements

37. Fair values of assets and liabilities (continued)

Fair value sensitivity analysis

The following table shows the sensitivity of fair values to 10% increase or decrease as at 31 December:

	2023	2022
Basis points	+/-1,000	+/-1,000
Effect on profit or loss (QAR '000)	+/-18,639	+/-36,480

Offsetting financial assets and liabilities

The Group does not have any financial assets or financial liabilities that are subject to offsetting, enforceable master netting arrangements or any similar agreements.

38. Asset held-for-sale

Disposal of an associate (Siraj Energy Q.P.S.C.)

During 2022, the Group entered into share purchase agreement (SPA) with QatarEnergy, one of the related parties of the Group, to sell its 49% stake in Siraj Energy Q.P.S.C at a total consideration of US$ 64.5 million i.e., QR 234.9 million. However, the finalization of the sale transaction was s subject to the certain regulatory and approval of the shareholders of the Company, which were considered critical before the sale transaction could be completed. Hence, as at 31 December 2022, this investment was classified as asset held-for-sale in accordance with IFRS 5. During the year, the sale transaction was approved in the annual general meeting held on 14 March 2023 and the commercial registration was updated. Hence, the asset held for sale was derecognised and a profit of QAR 77,652 thousands was recognised which was mainly on account of reclassification of cash flow hedge reserve to the consolidated statement of profit or loss.

39. Disposal group held-for-distribution

During 2022, when the Group acquired Nebras Power Q.P.S.C., the assets acquired included a subsidiary, (Carthage Power Company or CPC) which is classified as a disposal group held-for-distribution, as management in the previous year made an assessment of CPC's ability to continue as a going concern as its concession agreement was coming to an end in May 2022. Hence, in accordance with the requirements of IFRS 5 ‹Non-current assets held-for-sale and discontinued operations›, the results, assets and liabilities of the subsidiary are presented as a disposal group ‹held-for-distribution›.

The Group holds 60% shares in the said subsidiary. Information regarding the assets and liabilities of the subsidiary is presented below

i) Assets and liabilities of disposal group held-for-distribution

	2023	2022
Property, plant and equipment	5	14
Deferred tax asset	-	1,570
Derivative financial instruments	-	350
Inventories	-	1,335
Trade and other receivables	177,107	113,992
Cash and cash equivalents	9,272	11,217
Assets held-for-distribution	186,385	128,478
Trade and other payables	168,650	71,204
Payables to related parties	-	35,390
Liabilities held-for-distribution	168,650	106,594

Notes to the consolidated financial statements

39. Disposal group held-for-distribution (continued)

ii) Cash flows from discontinued operations

	2023	2022
Cash generated from operating activities	(882)	(26,774)
Cash generated from investing activities	9	4,931
Cash used in financing activities	-	-
Net change in cash and cash equivalents	(873)	(21,843)
Cash and cash equivalents at the beginning of the year	11,217	46,107
Effect of movements in exchange rates on cash held	(1,072)	(13,047)
Cash and cash equivalents at the end of the year	9,272	11,217

The loss from the discontinued operation of QAR 7,156 thousands (2022: profit of QAR 3,223 thousands) is attributable entirely to the owners of the Company.

40. Loss of control of subsidiaries

During the previous year, due to the conflict between Russia and Ukraine, impairment indicators were identified for Group's five solar power plants in Ukraine. The Group management applied significant judgment and assessed that these solar power plants are prone to risk of getting physically damaged in the near future and significant reductions in the future revenues and cash collections. Based on this significant judgment, management had fully impaired the carrying value of Nebras investment in Ukraine solar power plants which amounted to QAR 188 million. The impairment losses were allocated to goodwill to the extent of QAR 76.7 million and property, plant, and equipment to the extent of QR 111.3 million.

During the year, three solar plants (Scythia 1, Scythia 2 and FEH) located in Zaporizhzhia and Kherson regions came under Russian control. The plants are currently operated by the occupied militaries and the guaranteed buyer has stopped accepting the invoices issued from these three plants as the output is dispatched to and utilised by the occupied territories.

Therefore, considering that Nebras management does not have control over the production or direction of use, the Group management reassesed the control exerised over these three entities and concluded that it does not exercise the power over the investee on its own. Accordingly, management deconsolidated these three subsidiaries, derecognized the respective assets, liabilities, non-controlling interests and the share of foreign currency translation reserve accumulated on translation of these foreign operations to the presentation currency and recognized the net impact in the statement of profit or loss as given below:

	Note	Amount
Property, plant and equipment, net of accumulated depreciation and impairment	7	(37,568)
Trade receivables		(6,950)
Cash and bank balances		(12,995)
Other assets		(10,171)
Loans and borrowings		79,571
Trade payables		17,140
Share of Foreign currency translation reserve		9,083
Net assets derecognized		38,110
Non-controlling interests derecognized	21	139
Profit on derecognition of subsidiaries		**38,249**

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Notes to the consolidated financial statements

40. Loss of control of subsidiaries (continued)

Post deconsolidation, these three entities are recognized as financial assets measured at fair value through other comprehensive income as per IFRS 9 “Finanical Instruments” (the fair value as at the reporting date is determined to be nominal), and the remaining two entities, namely, Terslav LLC and Sun Power Pervomaisk LLC continue to be subsidiaries as they are not in any occupied territories and are generating and dispatching energy as per the power Purchase Agreements.

41. Acquisition of a subsidiary

During the previous year, the Group had acquired additional 40% of the shares and voting interests in Nebras Power Q.P.S.C. (“Nebras”) for a cash consideration of QAR 1.931 million. As a result, the Group’s equity interest in Nebras increased from 60% to 100%, granting it absolute control of Nebras. The Group consolidated Nebras from 01 July 2022, which was determined to be the effective date of acquisition for consolidation.

Taking control of Nebras enabled the Group to expand its renewable energy interests outside Qatar and obtained significant influence and joint control over several power production facilities across multiple geographies.

(a) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	Amount
Equity accounted investees	3,501,579
Cash and cash equivalents	3,141,630
Loans and borrowings	(2,766,858)
Property, plant and equipment	1,655,122
Other assets	353,629
Other liabilities	(399,508)
Non-controlling interests	(145,970)
Total net identifiable assets acquired	**5,339,624**

Other assets and liabilities included right-of-use assets and lease liabilities, trade receivables and payables, derivative financials instruments, inventories, and others.

(b) Gain on bargain purchase

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisit

	Note	Amount
Consideration transferred		1,931,850
Fair value of pre-existing interest in Nebras (60%)		3,203,774
Fair value of net identifiable assets acquired	41 (i)	(5,339,624)
Gain on bargain purchase		**(204,000)**

(c) The remeasurement to fair value of the Group’s existing 60% interest in Nebras resulted in a profit of QAR 50.9 million in the previous year.

Notes to the consolidated financial statements

42. Operating segments

a) Basis for segmentation

Operating Segments align with internal management reporting to the Group’s chief operating decision makers. The Group manages its operations in two segments, Operations in Qatar and Operations outside Qatar. These segments offer the same products (Power and Water) but they are managed separately.

Operations in Qatar	Stable business environment and caters to the needs of the off-takers in the State.
Operations outside Qatar	Focus on the expansion of the Group’s presence in the global energy markets.
The Group’s Managing director reviews the internal management reports of each division on a monthly basis	

b) Information about reportable segments

Information related to each reportable segment is set out below. Segment profit / (loss) for the period is used to measure performance because management believed that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same business.

Information related to each reportable segment as of the reporting date is set out below:

	Operations in Qatar	Operations outside Qatar	Consolidated financial statements
For the year ended 31 December 2023			
External revenue	2,764,035	147,185	2,911,220
Inter-segment revenue	99,741	-	99,741
Segment revenue	**2,863,776**	**147,185**	**3,010,961**
Segment profit before tax	1,298,664	262,807	1,561,471
Depreciation and amortisation - net of reversals	(286,859)	(66,767)	(353,626)
Finance costs	(289,823)	(217,479)	(507,302)
Interest income	129,664	182,242	311,906
Share of results from equity-accounted investees	399,166	273,118	672,284
Income taxes	(1,174)	7,211	6,037
Other material items of income and expense			
Gain on disposal of asset held for sale	77,652	-	77,652
Dividend income	113,948	-	113,948
Other income	54,613	132,014	186,627
As at 31 December 2023			
Segment assets			
Property, plant and equipment	4,251,067	1,606,730	5,857,797
Investment in equity-accounted investees	4,014,759	4,289,876	8,304,635
knab dna hsaC	1,618,518	2,168,793	3,787,311
Other assets	3,725,852	1,614,151	5,340,003
	13,610,196	**9,679,550**	**23,289,746**
Segment liabilities			
Loans and borrowings	3,310,190	3,508,102	6,818,292
Other liabilities	899,903	362,925	1,262,828
	4,210,093	**3,871,027**	**8,081,120**

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Notes to the consolidated financial statements

42. Operating segments (continued)

b) Information about reportable segments (continued)

	Operations in Qatar	Operations outside Qatar	Consolidated financial statements
For the year ended 31 December 2022:			
External revenue	2,637,813	83,600	2,721,413
Inter-segment revenue	114,482	-	114,482
Segment revenue	**2,752,295**	**83,600**	**2,835,895**
	-	-	-
Segment profit before tax	1,644,373	105,191	1,749,564
	-	-	-
Depreciation and amortisation – net of reversals	(258,315)	(42,863)	(301,178)
Finance costs	(221,958)	(65,575)	(287,533)
Interest income	119,401	57,296	176,697
Share of results from equity-accounted investees	508,330	161,088	669,418
Income taxes	-	2,339	2,339
Other material items of income and expense			
Loss on disposal of asset held for sale	(86,084)	-	(86,084)
Impairment of property, plant and equipment	(83,094)	-	(83,094)
yrotnevni etelosbo dna gnivom wols fo tnemriapmI (slasrever fo ten)	71,024	-	71,024
Reversal of excess depreciation on property, plant and equipment	39,674	-	39,674
Dividend income	160,909	-	160,909
Bargain purchase gain arising on business combination	204,000	-	204,000
Step-up acquisition gain on deemed sale of a joint venture	50,948	-	50,948
As at 31 December 2022:			
Segment assets			
Property, plant and equipment	4,508,806	1,575,441	6,084,247
Investment in equity-accounted investees	4,604,138	4,300,542	8,904,680
secnalab knab dna hsaC	4,800,425	3,316,546	8,116,971
Other assets	4,292,825	410,770	4,703,595
	18,206,194	**9,603,299**	**27,809,493**
Segment liabilities			
Loans and borrowings	7,412,181	3,662,636	11,074,817
Other liabilities	848,111	406,988	1,255,099
	8,260,292	**4,069,624**	**12,329,916**

c) Geographic information

The Group's operations in Qatar constitutes to 95% (2022: 97%) of consolidated revenue and 85% (2022: 94%) of the consolidated profits for the period, and 59% (2022: 65%) of the consolidated total assets as of the reporting period. Outside Qatar, the Group has operations through its controlled subsidiaries in Brazil, Netherlands, Australia and Ukraine, and through its associates and joint ventures in Indonesia, Jordan, Australia, Oman and other geographies.

Notes to the consolidated financial statements

42. Operating segments (continued)

d) Major customers

In the state of Qatar, the Group produces power and water as per the Power and Water Purchase Agreement (PWPA) with the Off takers (KAHRAMAA and QatarEnergy). Outside Qatar, the Group has similar agreements with the local government authorities, and also sale electricity in the open market to private corporate customers.

43. Comparative information

The comparative figures have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications did not affect the previously reported net profit, net assets or net equity of the Group.

44. Subsequent events

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