

Qatar Electricity and Water Company Q.P.S.C.
Condensed Consolidated Interim Financial Information
30 June 2024

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

**Condensed Consolidated Interim Financial Information
As at and for the six-month period ended 30 June 2024**

Index	Page(s)
Independent auditors' review report	1 – 2
Condensed consolidated interim financial information:	
Condensed consolidated statement of financial position	3 – 4
Condensed consolidated statement of profit or loss and other comprehensive income	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 – 25



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Independent auditors' report on review of condensed consolidated interim financial information

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

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial information of Qatar Electricity and Water Company Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month period ended 30 June 2024;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independent auditors' report on review of condensed consolidated interim financial information (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

04 August 2024
Doha
State of Qatar



Gopal Balasubramaniam
KPMG
Qatar Auditors' Registry Number 251

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

**Condensed consolidated statement of financial position
As at 30 June 2024**

In thousands of Qatari Riyals

	Notes	30 June 2024 (Reviewed)	31 December 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	5,534,634	5,857,797
Right-of-use assets		42,240	49,129
Intangible assets and goodwill		63,649	66,635
Equity-accounted investees	7	9,015,942	8,304,635
Equity investments at fair value through other comprehensive income	8	2,098,270	2,017,318
Finance lease receivables	9	507,762	594,806
Derivative assets	14(b)	20,933	24,530
Loans receivable from related parties	21(b)	1,298,556	1,144,340
Deferred tax assets		47,237	48,819
Other non-current assets		42,704	72,524
		<u>18,671,927</u>	<u>18,180,533</u>
Current assets			
Inventories		96,612	96,913
Trade and other receivables		1,052,863	856,257
Finance lease receivables	9	176,593	170,082
Derivative assets	14(b)	15,570	12,265
Cash and bank balances	10	2,954,654	3,787,311
Assets held-for-distribution	23	182,532	186,385
		<u>4,478,824</u>	<u>5,109,213</u>
TOTAL ASSETS		<u>23,150,751</u>	<u>23,289,746</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,100,000	1,100,000
Legal reserve		550,000	550,000
General reserve	12	3,243,870	3,243,870
Hedge reserve	14(a)	487,717	176,478
Fair value reserve		606,473	525,521
Foreign currency translation reserve		(79,054)	36,306
Retained earnings		8,961,842	9,254,158
Equity attributable to owners of the Company		<u>14,870,848</u>	<u>14,886,333</u>
Non-controlling interests		329,258	322,293
Total equity		<u>15,200,106</u>	<u>15,208,626</u>
Non-current liabilities			
Loans and borrowings	13	4,915,736	5,000,645
Lease liabilities		37,923	45,055
Employees' end of service benefits		95,958	92,266
Other non-current liabilities		16,786	18,683
		<u>5,066,403</u>	<u>5,156,649</u>

The condensed consolidated statement of financial position continues on next page.



The notes on pages 8 to 25 form an integral part of these condensed consolidated interim financial information

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

**Condensed consolidated statement of financial position (continued)
As at 30 June 2024**

In thousands of Qatari Riyals

		30 June 2024	31 December 2023
	Notes	(Reviewed)	(Audited)
Current liabilities			
Loans and borrowings	13	1,802,257	1,817,647
Lease liabilities		9,349	10,762
Trade and other payables		898,460	916,392
Liabilities held-for-distribution	23	174,176	168,650
Other liabilities		-	11,020
		<u>2,884,242</u>	<u>2,924,471</u>
Total liabilities		<u>7,950,645</u>	<u>8,081,120</u>
TOTAL EQUITY AND LIABILITIES		<u>23,150,751</u>	<u>23,289,746</u>

This condensed consolidated interim financial information were approved by the Board of Directors and signed on its behalf by the following on 04 August 2024.

Ahmed Ali Al-Hammadi
Vice Chairman

Mohammed Nasser Al-Hajri
Managing Director and Chief Executive Officer



The notes on pages 8 to 25 form an integral part of these condensed consolidated interim financial information

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

Condensed consolidated statement of profit or loss and other comprehensive income

For the three-month and six-month period ended 30 June 2024

In thousands of Qatari Riyals

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Revenue from water and electricity	15	720,619	701,965	1,385,366	1,340,926
Income from finance lease		23,022	19,634	45,610	38,722
		<u>743,641</u>	<u>721,599</u>	<u>1,430,976</u>	<u>1,379,648</u>
Cost of sales	16	(509,162)	(492,240)	(971,835)	(946,422)
Gross profit		234,479	229,359	459,141	433,226
General and administrative expenses		(57,082)	(54,760)	(122,762)	(116,237)
Interest income		55,756	73,960	114,939	150,298
Other income	17	87,352	54,716	164,508	175,164
Operating profit		320,505	303,275	615,826	642,451
Finance costs		(122,531)	(126,803)	(236,308)	(263,478)
Share of results of equity-accounted investees – net of tax	7	169,117	205,424	312,861	318,190
Gain on sale of assets held-for-sale		-	-	-	77,652
Profit before tax from continuing operations		367,091	381,896	692,379	774,815
Less: Income tax expense		(1,965)	(2,020)	(4,227)	(4,405)
Profit after tax from continuing operations		365,126	379,876	688,152	770,410
(Loss) / profit from discontinued operations, net of tax	23	(1)	(6,517)	113	12,502
Profit for the period		365,125	373,359	688,265	782,912
Other comprehensive income:					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Equity-accounted investees - share of OCI – net of related tax	14(a)	75,139	205,284	311,519	(58,740)
Foreign operations – foreign currency translation differences		(67,921)	72,754	(116,918)	69,693
Cash flow hedges – effective portion of changes in fair value – net of related tax	14(a)	(2,410)	(4,298)	(280)	(10,127)
Cash flow hedges reclassified to profit or loss on derecognition of an associate – net of related tax	14(a)	-	-	-	(78,720)
		<u>4,808</u>	<u>273,740</u>	<u>194,321</u>	<u>(77,894)</u>
<i>Items that will not be reclassified to profit or loss:</i>					
Equity investments at FVOCI – net change in fair value	8	144,404	(50,970)	80,952	(79,372)
Other comprehensive income for the period – net of tax		149,212	222,770	275,273	(157,266)
Total comprehensive income for the period		514,337	596,129	963,538	625,646
Profit attributable to:					
Owners of the Company		361,162	367,917	679,654	768,580
Non-controlling interests		3,963	5,442	8,611	14,332
		<u>365,125</u>	<u>373,359</u>	<u>688,265</u>	<u>782,912</u>
Total comprehensive income attributable to:					
Owners of the Company		504,901	590,687	956,485	611,314
Non-controlling interests		9,436	5,442	7,053	14,332
		<u>514,337</u>	<u>596,129</u>	<u>963,538</u>	<u>625,646</u>
Earnings per share:					
Basic and diluted earnings per share (Qatari Riyals)	18	0.33	0.33	0.62	0.70

The notes on pages 8 to 25 form an integral part of these condensed consolidated interim financial information

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

**Condensed consolidated statement of changes in equity
For the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

	Share capital	Legal reserve	General reserve	Cash flow hedge reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance as at 1 January 2024	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
Profit for the period	-	-	-	-	-	-	679,654	679,654	8,611	688,265
Other comprehensive income	-	-	-	311,239	80,952	(115,360)	-	276,831	(1,558)	275,273
Total comprehensive income	-	-	-	311,239	80,952	(115,360)	679,654	956,485	7,053	963,538
Dividends relating to year 2023 (Note 11)	-	-	-	-	-	-	(946,000)	(946,000)	-	(946,000)
Other movements	-	-	-	-	-	-	(25,970)	(25,970)	(88)	(26,058)
Balance at 30 June 2024 (Reviewed)	1,100,000	550,000	3,243,870	487,717	606,473	(79,054)	8,961,842	14,870,848	329,258	15,200,106
Balance as 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	-	-	-	-	-	-	768,580	768,580	14,332	782,912
Other comprehensive income	-	-	-	(147,587)	(79,372)	69,693	-	(157,266)	-	(157,266)
Total comprehensive income	-	-	-	(147,587)	(79,372)	69,693	768,580	611,314	14,332	625,646
Transfer of gain upon disposal of equity investments at FVOCI	-	-	-	-	(100,517)	-	100,517	-	-	-
Dividends relating to year 2022 (Note 11)	-	-	-	-	-	-	(1,045,000)	(1,045,000)	(13,122)	(1,058,122)
<i>Prior period adjustments:</i>										
Contribution to social and sports support fund*	-	-	-	-	-	-	(36,325)	(36,325)	-	(36,325)
Other movements	-	-	-	-	-	-	(9,483)	(9,483)	(2,889)	(12,372)
Balance at 30 June 2023 (Reviewed)	1,100,000	550,000	3,243,870	740,609	434,862	68,545	8,506,381	14,644,267	331,894	14,976,161

* This pertains to the additional contribution claimed by the Social and Sports Contribution Fund related to the prior years.

The notes on pages 8 to 25 form an integral part of these condensed consolidated interim financial information.

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

**Condensed consolidated statement of cash flows
For the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

	Notes	For the six-month period 30 June	
		2024 (Reviewed)	2023 (Reviewed)
OPERATING ACTIVITIES			
Profit for the period		688,265	782,912
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	6	165,153	185,810
Depreciation of right-of-use assets		5,249	5,082
Share of results from equity-accounted investees – net of tax	7	(312,861)	(318,190)
Interest expense on lease liabilities		7,157	6,185
Provision for employees' end of service benefits		6,600	6,355
Amortization expenses		13,312	7,231
Dividend income from equity investments at FVOCI	17	(95,427)	(113,948)
Interest income		(114,939)	(150,298)
Interest expense		236,308	263,478
(Reversal of) / provision of slow-moving inventories		(902)	1,477
Gain on disposal of asset held-for-sale		-	(77,652)
Operating profit before working capital changes		597,915	598,442
<i>Working capital adjustments:</i>			
Inventories		1,203	(29,474)
Trade and other receivables		(197,519)	(33,977)
Finance lease receivables		80,533	15,670
Deferred tax assets		1,582	-
Trade and other payables		(27,540)	105,372
Cash flows from operating activities		456,174	656,033
Employees' end of service benefits paid		(2,908)	(1,047)
Net cash generated from operating activities		453,266	654,986
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment – net of adjustments	6	(30,590)	(11,821)
Proceeds from sale of property plant and equipment – net of expenses	6	91	3,034
Investment in equity-accounted investees	7	(331,495)	(108,552)
Dividends received from equity-accounted investees	7	196,368	275,145
Proceeds from sale of equity investments at FVOCI	8	-	316,702
Dividends received from equity investments at FVOCI	17	95,427	113,948
Interest received		115,853	143,445
Proceeds from sale of asset held-for-sale – net of expenses		-	235,259
Net movement in term deposits with original maturity over 90 days		(538,880)	2,953,996
Net movement in other non-current assets		27,062	(35,063)
Net cash (used in) / generated from investing activities		(466,164)	3,886,093
FINANCING ACTIVITIES			
Proceeds from interest-bearing loans and borrowings		187,781	72,191
Repayment of interest-bearing loans and borrowings		(167,662)	(2,153,272)
Interest on loans and borrowings paid		(237,722)	(242,968)
Net movement in loans receivable from equity-accounted investees		(177,823)	(21,737)
Dividends paid		(946,000)	(1,052,549)
Repayment of lease liabilities (including interest)		(15,900)	(9,384)
Net cash used in financing activities		(1,357,326)	(3,407,719)
NET CHANGE IN CASH AND CASH EQUIVALENTS			
		(1,370,224)	1,133,360
Cash and cash equivalents at the beginning of the period		2,154,013	1,482,511
Effects of movements in exchange rates on cash held in foreign currency		(1,313)	(14,071)
Cash and cash equivalents at 30 June	10	782,476	2,601,800



The notes on pages 8 to 25 form an integral part of these condensed consolidated interim financial information.

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

Notes to the condensed consolidated interim financial information As at and for the six-month period ended 30 June 2024

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 Exchange since 3 May 1998.

The condensed consolidated interim financial information 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 at 30 June 2024 and the immediate reporting period are as follows:

Name of subsidiaries	Country of incorporation	Effective shareholding	
		2024	2023
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%
Indirect subsidiaries (held through Nebras)			
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%
Terslav LLC	Ukraine	75%	75%
Sun Power Pervomaisk LLC	Ukraine	75%	75%
Nebras Power Australia Pty Ltd	Australia	100%	100%

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

Notes to the condensed consolidated interim financial information As at and for the six-month period ended 30 June 2024

1. Reporting entity (continued)

Name of subsidiaries	Country of incorporation	Effective shareholding	
		2024	2023
Indirect subsidiaries (held through Nebras) (continued)			
Carmel Solar 1	South Africa	100%	100%
Carmel Solar 2	South Africa	100%	100%
Carmel Solar 3	South Africa	100%	100%
Turffontein Solar 1	South Africa	100%	100%
Varkenslaagte Solar	South Africa	100%	100%

The Company has the following equity-accounted investees at 30 June 2024 and the immediate reporting period:

Name of equity-accounted investee	Country of incorporation	Classification	Effective shareholding	
			2024	2023
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 held through Nebras				
Unique Meghnaghat Power Limited	Bangladesh	Joint venture	18%	18%
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 Participacoes S.A.	Brazil	Joint venture	50%	50%
NEC Desinvestimentos e Projectos em Energia e Participacoes S.A.	Brazil	Joint venture	50%	50%
NEKS Energy B.V.	Uzbekistan	Joint venture	33.30%	33.30%
Diamante	Brazil	Joint venture	50%	50%
Phoenix Power Company SAOG	Oman	Associate	9.84%	9.84%
Phoenix Operation and Maintenance Company L.L.C.	Oman	Associate	15%	15%
Nebras Power Oasis Ltd (formerly "AES Oasis Ltd")	Cayman Islands	Associate	38.89%	38.89%
Nebras Power Baltic Holdings B.V. (formerly "AES Baltic Holding B.V.")	Netherlands	Associate	83.33%	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%
AES Jordan Solar B.V.	Netherlands	Associate	40%	40%
Stockyard Hill Wind Farm (Holding) Pty Ltd	Australia	Associate	49.9%	49.9%
Moorabool Wind Farm	Australia	Associate	49.9%	49.9%
Equitix Aragorn Holdco Ltd.	United Kingdom	Associate	49.9%	49.9%
Surkhandarya	Uzbekistan	Associate	26.25%	-

2. Basis of preparation

The condensed consolidated interim financial information for the six-month period ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34").

The condensed consolidated interim financial information is 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.

Functional and presentation currency

The condensed consolidated interim financial information has been presented in Qatar Riyals ("QAR"), which is the functional currency of the Company.

Items included in the condensed consolidated interim financial information 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 following subsidiaries of the Company, which operate in foreign jurisdictions, have the following functional currencies:

Name of the indirect 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
Terslav LLC	Ukrainian Hryvnia
Sun Power Pervomaisk LLC	Ukrainian Hryvnia
Nebras Power Australia Pty Ltd	AUD
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

2. Basis of preparation (continued)

This condensed consolidated interim financial information do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. In addition, the results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

This condensed consolidated interim financial information was authorised for issue by the Board of Directors on 04 August 2024.

3. Material accounting policies

The accounting policies adopted in the preparation of these condensed consolidated interim financial information is consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Accounting Standards issued but not yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial information.

4. Use of judgments and estimates

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2023.

6. Property, plant and equipment

Additions

During the six-month period ended 30 June 2024, the Group acquired property, plant and equipment with a total costs of QAR 30,590 thousand (Year ended 31 December 2023: QAR 50,951 thousand).

Disposals / write-offs

Disposals / write-offs made during the six-month period ended 30 June 2024 amounted to QAR 91 thousand (Year ended 31 December 2023: QAR 21,774 thousand).

Depreciation

Depreciation charged during the six-month period ended 30 June 2024 amounted to QAR 165,153 thousand (Period ended 30 June 2023: QAR 185,810 thousand).

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

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

7. Equity-accounted investees

The movement in the Group's investment in equity-accounted investees were as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At the beginning of the period / year	8,304,635	8,904,680
Additional investment made during the period / year	331,495	463,627
Reclassification to loans receivable from related parties	-	(506,174)
Share of results for the period / year – net of tax	312,861	672,284
Share of other comprehensive income – cash flow hedges	311,519	(598,647)
Share of other comprehensive income – foreign currency translation	(48,200)	(20,242)
Dividends received	(196,368)	(610,893)
At the end of the period / year	9,015,942	8,304,635

The Group has investment in the following equity-accounted investees:

Name of the equity-accounted investee	Country of incorporation	Effective ownership %	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Umm Al Houl Power Q.P.S.C.	Qatar	60%	2,312,211	2,122,070
Ras Girtas Power Company Q.P.S.C. (i)	Qatar	45%	1,052,570	918,377
Mesaieed Power Company Q.P.S.C.	Qatar	40%	620,785	544,627
Qatar Power Q.J.P.S.C. (ii)	Qatar	55%	418,609	429,687
Unique Meghnaghat Power Limited	Bangladesh	18%	285,555	281,617
NEC Energia e Participacoes S.A.	Brazil	50%	124,373	143,519
NEC Desinvolvimentod e Projectos em Energia e Participacoes S.A.	Brazil	50%	30,538	28,902
Shams Maan Solar UK Ltd	United Kingdom	35%	46,037	44,043
Zonnepark Mosselbanken Tem.	Netherlands	40%	29,650	29,617
Zonnepark Duisterweg B.V.	Netherlands	40%	9,810	9,452
Diamante Geração De Energia	Brazil	50%	25,658	21,506
NEKS Energy B.V.	Uzbekistan	33.30%	22,858	12,038
Nebras IPC Power Developments Ltd	United Kingdom	50%	647	647
Surkhandarya (iii)	Uzbekistan	26.25%	86,255	-
PT Paiton Energy Pte Ltd	Indonesia	26%	1,541,833	1,501,861
IPM Asia Pte Ltd	Singapore	35%	95,313	89,126
Minejesa Capital B.V.	Netherlands	26%	142,843	145,395
Phoenix Power Company SAOG	Oman	9.84%	225,430	226,359
Phoenix Operation and Maintenance Company L.L.C.	Oman	15%	1,158	2,812
Nebras Power Oasis Ltd (formerly "AES Oasis Ltd") (iv)	Cayman Islands	38.89%	280,782	193,729
Nebras Power Baltic Holding B.V. (formerly "AES Baltic Holding B.V.") (iv)	Netherlands	83.33%	351,778	266,375
AES Jordan Solar B.V.	Netherlands	40%	36,090	32,230
Stockyard Hill Wind Farm (Holding) Pty Ltd	Australia	49.9%	556,367	539,229
Moorabool Wind Farm	Australia	49.9%	441,482	409,796
Equitix Aragorn Holdco Ltd.	United Kingdom	49.9%	277,310	311,621
			9,015,942	8,304,635

7. Equity-accounted investees (continued)

(i) Ras Girtas Power Company Q.P.S.C. (the "Company")

During 2019, the General Tax Authority (GTA) issued an income tax assessment for the years 2010 to 2018 requiring the Company to pay additional taxes of USD 85 million (QAR 310 million) including penalties amounting to USD 27 million (QAR 98.4 million) although the Company had a tax holiday for the period between April 2011 and March 2017. Currently, the Company is awaiting response from the Appeal Committee.

However, the Company has recognised provision of the additional taxes of USD 85 million and also recorded receivables for the same amount as the Company is entitled to be compensated for the tax expenses either by KAHRAMAA as per the PWPA (pass through arrangement) or by the Ministry of Finance (MoF) as per the Memorandum of Understanding ("MoU") signed on 2 February 2020. 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 previous year, KAHRAMAA has disputed the receivables pertaining to the year 2019 to 2022 amounting to USD 25.7 million (QAR 93.6 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 accordingly, the Company has not created any provisions in this regard. Currently, the Company is in the process of formulating the appropriate strategy to respond to KAHRAMAA and also obtain consultations from GTA, wherever necessary.

(ii) Qatar Power Q.J.P.S.C. (the "Company")

During 2020, the General Tax Authority (GTA) had issued an income tax assessment for the years 2016 and 2017 related to taxability of foreign shareholders' share of profits, requiring the Company to pay additional taxes of USD 17.2 million (QAR 62.7 million). Basis the assessment, the Company had created a provision for the additional taxes and also recognized receivables for the same amount as the Company is entitled to be compensated for the tax expenses either by KAHRAMAA as per the PWPA (pass through arrangement) or by the Ministry of Finance (MoF) as per the Memorandum of Understanding ("MoU") signed on 2 February 2020.

During the previous year, the Court of Cessation rejected the subsequent appeal filed by the Company as well as the appeal filed by GTA although the Court earlier had ruled in favour of the Company agreeing with the independent expert's opinion but with some conflicting elements pertaining to the year 2017. Management is consulting with their legal advisors for the next steps and the necessary actions to be taken to resolve this matter.

In April 2024, GTA issued an additional income tax assessment for the year 2018 requiring the Company to pay additional taxes of USD 17.8 million (QAR 64.9 million) related to the taxability of foreign shareholders' share of profits. Similar to the above assessments, considering that the taxability of foreign shareholders were not applicable in the erstwhile tax law, the Company is in the process of appealing to the Appeal Committee as the objection filed to the GTA was rejected. However, the Company has no tax exposure as any additional taxes to be borne by the Company will be compensated by KAHRAMAA as per the PWPA (pass through arrangement) or by the Ministry of Finance (MoF) as per the Memorandum of Understanding ("MoU") signed on 2 February 2020

(iii) Surkhandarya, Uzbekistan

On 15 March 2024, the Group acquired 35% shareholding in Stone City Energy B.V., a company registered in Netherlands which holds 75% in SCE-Quvvat LLC, a project company in Uzbekistan. The project company is established to design, construct, maintain and operate a greenfield combined-cycle gas turbine (CCGT) power plant of 1,590MW capacity and associated infrastructure in Surkhandarya region in Uzbekistan.

(iv) Nebras Oasis and Baltic (IPP1 and IPP4)

On 27 March 2024, the Group purchased additional shareholding in Nebras Power Oasis Ltd. and Nebras Power Baltic Holding B.V. (revised holding of 83.33% each). These two entities respectively hold 60% interests in IPP1 (Nebras Power Jordan PSC) and IPP4 (Nebras Power Baltic Holding B.V.), two gas fired power plants in Jordan. The investees continue to be accounted as an associate in the group's condensed consolidated interim financial information as the additional purchase did not result in obtaining absolute or joint control.

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

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

8. Equity investments at fair value through other comprehensive income

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At the beginning of the period / year	2,017,318	2,322,763
Disposals during the period / year	-	(316,732)
Net change in fair value	80,952	11,287
At the end of the period / year	<u>2,098,270</u>	<u>2,017,318</u>

9. Finance lease receivables

Present value of minimum lease receivable is the gross lease receivable in the lease discounted at the interest rate implicit in the lease. The implicit interest rate is 9.32% per annum (2023: 9.32% per annum). 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.

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Gross investment in the lease	827,611	942,979
Unearned finance income	(143,256)	(178,091)
Present value of minimum lease receivable	<u>684,355</u>	<u>764,888</u>

The finance lease receivables are presented in the condensed consolidated statement of financial position as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current portion	507,762	594,806
Current portion	176,593	170,082
	<u>684,355</u>	<u>764,888</u>

10. Cash and bank balances

	30 June 2024 (Reviewed)	31 December 2023 (Audited)	30 June 2023 (Reviewed)
Cash at bank – call and current accounts (i)	567,180	1,026,403	1,023,916
Term deposits (ii)	2,387,399	2,755,630	5,258,267
Cash in hand	75	5,278	81
Cash and bank balances	<u>2,954,654</u>	<u>3,787,311</u>	<u>6,282,264</u>
Less: term deposits with original maturity of over 90 days	(2,172,178)	(1,633,298)	(3,680,464)
Cash and cash equivalents for the purpose of the condensed consolidated statement of cash flows	<u>782,476</u>	<u>2,154,013</u>	<u>2,601,800</u>

Note:

- (i) Cash held in bank current accounts earns no interest.
- (ii) Term deposits are made for varying terms depending on the immediate cash requirements of the Group and earn interest at market rates.

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

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

11. Share capital

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
<i>Authorized, issued and paid-up share capital</i>		
1,100,000,000 ordinary shares with nominal value of QAR 1 each	<u>1,100,000</u>	<u>1,100,000</u>

Cash dividend

During the period, the shareholders of the Company approved and paid a cash dividend of QAR 0.86 per share totalling to QAR 946 million for the year 2023 (30 June 2023: QAR 0.95 per share totalling to QAR 1,045 million for the year 2022).

12. 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.

13. Loans and borrowings

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
At the beginning of the period / year	6,861,512	11,118,807
Additional borrowings during the period / year	187,781	124,666
Repayment of borrowings during the period / year	(167,662)	(4,399,450)
Derecognition on deconsolidation of subsidiaries	-	(79,571)
Effects of movement in exchange rates	<u>(129,882)</u>	<u>97,060</u>
	6,751,749	6,861,512
Amortization of loan arrangement fee	<u>(33,756)</u>	<u>(43,220)</u>
At the end of the period / year	<u>6,717,993</u>	<u>6,818,292</u>

The Group has obtained loans for its production facilities of RAF A1, RAF A2, RAF A3 and RAF B2 which are also pledged against these production facilities.

Loans and borrowings are presented in the condensed consolidated statement of financial position as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Non-current portion	4,915,736	5,000,645
Current portion	<u>1,802,257</u>	<u>1,817,647</u>
	<u>6,717,993</u>	<u>6,818,292</u>

14. 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.

	For the three-month period ended 30 June		For the six-month period ended 30 June		31 December
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)	2023 (Audited)
At the beginning of the period / year	414,988	539,623	176,478	888,196	888,196
Equity-accounted investees - share of OCI – net of related tax	75,139	205,284	311,519	(58,740)	(598,647)
Cash flow hedges – effective portion of changes in fair value – net of related tax	(2,410)	(4,298)	(280)	(10,127)	(42,159)
Cash flow hedges reclassified to profit or loss on derecognition of an associate – net of related tax	-	-	-	(78,720)	(78,720)
Other movements	-	-	-	-	7,808
At the end of the period / year	487,717	740,609	487,717	740,609	176,478

(b) Derivatives

Fair value of interest rate swaps for hedging are presented in the condensed consolidated statement of financial position as follows:

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Assets		
Non-current portion	20,933	24,530
Current portion	15,570	12,265
	36,503	36,795

15. 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.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Revenue from electricity	385,520	370,384	722,121	691,376
Revenue from water	335,099	331,581	663,245	649,550
Total revenue	720,619	701,965	1,385,366	1,340,926

15. Revenue (continued)

(a) Revenue streams (continued)

Revenue from contract with customers (IFRS 15)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Sale of electricity	222,315	205,446	399,774	371,107
Sale of water	60,010	56,651	112,286	102,400
	282,325	262,097	512,060	473,507

Operating lease revenue – capacity charges (IFRS 16)

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Electricity	163,205	164,938	322,346	320,269
Water	275,089	274,930	550,960	547,150
	438,294	439,868	873,306	867,419

(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.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Primary geographical markets				
Qatar	255,650	224,695	454,756	402,802
Latin America	22,162	23,289	48,820	47,647
Europe	4,513	14,113	8,484	23,058
	282,325	262,097	512,060	473,507

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Timing of revenue recognition				
Point in time (i)	229,912	216,595	410,110	386,326
Over time (ii)	52,413	45,502	101,950	87,181
	282,325	262,097	512,060	473,507

(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.

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

**Notes to the condensed consolidated interim financial information
As at and for the six-month period ended 30 June 2024**

In thousands of Qatari Riyals

16. Cost of sales

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Cost of gas consumed	323,186	306,705	588,068	567,696
Depreciation of property, plant and equipment	82,922	83,539	163,768	164,992
Staff costs	39,547	40,823	89,866	86,297
Spare parts, chemicals and consumables	16,060	9,586	35,411	30,570
Others	47,447	51,587	94,722	96,867
	509,162	492,240	971,835	946,422

17. Other income

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Dividend income from equity investments at FVOCI	21,287	22,701	95,427	113,948
Miscellaneous income	66,065	32,015	69,081	61,216
	87,352	54,716	164,508	175,164

18. Earnings per share

The calculation of basic earnings per share ('EPS') is arrived by dividing the profit attributable to the owners of the parent company for the period by the weighted average number of ordinary shares outstanding during the period.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Profit for the period attributable to owners of the Company	361,162	367,917	679,654	768,580
Weighted average number of shares outstanding during the period (number of shares in thousands)	1,100,000	1,100,000	1,100,000	1,100,000
Basic and diluted earnings per share (expressed in QAR per share)	0.33	0.33	0.62	0.70

Diluted earnings per share

As the Company has no potential dilutive shares, the diluted EPS equals to the basic EPS.

19. 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-taker (KAHRAMAA) in the State.
Operations outside Qatar	Focus on the expansion of the Group's presence in the global energy markets.

The Group's Chief Executive Officer 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.

	Operations in Qatar	Operations outside Qatar	Consolidated interim financial information
For the period ended 30 June 2024			
External revenue	1,373,672	57,304	1,430,976
Inter-segment revenue	57,968	-	57,968
Segment revenue	1,431,640	57,304	1,488,944
Segment profit before tax	566,412	125,967	692,379
Depreciation and amortisation – net of reversals	(139,638)	(30,763)	(170,401)
Finance costs	(165,920)	(70,388)	(236,308)
Interest income	81,971	32,968	114,939
Share of results from equity-accounted investees – net of tax	191,069	121,792	312,861
Income taxes	-	(4,227)	(4,227)
<i>Other material items of income and expense</i>			
Dividend income	95,427	-	95,427
Other income	16,140	52,941	69,081
As at 30 June 2024			
Segment assets			
Property, plant and equipment	4,137,565	1,397,069	5,534,634
Equity-accounted investees	4,404,174	4,611,768	9,015,942
Cash and bank balances	2,774,232	180,422	2,954,654
Other assets	3,948,032	1,697,489	5,645,521
	15,264,003	7,886,748	23,150,751
Segment liabilities			
Loans and borrowings	4,788,717	1,929,276	6,717,993
Other liabilities	990,808	241,844	1,232,652
	5,779,525	2,171,120	7,950,645

19. Operating segments (continued)

B. Information about reportable segments (continued)

	Operations in Qatar	Operations outside Qatar	Consolidated interim financial information
For the period ended 30 June 2023			
External revenue	1,308,943	70,705	1,379,648
Inter-segment revenue	<u>45,045</u>	<u>-</u>	<u>45,045</u>
Segment revenue	<u>1,353,988</u>	<u>70,705</u>	<u>1,424,693</u>
Segment profit before tax	697,569	77,246	774,815
Depreciation and amortisation – net of reversals	(140,923)	(27,875)	(168,798)
Finance costs	(206,779)	(56,699)	(263,478)
Interest income	140,575	9,723	150,298
Share of results of equity accounted investees – net of tax	197,867	120,323	318,190
Income taxes	-	(4,405)	(4,405)
<i>Other material items of income and expense</i>			
Gain on disposal of asset held-for-sale	77,652	-	77,652
Dividend income	113,948	-	113,948
Other income	41,847	19,369	61,216
As at 31 December 2023			
<i>Segment assets</i>			
Property, plants and equipment and work in progress	4,251,067	1,606,730	5,857,797
Equity-accounted investees	4,014,759	4,289,876	8,304,635
Cash and bank balances	1,618,518	2,168,793	3,787,311
Other assets	<u>3,725,852</u>	<u>1,614,151</u>	<u>5,340,003</u>
	<u>13,610,196</u>	<u>9,679,550</u>	<u>23,289,746</u>
<i>Segment liabilities</i>			
Loans and borrowings	3,310,190	3,508,102	6,818,292
Other liabilities	<u>899,903</u>	<u>362,925</u>	<u>1,262,828</u>
	<u>4,210,093</u>	<u>3,871,027</u>	<u>8,081,120</u>

C. Geographic information

The Group's operations in Qatar constitutes to 95.99% of consolidated revenue and 81.81% of the consolidated profits for the period, and 65.93% of the consolidated total assets as of the reporting period. Outside Qatar, the Group has operations through its controlled subsidiaries in Brazil, Netherlands and Ukraine, and through its associates and joint ventures in Indonesia, Jordan, Australia, UK, Oman and other geographies.

D. Major customers

In the State of Qatar, the Group produces power and water as per the Power and Water Purchase Agreement with the Off-taker (KAHRAMAA). Outside Qatar, the Group has similar agreements with the local government and non-government authorities.

20. Commitments and contingent liabilities

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
(a) Contingent liabilities:		
Corporate guarantees issued on behalf of equity-accounted investees	900,220	951,207
Letter of credits	<u>182,353</u>	<u>331,089</u>
	<u>1,082,573</u>	<u>1,282,296</u>
(b) Other commitments:		
<i>Derivative financial instruments:</i>		
Interest rate swaps (notional amount)	<u>526,205</u>	<u>537,787</u>

Other contingencies:

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

During 2022, The General Tax Authority ("GTA") had issued a presumptive tax assessment for the financial year 2016, requiring the Company to pay additional taxes of QAR 27.7 million (including penalty of QAR 13.9 million) and is currently awaiting response from the Tax Appeal Committee. In addition, during the previous year, the GTA also issued an additional assessment for the financial year 2017, claiming additional QAR 16.1 million (including penalty of QAR 8.1 million). Similar to the previous assessment, the Company has appealed to the Tax Appeal Committee when the objection filed to the GTA was rejected and the response is awaited.

(ii) Salgueiro Solar Holding S.A., Brazil ("the Company")

During 2022, the EPC contractor of the Salgueiro plants ("SNEF Brasil") had 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, the Company had 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 26.1 million). As at the reporting date, the parties have submitted their final statements to the Arbitral Tribunal and the response is awaited.

21. 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.

Transactions with related parties included in the condensed consolidated statement of profit or loss and other comprehensive income are as follows:

21. Related party disclosures (continued)

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

	Nature of the transactions	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2024	2023	2024	2023
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Shareholders:					
KAHRAMAA	Sale of electricity	358,845	299,679	664,817	620,671
	Sale of water	335,099	331,581	663,245	649,549
	Lease interest	23,022	19,634	45,610	38,722
QatarEnergy	Cost of gas consumed	323,186	306,705	588,068	567,696
Equity-accounted investees:					
Umm Al Houl Power Q.P.S.C.	Secondment income	1,731	456	3,462	2,187
Qatar Power Q.J.P.S.C.	Secondment income	1,314	1,265	2,627	2,578
Ras Girtas Power Company Q.P.S.C.	Secondment income	1,914	1,914	3,829	3,829
Mesaieed Power Company Q.P.S.C.	Secondment income	547	547	1,094	1,094
Minejasa Capital B.V.	Fee income	-	-	-	7,385
Enersok FE LLC (Uzbekistan)	Interest income	-	-	-	714
Shams Ma'an Power	Fee income	-	-	-	382
Other related parties	Secondment income	-	-	-	224

b) Loans receivable from related parties

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Balance at beginning of the period / year	1,144,340	60,702
Additional loans granted during the period / year	177,823	589,603
Reclassifications made during the period / year	-	494,035
Effects of movements in exchange rates	(23,607)	-
Balance at end of the period / year	<u><u>1,298,556</u></u>	<u><u>1,144,340</u></u>

c) Receivables from related parties

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Shareholders:		
KAHRAMAA	760,482	658,254
QatarEnergy	14,373	14,373
Equity-accounted investees:		
Enersok FE LLC (Uzbekistan)	12,138	12,138
Nebras Power Jordan PSC (formerly "AES Jordan PSC")	130	6,414
Equitix Aragorn Holdco Ltd.	-	2,128
Umm Al Houl Power Q.P.S.C.	2,561	1,921
Qatar Power Q.P.J.S.C.	1,313	1,488
Ras Girtas Power Company Q.P.S.C.	1,915	1,489
Mesaieed Power Company Limited Q.P.S.C.	1,197	1,015
Nebras-IPC Power Development Ltd	-	303
Zonnepark Mosselbanken Terneuzen B.V.	-	115
Zonnepark Duisterweg	-	21
Nebras Power Oasis Ltd (formerly "AES Oasis Ltd")	-	18
IPM Asia Pty Ltd	19	19
Other related parties	2,655	8
	<u><u>796,783</u></u>	<u><u>699,704</u></u>

21. Related party disclosures (continued)

d) Payables to related parties

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
<i>Shareholders:</i>		
KAHRAMAA	143,780	142,586
QatarEnergy	266,352	156,077
<i>Affiliates:</i>		
Others	9,518	9,463
	419,650	308,126

The above balances have arisen in normal course of business, and are of trading nature, bear no interest or securities and are receivable / payable on demand, hence classified as current and are included in trade and other receivables, and trade and other payables respectively in the condensed consolidated statement of financial position.

e) Compensation of key management personnel

The remuneration of the Board of Directors and members of key management during the period is as follows:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Directors' fees – short term	5,765	4,522	11,267	10,293
Management remuneration – short term	1,888	1,400	3,775	2,467
Board Committee remuneration – short term	257	257	515	515
	7,910	6,179	15,557	13,275

22. Fair values of financial instruments

The following table shows fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments carried at fair value. It does not include fair value hierarchy information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

As at 30 June 2024, the Group held the following classes of financial instruments measured at fair value:

Derivative and non-derivative financial assets / (financial liabilities)	Classification	As at 30 June 2024		Fair value Hierarchy
		Carrying value	Fair value	
Cash and bank balances	Amortised cost	2,954,654	-	-
Trade and other receivables	Amortised cost	1,052,863	-	-
Financial assets at fair value through OCI	FVOCI	2,098,270	2,098,270	Level 1
Loans receivable from related parties	Amortised cost	1,298,556	-	-
Derivative assets	FVOCI	36,503	36,503	Level 2
Disposal group held-for-distribution	Fair value less costs to sell	182,532	182,532	Level 3
Liabilities held-for-distribution	Other financial liabilities	(174,176)	(174,176)	Level 3
Loans and borrowings	Amortised cost	(6,717,993)	(6,717,993)	-
Lease liabilities	Other financial liabilities	(47,272)	-	-
Trade and other payables (excluding derivative financial liabilities)	Other financial liabilities	(898,460)	-	-

22. Fair values of financial instruments (continued)

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		Fair value Hierarchy
		Carrying value	Fair value	
Cash and bank balances	Amortised cost	3,787,311	-	-
Trade 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 related parties	Amortised cost	1,144,340	-	-
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	Amortised cost	(6,818,292)	(6,818,292)	-
Lease liabilities	Other financial liabilities	(55,817)	-	-
Trade and other payables (excluding derivative financial liabilities)	Other financial liabilities	(916,392)	-	-

During the reporting period/year ended 30 June 2024 and 31 December 2023, there were no transfers between Level 1, Level 2, and Level 3 fair value measurements.

When measuring the fair value of an asset or liability, the Group uses market observable 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 market price (unadjusted) in active markets for an identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Valuation techniques

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. The fair value of derivative instruments is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty, this is calculated based on credit spreads derived from current credit default swap or bond prices.

23. Disposal group held-for-distribution

Carthage Power Company ("CPC"), one of the subsidiaries of the Group is classified as Disposal group held-for-distribution in accordance with the requirements of IFRS 5 - 'Non-current assets held-for-sale and discontinued operations' as it ceased its ability to continue as a going concern when the concession agreement came to an end in May 2022. Accordingly, the assets and liabilities of the subsidiary are presented as a disposal group held-for-distribution and the results of the subsidiary are shown as discontinued operations in the condensed consolidated statement of profit or loss and other comprehensive income. The Group holds 60% shares in the said subsidiary.

Information regarding the assets, liabilities and results of the subsidiary are presented below;

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

	30 June 2024 (Reviewed)	31 December 2023 (Audited)
Property, plant and equipment	67	6
Trade and other receivables	173,540	177,107
Cash and cash equivalents	8,925	9,272
Assets held-for-distribution	182,532	186,385
Trade and other payables	174,176	168,650
Liabilities held-for-distribution	174,176	168,650

ii) Cash flows from disposal group held-for-distribution

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024 (Reviewed)	2023 (Reviewed)	2024 (Reviewed)	2023 (Reviewed)
Cash used in operating activities	(30)	(7,828)	(322)	(17,972)
Cash generated from / (used in) investing activities	-	97	(62)	129
Net change in cash and cash equivalents	(30)	(7,731)	(384)	(17,843)
Cash and cash equivalents at the beginning of the period / year	8,973	6,827	9,272	11,217
Effects of movements in exchange rates on cash held	(18)	12,142	37	17,864
Cash and cash equivalents at the end of the period / year	8,925	11,238	8,925	11,238

The profit from the discontinued operation generated during the period amounted to QR 113 thousand (30 June 2023: QR 12,502 thousand), out of which QAR 68 thousand is attributed to the owners of the Company (30 June 2023: QAR 7,501 thousand) and QAR 45 thousand (30 June 2023: QAR 5,001 thousand) to the non-controlling interests.

24. Subsequent events

There were no material events subsequent to the reporting date, which have a bearing on the understanding of these condensed consolidated interim financial information.