Nebras Power Q.P.S.C.

Consolidated financial statements

31 December 2020

Nebras Power Q.P.S.C.

Consolidated financial statements
As at and for the year ended 31 December 2020

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Nebras Power Q.P.S.C.
Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Nebras Power Q.P.S.C. (the "Company") and its subsidiaries (together with the Company, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report for the year 2020 (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. Prior to the date of this auditor's report, we obtained the report of the Board of Directors which forms part of the Annual Report, and the remaining sections of the Annual Report are expected to be made available to us after that date.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (Continued)

Other Information (continued)

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, when we read the remaining sections of the Annual Report, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report at this stage based on the work that we have performed.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on the Audit of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of the inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015 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 2020.

09 March 2021
Doha
State of Qatar

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Gopal Balasubramaniam
Qatar Auditors' Registry Number No. 251
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Nebras Power Q.P.S.C.

Consolidated statement of financial position
As at 31 December 2020

In Qatari Riyals

	Notes	2020	2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	**99,055,934**	82,923,327
Right-of-use of assets	6	**33,304,245**	10,294,137
Construction in progress	7	**481,338,138**	33,227,556
Goodwill	21	**148,031,209**	167,272,551
Equity-accounted investees	8	**2,980,023,478**	2,984,026,861
Equity investments at FVOCI		**506,944**	506,944
Derivative financial instruments	15(b)	**2,097,028**	5,105,049
Other non-current assets	9	**98,343,475**	58,780,268
Deferred tax asset	26	**20,776,880**	17,765,985
		3,863,477,331	3,359,902,678
Current assets			
Inventories		**6,833,911**	9,465,306
Trade and other receivables	10	**322,195,054**	103,599,287
Receivables from related parties	20(c)	**586,427**	481,317
Term deposits	11	**-**	468,661,518
Cash and cash equivalents	12	**3,284,951,472**	3,259,298,889
Assets held for sale	14	**531,740,962**	-
		4,146,307,826	3,841,506,317
Total assets		**8,009,785,157**	7,201,408,995
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**3,650,000,000**	3,650,000,000
Hedging reserve	15(a)	**(71,385,739)**	(20,422,841)
Translation reserve		**(23,690,702)**	(1,613,424)
Statutory reserves		**486,838**	-
Retained earnings		**1,498,444,660**	1,217,932,521
Equity attributable to owners of the Company		**5,053,855,057**	4,845,896,256
Non-controlling interests		**99,947,346**	65,202,312
Total equity		**5,153,802,403**	4,911,098,568
Non-current liabilities			
Derivative financial instruments	15(b)	**57,834,921**	23,177,686
Loans and borrowings	16	**2,258,884,144**	1,948,164,943
Lease liabilities	17	**28,411,292**	5,090,435
Other non-current liabilities		**42,770**	-
Provision for employees' end of service benefits	18	**3,748,291**	3,113,712
		2,348,921,418	1,979,546,776
Current liabilities			
Loans and borrowings	16	**60,310,553**	28,297,799
Lease liabilities	17	**7,573,215**	5,606,602
Trade and other payables	19	**437,708,086**	276,859,250
Payables to related parties	20(d)	**1,469,482**	-
		507,061,336	310,763,651
Total liabilities		**2,855,982,754**	2,290,310,427
Total equity and liabilities		**8,009,785,157**	7,201,408,995

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 09 March 2021 and signed on their behalf by:

Mohammed Nasser Alhajri
Chairmanh

Khalid Jolo
Chief Executive Officer

The notes on pages 8 to 57 are an integral part of these consolidated financial statements.

Nebras Power Q.P.S.C.

Consolidated statement of profit and loss and other comprehensive income
For the year ended 31 December 2020

In Qatari Riyals

	Notes	2020	2019
Revenue from sale of electricity	22	**14,500,576**	10,613,162
Revenue from service concession agreements	22	**684,029,161**	392,329,413
Share of results of associates and joint ventures	8	**453,517,533**	371,598,677
Interest income	24	**100,119,300**	135,078,898
Management and technical service fees		**-**	3,198,634
Other income		**1,055,994**	66,129,760
Total operating income		**1,253,222,564**	978,948,544
Cost of electricity generation	23	**(646,983,841)**	(397,114,477)
General and administrative expenses	23	**(98,158,455)**	(75,245,858)
Other operating costs	23	**(19,414,018)**	(50,610,121)
Depreciation	23	**(13,194,552)**	(13,174,227)
Loss on initial recognition of assets held for sale		**(121,249,514)**	-
Total operating costs		**(899,000,380)**	(536,144,683)
Operating profit		**354,222,184**	442,803,861
Finance costs	25	**(71,683,070)**	(82,900,530)
Profit before tax		**282,539,114**	359,903,331
Income tax expense	26	**(116,756)**	(7,317,209)
Profit after tax		**282,422,358**	352,586,122
Profit for the year attributable to:			
Owners of the Company		**280,809,243**	363,853,427
Non-controlling interests		**1,613,115**	(11,267,305)
		282,422,358	352,586,122
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Equity-accounted investees - share of OCI	8	**(18,093,576)**	(28,697,391)
Cash flow hedges – effective portion of changes in fair value		**(34,657,235)**	(23,116,083)
Foreign operations - foreign currency translation differences		**(22,077,278)**	(1,560,542)
Other comprehensive income		**(74,828,089)**	(53,374,016)
Total comprehensive income		**207,594,269**	299,212,106
Total comprehensive income attributable to:			
Owners of the Company		**205,981,154**	310,479,411
Non-controlling interests		**1,613,115**	(11,267,305)
		207,594,269	299,212,106
Earnings per share:			
Basic and diluted earnings per share	27	**0.77**	0.99

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The notes on pages 8 to 57 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2020

In Qatari Riyals

	Attributable to owners of the Company							
	Share capital	Hedging reserve	Translation reserve	Statutory reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2019	3,650,000,000	31,390,634	(52,883)	-	855,464,036	4,536,801,787	457,632	4,537,259,419
Total comprehensive income								
Profit	-	-	-	-	363,853,427	363,853,427	(11,267,305)	352,586,122
Other comprehensive income	-	(51,813,475)	(1,560,541)	-	-	(53,374,016)	-	(53,374,016)
Total comprehensive income	-	(51,813,475)	(1,560,541)	-	363,853,427	310,479,411	(11,267,305)	299,212,106
Changes in ownership interests								
Arising out of business combinations (Note 19)	-	-	-		-	-	55,235,896	55,235,896
Capital increase in a subsidiary with NCI	-	-	-		-	-	17,262,999	17,262,999
Other adjustments	-	-	-	-	(1,384,942)	(1,384,942)	3,513,090	2,128,148
At 31 December 2019/1 January 2020	3,650,000,000	(20,422,841)	(1,613,424)	-	1,217,932,521	4,845,896,256	65,202,312	4,911,098,568
Total comprehensive income								
Profit	-	-	-	-	**280,809,243**	**280,809,243**	**1,613,115**	**282,422,358**
Other comprehensive income	-	**(52,750,811)**	**(22,077,278)**	-	-	**(74,828,089)**	-	**(74,828,089)**
Total comprehensive income	-	**(52,750,811)**	**(22,077,278)**	-	**280,809,243**	**205,981,154**	**1,613,115**	**207,594,269**
Capital increase in a subsidiary with NCI	-	-	-	-	-	-	**32,713,067**	**32,713,067**
Other adjustments	-	**1,787,913**	-	**486,838**	**(297,104)**	**1,977,647**	**418,852**	**2,396,499**
At 31 December 2020	**3,650,000,000**	**(71,385,739)**	**(23,690,702)**	**486,838**	**1,498,444,660**	**5,053,855,057**	**99,947,346**	**5,153,802,403**

The notes on pages 8 to 57 are an integral part of these consolidated financial statements.

Nebras Power Q.P.S.C.

Consolidated statement of cash flows
For the year ended 31 December 2020

In Qatari Riyals

	Notes	2020	2019
Cash flows from operating activities			
Profit after tax		**282,422,358**	352,586,122
Adjustments for:			
Share of results of equity-accounted investees- net of withholding tax	8	**(453,517,533)**	(371,598,677)
Provision for employees' end of service benefits	18	**1,352,124**	1,392,187
Bargain purchase gain on acquisition of a subsidiary	21	**-**	(51,900,000)
Depreciation of property, plant and equipment	23	**7,887,240**	8,027,157
Depreciation of right-of-use assets	23	**5,307,312**	5,147,070
Gain on disposal of property, plant and equipment		**(300,893)**	-
Furniture allowance amortization		**171,574**	197,632
Provision for Engie tax claim		**-**	34,919,837
Interest income	24	**(100,119,301)**	(135,078,898)
Finance costs	25	**71,683,070**	82,900,530
Loss in initial recognition of assets held for sale		**121,249,514**	-
		(63,864,535)	(73,407,040)
Changes in:			
- Inventories		**2,631,395**	1,851,664
- Trade and other receivables		**(220,601,900)**	29,311,330
- Receivable from related parties		**(105,110)**	11,769,446
- Trade and other payables		**203,270,573**	65,181,541
- Payable to related parties		**(1,469,482)**	-
Cash generated from / (used in) operations		**(80,139,059)**	34,706,941
Dividends received		**333,552,258**	394,901,498
Interest received		**115,446,401**	137,237,413
Interest paid		**(81,696,360)**	(75,770,987)
Furniture allowance paid		**(98,896)**	(112,725)
Employees' end of service benefits paid	18	**(717,545)**	(45,768)
Net cash from operating activities		**286,346,799**	490,916,372
Cash flows from investing activities			
Acquisition of property, plant and equipment	5	**(2,063,937)**	(19,872,484)
Additions to the construction work-in-progress		**(461,306,203)**	-
Proceeds from property, plant and equipment		**498,000**	-
Acquisition of subsidiaries, net of cash acquired		**-**	(19,578,198)
Investments in equity-accounted investees		**(565,297,459)**	(25,870,460)
Movement in other non-current assets, excluding debt service reserve and loans to related parties		**(16,252,082)**	(41,422,383)
Bank deposits, net movement		**468,661,517**	3,045,249,949
Net cash (used in) / from investing activities		**(575,760,164)**	2,938,506,424
Cash flows from financing activities			
Loans to related parties, net movement		**(23,311,125)**	13,342,775
Proceeds from loans and borrowings	16	**1,077,315,441**	194,285,263
Repayments of loans and borrowings	16	**(744,551,162)**	(497,436,124)
Payments of lease liabilities	17	**(6,986,638)**	(5,435,640)
Acquisition of non-controlling interest		**32,713,067**	19,391,146
Net cash from / (used in) financing activities		**335,179,583**	(275,852,580)
Net increase in cash and cash equivalents		**45,766,218**	3,153,570,216
Cash and cash equivalents at 1 January		**3,259,298,889**	105,728,673
Effect of movements in exchange rates on cash held		**(20,113,635)**	-
Cash and cash equivalents at 31 December	12	**3,284,951,472**	3,259,298,889

The notes on pages 8 to 57 are an integral part of these consolidated financial statements.

1 Reporting entity

Nebras Power Q.P.S.C. (the "Company") is incorporated in accordance with the provisions of the Qatar Commercial Companies Law No. 11 of 2015 as a Qatari Private Shareholding Company and was registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration No. 64383 dated 6 January 2014. The Company is domiciled in the State of Qatar. Its registered office is at Floor 29, Burj Doha, West Bay, Doha, State of Qatar.

The shares of the Company as at the current and the comparative reporting dates were held by the following Qatari incorporated companies:

Name of shareholder	***Shareholding***
Qatar Electricity and Water Company Q.P.S.C.	60%
Qatar Holding L.L.C.	40%
	100%

The Company is jointly controlled by the above two shareholders, which are two strategic Government Owned Entities of the State of Qatar, based on an agreement dated 6 February 2017.

The Company had the following subsidiaries owned directly or indirectly, none of which is listed, as at the current and the comparative reporting dates:

Name of subsidiary	**Country of incorporation**	**Effective shareholding 2020**	**Effective shareholding 2019**
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%
BTU Rades	Cayman	**100%**	100%
BTU International (Bermuda) Ltd	Bermuda	**100%**	100%
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 1 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 2 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%

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1 Reporting entity (continued)

The Group also had the following equity-accounted investees as at the current and the comparative reporting dates:

Name of equity-accounted investee	**Country of incorporation**	**Effective shareholding 2020**	Effective shareholding 2019
Phoenix Power Company SAOG	Oman	**9.84%**	9.84%
Phoenix Operation and Maintenance Company L.L.C.	Oman	**15.00%**	15.00%
AES Oasis Ltd	Cayman Islands	**38.89%**	38.89%
AES Baltic Holding B.V.	Netherlands	**40.00%**	40.00%
PT Paiton Energy Pte Ltd	Indonesia	**35.51%**	35.51%
IPM Asia Pte Ltd	Singapore	**35.00%**	35.00%
Minejesa Capital B.V.	Netherlands	**35.51%**	35.51%
AES Jordan Solar B.V.	Netherlands	**40.00%**	40.00%
Shams Ma'an Solar UK Ltd	United Kingdom	**35.00%**	35.00%
Nebras-IPC Power Developments Limited	England	**50.00%**	50.00%
Stockyard Hill Wind Farm (Holding) Pty ltd	Australia	**49.00%**	-
Zonnepark Masselbanken Terneuzen B.V.	Netherlands	**40.00%**	-

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 Group's principal activity, which remains unchanged since the previous year, is to develop, acquire, manage and operate power, water and renewable assets globally.

The Group is strategically aligned with the Qatar's 2030 vision to diversify the economy and achieve sustainable growth of the country.

2 Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 derivative financial instruments and equity investments, which are measured at fair value.

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2 Basis of preparation (continued)

c) Functional and presentation currency

Items included in the 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 ("QR") as its functional currency. The following subsidiaries of the Company, which operate in foreign jurisdictions, have the following functional currencies:

Name of subsidiary	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
BTU Rades	Euro
BTU International (Bermuda) Ltd	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

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

d) Use of judgments and estimates

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.

2 Basis of preparation (continued)

d) Use of judgments and estimates (continued)

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:

Judgements

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 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.

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.

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.

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 and right-of-use assets) are reviewed at each reporting date to determine whether there is any indication of impairment. That assessment requires judgement. As at the current and comparative reporting dates, management did not identify any evidence from internal reporting indicating impairment of an asset or a class of assets. If such indication exists, then management performs an impairment test. 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.

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2 Basis of preparation (continued)

d) Use of judgments and estimates (continued)

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 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.

Provision for slow moving and obsolete 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.

Fair value of cash flow hedges

Certain associates and a joint venture of the Group use 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.

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.

e) New currently effective IFRS requirements

The table below lists the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 January 2020:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Amendments to IFRS 3 "Business Combinations" of definition of business*
- *Amendments to IFRS 9 "Financial Instruments", of Interest Rate Benchmark Reform*
- *Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" of definition of material.*

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2 Basis of preparation (continued)

e) New currently effective IFRS requirements (continued)

The new and amended standards listed above do not have any or material effect on the Group's consolidated financial statements, except for extended disclosures on IBOR as stated in notes 3 and 4.

Effective from 1 January 2020, the Group has implemented amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures relating to interest rate benchmark reforms. The amendments (referred as Phase I of IBOR transition project) addresses the hedge accounting requirements arising before IBOR and proposed a hedging relief for such hedges.

The Group has applied the hedging relief available under the amendments such as relief on forward looking analysis during the period of uncertainty.

f) IFRS requirements not yet effective, but available for early adoption

The table below lists the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 January 2021.

Effective for year beginning 1 June 2020	• Amendments to IFRS 16 "Leases" on COVID-19-Related Rent Concessions
Effective for year beginning 1 January 2022	• Classification of Liabilities as Current or Non-current (Amendments to IAS 1 "Presentation of Financial Statements")
Effective for year beginning 1 January 2023	• IFRS 17 "Insurance Contracts"
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

The Group has not early adopted any of the new or amended standards in preparing these consolidated financial statements.

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

Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:

(i) Change in basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities;

The amendments will require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. The Group has started an initial assessment of the potential impact on its consolidated financial statements.

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2 Basis of preparation (continued)

f) IFRS requirements not yet effective, but available for early adoption (continued)

Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16) (continued)

(ii) Hedge accounting

The amendments provide exceptions to the hedge accounting requirements in the following areas:

- Allow amendment of the designation of a hedging relationship to reflect changes that are required by the reform.
- When a hedged item in a cash flow hedge is amended to reflect the changes that are required by the reform, the amount accumulated in the cash flow hedge reserve will be deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.
- When a group of items is designated as a hedged item and an item in the group is amended to reflect the changes that are required by the reform, the hedged items are allocated sub-groups based on the benchmark rates being hedged.
- If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it is not prohibited from designating the rate as a non-contractually specified risk component if it is not separately identifiable at the designation date.

The Group has started an initial assessment of the potential impact on its consolidated financial statements.

(iii) Disclosure

The amendments will require the Group to disclose additional information about the entity's exposure to risks arising from interest rate benchmark reform and related risk management activities.

3 Summary of significant accounting policies

The principal accounting policies of the Group 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.

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.

3 Summary of significant accounting policies (continued)

a) Basis of consolidation (continued)

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 a joint venture.

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.

3 Summary of significant accounting policies (continued)

b) Foreign currency (continued)

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.

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.

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

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 generally recognised in 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 "build, own, operate and transfer" with off-takers as follows:

	Useful life	*Off-take agreement*
Gas fired power assets	30 years	30 years
Solar PV roof top assets	20 years	16 years
Furniture and fixtures	5 years	NA
Computer equipment	3 years	NA
Office equipment	3 years	NA
Motor vehicles	5 years	NA
Computer software	3 years	NA

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3 Summary of significant accounting policies (continued)

c) Property, plant and equipment (continued)

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

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profits or losses from sales or disposals of items of property, plant and equipment are determined by comparing the proceeds from their disposals with their respective carrying amounts, and are recognised net within 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 measurement

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. The Group transferred all the consideration for the acquisition of the business on the date of the transaction.

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3 Summary of significant accounting policies (continued)

e) Goodwill (continued)

Subsequent measurement

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) 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:
  - 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.

3 Summary of significant accounting policies (continued)

f) Financial Instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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 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.

3 Summary of significant accounting policies (continued)

f) Financial Instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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.

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3 Summary of significant accounting policies (continued)

f) Financial Instruments (continued)

Derecognition (continued)

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

Nebras Power Q.P.S.C., some associates and a joint venture 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 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 costs 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

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3 Summary of significant accounting policies (continued)

f) Financial Instruments (continued)

Derivative financial instruments and hedge accounting (continued)

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

For the purpose of evaluating whether there is an economic relationship between the hedged items and the hedging instruments, the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest

rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

g) 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.

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3 Summary of significant accounting policies (continued)

g) Impairment (continued)

Non-derivative financial assets (continued)

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 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.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- 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; or
- 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.

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3 Summary of significant accounting policies (continued)

g) Impairment (continued)

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, 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 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.

h) Inventories

Inventories comprise of consumables which are measured at the lower of cost and net realisable value. The cost of inventories / raw materials is based on the First-in First-out method, 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 less the estimated costs of completion 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.

i) Cash and cash equivalents

Cash and cash equivalents in the statement of consolidated financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

j) 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.

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3 Summary of significant accounting policies (continued)

k) 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.

l) 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.

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3 Summary of significant accounting policies (continued)

l) Leases

Leases – Group as a lessee (continued)

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.

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. The Group does not have finance lease receivables.

m) Provision for employees' end of service benefits

The Group provides employees' end of service benefits to its expatriate employees in accordance with employment contracts and the relevant labour laws in the jurisdictions in which it operates. The expected costs of these benefits are accrued over the period of employment.

n) 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.

3 Summary of significant accounting policies (continued)

o) 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 recognised 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.
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. Recognise revenue as and when the performance obligation(s) is/are satisfied.

The Group sells power, produced in power generation plants operating with gas, coal and solar energy. Customers take control of the power at the time it is delivered to them at their premises. At that point, the customer has full discretion over the manner of distribution and price to sell the power, has the primary responsibility when on selling the power and bears the risks of loss in relation of power in the network. Therefore, revenue is recognised when the power leaves the Group's plants.

Revenue from other sources

Dividend income

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

Interest income

Interest income is recognised as the interest accrues using the effective interest rate method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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.

p) Expense recognition

Expenses are recognized in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen and can be measured reliably.

An expense is recognized immediately in profit or loss when an expenditure produces no future economic benefits, or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statement of financial position as an asset, such as in the case of asset impairments.

q) Income tax

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

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3 Summary of significant accounting policies (continued)

q) Income tax

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 tax laws enacted or substantively enacted at the reporting date. The Company was previously exempt from income tax based on the provisions of the Qatar Income Tax Law No. 24 of 2018. Subsequent to the issuance of new Executive Regulations (the "New ERs") to the Income Tax Law No. 24 of 2018 (the "New Tax Law") on 11 December 2019, the Company is subject to income tax on non-Qatari investors' share in profits of one of its joint venture partner, who is a listed entity on Qatar Stock Exchange. However, as per the memorandum of understanding (MOU), signed on 2 February 2020 between the Ministry of Finance (MOF), the General Tax Authority (GAT), the Qatar Electricity and Water Company (QEWC) and the Qatar Petroleum (QP), MOF shall bear the income tax liability arising due to these New ERs.

Deferred tax

Deferred tax is recognised 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 realised or the liability is settled using tax rates based on tax laws that have been enacted or substantially enacted by the reporting date.

r) 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.

s) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

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.

4 Financial instruments

(a) Financial risk management

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

- Credit risk;
- Liquidity risk; and
- Market risk;

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

4 Financial instruments (continued)

(a) Financial risk management (continued)

Management has the 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 develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

	Note	2020	2019
Loans receivable from related parties	9	**31,629,618**	8,318,493
Trade receivables – net of allowance for impairment	10	**118,351,365**	47,262,584
Other receivables	10	**73,411,857**	48,630,309
Term deposits	11	**-**	468,661,518
Cash at banks	12	**3,284,951,394**	3,259,287,240
Receivables from related parties	20(c)	**586,427**	481,317
		3,508,930,661	3,832,641,461

Trade receivables

The Group has Power Purchase Agreements with government and related entities. The credit risk with government and related entities is considered to be limited. As at the reporting date, credit impaired balance amounts to QR 32,584,939 (2019: QR 30,305,358) which has been specifically provided for. On the non-credit impaired balance, the ECL was determined to be immaterial. The movement in the loss allowance on trade receivables is disclosed in Note 10.

No trade receivables were written-off directly in profit or loss during the current or the comparative year.

Cash at bank and term deposits

Management considers that its cash at bank and term deposits have low credit risk based on external credit ratings of the counterparties, which are all at "investment grade" (above Baa3). 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.

The carrying amounts of the cash at bank and term deposits of the Group did not require any adjustment because the result of applying the ECL model was immaterial.

Receivables from related parties, loans receivable and other receivables

Management has performed detailed analysis on receivables from related parties, including loans receivable and other receivables and believes that these balances are not exposed to any material credit risk that requires recognition of ECL.

4 Financial instruments (continued)

(a) Financial risk management (continued)

Liquidity risk

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

The Group limits its liquidity risk by investing available cash in term deposits redeemable at any time at no cost and ensuring that bank facilities are promptly available when required.

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

31 December 2020		**Contractual cash flows**			
	Carrying amount	**Total**	**1-12 months**	**1-5 years**	**More than 5 years**
Derivative and non-derivative financial liabilities					
Loans and borrowings (1)	**2,319,194,697**	**2,319,194,697**	**60,310,553**	**2,258,884,144**	**-**
Payables to related parties	**1,469,482**	**1,469,482**	**1,469,482**	**-**	**-**
Finance lease liabilities	**35,984,507**	**80,714,053**	**5,187,537**	**30,244,048**	**45,282,468**
Trade and other payables	**246,742,290**	**246,742,290**	**246,742,290**	**-**	**-**
Derivative instruments	**57,834,921**	**57,834,921**	**-**	**57,834,921**	**-**
	2,661,225,897	**2,705,955,443**	**313,709,862**	**2,346,963,113**	**45,282,468**

31 December 2019		**Contractual cash flows**			
	Carrying amount	**Total**	**1-12 months**	**1-5 years**	**More than 5 years**
Derivative and non-derivative financial liabilities					
Loans and borrowings (1)	1,976,463,742	1,976,463,742	28,297,799	1,948,164,943	-
Payables to related parties	-	-	-	-	-
Finance lease liabilities	10,697,037	10,697,037	5,606,602	5,090,435	-
Trade and other payables	143,092,867	143,092,867	143,092,867	-	-
Derivative instruments	23,177,686	23,177,686	-	23,177,686	-
	2,153,431,332	2,153,431,332	176,997,268	1,976,433,064	-

(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 mange this risk.

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4 Financial instruments (continued)

(a) Financial risk management (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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 optimizing 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 2(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.

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 Libor from the hedge counterparties for settlement of its floating rate interest liability under the RCF. IRS has been executed with three 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

Overview
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').The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. Management monitors and manages the Group's transition to alternative rates and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counter parties.

Derivatives
The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to USD LIBOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

4 Financial instruments (continued)

(a) Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Derivatives (continued)

ISDA is currently reviewing its standardized contracts in the light of IBOR reform and plans to amend certain floating-rate options in the 2006 ISDA definitions to include fallback clauses that would apply on the permanent discontinuation of certain key IBORs. ISDA is expected to publish an IBOR fallback supplement to amend the2006 ISDA definitions and an IBOR fallback protocol to facilitate multilateral amendments to include the amended floating-rate options in derivative transactions that were entered into before the date of the supplement. The Group currently plans to adhere to the protocol if and when it is finalized and to monitor whether its counter parties will also adhere. If this plan changes or there are counterparties who will not adhere to the protocol, the Group will negotiate with them bilaterally about including new fallback clauses.

Hedge accounting
The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at 31 December 2020. The Group hedged items and hedging instruments continue to be indexed to USD LIBOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with counterparties as usual.

The Group's LIBOR cash flow hedging relationships extend beyond the anticipated cessation date for LIBOR. The Group expects that USD LIBOR may be discontinued after the end of 2021. The preferred alternative reference rate is the Secured Overnight Financing Rate (SOFR) for USD LIBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to IFRS 9 to those hedging relationships directly affected by IBOR reform.

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 measured its hedging instruments indexed to LIBOR using available quoted markets rates for LIBOR-based instruments 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 USD LIBOR on a similar basis.

The Group's exposure to USD LIBOR designated in hedging relationships is QR 855,752,500 nominal amount at 31 December 2020, representing the nominal amount of the hedging interest rate swap.

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.

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4 Financial instruments (continued)

(a) Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Hedge accounting (continued)

The effect of increase in interest rates is expected to be as shown below:

	Changes in basis points	*Effect on OCI*	*Effect on profit*
2020			
Floating rate instruments	**+25 bps**	**6,493,416**	**(5,797,987)**
2019			
Floating rate instruments	+25 bps	7,796,952	(5,273,848)

(b) Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The Group's non-financial assets (property, plant and equipment, investments in equity-investees and goodwill, but not inventories) are carried at cost less any accumulated depreciation and any accumulated impairment losses. The Group's financial assets (loans receivable from related parties, receivables from related parties, trade and other receivables and cash at bank) and financial liabilities (bank loans and borrowings, payables to related parties, financial liabilities and other payables) are measured at amortized cost and not at fair value. Management believes that the carrying values of its financial assets and financial liabilities as at the reporting date are a reasonable approximation of their fair values.

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).

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

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4 Financial instruments (continued)

(b) Fair value measurement (continued)

Financial assets/financial liabilities	Fair value as at 31 December 2020			Fair value Hierarchy
	Classification	Carrying Value	Fair Value	
Trade receivables	Amortised cost	**118,351,365**		
Loans receivable from related parties	Amortised cost	**31,629,618**		
Receivables from related parties	Amortised cost	**586,427**		
Other receivables	Amortised cost	**73,411,857**		
Financial assets at fair value through other comprehensive income	FVOCI	**506,944**	**506,944**	**Level 3**
Cash and cash equivalents	Amortised cost	**3,284,951,472**		
Term deposits	Amortised cost	**-**		
Assets held-for-sale (1)	Fair value less costs to sell	**531,740,962**	**531,740,962**	**Level 3**
Derivative financial instrument	FVTPL	**2,097,028**		
Loans and borrowings	Other financial liabilities	**(2,319,194,697)**		
Trade and other payables	Other financial liabilities	**(246,742,290)**		
Lease liabilities	Other financial liabilities	**(7,753,215)**		
Derivative financial instrument	FVTPL	**(57,834,921)**		

(1) In accordance with IFRS 5, assets held for sale with a carrying amount of QR 651.14 million were written down to their fair value of QR 531.74 million, resulting in a loss of QR 121.25 million, which was included in profit or loss for the year.

4 Financial instruments (continued)

(b) Fair value measurement (continued)

Financial assets/financial liabilities	Fair value as at 31 December 2019			Fair value Hierarchy
	Classification	Carrying Value	Fair Value	
Trade receivables	Amortised cost	47,262,584		
Loans receivables from related parties	Amortised cost	8,318,493		
Receivables from related parties	Amortised cost	481,317		
Other receivables	Amortised cost	48,630,309		
Financial assets at fair value through other comprehensive income	FVOCI	506,944	506,944	Level 3
Cash and cash equivalents	Amortised cost	3,259,298,889		
Term deposits	Amortised cost	468,661,518		
Derivative financial instrument	FVTPL	5,105,049		
Loans and borrowings	Other financial liabilities	(1,976,463,742)	(1,989,540,183)	
Trade and other payables	Other financial liabilities	(143,092,867)		
Lease liabilities	Other financial liabilities	(5,606,602)		
Derivative Financial Instrument	FVTPL	(23,177,686)		

The fair values of the financial assets and 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.

(c) 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.

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5 Property, plant and equipment

	Furniture and fixtures	Computer equipment	Office Equipment	Motor vehicles	Computer software	Solar photovoltaic assets	Total
Costs:							
At 1 January 2019	147,726	825,011	394,227	1,136,960	2,384,179	43,096,581	47,984,684
Additions	50,322	1,339,495	53,930	-	1,129,669	17,299,068	19,872,484
Acquisitions through business combinations (Note 21)	1,032,449	1,873,209	-	361,787	-	-	3,267,445
Transfer from construction in progress (Note 7)	-	-	-	-	-	34,489,693	34,489,693
Cost reclassification	-	323,108	(323,108)	-	-	-	-
Other adjustments	-	-	-	-	(16,966)	-	(16,966)
At 31 December 2019 / 1 January 2020	**1,230,497**	**4,360,823**	**125,049**	**1,498,747**	**3,496,882**	**94,885,342**	**105,597,340**
Additions	**367,471**	**496,261**	-	**942,600**	**257,605**	-	**2,063,937**
Disposals	**(165,212)**	-	-	**(875,500)**	-	-	**(1,040,712)**
Transfer from construction in progress (Note 7)	-	-	-	-	-	**13,195,621**	**13,195,621**
Effects of movements in exchange rates	**141,397**	**205,598**	-	**41,502**	-	**9,750,718**	**10,139,214**
At 31 December 2020	**1,574,153**	**5,062,682**	**125,049**	**1,607,349**	**3,754,487**	**117,831,681**	**129,955,400**
Accumulated depreciation:							
At 1 January 2019	48,702	652,863	271,403	710,404	1,283,434	6,428,158	9,394,964
Acquisitions through business combinations (Note 21)	1,032,449	1,873,209	-	320,312	-	-	3,225,970
Depreciation (Note 23)	34,475	356,352	113,516	220,492	1,055,528	6,246,794	8,027,157
Adjustments	-	-	-	-	-	2,025,922	2,025,922
Reclassification of accumulated depreciation	174,840	181,765	(315,647)	(76,468)	-	35,510	-
At 31 December 2019 / 1 January 2020	**1,290,466**	**3,064,189**	**69,272**	**1,174,740**	**2,338,962**	**14,736,384**	**22,674,013**
Depreciation (Note 23)	**106,752**	**524,223**	**30,641**	**258,549**	**744,413**	**6,222,663**	**7,887,240**
Depreciation on disposals	**(77,543)**	-	-	**(766,062)**	-	-	**(843,605)**
Adjustments	**224,846**	**2,451**	-	-	-	**(1,071,751)**	**(844,452)**
Effects of movements in exchange rates	**(123,987)**	**323,193**	-	**101,877**	-	**1,725,187**	**2,026,271**
At 31 December 2020	**1,420,534**	**3,914,056**	**99,913**	**769,104**	**3,083,375**	**21,612,483**	**30,899,466**
Carrying amounts							
At 31 December 2020	**153,619**	**1,148,626**	**25,136**	**838,244**	**671,113**	**96,219,198**	**99,055,934**
At 31 December 2019	114,871	1,155,291	63,238	247,539	1,157,920	80,184,468	82,923,327

6 Right-of-use assets

	2020	2019
Cost		
At 1 January	**15,441,207**	-
Adjustment on initial adoption of IFRS 16 (1)	**-**	15,441,207
Additions to the right-of-use assets (2)	**29,778,354**	-
At 31 December	**45,219,561**	15,441,207
Accumulated depreciation		
At 1 January	**5,147,070**	-
Amortization (Note 23)	**5,307,312**	5,147,070
Amortization capitalized as part of construction work-in-progress	**1,460,934**	-
At 31 December	**11,915,316**	5,147,070
Carrying amounts		
At 31 December	**33,304,245**	10,294,137

(1) The right-of-use assets recognized in 2019 relate to the office building and the respective lease expires within 1 to 2 years from the reporting date. The possibility of the extension of the lease has not yet been decided by the management.

(2) Additional right-of-use assets recognized in 2020 relate to land rental agreements, which are used for the construction of solar projects in Brazil and have an average contractual duration of 30 years.

7 Construction in progress

	2020	2019
Cost		
At 1 January	**33,227,556**	-
Cost incurred on construction (1)	**13,532,649**	36,592,854
Cost incurred on construction (2)	**447,619,989**	31,124,395
Other work-in-progress costs	**153,565**	-
Transfer to property, plant and equipment	**(13,195,621)**	(34,489,693)
At 31 December	**481,338,138**	33,227,556

(1) This represents solar energy projects under construction in Netherlands.

(2) This represents the cost of the construction of the solar projects in Brazil. These projects are expected to be completed and put into operation in 2021.

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8 Equity-accounted investees

	At 1 January 2020	Additions	Reclassification	Share of results	Dividends received/ declared	Share in cash flow hedge	**At 31 December 2020**
Associates:							
Phoenix Power Company SAOG (1)	**171,150,956**	-	-	14,881,737	(6,473,302)	(12,070,489)	**167,488,903**
Phoenix Operation and Maintenance Company L.L.C. (1)	**1,044,674**	-	-	2,803,773	(2,489,111)	-	**1,359,336**
AES Oasis Ltd (2)	**135,030,520**	-	-	12,698,420	(3,431,968)	1,023,853	**145,320,826**
AES Baltic Holding B.V. (3)	**99,773,149**	-	-	20,435,535	(19,223,894)	-	**100,984,790**
PT Paiton Energy Pte Ltd (4)	**2,285,215,017**	-	(639,115,909)	375,049,808	(267,696,236)	30,631	**1,753,483,311**
IPM Asia Pte Ltd (5)	**174,462,084**	-	-	7,646,883	(7,647,159)	(1,382,548)	**173,079,269**
Minejesa Capital B.V. (6)	**55,093,707**	-	(12,025,053)	17,867,436	(25,864,118)	(2,206,271)	**32,865,701**
AES Jordan Solar B.V. (7)	**28,555,798**	-	(20,031,579)	(1,938,651)	-	1,695,033	**8,280,601**
Brabant Zon B.V. (9)	**-**	-	-	-	-	-	**-**
Stockyard Hill Wind Farm (Holding) Pty ltd (10)	**-**	534,306,180	-	10,592	-	-	**534,316,735**
Joint ventures:							
Shams Maan Solar UK Ltd (8)	**32,790,581**	-	-	4,062,000	(726,480)	(5,183,786)	**30,942,352**
Nebras IPC Power Developments Ltd (Note 12)	**910,375**	910,375	-	-	-	-	**1,820,750**
Zonnepark Mosselbanken Tem. (11)	**-**	30,080,904	-	-	-	-	**30,080,904**
	2,984,026,861	**565,297,459**	**(671,172,541)**	**453,517,533**	**(333,552,258)**	**(18,093,576)**	**2,980,023,478**

8 Equity-accounted investees (continued)

	At 1 January 2019	Additions	Transfer to a subsidiary	Share of results	Dividends received/ declared	Share in cash flow hedge reserve	At 31 December 2019
Associates:							
Phoenix Power Company SAOG* (1)	**176,364,180**	-	-	13,521,101	(5,110,503)	(13,623,822)	**171,150,956**
Phoenix Operation and Maintenance Company L.L.C. (1)	**953,418**	-	-	2,478,769	(2,387,513)	-	**1,044,674**
AES Oasis Ltd (2)	**132,230,234**	-	-	11,049,514	(8,532,045)	282,817	**135,030,520**
AES Baltic Holding B.V. (3)	**99,092,264**	-	-	22,109,700	(21,428,815)	-	**99,773,149**
PT Paiton Energy Pte Ltd (4)	**2,015,034,201**	-	-	293,772,074	(23,481,886)	(109,372)	**2,285,215,017**
IPM Asia Pte Ltd (5)	**165,338,405**	-	-	13,584,517	(4,460,838)	-	**174,462,084**
Minejesa Capital B.V. (6)	**48,095,073**	-	-	12,345,430	-	(5,346,796)	**55,093,707**
AES Jordan Solar B.V. (7)	**5,036,696**	26,770,800	-	(1,364,998)	-	(1,886,700)	**28,555,798**
Brabant Zon B.V. (9)	**2,317,658**	-	(2,317,658)	-	-	-	**-**
Joint ventures:							
Shams Maan Solar UK Ltd (8)	**36,701,529**	-	-	4,102,570	-	(8,013,518)	**32,790,581**
Nebras IPC Power Developments Ltd (12)	**-**	910,375	-	-	-	-	**910,375**
	2,681,163,658	**27,681,175**	**(2,317,658)**	**371,598,677**	**(65,401,600)**	**(28,697,391)**	**2,984,026,861**

8 Equity-accounted investees (continued)

(1) Phoenix Power Company SAOG and Phoenix Operation and Maintenance Company L.L.C.

On 18 June 2015, 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, the Group entered into an agreement with Qatar Electricity and Water Company Q.S.C ("QEWC") 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.

(2) AES Oasis Ltd

On 1 December 2015, the Group purchased from QEWC 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 the Kingdom of Jordan.

(3) AES Baltic Holding BV

On 18 February 2016, the Group purchased from QEWC a 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.

(4) PT Paiton Energy Pte Ltd

On 22 December 2016, the Group 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 the year, 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 Group has recorded the portion of investment in associates subject to disposal, as non-current assets held for sale in accordance with IFRS 5, and remaining portion of such investments as investment in associates in accordance with IAS 28. The non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell and has recorded the resulting impairment in its consolidated statement of profit or loss.

(5) IPM Asia Pte Ltd

On 22 December 2016, the Group 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.

(6) Minejesa Capital BV

On 2 August 2017, Nebras Power Investment Management B.V. 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.

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8 Equity-accounted investees (continued)

(6) Minejesa Capital BV (continued)

During the year, pursuant to the Board of Directors' approval, the Company entered into a Share Purchase Agreement ("SPA") to sell 9.513% stake in Minejesa Capital B.V. The Group has recorded the portion of investment in associates subject to disposal, as non-current assets held for sale in accordance with IFRS 5, and remaining portion of such investments as investment in associates in accordance with IAS 28. The non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell and has recorded the resulting impairment in its consolidated statement of profit or loss.

(7) AES Jordan Solar BV

On 31 October 2017, Nebras Power Netherlands B.V. 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. During the year the Group has reclassified a balance of QR 20.03 million as loan receivable.

(8) Shams Maan Solar UK Limited

On 26 June 2015, the Group 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.

(9) Brabant Zon B.V.

On 8 August 2018 the Group 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 has been considered a subsidiary as of 31 December 2019.

(10) Stockyard Hill Wind Farm (Holding) Pty ltd

On 22 November 2019 the Group 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.

(11) Zonnepark Mosselbanken Temeuzen B.V.

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

(12) Nebras IPC Power Developments Ltd

On the 7 October 2019, the Group 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.

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8 Equity-accounted investees (continued)

The table below represents the summarised financial information of investments in associates held by the Group.

Summarized statement of financial position:

At 31 December 2020	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV	Goldwind Stockyard Hill
Current assets	1,270,845,714	32,325,596	1,303,171,309	86,056,943	46,508,292	2,159,554,414	67,466,677	708,126,090	26,173,900	264,108,873
Non-current assets	5,062,482,489	-	5,062,482,489	674,100,410	877,532,971	13,534,368,373	-	8,455,439,189	166,722,644	3,867,801,773
Current liabilities	(1,448,585,059)	(10,647,746)	(1,459,232,805)	(69,647,875)	(66,176,149)	(827,715,081)	(22,085,876)	(585,443,955)	(143,605,597)	(296,927,450)
Non-current liabilities	(3,250,086,090)	(2,024,674)	(3,252,110,764)	(469,359,563)	(611,344,364)	(9,731,876,152)	-	(8,448,869,923)	(42,562.067)	(2,736,116,475)
Equity	**1,634,657,054**	**19,653,176**	**1,654,310,229**	**221,149,914**	**246,520,750**	**5.134,331,554**	**45,380,801**	**129,251,401**	**6,728,880**	**1,098,866,720**
Net assets of the investment in associates			163,441,981	86,005,202	98,608,300	1,334,977,547	15,883,280	44,890.753	8,280,601	534,316,735
Goodwill on acquisition			5,406,258	59,315,624	2,376,490	406,480,711	157,195,989	-		-
Carrying amounts			**168,848,239**	**145,320,826**	**100,984,790**	**1,741,458,259**	**173,079,269**	**44,890,753**	**8,280,601**	**534,316,735**

Summarised statement of comprehensive income:

For the year ended 31 December 2020

	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV	Goldwind Stockyard Hill
Revenue	1,282,630,979	66,275,300	1,348,906,279	62,651,756	45,967,128	3,064,908,532	105,464,623	507,785,326	19,232,954	-
Profit / (loss)	151,286,118	13,251,419	164,537,536	54,698,957	87,898,414	1,058,474,805	21,971,051	50,310,964	(4,492,941)	(30,455,485)
Other comprehensive income	(125,668,165)	-	(125,668,165)	4,546,202	-	65,547	-	-	(2,031,713)	(48,115,324)
Total comprehensive income	**25,617,953**	**13,251,419**	**38,869,371**	**59,245,158**	**87,898,414**	**1,058,540,352**	**21,971,051**	**50,310,964**	**(6,524,654)**	**(78,570,809)**

8 Equity-accounted investees (continued)

Summarized statement of financial position:

At 31 December 2019	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV
Current assets	437,751,998	23,804,486	461,556,484	805,228,917	1,184,426,770	2,445,982,904	97,553,166	716,221,145	790,866
Non-current assets	5,221,520,752	-	5,221,520,752	-	-	13,566,537,914	6,216,656	8,829,050,628	114,313,030
Current liabilities	(623,424,800)	(8,135,111)	(631,559,911)	(610,539,033)	(940,935,123)	(423,341,692)	(48,143,162)	(579,409,990)	(35,178,586)
Non-current liabilities	(3,361,315,707)	(2,010,108)	(3,363,325,815)	-	-	(10,717,834,678)	(6,294,956)	(8,810,729,420)	(8,535,820)
Equity	1,674,532,243	13,659,267	1,688,191,510	194,689,884	243,491,647	4,871,344,448	49,331,704	155,132,363	71,389,490
Net assets of the investment in associates			166,789,372	75,714,896	97,396,659	1,730,009,267	17,266,096	55,093,707	28,555,796
Goodwill on acquisition			5,406,258	59,315,624	2,376,490	555,205,750	157,195,989	-	-
Carrying amounts			172,195,630	135,030,520	99,773,149	2,285,215,017	174,462,085	55,093,707	28,555,796

Summarised statement of comprehensive income:

For the year ended 31 December 2019

	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV
Revenue	1,259,212,493	47,048,180	1,306,260,673	130,932,165	134,787,558	3,317,071,209	39,946,080	505,378,295	-
Profit / (loss)	137,437,493	16,525,127	153,962,620	28,412,225	55,274,250	827,200,749	38,812,907	34,762,148	(3,412,498)
Other comprehensive income	(290,334,103)	-	(290,334,103)	(22,797,645)	-	(307,969)	-	(13,878,016)	(12,454,103)
Total comprehensive income	(152,896,610)	16,525,127	(136,371,483)	5,614,580	55,274,250	826,892,780	38,812,907	20,884,132	(15,866,601)

8 Equity-accounted investees (continued)

The table below represents the summarised financial information of the investment in joint ventures held by the Group.

	2020	2019
Summarised statement of financial position:		
Current assets	**57,894,825**	55,061,573
Non-current assets	**484,933,644**	500,394,981
Current liabilities	**(77,563,700)**	(51,004,825)
Non-current liabilities	**(410,617,349)**	(435,885,773)
Equity	**54,647,420**	68,565,956
Net assets of the investment in joint ventures	**20,000,177**	23,998,085
Summarised statement of comprehensive income:		
Revenue	**85,463,254**	86,732,309
Cost of sales	**(10,173,674)**	(9,564,113)
Other income	**-**	(542,803)
Other expenses	**(61,123,031)**	(63,352,523)
Profit before tax	**14,166,549**	14,358,476
Income tax expense	**(1,353,400)**	(1,367,262)
Profit for the year	**12,813,149**	12,991,214

9 Other non-current assets

	2020	2019
Project development costs (1)	**8,997,735**	7,064,500
Debt service reserve (2)	**30,056,124**	-
Loans receivable from related parties (3) (note 20(b))	**31,629,618**	8,318,493
Other non-current assets (4)	**27,659,998**	43,397,275
	98,343,475	58,780,268

(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.

(3) The amount represents loans given by the Group to Amin Renewable Energy Company SAOC and AES Jordan Solar for QR 8,318,493 (2019: QR 8,318,493) and QR 23,311,125 (2019: QR Nil) respectively. Refer note 20(b).

(4) This represents other financial assets identified during the preliminary purchase price allocation of Cartage Power Company SARL.

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10 Trade and other receivables

	2020	2019
Trade receivables	**150,936,304**	77,567,942
Prepayments	**1,182,126**	6,164,483
Advances made to suppliers	**129,249,705**	1,541,911
Other receivables	**73,411,857**	48,630,309
Less: Allowance for impairment of receivables	**(32,584,938)**	(30,305,358)
	322,195,054	103,599,287

Movement of allowance for impairment of receivables

	2020	**2019**
As at 1 January	**30,305,358**	1,001,939
Provision during the year	**2,279,580**	-
Arising out of business combinations	**-**	29,303,419
As at 31 December	**32,584,938**	30,305,358

11 Term deposits

	2020	2019
Term deposits	**2,876,980,614**	3,382,970,705
Interest income	**-**	25,217,384
Total	**2,876,980,614**	3,408,188,089
Less: Term deposits with maturity of less than 3 months (Note12)	**(2,876,980,614)**	(2,939,526,571)
	-	468,661,518

Cash held in term bank deposit accounts earn an average interest of 3.47% per annum (2019: average interest of 3.99% per annum).

12 Cash and cash equivalents

	2020	2019
Cash in hand	**78**	11,649
Cash at bank - current accounts (1)	**407,970,780**	319,760,669
Cash and cash equivalents	**407,970,858**	319,772,318
Cash at bank - Term deposits with maturity of less than 3 months (Note 11) (2)	**2,876,980,614**	2,939,526,571
Cash and cash equivalents	**3,284,951,472**	3,259,298,889

(1) Cash held in bank current accounts earns no interest.

(2) The original maturity of the term deposits are 12 months; however, management assesses that the amount can be withdrawn at the option of the management with no significant penalties, hence classified as cash and cash equivalents.

12 Cash and cash equivalents (continued)

Cash and cash equivalents are denominated in the following currencies:

	2020	2019
Qatari Riyal	**1,969,074,713**	1,918,133,737
Euro	**26,330,562**	8,136,812
Brazilian Real	**117,622,100**	95,246,380
Tunisian Dinar	**11,821**	33,375,299
US Dollar	**1,171,911,691**	1,204,406,661
Australian Dollar	**585**	-
	3,284,951,472	3,259,298,889

13 Share capital

	2020	2019
Authorised, issued and fully paid:		
365,000,000 shares of QR 10 each	**3,650,000,000**	3,650,000,000

All shares bear equal rights.

14 Assets held for sale

	2020	2019
Carrying value reclassified from "Investment in associates and joint ventures"	**651,140,962**	-
Less: loss on initial recognition of assets held-for-sale*	**(119,400,000)**	-
	531,740,962	-

During the year, the Group entered into an agreement to sell 9.513% out of its 35.513% stake in both PT Paiton Energy Pte Ltd and Minejesa Capital B.V. The completion of this sale is subject to conditions specified in the SPA which are expected to be completed in next 12 month. Therefore, in light of requirements of IFRS 5 'Non-current assets held-for-sale and discontinued operations', management has reclassified this portion of investment as held-for-sale.

Further, in accordance with IFRS 5, a loss over initial recognition amounting to QR 119.4 million was recognised. Also, share of other comprehensive income pertaining to the reclassified portion in one of the associates, amounting to QR 1.8 million was recycled to the statement of profit or loss.

15 Hedges

(a) Hedging reserves

The hedging reserve comprises the Group's share of effective portion of the cumulative net change in the fair value of the interest rate swaps, as described in Note 4 (a), used for hedging in equity-investees.

The movements in the hedging reserve were as follows:

	2020	2019
At 1 January	**(20,422,841)**	31,390,634
Share of other comprehensive income from equity-investees (1)	**(18,093,576)**	(28,697,392)
Fair value of interest rate hedges	**(24,389,070)**	(22,554,480)
Transferred to interest expense	**(8,480,252)**	(561,603)
At 31 December	**(71,385,739)**	(20,422,841)

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15 Hedges (continued)

(a) Hedging reserves (continued)

(1) The share of other comprehensive income from equity investees is as follows:

	2020	2019
Phoenix Power Company SAOG	**(12,070,489)**	(13,623,822)
PT Paiton Energy Pte Ltd	**30,631**	(109,372)
Shams Maan Solar UK Limited	**(5,183,786)**	(8,013,519)
Minejesa Capital B.V.	**(2,206,271)**	(5,346,796)
AES Jordan B.V.	**1,023,853**	282,817
AM Solar Jordan B.V.	**1,695,033**	(1,886,700)
Total	**(18,093,576)**	(28,697,392)

(b) Derivative financial instruments

	2020	2019
Assets		
Fair value of cash flow hedges	**2,097,028**	5,105,049

	2020	2019
Liabilities		
Fair value of cash flow hedges	**57,834,921**	23,177,686

16 Loans and borrowings

The movements in loans and borrowings were as follows:

	2020	2019
At 1 January	**1,976,462,742**	2,219,438,350
Additions	**1,077,315,441**	194,285,263
Acquisitions through business combinations (Note 21)	**-**	60,175,253
Repayments	**(744,551,162)**	(497,436,124)
Effect of movements in exchange rates	**9,967,676**	-
At 31 December	**2,319,194,697**	1,976,462,742

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

	2020	2019
Non-current portion	**2,258,884,144**	1,948,164,943
Current portion	**60,310,553**	28,297,799
	2,319,194,697	1,976,462,742

16 Loans and borrowings (continued)

The Group had the following loans and borrowings:

	2020	2019
Bank loan *(i)*	**1,698,578,404**	1,694,537,139
Bank loan *(ii)*	**182,028,929**	181,664,780
Bank loan *(iii)*	**52,042,919**	17,686,290
Project finance loans *(iv)*	**91,637,807**	82,574,533
Project finance loans (v)	**294,906,637**	-
	2,319,194,697	1,976,462,742

(i) On 8 December 2016 the Group entered into a syndicated revolving unsecured credit facility amounting to USD 430 million, translated to QR 1,565 million, with a consortium of banks to partially fund asset acquisitions. During 2018, the Group entered into an amendment to the original agreement according to which the credit facility has been increased to USD 470 million, translated to QR 1,712 million. Interest is charged at a rate of LIBOR + 1.1% per annum. The loan is repayable at maturity in the year 2023.

(ii) On 15 January 2019 the Group entered into an unsecured revolving loan agreement with DBS Bank Ltd (DIFC Branch) for an amount of USD 50 million, translated to QR 182,075,000, to fund its working capital requirements. Interest is charged at a rate of LIBOR + 0.60% per annum. The loan is repayable at maturity in the year 2022.

(iii) This amount corresponds to cash overdraft facility of Carthage Power Company SARL in Tunisian Dinar used for working capital financing.

(iv) This represents three non-recourse project finance loans granted by Triodos Bank N.V. as follows:

- The first loan was extended under a Credit Agreement, dated 28 October 2015; the committed amount is EUR 14,678,527, equating to QR 65,613,015 and consists of a EUR 774,161, equating to QR 3,460,497 fixed loan Facility A with a scheduled maturity on 1 January 2026 and a EUR 13,904,366, equating to QR 62,152,517 fixed loan Facility B with a scheduled maturity on 31 July 2031. Interest is charged on a fixed 'all-in' basis of 2.08% per annum.

- The second loan was extended under a Credit Agreement, dated 30 November 2016; the total committed amount is EUR 15,035,000, equating to QR 67,206,450 and consists of two tranches (fixed loan Facility A and fixed loan Facility B) each of EUR 7,550,000, equating to QR 33,603,225 with a scheduled maturity date of 31 December 2032. Interest is charged on a fixed 'all-in' basis of 1.50% per annum.

- The third loan was granted to Braband Zon by Tridos Bank on the 3rd of February 2016. The committed amount of the facility is EUR 3,497,724, equating to QR 15,634,827 and the maturity of the loan is on the 31 October 2031. Interest is charged on a fixed "all-in" basis of 2.08% per annum.

(v) This represents three project finance loans granted by Banco de Nordeste as follows:

- The first loan was provided to Salgueiro on the 25 June 2020. The total committed amount is BR 294,995,916, equating to QR 206,980,275. The maturity is on the 31 January 2039. Interest is charged at 2.18%/pa adjusted for inflation.

- The second loan was provided to Jaiba on the 15 September 2020. The total committed amount is BR 244,766,930, equating to QR 171,737,722. The maturity is on the 15 December 2041. Interest is charged at 1.55%/pa adjusted for inflation.

- The third loan was provided to Francisco on the 15 December 2020. The total committed amount is BR 242,292,728, equating to QR 170,001,728. The maturity is on the 15 December 2041. Interest is charged at 1.96%/pa adjusted for inflation.

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17 Lease liabilities

	2020	2019
At 1 January	**10,697,037**	-
Initial application of IFRS 16	**29,778,352**	15,441,207
Interest expense	**2,495,756**	691,470
Repayment of lease payments	**(6,986,638)**	(5,435,640)
At 31 December	**35,984,507**	10,697,037

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

	2020	2019
Non-current	**28,411,292**	5,090,435
Current	**7,573,215**	5,606,602
	35,984,507	10,697,037

18 Provision for employees' end of service benefits

	2020	2019
At 1 January	**3,113,712**	1,767,293
Provision made (1)	**1,352,124**	1,392,187
Payment during the year	**(717,545)**	(45,768)
As 31 December	**3,748,291**	3,113,712

(1) The provision made for the year is included within staff cost in profit or loss (Note 23).

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.

19 Trade and other payables

	2020	2019
Trade payables	**180,796,072**	2,554,186
Accrued expenses	**102,555,038**	75,867,025
Accrued interest on borrowings	**13,722,846**	13,076,441
Tax provision-investment in an associate	**-**	14,688,604
Other provision	**88,410,759**	59,572,770
Contingent consideration (Note 21)	**37,395,776**	59,505,009
Other payables	**14,827,596**	51,595,215
	437,708,086	276,859,250

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20 Related party disclosures

a) Transactions with related parties

	Nature of transactions	2020	2019
Shareholder:			
Qatar Electricity and Water Company Q.S.C.	Expenses	**5,788,536**	6,864,928
Equity-accounted investees:			
PT Paiton Energy Pte Ltd	Interest income	-	40,265
Shams Maan Power Generation PSC	Interest income	-	66,244
Shams Maan Power Generation PSC	Fee Income	-	127,453
AES Oasis Ltd (i)	Fee income	**794,907**	628,052
Minejesa Capital B.V.	Fee income	**262,773**	-
IPM O&M Services Pte Ltd (ii)	Fee income	**1,911,788**	1,911,788
AM Solar B.V. /Jordan PSC	Interest income	**1,384,921**	-
Amin Renewable Energy Company SAOC	Fee income	**144,491**	-
Amin Renewable Energy Company SAOC	Interest income	**107,887**	-
Other related parties:			
Marubeni Power Asset Management	O&M Agreement	**1,682,336**	-

(i) According to the "Technical Service Agreement" entered between AES Oasis Ltd and AES Jordan PSC, AES Oasis Ltd has agreed to provide technical services as specified in the agreement. The Group receives the respective share of the technical fee.

(ii) On 22 December 2016, Nebras Power Netherlands B.V. and Mitsui Co. Ltd entered into an agreement with IPM O&M Services Pte Ltd to provide technical services as specified in the agreement. The Group receives the respective share of the technical fee.

b) Loans receivable from related parties

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

	2020	2019
At 1 January	-	-
Additions (i)	**31,629,618**	8,318,493
At 31 December	**31,629,618**	8,318,493

(i) The respective loans were provided to the following related parties and in accordance with the following conditions:

- QR 8,318,493 pertains to the loan granted to Amin Renewable Energy Company SAOC based on the agreement dated 19 March 2019. The loan carries an interest at 2.96% per annum.

- QR 23,311,125 pertains to the loan granted to AES Jordan Solar. The loan carries an interest at 6% per annum and matures in December 2039.

20 Related party disclosures (continued)

c) Receivables from related parties

	2020	2019
Shareholders:		
Qatar Electricity and Water Company Q.P.S.C.	-	457,219
Equity-accounted investees:		
Amin Renewable Energy Company SAOC	151,585	-
AES Jordan PSC	265,477	-
AES Oasis Ltd	-	24,098
Other related parties:		
Michel Peek	165,680	-
Sunny Eggs	3,685	-
	586,427	481,317

The above balances are of trading and financing nature, bear no interest or securities and are receivable on demand.

d) Payables to related parties

	2020	2019
Other related parties:		
Michel Peek	22,350	-
Qatar Electricity and Water Company Q.P.S.C.	1,447,132	-
	1,469,482	-

e) Compensation of key management personnel

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

	2020	2019
Short term employee benefits	10,747,467	11,184,848
Long term employee benefits	-	-
	10,747,467	11,184,848

21 Goodwill

	2020	2019
Cost		
As at 1 January	167,272,551	73,695,201
Arising from business combination – net (2b)	-	84,075,172
Adjustments	-	9,502,178
Effects of movement in foreign exchange rates (1)	(19,241,342)	-
As at 31 December	148,031,209	167,272,551
Impairment		
As at 1 January	-	-
Arising from business combination – net	-	-
As at 31 December	-	-
Net carrying amount	148,031,209	167,272,551

(1) The reduction in the goodwill amounting to QR 19,241,342 has resulted from the depreciation of the Brazilian Real to QR. The Brazilian Real has devalued by 29% in 2020.

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21 Goodwill (continued)

(2) During the previous year, the Group made new acquisitions in Nebras Brazil and CPC Tunisia cash generating units through its fully owned subsidiary, Nebras Power Investment Management B.V. (earlier known as "IPM Indonesia B.V."). Upon acquisition of Nebras Brazil, a provisional goodwill of QR 84.1 million was recognized in 2019 at the Group level.

(2a) Acquisition of Carthage Power Company SARL by the Group

On 21 February 2019, the Group acquired a 60% shareholding in Carthage Power Company SARL through its fully owned subsidiary, Nebras Power Investment Management B.V. (earlier known as "IPM Indonesia B.V."). The deed of novation was executed in April 2019 and accordingly, the subsidiary was consolidated from 1 May 2019.

Assets acquired and liabilities

The provisional fair values of the identifiable assets and liabilities of Carthage Power Company SARL as at the date of acquisition were:

	Fair value 2019
Property, plant and equipment	41,475
Other non-current assets	57,346,378
Inventories	11,120,958
Trade and other receivables	143,259,711
Cash at bank	44,436,387
Total assets	**256,204,909**
Loans and borrowings	60,175,253
Accruals and other payables	68,289,704
Non-controlling interest	50,800,885
Total liabilities	**179,265,842**
Total identifiable net assets acquired	**76,939,067**
Purchase consideration transferred	25,039,067
Bargain purchase (1)	**51,900,000**
Analysis of cash flows on acquisition	
Net cash acquired with the subsidiary	44,436,387
Cash paid	(25,039,067)
Net cash inflow	**19,397,320**

(1) Bargain purchase amounting to QR 51.9 million was included in other income in 2019.

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21 Goodwill (continued)

(2b) Acquisition of Lavras, Salgueiro, Francisco and Jaiba solar PV projects by the Group

On 13 April 2019, the Group acquired an 80% shareholding in Lavras, Salgueiro, Francisco and Jaiba solar PV assets through its fully owned subsidiary, Nebras Power Investment Management B.V. (earlier known as "IPM Indonesia B.V."). The consideration was transferred, and the deed was finalized in the beginning of August 2019 and the Group started consolidating the subsidiaries from August 2019.

Assets acquired and liabilities

The provisional fair values of the identifiable assets and liabilities of Nebras Brazil as at the date of acquisition were:

	Fair value 2019
Other non-current assets	19,387,322
Other receivables	3,903
Cash at bank	4,051,185
Total assets	**23,442,410**
Accruals and other payables	550,859
Non - controlling interest	4,435,011
Total liabilities	**4,985,870**
Total identifiable net assets acquired	**18,456,540**
Purchase consideration transferred	43,026,703
Purchase consideration to be transferred (Note 18)	59,505,009
Provisional goodwill	**84,075,172**
Analysis of cash flows on acquisition	
Net cash acquired with the subsidiary	4,051,185
Cash paid	(43,026,703)
Net cash outflow	**(38,975,518)**

(2c) Impairment testing of goodwill

	2020	2019
Cash generating units		
Nebras Brazil	**64,833,830**	84,075,172
Zon Exploitatie Nederland Holding B.V.	**83,197,379**	83,197,379
	148,031,209	167,272,551

Management has identified above two cash generating units based on geographical assessment which is consistent with how management monitors the operations and makes decisions about continuing use or disposing of assets and /or operations. The geographies are Europe (Netherlands) and Latin America (Brazil).

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21 Goodwill (continued)

Key Assumptions used in value in use calculations

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 (WACC) for each CGU.

Cash generating units	**Discount rates used in 2020**	**Discount rates used in 2019**
Zon Exploitatie Nederland Holding B.V.	1.01%	1.90%
Nebras Brazil	8.25% - 8.73%	-

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

Sensitivity testing and goodwill impairment losses

At year-end, the Group's assessment of the reasonably possible change in key assumptions corresponded to a change of 1.1% (2019: 1.1%) in the pre-tax WACC. At 31 December 2020, 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.

22 Revenue from contract with customers

Revenue streams

	2020	2019
Revenue from sale of electricity	**14,500,576**	10,613,162
Revenue from service concession agreements	**684,029,161**	392,329,413
Total revenue	**698,529,737**	402,942,575

Timing of revenue recognition

	2020	2019
Revenue recognized at point in time	**698,529,737**	402,942,575

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23 Expenses by nature

	2020	2019
Cost of generation of electricity	**646,983,841**	397,114,477
Staff costs (1)	**56,822,452**	44,034,814
Consultancy and professional fees	**22,641,952**	8,365,212
Travel expenses	**1,784,730**	5,564,969
Board remuneration	**4,144,327**	2,868,999
Short term and low value rentals	**1,920,766**	-
Office expenses	**5,276,572**	3,797,433
Audit fees	**808,735**	425,028
Engie tax claim	**-**	34,919,838
Bank charges	**2,278,912**	348,698
Depreciation of property, plant and equipment (Note 5)	**7,887,240**	8,027,157
Depreciation of right of use assets (Note 6)	**5,307,312**	5,147,070
Entertainment expenses	**-**	3,509
Miscellaneous expenses	**21,894,027**	25,527,479
	777,750,866	536,144,683

(1) Staff costs includes a provision of QR 1,352,124 (2019: QR 1,392,187) in respect of employees' end of service benefits (Note 18)

The above expenses are presented in the statement of profit and loss as follows:

	2020	2019
Cost of electricity generation	**646,983,841**	397,114,477
General and administrative expenses	**98,158,455**	75,245,858
Other operating costs	**19,414,018**	50,610,121
Depreciation	**13,194,552**	13,174,227
	777,750,866	536,144,683

24 Interest income

	2020	2019
Term deposits	**99,859,704**	134,972,389
Related parties	**259,596**	106,509
	100,119,300	135,078,898

25 Finance costs

	2020	2019
Loans and borrowings	**57,685,717**	76,007,685
Foreign exchange loss	**13,796,203**	6,201,375
Lease liabilities (Note 17)	**201,150**	691,470
	71,683,070	82,900,530

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26 Taxation

The components of income tax are as follows:

	2020	2019
Current income tax from foreign subsidiaries	**(1,711,652)**	(77,868)
Deferred tax (i)	**1,594,896**	(7,395,077)
	(116,756)	(7,317,209)

(i) Deferred tax

Temporary differences	Balance as at 1 January 2020	Recognised in profit or loss	CTA Impact	Deferred tax asset / (liability)
Financial asset (IFRIC 12)	19,042,247	(9,127,840)	1,499,716	11,414,123
Embedded derivative	(1,276,262)	835,724	(83,719)	(524,257)
Tax losses carried forward	-	9,887,015	-	9,887,015
Deferred Tax Asset 1 January/31 December	**17,765,985**	**1,594,899**	**1,415,597**	**20,776,880**

(1) Deferred tax asset was not recognized on the following tax losses accumulated at the end of 2020:

- QR 55,330,393 represents the tax losses carried forward by Carthage Power Company SARL . The deferred tax asset, at the applicable rate of 25% and not recognized in the Group accounts amounts to QR 13,832,598.

- QR 39,547,718 represents the tax losses carried forward by Nebras Power Investment Management and Nebras Power Netherlands. The deferred tax asset, at the applicable rate of 25% and not recognized in the Group accounts amounts to QR 9,886,844.

(2) Deferred tax asset was recognized by the Group on the tax losses accumulated by Nebras Power Investment Management and Nebras Power Netherlands amounting to QR 39,548,060. The deferred tax, at the applicable rate of 25% and recognized in the accounts amounts to QR 9,887,015. These losses expire in 2028 and, according to the assessment carried out by the management, would be fully off-set with the taxable profits.

27 Earnings per share

Basic earnings per share

The basic 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.

	2020	2019
Profit for the year attributable to the ordinary shareholders of the Company	**280,809,243**	363,853,427
Weighted-average number of ordinary shares (1)	**365,000,000**	365,000,000
Basic earnings per share (QR)	**0.77**	0.99

27 Earnings per share (continued)

Diluted earnings per share

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.

28 Commitments and contingencies

At 31 December 2020, the Group had contingent liabilities amounting to QR 52,302,867 (2019: QR 187,437,521) in respect of tender bonds and performance bonds arising in the ordinary course of business from which no material liability is expected to arise.

The Group is also committed to capital expenditures of QR 559 million relating to on-going construction of its power plants in Brazil.

29 Comparative figures

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.

30 Impact of COVID 19

The coronavirus ("COVID-19") outbreak at the beginning of 2020 has brought about a deceleration of the economic activity in the State of Qatar. The spread of coronavirus globally has led the World Health Organization to classify it as a pandemic on 11 March 2020. The fiscal and monetary authorities, both domestic and international, have announced various support measures across the globe to counter possible adverse implications. The Group will continue to closely monitor its operations as the situation progresses. In light of the current situation, the Group has considered whether any adjustments and changes in judgments, estimates, and risk management are required to be considered and reported in the consolidated financial statements. The Group's business operations remain largely unaffected by the current situation.

30 Subsequent events

There were no subsequent events after the reporting date, which have bearing on the understanding of this financial statements.

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