Energizing Communities

نبـــراس للطاقة
Nebras Power

The Power to Empower

ANNUAL REPORT 2019





His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Emir



His Highness
Sheikh Tamim Bin Hamad Al Thani
Emir of the State of Qatar



Pioneering Future Energy

NEBRAS POWER was born at the right time... just when the winds of change started to sweep across the world of power generation... just as the demand for power, and its availability, started soaring... just as the world began actively seeking a low carbon future with new-generation technologies... and importantly, around the time that power generation started being perceived as an effective agent of change... particularly as a force to alleviate, lift and empower less privileged communities around the world to a brighter, more positive tomorrow. A role, a responsibility, that we at Nebras are deeply committed to.

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The power to revolutionize:

Global trends and future energy

The power sector is undergoing a paradigm shift. And for the better. It has been evident for some time now that the energy landscape is changing fast with a distinct contrast in the global power consumption patterns of developing nations vis-à-vis the developed nations. Over the next 20 years while the energy demand from developed nations is set to remain relatively stagnant, growth in demand will almost entirely be generated by emerging markets in the developing nations.

With steadily rising populations accompanied by maturing economies and demographic shifts, Asia, Africa, Middle East and Latin America will be looking to increasing levels of electrification. Consider this also: three-quarters of the global population will reside in Asia Pacific and Africa by 2040 and industrial demand for energy is projected to account for 70% of industrial use by that time. Add to that the fact that currently 1.3 billion people in the world do not have access to electricity.

The countertrend of a slowdown in demand in developed nations will not only be due to sluggish economic growth, but also to higher energy efficiency, lower energy consumption and an increased tilt toward innovative energy saving technologies.

Significantly, with a 26% share worldwide (30% in 2024, and 80% by 2050), we are clearly witnessing a clear move toward renewable and less expensive energy sources. Wind turbines, solar panels and electric vehicles are spreading far more quickly around the world than many experts had predicted. Renewables such as wind, solar and hydropower are projected to surpass at 42% of global generation to become the world's dominant source of electricity by 2030. By 2050, solar PV is projected to account for close to 60% of the total global capacity additions, with Asia, Europe and the Americas at the forefront of this demand. India, China, Philippines, Indonesia and Vietnam should show a growth in energy demand despite the global slowdown due to a projected population boom of 1.7 billion people over the next several decades.

Renewable technologies also do not need extensive power grids as energy production can be developed closer to centers of demand, and therefore are ideal for developing countries. And over the coming years, the cost of deploying renewable energy will continue to fall, as governments, investors, financial institutions and the industry itself keep working to improve the cost-effectiveness of the sector.

So, what do we see as the dominant technologies? Solar for sure, along with wind. In conventional power generation, gas is expected to drive future capacity growth, being able to provide a quick and clean source of base-load capacity and growing rapidly due to environmental challenges for coal and nuclear technologies. Beyond the renewables, gas is set to overtake coal to become the second-most important fuel in the global energy market. But coal will continue to play a role in Asian and African countries due to less stringent environmental guidelines and regulations along with an abundance of domestic inexpensive resources. Additionally, the emergence and development of energy storage solutions is setting up the conditions for the renewable base-load revolution through the combination of intermittent power with fast and readily available reserve capacity. Africa - which is projected to urbanize over the next few decades at a faster pace than China did in the 1990s and 2000s – has huge potential. For example, while it has about 40% of the world's potential for solar energy, it hardly has 1% of the world's solar panels.

While South East Asia, Africa, and the Middle East will see most of the new greenfield developments, Eastern Europe, Latin America and Australia are emerging as regions that have pursued and secured many renewable energy projects. In Europe, as a result of the decommissioning of coal-fired and nuclear power plants, power markets need capacity replacement. In Brazil, renewable energy accounted for 79% of the domestically produced electricity with hydropower accounting for 65% of its electricity. The Brazilian government plans to step up wind and solar energy as alternatives. In the case of Australia, it reached a new milestone when its main electricity grid was briefly powered by 50% renewable energy recently. An achievement which they say will become increasingly normal.

Correspondingly, Australia is in the process of becoming one of the world's most decentralized, and low carbon power systems. It is increasingly reorienting itself to renewable energy away from a dependency on coal with renewables slated to account for 57% of the demand by 2030 and 84% by 2050.

Smart grid solutions are increasingly being adopted for power transmission and distribution. Computing intelligence and networking ability is being used with two-way digital communication to improve connectivity with customers, to efficiently control networks and to provide expanded services to end-users who now become active players of the energy conservation process. Decentralization trends in energy generation is also on the rise. Bloomberg projects that by 2050 10-40% of capacity is behind-the-meter in major economies globally.

In a climate where energy efficiency policies and programs are being prioritized across the world accompanied by advances in technology and changing consumer's habits, a major shift is occurring in the decision-making process involving advanced predictive portfolio performance monitoring platforms related to new asset development and asset management in the power industry.

The global scenario and trends have influenced Nebras Power's overall strategic objective of steadily investing in and partnering projects worldwide to achieve optimal investment portfolio returns by expanding its global asset base, while seeking and utilizing new technology, know-how and expertise across the whole spectrum of power generation and water desalination technologies. And, significantly, in the process, empowering and raising living standards to eventually building a brighter future for the local communities.

The power to deliver



Who we are

Nebras Power is a visionary company that is already ahead in a journey which straddles the globe across four continents. In the five years since its inception, Nebras has been inspired and incentivized by the realization that its pioneering energy has delivered 'power to the people', energizing communities across the world.

Set up to take advantage of the investment opportunities created by the continuously growing demand for electricity and water throughout the world, especially in the rapidly developing markets in the Middle East, Asia, Africa, Latin America, Eastern Europe, and Australia more recently, our investment portfolio today extends to 14 power generating assets in seven countries totaling approximately 6,346 MW. A drive that is accompanied by a genuine aspiration to participate in the evolving nature of the global power industry and to pioneer future energy solutions. And of course, to empower communities in the process.

As a fully-fledged investment company, Nebras is building on this long-term opportunity and in doing so is fulfilling its promise to help Qatar develop and manage a portfolio of strategic investments in power, water and renewables the world over. This mandate is in line with Qatar's 2030 National Vision to diversify the economy away from oil and gas and ensure sustained prosperity for future generations of Qataris.

Our Company also benefits from its association with Qatar Electricity and Water Company's (QEWC) robust vision and leadership, and the expertise of the Qatar Investment Authority (QIA).

Nebras has an accomplished management team with extensive global, regional and local experience in the power and utilities sectors. As a serious player in the power industry, we strategically aim to build a portfolio exceeding 13.8 GW net by 2029, a target to be achieved with the right balance of technology, market geographies and off-taking arrangements.

In accordance with its long-term value creation strategy and investment policies, Nebras Power is working to continually expand in the global markets through a number of well-planned investments in new energy projects as well as with the acquisition of stakes in existing projects in different regions of the world.

Established in Doha, Qatar, Nebras Power Q.P.S.C. ("Nebras Power" or "Nebras") is a Qatari shareholding company incorporated in the year 2014. It is a joint venture of two Government entities; Qatar Electricity and Water Company (QEWC) holding 60% of the shares, and Qatar Investment Authority (QIA), the sovereign wealth fund of the State of Qatar, indirectly holding 40% of the shares. QEWC has been fully floated on the Doha Stock Exchange and the State of Qatar owns 60%, directly and indirectly.

Founded in
2014

Power Generating Assets
14

Gross Capacity
6.3 GW

Total Assets
QAR 7.2 BN

Net Income
QAR 364 MN

The cornerstones of our success



Our Vision

We have the ambition to become one of the leading energy companies of the world, pioneering future energy.

Our Mission

We are committed to provide safe, reliable, efficient, and environmentally sound energy solutions. We aspire to achieve this by living our values, which drive every decision and action we take. We encourage talents and we truly count on the skills and creativity of our team to achieve excellence in everything we do.

Our Values

Commitment to Environment:
We understand our impact on the environment and we work toward a more sustainable industry.

Safety as a Priority:
We believe in conducting our business in a safe and sustainable way.

Pursuing Excellence:
We believe in the pursuit of excellence in everything we do.

Collaboration and Teamwork:
We believe we are better when we work together.

Continuous Improvement and Knowledge:
We always strive to get better. We share our know-how, expertise and ideas with each other. We apply the lessons we learn.

Honesty, Integrity and Transparency:
We set the highest standard of corporate governance. We are open and honest with each other, our partners and stakeholders.

Our shareholders

NEBRAS POWER benefits immensely from the unwavering support and experience of its two exceptional shareholders... two entities which, over the years, have evolved to become the nation's pillars... two names that are respected for their values, drive and outstanding track records. They have invested in, brought to life, and nurtured Nebras, infusing it with life, determination and the prospect of an extraordinary future.

شركة الكهرباء والماء القطرية ش.م.ع.ق
QATAR ELECTRICITY & WATER CO. Q.P.S.C.

Qatar Electricity and Water Company

Qatar Electricity and Water Company is a Qatari public joint stock company established in 1990 in accordance with the provisions of the Qatari Commercial Companies Law, for the purpose of owning and managing power generation and water desalination stations, and the sale of their products.

Qatar Electricity and Water Company is one of the first private sector companies in the region engaged in the generation of electricity and desalination of water. The share capital of the company at incorporation amounted to QR 1 Billion divided into one hundred million shares of QR 10 per share. Based on the decision of the Extraordinary General Meeting of February 25, 2014, ten million bonus shares were distributed to shareholders at the rate of one share for every ten shares held.



With this, the capital of the company became QR 1.1 Billion representing one hundred and ten million fully paid shares. The Government of the State of Qatar and its affiliated institutions hold about 60% of the capital and individuals and private companies holds the remaining 40%. Based on the decision of the Extraordinary General Meeting of March 6, 2019, the nominal value of the share was changed to QR 1 instead of QR 10 per share and so the number of shares reached one billion and one hundred million. The company is managed by the Board of Directors consisting of eleven members headed by His Excellency Saad Bin Sherida Al-Kaabi, Minister of State for Energy Affairs.

Qatar Electricity and Water Company is one of the largest companies in the field of power generation and water desalination in North Africa and the Middle East region. QEWC is the main supplier of electricity and desalinated water in Qatar. The company has witnessed remarkable growth during the last decade in line with the steady growth of the economy of Qatar and the increase in population and the corresponding increase in demand for electricity and water. The total assets of the company amount to approximately QR 18 billion and the company and joint ventures together have capacity of 10,590 MW of electricity and 481.5 MIGD of Water.

QIA جهاز قطر للاستثمار
QATAR INVESTMENT AUTHORITY

Qatar Investment Authority

Qatar Investment Authority (QIA) is the sovereign wealth fund of the State of Qatar. QIA was founded in 2005 to strengthen the country's economy by diversifying into new asset classes. Building on the heritage of Qatar investments dating back more than three decades, QIA's growing portfolio of long-term investments help complement the State of Qatar's wealth in natural resources.

QIA supports the goals of the Qatar National Vision 2030, which seeks to create a stable, prosperous future for generations to come. The sovereign wealth fund looks beyond short-term turbulence and market trends focusing on the fundamental issues of sustainable value and growth.

QIA's stakeholders and employees – from all around the world – operate with absolute commitment and apply the highest financial standards and investment principles. QIA seeks socially, economically, and environmentally responsible investments, and looks beyond short-term returns, as QIA pursues balanced and sustainable growth.

QIA has built a major global portfolio that now spans a broad range of asset classes and regions. QIA has a strong track record of investing in multiple asset classes, including listed securities, property, alternative assets and private equity in all the major markets globally.

Mission: QIA's mission is to invest, manage and grow Qatar's reserves to create sustainable long-term value for the State and future generations. QIA supports the development of a competitive Qatari economy, facilitating economic diversification and developing local talent.

Vision: QIA is recognized as a world-class investment institution, and the preferred partner of choice for investors, financiers and other stakeholders



Culture: QIA is driven by values and principles. QIA values its reputation of excellence and integrity.

Values: Professional and Ethical Standards to which the Authority adheres. QIA's governing bodies, corporate officers and employees are required to behave and operate following five guiding values:

- *Integrity:* To apply the highest ethical, moral and professional standards of conduct in each of their undertakings.
- *Mission focus:* QIA has a noble mission on behalf of the Qatari people. In executing day to-day responsibilities, QIA management and employees are firmly focused on this mission.
- *Entrepreneurialism:* QIA believes in the power of entrepreneurialism, and it continues to encourage initiative and a flexible approach even as the organization grows and institutionalizes.
- *Excellence:* QIA strives for excellence in all aspects of its undertakings.
- *Respect for people:* QIA recognizes that people are its most valuable asset, and the organization seeks to create a respectful workplace free of harassment or intimidation.

Five years
Multiple milestones



With a mandate that is as focused as it is visionary, Nebras Power's five-year journey has been genuinely pioneering. In our short history, we have identified, invested in and successfully incorporated new sustainable and responsible methods of harnessing energy in a growing list of regions throughout the world. We have been on the forefront of greenfield and brownfield energy projects that have been guided by the expertise and experience of our team. Throughout this journey, our approach to power investments continues to make tangible differences in the countries and communities where we operate.

Nebras has supported multiple community-oriented initiatives worldwide such as funding health and sanitation systems, instituting health awareness, waste recycling and youth leadership programs. Furthermore, we have led locally based programs that have focused on vocational training, energy conservation and charitable contributions for disaster relief. Additionally, Nebras has been involved in many green projects, including contributing to coastal livelihood improvement and biodiversity programs, mangrove conservation and the mass planting of trees.

Select examples of our milestones over five years:

Acquired shareholding in Phoenix SUR CCGT project in Oman.

December 2015

Nebras acquired a 9.8% stake in Oman's Phoenix 2,000 MW Power Station at Sur, the country's largest independent power production unit.

Realizing its aspiration to become a grass-root international solar power developer. First Office in Europe – Amsterdam, Netherlands.

September 2018

Nebras Power Investment Management B.V., the Dutch affiliate of Nebras and its first European company, acquired 75% equity stake in Zon Exploitatie Nederland Holding B.V. (ZEN), a leading developer and operator of solar power generation assets in the Netherlands.

Expanding its presence in Jordan. Majority shareholdings in four projects.

July 2014 - July 2019

Located in Al-Manakher near Amman. The AM Solar Power Plant became operational in July 2019.

60% stake in Carthage Power Company (CPC) – Rades II in Tunisia.

April 2019

CPC Rades II, Tunisia's largest power plant, with a power generating capacity of 471 MW (over 8% of the installed capacity in Tunisia in 2019).

80% stake in four Brazilian solar projects. First Office in the Americas – São Paulo, Brazil.

October 2019

Nebras acquired four solar plants in Brazil – Salgueiro Solar Holding SA, Francisco Sá Solar Holding SA, Jaíba Solar Holding SA and Lavras Solar Holding SA – with a total installed capacity of 398 MWac (482.6 MWp).

The will to transform

A value-driven cause

"As we move into the future and with every new foray, we are increasingly convinced that, with all the growth and reach we have achieved, 'giving' remains a vital component. The goodwill that we receive serves us well as representatives of the public-spirited nation that Qatar is."

From our Chairman



It was with much forethought and deliberation that we at Nebras Power arrived at our credo “Pioneering Future Energy”. It is a declaration that we have stood by and one that has defined us progressively since our inception. We celebrated our 5th anniversary recently with the knowledge that we have not only upheld our stated mission of being at the vanguard of identifying and instituting innovative power technologies, but also, created an exceptional by-product: a new and positive future that empowers the many communities that we service. The past year saw us taking a big step toward achieving our aspiration of becoming a leading international power company with the multiple acquisitions and partnerships that we have achieved in key growth markets.

Our business development strategy focused on the growing demand for conventional, clean and renewable energy sources in both emerging and established economies like Australia, Pakistan, Bangladesh, Jordan, Oman, Ukraine, Netherlands, Uzbekistan and Malaysia. Our expansion in the Middle East progressed at a steady pace with a 9.9% stake in Project Amin in Oman and with the acquisition of a 60% equity interest in the Tunisia-based Carthage Power Company (CPC)- Rades II.

To cap off 2019, we successfully completed the acquisition of four solar PV projects in Brazil, that on commencement of commercial operations would comprise the largest bi-facial solar portfolio in Latin America. All of these business agreements and acquisitions were entered into and achieved with immense planning and in keeping with optimal returns on investments in mind. As always, we continued to seek out opportunities that bolstered our bottom line and that would deliver clean energy solutions to disparate geographic regions and populations around the world.

On the industry front, the last few years have clearly established that global energy trends are witnessing an unprecedented shift from the old to the new. It is not only a transformation that we at Nebras Power welcome, but it is also one in which we enthusiastically participate. We see it as a ‘movement’, a value-driven cause that is in line with our mission to help deliver power that is “safe, reliable, efficient and environmentally sound”.

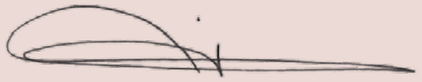
To us it is an undertaking that immediately brings to focus the humanitarian principle it is founded upon – that all business is an integral part of the community it serves. And as an active player in the energy industry, we undertake our business with the awareness that power or energy is inextricably connected with every aspect of modern living, and that while energy automatically helps address the fundamental needs of the communities we operate in, we also need to be proactively involved with measures that uplift their lifestyles, livelihood and thereby their future. Power energizes communities, worldwide... initially with lighting, TVs, refrigerators, computers and appliances, and later, with air conditioning, bigger appliances, and even electric vehicles. It helps provide employment, a living, to a multitude of the local populace.

Nebras, with its concerted efforts in providing clean energy, is helping transform lives, demonstrably and in a sustainable manner, through the various projects we have invested in the world over. From Asia to Latin America, from Europe to Australia we have instituted, funded and supported community programs that have directly and positively impacted thousands of people with an emphasis on conservation, education, and health & safety. In Qatar, our expanding Corporate Social Responsibility outreach focuses on education, research and initiatives that aim to augment sustainability, conservation and health & wellness programs.

Internationally and domestically, Nebras always ensures that we work with local experts within recognized national and global standards and practices. Subsequently, our Company employs a vibrant localization program that vigorously identifies and recruits native talent in all the communities that we service. We firmly believe in investing in people as well as investing in future energy. In addition to working along with our stakeholders to deliver business success and growth, and promoting the economic and social well-being of the communities we engage with, Nebras, as a responsible player in the global energy industry, will continually strive to protect the environment and build a more sustainable global economy for future generations. We understand and recognize that many developing countries are aligning themselves with global trends to phase out dependence on fossil fuels. Nebras sees opportunities to partner with and to invest in clean energy projects as part of our mission to help emerging economies realize their clean and renewable energy targets as they work to create societies that are less reliant on carbon fuel sources. This is what we also refer to as ‘energizing communities’.

As we move into the future and with every new foray, we are increasingly convinced that, with all the growth and reach we have achieved, ‘giving’ remains a vital component. The goodwill that we receive serves us well as representatives of the public-spirited nation that Qatar is.

In closing, I must place on record that the successful implementation of our 2019 business plan could not have been achieved without the concerted efforts and expertise of our CEO, Board of Directors, executive leadership, and all of our staff, including the personnel of our global offices and the local talent we recruited in those countries. I thank each and every one of you.



Fahad bin Hamad Al-Mohannadi
Chairman

At the forefront

Energizing the future

"We have successfully initiated many people-oriented programs and are in the process of embarking on many more that are as relevant as they are far-reaching. Programs that genuinely uplift the less privileged in everyday, practical ways with the prospect of a positive future."

A word from our CEO



I am happy to inform you that Nebras Power's overall growth in 2019 was exemplary owing to the strength and diversity of our asset portfolio and the growing demand for clean and renewable energy throughout the regions within our key markets. Our year-on-year progress is reflected in the noteworthy rise in our net income this year, from QAR 345 million to nearly QAR 364 million. Our total assets have also shown a clear, upward trend touching QAR 7,201 million vis-à-vis QAR 6,826 million in 2018. In this period, our shareholder's equity also experienced significant growth – QAR 4,911 million compared to QAR 4,537 million in 2018 – indicating the strength of our investments and their increasing returns. Even more encouraging has been the near-100% increase in our operating income from QAR 495 million in 2018 to registering QAR 979 million this year.

During the year, we acquired an 80% stake in a portfolio of four major solar projects in Brazil with a total installed capacity of 398 MWac (482.6 MWp) – a move that officially cements our Company's expansion into Latin America. This expansion was further augmented with the launch of our offices in São Paulo that complemented our office in Amsterdam. Both international offices allow Nebras to focus on strengthening and servicing our foreign assets, while identifying more investment prospects in those regions.

Our vigorous growth also demonstrates the trust reposed in Nebras's assets and in the reliability of the power that we help generate for the communities we service. In 2019 we witnessed the steady extension of our footprint on the world energy map. With four high-investment projects and the establishment of local headquarters, Brazil is an example of Nebras international outreach particularly into Latin America. Other milestones that signified our Company's growing international presence is the notable rise in our net and gross asset capacities. This was achieved not only by acquisitions in Brazil but with our expansion in Oman with the Amin project (9.9%) and our entry into North Africa with an investment in Tunisia's Carthage Power Company project (60%). It is worth noting that the latter's electricity sales were the principal drivers of our heightened operating income.

The year was also significant because we were asked to participate and partner in major business forums with noted global experts and leading organizations. In October, I was proud to have been invited to speak on a panel discussion in Kiev, Ukraine, titled "Investment Attractiveness of the Emerging Markets: Risks and Opportunities." Ukraine represents a major growth market for Nebras as we continue to identify robust investment opportunities not only in that country but throughout Eastern Europe.

As the year drew to a close, Nebras partnered with the Qatar Environment and Energy Research Institute (QEERI) in organizing a specialized conference in December that addressed the challenges and opportunities in the Energy-Water-Environment (EWE) nexus with a focus on the research and technology development requirements in harsh desert climates. More than 500 researchers, scientists, engineers and industry experts attended the inaugural event in Doha that underlined and boosted Nebras's commitment to imparting our technical expertise to the energy sector and to academia.

On the corporate social responsibility front, in line with our mandate of putting people and communities first, Nebras has progressed considerably in the ways in which we engage with the population in the regions we operate in. We have successfully initiated many people-oriented programs and are in the process of embarking on many more that are as relevant as they are far-reaching.

As we operate in different parts of the world, we ensure that the programs in which we are involved are specific and customized to the local communities with their inherent dynamics, hopes and needs. To this end we sponsor, leverage and support many of these community projects in collaboration with local bodies. At Nebras, we are never short-sighted on the matter of community engagement. We see the larger picture and then plan and execute this vision in association with local groups, government bodies and charitable organizations. We understand that when you create jobs, you help create a livelihood... when you promote education, you create hope for the future... when you bring about cleaner, better ways of existence, you uplift the standards of living.

Take for instance the all-round service we have provided at our Paiton project region in Java, Indonesia. We have given stable, long-term jobs to hundreds of local people. We have supported and funded multiple educational initiatives while improving existing infrastructure and constructing new facilities. Our 'Paiton Energy Indonesian Young Leaders Scholarship Program' provides financial support and leadership development for young students, in addition to funding traditional heritage crafts and educational initiatives toward the prevention of HIV and AIDS. We introduced waste recycling and the development of a methane production infrastructure to produce mini biogas plants and PV solar panels at high schools. Congruently, we have also been involved in mangrove conservation and coastal livelihood improvement programs and a Biodiversity project. With Netherlands concerted move into renewables, away from greenhouse gases, and with our acquisition of Zon Exploitatie Nederland Holding B.V. (ZEN), we have many community services in the pipeline.

In Brazil, among the more recent efforts to take care of local unassisted communities is the one associated with our Salgueiro project. Nebras is collaborating with Fundação Palmares, a Brazilian public entity, to initiate many significant programs to benefit the Quilombola community that lives close to our solar plant. The most notable programs will inculcate essential reading and writing skills in Portuguese with the help of hired teachers, along with providing books, computers, promoting sports activities like soccer, volleyball and basketball, and extending even to theater courses. Community service is one that we deeply value and where we expend significant thought, effort and funds to make it a palpable reality wherever we are present. It is a core activity that will see us touching more lives, more communities, in more countries in the future.

Overall it has been a very positive and fulfilling year for Nebras Power and I thank our board of directors, management, staff and our community partners for helping make our endeavors a reality. Together let us make 2020 an even better year.



Khalid Mohammed Jolo
Chief Executive Officer

Investing in tomorrow

Setting the trajectory

Strategy

We invest globally in power generation, sourcing and logistics of fuel, water desalination, water treatment and Cooling or Heating projects.

We are a strategic investor and we pursue long-term value creation. We aim at maximizing shareholder returns in the context of an acceptable risk profile.

We target to achieve a well-balanced investment portfolio in terms of technology mix, markets, merchant exposure, and greenfield developments vs. M&A.

We target securing significant governance rights over investees through either direct control or an acceptable level of influence over management, operations and cash flow generation.

We seek to develop and grow key technical, commercial, market, management competences and expertise across all technologies and target markets.

We adopt financial discipline while pursuing growth. We aim at maintaining at all times a stand-alone investment grade credit rating.

We want to build successful long-term relationships with strategic partners (utilities, power developers, EPC, OEM, O&M providers, financial institutions) for developing opportunities in the target markets.

We seek to opt for renewable energy solutions for power generation wherever and whenever possible and in the process promote long-term sustainability.

We look at developing projects worldwide that will have a positive effect on local economies helping create new jobs, paying local business taxes, raising the standards of living, etc. thereby creating a positive societal spin-off.

Board of Directors



Mr. Fahad bin Hamad Al-Mohannadi

Chairman of the Board

Mr. Fahad bin Hamad Al-Mohannadi was appointed Chairman in February 2014 and is the Managing Director & General Manager of Qatar QEWC.
His career has seen over 26 years in the power and utilities sector. From 1981 to 1992 he held various positions at the Ministry of Electricity & Water. He is also on the Board of HK Electric Investments & HK Electric Investments Ltd., Siraj Energy, Qatar Hot Briquetted Iron Co., Qatar Steel Co., and Ras Laffan Power Co. Ltd. He has also served on the Board of Industries of Qatar, Qatar Petroleum Corp. and Qatar Science & Technology Park.
Mr. Al-Mohannadi holds a Bachelor's Degree in Mechanical Engineering from North Carolina Agricultural & State University, USA.



Mr. Mohammed Ahmed Al-Hardan

Vice Chairman

Mr. Al-Hardan was appointed to the Board in June 2015. He joined Qatar Investment Authority (QIA) in 2009 where he is the Senior Investment Associate, Technology, Media & Telecommunication Investing. Prior to 2017, he was with the Infrastructure & Power Investment department at QIA. Currently, Mr. Al-Hardan is also a member of the Board of Directors of the Qatari Algerian Investment Company (QAIC). He holds a Bachelor of Science degree in Business Administration with concentration in Finance & Strategy from Carnegie Mellon University and is a Chartered Financial Analyst (CFA).



Mr. Khalid Mohammed Jolo

Chief Executive Officer

Mr. Jolo was elected as CEO in February 2014 and was appointed to the Board in December 2014. With over 20 years' experience in the power and utilities sector, he has headed QEWC's Business Development team in the recent past and has led critical development projects in and outside Qatar including Ras Abu Fontas-B1, Ras Abu Fontas-B2, Ras Abu Fontas-A1 in Qatar, Sur IPP in Oman, and in acquiring an equity stake in IPP4 in Jordan. He is the Chairman of Phoenix Power Company (Oman) and Shams Ma'an Power Generation (Jordan). He is also on the Board of Ras Girtas Power Company (Qatar), Siraj Energy (Qatar), and Ras Laffan Power Company (Qatar).
Mr. Jolo holds a degree in Mechanical Engineering from the Faculty of Engineering, Qatar University.



Mr. Fahad Abdulla Al-Mana

Director

Mr. Al-Mana was appointed to the Board in February 2014. He joined Qatar Investment Authority in 2010 as Senior Financial Analyst, Business Development, and is currently a senior member of the M&A / Co-investment team and is on the Board of Directors of Juweel and Al Rayyan Hospitality.
Mr. Al-Mana holds a degree in Business Administration from Qatar University.



Mr. Abdulsattar Mohd. Al-Rasheed

Director

Mr. Al-Rasheed was appointed to the Board in 2014 and has over than 35 years of experience in the power and water sector in Qatar. He is currently the Business Development Director of QEWC and has held various senior positions during his career including Operations Manager at RAF-A Station, Production Manager at QEWC, Executive Managing Director of QPower Company and CEO of Ras Abu Fontas Power and Water Station. He currently on the Board of Phoenix Operation & Maintenance Company, Umm Al Houl Power Company, Ras Girtas Power Company and Siraj Energy. He holds a Bachelor's Degree in Mechanical Engineering from California State University, USA.



Mr. Jamal Ali Al-Khalaf

Director

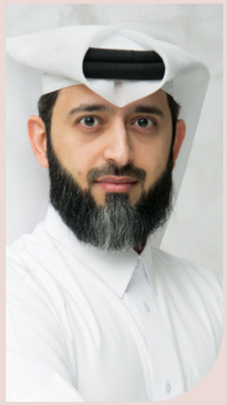
Mr. Al-Khalaf was appointed to the Board in May 2017. He started his career with the Ministry of Electricity and Water, as Head of Operations at Ras Abu Fontas Power and Water A-Station. In 2005 he was given the responsibility of managing the entire operations of all of QEWC's power and water production facilities. He was appointed as the Chief Executive Officer of Umm Al Houl Power Company in 2015.
Mr. Al-Khalaf holds a Bachelor of Science degree in Mechanical Engineering from Qatar University.
He also obtained the NEBOSH/OSHA certification in 2011.



Mr. Abdulmajeed Shihab Al-Reyahi

Director

Mr. Al-Reyahi was appointed to the Board in May 2017 and has more than 25 years of experience in power and water projects in various capacities such as Head of Operation and Maintenance, Station Manager, Maintenance Manager, Production Manager, Chief Executive Officer & Vice Chairman under Secondment of Qatar Electricity & Water Company. He is currently, the Chief Executive Officer of Ras Girtas Power Company.
Mr. Al-Reyahi has a Bachelor of Science degree in Mechanical Engineering from Qatar University in 1992.



Mr. Sultan Hassen Al-Saadi

Director

Mr. Al-Saadi was appointed to the Board in May 2017. He joined Qatar Investment Authority in 2010 and is currently Associate Director assisting the Head of the Qatar Investments department in developing strategy as well as supporting portfolio companies in the areas of new investments, divestments, financing, strategy and governance with the objective of maximizing return of investments.
Mr. Al-Saadi holds a Bachelor of Science degree in Electronics Engineering with a minor in Mathematics from the University of Arizona, USA.



Mr. Abdulla Ali Al-Theyab

Director

Mr. Al-Theyab was appointed to the Board in 2019 and has more than 25 years of experience in the energy sector in Qatar and currently serves as the Director of Electricity Networks at Qatar General Electricity and Water Corporation (KAHRAMAA). He has held several senior positions in his career and is a member of several local and foreign committees and Boards.
Mr. Al-Theyab is a Bachelor of Electrical Engineering from Qatar University.



Mr. Oluwafemi Idowu

Director

Mr. Idowu was appointed to the Board in 2018.
He joined Qatar Investment Authority in 2012 where he is currently in the Infrastructure investment team.
Earlier, he worked as a Mergers & Acquisitions Banker at Citigroup in London focusing on power and utilities.
He also serves as a Director of Gulf Chemical Carriers Holdings Limited.
Mr. Idowu graduated with an Master's in Chemical Engineering from Imperial College, London, with a specialization in Natural Gas Fractionation technology.

At the forefront

Energizing the future

Operational Highlights

Business Development

During 2019, Nebras Power has pursued many business opportunities, both greenfield and the acquisition of operating assets. These opportunities were in line with our Company's corporate strategy, of focusing on assets located in target geographies, and comprising conventional and renewable power generation capacity.

Our Company has successfully finalized and closed several transactions during the year across the globe, from Latin America to Tunisia and Oman. We acquired an 80% stake in four solar projects in Brazil with a total capacity of 398 MWac (482.6 MWp). Additionally we successfully acquired a 60% majority share the Carthage Power Company (CPC) - Rades II in Tunisia (471 MW) and completed the acquisition of a 9.9% interest in a solar project in Oman (105 MWac). We were successful in achieving commercial operation in September 2019 for the AM Solar project in Jordan.

Moreover, Nebras is working on developing large scale CCGT projects, including gas to power projects in Central Asia, and acquiring greenfield renewable capacity in Eastern Europe and Australia. Our Company is also progressing with several other acquisition transactions, which we hope to close successfully in 2020.

In 2020, we will advance our pursuit to secure investment opportunities that will further strengthen our solid existing portfolio and further expand our global footprint into new key markets. We will also continue our efforts to optimize our portfolio in terms of technology mix and geography.

Congruently, we continue to enhance our investment governance framework and investment decision-making process through ongoing continuous improvements to our investment policy and strategy, while proactively engaging with our Investment Committee.

In addition to these successful acquisitions, Nebras's team also conducted due diligence on a number of other investment opportunities involving both conventional and renewable technologies which are in different stages of development and located in various geographies, including Australia, Pakistan, Bangladesh, Ukraine, Netherlands, Uzbekistan, Malaysia, etc.

A focus toward new generation facilities globally remains on renewables to meet growth and increasing demands for electricity due to technological advancements and decreases in capital cost. We remain steadfast in our focus and quest on securing profitable investments with well-defined and manageable risks in emerging markets. Lastly, we will forge ahead in our pursuit of boosting our portfolio's technology mix and expanding our geographical footprint.

Organization and Corporate Structure

With Nebras Power expanding its footprint with multiple new investments and ventures across the world, 2019 became a year of streamlining processes and initiatives with a clear slant on localized, region-specific and community-oriented measures. Strong emphasis was placed on process improvement and consistency in managing human capital worldwide with an emphasis on hiring practices and an eye on nurturing and empowering local talent.

A key development was the establishment of our office in São Paulo, Brazil, to support new business in Latin America, while providing a boost to local employment with the recruitment of local experts in the Legal, Financial, Project Management and Support fields. In 2019, our Company also concentrated on further improving its expertise in compliance and business risk management.

Back home in Qatar, the focus on Qatarization continued, fueled by the growth of key business areas, which provided further development opportunities for Qatari nationals. Plans remain on track for the achievement of 22% Qatarization of permanent positions.

Information Technology

In 2019, Nebras focused on upgrades and improvements in Information Technology with an emphasis on end-user experience, governance, security and ease of communication.

A centralized IT system was implemented for integrating and unifying our expanding global offices into one streamlined system that included our subsidiaries. This method was introduced to deliver a unified user experience through cloud services.

Security vulnerabilities were addressed in 2019, while data center security was enhanced. The HSBC bank automatic payment process was successfully integrated to better serve finance and procurement internal controls. IT governance received a boost with the formal enactment of IT systems change management. Moreover, a backup storage facility was established for emergency data recovery. Lastly, IT completed the analysis and the preparation of IT systems transitions, which included processes such as SAP, OFFICE 365, network, security and a global help desk management system.

Asset Management

Nebras Power has always been at the leading edge of the best management practices, including the utilization of technologies it employs. Our synchronized application of knowledge, Health, Safety, Security and Environment (HSSE) processes and logistics has been optimized across our entire asset portfolio. The critical evaluation of risk within the business has been undertaken in conjunction with our venture partners to advance fully informed decision making in a methodical and systematic manner. Accordingly, in 2019, we took a closer look at our crises and business continuity preparedness programs to ensure that our teams and facilities around the world were performing optimally to mitigate risk, including in emergency scenarios such as the encroaching COVID-19 pandemic.

Our asset management practices continued to align with our corporate commitments to building and operating sustainably and in harmony with local laws, while also protecting the environmental integrity of local communities in which we operate and serve.

As always, we use leading software for gathering data from each asset within the portfolio and for in-depth analysis. This has helped us to enhance our ability to partner, collaborate, and cooperate in the development, delivery and the operational execution of best practices.

Lastly, the year saw Nebras's assets performing well with targets being met and exceeded across the board. These are achievements that have been reinforced with personnel who closely monitor asset operations in cooperation with stringent management oversight and with our asset partners routinely providing additional expertise, technical knowhow and supervision.

Financial Management

Nebras Power took concrete measures toward achieving our goal of developing a best in class finance organization aimed at effectively supporting the achievement of company-wide strategic goals.

From a capital structuring perspective and in order to support sustainable growth, the company continues to follow its long-term financing strategy that has been embedded into the five-year business plan approved by the Board of Directors. Nebras Power targets to have nonrecourse financing to fund its development projects. Our Company also utilizes corporate financing to optimize cost of capital, secure long term growth and maximize shareholders value. The targeted level of corporate debt is consistent with maintaining an internally assessed stand-alone investment grade credit rating.

We continue to engage actively and develop relationships with domestic and international banking institutions, ECAs and multilateral agencies across the Middle East, Africa, Asia, Europe and United States. These activities are essential in promoting our Company's image and appeal in the local and international financial markets as well as getting visibility on banks' capabilities and service offering in support of our international business development efforts.

The Company acquired controlling stake in four Solar PV projects (three in advance stage development and one under construction) in Brazil, an office has been established in São Paulo to manage the local operations and investment activities, finance team with extensive industry experience has been set up. Group policies, procedures and internal controls are being implemented in the subsidiary.

In April 2019, Nebras acquired a 60% stake in an operational combined cycle power plant, Carthage Power Company (CPC) - Rades II in Tunisia where we have successfully integrated finance reporting activities.

One of the key highlights of the year has been the introduction of Group Insurance function in order to take advantage of the growing scale of business and to ensure effective risk transfer. This will take advantage of the economies of scale and it will ensure consistent application of the group insurance policy across the portfolio.

Our Company recognizes the importance of managing our tax affairs in a prudent, socially responsible and effective manner. One of our goals is to ensure the positive reputation of the company as a taxpayer and foster a constructive and transparent relationship with the tax authorities and communities in all jurisdictions where the group operates.

We aim to achieve best in class tax risk management that ensures that tax value is fairly distributed compliant with the laws of applicable jurisdictions in a transparent and efficient way. In order to achieve the key objectives outlined above, our Company aims to continuously improve internal tax controls and tax risk management processes. Hence, we have developed a Tax Control Framework (TCF) in 2019 to be applied by Nebras Power group companies going forward. A TCF is a tax risk management and tax control methodology that:

- Enables the group to achieve the tax objectives and to execute the Tax Strategy in a controlled and manageable way;
- Steers the behavior of our employees in the correct direction in relation to tax;
- Supports the group to communicate in a transparent and clear way in relation to tax with internal and external stakeholders (auditors, tax authorities, banks, etc,).

Being an international group, Nebras embraces best practices in managing complex international tax relationships and transactions alike. This has been achieved by building robust in-house tax management expertise and by custom tailoring the tax processes and solutions to fit company culture, risk appetite and scale of investments. Our Company is maintaining the highest quality of in-house tax management expertise by continuous investing in tax knowledge and awareness of its employees in relation to ongoing tax developments.

We recognizes the importance of maintaining the highest standards of internal control over the finance function. During 2019, our group continued to expand, improve and automate its internal controls to ensure effective controls over the key aspects of the finance function.

In 2019 our group has achieved full automation of the procure-to-pay cycle through integration with its Enterprise Resource Planning system and e-banking platform. It has resulted in the Company effectively managing its payment needs while strengthening the controls over the procurement and accounts payable functions.

As part of Nebras's initiative to build a positive image, reputation and to promote its brand, the group's finance leadership team has participated in a number of conferences and industry events delivering keynote speeches. The group is keeping up on its effort to build a strong brand and develop key relationships across the industry and international financial markets by sharing its knowledge and vision with other global industry and financial leaders.

A record of exceptional growth

Portfolio Overview

In just five short years Nebras Power has made its presence felt across four geographies with operational assets comprising of 14 power generating assets in seven countries. Today, our Company has a built an impressive power investment portfolio which is backed by solid contractual and off taking structures and the ability to deliver highly visible cash flows, a stable return on investment and a strong financial position. To ensure safe, efficient operations, a sustainable risk profile and, in turn, the protection of the underlying value of our portfolio, these investments are constantly monitored by our management who adhere to the strictest international and local compliance standards.

Nebras Gross Capacity
6,346 MW

Nebras Net Capacity
2,036 MW

7 Countries
14 Assets



Equity stake in Amman East owned by Nebras

23.4%

Gross Capacity

370 MW

Partners	
AES Corp.	36.6%
Mitsui & Co.	40%

AMMAN EAST – JORDAN

- Amman East - IPP, is Jordan's first independent power producer ("IPP").
- Amman East owns and operates a 370 MW gas fired power generating facility.
- The power plant comprises of two gas turbines and one steam turbine. It has started its commercial operation in 2009.
- All the electricity produced and the capacity made available by Amman East IPP is purchased by National Electric Power Company (NEPCO) under a long-term Power Purchase Agreement ("PPA") until 2034.
- Nebras Power owns 23.4% of IPP. Other partners are AES Corp. (36.6%) and Mitsui & Co. (40%)



IPP4 – JORDAN

- IPP4 is the fourth independent power producer ("IPP") in Jordan.
- IPP4 owns and operates a 241 MW multi-fuel power generating facility
- The power plant comprises of 16 Wartsila tri-fuel combustion engines. It started its commercial operation in 2014.
- All the electricity produced and the capacity made available by IPP is purchased by National Electric Power Company (NEPCO) under a long-term Power Purchase Agreement ("PPA") until 2036.
- Nebras Power owns 24% of IPP4. Other partners are AES Corp. (36%) and Mitsui & Co. (40%).

Equity stake in IPP4 owned by Nebras

24%

Gross Capacity

241 MW

Partners	
AES Corp.	36%
Mitsui & Co.	40%



Equity stake in Shams Ma'an owned by Nebras

35%

Gross Capacity

52.5 MW

Partners	
Mitsubishi Corporation	35%
Kawar	30%

SHAMS MA'AN POWER GENERATION – JORDAN

- Shams Ma'an is the largest Solar Photovoltaic independent power producer ("IPP") in Jordan.
- Shams Ma'an owns and operates a 52.5 MW solar PV farm which started commercial operations in 2016.
- All the electricity produced and the capacity made available by Shams Ma'an IPP is purchased by National Electric Power Company (NEPCO) under a long-term Power Purchase Agreement ("PPA") until 2040.
- Nebras owns 35% of Shams Ma'an. Other shareholders are Mitsubishi Corporation (35%) and Kawar (30%).



AM SOLAR – JORDAN

- AM Solar owns a 40 MWac solar plant in Jordan, which started its commercial operation in September 2019.
- All the electricity produced and the capacity made available by AM Solar IPP is purchased by National Electric Power Company (NEPCO) under a long term Power Purchase Agreement ("PPA") until 2039.
- Nebras Power owns 24% of AM Solar. Other partners are AES Corp. (36%) and Mitsui & Co. (40%).

Equity stake in AM Solar owned by Nebras

24%

Gross Capacity

40 MW

Partners	
AES Corp.	36%
Mitsui & Co.	40%



Equity stake in Paiton Energy owned by Nebras

35.5%

Gross Capacity

2,045 MW

Partners	
Mitsui & Co.	45.5%
Jera Co.	14%
Toba Bara Energi	5 %

PAITON ENERGY – INDONESIA

- Paiton Energy is one of the largest independent power producers in Indonesia with 2,045 MW generating capacity (representing ca. 4% of installed capacity in Indonesia), and ca. 13,500 GWh of annual power output.
- Paiton Energy operates three power generating units (P7, P8 and P3) at the Paiton Power Complex in East Java.
- P7 and P8 commenced commercial operations in 1999 and P3 in 2012.
- All electricity produced and the capacity made available by Paiton is purchased by PLN under a long-term Power Purchase Agreement ("PPA') until 2042.
- The plants are operated and maintained by Paiton Operation & Maintenance Indonesia ("POMI").
- Nebras Power owns 35.5% equity stake in Paiton Energy. Other shareholders are Mitsui & Co (45.5%), Jera Co. (14%) and PT Batu Hitam Perkasa (5%).



PHOENIX POWER COMPANY – SULTANATE OF OMAN

- Phoenix Power Company owns and operates the Sur Power generating facility, the largest independent power producer (" IPP") in Oman.
- Sur IPP has 2,000 MW of gas fired power generating capacity (representing ca. 28% of the installed capacity in Oman).
- The power station comprises of five Gas Turbines and three Steam Turbines and started commercial operations in 2014.
- All the electricity produced and the capacity made available by Sur IPP is purchased by Oman Power and Water Procurement Company (OPWP) under a long-term Power Purchase Agreement ("PPA") until 2029.
- The plant is operated and maintained by Phoenix Operation & Maintenance Company.
- Nebras Power owns 9.8% equity stake in Phoenix Power Company. Other major shareholders are Marubeni Corporation (32.5%), Chubu Electric Power (19.5%) and Multitech (3.25%).

Equity stake in Phoenix Power Company owned by Nebras

9.8%

Gross Capacity

2,000 MW

Partners	
Marubeni Corparation	32.5%
Chubu Electric Power	19.5%
Multitech	3.25%

** The remaining 35% shareholding stake has been floated on the Muscat securities stock market.*



Equity stake in ZEN owned by Nebras

75%

Gross Capacity

97 MW

Partners

Michel Peek Beheer	25%

ZON EXPLOITATIE NEDERLAND HOLDING B.V. (ZEN) – NETHERLANDS

- ZEN (Zon Exploitatie Nederland Holding B.V.) is a Netherlands-based Solar PV power generation company engaged in the development, construction, ownership and operation of large-scale solar rooftop power generation projects on roofs of commercial buildings.
- ZEN currently has 24 MW of installed capacity and additional 72 MW of construction-ready and under-construction capacity. With 75% equity stake in ZEN, net capacity attributable to Nebras Power share is 73.5 MW.
- In addition, ZEN is working on ground-mounted utility-scale solar PV projects in the Netherlands, with a significant number of deals in the pipeline.
- The electricity produced by ZEN is purchased by the distribution companies of the Netherlands and partially by the building tenants. The projects run under a 15-year Feed-in-Tariff guaranteed by the Dutch government (the "SDE+ program").
- Nebras Power owns 75% of ZEN. Other partner is Michel Peek Beheer B.V. (25%).



SALGUEIRO PROJECT – BRAZIL

- Salgueiro is a 90 MW solar project in Pernambuco, Brazil, and is expected achieve commercial operation in 2020.
- Salgueiro is a part of Nebras Power's 80% stake in a group of 4 solar projects acquired in 2019 that comprise the largest bi-facial solar portfolio in Latin America with a total capacity of 398 MWac (482.6 MWp).
- Salgueiro benefited from the Brazilian federal government's auction of a Power Purchase Agreement ("PPA") and will supply energy through CCEE (Chamber of Electric Energy Commercialization) until 2040.

Equity stake in Salgueiro Project owned by Nebras

80%

Gross Capacity

90 MW

Partner

Canadian Solar	20%



Equity stake in Jaíba Project owned by Nebras

80%

Gross Capacity

88 MW

Partner

Canadian Solar	20%

JAÍBA PROJECT – BRAZIL

- Jaíba is an 88 MW solar project in Minas Gerais, Brazil, and is expected to achieve commercial operation in 2021.
- Jaíba is a part of Nebras Power's 80% stake in four solar projects acquired in 2019 that comprise the largest bi-facial solar portfolio in Latin America with a total capacity of 398 MWac (482.6 MWp).
- Jaíba benefited from the Brazilian federal government's auction of a Power Purchase Agreement ("PPA") and will supply energy through CCEE (Chamber of Electric Energy Commercialization) until 2041.



LAVRAS PROJECT – BRAZIL

- Lavras is a 120 MW solar project in Ceará, Brazil, and is expected to achieve commercial operation in 2021.
- Lavras is a part of Nebras Power's 80% stake in a group of four solar projects acquired in 2019 that comprise the largest bi-facial solar portfolio in Latin America with a total capacity of 398 MWac (482.6 MWp).
- Lavras benefited from the Brazilian federal government's auction of a Power Purchase Agreement ("PPA") and will supply energy through CCEE (Chamber of Electric Energy Commercialization) until 2041.

Equity stake in Lavras Project owned by Nebras

80%

Gross Capacity

120 MW

Partner

Canadian Solar	20%



Equity stake in Francisco Sá Project owned by Nebras

80%

Gross Capacity

99 MW

Partner

Canadian Solar	20%

FRANCISCO SÁ PROJECT – BRAZIL

- Francisco Sá is a 99 MW solar project in Minas Gerais, Brazil, and is expected to achieve commercial operation in 2021.
- Francisco Sá is a part of Nebras Power's 80 % stake in a group of four solar projects acquired in 2019 that comprise the largest bi-facial solar portfolio in Latin America with a total capacity of 398 MWac (482.6 MWp).
- Francisco Sá benefited from the Brazilian federal government's auction of a Power Purchase Agreement ("PPA") and will supply energy through CCEE (Chamber of Electric Energy Commercialization) until 2041.



STOCKYARD HILL WIND FARM PROJECT – AUSTRALIA*

- Located 35 km west of Ballarat near the Yarrowee River in Victoria, Stockyard Hill Wind Farm Project is currently under construction. The Project will have 149 wind turbines with a combined capacity of 527 MW, which will be the biggest in the southern hemisphere upon completion in early Q4, 2020.
- Post completion, the entire capacity of the Project shall be purchased by Origin Energy Electricity under a long-term Offtake Agreement until 2030.

** This project is not included in the Financial Review or the Consolidated Financial Statements sections of this report.*

Equity stake in Stockyard Hill Wind Farm Project owned by Nebras

49%

Gross Capacity

527 MW

Partner

Goldwind Australia	51%



Equity stake in Carthage Power Company (CPC) - Rades II owned by Nebras

60%

Gross Capacity

471 MW

Partner

Marubeni Corporation	40%

CARTHAGE POWER COMPANY (CPC) – RADES II – TUNISIA

- The Rades II plant is the largest power plant in Tunisia with a power generating capacity of 471 MW (representing over 8% of the installed capacity in Tunisia in 2019).
- The Rades II plant has supplied over 15% of the energy produced in Tunisia in 2019.
- The plant comprises of two gas turbines and one steam turbine and has started commercial operation in 2002.
- All the electricity produced and the capacity made available by Rades II is purchased by STEG under a long-term Power Purchase Agreement ("PPA") until 2022.



AMIN – SULTANATE OF OMAN

- Amin Renewable Energy Company (AREC) owns the first utility scale solar plant in Oman – Amin IPP solar plant.
- Amin IPP has a total capacity of 105 MW. The plant will start its commercial operation in Q2 2020.
- All the electricity produced and the capacity made available by AREC is purchased by Petroleum Development Oman (PDO) under a long term Power Purchase Agreement ("PPA") until 2043.

Equity stake in Amin owned by Nebras

9.9%

Gross Capacity

105 MW

Partner

Axia Power Holdings	50.1%
Oman Oil Facilities Development Company	30%
Bahwan Renewable Energy Company:	10%



Committed to serving worldwide

Corporate Social Responsibility

Nebras Power is committed to corporate social responsibility. With our CSR outreach being underpinned by a three P's approach to management: People, Planet and Prosperity, we believe wholeheartedly that the role of corporate citizenship is to give back to communities where we serve. Locally in Qatar, our efforts focus on education, research and supporting local campaigns that aim to bolster sustainability, conservation and health & wellness programs. Accordingly, we will continue to introduce robust new initiatives and sponsor activities that enrich the lives of Qataris. Internationally, we endeavor to support underserved populations by spotlighting philanthropic and educational ventures, while also engaging in professional exchanges and knowledge sharing with industry professionals and academia. We accomplish all of this by ensuring that our far-reaching social responsibility programs have a positive impact on local residents and that they put people and communities first.

General Overview

The sustainability programs within Nebras Power were strategically designed to align with the governance of the business, environmental performance and social responsibility efforts. With an open approach to diversity and inclusion, we judge socially responsible business beliefs as underpinning the long-term growth and development of our business. Corporate Social Responsibility is at the core of our Company's business operations, and the conduct and adherence to such principles are deeply embedded in our work environment. Corporate Social Responsibility awareness exists within all features of our organizational culture.

In our continual efforts to pursue a socially responsible business, we follow an approach that aims at achieving a greater balance between economic sustainability, social development and environmental protection. We seek to ensure that our socio-economic contributions are recognized and support the wider development within societies of those markets we serve.

Our 3P approach to management – People, Planet and Profit - ensures that we build and maintain a sustainable, profitable and successful business.

Commitment to people and society

In our continuous effort to positively impact people, life and society, and especially the areas around our businesses:

- We strongly support a balanced socio-economic development of the regions where we are present.
- We work toward the removal of barriers to the social inclusion of disadvantaged groups.
- We support education, welfare, health and cultural development.
- We promote inclusion, zero tolerance to discrimination, trust and mutual respect.
- We provide fair working conditions while maintaining a safe and healthy work environment.

In this respect:

- We invest in advanced power and water technologies, specifically renewable energy sources, highly efficient gas-fired and advanced coal power technologies.
- We follow global best practices in environmental performance management reporting openly and transparently as required by the applicable financing requirements and the regulatory regimes of the markets served.
- We perform comprehensive environmental impact assessments for all greenfield, brownfield developments, as well as for all business acquisitions.
- We adopt integrated management systems according to the highest environmental standards, periodically certified by reputable accredited independent advisors.

Implementation of Corporate Social Responsibility principles across our Investments

All businesses are actively working with local stake-holders to agree on a continuing basis as to the most appropriate programs which can support local institutions and infrastructures. The Corporate Social Responsibility highlights during 2019 are presented here.

Partnering Hamad Medical Corporation (HMC) in educating healthcare professionals and the public about Breast and Gynecological Cancers



Toward the end of October 2019, Nebras Power along with HMC supported the Breast Cancer Awareness campaign to mark Breast Cancer Awareness Month along with a conference and activities to raise the understanding of important issues related to breast and gynecological cancers. Hundreds of healthcare workers and thousands of members of the public attended on 18 and 19 October at Katara and more than 400 delegates attended the Second Breast and Oncology Cancer Conference hosted by the Breast Cancer Clinic and the Gynecological Department at the National Center for Cancer Care and Research (NCCCR). Nebras Power's CEO Mr. Khalid Mohd. Jolo, believed strongly in the initiative and provided the Company's full backing. "Nebras is at the forefront of bolstering noteworthy causes and supporting local community initiatives, and this contribution to HMC's Breast Cancer Awareness was emblematic of Nebras's steadfast commitment to fostering awareness and providing education on the significance of early detection and prevention for women of all ages," Mr. Jolo said.

Nebras Power Family Booth at Qatar National Day 2019 event



On the occasion of Qatar National Day, Nebras Power participated in a 10-day community event in celebration of the country's national holiday. Our Company established the Nebras Power family booth at the Katara Cultural Village in Doha. The outdoor exhibition presented us with an exciting opportunity to engage with entire families from all over Qatar, and specifically to educate children on renewable and clean energy. During the multi-day celebrations, we distributed solar toys to kids and provided many entertaining activities such as face painting and balloon animal twisting.

Platinum sponsor of QEERI IC-SEWEN '19 Sustainability Conference



Nebras Power sees 'Sustainability' as a key corporate responsibility pillar in all its facets. In line with its socially responsible business beliefs, the Company sponsored QEERI's flagship four-day conference on tackling key challenges related to the challenge of solar technology in desert climates. The forum showcased a multitude of sessions including panel discussions, round table dialogs, oral presentations and poster presentations on various topics related to the opportunities and challenges across the energy, environment, water and food security tracks.

Our Chairman, Mr. Fahad Bin Hamad Al-Mohannadi, was on the key panel of the inaugural symposium which addressed the key challenges of the Energy-Water-Environment (EWE) nexus, while Luca Sutera, our Chief Financial Officer, delivered the keynote address.

Our 'Garangao' outreach for the children of Qatar



Nebras Power is keenly aware of upholding its identity as a Qatari company and constantly seeks to involve itself in and promote occasions that are closely associated with Qatar's heritage and traditions. The fun-filled activity of 'Garangao', which typically occurs on the 14th day of Ramadan, is a community celebration that the Company is very happy to support as it involves children and also distills the values that the Company espouses.

Nebras Power gifted decorative goodie bags stuffed with boxes of sweets and nuts and presented these to children in various schools across the country. Additionally, this year, our key executives delivered the goodie bags to children undergoing treatment at Hamad General Hospital. It was a particular rewarding activity as it enriched the lives of kids, some of whom were undergoing lifesaving care.

Nebras is particularly happy to celebrate and support this traditional festive practice that instills virtues and values like generosity, empathy and solidarity to the future custodians of our country – the children of Qatar.

Paiton Energy (Indonesia)



- Paiton Energy, in cooperation with Indonesian Science Agency (LIPI) and Purwodadi Botanic Garden, established the Biodiversity Garden Project. In this program, the Company implements conservation effort of rare and endangered trees. The facility currently has almost 8,000 plants from endangered trees, specific fruit, and mixed forest plants with a high level diversity index. This will also serve as an education garden in Probolinggo in the future.
- Paiton Energy, in joint cooperation with the government of Situbondo, implemented conservation initiatives of mangrove and endangered birds in Kampung Blekok, Kendit, and Situbondo. The program consists of biodiversity research, local people empowerment in eco-tourism, and establishment of the Mangrove and Blekok Learning Center. In 2019, the project was awarded as the Best Eco-Tourism Destination in East Java by the Governor of East Java.
- Paiton Energy planted more than 150,000 Teak and Gamelina trees. This has been achieved with a high survival rate of 105,077 trees which will now continuously absorb carbon dioxide and produce oxygen. In addition to carbon storage and economic benefits, the program also improves the water capture area and prevents landslides.
- In 2019, Paiton Energy also developed a coffee plantation in the area with the aim to provide a source of recurring revenue for the farmers so that they will be able to generate income without cutting the teakwood trees.
- Following on from the 2019 programs, the introduction of reusable Ecobricks commenced in the 'Bromo Go Healthy and Clean' program in which a structure made with Ecobricks was displayed to raise awareness that better plastic waste management has benefits. This campaign was then extended to schools with the 'Ecobrick Goes to School' program to communicate the danger of plastic waste and its control through Ecobrick.
- In 2019, Paiton Energy started to work on the Permaculture program. Permaculture is a branch of ecological design, ecological engineering, environmental design, construction and integrated water resources management that develops sustainable architecture, regenerative and self-maintained habitat and agricultural systems modeled from natural ecosystems. Permaculture is a philosophy of working with, rather than against nature; of protracted and thoughtful observation rather than protracted and thoughtless labor; and of looking at plants and animals in all their functions, rather than treating any area as a single product system. A trial project is planned in Ngepung Village, Sukapura, where Organic Farming, Integrated Waste Management, Renewable Energy and Environmental Conservation is an integral part of the program.
- Paiton Energy, in cooperation with FKPS, launched and completed the 'One Village One Destination' (OVOD) program to encourage villages to start creating and campaigning new tourism objects. Twenty-four villages submitted their projects, ten of which were then evaluated by juries consisting of the Regent of Probolinggo and several others in November 2019. The best five Eco-Tourism destinations selected will receive Paiton Energy support in the form of Capacity Building and Conservation programs.
- Paiton Energy launched an Energy Learning House initiative with a program which is aimed at strengthening the study and utilization of renewable energy potential in the region with Biogas, Wind Power, and Micro Hydro Plants. Among other initiatives the Company has:
  - Built a large number of Biogas digesters in Probolinggo and Situbondo communities. This continues the 2013 program where the company developed large scale communal biogas digesters in Dusun Tegal Pao and Dusun Curah Temu. The gas produced was used to generate electricity or for process purposes.
  - A small scale wind power plant capable of supplying electricity for public lighting was fabricated by the Paiton Selaras Vocational Workshop. The wind turbines were then installed at Dusun Brigaan, Desa Sumberanyar, and Kecamatan Paiton.
  - The Company installed Pico Hydro generators at the river at Desa Brigaan, Desa Sumberanyar adjacent to our Vocational Workshop where it was designed and fabricated. We also supported Plaosan village in Krucil to optimize the Pico Hydro project close to Kalipedati Waterfall.

Phoenix Power Company (Oman)



- Phoenix Power Company provided support to the local community at Sur in the areas of culture, education, health & safety, and environmental care. It was designed to complement the school curriculum and assist in cultivating good citizenship among Omani students.
- The community was also supported with an important annual competition for the study of the Holy Quran.
- Students from 20 schools underwent programs inculcating the importance of adhering to traffic rules and in turn reducing the social and economic consequences of traffic accidents.
- Phoenix Power Company provided food every day at the end of fasting to many needy families during the Holy Month of Ramadan.
- Preserving the local environment is an important issue particularly in the areas around Sur, which are abundant with wildlife. Phoenix Power Company supported a campaign launched by the Department of Environment and Climate Affairs to retrieve and save young turtles at Ras Al Had. This campaign enriches the Oman's environment as well as its society, and also helps educate children on the importance of the preservation of the environment.

AM Solar, IPP4 and Amman East (Jordan)



- Supported community-based organizations to establish micro projects that generate income. These programs are specifically conceived to embrace diversity with a focus on women and youth in the community and are related to social engagement and natural resources with emphasis given to the responsible use of energy and water, with specific emphasis on animal husbandry, dairy production, and food processing in this region. The objective of the micro projects is to generate sustainable revenue and to define environmental, social and economic factors having impact within our local communities.
- Continued the scholarship program by providing two scholarships every year. The program's success continues with five students so far entering the program and three having graduated.
- Ongoing support to the local village schools of Al Manakher and Al Khanasa Dabobi.
- Supported the Jordanian Environment Society on World Environment Day with programs designed to improve public awareness while also completing tree planting initiatives.

Shams Ma'an (Jordan)



- Donated clothing, fuel, services and equipment for the rehabilitation and re-equipment of the orphanage, local schools and Al Hussein Bin Talal University. Other initiatives included:
  - New computing equipment
  - Educational and religious books
  - Plumbing repairs to sanitary facilities
  - Roofed sports hall
  - Fencing of new play areas and wall repairs
- Funded the sponsorship of and the supply of equipment for various local sports clubs.
- Supplied wheel chairs for the elderly with special needs.
- Provided leadership of, and materials for various cultural and heritage initiatives in the Shams Ma'an region.
- Supported logistics and transport needs for community members to participate in national and regional celebrations.

Carthage Power Company (CPC) – Rades II (Tunisia)



- Carthage Power Company (CPC) is sponsoring a primary school in the Rades area by providing the necessary school supplies for the start of each academic year.
- Enables and assists the "Little Rescuer" association managed by National Fire Fighting members to promote First Aid among children.
- Has been widely acknowledged for the support and facilitation of logistics during Eid El Fitr and Eid El Kebir, as well as for providing the Police station of the Rades Petroleum area with sweets and meals in recognition of their services in the security zone, and their protection of the people and companies within the area.
- CPC is a board member of the Groupement de Gestion et de Maintenance "GMG" (Management and Maintenance Group of the Petroleum zone where CPC is located) and provides management to and leadership of a range of programs and initiatives to preserve the upkeep and standards that apply in the zone.
- CPC is highly considered by the local authorities and the Governorate of Ben Arous where the company is located. It also donated its time and equipment for the rehabilitation of the Shams Ma'an Orphanage Center.
- Being an example of good management in terms of occupational health, safety and hygiene, CPC is represented as a Board Member of the Occupational Medical Agency of the Governorate of Ben Arous.
- CPC was chosen as a site within the Tunis petroleum zone to perform the regional anti- terrorism and fire drills as recommended by the Governor of Ben Arous and the Fire Protection Agency of Ben Arous Governorate.



Corporate Governance

NEBRAS POWER is committed to adhering to the highest standards of corporate governance. We believe in promoting transparency and fairness throughout our governance and leadership system.

The Chief Executive Officer of Nebras has ultimate responsibility for the day-to-day management, direction and operation of the Company, and oversees the operational decisions affecting the business.

In line with its objective to build a well-structured, world class corporate governance framework, in 2018 Nebras established a:

1. *Risk Management Policy and Procedure to manage risk effectively by properly identifying, assessing, and managing risks in order to enhance Nebras's ability to make better decisions, deliver on business objectives, and improve business sustainability in the long term;*
2. *Business Integration Policy to provide an effective framework and define roles and responsibilities for the effective and risk-assured planning and execution of the integration of new businesses; and*
3. *Information Disclosure Procedure to provide employees with a precise process for disclosing corporate information and to ensure that information disclosed is accurate, updated, and provided in a timely fashion.*

Our Corporate Governance Approach

Our corporate governance framework is based on local and international best practices and is aimed at promoting transparency and fairness in the way we conduct our business, while creating long-term value for our shareholders. In doing so, we take into account the interests of all other stakeholders involved in our business: employees, customers, suppliers, partners and financiers, governments and other public authorities, as well as the local communities of the areas where we conduct our business.

The Shareholders' Meeting

The shareholders meeting adopts the most relevant decisions concerning the company, such as the approval of the annual financial statement, the allocation of net income, the approval of external auditor and the remuneration of the Board of Directors.

The Board of Directors

The Board of Directors is the governing body accountable to the shareholders and entrusted with the direction of the company. It carries out all the activities appropriate for the achievement of the corporate objectives. Nebras's Board of Directors is comprised of ten (10) directors. The broad range of backgrounds, expertise and experience brought by the members of our Board of Directors plays a crucial role in the long-term sustainable development of our business and operations.

Four Board of Directors' meetings were held during 2019.

Board Committee

The Board of Directors has three committees: the Audit Committee, the Investment Committee, and the Remuneration Committee. Each of these committees has been established pursuant to a resolution of the Board of Directors and has adopted a written charter setting forth its scope and responsibilities. The committees act as consultancy and advisory bodies to the Board of Directors and do not assume the functions of management, which remain the responsibility of the CEO and the Executive Management team.

The Audit Committee

The Audit Committee activity is focused on monitoring the integrity, completeness and accuracy of the financial statements, reviewing the reliability and effectiveness of the internal control and risk management systems, monitoring and reviewing the effectiveness of the internal audit function and monitoring the independence of the external auditors. The Audit Committee also advises the Board of Directors regarding compliance with law, regulations and internal policies. The members of the Audit Committee are appointed by the Board of Directors and the duration of their office is three years. The charter of the Audit Committee sets out the composition and terms of office, roles, responsibilities and functions of the Audit Committee members.

The Investment Committee

The Investment Committee activity is focused on assisting the Board of Directors in setting the company's investment strategy and reviewing investment proposals. Investment Committee members are appointed by the Board of Directors and serve a three-year term.

The Remuneration Committee

The Remuneration Committee is a standing consultancy and advisory body to the Board of Directors of the Company.

The Remuneration Committee ensures that the overall remuneration levels of the company's employees are transparent, aligned with company's strategic goals, consistent with a "performance-based" culture and are aimed at maintaining the company's competitive position in the labour market in terms of ability to attract and retain talent, and in terms of consistency with internal and external remuneration benchmarks.

Internal Controls:

Ultimate responsibility for the operation of the internal control system rests with the Board of Directors of the company, supported in this crucial task by the Audit Committee. The Company has a robust and effective internal control function. Nebras's internal controls are processes designed to achieve effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations.

The Internal Audit function is responsible for designing, overseeing, implementing and auditing Nebras's internal control processes, and testing the compliance of our business and operations with the internal control framework.

The Internal Audit function reports directly to the Audit Committee. The Audit Committee is backed by a formal audit charter approved by the Board of Directors, which sets out its role and responsibilities.

External Auditors:

The Board of Directors proposes to the General Shareholders Meeting the appointment of an external auditor, based on the recommendation of the Audit Committee.

At the general assembly meeting of April 28, 2019 and based on the recommendation of the Board of Directors, the shareholders have resolved upon the appointment of KPMG as Nebras Power's external auditors for year 2019, and approved their annual audit fees of QAR 276,125.

No company other than KPMG and its affiliates has provided external audit services to Nebras Power in relation to the year 2019. In addition to fees for audit work, KPMG and/or its affiliates were paid QAR 43,800 for assurance, consulting and advisory services.



Financial Review

In 2019, Nebras Power delivered a strong financial performance underpinned by our high quality asset portfolio, which provides stable and visible earnings and cash flows as well as a solid base for future growth.

During the year, we completed the acquisition of 60% equity stake in Carthage Power Company (CPC) - Rades II in Tunisia, and 80% equity stake in Lavras, Salgueiro, Francisco, and Jaíba solar PV projects in Brazil (Nebras Latin America). These businesses where Nebras Power has a controlling interest are fully consolidated in the Group's financials.

Our growth

Operating income

In QAR Millions

2019	979
2018	495
2017	477
2016	173
2015	81

Net Income attributable to Nebras

In QAR Millions

2019	364
2018	345
2017	333
2016	116
2015	54

Total Assets

In QAR Millions

2019	7,201
2018	6,826
2017	6,098
2016	5,785
2015	3,969

Income Statement

Operating Profit

Operating profit for the year was QAR 442.8 million compared to QAR 412.1 million in 2018. (7% year-on-year increase). Operating income for the year was influenced by additional electricity sales resulting from acquisition of CPC, increase in share of income from associates attributable primarily to Paiton Energy due to better operating results and higher interest income driven by a combination of higher average cash balance and higher interest rates on term deposits (ranging from 3.00% to 4.30% in 2019 compared to 1.25% to 4.30% in 2018). Other income refers to the gain on acquisition of CPC (other income in 2018 pertains to one-off tax indemnity payments related to assets acquisition and reversal of consultancy provisions booked in 2017). The higher operating income was partially offset by higher operating expenses from CPC and higher other expenses mostly related to tax indemnities payable to Engie under the PT Paiton Share Purchase Agreement.

Finance Costs

Finance Cost in 2019 was QAR 82.9 million compared to the prior year costs of QAR 67.6 million. The increase is primarily attributable to higher average debt balance (QAR 2,100 million in 2019 compared to QAR 1,905 million in 2018).

Net Income

Net Income for the year was QAR 352.6 million compared to QAR 344.6 million in 2018. Net Income attributable to Nebras was QAR 363.9 million compared to QAR 345.0 million in 2018 (5% year-on-year increase). Basic and diluted earnings per share attributable to equity holders were QAR 0.99 against QAR 0.94 in previous year.

Balance Sheet

Assets

Total assets at the year-end 2019 were QAR 7,201.4 million showing a 5% increase compared to 2018.

Non-Current Assets

Non-current assets were QAR 3,359.9 million, 17% higher than last year. Investments in associates, joint ventures and fair value through other comprehensive income (FVOCI) was QAR 2,984.5 million. The 303.4 million increase compared to the previous year is explained mainly by the increase in share of profits from Paiton Energy recorded this year; the corresponding dividends distributed this year have already been declared last year and therefore reduced from the 2018 balance. Goodwill was 167.3 million; the significant increase compared to the previous year value is due to the acquisition of 80% equity stake in four solar PV projects in Brazil.

Current Assets

Current assets were QAR 3,841.5 million, showing a decrease of QAR 123.1 million compared to 2018. The change is largely due to decrease in related-party receivables following the receipt of dividend payment, declared in December 2018 and paid in 2019, from Paiton Energy.

Liabilities

Total liabilities stood on par to last year at QAR 2,290.3 million. The increase in accruals and payables is mostly related to contingent consideration payable to Canadian Solar upon achievement of certain milestones in Lavras, Salgueiro, Francisco, and Jaíba projects per the terms of the Share purchase agreement and tax indemnity provision related to Engie; the decrease in debt balance is mainly due to the repayment of Doha bank loan.

Shareholders' Equity

Total equity at the end of 2019 was QAR 4,911.1 million compared to QAR 4,537.3 million at the year-end 2018. The positive change is mainly attributable to the Comprehensive Income for the year.

Liquidity Position

At the end of 2019, total liquidity (cash, deposits, and available credit facilities) was QAR 4,675 million compared to QAR 5,096 million at the end of 2018.

Cash Flow

Cash flow from operating activities

Net cash flow from operating activities in 2019 was QAR 490.9 million compared to QAR 182.3 million in 2018. The increase is primarily due to higher dividends from Paiton Energy resulting from better operating performance in 2019 and shift in timing of its December 2018 dividend payment to January 2019. Change in working capital movements is mainly from the collection of CPC receivables recorded at the time of acquisition.

Cash flow from investing activities

In 2019, cash flow from investing activities was QAR 2,938.5 million. The cash inflow is generally a change in classification of term deposits. Currently, term deposits that can be withdrawn anytime without a penalty at the management's discretion are classified as cash and cash equivalents whereas previously, only those with maturity of less than three months are classified as such. The cash outlay is from the acquisition of 60% equity stake in CPC in Tunisia, 80% equity stake in Lavras, Salgueiro, Francisco, and Jaíba solar PV projects in Brazil, and 9.9% equity stake in Amin Solar in Oman.

In 2018, cash flow from investing activities was QAR 438.7 million. The cash outlay is mainly explained by the placement of excess cash in term deposits and by the acquisition of 75% equity stake in Zon Exploitatie Nederland, a solar PV power development company based in the Netherlands.

Net cash flow from investing activities

Net cash flow from financing activities in 2019 was an outflow of QAR 275.9 million and is mostly brought about by the repayment of Doha bank loan facility. Net cash flow from financing activities in 2018 was QAR 324.9 million; the cash inflow is explained by the proceeds from the refinancing of the existing syndicated corporate revolving facility, which resulted in a longer average life of the entire debt portfolio and reduced average cost of funding.

2019 — **In QAR Millions**

Operating income
978.9M

Net Income attributable to Nebras
363.9M

Total Liquidity
4,675M

Total Assets
7,201.4M

Shareholder's Equity
4,911M

Y-on-Y Net Income Growth
5%

Consolidated Financial Statements

31 December 2019



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 2019, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including significant accounting policies and other explanatory information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (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 Code of Ethics for Professional Accountants (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 Matter – Comparative Information

The consolidated financial statements as at and for the year ended 31 December 2018 were audited by another auditor, whose audit report dated 24 April 2019 expressed an unmodified audit opinion thereon.

Independent Auditor's Report (Continued)

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

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 2019 (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.

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 this 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 2019.

10 March 2020
Doha Qatar
State of Qatar

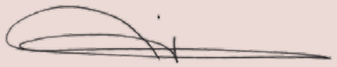
Gopal Balasubramaniam
Auditors' Registry Number No. 251
KPMG

Consolidated statement of financial position

As at 31 December 2019 — In Qatari Riyals

	Notes	2019	2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	**82,923,327**	38,589,720
Right-of-use of assets	6	**10,294,137**	-
Equity-accounted investees	7	**2,984,026,861**	2,681,163,658
Goodwill	19	**167,272,551**	73,695,201
Equity investments at FVOCI		**506,944**	-
Loans receivable	18(b)	**-**	21,745,874
Derivative financial instruments	13(b)	**5,105,049**	-
Other non-current assets	8	**109,773,809**	45,794,469
		3,359,902,678	2,860,988,922
Current assets			
Inventories, at cost		**9,465,306**	196,011
Trade and other receivables	9	**103,599,287**	1,036,387
Receivables from related parties	18(c)	**481,317**	341,750,660
Term deposits	10	**468,661,518**	3,515,846,728
Cash and cash equivalents	11	**3,259,298,889**	105,728,673
		3,841,506,317	3,964,558,459
Total assets		**7,201,408,995**	6,825,547,381
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**3,650,000,000**	3,650,000,000
Hedging reserve	13(a)	**(20,422,841)**	31,390,634
Translation reserve		**(1,613,424)**	(52,883)
Retained earnings		**1,217,932,521**	855,464,036
Equity attributable to owners of the Company		**4,845,896,256**	4,536,801,787
Non-controlling interests		**65,202,312**	457,632
Total equity		**4,911,098,568**	4,537,259,419
Non-current liabilities			
Derivative financial instruments	13(b)	**23,177,686**	-
Loans and borrowings	14	**1,948,164,943**	2,037,363,350
Lease liabilities	15	**5,090,435**	-
Provision for employees' end of service benefits	16	**3,113,712**	1,767,293
		1,979,546,776	2,039,130,643
Current liabilities			
Loans and borrowings	14	**28,297,799**	182,075,000
Lease liabilities	15	**5,606,602**	-
Accruals and other payables	17	**276,859,250**	67,082,319
		310,763,651	249,157,319
Total liabilities		**2,290,310,427**	2,288,287,962
Total equity and liabilities		**7,201,408,995**	6,825,547,381

The consolidated financial statements were approved and authorized for issue by the Board of Directors on 10 March 2020 and signed on its behalf by:



Fahad Hamad Al-Mohannadi
Chairman



Khalid Jolo
Chief Executive Officer

The notes on pages 74 to 122 are an integral part of these consolidated financial statements.

Consolidated statement of profit and loss and other comprehensive income

For the year ended 31 December 2019 — In Qatari Riyals

	Notes	2019	2018
Revenue from sale of electricity	20	**10,613,162**	3,687,092
Revenue from service concession agreements	20	**392,329,413**	-
Share of results of associates and joint ventures	7	**371,598,677**	325,176,643
Interest income	22	**135,078,898**	117,726,808
Management and technical service fees		**3,198,634**	2,589,936
Other income		**66,129,760**	45,739,687
Total operating income		**978,948,544**	494,920,166
Cost of electricity generation	21	**(397,114,477)**	(1,973,484)
General and administrative expenses	21	**(75,245,858)**	(66,232,895)
Other operating costs	21	**(50,610,121)**	(12,101,427)
Depreciation	21	**(13,174,227)**	(2,480,648)
Total operating costs		**(536,144,683)**	(82,788,454)
Operating profit		**442,803,861**	412,131,712
Finance costs	23	**(82,900,530)**	(67,570,912)
Profit before tax		**359,903,331**	344,560,800
Income tax expense		**(7,317,209)**	-
Profit after tax		**352,586,122**	344,560,800
Profit for the year attributable to:			
Owners of the Company		**363,853,427**	345,001,695
Non-controlling interests		**(11,267,305)**	(440,895)
		352,586,122	344,560,800
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Equity-accounted investees - share of OCI		**(28,697,392)**	22,236,987
Cash flow hedges – effective portion of changes in fair value		**(23,116,083)**	-
Foreign operations - foreign currency translation differences		**(1,560,541)**	(52,883)
Other comprehensive income		**(53,374,016)**	22,184,104
Total comprehensive income		**299,212,106**	366,744,904
Total comprehensive income attributable to:			
Owners of the Company		**310,479,411**	367,185,799
Non-controlling interests		**(11,267,305)**	(440,895)
		299,212,106	366,744,904
Earnings per share:			
Basic and diluted earnings per share	24	**0.99**	0.94

The notes on pages 74 to 122 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2019

In Qatari Riyals

	Attributable to owners of the Company					
	Share capital	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2018	3,650,000,000	9,153,647		510,462,341	4,169,615,988	-	4,169,615,988
Total comprehensive income							
Profit	-	-		345,001,695	345,001,695	(440,895)	344,560,800
Other comprehensive income	-	22,236,987	(52,883)	-	22,184,104	-	22,184,104
Total comprehensive income	-	22,236,987	(52,883)	345,001,695	367,185,799	(440,895)	366,744,904
Changes in ownership interests							
Arising out of business combinations (Note 19)	-	-		-	-	898,527	898,527
At 31 December 2018/1 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	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

The notes on pages 74 to 122 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2019

In Qatari Riyals

	Notes	2019	2018
Cash flows from operating activities			
Profit before tax		**352,586,122**	344,560,800
Adjustments for:			
Depreciation of property, plant and equipment	21	**8,027,157**	2,480,649
Depreciation of right-of-use assets	21	**5,147,070**	-
Provision for employees' end of service benefits	16	**1,392,187**	993,636
Loss on disposal of property, plant and equipment	21	**-**	48,825
Furniture allowance amortisation		**197,632**	-
Bargain purchase gain on acquisition of a subsidiary	19	**(51,900,000)**	-
Provision for Engie tax claim		**34,919,837**	
Interest income	22	**(135,078,898)**	(117,726,808)
Interest expense	23	**82,900,530**	67,570,912
Share of results of equity-accounted investees- net of withholding tax		**(371,598,677)**	(324,374,715)
		(73,407,040)	(26,446,701)
Changes in:			
- Inventories		**1,851,664**	(77,883)
- Trade and other receivables		**29,311,330**	(603,765)
- Receivable from related parties		**11,769,446**	(11,496,167)
- Accruals and other payables		**65,181,541**	2,299,287
- Payable to related party		**-**	(5,586,553)
Cash generated from / (used in) operations		**34,706,941**	(41,911,782)
Dividends received		**394,901,498**	178,315,968
Interest received		**137,237,413**	115,362,626
Interest paid		**(75,770,987)**	(68,875,267)
Furniture allowance paid		**(112,725)**	-
Employees' end of service benefits paid	16	**(45,768)**	(580,651)
Net cash flows from operating activities		**490,916,372**	182,310,894
Cash flows from investing activities			
Acquisition of property, plant and equipment	5	**(19,872,484)**	(5,245,911)
Acquisition of a subsidiary, net of cash acquired	19	**(19,578,198)**	(66,323,113)
Investments in equity-accounted investees		**(25,870,460)**	(4,693,165)
Net movement in other non-current assets		**(41,422,383)**	(4,055,367)
Bank deposits, net movement		**3,045,249,949**	(358,347,309)
Net cash flows from / (used in) investing activities		**2,938,506,424**	(438,664,865)
Cash flows from financing activities			
Proceeds from loans and borrowings	14	**194,285,263**	285,528,465
Repayments of loans and borrowings	14	**(497,436,124)**	-
Loans granted, net movement		**13,342,775**	39,329,774
Payments of lease liabilities	15	**(5,435,640)**	-
Acquisition of non-controlling interest		**19,391,146**	-
Net cash (used in) / from financing activities		**(275,852,580)**	324,858,239
Net increase in cash and cash equivalents		**3,153,570,216**	68,504,268
Cash and cash equivalents at 1 January		**105,728,673**	37,224,405
Cash and cash equivalents at 31 December	11	**3,259,298,889**	105,728,673

The notes on pages 74 to 122 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 Investment Authority (QIA)	40%
	100%

The Company is jointly controlled by the two above shareholders, which are two strategic Government Related Entities ("GREs") 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	
		2019	2018
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 2 B.V.	Netherlands	**75%**	-
Zonhandel B.V.	Netherlands	**75%**	75%
Zon Brabant B.V.	Netherlands	**37.5%**	37.5%
BTU Rades	Cayman	**100%**	-
BTU International (Bermuda) Ltd	Bermuda	**100%**	-
Carthage Power Company SARL	Tunisia	**60%**	-
Nebras Netherlands Brazil Investments 1 B.V.	Brazil	**100%**	-
Nebras Power Latin America Ltda.	Brazil	**100%**	-
Nebras do Brazil Investments 1 Ltda.	Brazil	**100%**	-
Salgueiro Solar Holding S.A.	Brazil	**80%**	-
Jaíba Solar Holding S.A.	Brazil	**80%**	-
Francisco Sá Solar Holding S.A.	Brazil	**80%**	-
Lavras Solar Holding S.A.	Brazil	**80%**	-
Salgueiro I Energias Renováveis S.A.	Brazil	**80%**	-
Salgueiro II Energias Renováveis S.A.	Brazil	**80%**	-
Salgueiro III Energias Renováveis S.A	Brazil	**80%**	-
Jaíba 3 Energias Renováveis S.A.	Brazil	**80%**	-
Jaíba 4 Energias Renováveis S.A.	Brazil	**80%**	-
Jaíba 9 Energias Renováveis S.A.	Brazil	**80%**	-
Francisco Sá 1 Energias Renováveis S.A.	Brazil	**80%**	-
Francisco Sá 2 Energias Renováveis S.A.	Brazil	**80%**	-
Francisco Sá 3 Energias Renováveis S.A.	Brazil	**80%**	-
Lavras 1 Solar Energias Renováveis S.A.	Brazil	**80%**	-
Lavras 2 Solar Energias Renováveis S.A.	Brazil	**80%**	-
Lavras 3 Solar Energias Renováveis S.A.	Brazil	**80%**	-
Lavras 4 Solar Energias Renováveis S.A.	Brazil	**80%**	-
Lavras 5 Solar Energias Renováveis S.A.	Brazil	**80%**	-

Notes to the consolidated financial statements
For the year ended 31 December 2019

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	
		2019	2018
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%**	-

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 measured at fair value.

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	Tunisian Dinar
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 the Qatari Riyal, 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 recognized prospectively.

Notes to the consolidated financial statements
For the year ended 31 December 2019

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:

Going concern

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Group was profitable in the year ended 31 December 2019 and, as at that date, it had positive net asset (equity), working capital and cash flow positions. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.

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.

Depreciation 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 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.

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.

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.

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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

2. Basis of preparation (continued)

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 2019:

- IFRS 16 "Leases"
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments"
- Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures
- Amendments to IAS 19 "Employee Benefits" on plan amendment, curtailment or settlement
- Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017 Cycle

The Group initially adopted IFRS 16 "Leases" (hereafter "IFRS 16") on 1 January 2019. The other new and amended standards and the interpretation to a standard listed in the table above do not have any or material effect on the Group's consolidated financial statements.

The effects of the adoption of IFRS 16 on the Group's consolidated financial statements are explained below:

IFRS 16

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC 15 "Operating Leases – Incentives", and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. It changed the accounting of leases previously classified as operating leases under IAS 17, which were off balance sheet. Under IAS 17, operating leases were expensed on a straight-line basis over the term of the lease, and assets and liabilities were recognized only to the extent that there was a timing difference between actual lease payments and the expense recognized. Under IFRS 16 a lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17; i.e. lessors continue to classify leases as finance or operating leases.

Impact on Lessee Accounting

The Group has chosen to apply the simplified transition approach of IFRS 16 by which comparative amounts are not restated.

On initial application of IFRS 16, for all leases, except for those that the practical expedient was applied (see below), the Group will:

- Recognize right of use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognize depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss;
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the cash flow statement.

2. Basis of preparation (continued)

e) New currently effective IFRS requirements (continued)

IFRS 16 (continued)

Impact on Lessee Accounting (continued)

Based on an analysis of the Group's finance leases as at 31 December 2018 on the basis of the facts and circumstances that existed at that date, management's preliminary assessment is that there will be the following potential impact on the Group's consolidated financial statements as at 1 January 2019:

	As reported at 31 December 2018	Adjustments due to adoption of IFRS 16	Adjusted opening balances as at 1 January 2019
Statement of financial position:			
Right-of-use assets (1)	-	15,441,207	15,441,207
Lease liabilities (2)	-	15,441,207	15,441,207

(1) The Group's right of use assets, which comprises office building, were measured at an amount equal to the lease liabilities. Hence, there was no adjustment to the opening retained earnings.

(2) The lease liabilities were measured at the present value of the future lease payments on adoption of IFRS 16 (adjusted for any prepaid or accrued lease expenses). When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The incremental borrowing rate used is 5%.

During the year, the profit or loss was impacted as follows due to the application of IFRS 16:

Name of subsidiary	As reported for the year ended 31 December 2018	Adjustments due to adoption of IFRS 16	As reported for the year ended 31 December 2019
Statement of profit or loss:			
Rental expense (1)	3,735,762*	(3,735,762)	-
Depreciation (2)	-	5,147,070	5,147,070
Interest expense (2)	-	691,470	691,470

*This amount pertains to the rental expense of 2018 for 8 months. Had the rental expense been continued in this year, the total operating lease expense would be QR 5,435,640.

(1) In the previous year, leases were accounted as operating leases for which the Group only recognized expense on a straight-line basis over the term of the lease, and only recognizes assets and liabilities to the extent that there is a timing difference between actual lease payments and the expense recognized.

(2) Under IFRS 16 the Group recognized a depreciation charge for right-of-use assets and interest expense on lease liabilities.

The impact of the above changes introduced by IFRS 16 on the current year results was reduction of the profit for the year by QR 402,900 and decrease in retained earnings at the reporting date by the same amount.

2. Basis of preparation (continued)

e) New currently effective IFRS requirements (continued)

IFRS 16 (continued)

Impact on Lessee Accounting (continued)

The impact of IFRS 16 on the cash flow statements was to separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities). Under IAS 17, all lease payments on operating leases were presented in the previous year as part of cash flows from operating activities.

Under IFRS 16, the Group applied the practical expedient to grandfather the definition of a lease on transition. This means that:

- all contracts entered into before 1 January 2019 that were not identified as leases in accordance with IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019;
- any leases with unexpired lease term on initial application date of less than 12 months or any leases relating to low value items (USD 10,000 or less), then the Group elected to use the short-term lease exemption; and
- the initial direct costs arising from the measurement of right-of-use asset at the date of initial application were excluded.

Impact on Lessor Accounting

The Group acts as a lessor whereby it has leased out its power plants to counterparties. Based on information currently available, management does not expect any significant impact on the relevant amounts recognized in the Group's consolidated financial statements.

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 2020.

Effective for year beginning 1 January 2020	• Amendments to references to conceptual framework in IFRS standards • Amendments to IFRS 3 "Business Combinations" of definition of business • Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" of definition of material.
Effective for year beginning 1 January 2021	• 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

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.

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, except for the changes resulting from the adoption of IFRS 16 "Leases".

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 recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Subsidiaries

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

Non-controlling interests (NCI)

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

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized 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 recognized 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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

a) Basis of consolidation

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 recognized in profit or loss and presented within finance costs.

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 recognized 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.

3. Summary of significant accounting policies (continued)

c) Property, plant and equipment (continued)

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 recognized 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 utility scale assets	20 years	NA
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

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 derecognized 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 recognized 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").

3. Summary of significant accounting policies (continued)

d) Right-of-use assets (continued)

Derecognition

An item of a right-of-use asset is derecognized 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.

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 recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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.

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Classification on initial recognition (continued)

- 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.

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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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.

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 recognized in profit or loss. Any gain or loss on derecognition is recognized 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 recognized 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 recognized in profit or loss. Other net gains and losses are recognized 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 recognized 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 recognized in OCI and are never derecognized to profit or loss. The Group does not hold such assets.

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

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 recognized 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 recognized in profit or loss.

Derecognition

Financial assets

The Group derecognizes 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 recognized 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 derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes 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 recognized 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 recognized 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 recognized 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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued)

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 recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized 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 recognized 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 recognized 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 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.

g) Impairment

Non-derivative financial assets

The Group recognizes 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.

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 recognizes 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 being more than 180 days past due;
- 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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

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 recognized 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 recognized.

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 recognized as an expense in the period in which the related revenue is recognized. 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 recognized 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.

3. Summary of significant accounting policies (continued)

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.

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: Policy applicable from 1 January 2019

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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

l) Leases (continued)

Leases – Group as a lessee: Policy applicable from 1 January 2019 (continued)

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

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

Short-term leases and leases of low-value assets

The Group has elected not to recognize 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 recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases – Group as a lessee: Policy applicable before 1 January 2019

Leases of property and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are shown on the statement of financial position as finance lease liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are depreciated on a straight-line basis over the shorter of the lease term and their useful economic life, unless there is reasonable certainty that the Group will obtain ownership by the end of the lease term, in which case the assets are depreciated over their estimated useful lives.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight line basis over the period of the lease.

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.

3. Summary of significant accounting policies (continued)

l) Leases (continued)

Leases – Group as a lessor (continued)

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 recognized 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 recognized 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.

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 recognized in accordance with the following 5-step model:

1. Identify contracts with customers: A contract is an agreement which creates enforceable rights and obligations and sets out criteria that must be met.
2. Identify performance obligations within the contract: A performance obligation is a promise to deliver a good or a service to a customer.
3. Determine the transaction price: The transaction price is the amount to which the Group expects to be entitled in exchange for delivering the promised goods or services to a customer.
4. Allocate the transaction price to the performance obligations, if more than one.
5. Recognize revenue as and when the performance obligation(s) is/are satisfied.

The Group sells power, produced in power generation plants operating with gas, coal and solar energy, to governments. 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 recognized when the power leaves the Group's plants.

Notes to the consolidated financial statements
For the year ended 31 December 2019

3. Summary of significant accounting policies (continued)

o) Revenue recognition (continued)

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 recognized 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 in each of the Group entities. It is recognized in profit or loss.

Current tax

Current tax comprises the total of the expected tax payable or receivable on the taxable profit or loss for the year, adjusted for any corrections to the tax payable or receivable of previous years. It is calculated on the basis of the 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.

3. Summary of significant accounting policies (continued)

q) Income tax (continued)

Deferred tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities reported in the financial statements of each Group entity and their respective amounts used for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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.

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.

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.

Notes to the consolidated financial statements
For the year ended 31 December 2019

4. Financial instruments (continued)

(a) Financial risk management (continued)

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:

	Notes	2019	2018
Trade receivables	9	**77,567,942**	458,017
Receivables from related parties	18(c)	**481,317**	341,750,660
Loans receivable from related parties	18(b)	**-**	21,745,874
Loans receivable	8	**8,318,493**	-
Other receivables	9	**48,630,309**	476,686
Cash at bank	11	**3,259,287,240**	105,722,510
Term deposits	10	**468,661,518**	3,515,846,728
Less: Allowance for impairment of receivables	9	**(30,305,358)**	(1,001,939)
At 31 December		**3,832,641,461**	3,984,998,536

Trade receivables and receivables from related parties

The Group uses an allowance matrix to measure the ECLs of its trade receivables and receivables from related parties as at the current and comparative reporting dates:

As at 31 December 2019

Past due (1)	Gross carrying amount	Lifetime ECLs	Loss rate (2)	Credit impaired
Not yet	3,833,655,049	1,001,939	0.02%	No
1-30 days	-	-	-	No
31-60 days	-	-	-	No
61-90 days	-	-	-	No
More than 90 days	29,303,419	29,303,419	100%	Yes
	3,862,958,468	30,305,358		

As at 31 December 2018

Past due (1)	Gross carrying amount	Lifetime ECLs	Loss rate (2)	Credit impaired
Not yet	3,986,006,638	1,001,939	0.02%	No
1-30 days	-	-	-	No
31-60 days	-	-	-	No
61-90 days	-	-	-	No
More than 90 days	-	-	-	No
	3,986,006,638	1,001,939		

4. Financial instruments (continued)

(a) Financial risk management (continued)

Credit risk (continued)

(1) Past due are those amounts for which either the contractual or the "normal" payment date has passed.

(2) Loss rates are based on actual credit loss experience over the past 5 years. These rates are multiplied by forward looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. Forward looking factors are based on actual and forecast macro-economic factors (primarily GDP) and is considered to be positive.

(3) The movement in the loss allowance on trade receivables is disclosed in Note 9.

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

Cash at bank

Management considers that its cash at bank has low credit risk based on external credit ratings of the counterparties, which are all at "investment grade" (above Baa3). Impairment on cash at bank has 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 of the Group did not require any adjustment because the result of applying the ECL model was immaterial.

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 Company's 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 2019		Contractual cash flows			
	Carrying amount	Total	1-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Loans and borrowings (1)	1,976,463,742	1,976,463,742	28,297,799	1,948,164,943	-
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	-	-
	2,130,253,646	2,130,253,646	176,997,268	1,953,255,378	-

Notes to the consolidated financial statements
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4. Financial instruments (continued)

(a) Financial risk management (continued)

Liquidity risk (continued)

31 December 2018		Contractual cash flows			
	Carrying amount	Total	1-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities					
Loans and borrowings (1)	2,219,438,350	2,219,438,350	182,075,000	2,037,363,350	-
Trade and other payables	62,479,590	62,479,590	62,479,590	-	-
	2,281,917,940	2,281,917,940	244,554,590	2,037,363,350	-

(1) The Group has a secured bank loan that contains loan 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.

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 optimising the return.

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which revenue, related costs and borrowings are denominated and the respective functional currencies of the Group entities. The functional currencies of the Group entities are primarily those that are mentioned in Note 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 while optimizing finance costs.

4. Financial instruments (continued)

(a) Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

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.

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

	Changes in basis points	Effect on OCI	Effect on profit
2019			
Floating rate instruments	**+25 bps**	**7,796,952**	**(5,273,848)**
2018			
Floating rate instruments	+25 bps	-	(4,702,961)

(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 amortised 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)

Notes to the consolidated financial statements
For the year ended 31 December 2019

4. Financial instruments (continued)

(b) Fair value measurement (continued)

		Fair value as at 31 December 2019		Fair value Hierarchy
Financial assets/financial liabilities	**Classification**	**Carrying Value**	**Fair Value**	
Trade receivable	Amortised cost	77,567,942		
Loans receivable	Amortised cost	8,318,493		
Receivables from related party	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		
Loans and borrowings	Other financial liabilities	(1,976,463,742)	(1,989,540,183)	
Trade and other payable	Other financial liabilities	(143,092,867)		
Lease liabilities	Other financial liabilities	(5,606,602)		

		Fair value as at 31 December 2018		Fair value Hierarchy
Financial assets/financial liabilities	Classification	Carrying Value	Fair Value	
Trade receivable	Amortised cost	458,017		
Loans receivable	Amortised cost	21,745,874		
Receivables from related party	Amortised cost	341,750,660		
Other receivables	Amortised cost	476,686		
Cash and cash equivalents	Amortised cost	3,515,846,728		
Term deposits	Amortised cost	105,728,673		
Loans and borrowings	Amortised cost	(2,219,438,350)	(2,224,673,402)	
Trade and other payable	Amortised cost	(62,479,590)		

All other financial assets and liabilities are carried at amortized cost. 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.

5. Property, plant and equipment

	Furniture and fixtures	Computer equipment	Office equipment	Motor vehicles	Computer software	Solar photovoltaic assets	Total
Costs:							
At 1 January 2018	88,676	744,436	372,580	1,136,960	2,122,175	-	4,464,827
Additions	113,300	80,575	21,647	-	245,038	-	460,560
Acquisitions through business combinations (Note 19)	-	-	-	-	16,966	43,096,581	43,113,547
Disposals	(54,250)	-	-	-	-	-	(54,250)
At 31 December 2018 / 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 19)	**1,032,449**	**1,873,209**	-	**361,787**	-	-	**3,267,445**
Transfer (to) / from other non-current assets	-	-	-	-	**(16,966)**	**34,489,693**	**34,472,727**
At 31 December 2019	**1,230,497**	**4,037,715**	**448,157**	**1,498,747**	**3,496,882**	**94,885,342**	**105,597,340**
Accumulated depreciation:							
At 1 January 2018	25,007	607,916	54,065	483,012	426,802	-	1,596,802
Acquisitions through business combinations (Note 19)	-	-	-	-	-	5,322,938	5,322,938
Depreciation (Note 21)	29,120	44,947	217,338	227,392	856,632	1,105,220	2,480,649
Disposals	(5,425)	-	-	-	-	-	(5,425)
At 31 December 2018 / 1 January 2019	48,702	652,863	271,403	710,404	1,283,434	6,428,158	9,394,964
Depreciation (Note 21)	**34,475**	**356,352**	**113,516**	**220,492**	**1,055,528**	**6,246,794**	**8,027,157**
Adjustments	-	-	-	-	-	**2,025,922**	**2,025,922**
Acquisitions through business combinations (Note 19)	**1,032,449**	**1,873,209**	-	**320,312**	-	-	**3,225,970**
At 31 December 2019	**1,115,626**	**2,882,424**	**384,919**	**1,251,208**	**2,338,962**	**14,700,874**	**22,674,013**
Carrying amounts							
At 31 December 2019	**114,871**	**1,155,291**	**63,238**	**247,539**	**1,157,920**	**80,184,468**	**82,923,327**
At 31 December 2018	99,024	172,148	122,824	426,556	1,100,745	36,668,423	38,589,720

6. Right-of-use assets

The right-of-use assets relate to office building, which are expiring within 2 to 3 years from the reporting date. Their cost represents the corresponding amounts of the relevant lease liabilities (Note 15).

	2019
Cost	
Adjustment on initial adoption of IFRS 16 (Note 2(e))	15,441,207
Adjusted balance at 1 January	15,441,207
At 31 December	15,441,207
Accumulated depreciation	
Amortisation (Note 21)	5,147,070
At 31 December	5,147,070
Carrying amounts	
At 31 December	**10,294,137**

7. Equity-accounted investees

In Qatari Riyals

	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)	-	13,521,101	(5,110,503)	(13,623,822)	**171,150,956**
Phoenix Operation and Maintenance Company L.L.C. (1)	-	2,478,769	(2,387,513)	-	**1,044,674**
AES Oasis Ltd (2)	-	11,049,514	(8,532,045)	282,817	**135,030,520**
AES Baltic Holding B.V. (3)	-	22,109,700	(21,428,815)	-	**99,773,149**
PT Paiton Energy Pte Ltd (4)	-	293,772,074	(23,481,886)	(109,372)	**2,285,215,017**
IPM Asia Pte Ltd (5)	-	13,584,517	(4,460,838)	-	**174,462,084**
Minejesa Capital B.V. (6)	-	12,345,430	-	(5,346,796)	**55,093,707**
AES Jordan Solar B.V. (7)	-	(1,364,998)	-	(1,886,700)	**28,555,798**
Brabant Zon B.V. (9)	(2,317,658)	-	-	-	-
	(2,317,658)	**371,598,677**	**(65,401,600)**	**(28,697,391)**	**2,984,026,861**
Joint ventures:					
Shams Maan Solar UK Ltd (8)	-	4,102,570	-	(8,013,518)	**32,790,581**
Nebras IPC Power Developments Ltd	-	-	-	-	**910,375**
	(2,317,658)	**371,598,677**	**(65,401,600)**	**(28,697,391)**	**2,984,026,861**

	Additions	Share of results	Dividends received/ declared	Share in cash flow hedge reserve	At 31 December 2018
Associates:					
Phoenix Power Company SAOG* (1)	-	12,039,375	(6,864,825)	15,641,542	176,364,180
Phoenix Operation and Maintenance Company L.L.C. (1)	-	2,566,711	(2,348,731)	-	953,418
AES Oasis Ltd (2)	-	11,891,313	(6,521,475)	2,967,457	132,230,234
AES Baltic Holding B.V. (3)	-	23,285,369	(27,779,936)	-	99,092,264
PT Paiton Energy Pte Ltd (4)	-	258,188,615	(449,006,599)	-	2,015,034,201
IPM Asia Pte Ltd (5)	-	4,170,100	(15,294,300)	-	165,338,405
Minejesa Capital B.V. (6)	-	10,967,172	-	648,446	48,095,073
AES Jordan Solar B.V. (7)	4,693,165	(1,140,392)	-	(1,450,374)	5,036,696
Brabant Zon B.V. (9)	2,317,658	-	-	-	2,317,658
	-	3,208,380	-	4,429,916	36,701,529
	7,010,823	325,176,643	(507,815,866)	22,236,987	2,681,163,658

	At 1 January 2019	Additions
Associates:		
Phoenix Power Company SAOG* (1)	**176,364,180**	-
Phoenix Operation and Maintenance Company L.L.C. (1)	**953,418**	-
AES Oasis Ltd (2)	**132,230,234**	-
AES Baltic Holding B.V. (3)	**99,092,264**	-
PT Paiton Energy Pte Ltd (4)	**2,015,034,201**	-
IPM Asia Pte Ltd (5)	**165,338,405**	-
Minejesa Capital B.V. (6)	**48,095,073**	-
AES Jordan Solar B.V. (7)	**5,036,696**	26,770,800
Brabant Zon B.V. (9)	**2,317,658**	-
Joint ventures:		
Shams Maan Solar UK Ltd (8)	**36,701,529**	-
Nebras IPC Power Developments Ltd	-	910,375
	2,681,163,658	**27,681,175**

	At 1 January 2018
Associates:	
Phoenix Power Company SAOG* (1)	155,548,088
Phoenix Operation and Maintenance Company L.L.C. (1)	735,438
AES Oasis Ltd (2)	123,892,939
AES Baltic Holding B.V. (3)	103,586,831
PT Paiton Energy Pte Ltd (4)	2,205,852,185
IPM Asia Pte Ltd (5)	176,462,605
Minejesa Capital B.V. (6)	36,479,455
AES Jordan Solar B.V. (7)	2,934,297
Brabant Zon B.V. (9)	-
Joint ventures:	
Shams Maan Solar UK Ltd (8)	29,063,233
	2,834,555,071

7. 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.P.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. The associate company's bank loans contain certain covenants which are temporarily in breach. The management of the associate company is currently in the process of discussing the matter with its bankers on a waiver for the breach of these covenants or revisit the covenants requirements with its bankers in a way that it becomes compliant.

(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.

(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.

7. Equity-accounted investees (continued)

(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 made an additional investment of QAR 26.8 million.

(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.

7. 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 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 year ended 31 December 2019									
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)

7. Equity-accounted investees (continued)

Summarized statement of financial position:

At 31 December 2018	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	305,543,700	33,454,461	338,998,160	607,410,317	165,864,103	2,125,157,551	1,331,033	644,865,952	25,532,840
Non-current assets	5,235,530,210	-	5,235,530,210	2,585,803,906	951,434,238	14,151,932,318	4,642,918	9,607,089,055	27,633,548
Current liabilities	(471,814,589)	(10,531,218)	(482,345,807)	(341,366,422)	(59,946,193)	(1,714,684,030)	(81,541)	(607,606,124)	5,852,469
Non-current liabilities	(3,370,357,552)	(1,726,071)	(3,372,083,623)	(2,018,684,836)	(854,708,796)	(10,451,050,490)	-	(9,546,104,854)	26,515,961
Equity	1,698,901,769	21,197,172	1,720,098,940	833,162,965	202,643,352	4,111,355,349	5,892,410	98,244,029	85,534,818
Net assets of the investment in associates			170,351,510	72,914,609	96,715,775	1,459,942,284	2,062,344	34,886,455	5,036,696
Goodwill on acquisition			5,406,258	59,315,624	2,376,490	555,205,750	157,195,989	-	-
Carrying amounts			175,757,768	132,230,233	99,092,265	2,015,148,034	159,258,333	34,886,455	5,036,696

Summarised statement of comprehensive income:

For the year ended 31 December 2018									
Revenue	1,274,696,151	74,279,317	1,348,975,468	547,594,081	195,439,992	2,596,767,153	-	515,112,936	-
Profit	122,365,324	16,878,353	139,243,677	47,121,911	99,941,729	713,929,388	43,639,933	32,037,528	(4,705,991)
Other comprehensive income	60,554,504	-	60,554,504	12,717,309	-	-	-	5,146,938	(6,043,226)
Total comprehensive income	182,919,828	16,878,353	199,798,181	59,839,220	99,941,729	713,929,388	43,639,933	37,184,466	(10,749,217)

7. Equity-accounted investees (continued)

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

	2019	2018
Summarised statement of financial position:		
Current assets	**55,061,573**	52,982,980
Non-current assets	**500,394,981**	509,736,635
Current liabilities	**(51,004,825)**	(83,849,164)
Non-current liabilities	**(435,885,773)**	(406,065,187)
Equity	**68,565,956**	72,805,264
Net assets of the investment in joint venture	**23,998,085**	25,481,842
Summarised statement of comprehensive income:		
Revenue	**86,732,309**	4,758,255
Cost of sales	**(9,564,113)**	(763,188)
Other income	**542,803**	-
Other expenses	**(63,352,523)**	(5,372,438)
Profit/(loss) before tax	**14,358,476**	(1,377,371)
Income tax (expense)/ credit	**(1,367,262)**	65,330
Profit/(loss) for the year	**12,991,214**	(1,312,041)

8. Other non-current assets

	2019	2018
Project development costs - Solar PV assets	**31,097,395**	-
Project development costs – others (1)	**7,064,499**	3,882,462
Work in progress (2)	**2,103,162**	40,206,386
Other non-current assets	**2,874,284**	1,705,621
Loans receivable (3)	**8,318,493**	-
Deferred tax asset	**17,765,985**	-
Other non-current financial assets (4)	**40,549,991**	-
	109,773,809	45,794,469

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

(2) This represents solar energy projects under construction amounting as at 31 December 2019 to QR 2,103,162 (2018: QR 38,930,445).

(3) This amount 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 2.955% per annum.

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

9. Trade and other receivables

	2019	2018
Trade receivables	**77,567,942**	458,017
Prepayments	**6,164,483**	970,650
Advances made to suppliers	**1,541,911**	132,973
Other receivables	**48,630,309**	476,686
Less: Allowance for impairment of receivables	**(30,305,358)**	(1,001,939)
	103,599,287	1,036,387

Movement of allowance for impairment of receivables

	2019	2018
As at 1 January	**1,001,939**	-
Provision created during the year	**-**	1,001,939
Arising out of business combinations	**29,303,419**	-
As at 31 December	**30,305,358**	1,001,939

10. Term deposits

	2019	2018
Term deposits	**3,382,970,705**	3,520,921,356
Interest income	**25,217,384**	27,152,647
Total	**3,408,188,089**	3,548,074,003
Less: Term deposits with maturity of less than 3 months (Note11)	**(2,939,526,571)**	(32,227,275)
	468,661,518	3,515,846,728

Cash held in term bank deposit accounts earn an average interest of 4% per annum (2018: average interest of 3.75% per annum).

11. Cash and cash equivalents

	2019	2018
Cash in hand	**11,649**	6,163
Cash at bank - current accounts (1)	**319,760,669**	73,495,235
Cash and cash equivalents in the consolidated statements of financial position	**319,772,318**	73,501,398
Cash at bank - Term deposits with maturity of less than 3 months (Note 10) (2)	**2,939,526,571**	32,227,275
Cash and cash equivalents in the consolidated statements of financial position	**3,259,298,889**	105,728,673

(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, hence classified as cash and cash equivalents.

11. Cash and cash equivalents (continued)

Cash and cash equivalents are denominated in the following currencies:

	2019	2018
Qatari Riyal	**1,918,133,737**	10,703,330
Euro	**8,136,812**	6,951,948
Brazilian Real	**95,246,380**	-
Tunisian Dinar	**33,375,299**	-
US Dollar	**1,204,406,661**	88,073,395
	3,259,298,889	105,728,673

12. Share capital

	2019	2018
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.

13. 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 used for hedging in equity-investees.

The movements in the hedging reserve were as follows:

	2019	2018
At 1 January	**31,390,634**	9,153,647
Share of other comprehensive income from equity-investees (1)	**(28,697,392)**	22,236,987
Fair value of Interest rate hedges	**(22,554,480)**	-
Transferred to Interest expense	**(561,603)**	-
At 31 December	**(20,422,841)**	31,390,634

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

	2019	2018
Phoenix Power Company SAOG	**(13,623,822)**	15,641,542
AES Oasis Ltd	**-**	2,967,457
PT Paiton Energy Pte Ltd	**(109,372)**	-
Shams Maan Solar UK Limited	**(8,013,519)**	4,429,916
Minejesa Capital B.V.	**(5,346,796)**	648,446
AES Jordan Solar B.V.	**282,817**	(1,450,374)
AM Solar Jordan B.V.	**(1,886,700)**	-
Total	**(28,697,392)**	22,236,987

(b) Derivative financial instruments

	2019	2018
Asset		
Fair value of cash flow hedges	**5,105,049**	-

13. Hedges (continued)

(b) Derivative financial instruments (continued)

	2019	2018
Liabilities		
Fair value of cash flow hedges	**23,177,686**	-

14. Loans and borrowings

The movements in loans and borrowings were as follows:

	2019	2018
At 1 January	**2,219,438,350**	1,856,099,370
Additions	**194,285,263**	284,062,076
Acquisitions through business combinations (Note 19)	**60,175,253**	79,276,904
Repayments	**(497,436,124)**	-
At 31 December	**1,976,462,742**	2,219,438,350

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

	2019	2018
Non-current portion	**1,948,164,943**	2,037,363,350
Current portion	**28,297,799**	182,075,000
	1,976,462,742	2,219,438,350

The Group had the following loans and borrowings:

	2019	2018
Bank loan *(i)*	**-**	182,075,000
Bank loan *(ii)*	**1,694,537,139**	1,690,133,341
Bank loan *(iii)*	**-**	272,872,161
Bank loan *(iv)*	**181,664,780**	-
Bank Loan *(v)*	**17,686,290**	-
Project finance loan *(vi)*	**82,574,533**	74,357,848
	1,976,462,742	2,219,438,350

(i) On 8 November 2017, the Group entered into an unsecured revolving loan agreement with HSBC Bank Middle East Ltd 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 + 1.1% per annum (2018: LIBOR + 1.1% per annum). The loan was repayable at maturity which was during the year.

(ii) 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 year 2023.

(iii) On 13 December 2016 the Group entered into a revolving loan agreement with First Gulf Bank for a credit facility amounting to USD 75 million, translated to QR 273 million, to fund its working capital requirements. During 2018, the loan was transferred from First Gulf Bank to Doha Bank by way of a novation agreement. All the terms and conditions of the loan remained unchanged. Interest is charged at a rate of LIBOR + 1.8% per annum. The loan was repaid during the year.

14. Loans and borrowings (continued)

(iv) 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 (2018: NA). The loan is repayable at maturity in year 2020, with the option to extend for another two years, hence, classified as long term loan.

(v) This amount corresponds to cash overdraft facility of CPC in Tunisian Dinar used for working capital financing.

(vi) This represents two 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 14,970,907, equating to QAR 59,560,855 and consists of a EUR 967,544, equating to QAR 3,849,316 fixed loan Facility A with a scheduled maturity on 1 January 2026 and a EUR 14,003,363, equating to QAR 55,711,539 fixed loan Facility B with a scheduled maturity on 30 July 2030. Interest is charged on a fixed 'all-in' basis of 2.14% per annum.
- The second loan was extended under a Credit Agreement, dated 30 November 2016; the total committed amount is EUR 15,100,000, equating to QAR 60,074,444 and consists of two tranches (fixed loan Facility A and fixed loan Facility B) each of EUR 7,550,000, equating to QAR 30,037,222 with a scheduled maturity date of 1 April 2032. Interest is charged on a fixed 'all-in' basis of 1.50% per annum.

15. Lease liabilities

	2019	2018
At 1 January	**-**	-
Initial application of IFRS 16	**15,441,207**	-
Interest expense	**691,470**	-
Repayment of lease payments	**(5,435,640)**	-
As 31 December	**10,697,037**	-

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

	2019	2018
Non-current	**5,090,435**	-
Current	**5,606,602**	-
	10,697,037	-

16. Provision for employees' end of service benefits

	2019	2018
At 1 January	**1,767,293**	1,354,308
Provision made (1)	**1,392,187**	993,636
Payment during the year	**(45,768)**	(580,651)
As 31 December	**3,113,712**	1,767,293

(1) The provision made for the year is included within staff cost in profit or loss (Note 21).

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 toward 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.

17. Accruals and other payables

	2019	2018
Trade payable	**2,554,186**	-
Accrued expenses	**75,867,025**	32,542,633
Accrued interest on borrowings	**13,076,441**	5,235,052
Tax provision-investment in an associate	**14,688,604**	4,602,729
Other provision	**59,572,770**	-
Contingent consideration Salgueiro, Francisco, Lavras and Jaiba (Note 19)	**59,505,009**	-
Other payables	**51,595,215**	24,701,905
	276,859,250	67,082,319

18. Related party disclosures

a) Transactions with related parties

	Nature of transactions	2019	2018
Shareholder:			
Qatar Electricity and Water Company Q.S.C.	Expenses	**6,864,928**	7,043,512
Equity-accounted investees:			
PT Paiton Energy Pte Ltd	Interest income	**40,265**	1,959,809
Shams Maan Power Generation PSC	Interest income	**66,244**	440,696
Shams Maan Power Generation PSC	Fee Income	**127,453**	-
AES Oasis Ltd (i)	Fee income	**628,052**	644,690
IPM O&M Services Pte Ltd (ii)	Fee income	**1,911,788**	1,911,788

(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:

	2019	2018
At 1 January	**21,745,874**	60,313,319
Additions	**-**	800,512
Proceeds	**(21,745,874)**	(39,367,957)
At 31 December	**-**	21,745,874

The loans receivable from related parties are presented in the consolidated statement of financial position as follows:

	2019	2018
Non-current	**-**	21,745,874
Current	**-**	-
Total	**-**	21,745,874

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18. Related party disclosures (continued)

b) Loans receivable from related parties (continued)

(i) According to the "Shareholder Loan Agreement" dated 21 July 2014 between the Group and Shams Ma'an Power Generation Company ("Shams Ma'an"), the Group agreed to lend an aggregate amount of USD 17 Million. This loan is long term in nature and does not have a fixed repayment schedule. The Group does not expect to recover the outstanding amount within a year, thus this is classified under non-current assets. The loan carries an interest at 5% per annum. The loan was fully received during the year.

(ii) According to the "Share Purchase agreement" between the group and International Power (Impala) BV, dated 26 February 2016, the Group took over the loan receivables from PT Paiton Energy Pte Ltd. The loan carries an interest rate of 4% per annum. This loan was fully received during the year.

c) Receivables from related parties

	2019	2018
Shareholders:		
Qatar Electricity and Water Company Q.P.S.C.	**457,219**	8,346,442
Equity-accounted investees:		
PT Paiton Energy Pte Ltd (1)	**-**	333,139,652
Shams Ma'an Power Generation PSC	**-**	136,938
AES Oasis Ltd	**24,098**	127,628
	481,317	341,750,660

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

(1) This includes interim dividend declared by PT Paiton Energy Pte Ltd on 24 December 2018 amounting to QAR 329 million. It was received in January, March, April, September and December 2019.

d) Compensation of key management personnel

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

	2019	2018
Short term employee benefits	**11,184,848**	10,454,065
Long term employee benefits	**-**	-
	11,184,848	10,454,065

19. Goodwill

	2019	2018
Cost		
As at 1 January	**73,695,201**	-
Arising from business combination – net (2b)	**84,075,172**	73,695,201
Adjustments (1)	**9,502,178**	-
As at 31 December	**167,272,551**	73,695,201
Impairment		
As at 1 January	**-**	-
Arising from business combination – net	**-**	-
As at 31 December	**-**	-
Net carrying amounts	**167,272,551**	73,695,201

19. Goodwill (continued)

(1) In accordance with IFRS requirements, the acquirer should measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values which was pending as at 31 December 2018, hence, accounting for the transaction was performed on a provisional basis in the last year. During the year, management has completed the fair valuation exercise and accordingly, the fair value of solar PV assets was revised by QR 9.5 million, which resulted in increase in goodwill with the corresponding amount.

(2) During the year, the Group has 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 these acquisitions, a provisional goodwill of QR 84.1 million was recognized at the Group level. This is subject to finalization of fair values in accordance with IFRS 3.

(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 consolidation is for the period from 1 May to 31 December 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	**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**

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19. 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 and consolidation is for the period from August 2019 to December 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 17)	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)**

19. Goodwill (continued)

(2c) Acquisition of Zon Exploitatie Nederland Holding B.V. by the Group

On 8 August 2018, the Group acquired 75% of the share capital of Zon Exploitatie Nederland Holding B.V. through its fully owned subsidiary, Nebras Power Investment Management B.V. (earlier known as "IPM Indonesia B.V.").

Nebras Power Investment Management BV entered into an agreement with Mkchel Peek Beheer B.V., Netraam Holding B.V. and AFJY B.V. to purchase 75% of the share capital of Zon Explotatie Nederland Holding BV, a company incorporated in the Netherlands. Zon Exploitatie Nederland Holding B.V. owns 100% of Zon Exploitatie Nederland B.V. and Zonhandel B.V. Both companies are incorporated in the Netherlands and develop and operate renewable energy projects.

Assets acquired and liabilities

The provisional fair values of the identifiable assets and liabilities of Zon Exploitatie Nederland Holdings B.V. and its subsidiaries as at the date of acquisition were:

	Fair value 2018
Property, plant and equipment	71,071,448
Intangible assets	507,198
Investments in joint ventures	2,337,928
Inventories	118,128
Trade receivable	692,828
Loans receivable	677,724
Other receivables	931,163
Cash at bank	10,552,368
Total assets	**86,888,785**
Loans and borrowings	79,276,904
Other payables	3,533,074
Non-controlling interest	898,527
Total liabilities	**83,708,505**
Total identifiable net assets acquired	**3,180,280**
Purchase consideration transferred	76,875,481
Goodwill	**73,695,201**
Analysis of cash flows on acquisition	
Net cash acquired with the subsidiary	10,552,368
Cash paid	(76,875,481)
Net cash outflow	**(66,323,113)**

Impairment testing of goodwill

	2019	2018
Nebras Brazil	**84,075,172**	-
Zon Exploitatie Nederland Holding B.V.	**83,197,379**	73,695,201
	167,272,551	73,695,201

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19. 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. Management has used pre-tax WACC of 1.9% for carrying out the calculations to determine the value in use.

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% in the pre-tax WACC. At 31 December 2019, 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.

20. Revenue from contract with customers

Revenue streams

	2019	2018
Revenue from sale of electricity	**10,613,162**	3,687,092
Revenue from service concession agreements	**392,329,413**	-
Total revenue	**402,942,575**	3,687,092

Timing of revenue recognition

	2019	2018
Revenue recognized at point in time	**402,942,575**	3,687,092

21. Expenses by nature

	2019	2018
Cost of generation of electricity	**397,114,477**	1,973,484
Staff cost (1)	**44,034,814**	35,464,924
Consultancy and professional fees	**8,365,212**	8,539,343
Travel expenses	**5,564,969**	6,200,009
Board remuneration	**2,868,999**	3,954,117
Rent expense	**-**	3,735,762
Office expenses	**3,797,433**	2,647,190
Audit fees	**425,028**	285,000
Engie tax claim	**34,919,838**	-
Loss allowance on financial assets	**-**	1,001,939
Bank charges	**348,698**	516,670
Depreciation of property, plant and equipment (Note 5)	**8,027,157**	2,480,648
Depreciation of right of use assets (Note 6)	**5,147,070**	-
Loss on disposal of property, plant and equipment	**-**	48,825
Entertainment expenses	**3,509**	5,195
Withholding tax on investment in an associate (2)	**14,693,062**	12,101,426
Miscellaneous expenses	**10,834,417**	3,833,922
	536,144,683	82,788,454

(1) Staff cost includes a provision of QR 1,392,187 (2018: QR 993,636) in respect of employees' end of service benefits (Note 16)

(2) Dividend payment of PT Paiton Energy Pte Ltd. is subject to 5% of withholding tax at the time of payment. Hence, 5% of share of profit has been recorded as a tax provision.

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

	2019	2018
Cost of electricity generation	**397,114,477**	1,973,484
General and administrative expenses	**75,245,858**	66,232,895
Other operating costs	**50,610,121**	12,101,427
Depreciation	**13,174,227**	2,480,648
Total expenses	**536,144,683**	82,788,454

22. Interest income

	2019	2018
Term deposits	**134,972,389**	115,326,303
Related parties	**106,509**	2,400,505
	135,078,898	117,726,808

23. Interest expense

	2019	2018
Loans and borrowings	**82,209,060**	67,570,912
Lease liabilities (Note 15)	**691,470**	-
	82,900,530	67,570,912

24. 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.

	2019	2018
Profit for the year attributable to the ordinary shareholders of the Company	**363,853,427**	345,001,695
Weighted-average number of ordinary shares (1)	**365,000,000**	365,000,000
Basic earnings per share (QR)	**0.99**	0.94

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.

25. Commitments and contingencies

At 31 December 2019, the Group had contingent liabilities amounting to QR 187,437,521 (2018: QR 86,510,176) in respect of tender bonds and performance bonds arising in the ordinary course of business from which no material liability is expected to arise.

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and to sustain future development of the business. Management monitors its capital structure and makes adjustments to it in light of economic conditions.

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

	2019	2018
Total borrowings	**1,976,462,742**	2,219,438,350
Less: Cash and cash equivalents	**(3,259,298,889)**	(105,728,673)
Net (cash)/debt	**(1,282,836,417)**	2,113,709,677
Total equity	**4,911,098,568**	4,537,259,419
Gearing ratio	**-**	46.59%

27. 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.

28. Subsequent events

Subsequent to the reporting date, Nebras Power Australia Pty Ltd. ("NPA"), a wholly owned Australian affiliate of Nebras Power Q.P.S.C. has completed a transaction with Goldwind Stockyard Hill Wind Farm Limited, a wholly owned Hong Kong affiliate of Xinjiang Goldwind Science & Technology Co., Ltd ("Goldwind"), by acquiring a 49% equity stake in Stockyard Hill Wind Farm in Australia. Stockyard Hill is located 35 km west of Ballarat near the Yarrowee River in Victoria, Stockyard Hill Wind Farm and will have 149 turbines with a combined capacity of 530MW. The wind farm will be the biggest in the southern hemisphere, upon completion in early Q4, 2020.



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