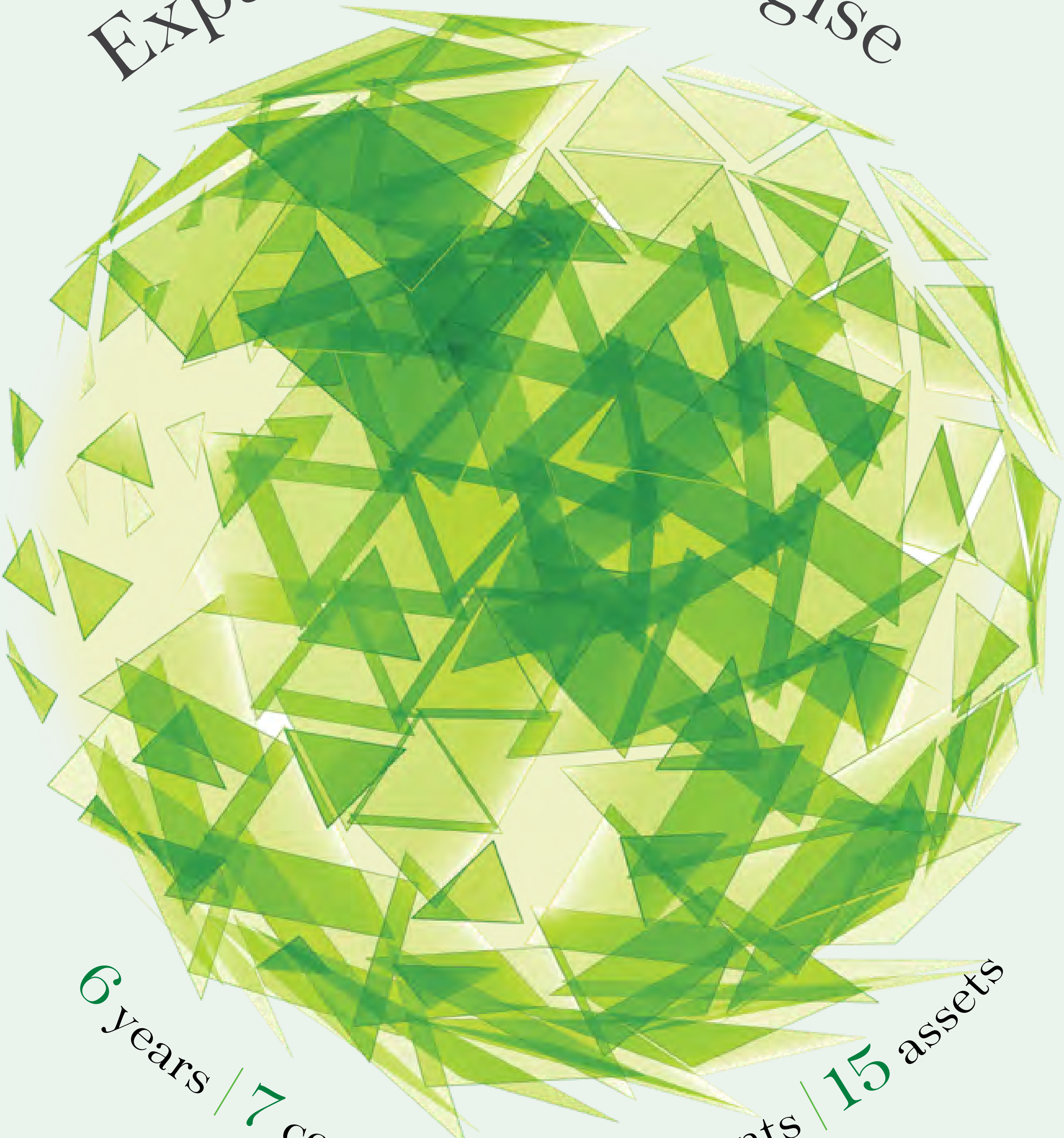
Expanding to Energise



6 years | 7 countries | 5 continents | 15 assets

نبـــراس للطاقة
Nebras Power

ANNUAL REPORT **2020**

His Highness
Sheikh Hamad Bin Khalifa Al Thani
Father Emir

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

Contents

Six years ago, Nebras Power was conceived with a mission to energise the world of power generation. Today, Nebras Power is present in 7 countries across 5 continents. The Company's portfolio includes 15 assets, mostly in the clean energy sector. Even as the world's energy landscape is being reshaped, and the world is moving to sustainable energy, Nebras Power is uniquely positioned to take advantage of the burgeoning opportunities presented by this transformative shift. The Company continues to focus on pioneering future energy, expanding to energise more communities around the world, making a difference in the lives of millions of people.

Energy:

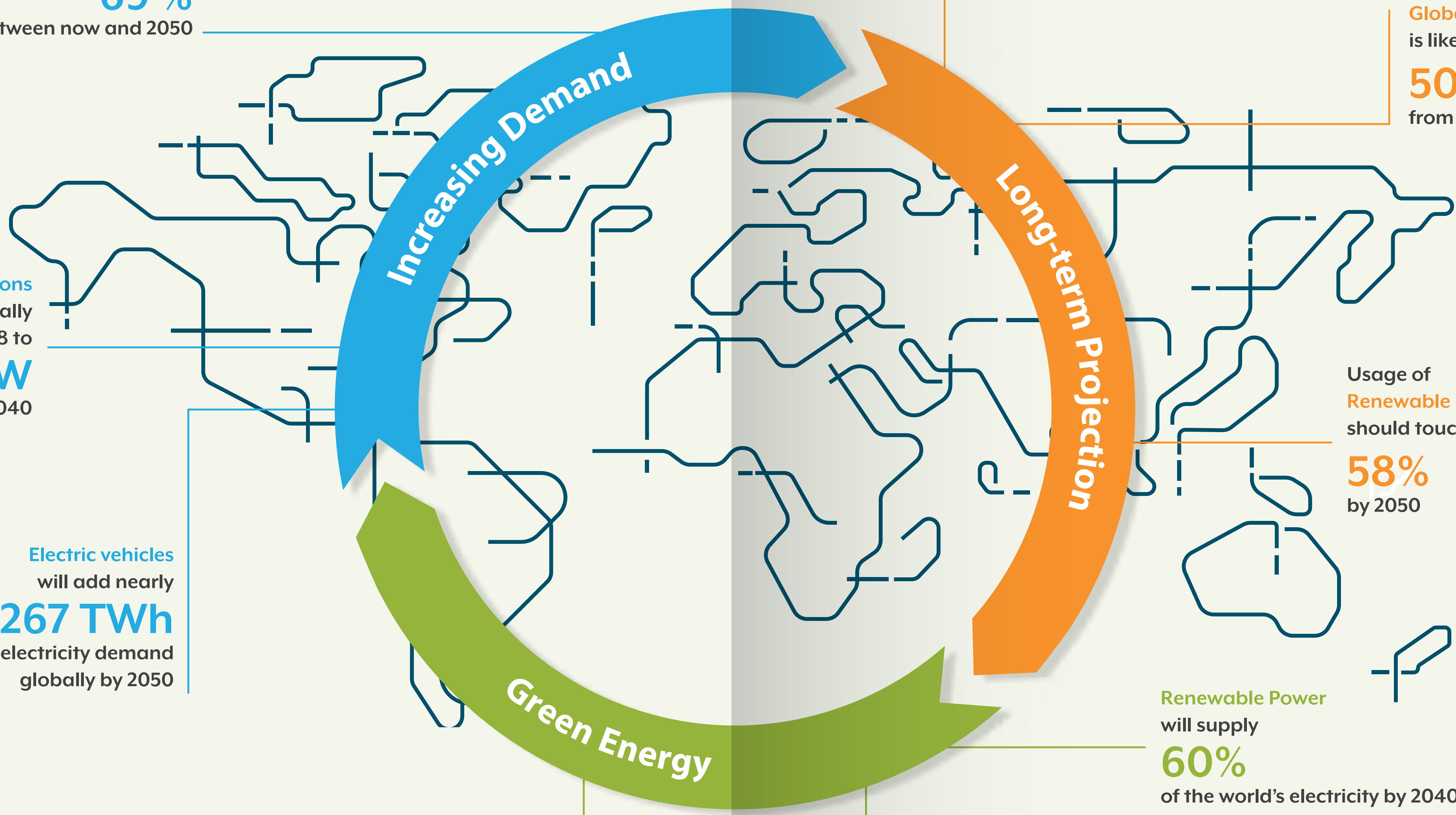
Where it's headed

Global Power Demand
will grow by
69 %
between now and 2050

Energy storage installations
will multiply exponentially
from the 9 GW deployed in 2018 to
2202 GW
by 2040

Electric vehicles
will add nearly
4267 TWh
of electricity demand
globally by 2050

Green Power
is set to draw around
$12 trillion
of investment by 2050



Renewable Energy

will overtake all fossil fuels
in global demand, including gas, by 2041.

Global Energy Consumption
is likely to increase by at least
50%
from present levels by 2050.

Usage of
Renewable Energy and Battery Technology
should touch
58%
by 2050

Renewable Power
will supply
60%
of the world's electricity by 2040

Renewable Energy and Battery Technology
will capture
80%
of the total $15.1 trillion invested
in new power capacity by 2050

Australia's largest Wind Farm

Stockyard Hill

As its first venture in Australia, Nebras Power acquired a 49% stake in Stockyard Hill Wind Farm, a joint project between Goldwind Australia and Nebras Power. The project, consisting of 149 wind turbines, will generate a total of 528 MW, and have the potential to power approximately 425,000 homes a year.

Begun in May 2018, the Stockyard Hill Wind Farm project witnessed the final turbine installation in December 2020. The project's final commissioning and project completion activities are continuing.

The project is expected to deliver substantial benefits to the community, including job creation, taxes to the government, rent to participating landowners and a community fund.

The acquisition of a 49% stake in Stockyard Hill Wind Farm reflects Nebras Power's focus on long-term, sustainable investment opportunities in the energy sector. This acquisition will be a springboard for Nebras Power to further expand its presence in Australia and the Asia-Pacific marketplace.

Who we are

Reaching out to reform

Founded in
2014

Power Generating Assets
15

Gross Capacity
6,519.87 MW

Total Assets
QR 8 BN

Net Income
QR 281 MN

Nebras Power is a visionary company that is already ahead in a journey which straddles the globe across five continents. In the six years since its inception, Nebras has been inspired and incentivised 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 15 power generating assets in seven countries totalling approximately 6519.87 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 14 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.

Strong orientations

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 integral to Qatar... two names that are respected for their values, drive and outstanding track records. They have invested in 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 share-holders 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.

جهاز قطر للاستثمار
QIA 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 recognised 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 recognises that people are its most valuable asset, and the organization seeks to create a respectful workplace free of harassment or intimidation.

From our Chairman

I am both delighted and humbled to be part of Nebras Power – delighted to be among such a talented and dedicated team, and humbled to be following in the footsteps of our Founding Chairman Mr. Fahad bin Hamad Al Mohannadi who has retired. On behalf of the entire team, I would like to express our sincere appreciation and gratitude to Mr. Fahad for his dynamic leadership since the Company's inception. His vision, leadership and guidance set Nebras Power on the path to success and great results.

As the new Chairman, I have assumed the mandate to guide the Company into the next phase, which will be one of consolidation and continued growth. Building on the achievements of the past few years, we will continue and further enhance our collective efforts aimed at making Nebras Power a leading global player in power sector investment and development.

The COVID-19 pandemic had a severe impact on global energy demand and growth in 2020. Supply chain interruptions and restrictions on movement have affected the completion of projects. Lockdowns and business shut-downs decreased electricity demand, which in turn affected the performance of power generation entities. On the positive side, economic growth continues to be strong in developing countries and emerging markets, which are witnessing an increasing demand for electricity and water. This is good news for the power generation sector, especially in renewable energy, which has been the main driver for the expansion in power generating capacity. It is encouraging to note that despite difficult conditions and challenges impacting the global economy in 2020, and resulting in the slowing pace of global investment, Nebras Power was able to achieve several targets in the past year. The Company expanded its investments in the Netherlands and Brazil, and closed financing for two out of its four solar projects in Brazil. Congruently, the Amin solar project in Oman commenced commercial operations. Through these acquisitions and partnerships in key growth markets, the Company continues to take big strides towards becoming a leading international power company.

In 2020, Nebras Power continued its strategy of focusing on meeting the growing demand for renewable and conventional energy sources in markets as diverse as Australia, Oman, Ukraine, Bangladesh, Brazil and the Netherlands, while pursuing opportunities in Central Asia, South Africa and Poland. As the world transitions away from fossil fuels to sustainable energy, the power generation industry is witnessing an exponential growth in opportunities. As part of this transformation, Nebras Power is helping several countries to progress their efforts to move to sustainable energy sources like CCGT, solar, wind and hydro power. Our Company is helping them meet energy-mix and clean-energy targets while providing dependable power to homes and industry with minimal impact on the environment. During 2020, we signed several Memoranda of Understanding with reputed international companies to establish strategic alliances. The objective of these alliances is to pursue joint development of power generation business opportunities, both in greenfield projects and through mergers and acquisitions.

Through its investments in projects around the world, Nebras Power is helping local communities to energize and refresh their lives with clean energy and clean water. The Company supports and funds several community programs which have a direct impact on thousands of people. This is in line with the purpose of any business, which is to add value to the community it serves and is part of. As an active stakeholder in communities in several countries, Nebras Power is working to ensure that the needs of people are met in a sustainable and responsible manner. Finally, I would like to thank the management and staff of Nebras Power for their unwavering dedication and professionalism in expanding the company's operations and opportunities. I am confident that in keeping with the credo of Pioneering Future Energy, Nebras Power will continue to identify and invest in innovative power technologies, enabling positive future for the communities we serve.

Mohammed Nasser Alhajri
Chairman

CEO's Statement

For Nebras Power, 2020 was a year in which we continued to expand in our quest to pioneer future energy solutions. These are solutions that can energise the lives of millions around the world, while keeping growth sustainable.

Despite the challenges of the past year, I am delighted to announce that Nebras Power delivered an excellent performance in 2020. This is primarily due to the strength and diversity of our asset portfolio, the resilient nature of the energy sector, and the measures taken to mitigate the impact of the pandemic on our operations.

The ever-growing demand for clean and renewable energy in our key markets helped us achieve commendable growth as witnessed by the numbers. The Company's revenue for the year 2020 was QR 1,253.2 million compared to QR 978.9 million in 2019. Our shareholder's equity also experienced a significant increase, from QR 4,911.1 million to QR 5,153.8 million at the end of 2020. This reflects the strength of our investments and consistent return on assets deployed. The profit attributable to Nebras Power was QR 280.8 million in 2020, representing a decrease of QR 83.1 million compared to the profit of QR 363.9 million in 2019. The adjusted profit for the year attributable to Nebras Power grew by 11% (QR 402.1 million in 2020 compared to QR 363.9 million in 2019). Total assets grew substantially, and at the end of 2020 were QR 808.4 million higher than last year. Total liabilities grew by QR 565.7 million owing to debt drawdowns at consolidated Brazilian entities.

In respect of our under-construction projects, I am pleased to report that Nebras Power made significant progress in 2020 with the construction of solar PV projects in Brazil and Australia.

As we all know, 2020 was a year of a devastating pandemic. Each of our businesses dealt effectively with COVID-19 related challenges by implementing all the required safety protocols. Consequently, there has been no significant impact on net income due to COVID-19, with the exception of some delays in dividend distributions from our businesses in Jordan. In spite of the challenges faced because of the COVID-19 pandemic, Nebras Power continued to pursue its strategic objective for growth, to establish itself as a leader in the global power sector.

A highlight of 2020 was the acquisition of a 49% stake in Stockyard Hill Wind Farm in Australia, which completed the installation of 149 wind turbines in December of 2020. It will be the country's largest wind energy project once it begins commercial operation. Nebras Power also expanded its presence in the Netherlands with the acquisition of a 40% stake in a 60 MW ground-mounted solar project (Zonnepark Mosselbanken Terneuzen), and a decision to purchase additional solar power projects that are under development/ready-to-build. Nebras Power is also growing its presence in Brazil, where it has signed transaction documents for a stake in a hydropower project, which is expected to close in 2021. The Company is also rapidly flourishing in Eastern Europe, with an agreement to purchase two large operating solar portfolios in Ukraine. These acquisitions, initiated in late 2020 are expected to close in 2021. Correspondingly, Nebras Power will continue to look for more renewable energy opportunities in Ukraine.

As always, these acquisitions were achieved after extensive analysis and due diligence, to ensure optimal returns on investments. But even as these acquisitions augment our bottom line, we should not forget that they also deliver renewable energy which is essential for sustainable development in today's world. Our international offices in Amsterdam and São Paulo continue to focus on strengthening and servicing our foreign assets, while identifying new investment opportunities in their respective regions.

To close this statement, I want to stress that Nebras Power is committed to corporate social responsibility which flows out of our belief in putting people and communities first. Despite the limitations arising out of the pandemic, we continued to deliver people-oriented programs to engage with and support the communities in the geographies we operate in around the world. The programs we are involved in are tailored to the local conditions and many of them are implemented in close collaboration with local organizations. We are also drawing up plans to boost our corporate social responsibility projects in Qatar in the coming years. This is because corporate social responsibility is built into the very core of our business operations. Every power project we invest in creates stable, long-term jobs for hundreds of local residents. We support and fund educational initiatives that provide financial support and leadership development for young students. We support the improvement of existing infrastructure in local communities and contribute to the construction of various new facilities. We also invest in recycling and conservation projects that accelerate efforts to attain sustainable development. All these community service activities reflect our determination as a company to invest not just in power, but to invest in the people they are meant to benefit, raising their quality of life.

In conclusion, I would like to thank our board of directors, our management and staff and our community partners for helping us achieve a successful year in 2020. I look forward to your support in making the coming year even better in every respect.

Khalid Mohammed Jolo
Chief Executive Officer

Capitalising on Energy Trends

Global trends in energy

The power generation sector worldwide has been witnessing a transformation over the past few years. The energy demand in developed countries is approaching stagnation, while demand in developing nations accounts for most of the new growth globally. It is observed that the sluggish demand for energy in developed countries is not just for economic reasons, but also due to lower energy consumption, higher energy efficiency and a preference for energy-saving technologies.

Population trends indicate that three-fourths of the world's people will live in Africa and the Asia Pacific region by 2040. The steady population growth in these regions corresponds with increasing demand for electrification. This trend assumes even more significance when taking into account the fact that today around 1.3 billion people worldwide do not have access to electricity. It is evident that developing economies will be responsible for fueling growth in power generation for the near future.

When analyzing energy sources, we find that there is a clear shift towards renewable energy sources, accounting for 26% of power generated worldwide in 2020. This share is expected to go up to 30% by 2024 and as high as 80% in the next 20 years. Wind, solar and hydropower generation is expected to account for 42% of power generated worldwide by 2030. Solar power generation is projected to account for 60% of additional capacity added by 2050.

Developing nations are increasingly opting for renewable power sources, especially since energy can be generated in closer proximity to local markets, thus eliminating the need for extensive and expensive power grids. Another incentive to opt for renewable power is the falling cost of deploying such solutions, with key stakeholders constantly working to improve the cost-effectiveness of renewable energy sources.

Another factor driving the growth in renewable power sources is the rapid advances in energy storage solutions. One of the biggest markets for such power generation is Africa, which in the coming decades is expected to urbanize far more rapidly than China did in the 1990s. Even South Africa, whose abundant coal reserves account for 85% of power generation, is seeing a growth in wind and solar energy generation in recent years. Interestingly, Africa has 40% of the world's solar energy potential but only less than 1% of the world's solar panels.

While solar and wind energy will dominate the generation landscape in future, it is also observed that a few conventional power generation sources are seeing some demand. Gas is one energy source that is projected to drive future capacity expansion, especially acting as a quick and clean source of base-load capacity. Growth in gas is also growing due to the environmental challenges for coal and nuclear technologies. Gas is expected to become the second-most important fuel in the global energy market, though coal will continue to play a role in Asia and Africa because of availability and lesser environmental challenges.

Decentralization in power generation is a rising trend. Bloomberg projects that by 2050 10-40% of capacity will be behind-the-meter in the world's major economies. Australia is already transforming itself into one of the world's most decentralized, low-carbon power systems. Renewable energy sources are forecast to account for 57% of demand by 2030 and 84% by 2050 in Australia.

Geographically, there are hotspots around the world demonstrating growth in demand for renewable energy. There is a growing interest in greenfield developments in Central Asia and Eastern Europe, especially in markets like Ukraine, which is seeing an upswing in solar and wind energy generation. Poland, and other European countries, will need capacity replacement due to decommissioning of coal and nuclear power plants. Brazil is another important market for solar and wind power generation. Interestingly, renewable energy sources already account for 79% of electricity generated in Brazil, with hydropower contributing to 65% of power generation.

At Nebras Power, insights obtained from the study of global trends are vital to identifying opportunities in markets and investing in energy projects around the world. These help in achieving optimal investment portfolio returns while expanding the global asset base. The resulting focus on renewable energy sources is a key feature of Nebras Power's investing strategy – not only does it ensure future returns, it also empowers the communities served and raises living standards, energizing the future for Nebras Power and for the people it serves.

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. Mohammed Nasser Al-Hajri
Chairman of the Board

Mr. Al-Hajri was appointed Chairman of Nebras Power in January 2021 and as Managing Director and General Manager of Qatar Electric Water Company (QEWC). He was previously Managing Director and CEO of Qatar Steel. Mr. Al-Hajri started his career with Qatar Petroleum (QP) in 1991 and has 30 years of experience in business and operations in upstream and downstream, oil & gas and in the manufacturing industry. At QP, Mr. Al-Hajri held various leadership roles, including Executive Vice President of the Downstream Development Directorate. Mr. Mohammed Nasser Al-Hajri earned a Master's degree in Gas Engineering from University of Salford, UK, and a Bachelor's degree in Chemical Engineering from Qatar University.

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. 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. Abdulhadi Ali Al-Hajri
Director

Mr. Al-Hajri is Manager in the Commodities Department at the Qatar Investment Authority (QIA). Mr. Al-Hajri worked in the mining and real estate sectors before joining QIA in 2015. Besides being a member of the Board of Directors of Nebras Power, Mr. Al-Hajri also sits on the boards of Al-Hosn Investment Company, Oman Aviation Academy and QKR Namibia Navachab Gold Mine. Mr. Al-Hajri holds a Bachelor's degree in Business Administration from John Cabot University in Rome, Italy and a Master's degree in Strategic Business Unit Management from HEC Paris in Qatar.

Mr. Khalid Al-Obaidli
Director

Mr. Al-Obaidli is Chief Executive Officer of Qatar Mining since 2018. He began his career in the oil and gas sector at Qatar Petroleum (QP) before moving to Dolphin Energy Qatar. In 2011, Mr. Al-Obaidli joined Qatar Mining as Chief Investment Officer. Besides Nebras Power, Mr. Al-Obaidli also sits on the boards of directors of Qatar Steel International and Algerian Qatari Steel. Mr. Al-Obaidli has a MBA from Paris, France and a Bachelor's degree in Mining and Geological Engineering from the University of Arizona. Mr. Al-Obaidli's strengths include project management, leadership and crisis management.

Vistas of change

Portfolio overview

In just six short years Nebras Power has made its presence felt across five continents with operational assets comprising of 15 power generating assets in seven countries. Today, our Company has 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.

AMMAN EAST – JORDAN

- Amman East - IPP, is Jordan's first independent power producer ("IPP").
- Amman East owns and operates a 381 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%)

Equity stake in Amman East owned by Nebras

23.4%

Gross Capacity

381 MW

Partners

AES Corp. 36.6%

Mitsui & Co. 40%

IPP4 – JORDAN

- IPP4 is the fourth independent power producer ("IPP") in Jordan.
- IPP4 owns and operates a 250 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 IPP4 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

250 MW

Partners

AES Corp. 36%

Mitsui & Co. 40%

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 66 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%).

Equity stake in Shams Ma'an owned by Nebras

35%

Gross Capacity

66 MW

Partners

Mitsubishi Corporation 35%

Kawar 30%

AM SOLAR – JORDAN

- AM Solar owns a 52 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 IPP4 owned by Nebras

24%

Gross Capacity

52 MW

Partners

AES Corp. 36%

Mitsui & Co. 40%

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 125 MW. The plant started 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

125 MW

Partner

Axia Power Holdings 50.1%

Oman Oil Facilities Development Company 30%

Bahwan Renewable Energy Company 10%

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.*

CARTHAGE POWER COMPANY (CPC) – RADES II – TUNISIA

- The Rades II plant is the largest power plant in Tunisia with a power generating capacity of 483 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.

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

60%

Gross Capacity

483 MW

Partner

Marubeni Corporation 40%

PAITON ENERGY – INDONESIA

- Paiton Energy is one of the largest independent power producers in Indonesia with 2,046.2 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%).

Equity stake in Paiton Energy owned by Nebras

35.5%

Contracted Capacity

2,046.2 MW

Partners

Mitsui & Co. 45.5%

Jera Co. 14%

Toba Bara Energi 5 %

ZONNEPARK MOSSELBANKEN TERNEUZEN B.V. (ZMT)

- Zonnepark Mosselbanken Terneuzen B.V. (ZMT) is a 60 MW – ready to build – solar field project located in Terneuzen, in the Netherlands. Once complete, the solar park will have a total surface area of 30ha. Construction is expected to start in Q2/Q3 of 2021 and the facility is projected to achieve commercial operation in 2021.
- ZMT takes advantage of a Stimulation of Sustainable Energy Transition (SDE+) supply subsidy which was granted in January 2020 by the Dutch government to facilitate the development of sustainable and renewable energy projects in the Netherlands.

Equity stake in Terneuzen owned by Nebras

40%

Gross Capacity

60 MW

Partner

Gutami Solar Development B.V. 60%

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 46.2 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%).

Equity stake in ZEN owned by Nebras

75%

Gross Capacity

46.2 MW

Partners

Michel Peek Beheer 25%

SALGUEIRO PROJECT – BRAZIL

- Salgueiro is a 114.3 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

114.3 MW

Partner

Canadian Solar 20%

JAÍBA PROJECT – BRAZIL

- Jaíba is an 101.6 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.

Equity stake in Jaíba Project owned by Nebras

80%

Gross Capacity

101.6 MW

Partner

Canadian Solar 20%

LAVRAS PROJECT – BRAZIL

- Lavras is a 152.4 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

152.4 MW

Partners

Canadian Solar 20%

FRANCISCO SÁ PROJECT – BRAZIL

- Francisco Sá is a 114.3 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.

Equity stake in Francisco Sá Project owned by Nebras

80%

Gross Capacity

114.3 MW

Partner

Canadian Solar 20%

STOCKYARD HILL WIND FARM PROJECT – AUSTRALIA

- Located 35 km west of Ballarat near the Yarrowee River in Victoria, Stockyard Hill Wind Farm (the "Project") is currently under construction. The Project has 149 wind turbines installed with a combined capacity of 527.6 MW, which will be the biggest in the southern hemisphere, upon final completion.
- Origin Energy Electricity shall purchase post completion, the entire capacity of the Project under a long term Offtake Agreement until 2030.

Equity stake in Stockyard Hill Wind Farm Project owned by Nebras

49%

Gross Capacity

527.6 MW

Partners

Goldwind Australia 51%

Operational Highlights

Business Development

While 2020 was a very challenging year for most businesses around the world, Nebras Power continued to pursue business opportunities, both greenfield and acquisition of operating assets in line with the company's corporate strategy. The focus on identifying opportunities continued to be aimed at assets located in target geographies, in both conventional and renewable power generation sectors.

In 2020, Nebras Power expanded its presence in the Netherlands, continuing the collaboration with a local renewable energy developer to build and develop utility scale solar plants, a few of which are expected to be completed in 2021. In this regard, Nebras Power closed the acquisition of a 40% stake in Zonnepark Terneuzen, a 60 MWp solar project. This project, along with another smaller project to be closed in January 2021, are expected to start construction in Q2 2021 and reach COD before the end of 2021. Nebras Power is also expanding its presence in Brazil and has signed transaction documents for a hydropower project, the transaction for which is expected to be completed in H1 2021. Additionally, in December 2020, the company signed a SPA with MEDCO of Indonesia whereby MEDCO will acquire 9.5% of Nebras Power's stake in Paiton Energy, reducing the company's stake in Paiton Energy from 35.5% to 26%. This transaction is expected to close in Q2 2021.

Nebras Power continued with the development of four solar projects in Brazil, with successful financial closure for Jaíba and Salgueiro. Financial closing for Lavras and Francisco projects is expected in early 2021. Construction activities for Salgueiro, Jaíba (88 MWac) and the Stockyard Hill Wind Farm in Australia have progressed well, in spite of delays arising out of the COVID-19 pandemic. The Company also saw commercial operation commence in March 2020 for the Amin solar project in Oman. Nebras Power continued to work on the development of large scale CCGT plants in Central Asia and acquisition of additional operating and greenfield renewable capacity in Eastern Europe. The company is also progressing with several other acquisitions expected to successfully close in 2021.

The way forward for 2021 will see Nebras Power continue the pursuit of securing investment opportunities that will further strengthen its existing portfolio and further expand its global footprint into new key markets. Constant efforts are being made to optimize the portfolio in terms of technology mix and geography.

Nebras Power continues to enhance its investment governance framework and investment decision-making process through ongoing continuous improvements to the company's investment policy and strategy, while proactively engaging with the company's Investment Committee.

The Company's Business Development team also conducted due diligence on a number of other investment opportunities involving both conventional and renewable technologies which are in various stages and located in various geographies, including Pakistan, Bangladesh, Ukraine, Netherlands and Uzbekistan.

Organization and Corporate Structure

Despite the business limitations imposed by the COVID-19 pandemic in 2020, the Company continued to strengthen and reinforce its organization structure globally in all operational aspects to support regional expansion into new markets. Furthermore, we continued our focus on Qatarization and development of Qatari expertise in the international energy market.

We have driven through a strategic procurement process and improved our procurement procedures to be complied with our updated ERP system. We have successfully processed some major tenders in 2020 and worked closely with our business development team assisting in various projects. We also reduced several contract expenditures and continually worked towards promoting effective contract and supplier management, for maximizing savings and benefits from current contracts and future tender opportunities.

In 2020, Public Relations placed the emphasis on advertising, while supporting our international offices with media relations and corporate social responsibility endeavours. Nebras Power was mentioned more than 400 times in the news in 2020. This coverage was overwhelmingly positive at both the local level and internationally. Most of the placements in news media derived from international coverage of the Brazilian solar projects, our commercial operation of project Amin and the completion of Stockyard Hill.

Last year, for the first time, we placed promotional spots on TV with our first international television campaign with Al Jazeera International and Al Jazeera Arabic. This campaign included sponsorships of a current affairs talk show in Arabic and of stock market updates in English. Additionally, this promotional initiative featured the airing of Nebras Power's commercials multiple times throughout each day. Our six-month inflight advertising campaign on Qatar Airways continued in 2020. Lastly, our engagement with Project Finance International (PFI) was renewed with the exclusive sponsorship of their annual gala awards dinner in February, which included digital ads on the PFI website. Public Relations then closed the year with a one-page ad in the PFI Annual Yearbook.

Information Technology

In 2020, Nebras Power achieved a significant milestone in information technology as part of the company's envisioned digital transformation journey. The IT department completed a comprehensive transformation by moving all Nebras Power users to Microsoft M365 E5 Cloud-based services. This system ensures that all the company's employees worldwide now have access to the most modern and secure Microsoft products. This transformation has resulted in significant benefits, including enhanced security posture through various security features, improved Microsoft Office Applications through Microsoft 365 Apps, seamless communication, collaboration platform using MS Teams, greater productivity using Microsoft OneDrive, and a superior 360-degree view using Power BI and MyAnalytics tools. In Information Technology, Nebras Power also successfully initiated the tendering of another massive digital transformation project with a vision to provide a robust and centralized ERP system across all group companies globally for finance, procurement, and HR & payroll functions through the implementation of the Oracle Fusion Cloud Applications (Oracle Cloud ERP).

IT is currently completing other strategic initiatives such as Business Processes Automation for business development processes and specialized procurement services processes on the Microsoft SharePoint Platform. Furthermore, the Nebras Power Asset Portfolio Real-Time/Near-Time Assets Performance and Conditions Monitoring System will enable the Nebras Power Asset Management team to monitor the company's assets' performance and conditions proactively.

Financial Management

In the year under review, Nebras Power has taken significant steps towards achieving its goal of developing a best-in-class finance function aimed at effectively supporting the company's strategic goals.

Responding to the challenges posed by the COVID-19 pandemic, the company took the safety of employees and stakeholders as the topmost priority. Safety measures were implemented throughout all Nebras Power offices; lenders and other stakeholders were provided with constant updates. Business continued as usual and the finance function provided uninterrupted support during the pandemic.

Nebras Power continues to follow its long-term strategy on capital structure and financing that is embedded into the 5-year business plan approved by the Board of Directors. The company aims to have non-recourse financing to fund its development projects. The company also utilizes corporate financing to optimize the cost of capital, secure long term growth and maximize shareholder value. The targeted level of corporate debt is consistent with maintaining an internally assessed stand-alone investment grade credit rating.

The company continues to actively engage in and develop relationships with domestic and international banking institutions, export credit agencies and multilateral agencies across the Middle East, Asia, Europe, Latin America and United States. These activities are essential in promoting the company's image and standing in the local and international financial markets as well as in getting visibility on banks' capabilities and service offerings in support of Nebras' international business development efforts.

In 2020, Nebras Power strengthened its finance function in Brazil to facilitate the construction of four solar PV projects; group policies, procedures and controls were implemented here. Two of the projects, Salgueiro and Jaíba achieved financial closure and made subsequent debt and equity drawdowns as the construction on these projects progressed according to plan. The capability of the finance function in the Netherlands was further enhanced by hiring experienced staff to manage holding company operations and to control investments.

The group insurance function continues to take advantage of the growing economies of scale as Nebras Power increases its investments. This assists in accessing previously unavailable insurance products and global strategies to ensure effective risk transfer. It is expected that the hardening insurance market will intensify in 2021 and beyond, exacerbated by the COVID-19 crisis. The internal insurance function is well placed to assist and advise Nebras Assets in shielding and protecting against the more severe affects of the market.

The Company recognises the importance of managing its tax affairs in a prudent, socially responsible and effective manner. One of the 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.

Nebras Power aims to achieve best in class tax risk management and 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, the company aims to continuously improve internal tax controls and tax risk management processes. In this regard, Nebras Power has developed a Tax Control Framework (TCF) to be applied by Nebras Power group companies going forward. Part of this framework was implemented in 2020. A TCF is a tax risk management and tax control methodology that:

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

The TCF is subject to continuing development. In 2021 a further roll out of the TCF will take place within the Nebras Power group.

Being an international group, Nebras Power embraces best practices in managing complex international tax relationships and transactions alike. This has been achieved by building a robust in-house tax management expertise and by customizing the tax processes and solutions to fit Nebras Power's culture, risk appetite and scale of investments. Nebras Power maintains 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.

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

As part of Nebras Power's initiative to build a positive image, reputation and to promote the company's brand, the group's finance leadership team has participated in a number of webinars related to the industry and economy during the year. The group is keeping up its efforts 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.

Asset Management

Nebras Power Portfolio businesses operated per their business plans and approved budgets. Each business proactively managed the day-to-day business operations responding to the evolving obligations related to the management of the COVID-19 pandemic within the markets served. All businesses have overcome very complex and difficult logistical challenges.

Prompt early advice, guidance and directions were provided to individual key staff and business leaders which were readily acted upon. Subject to local stakeholder needs, together with the evolving statutory obligations of the markets served, pandemic management arrangements were deployed in a compliant fashion. The Paiton business has been recognised by state agencies for the disciplined, innovative, and creative approaches in executing a response to the challenges presented by the pandemic. The COVID-19 pandemic has framed stakeholder exchanges at all the businesses. In all instances, exchanges have been cordial, professional, and fully cognizant of societal needs and requirements. To the extent possible, businesses have been proactively raising issues and seeking stakeholder engagement to preserve alignment and social license to operate. Primarily this dialogue has been focused on institutions and local infrastructures. Of the actions taken by the businesses, the applications of risk adjusted operations and risk adjusted maintenance were judged to be most effective in delivering business performance. Overall, the Financial, Technical and Commercial delivery was at plan or surpassed plan levels. Each business delivered Lost Time Accident and Environmental incident-free operational performance in 2020. PPC (Phoenix Power Company), Oman, was again recognised with Gold Awards from RoSPA.

The Nebras Power Asset Management team has consolidated process and logistics to enable a proactive and in-depth support to the Company's business development. Moreover, at a business level, a systematic approach has been adopted to maximise corporate learning, and capability created to leverage corporate knowledge and experience for each asset appropriate to the stage faced in business life cycles. All businesses have reported, per the Nebras Power requirements, to enable timely reporting to Nebras Power Board of Directors.

Nebras Power continues to offer best-in-class Asset Management Approaches, which focus on delivery of performance. The invoicing for services has been achieved per offtake agreements and sponsor agreements. Currently, there are no disputes or claims with off-takers or sponsors. The potential for a dispute between PPC and OPWP (Oman Power and Water Procurement Company) has receded as agreements in principle are in place for the payment of fuel bonus per the terms of the PPA which will enable accounting provisions to be reversed. Jordan's National Electric Power Company (NEPCO) fell short in electricity payments due to COVID-19 factors in 2020. With matters now settled, the outstanding debts have been cleared.

During the period, increased use of the corporate risk management policies has provided more insight upon emergent risk within the portfolio. The strengthening of controls have commenced, and enhanced governance becomes possible. With emergent sustainability reporting regulations, Nebras Power has the opportunity to place greater focus on diversity, compliance, risk management and stakeholder engagement. Records show Portfolio safety and environmental performance to have been very good and acknowledged by the relevant state agencies of the markets served. Nebras Power Asset Management have now developed and is deploying, in demonstration form, semi-automated SPS-sourced KPI reports and Business Intelligence (BI) dashboards with Power BI. The near-time portfolio operational data acquisition with performance monitoring and management system "EtaPro" is in implementation phase. The intent is to enable a scalable, replicable performance management in line with Nebras Power's business expansion.

Risks continue to be critically reviewed in conjunction with the joint venture partners to provide risk-informed decision making opportunities. Such approaches have increasingly enabled the Asset Management team to administer Risk Management with the adoption of the corporate Risk Register which now documents the overall management of Nebras Power portfolio risks. Key Risks for the portfolio are now mapped with corresponding risk treatments identified by the respective business functions. The outcomes show operational business needs are continually reviewed with emergent risks evaluated to allow informed decision making. Accordingly, Nebras Power is positioned to address Risk in an industry standard fashion. These practices are underpinned by skills enhancements, knowledge and learning such that Nebras Power Asset Management is regarded by each business as a centre of excellence with respect to governance issues, technology issues, regulatory changes, market developments, and Risk.

During this period, the Asset Management team has also developed Corporate Digital Guidance and created enhanced Digital Due Diligence questions so that potential new-build businesses and acquisitions can be readily integrated within the portfolio in a secure and compliant fashion. In support of this, the team has also developed the functional specifications and deliverables for all digital interfaces. By adopting this methods data trust is achieved, which in turn secures our ability to team, align, and collaborate, in the development, delivery, and the operational execution of Nebras Power business.

Committed to serving worldwide

Corporate Social Responsibility

Nebras Power is committed to Corporate Social Responsibility (CSR). The corporate CSR approaches deployed have had to adapt and evolve during 2021 as the implications of the COVID-19 Virus upon the management and execution of the portfolio goals and objectives have become clear. Above all else Nebras Power has been respectful of employee needs and the stewardship of stakeholder relations. 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 we serve.

Locally in Qatar, our efforts focus on education, research and supporting local campaigns that aim to bolster sustainability, conservation, and health and wellness programs. At the portfolio local level there has been enhanced collaboration and co-ordination with Government agencies and regulators of those markets we serve to ensure emergent needs are met. More efforts have been made to address employee and family's needs, local community, public institutions, and healthcare professionals.

Internationally, we endeavour to support underserved populations by spotlighting more efforts to integrate social, economic, and environmental matters into the day-to-day management of the businesses.

We accomplish all of this by ensuring that our far-reaching social responsibility programs are mindful of the environmental footprint the businesses represent, the portfolio fuels profile, labour relations, and compliance with banking performance standards and local regulatory obligations.

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. The COVID-19 pandemic response has shown Nebras Power as providing a prompt, informed and effective engagement in addressing the challenges pandemic management brings. This response has been built around more effective planning, forethought, and anticipation of issues. This has specifically taken account of communication issues and the logistics to support business response.

COVID-19 response has required moderation of CSR initiatives which have limited volunteering by employees, and the requirements for extended association of groups outside of the immediate business environment. Where appropriate virtual initiatives have been introduced to enable momentum of delivery.

CSR awareness exists within all features of our organizational culture. During 2020 Nebras Power has become increasingly mindful of the implications of the post pandemic agenda. We have recognised there are opportunities to enhance efforts that are focused on social, welfare and health issues. New thematics are likely to be introduced which are to link with ongoing programs. These may include the use of formal sourcing practices within local communities, supporting local logistics management, and support local and regional healthcare systems. In this context, the corporate learning from the success of the SATGAS (Indonesian Heath Authority) approval of the Paiton Energy Pandemic isolation facility becomes very important. Our 3P approach to management – People, Planet and Profit - ensures that we can provide public assurances that are clear and accountable at a critical time as we identify the required post pandemic response of the portfolio companies.

Commitment to people and society

In our continuous effort to positively impact people, life, and society, and especially the markets in which we operate:

- 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 at a local level according to the highest business standards, periodically certified by accredited independent advisors.

Implementation of Corporate Social Responsibility principles across our Investments

All businesses are actively working with local stakeholders to agree on a continuing basis as to the most appropriate programs which can support local institutions and infrastructures.

The CSR highlights during 2020 are presented here.

Committed to CSR in Qatar

As a responsible corporate citizen, Nebras Power has developed a robust and far-reaching domestic corporate social responsibility program. In Qatar, our aim is to uplift, assist and educate citizens and residents respectively. To this end, our emphasis has been on engaging with children and providing awareness on the importance of renewable energy and conservation. We believe firmly that youth are the key drivers to successful and continued integration of future sustainable energy sources in all aspects of society, from residential to industry and from work to leisure. We participate in family focused occasions such as Qatar National Day and leverage these opportunities to communicate with kids on the many exciting features of renewable power and what the future holds in this growing sector. Being a pioneer in energy development, we have collaborated with academia by identifying and contributing to conferences that boost knowledge sharing of research and innovation on water, conservation and sustainable power solutions in desert climates.

Correspondingly, Nebras remains firmly committed to the health and well-being of all members of the population and as such we have partnered with notable names in healthcare such as Hamad Medical Corporation (HMC), to deliver relevant and crucial information, and to raise awareness on breast and gynaecological cancers. Congruently, we have also aided our most vulnerable in society by reaching out to sick children at local hospitals and raised their spirits with gifts and goodies during the Holy Month of Ramadan's festive time of 'Garangao'.

Even though these are unprecedented times, we continually identify and spotlight local challenges and seek out opportunities where we can be of philanthropic service, and where we can convey the transformational power of sustainable energy and the many benefits it brings to our country and to the world. As we move beyond 2020, Nebras Power is focused on enhancing conservation education and research, devising platforms for children and families to learn about clean energy, and bolstering the local culture and traditions that have made Qatar the great nation that it is today.

Paiton Energy (PE) (Indonesia)

PE places great emphasis on community relations and seeks to maintain the existing positive relationship by continuing to target community projects, which benefit the widest possible population through sustainable investments. The commitment to building and maintaining positive relationships with people living in the areas where we operate is a key priority. Such an approach not only helps maintain the community support for our activities, particularly those that have potential to impact them directly, but also greatly assists in our security efforts through effective Police, Military and Community Networks. During the period initiatives and undertakings have been moderated by the need to consider the implications of the COVID-19 virus.

Every three years, PE conducts Social Mapping survey by external parties which is then internally updated yearly. Based on understanding of the social mapping, a set of Corporate Social Responsibilities program is planned. In addition, the company also aligning the program to the efforts to achieve Sustainable Development Goals (SDG's)as applied in the sector within Indonesia. For PE target areas are SDG's 1- No poverty, 3 – Good Health and well-being, 4 – Quality education, 6 – Clean water and sanitation, 7 – Affordable and clean energy, 12 – Responsible consumption and production, and 13 – Climate action.

The Corporate Social Responsibilities programs are planned and implemented in the following categories and focuses on institutions and infrastructures: Improving Community Perception towards the existence of PE and operations. This may include Management goes to community, Community plant tour, University visit etc. Improving the Relations between PE, employees, and surrounding communities. This may include charity, donation, grants and meeting facilities, sports competition, cultural events, etc. Community Empowerment program which focuses elements which promote sustainable benefit such as community development, income generating program, soft skills improvement and Institution capacity building, knowledge development. Several main programs are detailed below.

Business sustainability - Programs in this stream include programs which support Technical Resources Availability (such as Enrichment program, Vocational Workshop and Vocational High School Support) and 3R Waste Management (e.g., FABA Furnace Bottom Ash utilization and other Plant Waste Recycle). Examples being as follows.

- 3R-FABA Utilization program is aiming towards converting Furnace Bottom Ash to building materials. The program is supported by research conducted jointly with the Institute Technology of Surabaya which has resulted in capabilities to produce paving blocks of market quality.

Social and Economic Sustainability - This includes programs which support Sustainable Entrepreneurship Award (e.g., Traditional Market Empowerment and SME Development), and support Sustainable Food Production (Organic Farming, Integrated Fishermen Development and Perma-culture) as well as support Community Well-being (e.g., HIV/AIDS Prevention campaign and Health Campaigns). Examples being as follows.

- The PE Sustainable Fisherman Empowerment Program is aimed at increasing fishermen economy through effective empowerment and introduction of new methods. The program supports fishermen at Binor, a village adjacent to the PE Power Plant. The program provided 400 blocks of Artificial Reef at Binor sea since 2017 for the introduction of crab cultivation. Average income from the artificial reef is Rp 4 billion in 2018. In 2019, the company provided a Floating Fish Cage as part of grouper cultivation integrated with ecotourism. The program also supported Telogo Merak catfish group, actively working in catfish cultivation. PE supported the group by introducing more effective cultivation methods which could speed-up fish growth. The current empowerment focus is on "creating new market" other than traditional ones by introducing new line of business (smoked catfish). PE provides fish processing equipment fabricated by our Vocational Workshop.

Energy and Environmental sustainability – The stream includes programs which support Natural Conservation (e.g., Endangered Bird and Mangrove Conservation (Blekok and Banyuglugur area), Selobanteng Carbon Storage, One Village One

Phoenix Power Company (PPC) (Oman)

PPC has continued to provide support in a range of different initiatives within the context of the local infrastructure and institutional needs. This has nominally been moderated by the impacts of COVID-19 with contributions to defined needs in the areas of culture, education and training, health, and safety. Owing to COVID-19 restrictions no environmental care initiatives were possible. Highlight of these programs are described below.

The Ministry of Health (MoH) in Oman made several appeals to businesses, large and small, and private citizens to make donations to the Ministry's efforts to combat the impact of the COVID-19 virus in the Sultanate. PPC made two donations directly to the MoH in Sur in April and December 2020, respectively.

COVID-19 prevented many children of school age from regular attendance at school, with the potential to severely impact learning. Many schools addressed this through the delivery of online teaching and classes. In response to a Ministry of Education (MoE) request, PPC provided laptops to access the online education system and attend teaching sessions. A donation was made directly to MoE in Al Sharqiyyah to support low-income families and support the purchase laptops.

PPC provided for the holy month of Ramadan, families in need of material assistance, which enabled the support of traditional celebrations, and the normal family living needs.

PPC supported a range of projects to explore investment opportunities with large companies in Sur region. Madayen developed a project to explore opportunities to attract small businesses to the city of Sur through understanding the support requirements of large companies based in the Sur industrial zone. This will provide much needed work opportunities for people living in Sur. The project was carried out by a company specialized in analysing business requirements and support. PPC provided funding support to the project as part of a group of sponsoring Companies based in the Sur industrial zone.

PPC supported the production of Sawa'ed Magazine published by General Federation of Oman Workers. The General Federation of Oman Workers issue a regular magazine (Sawa'ed Magazine) that provides education and advice to people related to laws and regulations in the private sector. This features as an important role in connecting Government bodies and individuals to the Private sector. Support to the magazine provides awareness to the readership of the PPC and its importance to the Oman electricity sector and raises awareness of employment opportunities during the COVID-19 pandemic.

AM Solar, IPP4 and Amman East (Jordan)

The businesses continued the annual scholarship program by providing two scholarships in 2020. The program continues to be successful with increasing numbers graduates who are residents of the nearby village.

As part of the ongoing support to educational infrastructures the local village schools of Al Manakher and Al Khanasa Dabobi have received support with a range of needs such as building maintenance, teaching materials and stationery, computers, and internet services.

Continued the support from previous years to the Jordan Environment Society in completing events in different settings to improve awareness, those occasions being World Environment Day, Recycling Day, etc. Such events successfully raised the awareness of students and the importance of sustainability of campaigns.

Various donations were made to Medical Aid for Palestinians (NGO) and aims to help this NGO supporting medical needs for refugees in Jordan.

New initiatives to install 200 solar water heaters for the nearby village houses in partnership with Ministry of Energy, Ministry of Development, Sahab Governor, and local communities have been launched and substantially completed. These initiatives have been conceived to help the villagers to reduce their monthly Electricity bill and achieve a greater degree of energy independence.

The businesses also supported two commercial start-ups in Al-Manakher village by creating two small factories to manufacture dairy products, bread, natural soap, and various other products which enables sustainable growth and development, creating job opportunities and empowering the role of Women in Society. This program was conjointly managed with the Ministry of Development and the Sahab Governor.

Shams Ma'an (Jordan)

Shams Ma'an Power Generation since its establishment has developed a sustainable CSR program in the region of the business which focuses upon infrastructure and institutions. The areas of investment have included youth and education through the support of local NGOs and active community centres. The specific efforts are designed to embrace the needs of stakeholders, society, the managed environment. With the continuity of CSR commitments Shams Ma'an Power Generation has completed a range of activities and programs have been supported throughout the period from 2015 up to dated which included amongst others: Education, sports (Karate, football teams and cycling teams), social services (orphan centre), health, culture and overcoming poverty.

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

CPC has continued sponsorship in a primary school in Rades area by providing the necessary school supplies for the pupils at the start of the academic year according to a list provided by the Managers and Head Teacher of the school.

CPC has again supported the association "Little Rescuer" which is managed by National Fire Fighting members where the objective is to promote first aid to children in a fun and engaging way.

CPC has followed traditions and during the Eid El Fitr and Eid El Kebir, provided the Police Station of Rades Petroleum area with sweets and meals as part of CPC's care and well-being support to the actions and engagements of the Police within the security of the Rades Petroleum area. This effort by CPC is designed to reinforce the commitments of all stakeholders to the safety and security of this critical and strategic business zone of Tunisia.

CPC also provided donations to the Tunisian Association of the Blind.

CPC remains a board member of the Groupement de Gestion et de Maintenance "GMG" (Management and Maintenance Group of the Petroleum zone where CPC is located) providing leadership and management support.

CPC remains a Board Member of the Occupational Medical Agency of the Governorate of Ben Arous. CPC is taken as an example for their effective leadership and good management in terms of occupational health, safety, and hygiene.

Amin Renewable Energy Company (AREC) (Oman)

Owing to the adverse impacts of the COVID-19 virus no major CSR activities were undertaken by AREC. This was conceived as providing the most assured management of the health and welfare of staff and local communities. In support of the development of knowledge and learning about the Renewable Energy sector AREC donated Solar PV modules to the German University of Technology Oman.

These Modules were to be used for educational purposes. The University in accepting the modules has acknowledged the leadership of the business for their efforts to support academic programs.

Stockyard Hill Wind Farm (SHWF) (Australia)

In 2020, Stockyard Hill Wind Farm (SHWF) remained committed to its community relations program even through these difficult times.

The program's Community Reference Group met primarily via Zoom video conferencing. Outreach focused on providing information to the local community via two shop fronts based in Beaufort and Skipton, which allowed for direct engagement with residents and businesses. Moreover, two program newsletters were distributed to the local community, in addition to several presentations made.

SHWF advanced its extensive community investment program in the education sector in extending support to the local Skipton Primary School to employ a teacher to deliver lessons on sustainability.

The program made a major financial commitment of AUD $270,000 to the Beaufort Golf and Bowls Club to resurface the bowling green. This monetary contribution gave a new lease on life to the club, while also potentially attracting major regional bowling events and promoting new memberships.

The community program also contributed AUD $30,000 to the Linton & District Men's Shed to assist the organization in retrofitting solar panels to conserve power and to generate electricity via a sustainable energy source.

The program also continued to reach out to neighbours and community members to answer any Stockyard Hill or community program related questions on a case-by-case basis.

Salgueiro, Jaíba, Francisco Sá and Lavras Projects (Brazil)

During 2020 the SPVs of Salgueiro, Jaíba, Francisco Sá and Lavras Solar Complex implemented many local community programs.

The aims of those programs were to establish open lines of communications and to engage with and foster positive relationships with the communities, and additionally to keep them abreast of the progress of the construction of our four solar projects.

Monthly visits were conducted to create open dialogue. Environmental Education Programmes were implemented with all the project teams to promote conservation efforts and to inculcate respect and an understanding of the history and culture of the communities surrounding each project.

Specifically, for the Jaíba Solar Farm, a programme to contract local labour saw the recruitment of 156 staff representing 70% of the total workers mobilized for construction projects in August. Many public entities were also consulted to lend their expertise to community outreach, including, but not limited to, Jaíba City Hall, and the Ministries of Education, Health and Environment.

At the Lavras Solar Complex, the municipal health department was invited to the community to assess the health needs of the local residents.

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 Power has ultimate responsibility for the day-to-day management, direction and operation of the Company, and oversees the operational decisions affecting the business.

In 2020, the Company continued to enhance and strengthen its corporate governance and internal controls and implement best practices. We have implemented several additional policies and procedures, aimed at promoting transparency and fairness in the way we conduct our business and improving internal controls. We have established the following additional policies and procedures in 2020:

1. *Communications Manual is a blueprint devised to achieve Nebras Power's business objectives by way of leveraging our communications through multiple channels. The Manual accomplishes this by delivering a plan that builds upon our existing strengths while identifying new opportunities;*
2. *Asset Management Policy provides, amongst other things, a framework for effective and risk-assured planning and execution of asset management;*
3. *Asset Management Procedure provides asset management-specific processes and assigns specific roles and responsibilities compliant with the Company's Asset Management Policy, and Health, Safety and Environmental Policy.*

In addition, most of the existing policies and procedures were reviewed for periodical update for improvement and greater controls. Board Committees (Investment Committee, Audit Committee and Remuneration Committee) continued
to carry out their roles in overseeing our operations, investment opportunities and internal controls.

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 in 2020.

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 March 31, 2020, 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 2020, and approved their annual audit fees of QR 300,000.

No company other than KPMG and its affiliates has provided external audit services to Nebras Power in relation to the year 2020. In addition to fees for audit work, KPMG and/or its affiliates were paid QR 193,930 for assurance, consulting and advisory services

Financial Review

Nebras Power (the "Company" or "Nebras" or "Group") recorded strong financial performance for the year ending 31 December 2020. The Profit for the year attributable to Nebras has been QR 280.8 million in 2020, a decrease of QR 83 million compared to QR 363.9 million in 2019. Adjusted Profit for the year attributable to Nebras (excluding one-off Paiton fair value adjustment in 2020) grew by 11% (QR 402.1 million in 2020 compared to QR 363.9 million in 2019). Total assets at the year-end 2020 were QR 808.4 million higher than last year. Total liabilities grew by QR 565.7 million owing to debt drawdowns at consolidated Brazilian project entities; significant progress has been made in 2020 with the construction of solar PV projects in Brazil. Each business effectively dealt with COVID-19 related challenges by implementing safety protocols. Risk adjusted operations and maintenance were used in delivering business performance. There has been no significant impact on the Net Income due to COVID-19; except for some delays in dividend distributions from Jordan businesses.

Our growth

Operating income

In QR Millions

2020	1253.2
2019	979
2018	495
2017	477
2016	173

Net Income attributable to Nebras

In QR Millions

2020	280.8
2019	364
2018	345
2017	333
2016	116

Total Assets

In QR Millions

2020	8009.8
2019	7,201
2018	6,826
2017	6,098
2016	5,785

In 2020 the company has demonstrated a solid financial performance underpinned by Nebras Power's diverse asset portfolio.

During the year, the company has completed the acquisition of 49% equity stake in Stockyard Hill wind farm (SHWF), a wind farm under construction located in Australia and 40% equity stake in Zonnepark Moseelbanken Terneuzen (ZMT) a solar PV project under development located in the Netherlands (part of Gutami solar PV portfolio). Both businesses where Nebras Power has a non-controlling interest are treated as equity-accounted investees in the Group's financials.

Total Operating income for the year 2020 was QR 1,253.2 million compared to QR 978.9 million in 2019. The 28% year-on-year growth is primarily driven by first full year of consolidated results from CPC. Other factors contributing to the growth include the increase in share of income from associates—mainly Paiton Energy as result of a reduction in the Corporate Income Tax rate in Indonesia (from 25% to 22%), partially offset by lower interest income from lower average cash balance, lower interest rates on term deposits (ranging from 1.15% to 3.75% in 2020 compared to 3.00% to 4.30% in 2019), and lower other income related to the gain on acquisition of CPC recognised in 2019.

Operating profit for the year was QR 354.2 million compared to QR 442.8 million in 2019. The 20% year-on-year decrease is driven by the factors explained above offset by full year consolidation of CPC operating expenses and fair value adjustment recorded on Assets Held for Sale (portion of investment in Paiton Energy) in 2020. Increase in General and Administrative expenses is largely due to business development activities and growth in asset base. Decrease in Other expenses is explained by a provision for tax claims payable to the seller of Paiton which was recognised in 2019.

Finance Costs in 2020 were QR 71.7 million compared to the prior year costs of QR 82.9 million. The decrease is mainly attributable to lower interest rates. Net Profit for the year attributable to Nebras was QR 280.8 million compared to QR 363.9 million in 2019 (23% year-on-year decrease).

Net profit for the year attributable to Nebras adjusted for Paiton sale was QR 402.1 million (11% growth year-on-year).

Total assets at the year-end 2020 were QR 8,009.8 million showing QR 808.4m or an 11% increase compared to 2019. Non-current assets were QR 3,863.5 million, 15% higher than last year. Investment in associates and joint ventures was QR 2,980.0 million (0% change to 2019 balance). Investments in Stockyard Hill wind farm and in ZMT project, one of the Gutami solar PV portfolio, and share of profits from associates were offset by the reclassification of part of investment in Paiton Energy to Assets Held For Sale and dividends declared from associates during the year. The QR 448.1 million increase in capital work-in-progress is explained primarily by the construction and development activities for solar PV projects in Brazil which are expected to start operations during 2021. Current assets were QR 4,146.3 million, showing an increase of QR 304.8 million compared to 2019. The change is largely due to reclassification of part of investment in Paiton Energy to Assets Held For Sale partially offset by other movements. An increase in Trade and other receivables is explained mainly by the advances made in relation to construction of the solar PV projects in Brazil and lower 2019 balance of trade receivables at CPC due to timing of major maintenance. Term deposits with maturities less than 3 months and those that can be withdrawn with no significant penalties are classified as cash and cash equivalents.

Total liabilities were QR 2,856.0 million showing QR 565.7 million increase (25% higher than last year). The increase in Loans and borrowings is mostly related to the financing of construction of Salgueiro, Francisco, and Jaíba projects in Brazil. The increase in trade and other payables is mainly due to construction and development of solar PV projects in Brazil as well.

Total equity at the end of 2020 was QR 5,153.8 million compared to QR 4,911.1 million at the year-end 2019. The positive change is mainly attributable to the Comprehensive Income for the year.

At the end of 2020, total liquidity (cash, deposits, and available credit facilities) was QR 3,504 million compared to QR 4,675 million at the end of 2019. The decrease is driven by investments in SHWF in Australia, capital contributions to the projects in Brazil and investment in ZMT project in the Netherlands.

Net cash flow from operating activities in 2020 was QR 286.3 million compared to QR 490.9 million in 2019. The decrease is primarily due to lower dividends from Paiton Energy as prior year figure included December 2018 dividend payment due to shift in timing; also dividends scheduled for second half of 2020 from Jordanian assets were delayed due to delay in revenue payments by the off taker. Change in working capital movements is mainly from the collection of CPC receivables recorded at the time of acquisition in 2019 coupled with lower trade receivables balance at the end of 2019 due to timing of major maintenance.

In 2020, Net cash outflow from investing activities was QR 575.8 million. The cash outlay is largely related to construction of solar PV projects in Brazil, acquisition of 49% equity stake in SHWF in Australia and 40% equity stake in ZMT solar PV project in the Netherlands (part of Gutami solar PV portfolio). Above drivers are partially offset by the reclassification of term deposits to cash and cash equivalents.

In 2019, cash flow from investing activities was QR 2,938.5. The cash inflow is generally a change in classification of term deposits. 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 original maturity of less than 3 months were 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.

Net cash flow from financing activities in 2020 was an inflow of QR 335.2 million and is mostly brought about by the project debt drawdowns for construction of Salgueiro, Francisco, and Jaíba projects in Brazil. Net cash outflow from financing activities in 2019 was QR 275.9 million; the cash outflow is explained by the repayment of Doha bank loan facility.

2020 | **In QR Millions**

Operating income
1253.2M

Net Income attributable to Nebras
280.8M

Total Liquidity
3504.4M

Total Assets
8009.8M

Shareholder's Equity
5153.8M

Y-on-Y Operating Income Growth
28%

Consolidated Financial Statements

31 December 2020

Independent Auditor’s Report to the Shareholders of Nebras Power Q.P.S.C.

Doha, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for opinion

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

Other Information

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

Independent Auditor's Report (continued)

Doha, State of Qatar

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

Other Information (continued)

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Independent Auditor's Report (continued)

Doha, State of Qatar

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

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

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we considered necessary for the purposes of our audit. The Company has maintained proper accounting records and its consolidated financial statements are in agreement therewith. Furthermore, the physical count of the inventories was carried out in accordance with established principles. We have read the report of the Board of Directors to be included in the Annual Report, and the financial information contained therein is in agreement with the books and records of the Company. We are not aware of any violations of the applicable provisions of the Qatar Commercial Companies Law No. 11 of 2015 or the terms of the Company's Articles of Association and any amendments thereto having occurred during the year which might have had a material effect on the Company's consolidated financial position or performance as at and for the year ended 31 December 2020.

09 March 2021
Doha Qatar
State of Qatar

Gopal Balasubramaniam
Auditors' Registry Number No. 251
KPMG

Consolidated statement of financial position

For the year ended 31 December 2020

In Qatari Riyals

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

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

Mohammed Nasser Alhajri
Chairman

Khalid Jolo
Chief Executive Officer

The notes on pages 80 - 129 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 2020

In Qatari Riyals

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

The notes on pages 80 - 129 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2020

In Qatari Riyals

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

The notes on pages 80 - 129 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2020

In Qatari Riyals

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

The notes on pages 80 - 129 are an integral part of these consolidated financial statements.

1. Reporting entity

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

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

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

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

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

Name of subsidiary	Country of incorporation	Effective shareholding	
		2020	2019
Nebras Power Netherlands B.V.	Netherlands	**100%**	100%
Nebras Power Investment Management B.V.	Netherlands	**100%**	100%
Zon Exploitatie Nederland Holding B.V.	Netherlands	**75%**	75%
Zon Exploitatie Nederland B.V.	Netherlands	**75%**	75%
Zon Exploitatie Nederland 2 B.V.	Netherlands	**75%**	75%
Zonhandel B.V.	Netherlands	**75%**	75%
Zon Brabant B.V.	Netherlands	**37.5%**	37.5%
BTU Rades	Cayman	**100%**	100%
BTU International (Bermuda) Ltd	Bermuda	**100%**	100%
Carthage Power Company SARL	Tunisia	**60%**	60%
Nebras Netherlands Brazil Investments 1 B.V.	Brazil	**100%**	100%
Nebras Power Latin America Ltda.	Brazil	**100%**	100%
Nebras do Brazil Investments 1 Ltda.	Brazil	**100%**	100%
Salgueiro Solar Holding S.A.	Brazil	**80%**	80%
Jaíba Solar Holding S.A.	Brazil	**80%**	80%
Francisco Sá Solar Holding S.A.	Brazil	**80%**	80%
Lavras Solar Holding S.A.	Brazil	**80%**	80%
Salgueiro I Energias Renováveis S.A.	Brazil	**80%**	80%
Salgueiro II Energias Renováveis S.A.	Brazil	**80%**	80%
Salgueiro III Energias Renováveis S.A	Brazil	**80%**	80%
Jaíba 3 Energias Renováveis S.A.	Brazil	**80%**	80%
Jaíba 4 Energias Renováveis S.A.	Brazil	**80%**	80%
Jaíba 9 Energias Renováveis S.A.	Brazil	**80%**	80%
Francisco Sá 1 Energias Renováveis S.A.	Brazil	**80%**	80%
Francisco Sá 2 Energias Renováveis S.A.	Brazil	**80%**	80%
Francisco Sá 3 Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 1 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 2 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 3 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 4 Solar Energias Renováveis S.A.	Brazil	**80%**	80%
Lavras 5 Solar Energias Renováveis S.A.	Brazil	**80%**	80%

1. Reporting entity (continued)

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

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

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

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

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

2. Basis of preparation

a) Statement of compliance

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

b) Basis of measurement

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

2. Basis of preparation (continued)

c) Functional and presentation currency

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

Name of subsidiary	Functional currency
Nebras Power Netherlands B.V.	USD
Nebras Power Investment Management B.V.	USD
Zon Exploitatie Nederland Holding B.V.	Euro
Zon Exploitatie Nederland B.V.	Euro
Zon Exploitatie Nederland 2 B.V.	Euro
Zonhandel B.V.	Euro
Zon Brabant B.V.	Euro
BTU Rades	Euro
BTU International (Bermuda) Ltd	Euro
Carthage Power Company SARL	Euro
Nebras Netherlands Brazil Investments 1 B.V.	USD
Nebras Power Latin America Ltda.	Brazilian Real
Nebras do Brazil Investments 1 Ltda.	Brazilian Real
Salgueiro Solar Holding S.A.	Brazilian Real
Jaíba Solar Holding S.A.	Brazilian Real
Francisco Sá Solar Holding S.A.	Brazilian Real
Lavras Solar Holding S.A.	Brazilian Real
Salgueiro I Energias Renováveis S.A.	Brazilian Real
Salgueiro II Energias Renováveis S.A.	Brazilian Real
Salgueiro III Energias Renováveis S.A	Brazilian Real
Jaíba 3 Energias Renováveis S.A.	Brazilian Real
Jaíba 4 Energias Renováveis S.A.	Brazilian Real
Jaíba 9 Energias Renováveis S.A.	Brazilian Real
Francisco Sá 1 Energias Renováveis S.A.	Brazilian Real
Francisco Sá 2 Energias Renováveis S.A.	Brazilian Real
Francisco Sá 3 Energias Renováveis S.A.	Brazilian Real
Lavras 1 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 2 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 3 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 4 Solar Energias Renováveis S.A.	Brazilian Real
Lavras 5 Solar Energias Renováveis S.A.	Brazilian Real

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

d) Use of judgments and estimates

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

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

2. Basis of preparation (continued)

d) Use of judgments and estimates (continued)

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

Judgements

Interests in other entities

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Group may obtain control, joint control or significant influence over an entity or arrangement. This assessment involves consideration of a variety of factors, including shareholders' voting rights, Board representation and decision-making rights, the existence of any contractual arrangements, and indicators of de facto control.

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

Lease liabilities

Management assesses whether contracts entered by the Group for renting various assets contain a lease. The lease identification, including whether or not the Group has contracted to substantially all the economic benefits of the underlying asset, may require significant judgement. Establishing the lease term may also present challenges where a contract has an indefinite term or is subject to auto renewal or there are renewal options that are unclear if they will be exercised at the option date. The extend of the lease term significantly influences the value of the lease liability and the related right-of-use asset and arriving at a conclusion sometimes requires significant judgement calls. Furthermore, once the lease term is established, management needs to estimate the future cash flows payable over the lease term and discount them using the incremental borrowing rate that a lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. That also requires significant judgment and affects both the finance lease liability and the fair value of the underlying asset.

Estimates

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

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

Other provisions and liabilities

Other provisions and liabilities are recognised 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 recognised provision or liability would result in a charge or credit to profit or loss in the period in which the change occurs.

e) New currently effective IFRS requirements

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

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

2. Basis of preparation (continued)

e) New currently effective IFRS requirements (continued)

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

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

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

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

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

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

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

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

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

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

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

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

2. Basis of preparation (continued)

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

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

(ii) Hedge accounting

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

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

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

(iii) Disclosure

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

3 Summary of significant accounting policies

The principal accounting policies of the Group applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to both years presented in these consolidated financial statements.

a) Basis of consolidation

Business combinations

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

Subsidiaries

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

3. Summary of significant accounting policies (continued)

a) Basis of consolidation (continued)

Non-controlling interests (NCI)

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

Loss of control

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

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

In case the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent the Group has an obligation to the equity accounted investee or has made payments to third parties on behalf of the equity accounted investee.

Transactions eliminated on consolidation

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

b) Foreign currency

Foreign currency transactions and balances

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

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

3. Summary of significant accounting policies (continued)

b) Foreign currency (continued)

Foreign operations

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

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

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

c) Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

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

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

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

3. Summary of significant accounting policies (continued)

c) Property, plant and equipment (continued)

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

Derecognition

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

d) Right-of-use assets

Recognition and measurement

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

Subsequent measurement

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

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

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

Derecognition

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

e) Goodwill

Initial measurement

Goodwill arising on the acquisition of a business is measured as the excess of the consideration transferred over the fair value of the identifiable net assets acquired. In case the consideration transferred is less than the fair value of the net identifiable assets acquired, then the difference is recognised 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.

3. Summary of significant accounting policies (continued)

e) Goodwill (continued)

Subsequent measurement

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

f) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement of financial assets

Classification on initial recognition

On initial recognition, a financial asset is classified at:

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

On initial recognition, the Group may irrecoverably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group has classified on initial recognition its loans receivable, its trade receivables, its receivables from related parties, its dividend receivable, its other receivables and its cash at bank at amortised cost. The Group does not hold any other financial assets.

3. Summary of significant accounting policies (continued)

f) Financial Instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual cash flows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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

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

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

Subsequent measurement and gains and losses

- Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Financial assets at Fair Value Through Profit or Loss (FVTPL) -These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. The Group does not hold such assets.
- Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. The Group does not hold such assets.
- Equity investments at Fair Value Through Other Comprehensive Income (FVOCI) - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never derecognised to profit or loss. The Group does not hold such assets.

Classification and subsequent measurement of financial liabilities

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

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

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

Derecognition

Financial assets

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

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

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Derecognition (continued)

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

Offsetting

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

Derivative financial instruments and hedge accounting

Nebras Power Q.P.S.C., some associates and a joint venture of the Group hold derivative financial instruments to hedge their interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

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

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

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

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

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

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

3. Summary of significant accounting policies (continued)

f) Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued)

cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

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

Hedges directly affected by interest rate benchmark reform

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

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

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

g) Impairment

Non-derivative financial assets

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

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

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

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

Notes to the consolidated financial statements
As at and for the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

g) Impairment (continued)

Non-derivative financial assets (continued)

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

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

Loss allowances on bank balances are always measured at an amount equal to 12-month ECLs. The Group considers bank balances to have a low risk level when their credit risk rating is equivalent to the globally understood definition of "investment grade".

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

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

Any loss allowance on financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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 recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount.

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

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

h) Inventories

Inventories comprise of consumables which are measured at the lower of cost and net realisable value. The cost of inventories / raw materials is based on the First-in First-out method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

i) Cash and cash equivalents

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

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

j) Share capital

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

3. Summary of significant accounting policies (continued)

k) Translation reserve

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

l) Leases

Leases – Group as a lessee:

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

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

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

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

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

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

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

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

3. Summary of significant accounting policies (continued)

l) Leases

Leases – Group as a lessee (continued)

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

Short-term leases and leases of low-value assets

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

Leases – Group as a lessor

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

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

Leases in which a significant portion of the risk and rewards of ownership are transferred to the lessee are classified as finance leases. They are initially recognised as "Finance lease receivables" on the statement of financial position at the present value of the minimum lease payments (the net investment in the lease) receivable from the lessee over the period of the lease. Over the lease term, each lease payment made by the lessee is allocated between the "Finance lease receivables" and "Finance lease income" in profit or loss so as to achieve a constant rate on the finance lease receivable balance outstanding. The Group does not have finance lease receivables.

m) Provision for employees' end of service benefits

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

n) Provisions

A provision is recognised when:

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

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

3. Summary of significant accounting policies (continued)

o) Revenue recognition

Revenue from contracts with customers

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

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

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

Revenue from other sources

Dividend income

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

Interest income

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

Fee income

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

q) Income tax

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

3. Summary of significant accounting policies (continued)

q) Income tax

Current tax

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

Deferred tax

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

r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

s) Assets held for sale

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

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial recognition of assets held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

4. Financial instruments

(a) Financial risk management

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

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

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

4. Financial instruments (continued)

(a) Financial risk management (continued)

Management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

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

Trade receivables

The Group has Power Purchase Agreements with government and related entities. The credit risk with government and related entities is considered to be limited. As at the reporting date, credit impaired balance amounts to QR 32,584,939 (2019: QR 30,305,358) which has been specifically provided for. On the non-credit impaired balance, the ECL was determined to be immaterial. The movement in the loss allowance on trade receivables is disclosed in Note 10. No trade receivables were written-off directly in profit or loss during the current or the comparative year.

Cash at bank and term deposits

Management considers that its cash at bank and term deposits have low credit risk based on external credit ratings of the counterparties, which are all at "investment grade" (above Baa3). Impairment on cash at bank and term deposits have been measured on a 12-month expected loss basis and reflects the short-term maturities of the exposures.

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

Receivables from related parties, loans receivable and other receivables

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

4. Financial instruments (continued)

(a) Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation.

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

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

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

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

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

4. Financial instruments (continued)

(a) Financial risk management (continued)

Market risk

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

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which revenue, related costs and borrowings are denominated and the respective functional currencies of the Group entities. The functional currencies of the Group entities are primarily those that are mentioned in Note 2(c).

The Group does not use forward exchange contracts to hedge its currency risk. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group – primarily the USD. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied.

Interest rate risk

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

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

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform').The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. Management monitors and manages the Group's transition to alternative rates and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counter parties.

Derivatives

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

4. Financial instruments (continued)

(a) Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Derivatives (continued)

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

Hedge accounting

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

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

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

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

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

4. Financial instruments (continued)

(a) Financial risk management (continued)

Market risk (continued)

Interest rate risk (continued)

Managing interest rate benchmark reform and associated risks (continued)

Hedge accounting (continued)

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

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

(b) Fair value measurement

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

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

4. Financial instruments (continued)

(b) Fair value measurement (continued)

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

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

4. Financial instruments (continued)

(b) Fair value measurement (continued)Market risk (continued)

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

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

(c) Offsetting financial assets and liabilities

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

5. Property, plant and equipment

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

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6. Right-of-use assets

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

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

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

7. Construction in progress

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

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

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

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8. Equity-accounted investees

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

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8. Equity-accounted investees (continued)

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

8. Equity-accounted investees (continued)

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

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

On 30 December 2015, the Group entered into an agreement with Qatar Electricity and Water Company Q.S.C ("QEWC") to purchase an additional 9.75% shareholding in PPC and to purchase 15% of the share capital of Phoenix Operation and Maintenance Company L.L.C.("POM"). POM is incorporated in the Sultanate of Oman and its primary activity is to provide repair and maintenance services to PPC's power plant.

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

(2) AES Oasis Ltd

On 1 December 2015, the Group purchased from QEWC a 38.89% shareholding in AES Oasis Ltd, incorporated in the Cayman Islands. AES Oasis Ltd holds effectively a 60% shareholding in AES Jordan PSC, which owns and operates a 370 MW combined cycle gas fired power plant in the Kingdom of Jordan.

(3) AES Baltic Holding BV

On 18 February 2016, the Group purchased from QEWC a 40% shareholding in AES Baltic Holding BV, incorporated in the Netherlands. AES Baltic Holding BV effectively holds a 60% shareholding in AES Levant Holdings B.V. Jordan PSC, which owns and operates a 241 MW gas power plant in the Kingdom of Jordan.

(4) PT Paiton Energy Pte Ltd

On 22 December 2016, the Group acquired a 35.514% shareholding in PT Paiton Energy Pte Ltd, incorporated in Indonesia, which owns and operates a 2,045 MW coal-fired power plant.

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

(5) IPM Asia Pte Ltd

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

(6) Minejesa Capital BV

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

8. Equity-accounted investees (continued)

(6) Minejesa Capital BV (continued)

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

(7) AES Jordan Solar BV

On 31 October 2017, Nebras Power Netherlands B.V. entered into a shareholders' agreement with AES Horizons Holdings BV for provision of governance and management services to AES Jordan Solar BV, incorporated in Jordan with the objective to provide engineering, procurement, construction, ownership, operation, maintenance, management, leasing and financing to AM Solar BV, a company registered in Jordan. As per the shareholders' agreement, the Group has a 40% shareholding in AES Jordan Solar BV. During the year the Group has reclassified a balance of QR 20.03 million as loan receivable.

(8) Shams Maan Solar UK Limited

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

(9) Brabant Zon B.V.

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

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

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

(11) onnepark Mosselbanken Temeuzen B.V.

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

(12) Nebras IPC Power Developments Ltd

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

8. Equity-accounted investees (continued)

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

Summarized statement of financial position:

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

Summarised statement of comprehensive income:

For the year ended 31 December 2020	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV	Goldwind Stockyard Hill
Revenue	1,282,630,979	66,275,300	1,348,906,279	62,651,756	45,967,128	3,064,908,532	105,464,623	507,785,326	19,232,954	-
Profit / (loss)	151,286,118	13,251,419	164,537,536	54,698,957	87,898,414	1,058,474,805	21,971,051	50,310,964	(4,492,941)	(30,455,485)
Other comprehensive income	(125,668,165)	-	(125,668,165)	4,546,202	-	65,547	-	-	(2,031,713)	(48,115,324)
Total comprehensive income	**25,617,953**	**13,251,419**	**38,869,371**	**59,245,158**	**87,898,414**	**1,058,540,352**	**21,971,051**	**50,310,964**	**(6,524,654)**	**(78,570,809)**

8. Equity-accounted investees (continued)

Summarized statement of financial position:

At 31 December 2020	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV
Current ***assets***	437,751,998	23,804,486	461,556,484	805,228,917	1,184,426,770	2,445,982,904	97,553,166	716,221,145	790,866
Non-current assets	5,221,520,752	-	5,221,520,752	-	-	13,566,537,914	6,216,656	8,829,050,628	114,313,030
Current liabilities	(623,424,800)	(8,135,111)	(631,559,911)	(610,539,033)	(940,935,123)	(423,341,692)	(48,143,162)	(579,409,990)	(35,178,586)
Non-current liabilities	(3,361,315,707)	(2,010,108)	(3,363,325,815)	-	-	(10,717,834,678)	(6,294,956)	(8,810,729,420)	(8,535,820)
Equity	1,674,532,243	13,659,267	1,688,191,510	194,689,884	243,491,647	4,871,344,448	49,331,704	155,132,363	71,389,490
Net assets of the investment in associates			166,789,372	75,714,896	97,396,659	1,730,009,267	17,266,096	55,093,707	28,555,796
Goodwill on acquisition			5,406,258	59,315,624	2,376,490	555,205,750	157,195,989	-	-
Carrying amounts			172,195,630	135,030,520	99,773,149	2,285,215,017	174,462,085	55,093,707	28,555,796

Summarised statement of comprehensive income:

For the year ended 31 December 2019	Phoenix Power Company SAOG	Phoenix Operation and Maintenance Company LLC	Total Phoenix	AES Oasis Ltd	AES Baltic Holding BV	PT Paiton Energy Pte Ltd	IPM Asia Pte Ltd	Minejesa Capital BV	AES Jordan Solar BV
Revenue	1,259,212,493	47,048,180	1,306,260,673	130,932,165	134,787,558	3,317,071,209	39,946,080	505,378,295	-
Profit / (loss)	137,437,493	16,525,127	153,962,620	28,412,225	55,274,250	827,200,749	38,812,907	34,762,148	(3,412,498)
Other comprehensive income	(290,334,103)	-	(290,334,103)	(22,797,645)	-	(307,969)	-	(13,878,016)	(12,454,103)
Total comprehensive income	(152,896,610)	16,525,127	(136,371,483)	5,614,580	55,274,250	826,892,780	38,812,907	20,884,132	(15,866,601)

8. Equity-accounted investees (continued)

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

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

9. Other non-current assets

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

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

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

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

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

10. Trade and other receivables

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

Movement of allowance for impairment of receivables

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

11. Term deposits

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

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

12. Cash and cash equivalents

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

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

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

12. Cash and cash equivalents (continued)

Cash and cash equivalents are denominated in the following currencies:

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

13. Share capital

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

All shares bear equal rights.

14. Assets held for sale

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

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

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

15. Hedges

(a) Hedging reserves

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

The movements in the hedging reserve were as follows:

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

15. Hedges (continued)

(a) Hedging reserves (continued)

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

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

(b) Derivative financial instruments

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

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

16. Loans and borrowings

The movements in loans and borrowings were as follows:

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

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

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

16. Loans and borrowings (continued)

The Group had the following loans and borrowings:

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

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

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

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

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

- The first loan was extended under a Credit Agreement, dated 28 October 2015; the committed amount is EUR 14,678,527, equating to QR 65,613,015 and consists of a EUR 774,161, equating to QR 3,460,497 fixed loan Facility A with a scheduled maturity on 1 January 2026 and a EUR 13,904,366, equating to QR 62,152,517 fixed loan Facility B with a scheduled maturity on 31 July 2031. Interest is charged on a fixed 'all-in' basis of 2.08% per annum.
- The second loan was extended under a Credit Agreement, dated 30 November 2016; the total committed amount is EUR 15,035,000, equating to QR 67,206,450 and consists of two tranches (fixed loan Facility A and fixed loan Facility B) each of EUR 7,550,000, equating to QR 33,603,225 with a scheduled maturity date of 31 December 2032. Interest is charged on a fixed 'all-in' basis of 1.50% per annum.
- The third loan was granted to Braband Zon by Tridos Bank on the 3rd of February 2016. The committed amount of the facility is EUR 3,497,724, equating to QR 15,634,827 and the maturity of the loan is on the 31 October 2031. Interest is charged on a fixed "all-in" basis of 2.08% per annum.

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

- The first loan was provided to Salgueiro on the 25 June 2020. The total committed amount is BR 294,995,916, equating to QR 206,980,275. The maturity is on the 31 January 2039. Interest is charged at 2.18%/pa adjusted for inflation.
- The second loan was provided to Jaíba on the 15 September 2020. The total committed amount is BR 244,766,930, equating to QR 171,737,722. The maturity is on the 15 December 2041. Interest is charged at 1.55%/pa adjusted for inflation.
- The third loan was provided to Francisco on the 15 December 2020. The total committed amount is BR 242,292,728, equating to QR 170,001,728. The maturity is on the 15 December 2041. Interest is charged at 1.96%/pa adjusted for inflation.

17. Lease liabilities

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

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

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

18. Provision for employees' end of service benefits

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

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

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

19. Trade and other payables

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

20. Related party disclosures

a) Transactions with related parties

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

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

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

b) Loans receivable from related parties

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

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

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

- QR 8,318,493 pertains to the loan granted to Amin Renewable Energy Company SAOC based on the agreement dated 19 March 2019. The loan carries an interest at 2.96% per annum.
- QR 23,311,125 pertains to the loan granted to AES Jordan Solar. The loan carries an interest at 6% per annum and matures in December 2039.

20. Related party disclosures (continued)

c) Receivables from related parties

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

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

d) Payables to related parties

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

a) Compensation of key management personnel

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

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

21. Goodwill

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

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

21. Goodwill (continued)

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

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

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

Assets acquired and liabilities

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

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

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

21. Goodwill (continued)

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

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

Assets acquired and liabilities

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

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

(2c) Impairment testing of goodwill

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

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

21. Goodwill (continued)

Key Assumptions used in value in use calculations

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

Discount rates

Discount rates reflect management's estimate of the risks specific to each unit. Discount rates are based on a weighted average cost of capital (WACC) for each CGU.

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

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

Sensitivity testing and goodwill impairment losses

At year-end, the Group's assessment of the reasonably possible change in key assumptions corresponded to a change of 1.1% (2019: 1.1%) in the pre-tax WACC. At 31 December 2020, the results of the sensitivity tests show that no reasonably possible change in key assumptions brought the recoverable value of these CGUs below their net carrying amounts.

22. Revenue from contract with customers

Revenue streams

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

Timing of revenue recognition

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

23. Expenses by nature

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

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

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

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

24. Interest income

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

25. Finance costs

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

26. Taxation

The components of income tax are as follows:

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

(i) Deferred tax

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

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

- QR 55,330,393 represents the tax losses carried forward by Carthage Power Company SARL. The deferred tax asset, at the applicable rate of 25% and not recognised in the Group accounts amounts to QR 13,832,598.
- QR 39,547,718 represents the tax losses carried forward by Nebras Power Investment Management and Nebras Power Netherlands. The deferred tax asset, at the applicable rate of 25% and not recognised in the Group accounts amounts to QR 9,886,844.

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

27. Earnings per share

Basic earnings per share

The basic earnings per share (hereafter "EPS") is calculated by dividing the profit for the year attributable to the ordinary shareholders of the Company by the weighted-average number of shares outstanding during the year.

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

27. Earnings per share (continued)

Diluted earnings per share

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

28. Commitments and contingencies

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

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

29. Comparative figures

The comparative figures have been reclassified, where necessary, in order to conform to the current year's presentation. Such reclassifications did not affect the previously reported net profit, net assets or net equity of the Group.

30. Impact of COVID-19

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

30. Subsequent events

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

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