



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

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF QATAR ELECTRICITY & WATER COMPANY Q.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Qatar Electricity & Water Company Q.P.S.C. (the "Company") and its subsidiaries (the "Group") as at 30 June 2020, comprising of the interim consolidated statement of financial position as at 30 June 2020 and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and six-month period ended 30 June 2020, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six-month period then ended, and the related explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ziad Nader
of Ernst & Young
Auditor's Registration No. 258

Date: 19 July 2020
Doha

Qatar Electricity & Water Company Q.P.S.C. INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2020

| | 30 June 2020 QAR '000 (Reviewed) | 31 December 2019 QAR '000 (Audited) |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 5,440,879 | 5,573,047 |
| Right-of-use assets | 31,624 | 22,584 |
| Intangible assets and goodwill | 87,530 | 90,515 |
| Investments in joint ventures | 3,547,225 | 4,545,352 |
| Equity investment at fair value through other comprehensive income | 1,811,986 | 1,955,212 |
| Finance lease receivables | 901,906 | 973,613 |
| Positive fair value of interest rate swaps for hedging | - | 6,485 |
| Loan receivable from joint ventures | 154,316 | 143,687 |
| Other assets | 13,094 | 13,997 |
| | 11,988,560 | 13,324,492 |
| Current assets | | |
| Inventories | 90,019 | 81,499 |
| Trade and other receivables | 523,950 | 503,402 |
| Finance lease receivables | 147,354 | 144,014 |
| Positive fair value of interest rate swaps for hedging | - | 2,060 |
| Bank balances and cash | 3,024,315 | 3,438,597 |
| | 3,785,638 | 4,169,572 |
| TOTAL ASSETS | 15,774,198 | 17,494,064 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 1,100,000 | 1,100,000 |
| Legal reserve | 550,000 | 550,000 |
| General reserve | 3,241,834 | 3,241,834 |
| Hedge reserve | (2,806,457) | (1,891,900) |
| Fair value reserve | (4,877) | 338,349 |
| Retained earnings | 6,468,904 | 6,660,841 |
| Equity attributable to equity holders of the parent | 8,549,404 | 9,999,124 |
| Non-controlling interest | 224,020 | 235,948 |
| Total Equity | 8,773,424 | 10,235,072 |
| Liabilities | | |
| Non-current liabilities | | |
| Interest bearing loans and borrowings | 3,984,890 | 4,116,620 |
| Negative fair value of interest rate swaps for hedging | 72,614 | 27,036 |
| Lease liability | 29,952 | 23,008 |
| Employees' end of service benefits | 91,947 | 86,730 |
| | 4,179,403 | 4,253,394 |
| Current liabilities | | |
| Interest bearing loans and borrowings | 2,258,415 | 2,436,525 |
| Negative fair value of interest rate swaps for hedging | 25,879 | 9,635 |
| Current portion of lease liability | 3,291 | 958 |
| Trade and other payables | 533,786 | 558,480 |
| | 2,821,371 | 3,005,598 |
| Total liabilities | 7,000,774 | 7,258,992 |
| TOTAL EQUITY AND LIABILITIES | 15,774,198 | 17,494,064 |

These interim condensed consolidated financial statements were approved by the Parent Company's Board of Directors and signed on its behalf by the following on 19 July 2020.

H.E. Mr. Saad Bin Sheridah Al-Kaabi
Chairman

Mr. Fahad Bin Hamad Al-Mohannadi
Managing Director

Qatar Electricity & Water Company Q.P.S.C. INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED 30 JUNE 2020

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|--------------------------------|---|--------------------------------|
| | 2020 QAR '000 (Reviewed) | 2019 QAR '000 (Reviewed) | 2020 QAR '000 (Reviewed) | 2019 QAR '000 (Reviewed) |
| Revenue from water and electricity | 625,655 | 570,359 | 1,195,695 | 1,077,325 |
| Lease interest | 29,882 | 33,699 | 59,219 | 66,118 |
| | 655,537 | 604,058 | 1,254,914 | 1,143,443 |
| Cost of sales | (412,071) | (378,621) | (793,060) | (716,917) |
| Gross profit | 243,466 | 225,437 | 461,854 | 426,526 |
| Other operating income | 19,999 | 34,069 | 117,557 | 138,281 |
| General and administrative expenses | (38,994) | (40,816) | (82,323) | (86,642) |
| Operating profit | 224,471 | 218,690 | 497,088 | 478,165 |
| Finance costs | (37,905) | (66,707) | (89,521) | (130,381) |
| Share of profit of joint ventures | 160,942 | 165,931 | 266,583 | 286,167 |
| Profit for the period | 347,508 | 317,914 | 674,150 | 633,951 |
| Other comprehensive income: | | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | | |
| Share of other comprehensive loss from joint ventures | (104,895) | (442,249) | (844,190) | (709,623) |
| Effective portion of changes in fair value of interest rate swaps for hedging | (5,805) | (35,846) | (70,367) | (57,397) |
| Other comprehensive income not to be reclassified to profit or loss in subsequent periods: | | | | |
| Net change in fair value of equity investments at fair value through other comprehensive income | 196,236 | 4,803 | (343,226) | (77,672) |
| Other comprehensive income (loss) for the period | 85,536 | (473,292) | (1,257,783) | (844,692) |
| Total comprehensive income (loss) | 433,044 | (155,378) | (583,633) | (210,741) |
| Profit attributable to: | | | | |
| Equity holders of the parent | 340,454 | 310,448 | 660,563 | 619,516 |
| Non-controlling interest | 7,054 | 7,466 | 13,587 | 14,435 |
| | 347,508 | 317,914 | 674,150 | 633,951 |
| Total comprehensive income (loss) attributable to: | | | | |
| Equity holders of the parent | 425,990 | (162,844) | (597,220) | (225,176) |
| Non-controlling interest | 7,054 | 7,466 | 13,587 | 14,435 |
| | 433,044 | (155,378) | (583,633) | (210,741) |
| Earnings per share: | | | | |
| Basic and diluted earnings per share (Qatari Riyals) | 0.31 | 0.28 | 0.60 | 0.56 |