Prospectus

Offering Period: 3 days

starting from 22-Safar-1443 H
(corresponding to 29-September-2021G)
to 24-Safar-1443 H
(corresponding to 1- October -2021G)

International Company for Water and Power Projects (ACWA Power)

A Saudi Closed Joint Stock Company with Commercial Registration No. 1010253392 dated 10/7/1429H (corresponding to 13/7/2008G) and Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G)

Offering of (81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine Shares representing 11.1% of the share capital of International Company for Water and Power Projects after the Offering (and representing 12.6% of the Company's share capital before the Offering) through an Initial Public Offering at an Offer Price of SAR (56) per Share

Joint Financial Advisors

J.P.Morgan | citi | NATIXIS | الرياض المالية riyad capital

International Company for Water and Power Projects ("**ACWA Power**" or the "**Company**") is a Saudi closed joint stock company established under Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G), registered under Commercial Registration No. 1010253392 dated 10/7/1429H (corresponding to 13/7/2008G) in Riyadh, Saudi Arabia. The Company's headquarters and registered office is at 2nd Floor, Building 5, The Business Gate, King Khaled International Airport Road, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The Company's share capital amounts to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) ordinary cash Shares with a fully paid-up nominal value of SAR 10 per Share.

The Company was established as a Saudi closed joint stock company with an initial share capital of SAR 2,920,895,000 (two billion nine hundred and twenty million eight hundred and ninety five thousand) consisting of 292,089,500 (two hundred and ninety two million eighty nine thousand and five hundred) ordinary cash shares with a fully paid up nominal value of SAR 10 per share (each a "Share"). On 1/12/1429H (corresponding to 29/11/2008G), it was resolved to increase the share capital of the Company to SAR 3,360,005,000 (three billion three hundred and sixty million and five thousand) consisting of 336,000,500 (three hundred and thirty six million and five hundred) Shares through subscription of new Shares by Mohammad & Abdullah Ibrahim Al Subaeaei Company, Al Fozan Holding, Omar Kassem Alesayi & Partners Marketing, Al Mutlaq Group Company and Al Mojel Trading & Contracting. On 2/7/1431H (corresponding to 14/6/2010G), it was resolved to increase the share capital of the Company to SAR 3,710,215,605 (three billion seven hundred and ten million two hundred and fifteen thousand six hundred and five) consisting of 371,021,560 (three hundred and seventy one million twenty one thousand five hundred and sixty) Shares through subscription of new Shares by the Company's shareholders. On 30/2/1434H (corresponding to 12/1/2013G), it was resolved to increase the share capital of the Company to SAR 4,604,952,440 (four billion six hundred and four million nine hundred and fifty two thousand four hundred and forty) consisting of 460,495,244 (four hundred and sixty million four hundred and ninety five thousand two hundred and forty four) Shares in relation to the subscription for new Shares by the Public Pension Agency and Saudi Arabian Investment Company (Sanabil Investments) as new shareholders. On 23/7/1434H (corresponding to 2/6/2013G), the share capital of the Company was increased through capitalisation of shareholder loans by resolution of the Shareholders (pursuant to Article 138 of the Companies Law) to SAR 5,335,952,440 (five billion three hundred and thirty five million nine hundred and fifty two thousand four hundred and forty) consisting of 533,595,244 (five hundred and thirty three million five hundred and ninety five thousand two hundred and forty four) Shares. On 26/11/1434H (corresponding to 2/10/2013G), it was resolved to reduce the share capital of the Company by SAR 137,693,000 (one hundred and thirty seven million six hundred and ninety three thousand) to SAR 5,198,259,440 (five billion one hundred and ninety eight million two hundred and fifty nine thousand four hundred and forty) consisting of 519,825,944 (five hundred and nineteen million eight hundred and twenty five nine hundred and forty four) Shares as a result of the cancellation of the Company's treasury buy-back shares. On 14/1/1435H (corresponding to 17/11/2013G), the share capital of the Company was increased by resolution of the Shareholders to SAR 5,476,037,210 (five billion four hundred and seventy six million and thirty seven thousand two hundred and ten) consisting of 547,603,721 (five hundred and forty seven million six hundred and three thousand seven hundred and twenty one) Shares in relation to the subscription for new Shares by IFC as a new shareholder. On 14/10/1439H (corresponding to 26/06/2018G), the share capital of the Company was increased by resolution of the Shareholders to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) Shares in relation to the subscription for new shares by the PIF as a new shareholder. (for further details, please refer to Section (4-11) ("Founding and Share Capital Evolution of the Company ")).

On 03/11/1442H (corresponding to 13/06/2021G), the Company's Extraordinary General Assembly approved the increase of the Company's share capital from SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) ordinary cash Shares with a fully paid nominal value of SAR 10 per Share to SAR 7,310,997,290 (seven billion three hundred and ten million nine hundred ninety-seven thousand two hundred and ninety) consisting of SAR 731,099,729 (seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine) ordinary cash Shares with a nominal value of SAR 10 per Share and issuing eighty-five million three hundred thirty-six thousand eight hundred and fifty-one (85,336,851) of new ordinary shares (which represent 11.67% of the of the Company's share capital after the increase) and offering therefrom (81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine shares (representing 11.1% of the Company's share capital after the increase) for public subscription and the remaining new shares (4,137,552) four million one hundred thirty-seven thousand five hundred and fifty-two shares (representing 0.57% of the Company's share capital after the increase) are allocated to some of the employees of the Company and its subsidiaries and granted to those employees under the employee IPO grant plan (for further details about the employee IPO grant plan, please Refer to Section (5-11) (Employee Share Programmes)).

The Initial Public Offering of the Company's Shares (the "**Offering**") will consist of (81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine ordinary Shares with an Offer Price of SAR (56) each for a fully paid nominal value of (10) Saudi Riyals (the "**Offer Shares**"). The Offer Shares represent 11.1% of the share capital of the Company following subscription which will be offered in accordance with the abovementioned Extraordinary General Assembly resolution.

Subscription to Offer Shares shall be limited to two tranches of investors (the "**Investors**")

Tranche (A): Participating Parties: This tranche is comprised of the parties entitled to participate in the book-building process as specified under the Capital Market Authority (the "**CMA**") Instructions on Book-Building and Allocation of Shares in IPOs (the "**Book-Building Instructions**") (collectively referred to as the "**Participating Parties**" and each a "**Participating Party**") (for further details, please refer to Section (1) ("**Definitions and Abbreviations**")). The number of Offer Shares to be initially allocated to Participating Parties is (81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine Shares representing 100% of the total Offer Shares. In the event there is sufficient demand by Individual Investors for the Offer Shares, the Lead Manager and the Bookrunners have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of (73,079,370) seventy three million seventy nine thousand three hundred and seventy Offer Shares, representing 90% of the total Offer Shares. The Joint Financial Advisors in coordination with the Company (each as defined in Section (1) ("**Definitions and Abbreviations**")), shall determine the number and percentage of Offer Shares to be allocated to Participating Parties, using the discretionary allocation mechanism.

Tranche (B): Individual Investors: This tranche comprises Saudi natural persons including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi natural person who is resident in the Kingdom and GCC persons, in each case who has a bank account with one of the Receiving Agents, and is entitled to open an investment account with them (collectively referred to as the "**Individual Investors**" and each an "**Individual Investor**" as and, together, with the Participating Parties, the "**Investors**" or the "**Subscribers**"). Subscription of a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted. A maximum of (8,119,929) eight million one hundred and nineteen thousand nine hundred and twenty-nine Shares, representing 10% of the Offer Shares, shall be allocated to Individual Investors. In the event that the Individual Investors do not subscribe in full for the Offer Shares allocated to them, the Joint Financial Advisors, Joint Global Co-ordinators, Local Co-ordinator and Bookrunners may reduce the number of Offer Shares allocated to Individual Investors in proportion to the number of Offer Shares subscribed for by them.

The names and ownership percentages of the Substantial Shareholders (i.e. those who own 5% or more of the Company's share capital prior to the Offering subscriptions) are listed on page (xiv) of this Prospectus. Upon completion of the Offering, the Substantial Shareholders will, in aggregate, own 78.11% of the Shares and will consequently retain a controlling interest in the Company. The Company will use its Offering proceeds to further strengthen its balance sheet and fund future projects in the energy and water desalination sectors during the next five years after the date of this Prospectus, through the proceeds from the Offering after deducting the Offering expenses (for further details, please refer to Section (8) ("**Use of Proceeds**")). The Offering is fully underwritten by the Underwriters (for further details, please refer to Section (13) (**Underwriting**)). The Substantial Shareholders will be subject to a restriction during which they will be prohibited from selling their Shares for a period of six (6) months from the date trading starts on the Saudi Exchange (the "**Exchange**" or "**Tadawul**") (the "**Lock-up Period**") as indicated on page (xvii). Following the Lock-up Period, the Substantial Shareholders will be free to dispose of their Shares. The Substantial Shareholders are the Public Investment Fund, Vision International Investment Company and Al Rajhi Holding Group Co. Details of their ownership percentages pre and post Offering are set out in the (Overview) section in the Summary of Key Information at page (xxii).

The Shares will be offered to certain qualified foreign financial institutions who are based outside the United States through SWAP agreements (SWAPs). This category will be subscribed outside the US territory in accordance with the Regulation S issued under the US Securities Act of 1933, as amended (the "**Securities Act**"). The Shares have not been, and will not be, registered under the Securities Act or under any U.S. state securities laws. The Shares being offered through this Prospectus may not be offered or sold within the United States and may be offered and sold only in transactions that are exempt from, or not subject to, registration under the Securities Act and the securities laws of any other jurisdiction other than the Kingdom. The Offering does not constitute an offer to sell, or solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation would be unlawful.

The Offering will commence on 22-Safar-1443 H (corresponding to 29-September-2021G) and will remain open for a period of 3 days up to and including 24-Safar-1443 H (corresponding to 1- October -2021G) (the "**Offering Period**") for Individual Investors. Subscription to the Offer Shares by Individual Investors can be made through the branches of the receiving agents (the "**Receiving Agents**") listed on pages (xii) and (XI) during the Offering Period or through electronic channels offered by the Receiving Agents to their clients (for further details, please refer to Section ("**How to Apply**") on page (xxi).

The minimum application amount for Individual Investors is (10) Shares with any additional application to be made in increments of (10) Shares, noting that the maximum number of Offer Shares to be allocated to Individual Investors is (250,000) two hundred fifty thousand Shares. The minimum allocation amount is (10) Shares and the remaining Shares (if any) will be allocated pro rata based on the number of Offer Shares requested by each Individual Investor and the total number of the Offer Shares. In the event that the number of Individual Investors exceeds eight hundred and eleven thousand nine hundred and ninety two (811,992 subscribers, the Company will not guarantee any allocation of Offer Shares to each Individual Investor, and the Offer Shares will be allocated at the discretion of the Company and the Joint Financial Advisors. Any excess of the subscription monies (if any) will be refunded by the Receiving Agents to the investors without any commissions or deductions. Notification of the final allocation and refund of subscription monies (if any) will be made no later than 28-Safar-1443 H (corresponding to 5-October -2021G) (for further details, please refer the "**Key Dates and Subscription Procedures**" section on page (xx) of this Prospectus and Section (16) ("**Subscription Terms and Conditions**"). Participating Parties can subscribe in the Offer Shares through the Bookrunners during the book-building process that takes place prior to offering the Shares to the Individual Investors.

The Company has one class of ordinary shares. Each Share entitles the holder to one vote, and each shareholder (a "**Shareholder**") has the right to attend and vote at a General Assembly meeting (the "**General Assembly**"). No Shareholder benefits from any preferential voting rights. The Offer Shares shall entitle holders to receive dividends declared by the Company from the date of this Prospectus and for subsequent financial years (for further details, please refer to Section (7) ("**Dividend Policy**")).

Prior to the Offering, there has been no public market for the listing or trading Shares in the Kingdom or elsewhere. The Company has submitted an application for registration and offer of the Shares to the CMA, and an application for listing of the Shares on the Exchange, together with all required documents. All relevant regulatory and corporate approvals required to conduct the Offering have been granted, including the requirements to list the Company in the Exchange and approvals pertaining to the publication of this Prospectus, and all supporting documents have been submitted to the CMA. It is expected that trading in the Shares will commence on the Exchange after the final allocation of the Offer Shares and satisfaction of necessary conditions and procedures (for further details, please refer to the "Key Dates and Subscription Procedures" section. After the registration and listing of the Shares on the Exchange, Saudi Arabian nationals, non-Saudi Arabian nationals holding valid residency permits in the Kingdom, and companies, banks, and investment funds established in the Kingdom or in other countries of the GCC, as well as GCC nationals, will be permitted to trade in the Shares after trading starts on the Exchange. Moreover, Qualified Foreign Investors will be permitted to trade in the Shares in accordance with the QFI Rules and Foreign Strategic Investors will be permitted to trade the Shares in accordance with the FSI Instructions (all as defined herein). Furthermore, non-GCC nationals who are not residents in the Kingdom and non-GCC institutions incorporated outside the Kingdom ("**Foreign Investors**") will be permitted to indirectly invest to acquire an economic benefit in the Shares, by entering into swap agreements with Capital Market Institutions licensed to purchase shares listed on the Exchange by the CMA to acquire, hold and trade shares on the Exchange on behalf of a Foreign Investor (the "**Capital Market Institution**"). Under such swap agreements, the Capital Market Institution will be the registered legal owner of such Shares.

Investment in Offer Shares involves certain risks and uncertainties. For a discussion of certain factors to be carefully considered before determining whether to subscribe for the Offer Shares, the ("**Important Notice**") section on page (i) and Section (2) ("**Risk Factors**") of this Prospectus should be carefully considered prior to making a decision to invest in the Offer Shares.

This Prospectus includes information provided as part of the application for registration and offer of securities in compliance with the Rules on the Offer of Securities and Continuing Obligations of the Capital Market Authority of the Kingdom of Saudi Arabia and the application for listing of securities in compliance with the Listing Rules of the Saudi Stock Exchange. The Directors, whose names appear on page (iv) , collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The Authority and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

This Prospectus is dated 20-Dhu al-Qidah-1442 (corresponding to 30-June-2021).


ACWA POWER
كوا باور

Local Co-ordinator and Lead Manager

الرياض المالية riyad capital

Joint Global Co-ordinators

NATIXIS BEYOND BANKING

J.P.Morgan

citi

Joint Financial Advisors

الرياض المالية riyad capital

NATIXIS BEYOND BANKING

J.P.Morgan

citi

Bookrunners

NATIXIS BEYOND BANKING

الرياض المالية riyad capital

citi

J.P.Morgan

EFG HERMES المجموعة المالية هيرميس

Emirates NBD

بنك أبوظبي الأول FAB First Abu Dhabi Bank

Underwriters

الرياض المالية riyad capital

NATIXIS BEYOND BANKING

J.P.Morgan

citi

EFG HERMES المجموعة المالية هيرميس

Emirates NBD

بنك أبوظبي الأول FAB First Abu Dhabi Bank

الاستثمار كابيتال Alistithmar Capital

SNB كابيتال

البلاد المالية Albilad Capital

الجزيرة كابيتال ALJAZIRA CAPITAL الجزيرة للأسواق المالية

Receiving Agents

بنك الرياض riyad bank

SNB

Al Rajhi Bank مصرف الراجحي

بنك الجزيرة BANK ALJAZIRA

Important Notice

This Prospectus contains detailed information relating to the Company and the Offer Shares. When applying for the Offer Shares, investors will be treated as applying solely on the basis of the information contained in this Prospectus which can be obtained from the Company or Lead Manager or Receiving Agents or copies of which are available by visiting the websites of the Company (www.acwapower.com), the CMA (www.cma.org.sa) or the Joint Financial Advisors (www.citigroup.com/citi/about/countries-and-jurisdictions/saudi-arabia.html), (www.jpmorgansaudiarabia.com), (www.riyadcapital.com) and (https://emea.cib.natixis.com/saudi-arabia/en).

With respect to the Offering, Riyad Capital, Citigroup Saudi Arabia ("**Citi**"), J.P. Morgan Saudi Arabia Company ("J.P. Morgan") and Natixis Saudi Arabia Investment Company ("**Natixis**") have been appointed by the Company to act as joint financial advisors (the "**Joint Financial Advisors**") and Underwriters. Riyad Capital has been appointed by the Company as local co-ordinator, bookrunner and lead manager in respect of the Offering (the "**Local Co-ordinator**" or "**Lead Manager**"). Citi, J.P. Morgan and Natixis have been appointed by the Company to act as joint global co-ordinators and Bookrunners (jointly referred to as "**Joint Global Co-ordinators**").

This Prospectus includes information that has been presented in compliance with the Rules of Offering Securities and Continuing Obligations issued by the CMA (as defined in Section (1) ("**Definitions and Abbreviations**")). The Directors, whose names appear on page (iv) collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

While the Company has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, a substantial portion of the information in this Prospectus which is relevant to the market and industry in which the Company operates is derived from external sources. While neither the Joint Financial Advisors, the Company nor any of the Company's other advisors, whose names appear on pages (vi) to (xii) of this Prospectus (together, the "**Advisors**"), has any reason to believe that any of the market and industry information is materially inaccurate, neither the Company nor any of the Advisors has independently verified such information. Accordingly, no representation, assurance or guarantee is made with respect to the accuracy or completeness of any of this information.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the actual financial condition of the Company and the value of the Offer Shares may be adversely affected by future developments, such as inflation, interest rates, taxation or other economic, political and any other factors over which the Company has no control (for further details, please refer to Section (2) ("**Risk Factors**")). Neither the delivery of this Prospectus nor any oral or written information in relation to the Offer Shares is intended to be, nor should be construed as or relied upon in any way as, a promise, affirmation or representation as to future earnings, results or events.

This Prospectus is not to be regarded as a recommendation on the part of the Company, the Directors, the Substantial Shareholders or Receiving Agents or the Advisors to participate in the Offering. Moreover, information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial situation or particular investment needs of the persons who intend to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining independent professional advice from a CMA licensed financial advisor in relation to the Offering and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and investment needs, including the merits and risks involved in investing in the Offer Shares. An investment in the Offer Shares may be appropriate for some investors but not others, and prospective investors should not rely on another party's decision whether or not to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

Subscribing for the Offer Shares shall be limited to two tranches of investors as follows:

Tranche (A): Participating Parties: participating parties comprise the parties eligible to participate in the book-building process as specified under the Book-Building Instructions and the other terms and conditions set forth in this Prospectus (for further details, please refer to Section (1) ("**Definitions and Abbreviations**") and Section (16) ("**Subscription Terms and Conditions**")); and

Tranche (B): Individual Investors: individual investors comprise Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi national person who is resident in the Kingdom and any GCC national, in each case who has a bank account, and is entitled to open an investment account, with one of the Receiving Agents. Subscription of a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature has been proved to have occurred, then the law shall be enforced against such person. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Offer Shares offered by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. The Offer Shares offered hereby are being offered outside the United States in offshore transactions in compliance with applicable securities laws.

It is expressly prohibited to distribute this Prospectus or to sell the Offer Shares to any person outside the Kingdom of Saudi Arabia, other than to GCC investors, Qualified Foreign Investors, Foreign Strategic Investors and certain other Foreign Investors pursuant to swap agreements, in each case subject to applicable rules and regulations. The Company and the Joint Financial Advisors require recipients of this Prospectus to inform themselves of any legal or regulatory restrictions relevant to the Offering and the sale of the Offer Shares and to observe all such restrictions. Each eligible Individual Investor and Participating Parties should read the entire Prospectus and seek advice and rely on their own counsel, financial advisors and other professional advisors for advice concerning the various legal, tax, regulatory and economic considerations relating to their investment in the Offer Shares and will be responsible for the fees of their own counsel, accountants and other advisors as to all matters concerning an investment in the Offer Shares. No assurance can be made that profits will be achieved.

Market and Industry Data

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Group's estimates, using underlying data from independent third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets in this Prospectus are based on published and publicly available data obtained from multiple independent third-party sources.

In particular, unless otherwise specifically stated, the information in Section (3) ("**Overview of the Industry and the Market**") is based on the report which has been prepared by FTI France SAS, trading as Compass Lexecon ("**Compass Lexecon**"), for the benefit of the Company in relation to the markets in which the Company operates ("**Market Report**"). The Market Report was prepared on 1 April 2021G and as such addresses statements matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since.

FTI France SAS is the cooperation of energy experts from FTI Consulting and its wholly-owned subsidiary Compass Lexecon, within a framework that brings together highly experienced economists, accountants and practitioners. FTI experts support their clients on a wide range of tasks including, but not limited to, policy and market design, investment decision support, energy market modelling, financial evaluation of assets, business modelling, corporate strategy, and economic expertise in commercial litigation.

It should be noted that FTI France SAS does not, nor do any of its subsidiaries, sister companies, partners, shareholders, directors, managers or their relatives own any Shares or any interest of any kind in the Company or its Subsidiaries. As at the date of this Prospectus, Compass Lexecon has given and not withdrawn its written consent for the use of its name, logo, statements, and market research and data supplied by it to the Company in the manner and format set out in this Prospectus.

FTI France SAS has solely relied on publicly sourced information for this report. The report contains information obtained or derived from a variety of public sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Taking into consideration the "Forecasts and Forward-Looking Statements" section, whilst the members of the Board of Directors believe that the information and data on the market study in this Prospectus obtained from third party sources, including the information obtained from the market study advisor, are information and data that may be relied upon, this information has not been independently verified by the Company, nor the Board of Directors, advisors, or its shareholders. Therefore none of the aforementioned parties shall bear any responsibility for the accuracy or completeness of any of this information.

Financial Information

The audited consolidated financial statements of the Company as of and for the financial years ended 31 December 2018G, 2019G and 2020G, and the notes thereto have been prepared in accordance with (i) International Financial Reporting Standards ("**IFRS**") as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**"); and (ii) IFRS as issued by the International Accounting Standards Board ("**IASB**") and have been audited by Ernst & Young & Co. - Certified Public Accountants ("**Auditors**") as independent auditors, as stated in their reports appearing herein. Such statements are contained in Section (19) ("**Auditors' Report**"). The Company prepares its financial statements in Saudi Riyals.

The financial and statistical information contained in this Prospectus is subject to rounding. Accordingly, where numbers have been rounded up or down, there may be minor differences between the figures set out in this Prospectus and the audited financial statements.

Forecasts and Forward-Looking Statements

The forecasts and forward-looking statements set forth in this Prospectus have been prepared on the basis of certain assumptions based on the Company's information according to its market experience, as well as on publicly available market information. Future operating conditions may differ from the assumptions used and consequently no affirmation, representation or warranty is made with respect to the accuracy or completeness of any of these forecasts. The Company stresses that, to the best of its knowledge, every professional care has been taken in preparing the statements contained in this Prospectus.

Certain statements in this Prospectus are, or may be deemed to be, "forward-looking statements". Such statements can generally be identified by their use of forward-looking words such as "plans", "estimates", "believes", "expects", "targets", "anticipates", "may", "will", "should", "expected", "would be", or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company and its management with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (for further details, please refer to Section (2) ("**Risk Factors**") and Section (4) ("**The Company**")). Should any one or more of the risks or uncertainties materialize or any underlying assumptions prove to be inaccurate or incorrect, the Company's actual results may vary materially from those described, explained, estimated or planned in this Prospectus.

Subject to the requirements of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary Prospectus to the CMA if, at any time after this Prospectus has been published and before the listing of the Offer Shares on Tadawul, the Company becomes aware that (i) there has been a significant change in any material information contained in this Prospectus or in any document required by the Rules on the Offer of Securities and Continuing Obligations, or (ii) the occurrence of additional significant matters, which would have been required to be included in this Prospectus. Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing risks, assumptions and other uncertainties, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Definitions and Abbreviations

For an explanation of certain defined terms, abbreviations, technical terms, project names and entity names used in this Prospectus, (for further details, please refer to Section (1) ("**Definitions and Abbreviations**")).

Corporate Directory

Table (1-1): Board of Directors

Name	Position	Nationality	Age	Status and independence	Representation	Direct Share ownership before the Offering	Direct Share ownership after the Offering	Indirect Share ownership before the Offering	Indirect Share ownership after the Offering	Date of Appointment
Mohammad Abdullah Rashid Abunayyan	Chairman	Saudi	59	Non-executive / Non-independent	Vision Investment	4.13%	3.65%	1.26405%*	1,116	05 July 2019G
Thamer Saud Ismael Al-Sharhan	Vice Chairman	Saudi	59	Non-executive / Non-independent	Al Rajhi Holding	-	-	-	-	30 July 2020G
Sulaiman A.K. Abdulmohseen Al-Muhaidib	Member	Saudi	66	Non-executive / Non-independent	Vision Investment	-	-	3.4776%**	3,071%	05 July 2019G
Rasheed Abdulrahman Nasser Al-Rasheed	Member	Saudi	55	Non-executive / Non-independent	Vision Investment	-	-	-	-	05 July 2019G
H.E. Mohammed Talal Mohammed Al-Nahas	Member	Saudi	58	Non-executive / Non-independent	Does not represent any specific entity	-	-	-	-	05 July 2019G
Omar MohammedNabil Mohammed Almidani	Member	Saudi	41	Non-executive / Non-independent	Vision Investment	-	-	-	-	05 July 2019G
Dr Mohsen Ahmad Hassan Khalil	Member	American	68	Non-executive / Independent	Does not represent any specific entity	-	-	-	-	05 July 2019G
Raid Abdullah Ismail Ismail	Member	Saudi	48	Non-executive / Non-independent	PIF	-	-	-	-	05July 2019G
Esmail Mohammed Saleh Alsallom	Member	Saudi	39	Non-executive / Non-independent	Al Rajhi Holding	-	-	-	-	05 July 2019G
Abdullah Abdulrahman Sa'nin Al-Rowais	Member	Saudi	55	Non-executive / Non-independent	Does not represent any specific entity	-	-	-	-	05 July 2019G
Philippe Vincent Jacques Leon de Rivaz	Member	French	67	Non-executive / Non-independent	PIF	-	-	-	-	05 December 2019G

Source: Company

* Mohammad Abdullah Rashid Abunayyan owns a total indirect interest in the Company's shares constituting 1.26405% of the share capital (before the Offering) through his 7.95% ownership in Abdullah Abunayyan Trading Company, which directly owns 3.02% of the share capital of the Company, and indirectly owns 12.88% of the share capital of the Company through its 50% ownership in the share capital of Vision Investment, which owns 25.76% of the share capital of the Company. Furthermore, Mohammad Abdullah Rashid Abunayyan owns a direct shareholding of 4.13% in the Company before the Offering.

** Sulaiman A.K. Abdulmohseen Al-Muhaidib indirectly owns 3.4776% of the share capital of the Company (before the Offering), through his 27% ownership of the share capital in Amwal Al Ajial Holding Company, which in turn owns 100% of the share capital of Abdulkadir AlMuhaidib and Sons Company, which owns 50% of the share capital in Vision Investment, which owns 25.76% of the share capital of the Company.

The Company's Address, Representatives And Board Of Directors' Secretary:

Registered Office
International Company for Water and Power Projects (ACWA Power) 2nd Floor, Building 5 The Business Gate King Khaled International Airport Road P.O. Box 22616, Riyadh 11416 Kingdom of Saudi Arabia Tel: +966 (11) 2835555 Fax: +966 (11) 2835500 Website: www.acwapower.com Email: ir@acwapower.com

Company Representatives	
Mohammed Abdullah R. Abunayyan Chairman 2nd Floor, Building A The Business Gate King Khaled International Airport Road PO Box 22616, Riyadh 11416 Tel: +966 (11) 2506300 (Ext: 1501) Fax: +966 (11) 283 5555 Website:www.acwapower.com Email: mabunayyan@acwapower.com	**Suntharesan Padmanathan** Chief Executive Officer 2nd Floor, Building A The Business Gate King Khaled International Airport Road PO Box 22616, Riyadh 11416 Tel: +966 (11) 2835522 (direct line) Fax: +966 (11) 283 5555 Website:www.acwapower.com Email: padmanathan@acwapower.com

Board of Directors' Secretary
Hager Al-Twegieri 2nd Floor, Building A The Business Gate King Khaled International Airport Road PO Box 22616, Riyadh 11416 Tel: +966 (11) 283 5586 Fax: +966 (11) 283 5500 Website:www.acwapower.com Email: haltwegieri@acwapower.com

Share Registrar
The Saudi Exchange (Tadawul) Abraj Attuwenya, North Tower 6897 King Fahad Road – Al Olaya Unit Number 15 Riyadh 12211-3388 Kingdom of Saudi Arabia Tel: +966 920001919 Fax: +966 (11) 218 9133 Website: www.saudiexchange.sa Email: csc@saudiexchange.sa

Advisors

Joint Financial Advisors
Citigroup Saudi Arabia 20th Floor, Kingdom Tower P.O. Box 301700 Riyadh 11372 Kingdom of Saudi Arabia Tel: +966 (11) 2246140 Fax: +966 (11) 2110020 Website: https://www.citigroup.com/citi/about/coun-tries-and-jurisdictions/citigroup-saudi-arabia.html Email: projecteclipse@citi.com
J.P. Morgan Saudi Arabia Al Faisaliyah Center King Fahd Road P.O. Box 51907, Riyadh 11553 Kingdom of Saudi Arabia Tel: +966 (11) 2993800 Fax: +966 (11) 2993840 Website: www.jpmorgansaudiarabia.com Email: Eclipse_JPM_Core@jpmorgan.com
Riyad Capital Granada Business Park 2414 - Al Shohda Dist, Unit No. 69, Riyadh 13241 – 7279, Saudi Arabia Tel: +966 (11) 4865649 Fax: +966 (11) 4865908 Website: www.riyadcapital.com Email: projecteclipse@riyadcapital.com
Natixis Saudi Arabia Investment Company Servcorp – Al Faisaliah Center Level 18, Al Faisaliah Tower, King Fahad Highway Riyadh Kingdom of Saudi Arabia Tel: +966 (11) 490 3946 Fax : +966 (11) 490 3938 Website: emea.cib.natixis.com/saudi-arabia/en Email: project.eclipse@natixis.com

Local Co-ordinator, Bookrunner and Lead Manager
Riyad Capital Granada Business Park 2414 - Al Shohda Dist, Unit No. 69, Riyadh 13241 – 7279, Saudi Arabia Tel: +966 (11) 4865649 Fax: +966 (11) 4865908 Website: www.riyadcapital.com Email: projecteclipse@riyadcapital.com

Joint Global Co-ordinators and Bookrunners

Citigroup Saudi Arabia
20th Floor, Kingdom Tower
P.O. Box 301700
Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966 (11) 2246140
Fax: +966 (11) 2110020
Website: www.citigroup.com/citi/about/countries-and-jurisdictions/saudi-arabia.html
Email: projecteclipse@citi.com

J.P. Morgan Saudi Arabia
Al Faisaliyah Center
King Fahd Road
P.O. Box 51907, Riyadh 11553
Kingdom of Saudi Arabia
Tel: +966 (11) 2993800
Fax: +966 (11) 2993840
Website: www.jpmorgansaudiarabia.com
Email: Eclipse_JPM_All@jpmorgan.com

Natixis Saudi Arabia Investment Company
Servcorp – Al Faisaliah Center
Level 18, Al Faisaliah Tower, King Fahad Highway
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Kingdom of Saudi Arabia
Tel: +966 (11) 490 3946
Fax : +966 (11) 490 3938
Website: emea.cib.natixis.com/saudi-arabia/en Email: project.eclipse@natixis.com

Market Consultant

Compass Lexecon
22 Place De La Madeleine, 4th Floor Paris 75008
France
Tel: +33 1 53 05 36 33
Fax: +33 1 53 05 36 16
Website: www.compasslexecon.com
Email: froques@compasslexecon.com

Saudi Legal Advisor to the Company

Abuhimed Alsheikh Alhagbani Law Firm
Building 15
The Business Gate
King Khaled International Airport Road
P.O. Box 90239
Riyadh 11613
Kingdom of Saudi Arabia
Tel: +966 (11) 481 9780
Fax: +966 (11) 481 9701
Website: www.ashlawksa.com
Email: Info.ASH@ashlawksa.com

Legal advisor for the Offering outside the Kingdom

Clifford Chance LLP
Level 15, Burj Daman
Dubai International Financial Centre
P.O. Box 9380 Dubai
United Arab Emirates
Tel: +971 4 503 2600
Fax: +971 4 503 2800
Website: https://www.cliffordchance.com/people_and_places/offices/dubai.html
Email: info.acwapoweripo@cliffordchance.co

Legal advisor to financial advisors, bookrunners, lead manager and underwriters

Abdul Aziz AlAjlan & Co., Attorneys and Legal Advisors
Olayan Building, Tower 2, Floor 3
Al-Ahsa Street, Al-Malaz
P.O Box 69103, Riyadh 11547
Saudi Arabia
Phone: +966 (11) 265 8900
Fax: +966 (11) 265 8999
Website www.legal-advisors.com
Email: RIY-ProjectEclipse@legal-advisors.com

Legal advisor to financial advisors, bookrunners, lead manager and underwriters outside the Kingdom of Saudi Arabia

Baker & McKenzie LLP
100 New Bridge Street
London EC4V 6JA
United Kingdom
Phone: +44 20 7919 1000
Fax: +44 20 7919 1999
Website www.bakermckenzie.com
Email: RIY-ProjectEclipse@legal-advisors.com

Auditor

Ernst & Young & Co. (Certified Public Accountants)
P.O. Box 2732
Al Faisaliah Office Tower - Level 6
King Fahad Road, Olaya
Riyadh 11461, Saudi Arabia
Tel: +966 (11) 215 9898
Fax: +966 (11) 273 4730
Website: www.ey.com
Email: ey.ksa@sa.ey.com

Professional Financial Diligence Advisor

PricewaterhouseCoopers Certified Public Accountants
Kingdom Tower
PO Box 8282
Riyadh 11482
Kingdom of Saudi Arabia
Tel: +966 (11) 211 0400
Fax: +966 (11) 211 0401
Website: www.pwc.com
Email: mer_project_eclipse@pwc.com

Bookrunners

EFG Hermes KSA
Third Floor, North Tower
Sky Tower, King Fahd Road
Olaya, Riyadh
Saudi Arabia
Tel: +966 (11) 293 8048
Fax: +966 (11) 293 8032
Website: www.efghermes.com
Email: efg_hermes_IPO@efg-hermes.com

Emirates NBD Capital KSA
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7279 Riyadh 13241
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Fax: +966 (11) 299 3955
Website: www.emiratesnbdcapital.com.sa
Email: project.eclipse@emiratesnbd.com

FAB Capital
Cayan Group Building, 7756-King Fahd Road,
Al Malqa District, Al Malqa,
Riyadh 4181-13524,
Kingdom of Saudi Arabia
Tel: +966 (11) 283 4372
Website: www.bankfab.com/ar-sa
Email: ECM@bankfab.com

Underwriters

Citigroup Saudi Arabia
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Tel: +966 (11) 2246140
Fax: +966 (11) 2110020
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Email: projecteclipse@citi.com

JP Morgan Saudi Arabia
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Fax: +966 (11) 2993840
Email: www.jpmorgansaudiarabia.com
Website: Eclipse_JPM_Core@jpmorgan.com

Riyad Capital
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Tel: +966 (11) 4865649
Fax: +966 (11) 4865908
Website: www.riyadcapital.com
Email: projecteclipse@riyadcapital.com

Natixis Saudi Arabia Investment Company
Servcorp – Al Faisaliah Center
Level 18, Al Faisaliah Tower, King Fahad Highway
Riyadh
Kingdom of Saudi Arabia
Tel: +966 (11) 490 3946
Fax: +966 (11) 490 3938
Website: emea.cib.natixis.com/saudi-arabia/en
Email: project.eclipse@natixis.com

EFG Hermes KSA
Third Floor, North Tower
Sky Tower, King Fahd Road
Olaya, Riyadh
Saudi Arabia
Tel: +966 (11) 293 8048
Fax: +966 (11) 293 8032
Website: www.efghermes.com
Email: efg_hermes_IPO@efg-hermes.com

Emirates NBD Capital KSA
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Website: www.emiratesnbdcapital.com.sa
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FAB Capital
Cayan Group Building, 7756-King Fahd Road,
Al Malqa District, Al Malqa,
Riyadh 4181-13524,
Kingdom of Saudi Arabia
Tel: +966 (11) 283 4372
Website: www.bankfab.com/ar-sa
Email: ECM@bankfab.com

Alistithmar Capital
King Fahd Road, Al-Aqiq District
PO Box 442 Jeddah 21411
Saudi Arabia
Tel: +966 (11) 254 7666
Fax: +966 (11) 489 2653
Website: www.icab.com.sa
Email: info@icap.com.sa

SNB Capital
King Saud Road, SNB Regional Building. P. O. Box 2216,
Riyadh 11495 – Kingdom of Saudi Arabia
Tel: +966 (11) 874 7106
Fax: +966 (11) 406 0052
Website: www.alahlicapital.com
Email: snbc.cm@alahlicapital.com

Albilad Capital
King Fahd Road
P.O. Box 140, Riyadh 11411
Saudi Arabia
Tel: +966 (11) 920 003 636
Fax: +966 (11) 290 6299
Website: www.albilad-capital.com
Email: clientservices@albilad-capital.com

Aljazira Capital
King Fahd Road
P.O. Box 20428, Riyadh 11455
Kingdom of Saudi Arabia
Tel: +966 (11) 22560000
Fax: +966(11) 2256811
Website: www.aljaziracapital.com.sa
Email: contactus@aljaziracapital.com.sa

Note: The above advisors have given and, as at the date of this Prospectus, have not withdrawn their written consent to the publication of their names, addresses, logos and the statements attributed to each of them in the context in which they appear in this Prospectus. None of these entities, their employees (forming part of the team responsible for offering services to the Company), or their relatives own any shares or interest of any kind in the Company or its subsidiaries as the date of this Prospectus such that would impair their independence.

Receiving Agents

Name: Riyad Bank Address: Shuhada District P.O. Box 22622 Riyadh 11416 Kingdom of Saudi Arabia Tel: +966 (11) 4013030 Fax: +966 (11) 4865909 Website: www.riyadbank.com Email: customercare@riyadbank.com
Name: Saudi National Bank Address: Kind Abdulaziz Road P.O. Box 3555 Jeddah 21481 Kingdom of Saudi Arabia Tel: +966 (12) 649 3333 Fax: +966 (12) 643 7426 Website: www.alahli.com Email: contactus@alahli.com
Al Rajhi Bank King Fahd Road, AlMurooj District, Al Rajhi Bank Tower Riyadh 11411 Kingdom of Saudi Arabia Tel: +966 (11) 828 2515 Fax: +966 (11) 279 8190 Website: www.alrajhibank.com.sa Email: contactcenter1@alrajhibank.com.sa
Name: Bank Aljazira Address: Kind Abdulaziz Road P.O. Box 6277 Jeddah 21442 Kingdom of Saudi Arabia Tel: +966 (12) 609 8888 Fax: +966 (12) 609 1888 Website: www.baj.com.sa Email: shakwa@baj.com.sa

Source: The Company

Offering Summary

This Offering Summary is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all of the information that may be important to prospective investors. Accordingly, this summary must be read as an introduction to this Prospectus, and prospective investors should read the entire Prospectus in full. Any decision to invest in the Offer Shares by prospective investors should be based on a consideration of this Prospectus as a whole.

In particular, it is important to carefully consider the "**Important Notice**" Section and Section (2) ("**Risk Factors**"), respectively, prior to making any investment decision in the Offer Shares.

The Company	International Company for Water and Power Projects, a Saudi Joint Stock Company established under Commercial Registration No. 1010253392 dated 10/7/1429H (corresponding to 13/7/2008G) and Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G). The Company's head office is located at 2nd Floor, Building 5, The Business Gate, King Khaled International Airport Road, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia.
	The Company was established as a Saudi closed joint stock company with an initial share capital of SAR 2,920,895,000 (two billion nine hundred and twenty million eight hundred and ninety five thousand) consisting of 292,089,500 (two hundred and ninety two million eighty nine thousand and five hundred) shares with a nominal value of SAR 10 per share (each a "Share"). On 1/12/1429H (corresponding to 29/11/2008G), it was resolved to increase the share capital of the Company to SAR 3,360,005,000 (three billion three hundred and sixty million and five thousand) consisting of 336,000,500 (three hundred and thirty six million and five hundred) Shares through subscription of new Shares by Mohammad & Abdullah Ibrahim Al Subaeaei Company, Al Fozan Holding, Omar Kassem Alesayi & Partners Marketing, Al Mutlaq Group Company and Al Mojel Trading & Contracting. On 2/7/1431H (corresponding to 14/6/2010G), it was resolved to increase the share capital of the Company to SAR 3,710,215,605 (three billion seven hundred and ten million two hundred and fifteen thousand six hundred and five) consisting of 371,021,560 (three hundred and seventy one million twenty one thousand five hundred and sixty) Shares through subscription of new Shares by the Company's shareholders. On 30/2/1434H (corresponding to 12/1/2013G), it was resolved to increase the share capital of the Company to SAR 4,604,952,440 (four billion six hundred and four million nine hundred and fifty two thousand four hundred and forty) consisting of 460,495,244 (four hundred and sixty million four hundred and ninety five thousand two hundred and forty four) Shares in relation to the subscription for new Shares by the Public Pension Agency and Saudi Arabian Investment Company (Sanabil Investments) as new shareholders. On 23/7/1434H (corresponding to 2/6/2013G), the share capital of the Company was increased through capitalisation of shareholder loans by resolution of the Shareholders (pursuant to Article 138 of the Companies Law) to SAR 5,335,952,440 (five billion three hundred and thirty five million nine hundred and fifty two thousand four hundred and forty) consisting of 533,595,244 (five hundred and thirty three million five hundred and ninety five thousand two hundred and forty four) Shares. On 26/11/1434H (corresponding to 2/10/2013G), it was resolved to reduce the share capital of the Company by SAR 137,693,000 (one hundred and thirty seven million six hundred and ninety three thousand) to SAR 5,198,259,440 (five billion one hundred and ninety eight million two hundred and fifty nine thousand four hundred and forty) consisting of 519,825,944 (five hundred and nineteen million eight hundred and twenty five nine hundred and forty four) Shares as a result of the cancellation of the Company's treasury buy-back shares. On 14/1/1435H (corresponding to 17/11/2013G), the share capital of the Company was increased by resolution of the Shareholders to SAR 5,476,037,210 (five billion four hundred and seventy six million and thirty seven thousand two hundred and ten) consisting of 547,603,721 (five hundred and forty seven million six hundred and three thousand seven hundred and twenty one) Shares in relation to the subscription for new Shares by IFC as a new shareholder. On 14/10/1439H (corresponding to 26/06/2018G), the share capital of the Company was increased by resolution of the Shareholders to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) Shares in relation to the subscription for new shares by the Public Investment Fund as a new shareholder. (for further details, please refer to Section (4-11) ("**Founding and Share Capital Evolution of the Company**")).

Activities of the Company

The Company's main business (as set out in its Bylaws) is as follows:

1. Electric power generation;
2. Distribution and wholesale of electrical energy;
3. Water desalination;
4. Establishment of electric power plants and transformers;
5. Repair and maintenance of electrical power plants and transformers; and
6. Wholesale of desalinated water.

The Company participates in projects whose activities include the:

1. development, establishment, ownership and rental of electric power generation plants, water desalination and steam plants, including related and ancillary activities;
2. generation and sale of electric power and desalination water, including related and ancillary activities;
3. operation and maintenance of electricity, water desalination and steam conversion plants;
4. purchase of electric power generation plants and desalination plants; and
5. purchase of real estate and movable assets necessary for the execution of the Company's objectives.

Substantial Shareholders

Table (1-2): The following table sets out the names and shareholding interests of the Company's Substantial Shareholders before and after the Offering:

Shareholder	Pre-Offering			Post-Offering		
	No. of Shares	Par Value (SAR)	Direct Ownership	No. of Shares	Par Value (SAR)	Direct Ownership
Public Investment Fund	322,881,439	3,228,814,390	50.00%	322,881,439	3,228,814,390	44.16%
Vision Investment	166,320,184	1,663,201,840	25.76%	166,320,184	1,663,201,840	22.75%
Al Rajhi Holding	81,918,658	819,186,580	12.69%	81,918,658	819,186,580	11.20%
Total	**571,120,281**	**5,711,202,810**	**88.45%**	**571,120,281**	**5,711,202,810**	**78.11%**

Company's Share Capital Before and after the Offering

The Company's Share Capital prior to the Offering is SAR (6,457,628,780) six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty.

The Company's Share Capital after the offering will be SAR (7,310,997,290) seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety.

Total number of the Company's Shares before and after the Offering

The number of shares in the Company prior to the Offering is 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight).

The number of shares in the Company after the Offering will be 731,099,729 (seven hundred and thirty-one million ninety-nine thousand seven hundred and twenty-nine ordinary shares).

Nominal Value per Share

SAR 10 per share.

Offering

Initial public offering of (81,199,299) eighty-one million and one hundred ninety-nine thousand two hundred and ninety-nine ordinary shares of the total Company's Capital with a fully-paid nominal value of SAR10 per share, at an Offer Price of SAR (56) per share, by way of an increase of the share capital increase of the issuer from SAR (6,457,628,780) six billion four hundred and fifty-seven million six hundred and twenty-eight thousand seven hundred and eighty to SAR (7,310,997,290) seven billion three hundred and ten million nine hundred and ninety-seven thousand two hundred and ninety, whereas (4,137,552) four million one hundred and thirty-seven thousand five hundred and fifty-two shares of the issued Shares will be allocated to some employees of the Company and its Subsidiaries and granted to those employees under the employee stock grant plan (for more details about the IPO grant plan, please refer to Section (5-11) ("Employee Share Programmes")).

Number of Offer Shares

(81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine fully paid ordinary shares.

Percentage of Offer Shares of the Company's Share Capital

The Offer Shares represent 11.1% of the Company's Share Capital (after the Capital increase), which represents 12.6% of the Company's capital prior to the Capital increase.

Offer Price	SAR (56) per Share
Total Value of the Offering	SAR 4,547,160,744
Use of Proceeds	The total gross proceeds of the Offering are estimated to be SAR 4,387,160,744 million, of which approximately SAR 160 million will be applied to settle all the fees and expenses related to the Offering, which include the fees of each of the Joint Financial Advisors, the Lead Manager, Bookrunners, Joint Global Co-ordinators, Local Co-ordinator, Receiving Agents, Legal Advisor, Financial Due Diligence advisor and other advisors, marketing, printing and distribution expenses, in addition to underwriting expenses and other related expenses. The Company will bear all the fees, expenses and costs related to the Offering. The Net Offering Proceeds are expected to be SAR 4,347,160,744 million which will be retained by the Company. The Company intends to use 70% of the net proceeds of the offering to finance its equity contribution in upcoming projects and the remaining 30% for general corporate purposes. For further details, please refer to Section (8) ("Use of Proceeds").
Number of Offer Shares to be Underwritten	(81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine shares.
Total Offering Amount to be Underwritten	SAR [•]
Categories of Targeted Investors	**(A) Participating Parties:** comprising the parties eligible to participate in the book-building process as specified under the Book-Building Instructions and the other terms and conditions set forth in this Prospectus (for further details, please refer to Section (1) ("**Definitions and Abbreviations**") and Section (16) ("**Subscription Terms and Conditions**") of this Prospectus); and **(B) Individual Investors:** comprising Saudi Arabian natural persons including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi national person who is resident in the Kingdom and any GCC national, in each case who has a bank account with one of the Receiving Agents. Subscription of a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.
Total Offer Shares available for each targeted Investor category in the Offering	
Number of Offer Shares available to Participating Parties	(81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine shares representing 100% of the total number of Offer Shares. If there is sufficient demand by Individual Investors, and the Participating Parties subscribe to all the Offer Shares allocated to them, the Lead Manager and the Bookrunners shall have the right to reduce the Offer Shares allocated to Participating Parties to (73,079,370) seventy three million seventy-nine thousand three hundred and seventy Offer Shares, representing 90% of the total number of Offer Shares.
Number of Offer Shares available to Individual Investors	A maximum of (8,119,929) eight million one hundred nineteen thousand nine hundred and twenty-nine shares, representing 10% of the total number of Offer Shares.
Subscription Method for each targeted Investor category	
Subscription Method for Participating Parties registered in the Kingdom	Participating Parties registered in the Kingdom may submit Institutional Subscription Application Forms or Bid/Subscription Orders during the Book-Building Period to be made available by the Bookrunners in accordance with the instructions described in Section (16) ("**Subscription Terms and Conditions**") of this Prospectus. After the initial allocation, the Participating Parties shall complete Institutional Subscription Application Forms based on the number of Offer Shares allocated to them.
Subscription Method for Participating Parties not registered in the Kingdom	Participating Parties not registered in the Kingdom may submit a Bid/Subscription Order to be part of the book-building process with the Bookrunners telephonically or electronically, without the need to complete and sign a Bid Form, in accordance with the instructions described in Section (16) ("**Subscription Terms and Conditions**") of this Prospectus. Participating Parties not registered in the Kingdom must complete the Institutional Subscription Application Form after the allocation of Offer Shares based on the number of Offer Shares initially allocated to them.

Subscription Method for Individual Investors	Retail Subscription Application Forms will be available during the Offering Period for Individual Investors by the Lead Manager and Receiving Agents. Retail Subscription Application Forms shall be completed in accordance with the instructions mentioned in Section (16) ("**Subscription Terms and Conditions**") of this Prospectus. Individual Investors who have recently participated in a previous initial public offering can also subscribe through electronic channels offered by the Receiving Agents or branches thereof that offer any or all such services to its customers, provided that the following requirements are satisfied: (i) the Individual Investor has an account with a Receiving Agent that offers such services, (ii) there have been no changes in the personal information or data of the Individual Investor since such person's subscription in the last initial public offering, and (iii) Individual Investors who are not Saudi or GCC nationals must have an account at one of the Capital Market Institutions which offer such services.
Minimum number of Offer Shares that can be subscribed for by each targeted Investor category	
Minimum number of Offer Shares that can be subscribed for by Participating Parties	100,000 (one hundred thousand) shares.
Minimum number of Offer Shares that can be subscribed for by Individual Investors	10 (ten) shares.
Minimum subscription amount for each targeted Investor category	
Minimum subscription amount for Participating Parties	SAR 5,600,000
Minimum subscription amount for Individual Investors	SAR 560
Maximum number of Offer Shares that can be applied for by each targeted Investor category	
Maximum number of Offer Shares that can be applied for by Participating Parties	36,544,986 (thirty six million five hundred forty-four thousand nine hundred eighty-six) shares subject to the restrictions set out in the Book-Building Instructions.
Maximum number of Offer Shares that can be applied for by Individual Investors	250,000 (two hundred fifty thousand) shares.
Amount of Maximum subscription amount for each targeted Investor category	
Maximum subscription amount for Participating Parties	SAR 2,046,519,216
Maximum subscription amount for Individual Investors	SAR 250,000

Method of allocation and refund of excess subscription amount for each targeted Investor category	
Allocation of Offer Shares to Participating Parties	The number of Offer Shares to be initially allocated to the Participating Parties will be (81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine shares, representing one hundred per cent. In the event that the Individual Investors subscribe for the Offer Shares allocated thereto, the Lead Manager and the Bookrunners shall have the right to reduce the number of Offer Shares allocated to the Participating Parties to (73,079,370) seventy three million seventy-nine thousand three hundred and seventy shares, representing ninety per cent. (90%) of the Offer Shares after completion of the Individual Investor subscription process.
Allocation of Offer Shares to Individual Investors	Allocation of the Offer Shares to Individual Investors is expected to be completed no later than 27-Safar-1443 H (corresponding to 4-October -2021G). The minimum number of Offer Shares that can be subscribed for is 10 (ten) shares, which the maximum number is 250,000 (two hundred fifty thousand) shares. The remaining Offer Shares, if any, will be allocated as proposed by the Company and the Joint Financial Advisors. In the event that the number of Individual Investors exceeds 811,992 (eight hundred eleven thousand nine hundred ninety-two) Investors, the Company will not guarantee the minimum allocation of 10 (ten) Offer Shares per Individual Investor and the allocation of Offer Shares to Individual Investors will be determined at the discretion of the Company and the Joint Financial Advisors.
Refund of Excess Subscription Monies	Excess subscription monies, if any, will be refunded to Subscribers without any charge or commission being withheld by the Lead Manager or Receiving Agents. Announcement of the final allotment on 27-Safar-1443 H (corresponding to 4-October -2021G). and Refund of Excess Subscription Monies on 28-Safar-1443 H (corresponding to 5-October -2021G). (for further details, please refer to Section (16-5) ("**Allocation of Shares and Refund of Excess Subscription Monies**") and Section (16) ("**Subscription Terms and Conditions**")).
Offering Period	The Offering will commence on 22-Safar-1443 H (corresponding to 29-September-2021G) and will remain open for a period of 3 days up to and including 24-Safar-1443 H (corresponding to 1- October -2021G). (for further details, please refer to the "**Key Dates and Subscription Procedures**" section on page (xx) of this Prospectus).
Dividend Distributions	The Offer Shares will be entitled to their portion of any dividends declared by the Company as of the date of this Prospectus and for subsequent financial years (for further details, please refer to Section (7) ("Dividend Policy")).
Voting Rights	The Company has one class of ordinary Shares. None of the Shares carry any preferential voting rights. Each Share entitles its holder to one vote and each Shareholder has the right to attend and vote at the meetings of the General Assembly. (for further details, please refer to Sub-sections ("**Summary of Company's Bylaws**") and ("**Description of Shares – Voting Rights**") Section (12) ("**Legal Information**") of this Prospectus.)
Lock-up Period/ Restrictions on Shares	The Substantial Shareholders mentioned in page (xiv) of the Prospectus shall be subject to a lock-up period of six (6) months from the date on which trading of the Company Shares commences on the Exchange. During such period, the Substantial Shareholders may not dispose of any of their Shares. After the end of the Lock-up Period, they may dispose of their Shares without prior written approval from CMA.
Listing of Shares	Prior to the Initial Public Offering, the Company's Shares have not been listed or traded in the Kingdom or elsewhere. An application has been made to the CMA for the registration and offering of the shares in accordance with the OSCOs, and the Company has made an application to the Saudi Stock Exchange (Tadawul) to list its Shares in accordance with the Listing Rules. All the relevant approvals required to conduct the Offering have been granted. Trading is expected to commence on the Exchange after the final allocation of the Shares (for further details, please refer to the "**Key Dates and Subscription Procedures**" section on page (xx) of this Prospectus).
Risk Factors	There are certain risks related to investment in the Offer Shares. These risks can be categorized into: (1) Risks related to the Group's Operations, (2) Risks related to the Group Projects, (3) Risks related to the Group's Financing, (4) Risks Relating to the Market, Industry and Legal and Regulatory Environment and (5) Risks related to the Offer Shares. These risks are described in Section (2) ("**Risk Factors**") of this Prospectus and should be considered carefully prior to making an investment decision in relation to the Offer Shares.
Offering Expenses	The Offering expenses and costs are estimated at around SAR 160 million, including the fees of the Joint Financial Advisors, Joint Global Co-ordinators, Local Co-ordinators, Bookrunners, Lead Manager, Underwriters, Receiving Agents, Legal Advisor, Financial Due Diligence Advisor, and Market Consultant, legal advisors to the Underwriters, Auditor, reporting accountants, in addition to marketing arrangement, printing and distribution and other expenses related to the Offering. These expenses will be borne by the Company.

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	J.P. Morgan Saudi Arabia Al Faisaliyah Center King Fahd Road P.O. Box 51907, Riyadh 11553 Kingdom of Saudi Arabia Tel: +966 (11) 2993800 Fax: +966 (11) 2993840 Website: www.jpmorgansaudiarabia.com Email: Eclipse_JPM_Core@jpmorgan.com Riyad Capital Granada Business Park 2414 - Al Shohda Dist, Unit No. 69, Riyadh 13241 – 7279, Saudi Arabia Tel: +966 (11) 4865649 Fax: +966 (11) 4865908 Website: www.riyadcapital.com Email: projecteclipse@riyadcapital.com
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Underwriters	**Emirates NBD Capital KSA** Signature Center - Hittin Neighborhood P.O. Box 341777 Riyadh 11333 Kingdom of Saudi Arabia Tel: +966 (11) 299 3900 Fax: +966 (11) 299 3955 Website: www.emiratesnbdcapital.com.sa E-mail: info@emiratesNBDCapital.com.sa
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	SNB Capital King Saud Road, SNB Regional Building. P. O. Box 2216, Riyadh 11495 – Kingdom of Saudi Arabia Tel: +966 (11) 874 7106 Fax: +966 (11) 406 0052 Website: www.alahlicapital.com Email: snbc.cm@alahlicapital.com
	Albilad Capital King Fahd Road P.O. Box 140, Riyadh 11411 Kingdom of Saudi Arabia Tel: +966 (11) 920 003 636 Fax: +966 (11) 290 6299 Website: www.albilad-capital.com E-mail: clientservices@albilad-capital.com
	Aljazira Capital King Fahd Road P.O. Box 20428, Riyadh 11455 Kingdom of Saudi Arabia Tel: +966 (11) 22560000 Fax: +966(11)2256811 Website: www.aljaziracapital.com.sa E-mail: contactus@aljaziracapital.com.sa

Note: The "Importance Notice" on page (i) and Section (2) ("Risk Factors") should be read thoroughly prior to making a decision to invest in the Offer Shares offered in this Prospectus.

Key Dates and Subscription Procedures

Table (1-3): Expected Offering Timetable

Event	Date
Bidding and book-building period for the Participating Parties	A period of (13) thirteen days starting from 8-Safar-1443 H (corresponding to 15-September-2021G), until the end of the Offering on 20-Safar-1443 H (corresponding to 27-September-2021G)
Offering Period for Individuals	A period of three (3 days starting from 22-Safar-1443 H (corresponding to 29-September-2021G), until the end of the Offering on 24-Safar-1443 H (corresponding to 1-October -2021G).
Deadline for submission of Subscription Application Forms based on the provisionally allocated Offer Shares for Participating Parties	23-Safar-1443 H (corresponding to 30-September-2021G)
Deadline for submission of Subscription Application Forms and payment of the subscription monies for Individual Investors	24-Safar-1443 H (corresponding to 1-October -2021G)
Deadline for payment of the subscription monies for Participating Parties based on their provisionally allocated Offer Shares	23-Safar-1443 H (corresponding to 30-September-2021G)
Announcement of final Offer Shares allotment	27-Safar-1443 H (corresponding to 4-October -2021G).
Refund of excess subscription monies (if any)	28-Safar-1443 H (corresponding to 5-October -2021G)
Expected date of commencement of trading in the Exchange	The Shares trading commencement is expected to start after fulfilling all relevant statutory requirements. Announcement of the Shares trading commencement will be made through Tadawul's website (www.saudiexchange.com.sa).

The above timetable and dates therein are indicative and may change. Actual dates will be communicated through announcements appearing on the Tadawul's website (www.saudiexchange.com.sa), the Joint Financial Advisors' websites (www.citigroup.com/citi/about/countries-and-jurisdictions/saudi-arabia.html), (www.jpmorgansaudiarabia.com), (www.riyadcapital.com), (emea.cib.natixis.com/saudi-arabia/en).

How to Apply

Subscription to the Offer Shares is directed at and may only be accepted by:

Tranche (A): Participating Parties

This tranche comprises the parties eligible to participate in the book-building process as specified under the Book-Building Instructions and the other terms and conditions set forth in this Prospectus (for further details, please refer to Sections 1 ("**Definitions and Abbreviations**") and Section (16) ("**Subscription Terms and Conditions**")). These Participating Parties may apply in accordance with the conditions set out in this Prospectus. Subscription Application Forms can be obtained from the Bookrunners.

Tranche (B): Individual Investors

This tranche comprises Saudi Arabian nationals, including and Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the name of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi national person who is resident in the Kingdom and any GCC person, in each case who has a bank account, and is entitled to open an investment account, with one of the Receiving Agents, Subscription of a person in the name of his divorcee shall be deemed invalid, and if a transaction of this nature has been proved to have occurred, then the regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be considered void and only the first subscription will be accepted.

Participating Parties

Participating Parties can obtain Bid Forms from the Bookrunners during the book-building process period, and the Subscription Application Forms from the Bookrunners after provisional allocation. The Bookrunners shall, after the approval of the CMA, offer the Offer Shares to the Participating Parties only during the book-building period. Subscription by the Participating Parties shall commence during the Offering Period, which also includes the Individual Investors, in accordance with the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Bookrunners, which represents a legally binding agreement between the Company and the Participating Parties submitting the application.

Individual Investors

Subscription Application Forms for Individual Investors will be available during the Offering Period at the branches of the Receiving Agents. Individual Investors can also subscribe through electronic channels offered by the Receiving Agents that provide any or all of these services to Individual Investors who have recently participated in previous IPOs, provided that the following requirements are satisfied:

- The Individual Investors must have a bank account at the Receiving Agent which offers such services; and
- There should have been no changes in the personal information or data of the Individual Investor (by way of disposal or addition of any member of his family) since he/she last participated in a recent IPO; and
- Individual Investors who are not Saudi or GCC persons must have an account at one of the Capital Market Institutions which offers such services.

Subscription Application Forms must be completed in accordance with the instructions set out in Section (16) ("**Subscription Terms and Conditions**") of this Prospectus. An applicant must complete all relevant items of the Subscription Form. The Company reserves the right to reject any Subscription Application Form, in part or in whole, if any of the subscription terms and conditions are not met. The Subscription Application Form may not be amended or withdrawn after being submitted. The Subscription Application Form shall be deemed to be a binding agreement between the relevant investors and the Company (for further details, please refer to Section (16) ("**Subscription Terms and Conditions**")) of this Prospectus.

Excess subscription monies, if any, will be refunded to the main account of the Investor held with the Receiving Agent from which the subscription amount has been debited in the first place, without any commissions or withholding by the Lead Manager or Receiving Agents. Subscription monies shall not be refunded in cash or third-party accounts.

For further details regarding the subscription by Individual Investors and the Participating Parties, please refer to Section (16) ("**Subscription Terms and Conditions**")) of this Prospectus.

Summary of Key Information

This summary of key information is intended to provide a brief overview of the information contained in this Prospectus. As such, it does not contain all of the information that may be important to prospective investors. Recipients of this Prospectus are advised to read the entire Prospectus in full and any decision to invest in the Offer Shares.

In particular, it is important to carefully consider the "Important Notice" on page (i) and Section (2) ("**Risk Factors**"), prior to making any investment decision in the Offer Shares.

The Company

Founding and Share Capital Evolution of the Company

The International Company for Water and Power Projects ("**ACWA Power**" or the "**Company**") (together with its subsidiaries, the "**Group**") was founded as a closed joint stock company in the Kingdom of Saudi Arabia pursuant to ministerial resolution number 215/Q dated 2/7/1429H (corresponding to 5 July 2008G) with commercial registration number 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G) and with an initial share capital of SAR 2,920,895,000 (two billion nine hundred and twenty million eight hundred and ninety five thousand) consisting of 292,089,500 (two hundred and ninety two million eighty nine thousand and five hundred) ordinary shares with a nominal value of SAR 10 per share (each a "**Share**"). For further information on the evolution of the Company's share capital, see Section (4-11) ("**Founding and Share Capital Evolution of the Company**"). The Company's head office is located at 2nd Floor, Building 5, The Business Gate, King Khaled International Airport Road, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The Company's main activities are the development and operation of power and water desalination plants in the Kingdom of Saudi Arabia and internationally.

- On 1/12/1429H (corresponding to 29 November 2008G), it was resolved to increase the share capital of the Company to SAR 3,360,005,000 (three billion three hundred and sixty million and five thousand) consisting of 336,000,500 (three hundred and thirty six million and five hundred) Shares through subscription of new Shares by Mohammad & Abdullah Ibrahim Al Subaeaei Company, Al Fozan Holding, Omar Kassem Alesayi & Partners Marketing, Al Mutlaq Group Company and Al Mojel Trading & Contracting.
- On 2/7/1431H (corresponding to 14 June 2010G), it was resolved to increase the share capital of the Company to SAR 3,710,215,605 (three billion seven hundred and ten million two hundred and fifteen thousand six hundred and five) consisting of 371,021,560 (three hundred and seventy one million twenty one thousand five hundred and sixty) Shares through subscription of new Shares by the Company's shareholders.
- On 30/2/1434H (corresponding to 12 January 2013G), it was resolved to increase the share capital of the Company to SAR 4,604,952,440 (four billion six hundred and four million nine hundred and fifty two thousand four hundred and forty) consisting of 460,495,244 (four hundred and sixty million four hundred and ninety five thousand two hundred and forty four) Shares in relation to the subscription for new Shares by the Public Pension Agency and Saudi Arabian Investment Company (Sanabil Investments) as new shareholders.
- On 23/7/1434H (corresponding to 2 June 2013G), the share capital of the Company was increased through capitalisation of shareholder loans by resolution of the Shareholders (pursuant to Article 138 of the Companies Law) to SAR 5,335,952,440 (five billion three hundred and thirty five million nine hundred and fifty two thousand four hundred and forty) consisting of 533,595,244 (five hundred and thirty three million five hundred and ninety five thousand two hundred and forty four) Shares.
- On 26/11/1434H (corresponding to 2 October 2013G), it was resolved to reduce the share capital of the Company by SAR 137,693,000 (one hundred and thirty seven million six hundred and ninety three thousand) to SAR 5,198,259,440 (five billion one hundred and ninety eight million two hundred and fifty nine thousand four hundred and forty) consisting of 519,825,944 (five hundred and nineteen million eight hundred and twenty five nine hundred and forty four) Shares as a result of the cancellation of the Company's treasury buy-back shares.
- On 14/1/1435H (corresponding to 17 November 2013G), the share capital of the Company was increased by resolution of the Shareholders to SAR 5,476,037,210 (five billion four hundred and seventy six million and thirty seven thousand two hundred and ten) consisting of 547,603,721 (five hundred and forty seven million six hundred and three thousand seven hundred and twenty one) Shares in relation to the subscription for new Shares by IFC as a new shareholder.
- On 14/10/1439H (corresponding to 26 June 2018G), the share capital of the Company was increased by resolution of the Shareholders to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) Shares in relation to the subscription for new shares by the PIF as a new shareholder.

As of the date of this Prospectus, the Company's share capital amounts to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) ordinary cash Shares with a fully paid-up nominal value of SAR 10 per Share.

Overview

The International Company for Water and Power Projects ("**ACWA** Power" or the "**Company**") (together with its subsidiaries, the "**Group**") was founded as a closed joint stock company in the Kingdom of Saudi Arabia pursuant to ministerial resolution number 215/Q dated 2/7/1429H (corresponding to 5 July 2008G) with commercial registration number 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G) and with an initial share capital of SAR 2,920,895,000 (two billion nine hundred and twenty million eight hundred and ninety five thousand) consisting of 292,089,500 (two hundred and ninety two million eighty nine thousand and five hundred) ordinary shares with a nominal value of SAR 10 per share (each a "**Share**"). For further information on the evolution of the Company's share capital, please refer to Section (4-11) ("**Founding and Share Capital Evolution of the Company**"). The Company's head office is located at 2nd Floor, Building 5, The Business Gate, King Khaled International Airport Road, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The Company's main activities are the development and operation of power and water desalination plants in the Kingdom of Saudi Arabia and internationally.

The Group is a leading private developer, investor and operator of 64 power generation and water desalination projects (such projects of the Group, the "**Projects**") in operation, construction and advance development as of 1 June 2021G—with a portfolio both within the Kingdom of Saudi Arabia and internationally in the GCC, Egypt, Ethiopia, Morocco, South Africa, Turkey, Uzbekistan, Azerbaijan and Vietnam. The Group is a leading power and water provider, both in fossil fuel and renewable technologies, in the Kingdom of Saudi Arabia and a significant participant in the power generation and water desalination industries in the countries in which it operates as measured by MWs of contracted electricity generation capacity and millions of cubic meters (m3) of desalinated water capacity. As of 15 May 2021G, the Group had estimated market shares in Saudi Arabia, Oman, the UAE, Bahrain, Jordan and Uzbekistan of 24%, 43%, 14%, 29% ,22% and 23%, respectively, based on contracted power capacity, and 49%, 21%, 18% and 25%, respectively, of the production capacity of desalinated water in Saudi Arabia, the UAE, Oman and Bahrain. As of 1 June 2021G, the Group had a portfolio with a total estimated project cost of over SAR 248 billion, comprising 64 power and/or desalinated water Projects, in 13 countries, with a mix of renewable energy and conventional fuel Projects. Of these Projects:

- (39) are in operation representing a total estimated project cost of SAR 100.3 billion;
- (12) are under construction representing a total estimated incurred and future project cost of SAR 55.5 billion; and
- (13) are in a state of advanced development (either where the Group has been awarded a preferred bidder status, has signed the long-term Offtake Agreement, or for some negotiated deals has committed significant financial resources, and is working on achieving financial close) representing a total estimated incurred and future project cost of SAR 91.6 billion.

Table (1-4): The Group's operational capacity of the portfolio is highlighted in the table below:

	2018G	2019G	2020G*
Operational Capacity (# of projects)	32	41	38
Operational Capacity (GW)	16.9	20.5	20.3
Operational Capacity (million m3/day)	2.4	2.7	2.7

*Reduction in 2020G is due to removal of Bowarege and one plant at CEGCO and Karad was sold in 2020G.

As of 1 June 2021G, approximately 33% of the gross power capacity of the Group's power-generation Projects (including operating, under construction and in advanced development Projects) utilize renewable technologies (solar and wind), and another 44% use natural gas, so that approximately 77% of the gross power capacity of the Group's power-generating Projects utilizes either renewable or low carbon sources. Approximately 23% of the gross power capacity of the Group's power-generation Projects utilize coal and oil. However, with the decision of the Company in 2020G which was subsequently formalized by the Board of Directors to no longer pursue any new coal- or oil-fired project, the Group is committed to gradually reducing its green house gas (GHG) emission intensity and ultimately achieving net zero-emissions by 2050G.

The Group focuses on large assets operated with high standards in line with industry best practices. Approximately 71% of the Group's gross power generation capacity is from plants that have an individual capacity of greater than 1 GW. The Group's Offtake Agreements (including those for advanced development assets) have a weighted average (weighted by project cost) remaining life of 22 years. Between 31 December 2006G and 31 December 2020G, the Group's gross power capacity and water capacity (including under construction and advanced development Projects) have grown at CAGRs of 28.4% (from 1.3 GW to 41.7 GW) and 13.3% (from 1.0 million m3 to 5.8 million m3 per day), respectively.

The Group aims to become one of the largest power generation, water desalination players in the countries where it chooses to operate as well as a major Green Hydrogen player (i.e., establishment of plants to extract hydrogen used as fuel and as a means to store energy by separating hydrogen and oxygen from water through electrolysis using electricity generated from renewable energy sources), without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost. To this effect, the Group seeks to sustainably grow its power and desalinated water contracted capacities by focusing largely on sovereign offtake markets in the Kingdom of Saudi Arabia (where the counterparties to the relevant Offtake Agreement are state-owned entities), GCC and other high-growth economies through the expansion of its existing facilities, the development of greenfield Projects and the acquisition of ownership interests in companies operating existing plants. The

Group is also positioning itself to lead in the Energy Transition and be a key player in the market for Green Hydrogen, with one utility-scale project already announced in Saudi Arabia and additional projects being actively explored both inside and outside the Kingdom of Saudi Arabia. The Group aims to be a key developer, investor and operator of critical power, water desalination and Green Hydrogen assets.

The Group aims to be a strategic lead developer by targeting critical assets in strong growth markets, i.e. key assets for the economy and society such as water and energy plants. At the forefront of the Energy Transition, the Group focuses predominantly on renewables and transitional low CO2 projects and seeks to employ innovative technical, commercial and financial bidding strategies while focusing on cost leadership by providing turnkey solutions with leading original equipment manufacturers ("**OEMs**") and EPC Contractors. In these Projects, the relevant special purpose company incorporated in the host jurisdiction of the relevant Project which it is tasked to implement and which holds the relevant Project assets (the "**Project Company**") typically enters into a long-term offtake contract with creditworthy offtakers (which are usually government-related and/or predominantly investment grade). Long-term offtake contracts are contracts to sell the Project's electricity generation capacity and/or desalinated water production capacity at a pre-agreed tariff or to sell actual electricity generated and/or desalinated water produced at the relevant Project. The offtakers include investment-grade sovereign and quasi-sovereign entities, as well as predominantly investment grade resource/commodity-based industrial companies that require significant quantities of utility services and are usually capable of supplying their own fuel resources to the Projects (for example, captive power plants for oil and gas companies).

The Group co-invests in all of its Projects with a view to maintaining technical and operational control over the performance of these Projects. The Group aims to invest in Projects efficiently by bringing in equity partners in most of its Projects, by using non-recourse or limited recourse project finance debt and by targeting to raise funding using equity bridge loans. Equity bridge loans are frequently used as a structuring technique in I(W)PP projects because the cost of equity for such projects is almost always greater than the cost of debt. By bridging its equity injection during the construction period with an equity bridge loan, the Group is able to pass on part of the savings in cost of funds as a tariff reduction to the offtaker. Additionally, the Group seeks continuous capital optimization through re-financing of equity bridge loans with the objective of generating incremental return on its investments.

The Group's business is capital intensive in nature and the Group utilizes diverse sources of financing including a combination of equity and debt financing from a variety of sources including institutional investors, international development banks and international and national (Saudi) commercial banks. Financing and funding facilities of the Group comprise recourse and non-recourse facilities.

Recourse facilities are (i) direct borrowings at parent level for liquidity support and other general corporate purposes; (ii) facilities of the Project Companies, including equity commitments that are normally in the form of Equity Bridge Loans (EBLs), guaranteed by the Company (see Section (6-3-9-3) Contingencies and Commitments); and (iii) other liabilities in relation to APREH's convertible loan and PIF's non-interest bearing converted loan (for further analysis on the net recourse debt of the Company, please refer to Section (9) (Capitalization and indebtedness).

Non-recourse facilities are borrowings by either the Project Companies or the Holding Companies, which are ring-fenced with no recourse to the Company. They comprise (i) non-recourse facilities that are secured by the Project Company with its own assets, cash flows and contractual rights over certain proceeds; and (ii) non-recourse facilities that are secured by the Holding Company with its investments and cash flows through the Project Company with no recourse to the Company, including the existing ACWA39 Bond issued by the Company's wholly owned subsidiary APMI One with no recourse to the Company and secured against the cash flows from a select portfolio of Projects in the Kingdom of Saudi Arabia (refer to Section (9) Capitalisation and indebtedness).

The Group targets significant, long-term shareholding interests in most of its projects and seeks to play the role of the lead investor with de facto control over the investment (e.g. by obtaining and maintaining the ability to appoint senior managers (for example the CEO and the CFO) and operational management through NOMAC, its wholly owned subsidiary, acting as the operation and maintenance contractor on an arms-length basis). The Group focuses on building scalable investment platforms and on building and maintaining a portfolio with a diversified asset base. Furthermore, the Group seeks to maximise differential returns through the use of development fees (which are fees typically paid to the developers or sponsors upon financial close or COD as compensation for the risks taken and efforts made while developing the Project), project management and advisory fees (which are fees typically paid to the Group for managing the construction of the Project) and technical services fees (which are fees typically paid to the Group for providing technical advisory services for the Project during its operation), and O&M fees (which are the fees paid by the project company to the entity, usually a Group company, which provides operational and maintenance services to its plant following its commissioning) for all its Projects.

Normally, the Group does not operate third-party assets or own assets operated by third parties. Instead, the Group generally holds a significant equity interest in the assets it operates and largely a majority interest in the entities operating its assets. For the operation and maintenance of its own Projects, the Group generally leverages its wholly owned subsidiary, NOMAC, and NOMAC's subsidiaries or joint ventures, which operate the majority of the Group's Projects to its standardized operating model with what management considers to be high standards of health, safety, security and environmental protection in line with global standards. In this manner, the Group aims to create value through a standardised operational model that seeks to ensure superior control and understanding of operating assets through the life cycle, provide stable long-term income and super senior cash flows, incentivize adoption of consistent high operational standards and a culture of safety, enhance the use of digitalization to improve asset performance, capture the benefits from economies of scale, create operational synergies from replicable and transferable learnings, enhance risk mitigation and deliver systematically optimized costs across the supply chain.

Additionally, the Group seeks to continuously implement financial and operational initiatives to further optimize the returns from the portfolio. It systematically targets to recycle its capital through sell-downs of minority stakes in its Projects (while retaining its operational and de facto control), extending contracts beyond the original P(W)PA, and portfolio level capital structure optimization through (i) re-financing of equity bridge loans (by extending tenors for individual EBLs or re-financing the portfolio EBLs with long-term permanent capital) and/or (ii) bringing in strategic equity partner(s) on a portfolio of assets across multiple jurisdictions, both with the objective of generating incremental return on its investments.

The Group believes that its develop, invest, operate and optimize business cycle model allows it to generate total returns substantially in excess of its cost of capital or hurdle rate across the technologies and portfolio.

As of 1 June 2021G, the Group's portfolio of Projects in operation, under construction or in advanced development represented approximately 42 GW of gross electricity generation capacity and 6.4 million m3 per day of desalinated water production capacity. The Group's proportionate share of this gross capacity based on its equity share in each of the assets is 18.4 GW of electricity generation capacity and 2.8 million m3 per day of desalinated water production capacity. The Group's Projects in the Kingdom of Saudi Arabia accounted for approximately 55% of the Group's gross power capacity overall as of 1 June 2021G, with the next largest markets being Oman, UAE and Uzbekistan, accounting for approximately 12%, 11% and 10% of the contracted power capacity from the Group's Projects, respectively. The Group's Projects in the Kingdom of Saudi Arabia also represented approximately 67% of the Group's contracted desalinated water production capacity overall as of 1 June 2021G, with UAE, Oman and Bahrain accounting for the remaining 25%, 5% and 4% respectively.

Ownership in the Company

The following tables summarise the shareholding structure of the Company before and after the Offering:

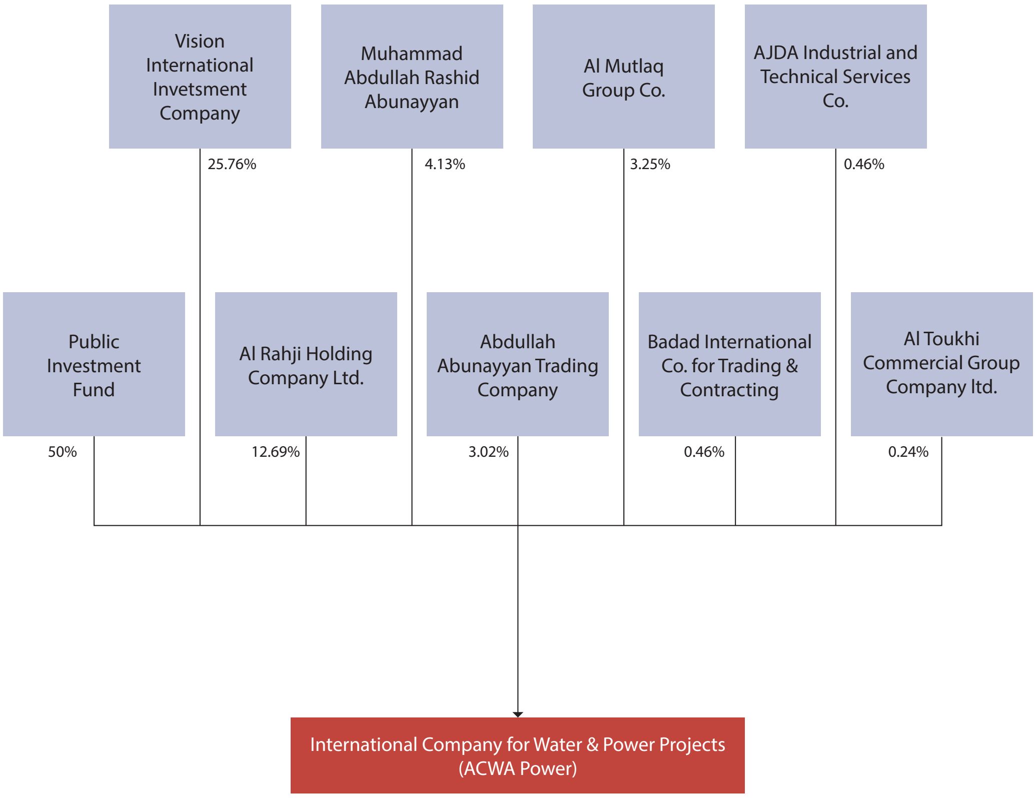
Table (1-5): Substantial Shareholders

Shareholder	Pre-Offering			Post-Offering		
	No. of Shares	Par Value (SAR)	Direct Ownership	No. of Shares	Par Value (SAR)	Direct Ownership
Public Investment Fund	322,881,439	3,228,814,390	50.00%	322,881,439	3,228,814,390	44.16%
Vision Investment	166,320,184	1,663,201,840	25.76%	166,320,184	1,663,201,840	22.75%
Al Rajhi Holding	81,918,658	819,186,580	12.69%	81,918,658	819,186,580	11.20%
Total	**571,120,281**	**5,711,202,810**	**88.45%**	**571,120,281**	**5,711,202,810**	**78.11%**

Source: Company

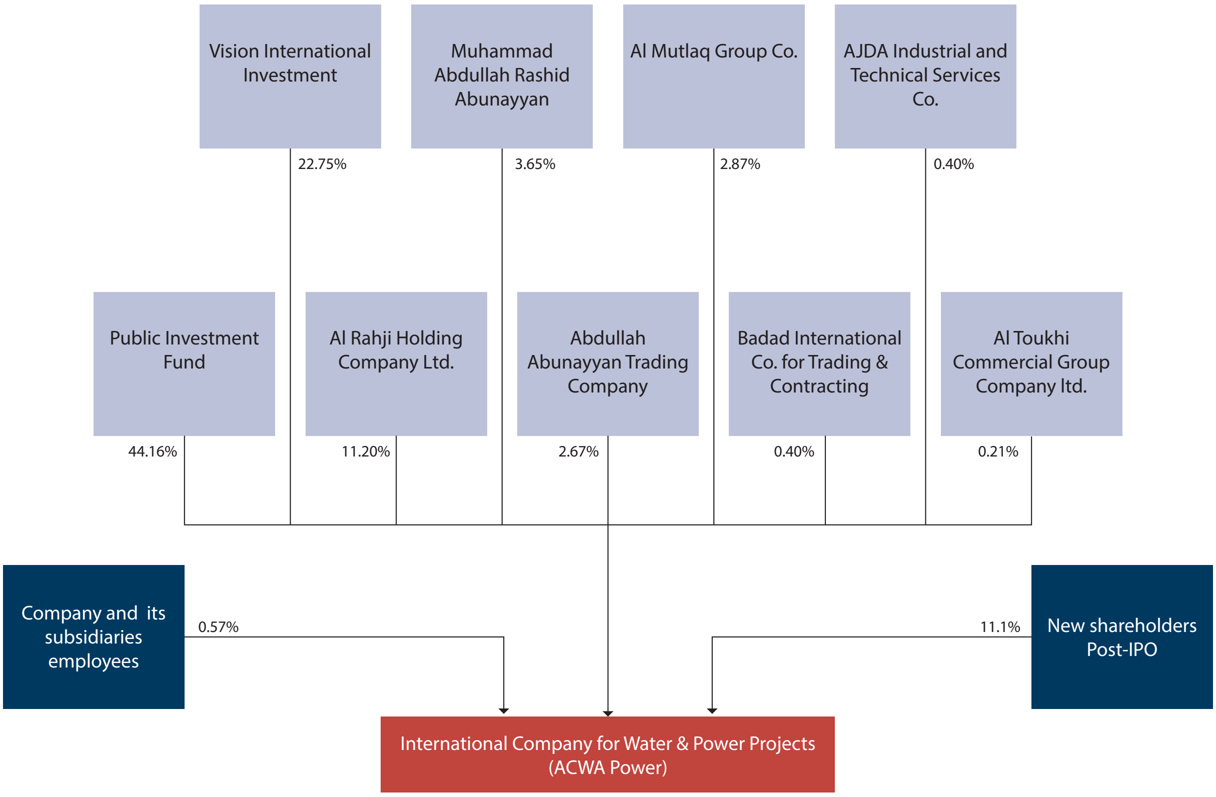
The following chart sets out the ownership structure of the Company prior to the Offering:

Figure (1): Pre-IPO Shareholdoing Structure



The following chart sets out the ownership structure of the Company after the Offering:

Figure (2): Post-IPO Shareholdoing Structure



* Through a fund established to administer a plan to grants shares to employees in connection with the Offering

Mission and Strategy

Vision, mission and values

The Group aims to become one of the largest IWPP players in the GCC, Asia and Africa without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost, as well as an innovative player in the Green Hydrogen and industrial gases landscape, and has accordingly set out the following mission and central values. The Group's mission is to reliably and responsibly deliver electricity and desalinated water at an optimized cost that is as low as possible to ensure uninterrupted and complete contracted cash flow throughout the term of the contract yet remains high enough to recover all costs and for the investment to create shareholder value. This contributes toward the Group's wider vision to ensure the ingenuity and entrepreneurship of the private sector and make available electricity and desalinated water in a reliable and responsible manner to support the social development and economic growth of nations in which the Group operates. The Group also aims to play a major role in the process of energy transition from the use of conventional power to the use of renewable power and Green Hydrogen.

The Group has as its central values: Safety, People, and Performance.

- **Safety:** The Group seeks to prioritize safety and is committed to protecting the well-being of its employees, partners, plants and communities in which they operate, while also finding sustainable solutions for its business in considerations of long-term environmental sustainability for the future generations.
- **People:** The Group seeks to foster a healthy, inclusive and productive working environment for its employees and partners, rooted in respect and professionalism. The Group seeks to work collaboratively, where people can contribute, innovate and excel through support to achieve client, personal and the Group's goals. Accordingly, the Group embraces strong ethical and professional standards, emphasizing values of integrity, transparency and collaboration.
- **Performance:** The Group commits itself to excellence in its business and operations. It seeks to achieve ambitious targets by expanding its capacities on an ongoing basis. Towards this end, the Group values speed, adaptability and accountability in approaching new challenges and contexts.

Strategy

The Group's overall strategy is to be at the forefront of the Energy Transition by delivering reliable and responsible power, desalinated water and Green Hydrogen at low cost in the Kingdom of Saudi Arabia, the wider GCC and attractive high-growth markets based on a de-risked and contracted business model.

The key tenets of the Group's strategy are:

1. Leadership in KSA and selected high-growth markets
2. Focus on driving the Energy Transition and wider environmental, social, and corporate governance (ESG) agenda in all targeted markets
3. De-risked business model underpinned by diversified long-term contracts
4. Utilise centralised expertise to optimise portfolio operations and economics via the Group's wholly-owned O&M company, NOMAC
5. Apply a total return concept focused on extracting economics across the value chain to offer optimal "win-win" tariffs

The Company's Key Strengths and Competitive Advantages

The Group's competitive strengths include its Project development mastery underpinned by the ACWA Power Total Solution, high quality contracted portfolio with diversified cashflows, business model configured to extract returns across lifecycles, seasoned management with strong in-house multi-disciplinary team of experts, critical mass in high-growth markets with visible growth pipeline and long-term buy-in from strategic shareholders.

1. Project development mastery underpinned by the cost-focused "ACWA Power Total Solution"
2. Established critical mass and leadership across markets
3. High quality, long-term contracted portfolio, diversified across geographies and technologies
4. Business model configured to extract value throughout the asset life cycle
5. A seasoned management team with decades of industry experience
6. Critical mass and leadership in high-growth markets immediate visible growth pipeline and long-term development opportunities

7. Long-term existence of the shareholders in the Company
8. Strong future outlook
9. Fee Income from new projects, which includes development fees, project management and advisory fees

Market Overview

ACWA Power operates across 13 countries, including its domestic market—the Kingdom of Saudi Arabia,—wider Gulf Cooperation Council (GCC) countries, as well as several high-growth economies. The company also considers numerous international markets for expansion. Its main activity includes wholesale electricity generation from conventional and renewable plants, operation of water desalination plants and provision of operations and maintenance (O&M) services through its fully owned-subsidiary NOMAC. After announcing the agreement to construct the Green Hydrogen plant in NEOM, ACWA is set to become a seminal player on the market of green hydrogen. All ACWA Power's target geographies are undergoing a historic energy transition, driven by increasing electricity demand and accelerated deployment of renewable energy.

This section provides an overview of general trends in water and power sector development, costs and investments across the target geography of ACWA Power, revealing the following key factors:

- Markets across the wider GCC and high-growth economies of Southeast Asia and Africa are at the forefront of electricity consumption rise with increasing needs to meet power demand.
- The regions are abundant with renewables energy potential and are increasingly considering solar and wind technologies to ensure sustainable, secure and accessible electricity supply.
- Solar PV and onshore wind technologies have become competitive against conventional technologies on the global scale and especially in the GCC states that witnessed multiple records of the lowest costs for solar PV technologies over the last years.
- Global energy investments have shifted towards emerging economies and power segment, mostly large-scale grid-connected market, as ESG ("Environmental, Social, Governance") strategies are becoming mainstream.
- Electricity generation markets where ACWA Power operates or plans expansion provide opportunities of investments with contracted revenues and visibility of the cash flows thanks to the regulated contractual business models.
- With newer wind and solar technologies replacing maturing projects, O&M services are set to experience accelerating growth led by affiliated service providers.
- Demand for water desalination (mostly, in the GCC states) is to be largely met with cost-efficient renewables-powered procurement through secure build-own-operate-transfer schemes.

Electricity demand and renewable power capacity are set to grow in target markets

The leading drivers of global electricity demand growth are industrial activity, space cooling, water heating, appliances and non-petroleum cars, but these vary substantially by geography (source: IEA WEO 2019, p.253). In addition, due to demographic and economic factors over the last two decades, the countries of wider GCC and high-growth economies of Southeast Asia and Africa have been among the global leaders in terms of electricity generation growth, exceeding OECD and South American economies (see the table below). According to IEA, while in advanced economies the growth in digitalisation and electrification is offset by improvements in energy efficiencies, in developing economies electricity generation will continue to grow thanks to higher population growth rates, rising incomes, expanding industrial output, increased electrification in previously under-served markets:

- The economies of GCC have been witnessing substantial increase in electricity consumption per capita and electricity intensity of GDP driven by housing and commercial projects that will be boosted further by growing adoption of electric vehicles and penetration of smart and driverless transport (source: IRENA 2019a, p.45, 119, 124).
- In South-eastern Asia, where less than 20% households are equipped with air conditioning and 45mn people still do not have access to electricity, rising incomes and high temperature control needs are propelling the ownership of appliances and cooling demand which is becoming the fastest-growing use of electricity (source: IEA 2019b, p.14-15).
- Sub-Saharan Africa is home to the largest unelectrified population in the world, with about 600mn people still lacking connection, so demand is to be added by achieving universal access to electricity. Another driver is urbanisation: the share of the population living in cities is now 40%, up from 32% in 2000 (sources: IRENA 2015, p.56; IEA 2019c, p.83).

The target geographies of ACWA Power have high potential for renewable generation

Renewable technologies are dominating the global market for new power generation capacity. According to IEA, these will provide globally over half of additional power generation by 2040, underpinned by policy support in nearly 170 countries and the improving competitiveness of the technologies. The transformation of electricity supply is underway around the world, but the extent of change varies widely. Regional outlooks depend critically on four factors: policy environment, technology preferences, available resources and the relative economics of different power generation technologies (source: IEA WEO 2019, p.264, 268).

Globally, IEA estimates additional installed capacity of 3,000 GW by the end of 2030G, and almost 2,900 GW for the following decade. Over 80% of additional capacity will be ensured by renewable generation, which will achieve half of the power mix in 10 years' time (source: IEW WEO, p.680). In the countries where ACWA Power currently operates or to where it is expanding – in the wider GCC and ASEAN regions (as well as Pakistan and South Africa), governments have announced plans to deploy around 385 GW of power capacity, including more than 230 GW of renewables (see Part 1B).

GCC and ASEAN countries have considerable renewable energy potential, making them suitable for solar photovoltaic (PV) and wind generation (to a lesser extent). All countries in wider GCC, South-eastern Asia and Africa signed the Paris Agreement and, through their Nationally Determined Contributions (NDCs), they committed to contribute to the global effort to mitigate greenhouse emissions. To limit the global temperature rise to well below 2 °C and towards 1.5 °C as per the Paris Agreement targets, annual energy-related CO_2 emissions would need to fall more than 70% from now until 2050G. A large-scale shift to renewable energy and electrification measures could deliver three-quarters of the needed reductions. (sources: IMF WEO, p.341; IRENA 2020c, p.64). There are also region-specific trends supporting the need for additional renewable capacity.

First, these region-specific trends depend on social and economic level of development and the resulting specific power sector challenges as well as policy priorities. In GCC, the surge in domestic energy consumption, including in the power sector, has challenged policy makers to meet demand economically, without compromising current and future hydrocarbon export revenues, while also managing their countries' carbon footprint. Several governments have set targets for the deployment of renewable energy, as part of broader initiatives aimed at achieving greater economic and energy sustainability to gain benefits that include fossil-fuel savings, emissions reductions and new jobs. Synergies between renewable energy integration and energy efficiency also exist in the water sector, for instance with production of chilled water via renewable energy – see the end of Part 1A for more details (source: IRENA 2019a, p.38, 51, 101, 130, 136).

Second, these region-specific trends are shaped by local power and water system specificities, such as for instance synergies with water desalination technologies in the GCC region, increasing interconnection across ASEAN and integration with agricultural needs in Sub-Saharan Africa. In South-eastern Asia, one of the key challenges is how to supply the growing demand for energy while at the same time enhancing energy security. Increasing flexibility of power systems is necessary to accommodate variable renewable sources of generation. In this context, further regional power system integration can support the growth of renewable sources of generation, in particular from wind and solar PV, as it provides such flexibility. In recent years, ASEAN members have reinvigorated their push to implement the power grid concept in full, including the establishment of multilateral power trading (sources: IRENA 2016, p.31, 35, 40; IRENA 2019a, p.139, 143).

Africa's solar power generation potential exceeds future demand by orders of magnitude. Unreliable power supply has been one of the obstacles in accelerating the economic growth for most African countries. The countries in the continent face the challenge of timely investment to meet the growing demand and support economic growth. In the longer term, the aim is also to ensure modern energy access to the entire population. Large-scale deployment of renewable energy now offers Africa a cost-effective path to sustainable and equitable growth. The vast majority of rural households in Africa rely on agriculture, and integrating agricultural energy needs such as irrigation, agroprocessing and storage into the design of electricity access business models and technologies can have a positive impact (source: IRENA 2015, p.14, 36, 38).

Global energy investments shift towards emerging economies

For the fourth year in a row, on the global level, the power sector exceeded oil and gas sectors as the largest investment segment and the focus is shifting towards emerging & developing economies. The power sector represents 50% of total energy supply investment worldwide and includes spending on new power plants, transmission and distribution lines, as well as refurbishments and upgrades. Renewables account for about USD 360bn per year, most of it for solar PV and wind power. Globally, the increasing cost-competitiveness of renewable energy technologies has been most apparent in the large-scale grid-connected market (source: IEA WEO, p.272).

Spending on renewables is shaped by the ESG ("Environmental, Social, Governance") strategies which are becoming mainstream by seeking positive, long-term returns from sustainable, ethical and socially responsible investments. Countries stand to gain significantly from renewable energy installations through fossil-fuel savings, emission reductions and job creation (IRENA 2019a, p.17).

During 2015 – 2018 the wider GCC region and Southeast Asia were among the main areas where the investment in the renewables has been growing: in total, by almost USD 3bn in the former and USD 0.5bn in the latter. The growth rates differ starkly – in the past five years, power sector investment across Arab Gulf countries has risen by nearly 40%, while in Southeast Asia it has remained around the same level, in part due to risks related to grid development and financial performance of incumbent utilities (sources: IEA WEI 2019, p.57, 60).

A considerable share of investment in the GCC region is driven by large stand-alone projects. In addition to the projects themselves, the GCC countries are also investing in the value chain including project developers, manufacturing companies, and research and development initiatives. Since 2015, auctions have been used to award more than 3,500 MW of renewable energy projects in the region. Other helpful factors include investor confidence, the strategic benefits of entering a promising market, low taxes, and minimal land and grid-connection costs (source: IRENA 2019a, p.15).

In Sub-Saharan Africa, power investment grew 8% in 2018, though has grown over 80% since 2010. This growth has all come from generation, over 65% of which was in renewables (sources: IEA WEI 2019, p.60).

Power sector reforms have kicked off in a number of countries in Central Asian and the Caucasus including a move to PPP schemes. An old and inefficient power generation portfolio is rapidly being replaced and expanded, both with conventional and renewable power plants, in some countries that are opening up to foreign investments and are liberalising their markets.

Business models underpinned by contracted revenues support investment

Investment in the power sector typically relies on a range of mechanisms, with contracted or state-backed mechanisms securing the revenues representing the majority of projects. There is a wide range of market and regulatory arrangements across the different countries, which result in different degrees of risk exposure for investors.

In countries which have introduced liberalised electricity markets, a merchant plant is one that is not owned by a utility or end-use customer and does not have a long-term bilateral contract for the power sale, but earns its revenues entirely from the wholesale electricity markets. To date, the most popular transaction type for dealing with long-term merchant risk has been the corporate power purchase agreements (PPAs).

Many countries still feature either regulated monopolies or have introduced some degree of liberalisation with third party Independent Power Producers (IPPs). In such countries investment in power production is typically either regulated or supported by long term power purchase agreements which provide long term guaranteed revenues. ACWA Power's projects prioritise long-term PPAs with largely Government-backed offtakers (source: ACWA Power).

Cash flow certainty is critical for generation projects to manage risks and facilitate financing. Nearly all utility-scale investments to date benefit from long-term pricing under policy schemes – e.g. auctions for contracts and feed-in tariffs (FiTs) – and physical power purchase agreements with utilities subject to purchase obligations. Looking ahead, most renewable investments benefit from such policies (source: IEA WEO 2019, p.137).

According to IEA, most of renewables investment is carried out on the balance sheets of developers: but project finance transactions have grown, especially for utility-scale solar PV and wind, to over USD 50bn in 2019. Renewables investment largely depends on policies and contracts that help manage price risks and there continues to be a global movement towards long-term contracts awarded via competitive auctions, but developers and financiers are increasingly required to have strategies for solar PV and wind projects to manage revenue risks. Corporate PPAs were the largest commercial arrangement for renewables with associated investments over USD 18bn in 2019, mainly in the US and Europe: over 10% of utility-scale solar PV and wind investment is now based on corporate PPAs (IEA WEI 2020, p.152-153).

Renewable technologies become competitive against conventional technologies

Reliance on renewables technologies has been increasingly offering power producers greater abilities to compete on price as the electricity production costs have become competitive vis-à-vis conventional sources in recent years.

Levelised Cost of Energy (LCOE) Analysis is a cost metric methodology allowing to compare different electricity production technologies. The calculation of LCOE values is based on project-specific total installed costs and capacity factors, as well as the O&M costs. The LCOE of renewable energy technologies varies by technology, country and project, based on the renewable energy resource, capital and operating costs, and the efficiency/performance of the technology (source: IRENA 2020a, p.136).

Fuel prices materially affect the LCOE of conventional generation technologies, but direct comparisons to "competing" renewable energy generation technologies must take into account issues such as dispatch characteristics (e.g., baseload and/or dispatchable intermediate capacity vs. those of peaking or intermittent technologies) and most of all the differential of input wind and solar resource available in the different locations and countries.

Renewable technologies (PV and wind) are approaching the LCOE of conventional generation, and trends are expected to continue in the future, as shown in table below.

Cost trends in the GCC have been consistent with international trends. Solar PV is emerging as the cheapest source of electricity generation for new projects in the GCC, beating natural gas, liquefied natural gas, oil, coal and nuclear. Meanwhile, CSP costs less than what some utilities such as the Dubai Electricity and Water Authority pay for gas-based options. Well-designed auctions have been essential for lowering costs. Since 2015, they have been used to award more than 3,500 MW of renewable energy projects in the region.

- Large-scale solar PV projects in Dubai have featured record-low bids in 2014 (USD 59.8 per MWh for a 200 MW project) and again a few years later (USD 29.9 per MWh for an 800 MW venture). And yet, these bids now look high compared to the winning USD 23.4 per MWh bid by ACWA Power for the 300 MW Sakaka project in the Kingdom of Saudi Arabia, and USD 24 per MWh for another, 250 MW, solar park in Dubai in late 2018. Earlier this year, the 900 MW fifth phase of 5 GW Mohammed bin Rashid Al Maktoum Solar park was awarded a 25-year power purchase agreement with a bid of USD 16.953 per MWh. In Dubai, Abu Dhabi got the world's record low solar power price offer of USD 13.5 per MWh on a LCOE basis by a consortium which offered to build a 1.5 GW PV plant.
- CSP with storage can provide a dispatchable source of renewable generation that may be considered firm capacity by utilities. Blended solar technology features the low price of PV and the storage of CSP to provide a comprehensive alternative to gas-based generation. This is shown by the record low of USD 73 per MWh for the 700 MW Phase IV of Dubai's solar park.
- Governments are also capitalising on the availability of strong wind resources, thus increasing the competitiveness of onshore wind in the region. Thanks to performance improvements, the LCOE estimate reached USD 60 per MWh in 2018. In the Kingdom of Saudi Arabia, among the schemes that have already been tendered are the 400-MW Dumat Al Jandal onshore wind project and the 300-MW Sakaka solar photovoltaic (PV) project. In July, Dumat Al Jandal marked a new global record low levelised cost of energy (LCOE) by closing at USD 19.9 per MWh (sources: IRENA 2019a, p.15-16, 87, 99; IRENA 2020b, p.52, PV 2020b, PV 2020c).

The low cost of Solar in the Kingdom of Saudi Arabia in particular is evidenced by the bids shortlisted for the Solar PV capacity as part of the National Renewable Energy Programme (NREP). In 2018, as part of the 1st round of procurement programme organised by REPDO the contract for Sakaka (capacity of 300 MW) was awarded to ACWA Power at SR 8.79 per kWh (or USD 23.6 per MWh). The second round initially drew 250 bidders, as it includes four solar PV plants totalling 1.4 GW. Shortlisted prospective developers offered the bids in the range of USD 15.9 – 17.8 per MWh. Same trend of tariffs reduction has been observed for land-based wind technology, when under NREP the above-mentioned 400 MW Dumat Al Jandal onshore wind project was tendered and marked a new global record low LCOE by closing at USD 19.9 per MWh. (sources: PV 2020a, Renewables Now).

The need for O&M services will support the development of the value chain

With increasing demand for capacity and aging of the existing technologies, there is a large and growing market for servicing of the power plants, including those that use conventional technologies as well as those relying on renewables.

Gas-fired power generation is known for having relatively low operation and maintenance (O&M) costs, but with their ability to quickly ramp output up or down as needed, the growing requirement of intermittent renewable supply will likely drive gas-fired O&M costs. A major driver for O&M costs at coal-fired plants is monitoring and servicing the many moving parts involved in the generation process, including turbines and generating sets, coal yard conveyors and handling systems. As coal power stations are often baseload plants, these components are expected to operate continuously while being subjected to heavy loads and high temperatures, as well as varying levels of dust, dirt and moisture (source: Power Technology).

When expressed on a USD per MWh basis, O&M spending for the fossil-fuel plants tends to increase with age. This is primarily a result of declines in plant capacity factors over time. The decline in capacity factor, in turn, could be a result of less efficient heat rates, increased component failures, and increased outage rates over time. A major contributor to this decline in performance is often a result of increased cycling operation which leads to higher O&M spending over time (source: EIA 2019).

According to Wood and Mackenzie, the annual spend on non-residential solar PV O&M will grow to USD 9bn by 2025. The main driver behind the demand for O&M services for the solar power systems is that the growing number of them will be nearing their end of life (source: Wood Mackenzie 2020). The global offshore wind O&M market is expected to grow by 17% annually. Turbine O&M costs constitute the biggest portion of offshore wind OPEX spend. Uncertainty caused by key component failures is further pushing the costs upwards (source: Wood Mackenzie 2019).

The O&M opportunity is attractive for market players as renewable sources generation plays a key role in the energy transition. For all ageing renewable technologies, project owners must assess the economics of repowering, refurbishing or decommissioning. The uptake of renewable energy could lead to the establishment of a regional market of equipment and services, offering promising opportunities to countries with well-developed relevant industries and service sectors. Countries with relatively nascent industries can also contribute to this market by adopting industrial policies to help build or strengthen their domestic capabilities (IRENA 2019a, p.112).

Desalination capacity is growing globally whilst costs of technologies are declining

As water scarcity grows and with advances in desalination technology and reductions in cost, policy makers around the world are rightly asking whether desalination should play a part in closing the gap between supply and demand in future years. In 2018, 18,426 desalination plants were reported to be in operation in over 150 countries, producing 87mn cubic meters of clean water each day and supplying over 300mn people (including non-utility-scale production). 44% of this capacity is concentrated in the countries of the Arabian Gulf (source: Wold Bank, p.8). Certain countries bordering the Caspian Sea in Central Asia and the Caucasus as well as a selection of African counties start to look into water desalination options as a solution as their shrinking availability of drinking water (see Part 1B).

There are two main desalination methods, thermal and membrane, and both can be combined as a hybrid:

- Thermal desalination: condensing the vapor resulting from evaporating salt water. MED ("multiple effect distillation") uses nozzle spray, MSF ("multistage flash distillation") evaporates water with a flashing mechanism.
- Membrane methods adapt the natural process of osmosis (i.e., equalising solute pressure of two liquids under pressure). Seawater reverse osmosis (SWRO) plants usually build in pre-treatment facilities not used in thermal systems to pre-treat the source seawater.

In 2014, SWRO technology represented about 63% of the global desalination capacity, followed by MSF (23%), MED (8%) and hybrid technologies (6%). Thermal is, however, still a leading technology in the GCC countries, where, as of 2015, 53% plants used thermal technology and 47% SWRO (source: World Bank, p.17).

The cost of desalination has decreased over the years, and it is becoming an increasingly feasible option. Until now, MSF has been the more competitive thermal technology for larger projects and MED for smaller ones, but MED is becoming more competitive at all scales. In terms of average cost, SWRO records the lowest, but production costs of hybrid projects have often proved lower than the costs of single-technology production. Despite considerable cost reductions in recent years for all technologies energy remains by far the largest single item of recurrent cost. Thermal plants need mainly thermal energy, whereas SWRO uses more electricity (source: World Bank, p.43).

One area for future focus will be a shift away from fossil-based energy supply for desalination to renewable energy (RE). Large-scale RE-based desalination projects are largely confined to wind, although the Kingdom of Saudi Arabia is pioneering solar PV-based desalination. Costs of solar powered desalination are currently high, but technological advances will make CSP and other RE technologies cost competitive. Currently, PV-based SWRO solar desalination is the leading solar energy choice and is the main focus of further research: the regions of the world with freshwater scarcity are also the ones with good solar power potential. They also typically have large desert or waste lands that can be used for solar farms. The key challenges of RE (solar and wind in particular) are the intermittence of supply, storage requirements, and space for installation of the RE equipment. To reach maturity and cost-effectiveness, desalination generation using RE will continue to need strategic support: elimination of fossil-fuel subsidies, creation of an enabling environment for long-term power-purchase agreements and feed-in tariffs, and support for initial investments and research and development related to RE (source: World Bank, p.56-59).

The use of BOOT ("build-own-operate-transfer") schemes for procuring desalination infrastructure and services is gaining popularity, as they allow the project to be financed off the balance sheet of the awarding authority. 47% percent of desalination capital investments made in 2016 (USD 2.9bn) were financed using BOOT schemes. This share is expected to increase to 50 percent by 2020 (source: World Bank, p.66).

Green Hydrogen will have an important role in decarbonisation

ACWA Power is developing a number of green hydrogen strategic opportunities in its core markets. With these initiatives, ACWA Power wants to position itself as one of the key suppliers of state-of-the-art renewable solutions strongly integrated with green hydrogen production (In July 2020G, ACWA Power, in partnership with Air Products and NEOM, announced the signing of an agreement to build one of the world's largest green ammonia production facility based on hydrogen, worth SAR 18.75 billion, and operates on renewable energy only.)

Hydrogen is an energy carrier and is one of the few options for storing electricity from days to months. The combustion of one kilo of hydrogen produces three times more power than one kilo of gasoline and only water is produced. Another way to store energy is the use of fuel cells, which can produce electricity continuously as long as hydrogen and oxygen are supplied (Source: Water and Electricity Company 2019a, p. 2.8) Hydrogen can help decarbonize a range of sectors, including transportation long distances, chemicals, iron and steel, which have proven difficult to reduce emissions, although it is currently used primarily in the refining and chemicals sectors (source: IEA).Hydrogen can be produced from all energy sources approximately, and can be as follows:

- **Grey hydrogen:** produced from fossil fuels like natural gas, oil or coal, which emit CO2 into the air during Hydrogen production;
- **Blue hydrogen:** produced from natural gas, but with CO2 emissions during Hydrogen production sequestered via carbon capture technologies allowing CO2 to be safely stored or utilised in industrial processes; and
- **Green hydrogen:** produced from renewable sources Currently, 96% of hydrogen is produced from fossil fuels via the carbon-intensive processes steam methane reforming or coal gasification (source: WEC 2019a, p.8).

The two main low-carbon production routes for hydrogen involve: coupling conventional technologies with CCUS and generating hydrogen through water electrolysis.

According to the Hydrogen Council, hydrogen can provide economically viable and socially beneficial solutions to the energy transition needed to limit global warming by 2°C. According to the council's vision, by 2050G, hydrogen will enable the deployment of renewable energy sources by converting and storing more than 500 TWh of electricity that would otherwise be reduced. In addition to its environmental benefits, the hydrogen economy can create opportunities for sustainable economic growth. The council forecasts a market for hydrogen and its technologies with revenues of more than SAR 9.375 trillion annually, and jobs for more than 30 million people globally by 2050G (Source: Hydrogen Council 2017). Current demand for pure Hydrogen is around 70 Mt per year (of which refining accounts for 38.2 Mt and the ammonia sector consumes 31.5 Mt). Almost all of it is produced from fossil fuels. In the future, however, there will be significant growth for green Hydrogen for the uses previously mentioned, primarily driven by demand in East Asia, Europe which will become the main potential export market for the main producers (source: IEA 2019, p.18).

Demand for low-carbon could significantly increase as a result of the global trends for injecting hydrogen into the gas grid and replacing "grey" hydrogen with "green" in industrial applications as well as using hydrogen for heavy transportation, steel production and eventually in perspective for shipping and aviation (source: IEA, 2020).

In Europe alone, there is potential for approximately 2,250 TWh of hydrogen demand in 2050, representing roughly a quarter of the EU's total energy demand. In the "water-electrolysis-dominant scenario", new hydrogen demand is met to a large degree from electrolysis. Import of hydrogen also plays a significant role in the EU's 2020 hydrogen strategy planning for 40 GW of electrolyser capacities outside of Europe by 2030 to meet European hydrogen demand – together with additional 40 GW located within the EU (source: EU COM 2020).

Summary of Financial Information

The selected financial information set out below should be read together with the Group's audited consolidated financial statements as of and for the financial years ended 31 December 2018G, 2019G and 2020G, including, in each case, the notes thereto, each of which are included in Section (19) ("**Auditor's Report**").

Table (1-6): The following table presents the Group's consolidated statement of profit and loss and other comprehensive income for the financial years ended 31 December 2018G, 2019G and 2020G

Consolidated Statement of profit or loss and comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Continuing operations						
Revenue	**3,227,833**	**4,114,999**	**4,829,111**	**27.5%**	**17.4%**	**22.3%**
Operating costs	(1,965,965)	(2,028,804)	(2,301,362)	3.2%	13.4%	8.2%
Gross profit	**1,261,868**	**2,086,195**	**2,527,749**	**65.3%**	**21.2%**	**41.5%**
Development cost, provision and write offs, net of reversals	16,368	(50,790)	(142,856)	-410.3%	181.3%	-
General and administration expenses	(562,930)	(617,747)	(818,882)	9.7%	32.6%	20.6%
Share in net results of equity accounted investees, net of tax	942,716	283,794	231,107	-69.9%	-18.6%	-50.5%
Other operating income	160,325	140,645	151,872	-12.3%	8.0%	-2.7%
OPERATING INCOME BEFORE IMPAIRMENT LOSSAND OTHER EXPENSES	**1,818,347**	**1,842,097**	**1,948,990**	**1.3%**	**5.8%**	**3.5%**
Impairment loss and other expenses, net	(623,748)	(880,203)	(181,051)	41.1%	-79.4%	-46.1%
OPERATING INCOME AFTER IMPAIRMENT LOSSAND OTHER EXPENSES	**1,194,599**	**961,894**	**1,767,939**	**-19.5%**	**83.8%**	**21.7%**
Other income	64,948	336,820	155,608	418.6%	-53.8%	54.8%
Exchange loss, net	(8,576)	(29,106)	(23,460)	239.4%	-19.4%	65.4%
Financial charges	(570,655)	(869,862)	(1,068,448)	52.4%	22.8%	36.8%
Profit before zakat and income tax	**680,316**	**399,746**	**831,639**	**-41.2%**	**108.0%**	**10.6%**
Zakat and tax credit / (charge)	(39,942)	(74,008)	50,950	85.3%	-168.8%	-
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**640,374**	**325,738**	**882,589**	**-49.1%**	**171.0%**	**17.4%**
DISCONTINUED OPERATIONS						
Profit / (loss) from discontinued operation including gain / (loss) recognized on loss of control in a subsidiary, net of tax	(1,539,288)	554,345	19,798	-136.0%	-96.4%	-
PROFIT / (LOSS) FOR THE YEAR	**(898,914)**	**880,083**	**902,387**	**-197.9%**	**2.5%**	**-**
Profit / (loss) attributable to:						
Equity holders of the parent	(773,842)	1,173,865	882,568	-251.7%	-24.8%	-
Non-controlling interests	(125,072)	(293,782)	19,819	134.9%	-106.7%	-

Consolidated Statement of profit or loss and comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
	(898,914)	**880,083**	**902,387**	**-197.9%**	**2.5%**	**-**
Basic and diluted earnings / (loss) per share (SAR)	(1.30)	1.82	1.37	-240.0%	-24.7%	-
Basic and diluted earnings per share for continuing operations (SAR)	1.27	0.98	1.34	-22.8%	36.7%	2.7%
PROFIT / (LOSS) FOR THE YEAR	**(898,914)**	**880,083**	**902,387**	**-197.9%**	**2.5%**	**-**
Other comprehensive (loss) / income (OCI)						
Items that are or may be reclassified subsequently to profit or loss						**-**
Foreign operations – foreign currency translation differences	(198,257)	268,481	23,585	-235.4%	-91.2%	-
Equity accounted investees – share of OCI	315,667	(729,442)	(1,191,366)	-331.1%	63.3%	-
Net change in fair value of cash flow hedge reserve	111,014	(294,596)	(400,330)	-365.4%	35.9%	-
Items that will not be reclassified to profit or loss						
Re-measurement of defined benefit liability	12,960	(18,244)	11,506	-240.8%	-163.1%	-5.8%
Total other comprehensive (loss) / income	**241,384**	**(773,801)**	**(1,556,605)**	**-420.6%**	**101.2%**	**-**
Total comprehensive (loss) / income	**(657,530)**	**106,282**	**(654,218)**	**-116.2%**	**-715.5%**	**-0.3%**
Total comprehensive (loss) / income attributable to:						
Equity holders of the parent	(557,650)	530,529	(554,615)	-195.1%	-204.5%	-0.3%
Non-controlling interests	(99,880)	(424,247)	(99,603)	324.8%	-76.5%	-0.1%
	(657,530)	**106,282**	**(654,218)**	**-116.2%**	**-715.5%**	**-0.3%**

Source: Audited consolidated financial statements

Table (1-7): The following table presents the Group's key performance indicators for the financial years ended 31 December 2018G, 2019G and 2020G

SAR in 000's	As at / for the financial year ended 31 December			Increase / (Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Operating income before impairment loss and other expenses	1,818,347	1,842,097	1,948,990	1.30%	5.80%	3.50%
Profit/(Loss) attributable to equity holders of the parent	-773,842	1,173,865	882,568	-251.70%	-24.80%	-
Adjusted net profit attributable to equity holders of the parent	1,026,313	1,693,864	1,264,481	65.00%	-25.30%	11.00%
Period end cash balance	**4,627,777**	**2,021,226**	**206,096**	**-56.30%**	**-89.70%**	**-78.80%**
Parent net leverage ratio (leverage/ net tangible equity)	**0.1**	**0.5**	**0.96**	**NA**	**NA**	**NA**

Table (1-8): The following table presents a summary of the Group's consolidated statement of financial position as at 31 December 2018G, 2019G and 2020G).

Statement of financial position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	8,713,473	11,982,377	12,732,340	37.5%	6.3%	20.9%
Intangible assets	2,052,931	2,059,205	2,058,678	0.3%	0.0%	0.1%
Equity accounted investees	6,576,574	5,293,867	5,062,848	-19.5%	-4.4%	-12.3%
Non-current portion of net investment in finance lease	9,114,728	10,364,334	10,605,337	13.7%	2.3%	7.9%
Due from related parties	71,984	111,258	86,658	54.6%	-22.1%	9.7%
Deferred tax asset	34,029	23,460	135,498	-31.1%	477.6%	99.5%
Fair value of derivatives	13,273	-	-	-100.0%	-	-100.0%
Strategic fuel inventories	77,631	70,771	70,760	-8.8%	0.0%	-4.5%
Other assets	205,778	206,110	197,510	0.2%	-4.2%	-2.0%
TOTAL NON-CURRENT ASSETS	26,860,401	30,111,382	30,949,629	12.1%	2.8%	7.3%
CURRENT ASSETS						
Inventories	302,409	438,324	450,835	44.9%	2.9%	22.1%
Current portion of net investment in finance lease	216,891	209,902	323,571	-3.2%	54.2%	22.1%
Due from related parties	756,516	734,156	745,661	-3.0%	1.6%	-0.7%
Accounts receivable, prepayments and other receivables	2,532,680	2,953,802	3,020,235	16.6%	2.2%	9.2%
Cash and cash equivalents	5,498,265	2,798,315	832,668	-49.1%	-70.2%	-61.1%
	9,306,761	7,134,499	5,372,970	-23.3%	-24.7%	-24.0%
Assets held for sale	-	475,402	-	-	-100.0%	-

Statement of financial position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
TOTAL CURRENT ASSETS	**9,306,761**	**7,609,901**	**5,372,970**	**-18.2%**	**-29.4%**	**-24.0%**
TOTAL ASSETS	**36,167,162**	**37,721,283**	**36,322,599**	**4.3%**	**-3.7%**	**0.2%**
EQUITY AND LIABILITIES						
EQUITY						
Shareholders' equity						
Share capital	6,429,344	6,429,344	6,429,344	-	-	-
Share premium	1,177,031	1,177,031	1,410,398	-	19.8%	9.5%
Statutory reserve	437,239	554,626	642,883	26.8%	15.9%	21.3%
Retained earnings	2,363,259	3,102,108	1,184,908	31.3%	-61.8%	-29.2%
Equity attributable to owners of the Company before other reserves	10,406,873	11,263,109	9,667,533	8.2%	-14.2%	-3.6%
Other reserves	(717,900)	(1,361,236)	(2,798,419)	89.6%	105.6%	97.4%
Equity attributable to owners of the Company	9,688,973	9,901,873	6,869,114	2.2%	-30.6%	-15.8%
Non-controlling interests	1,385,184	703,504	531,041	-49.2%	-24.5%	-38.1%
TOTAL EQUITY	11,074,157	10,605,377	7,400,155	-4.2%	-30.2%	-18.3%
LIABILITIES *						
NON-CURRENT LIABILITIES						
Long-term financing and funding facilities	17,734,682	17,480,944	17,286,744	-1.4%	-1.1%	-1.3%
Due to related parties	81,176	860,202	1,577,839	959.7%	83.4%	340.9%
Equity accounted investees	60,546	516,982	1,244,571	753.9%	140.7%	353.4%
Fair value of derivatives	132,598	286,442	650,789	116.0%	127.2%	121.5%
Deferred tax liability	245,776	250,552	125,711	1.9%	-49.8%	-28.5%
Deferred revenue	67,108	129,827	63,304	93.5%	-51.2%	-2.9%
Other financial liabilities	924,195	395,724	290,990	-57.2%	-26.5%	-43.9%
Employee end of service benefits' liabilities	123,148	159,598	178,964	29.6%	12.1%	20.6%
Other liabilities	201,532	252,117	309,422	25.1%	22.7%	23.9%
TOTAL NON-CURRENT LIABILITIES	19,570,761	20,332,388	21,728,334	3.9%	6.9%	5.4%
CURRENT LIABILITIES						
Accounts payable and accruals	3,760,288	3,439,786	4,116,726	-8.5%	19.7%	4.6%
Short-term financing facilities	618,942	444,218	364,847	-28.2%	-17.9%	-23.2%
Current portion of long-term financing and funding facilities	1,018,637	2,271,229	1,178,360	123.0%	-48.1%	7.6%

Statement of financial position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Due to related parties	-	19,964	43,280	-	116.8%	-
Fair value of derivatives	10,613	51,883	59,584	388.9%	14.8%	136.9%
Zakat and taxation	113,764	183,411	276,517	61.2%	50.8%	55.9%
	5,522,244	6,410,491	6,039,314	16.1%	-5.8%	4.6%
Financing and funding facilities classified as current	-	-	1,154,796	-	-	-
Liabilities associated with assets held for sale	-	373,027	-	-	-100.0%	-
TOTAL CURRENT LIABILITIES	**5,522,244**	**6,783,518**	**7,194,110**	**22.8%**	**6.1%**	**14.1%**
TOTAL LIABILITIES	**25,093,005**	**27,115,906**	**28,922,444**	**8.1%**	**6.7%**	**7.4%**
TOTAL EQUITY AND LIABILITIES	**36,167,162**	**37,721,283**	**36,322,599**	**4.3%**	**-3.7%**	**0.2%**

Source: Audited consolidated financial statements

Table (1-9): The following table summarizes the Group's cash flow statement during 2018G, 2019G and 2020G:

Cash flow statement	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Net cash generated from operating activities	1,877,934	1,595,616	1,910,323	-15.0%	19.7%	0.9%
Net cash used in investing activities	(3,483,487)	(2,867,275)	(1,384,488)	-17.7%	-51.7%	-37.0%
Net cash (used in) / from financing activities	**3,864,589**	**(1,428,291)**	**(2,491,482)**	**-137.0%**	**74.4%**	**-**
Net increase / decrease in cash and cash equivalents	2,259,036	(2,699,950)	(1,965,647)	-219.5%	-27.2%	-
Beginning cash and cash equivalents balance	3,239,229	5,498,265	2,798,315	69.7%	-49.1%	-7.1%
Ending cash and cash equivalents balance	**5,498,265**	**2,798,315**	**832,668**	**-49.1%**	**-70.2%**	**-61.1%**

Source: Audited consolidated financial statement

Summary of Risk Factors

Before deciding to subscribe for the Offer Shares, prospective investors are advised to carefully consider all of the information contained in this Prospectus, particularly the risks described below, which are addressed in detail in Section (2) ("Risk Factors") of this Prospectus.

Risks related to the Group's Projects

- Risks related to the expected levels of available capacity to generate electricity and/or produce desalinated water, or the expected levels of electricity actually generated or water actually produced, at the Project Companies may not be achieved or maintained
- Risks related to the Group's delays in the development of Projects and/or in achieving the financial close
- Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts
- Risks related to the Group's growth strategies
- Risks related to competition and pricing
- Risks related to financial difficulties that Offtakers under Offtake Agreements or similar agreements with the Project Companies may experience
- Risks related to the Offtakers' right to terminate the Project Companies' Offtake Agreements for certain defaults by the Project Company
- Risks related to the extent to which profits of the Group and the operation and maintenance of the Group's Projects depend on the costs of operation and the performance by the operation and maintenance contractors of their contractual obligations
- Risks related to RAWEC not complying with stringent operational requirements and being subject to bespoke, operation-specific termination grounds
- Risks related to the extension and non-extension of the Offtake Agreements of the Group's build, own, operate ("BOO") projects
- Risks related to global and regional macroeconomic factors
- Risks related to co-investors and joint venture partners
- Risks related to potential impairment of the Group's goodwill or long-term assets
- Risks related to currency movements, including if currency pegs to the U.S. dollar were to be removed or adjusted or if the euro appreciates against the U.S. dollar and the Saudi riyal, and the changes in existing and new exchange rate controls and/or restrictions on transfer to foreign investors of proceeds from their investment
- Risks related to the negative net assets of certain of the Group's Moroccan projects
- Risks related to the Group being subject to certain legal and contractual requirements to maintain certain levels of localization with respect to personnel, supplies and materials
- Risks relating to the Strategic Framework Agreement executed between the Company and the PIF
- Risks related to the Red Sea Project

Risks related to the Group's Operations

- Risks related to critical equipment failure, unplanned power or desalinated water outages beyond what is contractually permitted, reduced output and unanticipated capital expenditures
- Risks related to the dependency of electricity generation from renewable energy sources on suitable meteorological conditions
- Risks related to the significant increase in the price or the interruption in the provision of fuel'
- Risks related to the Group's reliance on its IT infrastructure, which may fail or be adversely affected by cyber crimes
- Risk related to the Group's inability to maintain the quality of operations and reputation
- Risks related to the force majeure events such as health crises (including the COVID-19 pandemic), fire, floods, earthquakes, tsunami, sandstorms, explosions, acts of terrorism or sabotage or other events outside of the Group's control
- Risks related to the Group's power generation and/or water desalination or steam plants, fuel suppliers, contractors and certain of the Group's development Projects being subject to varying degrees of unionisation, which may disrupt operations or delay completion of construction projects

- Risks related to obtaining sufficient insurance coverage for the risks associated with the Group's respective operations
- Risk related to the credit default exposure of ACWA Reinsurance
- Risks related to senior management's experience in managing a publicly listed company
- Risks related to the Company's reliance on the performance of, and dividend distributions and other revenue flows from, its numerous subsidiaries and equity accounted investees
- Risk related to the limitation on the Group's ability to exit investments pursuant to the terms of its agreements
- Risks related to the seasonality of revenue and profitability levels of conventional projects

Risks related to the Group's Financing

- Risks related to the repayment of the Group's debt, availability of financing or equity funding or the requirement to make additional equity investments
- Risks related to existing and future leverage
- Risk related to events of default under the financing arrangements
- Risks related to the Group's bonds
- Risks related to the restrictions under financing arrangements on the ability of most Project Companies to pay dividends (or equivalent distributions)
- Risks related to the Group's interest rate volatility and volatile securities
- Risks related to the Group becoming an unsecured creditor of an offtaker in the event of the early termination of certain Offtake Agreements
- Risks related to the Group's working capital
- Risk related to APREH convertible loan
- Risks related to the Group's agreements containing change of control provisions, which could have adverse consequences for the Group
- Risks related to the Company's Sukuk

Risks Relating to the Market, Industry and Legal and Regulatory Environment

- Risks related to the COVID-19 pandemic
- Risks related to the Group being exposed to political risks in the countries and regions where it operates
- Risks related to the environmental regulations in the jurisdictions where the Group operates
- Risks related to violations by Project Companies of health, safety and security standards
- Risks related to the Group's licensing and permits and corporate registration requirements
- Risks related to the change, adverse interpretations or inconsistent enforcement of the tax laws and regulations in countries in which the Group's projects operate
- Risks related to the change, adverse interpretations or inconsistent enforcement of the Zakat laws and regulations in countries in which the Group's projects operate
- Risks related to antitrust laws, including the Competition Law in Saudi Arabia, and similar legislation and legislation relating to unfair competitive practices and similar behaviour in the jurisdictions where the Group operates
- Risks related to the Group not being in compliance with applicable labour laws and regulations and/or if not being able to retain existing key senior management personnel or other key skilled employees or continue to attract and employ key personnel with the suitable skills and experience
- Risks related to the enforcement of foreign court judgments and arbitral awards in the countries in which the Group operates
- Risks related to the Group conducting a significant amount of its business in countries, including developing countries, which present significant risks that could adversely impact the Group's business, results of operations, and financial condition and reputation
- Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation
- Risks related to the Group and its companies entering into transactions with Related Parties
- Risk related to the Group not owning all of the lands on which the Group's assets are located
- Risks related to material disputes and possible litigation

- Risks related to the future changes in IFRS
- Risks related to certain provisions in shareholder agreements entered into by the Group
- Risks related to the Group's Environmental, Social and Corporate Governance (ESG) targets not being fully, partially or timely met
- Risks related to the Group's compliance with the CMA's Corporate Governance requirements

Risks related to the Offer Shares

- Risks related to the control by Substantial Shareholders
- Risks related to absence of a prior market for the Shares
- Risks related to fluctuation in the market price of the Shares
- Risks related to future sales of substantial number of Shares
- Risks related to the Company's ability to distribute dividends
- Risks related to issuance of new shares in the market after the Offering

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Schedule of Tables

Schedule of Figures

1- Definitions and Abbreviations

The following sets out certain definitions and abbreviations used in this Prospectus.

Admission	Admission of the Shares to Listing and the admission of the Offer Shares to trading on the Tadawul in accordance with the OSCOs and the Listing Rules.
Advisors	The Company's advisors in relation to the Offering whose names appear on pages (vi) to (xii) of this Prospectus.
AED	The lawful currency of the United Arab Emirates.
Affiliates	A person who Controls another person or is Controlled by that other person, or who is under common Control with that person by a third person. In any of the foregoing, Control could be direct or indirect.
Auditor	Ernst & Young & Co. (Certified Public Accountants).
Authority or CMA	The Capital Market Authority of the KSA.
Bid/Subscription Orders for investors outside the Kingdom of Saudi Arabia	Bid or subscription orders submitted telephonically or electronically to the Bookrunners without the need to complete and sign it in accordance with the instructions set out in Section (16) ("**Subscription Terms and Conditions**") of this Prospectus.
Bid Form	The bid form to be used by Participating Parties registered in the Kingdom to bid for the Offer Shares during the Book-Building Period. This term (as applicable) includes orders received telephonically and electronically and the supplementary application form for adjustment of the price range.
Board or Board of Directors	The board of directors of the Company.
Book-Building Instructions	The Instructions for the Book Building Process and Allocation Method in Initial Public Offerings issued by the Board of the CMA pursuant to resolution number 2-94-2016 dated 15/10/1437H (corresponding to 20/07/2016G) as amended by the CMA's board resolution number 3-102-2019 dated 18/01/1441H (corresponding to 17/09/2019G).
Bookrunners	Citi, J.P. Morgan, Natixis and Riyad Capital, EFG Hermes KSA, Emirates NBD Capital KSA, and FAB Capital
Business Day	Any day (with the exception of Fridays, Saturdays and official holidays) on which the Receiving Agents are open for business in Saudi Arabia.
Bylaws	The bylaws of the Company, which are summarised in Section (12-14) ("**Summary of Company By-laws**").
Capital Market Law	The Capital Market Law issued under Royal Decree M/30 dated 2/6/1424H (corresponding to 31 July 2003G), as amended.
CEO	The Chief Executive Officer of the Company.
CFO	The Chief Financial Officer of the Company.
Chairman	The chairman of the Board.
CIO	The Chief Investment Officer of the Company.
Companies Law	The Companies Law issued under Saudi Royal Decree No. M3 dated 28/1/1437H (corresponding to 10 November 2015G), as amended.
Company or ACWA Power	International Company for Water and Power Projects.
CMA Glossary of Defined Terms	List of definitions used in the CMA's regulations and laws pursuant to the CMA's Board Decision No. 4-11-2004 dated 20/8/1425H (corresponding to 4/10/2004G), as amended pursuant to the CMA's Board Decision No. 2-22-2021 and dated 12/7/1442H corresponding to (24/2/2021G).
Company's Corporate Governance Manual	The Company's Corporate Governance Manual prepared on 25/8/1442H (corresponding to 07/04/2021G), as stated under section (5) "Ownership and Organisational Structure of the Company" of this Prospectus.

Competition Law	The Competition Law issued under Royal Decree No. M/75 dated 29/06/1440H (corresponding to 6 March 2019G).
Control	As defined in CMA Glossary of Defined Terms used in the CMA's Regulations, the ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (A) holding 30% or more of the voting rights in a company; or (b) having the right to appoint 30% or more of the members of the administrative staff; and the word "**controlling party**" shall be construed accordingly.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the CMA's Board pursuant to Resolution No. 8-16-2017 dated 16/05/1438H (corresponding to 13 February 2017G) (pursuant to the Companies Law), as amended by Resolution No 31-7-2021 dated 1/06/1442H (corresponding to 14 January 2021G)
Depository Centre	Securities Depository Centre Company, a wholly-owned subsidiary of the Tadawul.
Directors or members of the Board	The members of the Board of Directors.
Equity Accounted Investees	Those companies in which the Company has significant direct or indirect influence, but does not Control. In the case of joint ventures, the companies in which the Company has shared control over the financial and operating policies of such companies. This includes the Material Equity Accounted Investments.
EUR	The lawful currency several members of the European Union.
Exchange or Tadawul	The Saudi Stock Exchange (Tadawul), the sole entity authorised in the Kingdom to act as a securities exchange.
Extraordinary General Assembly	An extraordinary general assembly of the Shareholders convened in accordance with the Bylaws.
Financial Institutions	Banks and financial services companies.
FMV	Fair market value.
Foreign Investors	Eligible foreign investors and foreign strategic investors.
Foreign Strategic Investors	A foreign legal entity aiming to acquire a strategic interest in listed companies in accordance with the FSI Instructions. "Strategic interest" means the direct ownership percentage in the listed company's shares, through which the owner aims to contribute to enhancing the financial or operating performance of the listed company.
FSI Instructions	Instructions for foreign strategic investors to acquire strategic stakes in listed companies issued by the Board of the CMA pursuant to Resolution No. 3-65-2019 dated 14/10/1440H (corresponding to 17 June 2019G), as amended.
FY	Financial year.
GCC	Gulf Cooperation Council.
GCC Corporate Investor	Any company in which the majority of its share capital is owned by nationals of GCC countries or governments having the nationality of a GCC country in accordance with the definition contained in the Resolution of the Supreme Council of the Gulf Cooperation Council issued at its fifteenth session and approved by Council of Ministers Resolution No. (16) dated 20/01/1418H, as well as GCC funds established in one of the GCC countries whose units are offered in a public offering to investors from those countries in which the majority of the fund's capital is owned by citizens of the GCC countries or their governments.
GDP	Gross Domestic Product.
General Assemblies	An Extraordinary General Assembly and/or an Ordinary General Assembly of the Company, and "General Assembly" shall mean any general assembly of the Company.
GOSI	General Organisation of Social Insurance in Saudi Arabia.
Government	Government of the KSA.
Green Hydrogen	The creation of hydrogen via the separation of hydrogen and oxygen from water via electrolysis using electricity generated from renewable energy sources.

Group	The Company and its Subsidiaries and the Company's Equity Accounted Investees.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**") ("**IFRS as issued by the IASB**").
IFRS as endorsed in KSA	International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA")
Individual Investors	This tranche comprises Saudi natural persons including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the name of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi national person who is resident in the Kingdom and any GCC person, in each case who has a bank account, and is entitled to open an investment account, with one of the Receiving Entities.
Institutional Subscription Application Form	The subscription application form to be used by Participating Parties to subscribe to the Offer Shares.
Investment Funds Regulations	The Investment Funds Regulations issued by the Board of the CMA pursuant to resolution number 1-219-2006 dated 3/12/1427H (corresponding to 24/12/2006G), as amended by CMA resolution number 2-22-2021 dated 12/7/1442H (corresponding 24/2/2021G).
Joint Financial Advisors	Citi, J.P. Morgan, Natixis and Riyad Capital.
Joint Global Co-ordinators	Citi, J.P. Morgan and Natixis.
KSA or Kingdom or Saudi Arabia	The Kingdom of Saudi Arabia.
Labour Law	The Saudi Arabian Labour Law under Saudi Royal Decree No. (M/51) dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Law on Supervision of Finance Companies and its Implementing Regulations	The Law on Supervision of Finance Companies promulgated by Royal Decree M/51 dated 13/08/1433H, and its Implementing Regulations issued by SAMA Governor Resolution No. 2/MST dated 14/04/1434H.
Lead Manager	Riyad Capital.
Legal Advisor	Abuhimed Alsheikh Alhagbani Law Firm.
Listing	Listing of securities in the Exchange in accordance with the Listing Rules.
Listing Rules	The Listing Rules of Tadawul issued by the board of the CMA pursuant to resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) as amended pursuant to CMA's Board Resolution No. 1-22-2021 dated 12/7/1442H (corresponding to 24/2/2021G).
LLC	Limited liability company.
Local Co-ordinator	Riyad Capital.
Lock-Up Period	The period during which the Substantial Shareholders may not dispose of any Shares, which will end after six months from the date of Admission.
Market Consultant	FTI-Compass Lexecon
Material Subsidiaries	The Subsidiaries listed in in Section (1-4) ("**List of Material Subsidiaries**") of this Prospectus.
MD	The Managing Director of the Company.
NBV	Net book value. The term is an accounting term, referring to the value of an asset according to the balance of its balance sheet account. The value is based on the original cost of the asset minus any depreciation costs, or impairment costs that occur against the asset.
Net Offering Proceeds	The proceeds of the Offering, after deducting all related Offering Expenses.
Offering	The initial public offering of the Company Shares on the terms set out in this Prospectus.

Offering Period for Individual Investors	The Period which will commence on 22-Safar-1443 H (corresponding to 29-September-2021G) and will remain open for a period of 3 days up to and including the subscription closing date to end at the end of 24-Safar-1443 H (corresponding to 1- October -2021G).
Offer Price	SAR (56) per Offer Share.
Offer Shares	eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine Shares representing 11.1% of the share capital of International Company for Water and Power Projects after the Offering.
Ordinary General Assembly	An ordinary general assembly of the Shareholders convened in accordance with the Bylaws.
OSCOs	The Rules on the Offer of Securities and Continuing Obligations issued by the board of the CMA pursuant to its resolution number 3-123-2017 dated 9/4/1439H (corresponding to 27/12/2017G) based on the Capital Market Law amended by Resolution of the Board of the Capital Market Authority Number 1-7-2021 dated 01/06/1442H (corresponding to 14/01/2021G).
Participating Parties	This tranche comprises the parties that are entitled to participate in the book-building process under the Book-Building Instructions, namely: a- public and private funds that invest in securities listed on the Exchange as permitted by the fund's terms and conditions and in accordance with the provisions and limitations stipulated in the Investment Funds Regulations and the Book-Building Instructions; b- Capital Market Institutions who are licensed to deal in securities as a principal, in accordance with the CMA's prudential rules when submitting the Subscription Application Forms; c- clients of a person authorized by the CMA to conduct managing activities with the provisions and restrictions set forth in the Book-Building Instructions; d- any legal persons allowed to open an investment account in the Kingdom, and an account with the Depository Centre except for non-resident foreign investors - other than Qualified Foreign Investors pursuant to the QFI Rules; e- Government entities, any supranational authorities recognized by the CMA, the Exchange or any other stock exchange recognized by the CMA, or the Depositary Centre; f- Government owned companies, whether investing directly or through a portfolio manager; and g- GCC companies, and GCC funds if permissible according to the terms and conditions of such funds.
P-Notes	Participatory notes issued to Foreign Investors pursuant to arrangements under swap agreements.
Project Company	A special purpose company incorporated in the host jurisdiction of the relevant Project which it is tasked to implement and which holds the relevant Project assets. (and collectively as "**Project Companies**").
Projects	The projects of the Group (and individually, a "**Project**").
Prospectus	This document, prepared by the Company in relation to the Offering in accordance with the OSCOs.
Qualified Foreign Investors	A qualified foreign investor authorized, in accordance with the QFI Rules, to invest in listed securities. Qualification applications are submitted to a licensed person for evaluation and acceptance in accordance with the QFI Rules.
QFI Rules	The Rules for Qualified Foreign Financial Institutions Investment in Listed Securities issued by the CMA's Board pursuant to Resolution No. 1-42-2015 dated 15/07/1436H (corresponding to 04/05/2015G) pursuant to the Capital Market Law, as amended by the CMA's board resolution No. 3-65-2019 dated 14/10/1440H (corresponding to 17/06/2019G).
Receiving Agents	Riyad Bank, Saudi National Bank, Bank Aljazira and AlRajhi Bank.
Regulatory Rules for Listed Companies	The Regulatory Rules and Procedures, issued by the CMA's Board pursuant to Resolution No. 8-127-2016 dated 16/1/1483H (corresponding to 17 October 2016) pursuant to the Companies Law relating to listed joint stock companies, amended by resolution of CMA's Board No. 4-122-2020 dated 03/04/1442H (corresponding to 18/11/2020G).

Related Party/ Parties	In this Prospectus any reference to a "**related party**" shall be reference to a related party as such term is defined under the CMA Glossary of Defined Terms, which includes any of the following: a- Affiliates of the Company; b- Substantial Shareholders of the Company; c- members of the Board or Senior Executives of the Company; d- members of the Board or Senior Executives of an Affiliate of the Company; e- members of the Board or Senior Executives of a Substantial Shareholder of the Company; f- any Relatives of the persons described in (a) to (e) above; and g- any company Controlled by any person described in (a) to (f) above. For the purposes of the Corporate Governance Regulations, such term includes the following: a- Substantial Shareholders of the Company. b- Board members of the Company or any of its Affiliates and their Relatives. c- Senior Executives of the Company or any of its Affiliates and their Relatives. d- Board members and Senior Executives of Substantial Shareholders of the Company. e- Entities, other than companies, owned by a Board member or any Senior Executive or their Relatives. f- Companies in which a Board member or a Senior Executive or any of their Relatives is a partner. g- Companies in which a Board member or a Senior Executive or any of their Relatives is a member of its board of directors or is one of its Senior Executives. h- Joint stock companies in which a member of the Board or a Senior Executive or any of their Relatives owns (5%) or more, subject to the provisions of paragraph (d) of this definition. i- Companies in which a Board member or a Senior Executive or any of their Relatives has influence on their decisions even if only by giving advice or guidance. j- Any person whose advice or guidance influence the decisions of the Company, the Board and the Senior Executives. k- Holding companies or Affiliates. Advice or guidance that is provided on a professional basis by a person licensed to provide such advice shall be excluded from the provisions of paragraphs (i) and (j) of this definition.
Relatives	The husband, wife and minor children. For the purposes of the Corporate Governance Regulations, includes: • fathers, mothers, grandfathers and grandmothers (and their ancestors); • children, grandchildren and their descendants; • siblings, maternal and paternal half-siblings; and • husbands and wives.
Retail Subscription Application Form	The retail subscription application form to be completed by Individual Investors in order to subscribe for the Offer Shares during the Offering Period for Individual Investors.
SAR or Saudi Riyals	The lawful currency of the Kingdom of Saudi Arabia.
Saudi Central Bank	Saudi Central Bank (previously, the Saudi Arabian Monetary Agency).
Secretary	The secretary of the Board.
Securities Act	U.S. Securities Act of 1933, as amended.
Senior Executives	The senior executives listed in Section (5-2-5) ("**Ownership and Organisational Structure of the Company – Senior Executives**").
Shareholder	Registered holder of Shares.
Shares	Ordinary shares with a nominal value of SAR 10 each in the capital of the Company.

SOCPA	Saudi Organisation for Chartered and Professional Accountants.
Subscribers or Investors	Individual Investors and Participating Parties.
Subscription Application Form	The Institutional Subscription Application Form or Retail Subscription Application Form, as the context requires.
Subsidiary	For the purposes of Section (6) ("**Management's Discussion and Analysis of Financial Condition and Results of Operations**") Subsidiaries are as defined in accordance with the IFRS. For the purposes of all other sections of this Prospectus, Subsidiaries are entities that are directly or indirectly Controlled by the Company. This includes the Subsidiaries listed in Section (1-3) ("**List of Subsidiaries**") of this Prospectus.
Substantial Shareholder	A person holding five percent (5%) or more of the Shares of the Company.
Tadawul System	The automated Saudi securities trading system.
Underwriters	Citi, J.P. Morgan, Riyad Capital and Natixis, EFG Hermes KSA, Emirates NBD Capital KSA, FAB Capital, Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital), SNB Capital, Albilad Capital, and Aljazira Capital.
Underwriting Agreement	The underwriting agreement to be entered into between the Company and the Underwriters in connection with the Offering on the terms described in Section (13) ("**Underwriting**") of this Prospectus.
USD	The lawful currency of the United States of America.
ZAR	The lawful currency of South Africa.
ZATCA	The General Authority of Zakat and Tax.

1-1 Glossary of Technical and Other Terms

The following sets out the meaning of certain technical terms used in this Prospectus

ACWA Power Total Solution	The approach adopted by the Group to deliver winning tariffs by addressing five core elements, namely: development, EPC and equipment, technology, financing and O&M.
Hydrogen Council	The "**Hydrogen Council**" was formed of 13 company heads and executives from the energy, transport and industry sectors, and set its ambitious goal of contributing to reducing global warming to two degrees Celsius, in accordance with the target set by the Paris Climate Agreement in 2015. It includes the founding international companies of the Council: "Air Liquide", "Alstom", "Anglo American", "BMW Group", "Daimler", "Engie", "Honda", "Hyundai Motor", "Kawasaki", Royal Dutch Shell, The Lindh Group, Total, and Toyota. The council is chaired by two co-chairs from different regions and sectors, namely, "Air Liquide" and "Toyota".
Abandonment	means, subject to the provisions of the relevant agreement, a voluntarily cessation by the Project Company of the construction or operation of the facility and either (i) the Project Company expressly declares in writing that construction or operation of the facility will not be resumed; or (ii) that cessation continues for certain specified consecutive days given in the contract.
Advanced Development Phase	Phase of a project beginning from the awarding of preferred bidder status or where a significant project agreement (such as the shareholders agreement, implementation agreement, joint development agreement etc) is signed by the Company for the project until the Financial Close of the project
Arabian Heavy Crude oil	A highly viscous, high sulfur, crude oil that cannot easily flow to production wells under normal reservoir conditions produced in Saudi Arabia.
Arabian Light Crude	A medium-gravity, high sulphur crude oil produced in Saudi Arabia.
Availability or Plant Availability	The state in which a Power Unit or a Desalination Unit is capable of providing service, whether or not it is actually delivering electrical energy or desalinated water.

Availability Rate	During any contract year (or such applicable shorter period under consideration), the percentage of the actual net dispatch capacity (of the Power Unit or Desalination Unit) made Available divided by the maximum net dispatch capacity of such Power or Desalination Unit for the relevant period under consideration.
Base-Load Conventional Plants	A power plant which burns fossil fuel such as coal, natural gas or petroleum to produce electricity on a continuous full time basis.
Multi-Stage Flash Distillation	In this method, sea water passes after being heated to successive chambers of low pressure, which turns the water into water vapor, which is condensed on cold surfaces and is collected and treated in quantities suitable for drinking.
Black-Starts	The process of restoring an electric power station to operation without relying on the external transmission network, using electricity generated from the plant's own generators.
Brownfield Project	Sites on which projects are constructed which previously had some extent of development on them.
Build, Own, Operate or BOO	Power or water plants which are built, owned and operated by the project company, without an obligation to transfer ownership of the plant to the Offtaker at the end of the concession term.
Build, own, operate, transfer or BOOT	Power or water plants which are built, owned and operated by the project company, with an obligation to transfer ownership of the plant to the Offtaker at the end of the concession for nominal or no value.
CAGR	The compound annual growth rate which measures the growth rate of investments over time (an indication of the rate of return on investment).
Capacity Payments	Payments made by the Offtaker for the available capacity of the plant.
Captive Plant	A power plant which is dedicated to providing a localised source of power to an energy user. It primarily supplies one specific power user rather than connecting to the national/ wider energy grid which supplies many different power users.
COD	The commercial operation date of a plant.
Co-Generation License	A license issued by the Water and Electricity Regulatory Authority under the Electricity Law issued by Royal Decree No. M / 56 dated 20/10/1426H to a person authorized to practice the simultaneous production of electricity, desalinated water or steam used in other production processes, or both.
Combined-Cycle Power Plant	A power plant which uses both gas and a steam turbine to produce more electricity from the same fuel electricity by routing waste heat from the gas turbine to power the steam turbine.
Concentrating Solar Power Plant or CSP	A power plant which generates electricity using mirrors to concentrate a large area of sunlight onto a small area, thereby concentrating heat from the sun, which in turn powers a steam turbine to generate electricity.
Conventional Fuel	Any fossil fuel such as coal, natural gas or petroleum.
Decarbonized Power Technologies	Power technologies including solar, wind as well as gas, but excluding oil and coal.
DOE	Department of Energy of South Africa.
DSA	Debt service account.
DSCR	Measurement of the cash flow available to pay off current debt obligations. This ratio refers to the net operation income as "a multiple of the debt owed liabilities within one year," mainly including interest payments, reserve fund and rental payments.
DSRA	Debt service reserve account.
EBL	Equity bridge loan.
ECA	Equity contribution agreement.
Economic Life	The period of time during which an item is expected by its designers to work within its specified parameters, or the life expectancy of the item.
ECRA	Water & Electricity Regulatory Authority of Saudi Arabia.

EGR	Revenue from electricity generated and sold during the testing and commissioning phase before COD.
EIA	Electricity interconnection agreement.
EMRA	The Republic of Turkey Energy Market Regulatory Authority (T.C. Enerji Piyasası Düzenleme Kurumu).
Energy Transition	The transition from the conventional methods of energy generation (e.g. using gas, coal and oil fired plants) to renewable and green/environmentally sustainable energy generation sources (e.g. solar, wind and green hydrogen).
EOD	An event of default (usually under a financing agreement).
EPC	Engineering, procurement and construction.
EPC Contractor	The contractor responsible for the engineering, design, procurement, construction and commissioning of a plant.
ESP (Electrostatic Precipitator)	A device which removes suspended dust particles from a gas by applying high-voltage electrostatic charge and collecting the particles on charged plates.
ESRA	Equity subscription and retention agreement.
Feed-In Tariffs	A payment made to entities generating their own electricity through the use of methods that do not contribute to the depletion of natural resources, proportional to the amount of power generated.
FGD (Fuel Gas Desulphurisation)	A set of technologies used to remove sulphur dioxide from power plants and other sulphur oxide-emitting processes.
Eurasia	Eurasia is a land mass of 54,000,000 km^2 and is made up of the continents of Europe and Asia. Eurasia was formed about 350 million years ago after the merging of the continents: Siberia, Kazakhstan, and the Baltics. Eurasia is located in the north of the globe. The name of the block is a composite of the words "Europe" and "Asia". Wikipedia
Financial Close	Achieving fully committed funding of a project.
Forced Outage	Any unscheduled component failure or other condition that requires: (a i) a Power Unit or a Desalination Unit to be removed from service; or (ii) the capacity of a Power Unit or a Desalination Unit to be reduced.
Forced Outage Rate	During any contract year (or such applicable shorter period under consideration), the percentage of the actual net dispatch capacity (of the Power Unit or Desalination Unit) that was out of service due to Forced Outage over the maximum net dispatch capacity of such Power or Desalination Unit, each for the relevant period under consideration.
Gas Fired GE Turbines	A combustion engine that can convert natural gas or other liquid fuels to mechanical energy.
GHG Emissions	any gas in the atmosphere that is capable of absorbing infrared radiation, thereby trapping heat in the atmosphere.
GoJ	The Government of the Hashemite Kingdom of Jordan.
Greenfield Project	A project which lacks constraints imposed by prior work or previous developments on the same site.
Grid Code	A technical specification (usually issued by the regulatory authority in charge of managing the national or regional electricity grid) which defines the parameters a facility connected to the public electricity network has to meet to ensure safe, secure and economic functioning of the electric system.
GW	A unit of electric power equal to one billion watts of energy.
GWh	A unit of energy representing one billion watt hours and is equivalent to one million kilowatt hours. Gigawatt hours are often used as a measure of the output of large electricity power stations.
Heat Rate	A measure of the efficiency of a generator or power plant that converts a fuel into heat and into electricity. The heat rate is the amount of energy used by an electrical generator or power plant to generate one kilowatt-hour (kWh) of electricity.
Heavy Fuel Oil or HFO	A fraction obtained from petroleum distillation, either as a distillate or a residue.

High-Speed Diesel	A complex mixture of hydrocarbons normally used as a fuel in medium and high speed compression ignition engines.
IA	Implementation agreement.
Initial Net Dependable Capacity Test	A test conducted on a power or water plant to determine the total net capacity the plant is capable of achieving.
Intermediate Holding Company	Company through which the Group owns shares in the Project Company.
Interim Operational Period	The period following the construction completion of a phase of a plant and usually ending prior to the achievement of full project completion.
IPP	Independent power project.
ISO	International Organisation for Standardisation.
IT	Information technology.
IWP	Independent water production project.
IWPP or I(W)PP	Independent water and power production project.
IWSPP	Independent water, steam and power production project.
JAFZA	Jebel Ali Free Zone Authority.
JOD	The lawful currency of the Hashemite Kingdom of Jordan.
Jordanian Companies Law	The Jordanian Companies Law No. 22 of 1997G, as amended.
LCOE	A measure of the present value of the cost of electricity generation over a plant's lifetime.
Levelized Tariff	A measure of the present value of the cost of electricity generation or water desalination, as applicable, over a plant's lifetime.
LLCR	Loan life cover ratio.
LNTPs	Limited notice to proceed with construction.
LRA	Liabilities reserve account.
Lump Sum Turnkey Basis	A combination of the business-contract concepts of lump sum and turnkey. Lump sum means complete payment consisting of a single sum of money, while turnkey means a product or service will be ready to use upon delivery.
MAD	The lawful currency of the Kingdom of Morocco.
MBTU	Million British thermal unit, occasionally used as a standard unit of measurement for natural gas and provides a convenient basis for comparing the energy content of various grades of natural gas and other fuels.
MEMR	The Ministry of Energy and Mineral Resources in the Hashemite Kingdom of Jordan.
Merchant Commercial Tail	The period during which water or energy is sold directly to the market rather than to the (usually government owned) offtaker after the term of the concession.
Ministry of Defence	The Ministry of Defence of Saudi Arabia.
Merchant Environment	An environment where there is an opportunity to sell water or power to the market rather than to the (usually government owned) offtaker.
Ministry of Energy and Natural Resources	The Republic of Turkey Ministry of Energy and Natural Resources (T.C. Enerji ve Tabii Kaynaklar Bakanlığı).
Ministry of Environment and Urban Development	The Ministry of Environment and Urban Development of Turkey (T.C. Çevre ve Şehircilik Bakanlığı).
Ministry of Interior	The Ministry of Interior of Saudi Arabia.

Ministry of Municipal and Rural Affairs and Housing	The Ministry of Municipal Rural Affairs and Housing of Saudi Arabia.
MISA	Ministry of Investment of Saudi Arabia.
Mobilisation Phase	The period post-construction where the plant is mobilised and commissioned.
MOC	The Ministry of Commerce of Saudi Arabia.
MOEM	Ministry of Energy and Minerals of the Government of the Sultanate of Oman (formerly known as "Ministry of Oil and Gas (MOG) or (MOGO)".
MOHRSD	The Ministry of Human Resources and Social Development of Saudi Arabia.
Multi-Effect Distillation Technology	A distillation process often used for sea water desalination, consisting of multiple stages or "effects" in which the feed water is heated by steam in tubes, usually by spraying saline water onto them.
Multi-Stage Flash Desalination Process	A water desalination process that distils sea water by flashing a portion of the water into steam in multiple stages of what are essentially counter current heat exchangers.
MW	A measurement of electricity equal to 1 million watt.
Net Dispatch Dependable Capacity	The net generation/desalination capacity available for dispatch as established for each contract year, and demonstrated through initial and periodic tests conducted (with appropriate corrections applied for factors like degradation, applicable site conditions etc.) in accordance with the terms of the PPA / PWPA / WPA.
NGSA	Natural Gas Sales Agreement.
O&M	Operation and maintenance.
Offtake Agreements	PPAs, WPAs and/or PWPA.
Offtaker	The buyer of the product produced or service rendered.
OMR	The lawful currency of Oman.
OPEC	The Organisation of the Petroleum Exporting Countries is a permanent, intergovernmental Organisation, created at the Baghdad Conference on September 10–14, 1960, by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela.
Output Payments	Payments made by the Offtaker for the power, water, or steam generated or produced by the plant.
P50 Capacity Factor	An indication of the probability of a plant achieving 50% of its capacity 50% of the time.
Parabolic Trough Concentrating solar Power Technologies	A technology whereby sunlight is concentrated by a type of solar thermal collector that is straight in one dimension and curved as a parabola in the other two, lined with a polished metal mirror.
Photovoltaic Plant	A power plant which uses photovoltaic solar panels to collect sunlight and convert it into electricity.
Planned Outage	Any scheduled removal of a Power Unit or a Desalination Unit from service for maintenance that is scheduled to be undertaken in accordance with the terms of the PPA / PWPA / WPA, and has a predetermined start date and duration.
Potabilisation Facility	A facility which turns undrinkable water into potable water.
Power Load Factor	The load factor that corresponds to the ratios between actual energy consumption (kWh) and the capacity for that period of time. Load Factor equals: (consumption during the period (kWh) / {Capacity x Number of hours in that period} x 100.
Power Purchase Agreement or PPA	The agreement that regulates the production and purchase of power between the buyer (offtaker) and the seller.
PPGTA	Power purchase and gas tolling agreement.
Pre-Shared Facility Transfer Period	The period during which more than one project, developer or company shares infrastructure, machinery or facilities.

PWPA	Power and water purchase agreement, being the agreement that regulates the production and purchase of power and water between the buyer (offtaker) and the seller.
REPDO	The Renewable Energy Projects Development Office, established in the Kingdom of Saudi Arabia under the Ministry of Energy in 2017G for the purposes of achieving the objectives of the national renewable energy program in line with the Kingdom's Vision 2030.
SFA	Shared facilities agreement.
SHA	Shareholders' agreement.
SLA	Sublease agreement.
SWRO	Sea Water Reverse Osmosis operation.
Turnkey Engineering, Procurement and Construction Contract	A construction contract in terms of which the contractor is responsible for constructing the entire plant and all elements of the project and handing over to the project company a fully operational, functioning plant.
TW	A measure of electricity equal to 1 trillion watt.
TWh	Refers to getting power at a capacity of 1 terawatt (10^12 watts) for one hour.
Water Load Factor	The load factor that corresponds to the ratios between actual water export (million m3) and the installed capacity for that period of time. Load Factor equals: (Export during the period (million m3) / {Capacity x Number of hours in that period} x 100.
Water and Power Purchase Agreement	The agreement governing the production and purchase of potable water and energy between the buyer (Offtaker) and the seller.
Water Purchase Agreement or WPA	The agreement that regulates the production and purchase of potable water between the buyer (Offtaker) and the seller.
WECA	Water and energy conversion agreement.
Bridge Loans	Temporary loan that provides temporary financing when the borrower needs additional time to obtain permanent financing.
Non-Recourse of Limited Recourse Loans	Loans that are secured by a pledge as collateral - usually an asset - however the borrower is not responsible in it in the event of default, the lender can then seize the pledge and sell it.
IEA	International Energy Agency, an international organization working in the research, development and marketing of energy technology and its uses.

1-2 Glossary of Project and Entity Names

The following sets out definitions and abbreviations relating to Projects and entities used in this Prospectus.

ACWA Bokpoort Holdings	ACWA Power Bokpoort Holdings (Pty) Limited Company, established in South Africa.
ACWA Elektrik	Acwa Elektrik İşletme ve Yönetim Sanayi ve Ticaret Limited Şirketi, established in Turkey.
Acwa Power Africa Holdings Limited	ACWA Power Africa Holdings Limited, established in Africa.
ACWA Power Bahrain	ACWA Power Bahrain Holdings W.L.L, established in Bahrain.
ACWA Power Development	Arabian Power Company for Water and Power Development Limited, established in the Kingdom of Saudi Arabia.
ACWA Power Enerji	ACWA Power Enerji Anonim Şirketi, established in Turkey.
Acwa Power Oasis Three	ACWA Power Oasis Three, established in United Arab Emirates.
ACWA Power Projects	Arabian Company for Water and Power Projects Ltd (APP), established in the Kingdom of Saudi Arabia.
Acwa Power Renewable Energy Holding	ACWA Power Renewable Energy Holding, established in the United Arab Emirates.
ACWA Reinsurance or ACWA Re	ACWA Power Reinsurance Co. Limited, established in the United Arab Emirates.

Al Askar PV IPP	Al Askar PV independent power project, located in Bahrain.
Al Dur 2 or Al Dur Phase 2	Al Dur 2 independent water and power project, located in Oman.
Al Rajhi Holding	Al Rajhi Holding Group Co, established in the Kingdom of Saudi Arabia.
APBEC	ACWA Power Barka Electric Co. LLC, established in Oman.
APBP	ACWA Power Barka Project LLC, established in Oman.
APBS 1	AWCA Power Barka Services 1 (Mauritius) Limited, established in the Republic or Mauritius.
APBS 2	AWCA Power Barka Services 2 (Mauritius) Limited, established in the Republic of Mauritius.
APGS	ACWA Power Global Services Ltd, established in the United Arab Emirates.
APM	ACWA Power Maroc S.A.R.L, established in Kingdom of Morocco.
APO	ACWA Power Ouarzazate, established in the Kingdom of Morocco.
APO II	ACWA Power Ouarzazate II, established in the Kingdom of Morocco.
APO III	ACWA Power Ouarzazate III, established in the Kingdom of Morocco.
APO IV	ACWA Power Ouarzazate IV (Company), establish in the Kingdom of Morocco.
Aqaba IPP	The Aqaba independent power project, located in Hashemite Kingdom of Jordan.
ACWA Marafiq Water and Electricity Company	ACWA Marafiq Water and Electricity Company, Limited established in the BVI.
Barka	ACWA Power Barka SAOG, established in Oman.
Barka 1 IWPP	The Barka 1 independent water and power project, located in Oman.
Barka 1 Phase I Expansion IWP	The Barka 1 Phase I Expansion independent water project, established in Oman.
Barka 1 Phase II Expansion IWP	The Barka 1 Phase II Expansion independent water project, established in Oman.
Barka Project	The Barka 1 IWPP, Barka 1 Phase I Expansion IWP and Barka 1 Phase II Expansion IWP.
Bash Wind Project	Bash Wind independent power project, in Uzbekistan.
ACWA Power Bash Wind IPP	ACWA Power Bash Wind Ltd., established in Uzbekistan.
Ben Ban	ACWA Benban One for Energy, established in the Arab Republic of Egypt.
Ben Ban PV IPP	The Ben Ban PV independent power project, located in the Arab Republic of Egypt.
Bokpoort	ACWA Power Solafrica Bokpoort CSP Power Plant (Pty) Limited, established in South Africa.
Bokpoort CSP IPP	The Bokpoort CSP independent power project, located in South Africa.
Boujdour	ACWA Power Boujdour, established in the Kingdom of Morocco.
Bowarege	International Bowarege Company for Water Desalination Limited, established in the Kingdom of Saudi Arabia.
Bowarege IWP	The Bowarege independent water project, established in the Kingdom of Saudi Arabia.
CEGCO	Central Electricity Generating Company, established in the Hashemite Kingdom of Jordan.
CEGCO Assets	The Aqaba IPP, Rehab IPP, Rehab Hofa Wind, Rehab Ibrahimya Wind, Risha IPP, each located in the Hashemite Kingdom of Jordan.
Dairut IPP	Dairut independent water and power project, located in the Arab Republic of Egypt.

DDC	Dhofar Desalination Company SAOC, established in Oman.
DEWA	The Dubai Electricity and Water Authority, established in the United Arab Emirates.
DEWA CSP IPP	The DEWA independent water and power project, established in the United Arab Emirates.
DEWA Holdco	Hassyan Energy 1 Holdings Limited, established in the United Arab Emirates.
DEWA V PV	The DEWA V PV is a photovoltaic independent power project, established in the United Arab Emirates.
DGC	Dhofar Generating Company SAOC, established in Oman.
Dhofar Energy	Dhofar International Energy Services LLC, established in Oman.
Dhofar O&M	Dhofar O&M Company LLC, established in Oman.
Dhofar Real Estate	Dhofar International Real Estate Services LLC, established in Oman.
DIDIC	Dhofar International Development Investment Holding Company SAOG, established in Oman.
ACWA Power Dzhankeldy Wind	ACWA Power Dzhankeldy Wind Ltd., established in in Uzbekistan.
Dzhankeldy Wind Project	Dzhankeldy Wind independent power project, in Uzbekistan.
EBRD	European Bank for Reconstruction and Development.
ECRA	Water & Electricity Regulatory Authority of Saudi Arabia(formerly known as the Electricity & Co-Generation Regulatory Authority).
Enara	Enara Energy Investments PSC, established in Oman.
ENBD	Emirates NBD Bank PJSC, established in the United Arab Emirates.
Eskom	Eskom Holdings SOC Limited, established in South Africa.
FEWA	Federal Electricity and Water Authority, established in United Arab Emirates.
Floating Ships for Water Projects Company Limited	Floating Ships for Water Projects Company Limited, established in the Kingdom of Saudi Arabia.
Harbin	ACWA Power Harbin Holdings Limited, established in the United Arab Emirates.
Hassyan	Hassyan Energy Phase 1 P.S.C, established in the United Arab Emirates.
Hassyan IPP	The Hassyan independent power project, located in in the United Arab Emirates.
Haya Power & Desalination Company	Haya Power & Desalination Company B.S.C, established in Kingdom of Bahrain.
HEPCO	Hajr Electricity Production Company, established in the Kingdom of Saudi Arabia.
Ibri or AGC	Ad-Dhahirah Generating Company SAOC, established in Oman.
Ibri 2 PV IPP	Ibri 2 PV PV independent power project, located in Oman.
Ibri IPP	The Ibri independent power project, established in Oman.
IFC	International Finance Corporation.
JIGPC	Jazan Integrated Gasification and Power Co, established in the Kingdom of Saudi Arabia.
Jizan IGCC	Jizan complex which consists of an integrated gasification, combined cycle power plant, air separation unit and associated utilities, located in the Kingdom of Saudi Arabia.
JOMEL	Jubail O&M Company Ltd, established in the Kingdom of Saudi Arabia.

Jordan Biogas	Jordan Biogas Company, established in Hashemite Kingdom of Jordan.
JPRC	The Jordan Petroleum Refinery Company, established in Hashemite Kingdom of Jordan.
Jubail 3A IWP	Jubail 3A independent water project, located in the Kingdom of Saudi Arabia.
Jubail Operations Holding Company	Jubail Operations Holding Company, established in the Kingdom of Saudi Arabia.
JWAP	Jubail Water and Power Company, established in the Kingdom of Saudi Arabia.
Kahromaa	Kahromaa Company, established in the Kingdom of Saudi Arabia.
Karad	ACWA Power CF Karad PV Park EAD, located in Bulgaria.
Karadzhalovo PV IPP	The Karadzhalovo PV independent power project, located in Bulgaria.
KEC	Kingdom Electricity Company for Energy Invests PSC Accession, established in Hashemite Kingdom of Jordan.
KEIC	Korean Export Insurance Corporation.
KEPCO	Korea Electricity Power Corporation, established in South Korea.
Khalladi	ACWA Power Khalladi, established in the Kingdom of Morocco.
Khalladi Wind IPP	The Khalladi Wind Farm, located in the Kingdom of Morocco.
Khanyisa IPP	The Khanyisa independent power project, located in South Africa.
Kirikkale CCGT IPP	The Kirikkale CCGT independent power project owned by ACWA Güç, located in the Turkish Republic.
Kirikkale Holdings	Kirikkale Holdings Ltd. (Bahrain) WLL, established in the Kingdom of Bahrain.
Kirikkale or ACWA Güç	ACWA Güç Elektrik İşletme ve Yönetim Sanayi ve Ticaret Anonim Şirketi established in the Turkish Republic.
Kom Ombo PV IPP	Kom Ombo PV independent power project, located in Arab Republic of Egypt.
Laayoune	ACWA Power Laayoune, established in the Kingdom of Morocco.
MADA	MADA Group for Industrial & Commercial Investment, established in the Kingdom of Saudi Arabia.
Mafraq	Sunrise Solar Energy PSC, established in Hashemite Kingdom of Jordan.
Mafraq PV IPP	The Mafraq PV independent power project, located in the Hashemite Kingdom of Jordan.
Marafiq	Power and Water Utility Company for Jubail and Yanbu (MARAFIQ), established in the Kingdom of Saudi Arabia.
Marafiq IWPP	The Marafiq independent water and power project, located in the Kingdom of Saudi Arabia.
Marsh	Marsh Management Services (Dubai) Limited, established in the United Arab Emirates.
Masen	Moroccan Agency for Solar Energy.
MCH	Map Coastal Holding Company Limited, established in the United Arab Emirates.
MEPCO	Al-Mourjan for Electricity Production Company, established in the Kingdom of Saudi Arabia.
MIH	MAP Inland Holdings Company Limited, established in the United Arab Emirates.
MODPF	Ministry of Defence Pension Fund of Oman.
Mourjan IPP	The Mourjan independent power project, located in the Kingdom of Saudi Arabia.

MPC	Monitoring and Prediction Center of NOMAC, established in the Kingdom of Saudi Arabia.
MPH	MAP Power Holding Company Limited, established in the United Arab Emirates.
Nam Dinh	Nam Dinh First Power Company Limited, established in Vietnam.
Nam Dinh I IPP	The Nam Dinh I independent power project, established in Vietnam.
NEK	National Electricity Company, established in Hashemite Kingdom of Jordan.
NEPCO	National Electric Power Company in the Hashemite Kingdom of Jordan.
NMES	NOMAC Maintenance Energy Services company, a one person company established in the United Arab Emirates
NOMAC	First National Company for Operation and Maintenance CJSC, located in Saudi Arabia.
NOMAC Enerji	NOMAC Enerji Üretim Işletme Ve Bakin Hizmetleri Limited Şirketi, established in the Republic of Turkey.
NOMAC Gulf	NOMAC Gulf Coal Energy LLC, established in the United Arab Emirates.
NOMAC Maroc	NOMAC Maroc S.A.R.L A.U, established in the Kingdom of Morocco.
NOMAC Oman	First National Company for Operation and Maintenance LLC, established in Oman.
NOMAC South Africa	NOMAC IAE Bokpoort (Pty) Ltd, established in South Africa.
Noor Boujdour IPP	Boujdour PV independent power project, located in the Kingdom of Morocco.
Noor Energy 1	Noor Energy 1 PSC, established the Kingdom of Morocco.
Noor I CSP IPP	The Noor I CSP independent power project, located in the Kingdom of Morocco.
Noor II CSP IPP	The Noor II CSP independent power project, located in the Kingdom of Morocco.
Noor III CSP IPP	The Noor III CSP independent power project, located in the Kingdom of Morocco.
Noor Laayoune	The Laayoune PV independent power project, located in the Kingdom of Morocco.
Noor Ouarzazate IV	The Noor IV CSP independent power project, located in the Kingdom of Morocco.
Noor PV1 IPP	the Noor Ouarzazate IV, Noor Laayoune and Noor Boujdour, located in the Kingdom of Morocco.
NPC	National Petroleum Company, established in the Republic of Egypt.
NTP	National Transformation Program in the Kingdom of Saudi Arabia.
ONEE	l'Office National de L'Électricité et de L'Eau Potable, located in the Kingdom of Morocco.
OPWP	Oman Power and Water Procurement Company SAOC, established in Oman.
PAEW	The Public Authority for Electricity and Water in Oman.
Petro-Rabigh	Rabigh Refining and Petrochemical Company, established in the Kingdom of Saudi Arabia.
Petro-Rabigh (Phase 1) IWSPP	The Petro-Rabigh (Phase 1) independent water, steam and power project, located in the Kingdom of Saudi Arabia.
Petro-Rabigh (Phase 2) IWSPP	The Petro-Rabigh (Phase 2) independent water, steam and power project, located in the Kingdom of Saudi Arabia.
Petro-Rabigh IWSPP	The Petro-Rabigh (Phase 1) IWSPP and Petro-Rabigh (Phase 2) IWSPP.
PIF	Saudi Public Investment Fund.
Power China	The Power Construction Corporation of China.
QIC	Qurayyah Investment Company LLC, established in the Kingdom of Saudi Arabia.

Qurayyah Project Company (QPC)	Qurayyah Project Company LLC, established in the Kingdom of Saudi Arabia.
Qurayyah IPP	The Qurayyah independent power project owned by HEPCO, located in the Kingdom of Saudi Arabia.
RABEC	Rabigh Electricity Company, established in the Kingdom of Saudi Arabia.
Rabigh 2 IPP	Rabigh 2 independent power project, located in the Kingdom of Saudi Arabia.
Rabigh 3	Rabigh Three Company, established in the Kingdom of Saudi Arabia.
Rabigh 3 IWP	Rabigh 3 independent water project, located in the Kingdom of Saudi Arabia.
Rabigh IPP	The Rabigh independent power project, located in the Kingdom of Saudi Arabia.
Rabigh Power	Rabigh Power Company LLC, established in the Kingdom of Saudi Arabia.
RAKAA	Rakaa Saudia for Power & Water Co. Ltd, established in the Kingdom of Saudi Arabia.
RAWEC	Rabigh Arabian Water and Electricity Company, established in the Kingdom of Saudi Arabia.
Redsea Development Company	Marafiq Redsea for Energy Company, established in the Kingdom of Saudi Arabia.
Redstone	ACWA Power Solar reserve Redstone Solar Thermal Power Plant (Pty) Ltd, located in South Africa.
Redstone CSP IPP	The Redstone CSP independent power project, located in South Africa.
Rehab Hofa Wind	The Rehab Hofa wind independent power project, located in the Hashemite Kingdom of Jordan.
Rehab Ibrahimya Wind	The Rehab Ibrahimya wind independent power project, located in the Hashemite Kingdom of Jordan.
Rehab IPP	The Rehab independent power project, located in the Hashemite Kingdom of Jordan.
RIC	The Rabigh Investment Company Ltd, established in the Kingdom of Saudi Arabia.
Risha	Risha for Solar Power Projects PSC, established in the Hashemite Kingdom of Jordan.
Risha PV IPP	The Risha PV independent power project, located in the Hashemite Kingdom of Jor-dan.
ROMCO	Rabigh O&M Company, established in the Kingdom of Saudi Arabia.
RPC	Rabigh Project Company Limited, established in the Kingdom of Saudi Arabia.
RSE	Red Sea Energy PSC, established in the Kingdom of Saudi Arabia.
Sakaka	Sakaka Solar Energy Company, established in the Kingdom of Saudi Arabia.
Sakaka PV IPP	The Sakaka PV independent power project, located in the Kingdom of Saudi Arabia.
Salalah 2 IPP	The Salalah 2 IPP – Existing and Salalah 2 IPP – Greenfield.
Salalah 2 IPP – Existing	The Salalah 2 IPP – Existing, located in Oman.
Salalah 2 IPP – Greenfield	The Salalah 2 IPP – Greenfield, located in Oman.
Salalah IWP	The Salalah PV independent water project, located in Oman.
SAMAWEC	Saudi Malaysia Water and Electricity Company Limited, established in the Kingdom of Saudi Arabia.
Samsung C&T	Samsung C&T Corporation, established in South Korea.
Samsung SA	Samsung C&T Corporation Saudi Arabia, established in the Kingdom of Saudi Arabia.
Sanabil Investment	Saudi Arabian Investment Company (Sanabil Investments), established in the Kingdom of Saudi Arabia.

SEC	The Saudi Electricity Company, established in the Kingdom of Saudi Arabia.
SEHCO	Shuaibah Expansion Holding Company, established in the Kingdom of Saudi Arabia.
SEPCO	Shuaibah Expansion Project Company, established in the Kingdom of Saudi Arabia.
SGA or SGA Marafiq	SGA Marafiq Holdings W.L.L, established in the Kingdom of Bahrain.
STPC	Shuaibah Two Water Development Project Company, established in the Kingdom of Saudi Arabia.
SEPCO III	SEPCO III Electric Power Construction Corporation, established in the Kingdom of Saudi Arabia.
Shuaa Energy 1	Shuaa Energy 1 P.S.C, established in the United Arab Emirates.
Shuaa Energy 3	Shuaa Energy 3 P.S.C, established in the United Arab Emirates.
Shuaa Energy PV IPP	The Shuaa Energy PV independent power project, located in United Arab Emirates.
Shuaibah Expansion I IWP	The Shuaibah Expansion I IWP, located in the Kingdom of Saudi Arabia.
Shuaibah Expansion II IWP	The Shuaibah Expansion II IWP, located in the Kingdom of Saudi Arabia.
Shuaibah IWPP	The Shuaibah independent water and power project, located in the Kingdom of Saudi Arabia.
Shuqaiq IWPP	The Shuqaiq independent water and power project, located in the Kingdom of Saudi Arabia.
Sirdarya IPP	Sirdarya independent power project, located in Uzbekistan.
SIWEC	Shuqaiq International Water and Electricity Company, established in the Kingdom of Saudi Arabia.
SAMAOMCO	Saudi Malaysia Operation & Maintenance Services Co. Ltd, established in the Kingdom of Saudi Arabia.
SNC	Shoaibah National Company for Water and Power, established in the Kingdom of Saudi Arabia.
SGC	Shinas Generating Company SAOC, established in Oman.
Sohar IPP	The Sohar independent power project, located in Oman.
Sohar III IPP	The Sohar III independent power project, located in Oman.
SPPC	Saudi Power Procurement Company, established in the Kingdom of Saudi Arabia.
SqWEC	Shuqaiq Water and Electricity Company, established in the Kingdom of Saudi Arabia.
SSC	Social Security Corporation of Jordan.
Sues NOMAC	SUEZ NOMAC O&M Holding Company W.L.L, established in the Kingdom of Bahrain.
SWCC	Saline Water Conversion Corporation, established in the Kingdom of Saudi Arabia.
SWEC	Shuaibah Water and Electricity Company, established in the Kingdom of Saudi Arabia.
SWPC	Saudi Water Partnership Company (formerly known as "The Water and Electricity Company (WEC)"), established in the Kingdom of Saudi Arabia.
Taweelah IWP	Taweelah independent water project, located in United Arab Emirates.
Taweelah	Taweelah Reverse Osmosis Desalination Company, established in the United Arab Emirate.
Tawreed	Marafiq Water and Power Supply Company, established in the Kingdom of Saudi Arabia.
Tie Jun	Tie Jun International (HK) Limited, established in Hong Kong.
TSK	TSK Electrónica y Electricidad S.A. , established in Spain.

UPC Morocco	UPC Morocco Wind Partners B.V., established in the Kingdom of Morocco.
Vinh Hao 6 Power Joint Stock	Vinh Hao 6 Power Joint Stock, established in Vietnam.
Vision Investment	Vision International Investment Company (formerly known as "Arabian Company for Water and Power Development" or "ACWA Holding".), established in the Kingdom of Saudi Arabia.
Air Products Company	An American company working in the field of industrial gases, which was established in 1940G.
WEHCO	Water and Electricity Holding Company CJSC, established in the Kingdom of Saudi Arabia.
Water & Electricity Company (WEC)	The Water & Electricity Company in the Kingdom of Saudi Arabia was established pursuant to Resolution No. (235) of 5/6/2002G corresponding to 3/23/1423H, issued by the Supreme Economic Council and aims to create an independent body with legal personality to buy water and electricity from companies that will own projects for the production of both (water and electricity). The aforementioned entity will then sell the water to the Saline Water Conversion Corporation and electricity to the Saudi Electricity Company. A partnership contract was reached with the Saline Water Conversion Corporation to establish the aforementioned water and electricity company, which will be a limited liability company with a capital of (30) million Saudi Riyals, to be paid in two equal instalments from both parties.
Zarqa	Mahatat Al Zarqa Le Tawleed Al Takah Al Kahrabaieyah PSC, established in the Hashemite Kingdom of Jordan.
Zarqa IPP	The Zarqa independent power project, located in the Zarqa Governorate in the Hashemite Kingdom of Jordan.

1-3 List of Subsidiaries

As of 1 June, 2021G:

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
1.	ACWA Power Renewable Energy Holding Limited	United Arab Emirates	51%	0%
2.	ACWA Power Reinsurance Co. Ltd.	United Arab Emirates	100%	0%
3.	ACWA Industrialization Company	Saudi Arabia	100%	0%
4.	Multiple Shares Company	Saudi Arabia	95%	5%
5.	Dii GmbH	Germany	33.33%	0%
6.	ACWA Power Saudi Electricity and Water Development Co.	Saudi Arabia	100%	0%
7.	ACWA Power Projects	Saudi Arabia	0%	100%
8.	ACWA Power Project Management & Acquisition Co.	Saudi Arabia	0%	100%
9.	ACWA Power Global Services Ltd.	United Arab Emirates	100%	0%
10.	ACWA Power Global Holdings Ltd.	United Arab Emirates	0%	100%
11.	ACWA Power Management and Investment One Ltd.	United Arab Emirates	100%	0%
12.	ACWA Power Capital Management Ltd	United Arab Emirates	0%	100%
13.	KAHROMAA Co.	Saudi Arabia	99.97%	0.03%
14.	ACWA Power Bahrain Holdings	Bahrain	99.73%	0.27%
15.	Projects Acquisition Company	Saudi Arabia	0%	100%

1 This column shows the Company's actual ownership percentage in its subsidiaries, which are through intermediate holding companies.

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
16.	Shuqaiq Arabian Water and Electricity Company	Saudi Arabia	0%	100%
17.	SIWEC	Saudi Arabia	0%	53.34%
18.	SqWEC	Saudi Arabia	0%	32%
19.	Shuaibah National Company for Water and Power	Saudi Arabia	0%	100%
20.	SAMAWEC	Saudi Arabia	0%	50%
21.	SWEC	Saudi Arabia	0%	30%
22.	SEHCO	Saudi Arabia	0%	30%
23.	SEPCO	Saudi Arabia	0%	30%
24.	RPC	Saudi Arabia	0%	100%
25.	RABEC	Saudi Arabia	0%	40%
26.	Saudi Malaysia O&M Services Co. Ltd.	Saudi Arabia	0%	50%
27.	Al Imtiaz O&M Co. Ltd.	Saudi Arabia	0%	50%
28.	Qurayyah Project Company	Saudi Arabia	0%	100%
29.	QIC	Saudi Arabia	0%	44.98%
30.	JWAP SPV (Aqua Marafiq Water and Electricity Co)	British Virgin Islands	0%	100%
31.	SGA Marafiq Holding WLL Bahrain	Bahrain	0%	33.33%
32.	Oasis Power One Conventional Energy and Water Company LLC	Saudi Arabia	0%	100%
33.	RAWEC	Saudi Arabia	0%	99%
34.	Bowarege	Saudi Arabia	0%	100%
35.	Sudair One Renewable Energy Project Company	Saudi Arabia	0%	35%
36.	Sudair One Holding Company	Saudi Arabia	0%	34.34%
37.	KAF Holding Co.	Saudi Arabia	0%	100%
38.	KAF Energy JSC	Saudi Arabia	0%	100%
39.	Al Faisaliah Project Company JSC	Saudi Arabia	0%	100%
40.	Oasis Power Two Renewable Energy Company LLC	Saudi Arabia	0%	100%
41.	Qara Solar Energy Company (single shareholder limited liability company)	Saudi Arabia	0%	69.69%
42.	Sakaka	Saudi Arabia	0%	69.99%
43.	Rabigh Expansion Company Limited	Saudi Arabia	1%	99%
44.	RIC	Saudi Arabia	0%	100%
45.	MEPCO	Saudi Arabia	0%	50%
46.	ROMCO	Saudi Arabia	0%	60%
47.	Shouaiba Expansion II Water Desalination Holding Company LLC	Saudi Arabia	1%	99%
48.	STPC	Saudi Arabia	0%	100%
49.	Al Waha Project Company	Saudi Arabia	0%	100%
50.	Aliah Water	Saudi Arabia	0%	69.7%

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
51.	Rabigh Three Company	Saudi Arabia	0%	70%
52.	ACWA Power Jordan Holdings	Jordan	0%	51%
53.	Risha	Jordan	0%	51%
54.	The Local Company for Water and Solar Projects	Jordan	0%	51%
55.	ACWA Power Africa Holdings Pty. Ltd.	South Africa	0%	51%
56.	ACWA Bokpoort Holdings	South Africa	0%	51%
57.	ACWA Power Morocco Ltd.	Morocco	0%	51%
58.	ACWA Power Jordan Holdings (JAFZA)	United Arab Emirates	0%	100%
59.	ACWA Power Solar Limited	United Arab Emirates	0%	100%
60.	ACWA Power Oasis 2 Ltd. (JAFZA)	United Arab Emirates	0%	51%
61.	ACWA Power Oasis Three FZ-LLC	United Arab Emirates	0%	36.5%
62.	ACWA Power Egypt for Energy	Egypt	0%	100%
63.	ACWA Shams for Energy S.A.E.	Egypt	0%	64.34%
64.	ALCOM Energy	Egypt	0%	32.81%
65.	Ben Ban	Egypt	0%	32.81%
66.	ACWA Harbin Holdings Limited	United Arab Emirates	0%	55%
67.	ACWA Power Investment Mauritius	Mauritius	0%	100%
68.	ACWA Gharib One for Energy	Egypt	0%	100%
69.	ACWA Gharib Two for Energy	Egypt	0%	100%
70.	NOVA SGA Marafiq Holdings Ltd.	United Arab Emirates	0%	33.33%
71.	ACWA Power General Holdings 1 Ltd	United Arab Emirates	0%	100%
72.	ACWA Power Energy Holdings Ltd	United Arab Emirates	0%	100%
73.	MPH	United Arab Emirates	0%	100%
74.	ACWA Power Asia Holdings Pte. Ltd.	Singapore	0%	100%
75.	ACWA Power Energy Africa	South Africa	0%	100%
76.	ACWA Power Vietnam Pte. Ltd.	Singapore	0%	100%
77.	Nam Dinh First Power Holdings	Singapore	0%	50%
78.	ACWA Power Vietnam Renewables Pte. Ltd.	Singapore	0%	100%
79.	Vinh Hao 6 Power Joint Stock Company	Vietnam	0%	60%
80.	ACWA Power Khanyisa Holdings Pty. Ltd.	South Africa	0%	100%
81.	ACWA Power Khanysia Thermal Power Station Pty. Ltd.	South Africa	0%	100%
82.	Dhofar O&M Co.	Oman	0%	35%
83.	ACWA Power Solar CSP Holding Limited	United Arab Emirates	0%	51%
84.	ACWA Power Oasis 1 Ltd (JAFZA)	United Arab Emirates	0%	100%
85.	ACWA Power Conventional Energy Ltd	United Arab Emirates	0%	100%
86.	ACWA Power Salalah2 IPP Project Holding Co	United Arab Emirates	0%	100%
87.	ACWA Power Uzbekistan Project Holding Co	United Arab Emirates	0%	100%
88.	ACWA Power FEWA Project Holding Co Ltd	United Arab Emirates	0%	100%
89.	ACWA Power Luxor Project Holding Co Ltd	United Arab Emirates	0%	100%

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
90.	ACWA Power Taweelah Project Holding Co Ltd	United Arab Emirates	0%	100%
91.	ACWA Power Salalah Project Holding Co Ltd	United Arab Emirates	0%	100%
92.	Dhofar Desalination Co. SAOC	Oman	0%	50.1%
93.	ACWA Power Al Dur II Holding Co WLL	Bahrain	0%	100%
94.	ACWA Power Treasury Holding Co.	United Arab Emirates	0%	100%
95.	ACWA Power Indigo Jeotermal Enerji Anonim Sirketi	Turkey	0%	65%
96.	ACWA Power Coastal Holdings Ltd (JAFZA)	United Arab Emirates	0%	100%
97.	MCH	United Arab Emirates	0%	47.26%
98.	SGC	Oman	0%	44.9%
99.	Naqa'a Desalination Plant LLC	United Arab Emirates	0%	40%
100.	ACWA Power Dairut for Energy	Egypt	0%	100%
101.	Taweelah RO Desalination Company	United Arab Emirates	0%	40%
102.	Zarqa	Jordan	0%	60%
103.	Haya Power & Desalination Company B.S.C.	Bahrain	0%	60%
104.	RSE	Jordan	0%	100%
105.	South Tafila Energy Holdings	Jordan	0%	100%
106.	Al Raeda Energy	Jordan	0%	89.17%
107.	Enara	Jordan	0%	80.25%
108.	ENARA 2 for Energy Investments	Jordan	0%	80.25%
109.	CEGCO	Jordan	0%	40.93%
110.	ACWA Power Inland Holdings Limited	United Arab Emirates	0%	100%
111.	MIH	United Arab Emirates	0%	47.263%
112.	Ibri	Oman	0%	44.90%
113.	ACWA Power International Holdings	United Arab Emirates	0%	100%
114.	ACWA Power Oman LLC	Oman	0%	100%
115.	ACWA Power Barka Projects LLC	Oman	0%	72.25%
116.	ACWA Power Barka SAOG	Oman	0%	41.9%
117.	ACWA Power Barka Project TSA Company	Mauritius	0%	100%
118.	ACWA Power Barka Services (1) Mauritius Ltd	Mauritius	0%	86.19%
119.	ACWA Power Barka Services (2) Mauritius Ltd	Mauritius	0%	86.19%
120.	NOMAC ASKAR Solar Power Services CO. W.L.L	Bahrain	0%	100%
121.	Moatize Holdings Ltd	United Arab Emirates	0%	100%
122.	ACWA Power Dzhankeldy Wind	Uzbekistan	0%	100%
123.	ACWA Power Bash Wind	Uzbekistan	0%	100%
124.	ACWA Power Azerbaijan Renewable Energy LLC	Azerbaijan	100%	0%
125.	ACWA Power Sirdarya	Uzbekistan	0%	100%
126.	ACWA Power International LLC	United Arab Emirates	0%	100%
127.	ACWA Power Ibri Project Holding Co. Ltd.	United Arab Emirates	0%	100%
128.	Shams Ad-dhahira Generating Company SAOV	Oman	0%	50%

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
129.	ACWA Power Green Energy Africa Pty Ltd	South Africa	0%	100%
130.	ACWA Power Redstone Holdings	South Africa	0%	100%
131.	ACWA Power Solarreserve Redstone Solar Thermal Power Plant Pty Ltd	South Africa	0%	60%
132.	Ehyaa Renewable Company B.S.C.	Bahrain	0%	100%
133.	ACWA Power Plovidiv Holdings	United Arab Emirates	0%	100%
134.	ACF Renewable Energy Ltd.	Malta	0%	42%
135.	ACWA Power Ethiopia Project Holding Co.	United Arab Emirates	0%	100%
136.	ACWA Power Dicheto Solar PV Share Company	Ethiopia	0%	99.99%
137.	ACWA Power Azerbaijan Project Holding Co	United Arab Emirates	0%	100%
138.	ACWA Power Kom Ombo Project Holding Company Ltd	United Arab Emirates	0%	100%
139.	ACWA Power Kom Ombo for Energy	Egypt	0%	100%
140.	Solar V Holding Co Ltd	United Arab Emirates	0%	60%
141.	ACWA Power Gad Solar PV Share Company	Ethiopia	0%	99.99%
142.	ACWA Power Uzbekistan Wind Project Holding Co Ltd	United Arab Emirates	0%	100%
143.	APO IV	Morocco	0%	75%
144.	Laayoune	Morocco	0%	75%
145.	Boujdour	Morocco	0%	75%
146.	APO	Morocco	0%	73.13%
147.	APO II	Morocco	0%	75%
148.	APO III	Morocco	0%	75%
149.	ACWA Power Enerji	Turkey	0%	99.01%
150.	ACWA Power Kirikkale Holdings WLL	Bahrain	0%	99%
151.	ACWA Güç	Turkey	0%	69.6%%
152.	Arabian Efficiency Company for Operation and Maintenance JSC	Saudi Arabia	0%	100%
153.	First National Holding Company	Saudi Arabia	100%	0%
154.	Diaa Sakaka O&M Co LLC	Saudi Arabia	0%	100%
155.	NOMAC Saudia O&M	Saudi Arabia	0%	100%
156.	Rabigh Power	Saudi Arabia	0%	100%
157.	NOMAC Ltd	United Arab Emirates	0%	100%
158.	Naqaa O&M for Water Desalination LLC	Saudi Arabia	0%	55%
159.	NOMAC Atlantic SARLAU	Morocco	0%	100%
160.	NOMAC Sahara SARLAU	Morocco	0%	100%
161.	Suez Nomac O&M Co.	Saudi Arabia	0%	40%
162.	Jubail Operations Holdings WLL	Bahrain	0%	40%
163.	NOMAC Maroc SARLAU	Saudi Arabia	0%	100%
164.	NOMAC Ouarzazate II SA	Morocco	0%	75%
165.	NOMAC Ouarzazate III SA	Morocco	0%	75%

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
166.	Renewable Energy for Morocco	Morocco	0%	49%
167.	NOMAC Ouarzazate IV	Morocco	0%	36.75%
168.	NOMAC Laayoune IV SA	Morocco	0%	36.75%
169.	NOMAC Boujdour SA	Morocco	0%	36.75%
170.	Seqayah O&M Co LLC	Saudi Arabia	0%	100%
171.	Water Desalination Company Limited	Saudi Arabia	0%	100%
172.	First National O&M Co. (NOMAC)	Saudi Arabia	0%	100%
173.	Rabigh Water Production Services Co Ltd	Saudi Arabia	0%	100%
174.	NOMAC Solar Ltd	Malta	0%	100%
175.	NOMAC Bulgaria EAD	Bulgaria	0%	100%
176.	NOMAC Maintenance Energy Services One Person Company LLC	United Arab Emirates	0%	100%
177.	NOMAC Gulf CSP Tower Energy LLC	United Arab Emirates	0%	100%
178.	NOMAC Africa Holding	South Africa	0%	100%
179.	NOMAC IAE Bokpoort Pty Ltd	South Africa	0%	70%
180.	NOMAC IAE Redstone Pty Ltd	South Africa	0%	100%
181.	NOMAC Africa Solar Services Pty Ltd	South Africa	0%	100%
182.	NOMAC Vietnam Co Ltd	United Arab Emirates	0%	100%
183.	East Africa Business Venture FZ LLC	United Arab Emirates	0%	100%
184.	NOMAC Gulf Solar Energy LLC	United Arab Emirates	0%	100%
185.	NOMAC Gulf Coal Energy LLC	United Arab Emirates	0%	100%
186.	NOMAC Gulf O&M LLC	United Arab Emirates	0%	100%
187.	NOMAC Nile Energy	Egypt	0%	100%
188.	NOMAC Egypt Energy	Egypt	0%	100%
189.	NOMAC Benban Egypt for Solar Energy	Egypt	0%	100%
190.	NOMAC AL Dur Power & Water Services WLL	Bahrain	0%	100%
191.	NOMAC Gulf Trading Co (JAFZA)	United Arab Emirates	0%	100%
192.	NOMAC Taweelah Water Desalination Services LLC	United Arab Emirates	0%	100%
193.	NOMAC Water Desalination Services LLC	United Arab Emirates	0%	100%
194.	NOMAC Solis Pty Ltd	South Africa	0%	85%
195.	NOMAC Khanysia Pty Ltd	South Africa	0%	80%
196.	NOMAC Enerji Uretim Islemte Ve Bakim Hizmer-tleri Ltd Sirkete	Turkey	0%	100%
197.	Asia Power Trading FZCO (JAFZA)	United Arab Emirates	0%	51%
198.	Veolia First National Water Services Co.	Oman	0%	35%
199.	Jazlah Water Desal Co.	Saudi Arabia	0%	40%
200.	First National Co for O&M Services LLC (NOMAC Oman)	Oman	0%	100%
201.	APM Power Holding Company (JAFZA)	United Arab Emirates	0%	100%
202.	Water Consortium Holding	Saudi Arabia	0%	40%

No.	List of Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)[1]
203.	Marafiq Redsea for Energy Company	Saudi Arabia	0%	100%
204.	Nam Dinh First Power Company Limited	Vietnam	0%	50%
205	NOMAC Saudia for Operation and Maintenance LLC	Saudi Arabia	0%	100%
206	ACWA Power Moatize Termoelectrica SA	Mozambique	0%	70%
207	ACWA Power Water and Power Projects	United Arab Emirates	0%	100%
208	ACWA Power Water Projects Ltd	United Arab Emirates	0%	100%
209	NOMAC Maintenance Energy Services One Person Company LLC - Abu Dhabi Branch	United Arab Emirates	0%	100%
210	Sudair 2 Holding Company	Saudi Arabia	0%	100%
211	ACWA Power for Jizan Energy Co.	Saudi Arabia	0%	100%
212	Gulf Electrical Equipment Testing Laboratories Co	Saudi Arabia	0%	100%
213	Amwaj International Co. Ltd	Saudi Arabia	0%	100%
214	Al-Qiddiya Utilities Holding Company	Saudi Arabia	0%	100%
215	NOMAC PV Phase V LLC	United Arab Emirates	0%	100%
216	NOMAC Power Services LLC	United Arab Emirates	0%	100%
217	NOMAC Jubail O&M	Saudi Arabia	0%	100%
218	NOMAC Sirdarya O&M Services LLC	Uzbekistan	0%	100%
219	Marafiq Tweeq Power Company	Saudi Arabia	0%	100%
220	ACWA Power for Energy	Saudi Arabia	0%	100%
221	Hajr Management and Investments Limited	United Arab Emirates	0%	100%
222	PT ACWA POWER INDONESIA	Indonesia	0%	100%

Source: Company

1-4 List of Material Subsidiaries

As of 1 June 2021G:

No.	Name of Subsidiary	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)
1.	First National O&M Co. (NOMAC)	Saudi Arabia	0%	100%
2.	RAWEC	Saudi Arabia	0%	99%
3.	ACWA Power Barka SAOG	Oman	0%	41.9%
4.	CEGCO	Jordan	0%	40.93%
5.	Zarqa	Jordan	0%	60%
6.	APO I	Morocco	0%	73.13%
7.	APO II	Morocco	0%	75%
8.	APO III	Morocco	0%	75%

Source: Company.

1-5 List of Key Group Companies

As of 1 June 2021G:

No.	Key Group Companies	Country of Incorporation	Direct Interest (%)	Indirect Interest (%)
1 .	First National O&M Co. (NOMAC)	Saudi Arabia	0%	100%
2.	RAWEC	Saudi Arabia	0%	99%
3.	SWEC	Saudi Arabia	0%	30%
4.	SqWEC	Saudi Arabia	0%	32%
5.	MEPCO	Saudi Arabia	0%	50%
6.	STPC	Saudi Arabia	0%	100%
7.	Sudair One Renewable Energy Project Company (Saudi CJSC)	Saudi Arabia	0%	35%
8.	Rabigh Power	Saudi Arabia	0%	100%
9.	Marafiq Redsea for Energy Company	Saudi Arabia	0%	100%
10.	APO I	Morocco	0%	73.13%
11.	APO II	Morocco	0%	75%
12.	APO III	Morocco	0%	75%
13.	ACWA Power Barka SAOG	Oman	0%	41.9%
14.	Ibri	Oman	0%	100%
15.	SGC	Oman	0%	44.9%
16.	Taweelah RO Desalination Company	United Arab Emirates	0%	40%
17.	Haya Power & Desalination Company B.S.C. (Closed)	Bahrain	0%	60%
18.	Zarqa	Jordan	0%	60%
19.	ACWA Güç	Turkey	0%	69.60%
20.	ACWA Power Sirdarya	Uzbekistan	0%	100%
21.	Jubail Water and Power Company	Saudi Arabia	0%	20%
22.	Hajr Electricity Production Company	Saudi Arabia	0%	22.49%
23.	Hassyan	United Arab Emirates	0%	26.95%
24.	Noor Enegry 1 CJSC	United Arab Emirates	0%	24.9%
25.	Jazan IGCC	Saudi Arabia	0%	25%
26.	ACWA Power Bash Wind	Uzbekistan	0%	100%
27.	ACWA Power Dzhankeldy Wind	Uzbekistan	0%	100%
28.	RABEC	Saudi Arabia	0%	40%
29.	First National Holding Company	Saudi Arabia	100%	0%

Source: Company

2- Risk Factors

Prospective investors should carefully consider all the information contained in this Prospectus, particularly the risks described below, prior to deciding to subscribe for or purchase any Offer Shares. However, the risks outlined below may not include all the risks which the Group may face. The Group may face further risks which are currently unknown to the Group, or which currently are considered immaterial, and which may affect its operations. When evaluating the risks described below, a prospective investor should also consider, amongst other information set out in this Prospectus, the information on the Group, the Project Companies and the relevant agreements described in Section (4) ("**The Company**") and Section (12) ("**Legal Information**") respectively. The Board members affirm that, to the best of their knowledge and belief, there are no other material risks besides those mentioned in this section, the non-disclosure of which would affect investors' decisions to invest in any Offer Shares as at the date of this Prospectus.

The Group could have a material adverse effect to its business, financial position and results of operations if any of the following risks, which the Board members currently consider to be material, occur or if any other risks currently unknown to the Board members occur or become material. As a result, risks or other factors that may affect the Company, as well as the forward-looking events and circumstances discussed in this Prospectus may not occur in the way the Company or the Board members expect, or at all.

An investment in the Offer Shares is only appropriate for those investors who are able to evaluate the risk and the benefits of the investment and those who have sufficient resources to sustain any loss resulting from such investment. Any prospective investor who is doubtful about any aspect of investing in the Offer Shares must seek advice from a financial advisor licensed by the CMA in relation to such investment.

The occurrence of any of the risk factors specified below, or the occurrence of any other risks which the Board members have not identified or those which they do not consider to be material as at the date of this Prospectus, may result in the reduction of the price of the Shares in the market and an investor could lose all or some of the value of his investment in the Offer Shares.

The risks described below are presented in an order intended to assist investor understanding but which does not necessarily reflect their importance, or anticipated occurrence or effect on the Group. Additional unknown risks and uncertainties or those deemed immaterial now by the Company may have the impact or consequences described in this Prospectus. The risks set out in this Section (2) ("**Risk Factors**") do not purport to be: (a) a complete or composite list of all risks which may affect the Company or in any case its operations, activities, assets or markets in which it operates; or (b) an explanation of all the risks involved in investing in the Offer Shares.

2-1 Risks related to the Group's Projects

2-1-1 Risks related to the expected levels of available capacity to generate electricity and/or produce desalinated water, or the expected levels of electricity actually generated or water actually produced, at the Project Companies may not be achieved or maintained

All Project Companies (save for ACWA Güç and Bowarege) have entered into power purchase agreements ("**PPAs**"), water purchase agreements ("**WPAs**"), power and water purchase agreements ("**PWPAs**") or water and energy conversion agreements ("WECAs" and, together with the PPAs, WPAs and PWPAs the "**Offtake Agreements**"). Through these Offtake Agreements, the Group sells the Project's electricity generation capacity and/or desalinated water or steam production capacity at a pre-agreed tariff or sells electricity generated and/or desalinated water produced at the relevant Project to offtakers. Such offtakers include investment-grade sovereign and quasi-sovereign entities, as well as investment grade resource/commodity-based industrial companies that require significant quantities of utility services and are usually capable of supplying their own fuel resources to the Projects (for example, captive power plants for oil and gas companies). Pursuant to these Offtake Agreements, revenues of the Project Companies are principally determined by (i) (with respect to base-load conventional plants, which are those that generate enough power and/or desalinated water according to the load requirements of a given electrical grid from the relevant project) the available capacity of the relevant plant to generate power and/or to produce desalinated water and/or steam as required by the relevant offtaker, and (ii) (with respect to renewables) the electricity delivered (or deemed to be delivered) to the offtaker. For further information on the payments made with respect to the Group's Offtake Agreements, please see Section (4) ("**The Company**") and Section (12-7) ("**Legal Information—Summary of Material Contracts**"). The Group's current contracts have a weighted average remaining contract term of approximately 22 years as of 31 December 2020G, weighted based on total project cost, while the Group's contracts for its renewable assets (projects using or producing renewable energy) have a weighted average remaining contract term of approximately 27 years as of 31 December 2020G.

For base-load conventional plants, Capacity Payments by the offtaker for the plant's available capacity represent a majority of the overall revenue of each Project (save in the case of the Kirikkale CCGT IPP in Turkey, which was deconsolidated in 2018G). Such Capacity Payments are separate from payments from offtakers for electricity actually generated or desalinated water actually produced at such base-load conventional plants. If a plant is unable to generate electricity and/or produce desalinated water at the levels required under the relevant Offtake Agreement for any reason, including, for example, as a result of critical equipment failure and unplanned shutdowns, the availability-based Capacity Payment made by the offtaker will be reduced. Furthermore, a failure by an operation and maintenance contractor or subcontractor to operate and maintain the relevant plant in a manner that ensures that it has the required levels of available capacity to generate electricity and/or produce desalinated water could result in a reduction in a Project Company's revenue, liquidated damages being paid by the Project Company to the offtaker, and in the event of a prolonged failure, could impact the Group's reputation. For example, the failure by the O&M contractor to generate/produce the required levels of electricity/water may result in an event of default under (i) the O&M Contract, (ii) the relevant offtake agreement (if the failure to generate leads to an amount that is less than a pre-agreed level) or (iii) the underlying finance agreements, this would consequently result in loss of revenues of the Project Companies, liquidated damages paid to Project Companies by the relevant O&M contractor and could potentially result in termination of the O&M contract. The Project Companies' back-to-back arrangements with their respective operation and maintenance contractors in relation to the required levels of plant performance may not fully compensate the relevant Project Company for the reduction in revenue resulting from decreases in availability as liquidated damages payable by operation and maintenance contractors are limited to a portion of the reduction in revenue of the Project Company and in some cases are also subject to annual caps. Similarly, where the operation and maintenance contractor is NOMAC (or a NOMAC subsidiary), the Group's financial position will be adversely impacted (depending on its ownership percentage in the operation and maintenance contractor) regardless of whether the Project Company manages to rely on the back-to-back arrangements. For further information on the Group's operation and maintenance arrangements, see 2-1-8 " **Risks related to the extent to which profits of the Group and the operation and maintenance of the Group's Projects depend on the costs of operation and the performance by the operation and maintenance contractors of their contractual obligations**". Should any of these events materialize it could adversely affect the Group's business, financial position and results of operations.

Material forced shutdowns in 2019G (where the outages were in excess of 5% of the annual plant capacity (per plant)) occurred at Rabigh IPP and Shuqaiq IWPP due to equipment failure and a national grid blackout, respectively, and have resulted in unplanned plant outages, with a full loss of power generation capacity in the former for approximately three months and a one-third loss of capacity in the latter during a period of approximately five months. The total resulting loss in revenue for these events amounted to SAR 379.8 million (of which SAR 284.6 million related to Rabigh IPP and SAR 95.2 million related to Shuqaiq IPP), for which SAR 172 million has been approved and collected pursuant to the Group's business interruption insurance, as compared to total revenues for Rabigh IPP of SAR 674.7 million and Shuqaiq IWPP of SAR 697 million for the year ended 31 December 2019G compared to the total revenues for Rabigh IPP of SAR 923.5 million and Shuqaiq IWPP of SAR 798.7 million for the year ended 31 December 2018G. The overall Group plant availability for power and water remained above contractual threshold limits at 90 and 94 percent, respectively, during such Forced Outages, which contributed to increases to the Group's insurance premiums and deductibles related to the affected Projects. In addition, where the operation and maintenance contractor or subcontractor is a Group company, its revenue will be adversely affected to the extent of the liquidated damages paid by it.

Forced Outage Rate for all Project Companies for the year ended 31 December 2018G, year ended 31 December 2019G and the year ended 31 December 2020G amounted to 6.9% 8.6% and 2.6% for power, respectively and 3.2%, 4.0% and 3.2% for water, respectively. The contribution of Subsidiaries' Forced Outages to the Group consolidated results for year ended 31 December 2018G, year ended 31 December 2019G and the year ended 31 December 2020G was 3.1%, 1% and 0.2% for conventional power, respectively, 13.3%, 21.7% and 16.5% for renewables,respectively, and 6.1%, 2.3% and 0.7% for water, respectively.

In 2020G, material unplanned outages where Forced Outages were in excess of 5% of annual plant capacity (per plant) occurred at Noor III IPP, Noor II CSP IPP, Bokpoort CSP IPP, Shuaibah IWPP, Al Mourjan IPP and Shuqaiq IWPP (For further information, see 4-9 ("**Significant Disruptions to the Business**")):

- Noor III CSP IPP in Morocco had a significant unplanned shut down as a result of a molten salt leak within its solar tower, which has now been resolved; as well as a plant outage as a result of mechanical failure in the evaporator and ESV blockage which resulted in a Forced Outage in 2020.These have resulted in an estimated financial loss for ACWA Power share of SAR 77M.
- Noor II CSP IPP in Morocco experienced a partial outage in January 2020G related to the turbine outage and again for 18 days across June and July 2020G as a result of leakage in its steam generator system, with further inspections and repairs of the steam generator system in November 2020G resulting in a Forced Outage in 2020G. These have resulted in an estimated financial loss for ACWA Power share of SAR 53M.
- Bokpoort CSP IPP in South Africa had a 8% Forced Outage Rate in 2020G which was mainly due to Communication Failure between the DCS and the Solar Field during March, High Pressure Turbine - Emergency Stop Valve (HPT ESV) failure in July, tripping of a steam turbine as a result of High Condenser Pressure during February and performance losses. These have resulted in an estimated financial loss of SAR 19 million.
- Shuaibah IWPP in Saudi Arabia had a Forced Outage Rate of 7.9% and 7.2% for power and water respectively. The outage on the power side was mainly due to leaks in the water tube boiler that led to a shutdown of units to rectify these leaks. On the water side, the Forced Outage was mainly due to steam production limitations due to the water tube boiler load restriction or due to tube leak rectification work. These have resulted in an estimated financial loss of SAR 13 million.
- Al Mourjan IPP in Saudi Arabia had a 6.9% Forced Outage Rate in 2020G mainly due to repairs and maintenance required for a steam turbine and shutdown of gas turbines for ASL (Arabian Super Light Crude) commissioning which has resulted in an estimated financial loss of SAR 14 million.

- Shuqaiq IWPP in Saudi Arabia had a 5.4% Forced Outage Rate on the power side, mainly, in order to rectify generator bearing and rotor damage on one of the units which has resulted in an estimated financial loss of SAR 22 million.

For renewables projects, the relevant Project Companies receive a single energy payment for the electricity delivered (or deemed to be delivered under the relevant offtake agreements for example, in the event the Project Company is unable to deliver the required level of energy generation due to the failure of the Offtaker, then the energy will be deemed to be delivered and the Offtaker is obliged to pay the energy payments) to the relevant offtaker. Given that there are no Capacity Payments under these Projects to compensate the Project Company for its availability to deliver power, the offtaker is generally required to dispatch and take all of the power that the Project Company is actually capable of delivering failing which, the Project Company is generally compensated by the offtaker for the power it would have delivered but for the offtaker's failure to take the relevant plant. Conversely, should the Project Company of a renewable project fail to deliver the agreed upon energy to the offtaker, including due to renewable resource-based estimations with actual resource availability falling short of the expected generation and technical flaws or malfunctions affecting the actual energy production, the expected payment to the Group may be withheld by the offtaker and may not be recoverable from another party (e.g. a defaulting EPC contractor). For example, Noor I CSP IPP was impacted from August to November 2019G by the severe malfunction of a rotor which necessitated its replacement. The shutdown started on the 22nd of August and lasted until the 6th of November. The total loss compared to the planned generation is 96 GWh in the delivered energy and total loss of revenues amounted to SAR 45 million for ACWA Power compared to the project's total revenues of SAR 158.6 million fin 2019G. Because the warranty had expired prior to the malfunction, the Group has initiated a claim amounting to SAR 71.3 million under its property damages and business interruption insurance policy in order to recoup to costs of the replacement and the withheld payments resulting from shortfall in delivered energy caused by the disruption. As of the date of this Prospectus, the Group has received an interim compensation payment of SAR 13.1 million pursuant to this claim, with the remainder (SAR 58.2 million) pending. In addition, operations at Noor II CSP IPP were impacted due to a crack in the foundation of the salt tank during the period from March to December 2019G, which has resulted in a total loss of 77 GWh in the delivered energy compared to the planned generation and total loss of revenues amounted to SAR 30 million for ACWA Power compared to the project's total revenues of SAR 235.6 million in 2019G. Malfunctioning of the evaporator and faulty construction of the downcomer at Noor III CSP IPP also led to a complete stoppage of operations from May 2019G to February 2020G, which has resulted in a total loss of 355 GWh compared to plant generation and total loss of revenues amounted to SAR 126 million for ACWA Power compared to the project's total revenues of SAR 45.8 million in 2019G and SAR 9.7 million in 2020G. See also, 2-1-**3 " Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts**". Subsequent performance issues of Noor III CSP IPP's heat exchanger in June 2020G and November 2020G have led to the temporary derating of the plant to 100MWh from 150MWh applicable during short periods (i.e. two weeks) and a reduction of receiver flux when water levels exceed certain limits such as during the days following storm, which have resulted in a total loss of 96 GWh in the delivered energy compared to planned generation and a total loss of revenues amounting to SAR 38.3 million for ACWA Power compared to the project's total revenues of SAR 9.7 million in 2020G.

If any of the above risks were to materialise, the Group's business, financial position and results of operations would be materially adversely affected.

2-1-2 Risks related to the Group's delays in the development of Projects and/or in achieving the financial close

As of 18 May 2021G, the Group has 13 Projects in advanced development (see Section (4-6-2-4) ("**The Company – Projects**")). During the advanced development phase of a project, which is a phase beginning from the awarding of preferred bidder status or where a significant project agreement (such as the shareholders agreement, implementation agreement etc.) is signed by the Company for the project until the Financial Close of the project (referred to as the "**Advanced Development Phase**"), there is an inherent risk of material delays in achieving, or achieving at all, the Financial Close of a project. This could be due to a variety of reasons, including delays in obtaining all necessary development and construction permits and licenses, including applicable land, electricity and environmental permits. The Group is still in the process of obtaining all necessary permits and licenses for most of its Projects in Advanced Development Phase which are required at that stage and for the Project Companies to be able to achieve Financial Close. For example, the Dzhankeldy Wind IPP and Bash Wind IPP, have not yet obtained the required licences to operate industrial hazardous facilities. Failure to obtain the requisite licenses in a timely manner, could impact achieving Financial Close for the relevant Project.

In the event the Group is unable to take a project to Financial Close, it may lose its bid bond, which is issued by the Project Company in favour of the relevant offtaker and is valid for a period from awarding the project to the Project Company and until achieving the Financial Close to secure a binding offer by the Project Company, and any initial development costs, costs for early works executed by the EPC Contractor pursuant to a Limited Notice to Proceed ("**LNTP**") under the applicable construction contracts, and any pre-financial close hedging undertaken by the Group for subsequent novation of such hedging to the Project and would not receive the anticipated revenues from such project. The inability to achieve financial closing of a given project could have a material adverse effect on the Group's business, financial position and results of operations.

In addition, delays in the development of a project may also, in turn, delay the receipt by the Group of development fees (which are upfront fees typically paid to the developers or sponsors as compensation for the risks taken and efforts made while developing the project). As a result, the delay in obtaining such fees could result in a material adverse impact to the Group's cash flows and earnings during the period of delay.

If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-1-3 Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts

During the construction phase, which is the period from Financial Close to the commercial operation date of a project, there is an inherent risk of material delays in the construction of a project which could be due to a variety of reasons, including delays in obtaining or renewing any necessary construction permits and licenses and delays in construction activity itself, for example, due to unforeseen site issues or commissioning issues or due to failure to perform by the contractor, for example, when the quality of construction is poor or the quality of installed equipment does not meet required legal or contractual standards, which could be caused by failures of its subcontractors and sub-suppliers or bankruptcy of the contractor. In addition, because most of the projects being developed by the Group are done under a single turnkey EPC contract for that project (with the relevant contractor or contractor consortium assuming all responsibility for the applicable development, construction process and work), the risk of significant delays, cost overruns and quality of workmanship issues with respect to the project in question is concentrated if the applicable contractor or contractor consortium defaults on its obligations under the applicable EPC contract. Such delays, cost overruns or quality issues may be potentially greater in instances where a contractor must be replaced as a result of its default. On 22 February 2021G, Abengoa SA, the parent company of the EPC consortium partners for Salalah IWP, Rabigh 3 and Taweelah, filed for bankruptcy in the Seville Court. However, to date, the Group are not aware of any filings for bankruptcy by any of the Abengoa entities contracted with ACWA Power. The parent company bankruptcy does not impact ACWA Power contracts directly. Additionally, in all impacted projects, Abengoa is working with investment-grade partners with J&S liability. Therefore, the risk is passed on to EPC partners. The Project Company has bonds available from Abengoa, to cover for any losses in worst case scenario. These bonds have been issued by non-Spanish banks and are callable on demand. Salalah IWP has achieved the commercial operational date on 12 March 2021G, however, there could be harm to reputation for the projects in the event if Abengoa entity had to be replaced with another entity by the EPC Contractor and EPC not able to timely complete the construction activities of the project. The court has initiated the insolvency proceedings of Abengoa SA on 26 February 2021G and an administrator has been appointed and creditors have filed claims. Moreover, in 2017G one of the EPC consortium partners in Mafraq PV IPP declared bankruptcy and consequently the EPC Contractor was replaced by another partner. This has resulted in a write off amount for the Group of SAR 9.6 million in the year ended 31 December 2017G.

Furthermore, towards the end of the construction phase, a project is exposed to performance specification risk, which is the risk that the completed plant or certain other aspects of the project may not fall within the performance parameters stated within the relevant Offtake Agreement including, for example, inability of the EPC Contractor to deliver the performance specifications under the Offtake Agreement (given that the responsibility for delivery of performance specifications under the Offtake Agreement are passed on to the EPC Contractor). For example, since May 2019G, the Ibri IPP and Sohar III IPP have experienced additional fuel consumption due to the heat rate performance achieved during the operational phase being below the guaranteed performance levels under the relevant Offtake Agreement which have resulted in additional costs for the additional fuel consumption of SAR 57.7 million (of which SAR 25.9 million is attributable to the Group based on its effective ownership interests in the Projects) on the Company till 31 December 2020G.

In addition, problems relating to the quality of workmanship by the EPC contractor may result in defects in the Project which may result in significant delays or cost overruns if identified prior to the commercial operation date, or unplanned outages of the Project, equipment failure, unforeseen capital expenditures and health and safety hazards, all of which could have an adverse impact on the completion or operations of the Project.

Moreover, the Project Companies that are constructing Projects are usually obliged to pay liquidated damages to the offtaker should a project fail to achieve completion in due time (in accordance with the Offtake Agreement) for each phase of the Project. Any non-payment by the Project Company of such delay-related liquidated damages would trigger the right for the offtaker to call on the performance bond to recover such liquidated damages. Typically, the shareholders are solely responsible for procuring each of the bonds as required under the finance documents. For instance, under the APO II and APO III shareholders' agreements, the shareholders (save for Masen Capital) are solely responsible for procuring each of the bonds from financial institutions as required under the finance documents, including, inter alia, the development bond, the construction bond and performance bond (with the bonds being issued without recourse to Masen Capital). Furthermore, if the Project Company does not reach COD by the long-stop date then the offtaker will typically have a right to terminate the Offtake Agreement and is under no obligation to purchase the Project, although if the Offtake nevertheless elects to do so it is only required to pay for the outstanding debt as part of termination payment. For example, the Noor II CSP IPP and Mafraq PV IPP did not reach FCOD by their respective long-stop dates. With respect to Mafraq PV IPP the Project Company and the Offtaker entered into an amendment to the PPA on 9 July 2018G whereas the long-stop date (scheduled on 1 August 2018G) was extended to 31 December 2018G. As for Noor II CSP IPP, the Group is currently under negotiation with the Offtaker for an extension of the FCOD. Any settlement with an EPC contractor resulting from the events described above may not be strictly in accordance with the terms of the relevant EPC agreement due to commercial considerations.

As a result, the liquidated damages paid to the offtaker for delays in achieving completion in due time (in accordance with the Offtake Agreement) is presented in the Group's profit or loss statement net of any liquidated damages that are received from the EPC contractor.

In the event of cost-overruns in the construction of certain Projects, which is not compensated under the other project-related agreements, the shareholders may be responsible for such costs. For instance, the reimbursement of such costs from the project company pursuant to the APO II and APO III shareholders' agreements is subject to Masen Capital maintaining an equity return as required for the term of the PPA. As another example, under the Hassyan shareholders' agreement, ACWA Power Harbin is responsible for any EPC cost overruns (unless Hassyan has received or is entitled to receive compensation under any project agreement or relevant insurance policy) and for procuring and providing the development security to the offtaker on behalf of Hassyan pursuant to the PPA.

As a result, to the extent the relevant delay in completion, cost overruns or quality issues are not attributable to risks borne by the relevant EPC Contractor, and to the extent not covered by the insurance procured by the Project, the delays could have material financial consequences for the Project Company and the Group (under the deed of guarantees it has provided to the contractors). Examples of such delays, cost overruns or quality issues include the following:

- The Project Company in Oman entered into a settlement agreement on 3 July 2020G with the relevant EPC Contractor pursuant to which the EPC Contractor has paid SAR 299.6 million as liquidated damages for delays of early power delivery and project commercial operation date ("**PCOD**"), together with the issuance of the project taking-over certificate ("**PTOC**").
- The Offtaker for the Sohar III IPP in Oman has collected liquidated damages amounting to SAR 155.6 million as a result of delays (other than associated cost overrun due to such delays) due to a gas supply delay by MOEM, a back-feed delay, a load restriction delay and EPC-related issues. The liquidated damages will be recovered from the EPC Contractor pursuant to the back-to-back arrangements.
- The Zarqa IPP in Jordan was delayed in achieving the commercial operation dates for both its Phase I and Phase II components by 212 days and 120 days respectively, as result of incident taking place with respect to the Interconnection Facility of the offtaker, fuel nozzles issues and various delays by the EPC contractor. Off taker charged Zarqa IPP for full delay for both Phase I and Phase II and withheld SAR 78.8 million as Delay liquidated damages from Zarqa revenue invoices, which Zarqa did not accept. As far as the EPC contractor is concerned, Zarqa has reached settlement with the contractor at SAR 87.4 million as the full and final amount of liquidated damages and has executed a Settlement Agreement after obtaining the lenders consent.
- The Noor III CSP IPP in Morocco was delayed in achieving its initial commercial operation date by 109 days as a result of a suspension of the Heavy Transport Permits by local authorities in Morocco caused allegedly by floods which prevented the delivery of the heavy equipment in question, delays in the submission of final detailed design documents, acceptance of the plant by the offtaker and issues with respect to the construction quality. The liquidated damages have been paid to the Offtaker. In case of any non-recovery of these liquidated damages from the EPC Contractor, the Group will be exposed to the non-recovered amount of the liquidated damages.
- The commissioning of the Salalah IWP in Oman initially failed due to faulty equipment causing significant delays. The Project has encountered failures Variable Frequency Drive (MV VFD) in its Medium Voltage Pumps associated with the Sea Water Intake in quick succession. Preliminary technical investigations into failed SWIP MV VFD units have identified a common fault during normal operation, exhibiting catastrophic failure across all phases on the secondary (output) side transformer windings. In October an additional SWI pump MV VFDs failed. The latest sea water intake pump VFD transformer failure occurred on 26th November with the mode of failure of the same nature as the previous transformer failures. The third-party assessment identifies the underlying cause of transformer failure as thermal overload due to inadequate cooling. Replacement transformer components have been redesigned to address this mode of failure. Due to the long lead time of the replacement components, the Plant was operated with the existing sea water intake pump transformers with the known defects in order to mitigate as far as practical, the delay to the commissioning works and the Programme. As a result of this mitigation measure, it was anticipated that a sea water intake transformer would likely fail again when operated at the higher loads/full capacity during testing. This is what occurred and the recent failure was not unexpected. The replacement sea water intake transformers of modified design have completed manufacturing and have been air-freighted to Oman on 30 December 2020G and 1 January 2021G. The Salalah IWP achieved COD on 12 March 2021 with a delay of 5 months. The delays resulted in a loss of 5 months revenue amounting to SAR 31.1 million, which caused liquidity issues for the Project Company as there was lower cash for debt service and other fixed expense. The Project Company had to use the working capital facility to ensure liquidity.
- Unit-1 of the Hassyan IPP in the UAE achieved COD on 19 November 2020G with a delay of 263 days as a result of the suspension of work due to a boiler foundation settlement issue, an onsite fatality in 2019G, the investigation of

the manual shop weld quality for the Unit-1 boiler and delays in construction due to COVID-19 related impacts on availability of equipment and labor. Delays in Unit-1 has resulted in cost overruns of SAR 465 million. Settlement agreements have been signed with the Offtaker and with the EPC contractor. However, there remains an un-recovered amount of SAR132 million comprised of liquidated damages and cost-overruns. Such amount shall be borne by ACWA Power pursuant to the settlement agreements. As of May 2021G, construction delays for Unit-2 and Unit-3 are also expected by 146 days for Unit-2 and 114 days for Unit-3 and no delays expected for the Plant COD.

- The Mourjan IPP and Hajr IPP in KSA are currently experiencing potential delays in the initiation of planned commissioning activities for backup fuel operations readiness. Though the plants have been operating since the first quarters of 2018G and 2015G, respectively, the commissioning for backup fuel has extended beyond the pre-agreed number of days due to the failure or delay of back-up fuel verification processes in accordance with the design and specifications. Such delays or failures may result in extended outages, lower availability, the claims for liquidated damages (and for Mourjan IPP also the release of the security bond (amounting to SAR 100 million) over the Project which is subject to back-to- back arrangement with the EPC Contractor) if the back-up fuel operations are not available in a timely manner. With respect to Hajr IPP, the Group entered into an agreement with the offtaker to complete back up fuel commissioning through five groups, pursuant to which the offtaker will pay to the Group a fixed amount for commissioning each group and provide 100 days availability for commissioning and testing for remaining five groups. The commissioning of first unit (GT-11) of the Mourjan IPP was started in February 2020G and the unit was operated to base load with ASL, however due to issues in combustors during gas start up, the ASL commissioning was stopped. The Project Company requested the EPC contractor to submit a proper RCA that confirm the reliability of change over process to proceed with commissioning which was duly submitted. A meeting was held between the Project Company, offtaker and EPC contractor as per settlement agreement. Discussions are ongoing with the EPC contractor and offtaker on way forward for ASL testing.

In addition, in the event that the EPC Contractor is either unable to meet the performance specifications or it delays the Project construction beyond the long stop date agreed under the relevant Offtake Agreement, the offtaker may exercise its right to reject the plant, which could lead to a loss for the Group's equity invested and expected equity returns. Notwithstanding that EPC contracts provide a right to the Project Company in such circumstances to reject the plant from the EPC Contractor and claim liquidated damages suffered from the EPC Contractor, the Project Company, and the Group under any guarantees it has provided to the contractors, may nevertheless suffer a residual loss. Damages that may be claimed from the EPC Contractor are also subject to certain liability caps agreed in the EPC contracts, which could result in the Project Company not being fully compensated for its losses. In addition, in the event of the insolvency, administration, winding-up of, or similar actions undertaken with respect to the EPC Contractor, the Project Company may incur penalties under the relevant Offtake Agreement in relation to any material delays in the completion of the Project, incur additional expenditure in procuring a new EPC Contractor and/or suffer total loss of the Project and investment, should the offtaker be entitled to (and chooses to exercise) termination of the relevant Offtake Agreement. In the case of the EPC Contractor's insolvency, the Project Company may not be able to recover the contract price already paid to the EPC Contractor. While the Project Company can enforce the performance bond posted by the original EPC Contractor to recover its losses, performance bonds typically vary in value from 10% to 30% of the EPC contract's value and may not therefore fully cover the EPC Contractor's outstanding liabilities to the Project Company, and there is also a risk that the Project Company is not able to collect on the bank guarantees issued on behalf of EPC's either due to the local regulations of certain countries or failure of the banks. Consequently, the occurrence of such an event would impact the Group's reputation and would have a material adverse effect on its business, financial position or results of operations. For further information, see 2-3-1 " Risks related to the repayment of the Group's debt, availability of financing or equity funding or the requirement to make additional equity investments" and 2-4-1 "3 Risks related to the Group and its companies entering into transactions with Related Parties ".

As a result of the COVID-19 pandemic, the above risks may be further exacerbated. The governments of various countries imposed a nationwide lockdown, while gradually relaxing restrictions during the period. Due to this lockdown, construction work on the Group's Projects slowed by a matter of weeks or months (depending on the individual Project). After the lockdown, the Group cannot be certain of the speed of normalization for the construction and development of its Projects, or of the availability of labour, components and materials, over a period of time. The Group may also lose key workers contributing to such construction and development due to COVID-19 related illness and related issues. The Group has received force majeure notice from certain of its suppliers due to COVID-19. In response to these notices, the Group has already issued force majeure notices to certain of the Group's offtakers, including SEC, SWPC, DEWA, MASEN, NEPCO, Tawreed, etc. which are currently under consideration by the offtakers. For a discussion of the risks to the Group's business associated with the COVID-19 pandemic, see 2-4-1 " Risks related to the COVID-19 pandemic".

The Group, to some extent, faces for all of its under-construction projects and some of its projects in advanced development a geographic concentration of EPC contractors given most of these contractors are Chinese companies. However the Group diversifies its EPC contractors by a mix of Chinese government-owned and publicly listed entities whose guarantees are usually supported by their parent company when required.

The occurrence of any of the above factors during the construction phase of a project (and which are not adequately addressed through insurance or in the relevant EPC contract through liquidated damages or some other form of compensation) will significantly delay the completion of the project, require the payment of liquidated damages by the project company, and deprive it of its forecasted revenues or materially impact the Group's reputation, any of which would have a material adverse effect on its business, financial position and results of operations.

2-1-4 Risks related to the Group's growth strategies

The Group is exposed to risks relating to its various growth strategies, which include the development of greenfield project, the development and operation of mega-projects, the acquisition of brownfield assets and a focus on renewable projects as explained further below. For more information on the Group's growth strategy, see Section (4-4) ("Company – Strategy") As of 18 May 2021G, the Group has 13 Projects in advanced development (see Section (4-6-2-4) ("The Company – Projects")). During the advanced development phase of a project, which is a phase beginning from the awarding of preferred bidder status, the Group may be exposed to additional risks relating to these developments and acquisitions.

The Group is exposed to risks relating to its growth strategy in greenfield projects

The development of greenfield projects forms an important aspect of the Group's growth strategy and such development projects in general place significant demands on the Group's management, financial and other resources and requires it to continuously develop and improve its operational, financial and internal controls, and to continue to empower its management, recruitment and administrative capabilities. In particular, ongoing expansion within the Group's current or target markets increases the challenges involved in financial and technical management, recruitment, training and retaining sufficiently skilled technical and management personnel and developing and improving internal administrative infrastructure (see also, 2-2-10 **" Risks related to senior management's experience in managing a publicly listed company** " and 2-4-9 **" Risks related to the Group not being in compliance with applicable labour laws and regulations and/or if not being able to retain existing key senior management personnel or other key skilled employees or continue to attract and employ key personnel with the suitable skills and experience**"). Moreover, the Group is exposed to the risk that it may underestimate the actual costs associated with the development of greenfield projects during the bidding process for such projects, as well as associated risks accompanying the development and construction of such projects. The Group has booked a provision based on Management judgement and estimation of the projects' success rates and historical average success rates. Provisions for development costs amounted to SAR 50.8 million in 2019G and increased to SAR 142.9 million in 2020G (see also 2-1-2 **" Risks related to the Group's delays in the development of Projects and/or in achieving the financial close** " and 2-1-3 " Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts"). In addition, in cases where the Group expands into new jurisdictions and/or geographic regions it may become subject to increased challenges and risks, including those relating to novel regulatory regimes, unfamiliar commercial, labor and bureaucratic environments, bribery and corruption and uncertainty regarding the legal framework under which the Group's Offtake Agreements will be subject (See also 2-4-11 " Risks related to the Group conducting a significant amount of its business in countries, including developing countries, which present significant risks that could adversely impact the Group's business, results of operations, and financial condition and reputation" and 2-4-12 " Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation"). In certain markets, including both in those where the Group may currently have memoranda of understanding with the relevant government or where the public power policy is less clearly defined, the Group will be exposed to a risk that the offtaker could reverse its decision to award a Project to the Group arbitrarily or as a result of influence by competitors of the Group.

The Group's growth is dependent upon its ability to meet the aforementioned challenges successfully and may require significant expenditure and allocation of valuable management resources. The inability to manage such growth effectively may have a material adverse effect on the Group's business prospects, financial position, results of operations and reputation.

The Group is exposed to risks relating to its growth strategy in developing and operating major new projects such as the Jazan IGCC project and the Neom Green Hydrogen

The Group faces particular risks relating to its investments in strategic mega-projects, such as the Group's investment of a 25% stake in the greenfield advanced development project Jazan Integrated Combined Cycle Complex ("Jazan IGCC") which is expected to have a total project cost of approximately USD 11.7 billion as a joint venture partner with Saudi Aramco (20%) and Air Products (55%), a producer of industrial and specialty gases, performance materials and chemical intermediates, and for which the Group will also be an O&M operator for the 3800 MW power generation units located within the Jazan IGCC complex. For further information about this project, see Section (4-6-3-1) ("The Company—Selected Significant Projects"). Unique investments such as these, given their size and complexity, could pose additional risks, including:

- The Jazan IGCC is expected to have a power generating capacity of 3800 MW (of which approximately 1500 MW will be used internally by the Jazan IGCC and by Aramco's nearby Jazan refinery and the remaining approximately 2300 MW will be provided to the electrical grid). The Jazan IGCC is technically complex by its design as it involves a conversion of the fuel (provided by the fuel supplier) to gas through a gasifier, air separation unit, acid gas removal system and hydrogen purification units and then the gas is used to run the power block. This integrated system is more complex than a typical gas fired power plant which results in a different operating complexity.

- The Jazan IGCC will operate on synthetic gas and such non-typical fuels may result in lower heating values, leading to variability in combustion turbine performance, inaccuracy of projects, control degradation effects, increased maintenance, lower availability and complications arising from resorting to back-up fuel such as diesel.
- The Group is required to maximize the level of "local content" for the Jazan IGCC after its third year of operation (approximately 50%), which may potentially lead to increased costs if the Group is unable to procure its suppliers and resources locally.

Furthermore, part of the Group's growth strategy includes diversifying its business through opportunities in "Green Hydrogen" (i.e. the creation of hydrogen for use in hydrogen energy cells via the separation of hydrogen and oxygen from water via electrolysis using electricity generated from renewable energy sources). In July 2020G, the Group announced its equal joint venture participation through a joint development agreement with Air Products and Chemicals, Inc. ("Air Products") and NEOM (a planned smart city and economic zone in north-western Saudi Arabia) in a project to produce and deliver carbon-free hydrogen to power buses and trucks around the world, notably using the renewable energy produced by the Group, together with its joint venture partners, to generate the power used for producing green hydrogen (using green ammonia as the transportation vector). The project is based on proven technologies and will include the innovative integration of a combined capacity of approximately four gigawatts of renewable power and preliminary estimations indicate an expected cost of project of over USD 5 billion but the actual costs will be ascertained as the project progresses further. Air Products is the Offtaker of the project with a contract term that is consistent with the Group's typical average life of contracts seen in the UAE and Morocco, and the project is expected to achieve COD in 2025G. For further information on this agreement, see Section (12-8-5) ("**Legal Information - Summary of Material Related Party Contracts and Transactions - Early Works Contract for the NEOM Project**"). Overall financing of the project is under discussion among the partners to identify the optimum financing arrangements including project financing. The Group expects the project to be funded via a combination of debt and equity in line with its business model. Investments in Green Hydrogen producing facilities, and in particular large-scale first-of-its-kind investments, such as this may subject the Group to increased challenges and risks, including:

- Variability of renewable energy resources in relation to the proposed output levels, in line with any renewable energy-based project.
- EPC arrangements may not cover all possible construction related risks including risks of delay or performance shortfall.
- Integration risks of the upstream renewable energy production with the downstream electrolysis and process elements to produce green hydrogen and (to the extent required in a project) the associated transportation vector.
- Counterparty risks in relation to the non-sovereign offtake and various project agreements.
- There can be no guarantee that the Group will be able to successfully meet such challenges or adequately manage such risks in relation to any Green Hydrogen growth initiatives.

The Group is exposed to risks relating to its growth strategy relating to acquisitions of brownfield assets

The Group has in the past, as in the case of the Barka 1 IWPP, the Salalah 2 IPP – Existing and the power generating assets of CEGCO, acquired and expects in the future to pursue the acquisition of, brownfield operational projects. Because the acquisition of such projects, which could include privatizations, entail extensive negotiations, due diligence procedures and material equity contributions, taking a number of assumptions on demand, costs, optimization of people or tax regimes, significant investment of the Group's resources would be required. Moreover, pursuing and completing acquisitions involve a number of risks, including but not limited to the following:

- The impact of unforeseen risks, such as contingent or latent liabilities relating to the acquired business, that may only become evident once the acquisition is completed. While the Group carries out due diligence on prospective acquisitions, the Group may not discover all potential operational deficiencies in such projects.
- The failure to properly integrate and manage the acquired business or an inability of the Group to achieve any anticipated benefits or cost savings from acquisitions in the time frame anticipated, or at all.
- Unforeseen legal, regulatory, contractual, labour or other issues arising out of the acquisitions and risks associated with operating acquired assets in developing countries. The Group will not have a history of owning and operating acquired businesses, despite these business potentially having significant operating histories at the time the Group acquires them, and possibly limited or no experience operating in the country or region where these businesses are located. In particular, where the Group enters into new markets, it may be exposed to a variety of economic, political, legal and operational risks with which it has little experience (see 2-4-2 "Risks related to the Group being exposed to political risks in the countries and regions where it operates").
- Significant unexpected liabilities or contingencies arising from the acquisitions, for which the Group is not fully indemnified.

- In addition, activities related to such acquisitions may consume a significant portion of Management's focus and could increase its leverage. Future acquisitions may be large and complex, and the Group may not be able to complete them as planned or at all. There can be no assurance that the Group will be able to negotiate the required agreements, overcome any local or international political, social or commercial opposition, such as due to protectionist or environmental concerns, and obtain the necessary licences, permits and financing. Any significant opposition, along with adverse political developments, could hinder or prevent the Group's development of any acquisitions.

The Group is exposed to risks relating to its growth strategy in renewable projects

Moreover, a major component of the Group's strategy is targeting both greenfield and brownfield renewable projects. The Group expects its investments in renewable projects, and as a result the proportion of its operations and financial results owed to such renewable projects will increase as a result of the Group executing the PIF renewables program in Saudi Arabia pursuant to a strategic framework agreement entered into between the Company and PIF (consisting of approximately 70% of renewable projects in Saudi Arabia being developed from 2020G to 2030G) for which ACWA Power has development rights, for more information, please see Section (12-8-4) ("**Legal Information - Summary of Material Related Party Contracts and Transactions - Strategic Framework Agreement**) of this Prospectus. As a result of this aspect of the Group's strategy, the risks to the Group relating to the development and operation of renewable energy projects may increase. See 2-2-2 " The generation of electricity from renewable energy sources depends heavily on suitable meteorological conditions (including favourable supply of wind or solar resources) over which the Group has no control").

In addition, there is no guarantee that the Group's business will grow to reflect its strategy and business plan or even match its historical trajectory. Growth depends on several factors, including, amongst others, the Group's ability to manage its business effectively, retain key employees, nurture collaborative relationships with the Group's multiple partners (such as offtakers, EPC Contractors, joint venture partners, lenders and suppliers), continuing to bid for and win project contracts and the existence of favourable market conditions for the growth of the Group's business. If market conditions become unfavourable or if the Group fails to effectively manage the multiple factors that affect its growth or if the Group is unable to properly and profitably manage or integrate future expansions or achieve its growth objectives in line with its strategy and business plan, this could have a material adverse effect on its business, financial position and results of operations.

2-1-5 Risks related to competition and pricing

While most of the Group's power, water desalination and steam generation projects conduct business under long-term sales contracts (with offtakers usually contractually obligated to purchase electricity or desalinated water or steam for the duration of, and at rates that are contractually determined at the outset of, such contracts), the power and water desalination markets for new projects in which the Group operates are characterized by numerous competitors (including both domestic and international), many of whom may have extensive and diversified developmental or operating experience and financial resources similar to or greater than the Group. Furthermore, in recent years, the power and water desalination industry has been characterised by strong and increasing competition with respect to both greenfield assets and acquiring existing generation assets from both domestic and international competitors. Please see table (4-3) ("**Bid Winning Ratios**") for more details on the Group winning rations. In certain markets including the UAE with respect to the DEWA V PV and KSA with respect to the Jubail 3A IWP (for which the Group has achieved lower tariffs bids), the competition has caused, and may cause in the future, reductions in prices contained in new power and/or water desalination contracts and, in many cases, have caused higher acquisition prices for existing assets through competitive bidding practices. The evolution of competitive electricity markets and the development of highly efficient power and water plants have also caused, and are anticipated to continue to cause, price pressure in certain power and water markets where the Group sells, or intends to sell, power and water. Moreover, some competitors may enter into joint bids on specific projects with an equipment provider, which may limit the Group's ability to secure equipment from such provider for the project. In addition, competitors in certain jurisdictions may engage in collusion and other unfair competitive business practices which may distort the fairness in competition during the tender process, while the Group itself may become the target of antitrust laws which reduce its ability to compete for bids in jurisdictions where it holds a more dominant market positions (see also 2-4-7 " Risks related to the change, adverse interpretations or inconsistent enforcement of the Zakat laws and regulations in countries in which the Group's projects operate ").

In addition, any sudden material increase in the demand for power or desalinated water in any of the regions in which the Group's projects operate, including as a result of macroeconomic factors (see 2-1-11 " Risks related to global and regional macroeconomic factors "), could result in it being unable to meet such demand either through its existing or new projects which may result in an increased number of competitors entering the markets.

Increased competition in the future resulting in competitive pressure on pricing and terms for acquisitions or power and water purchase agreements or causing the Group to lose out on involvement in major projects as discussed above could have a material adverse effect on the Group's business, financial position and results of operations.

2-1-6 Risks related to financial difficulties that Offtakers under Offtake Agreements or similar agreements with the Project Companies may experience

As of the date of the Prospectus, all of the Projects operate on the basis of a single offtaker (except for the Kirikkale CCGT IPP, which does not currently have any offtakers, Khalladi Wind IPP, which has multiple offtakers, that has pre-committed to purchase the actual power, and/or desalinated water output and steam and the available capacity to generate power or produce desalinated water of such Projects at the relevant tariffs. This is a common model in the independent power and desalinated water sectors.

As of June 1, 2021G, out of the total Group's portfolio of 64 Projects, the offtakers in 57 projects are either government or government-related entities such as SEC, SWPC, and SPPC in KSA (9 projects in 2020G), Masen in Morocco (6 projects), NEPCO in Jordan (7 projects (including 4 assets in CEGCO)), and OPWP in Oman (9 projects) and others, where government guarantees or any other form of guarantees are provided in case offtakers experience financial difficulties and are unable to fulfil their obligations under the agreement (except for SEC and Masen as explained below). For example, for the year ended 31 December 2020G, 46% of the Group's revenue is attributable to the government-related offtakers in Saudi Arabia, 21% to NEPCO (5 projects in 2020G), 17% to OPWP (3 projects) and 14% to Masen (6 projects). Although no direct government credit support is provided in relation to the invoice of SEC and termination payment obligations under its PPAs for three of the Groups' major Saudi Projects)Hajr IPP, Mourjan IPP and Rabigh IPP(, if the credit rating of SEC is downgraded below BBB/Baa2 from either one of Standard & Poor's, Moody's, or Fitch for a period of 6 months and the Government has reduced its shareholding in SEC to below 51%, SEC is contractually required to procure credit support prior to the end of six months from an acceptable financial institution having a rating of at least A-/A3 from any of Standard & Poor's, Fitch or Moody's or from the Government. Even when the Group offtakers do obtain government guarantees for their obligations under the relevant Offtake Agreements, the relevant government may not always have a credit rating that is investment-grade. For instance, historically, Omani projects benefited from a guarantee which fell away once OPWP attained a threshold credit rating (Baa2); however, as of June 2020G, OPWP has undergone a credit downgrade to a non-investment grade of Baa3 according to Moody's. Whilst the government of Oman guarantees to Barka performance by OPWP of its payment obligation under the Barka 1 PWPA payable now or in the future to Barka, the government of Oman does not provide an equivalent guarantee to Barka with respect to the Barka 1 expansion. Furthermore, the government of Morocco, whose credit rating is Baa1 according to Moody's, has also provided a support letter pursuant to which it has an obligation to procure that Masen will honour its obligations to make termination payments for the transfer of the plant to Masen upon termination of the PPA (including termination for (i) APO's, APO II's and APO III's default; and (ii) Masen's default (which includes Masen's failure to make payment under the PPA for a period of 60 days or more)). There is no government or other external credit support provided for Masen's payment obligations under the PPA. In relation to Dzhankeldy and Bash, the purchasers' obligations with respect to the guaranteed amounts in the PPA is secured by an irrevocable and unconditional bank guarantee issued by an Uzbek bank, which long term credit rating shall be no less than the credit rating of Uzbekistan.

As at June 1, 2021G, 11 out of 13 governments providing such guarantees held non-investment grade credit ratings (for the avoidance of doubt, the support letters provided by the government of Morocco covering Masen's obligations under the APO, APO II and APO III PPAs are one level short of a guarantee). As a result, for a majority of Projects the credit risk with respect to the Group's offtakers depends on the creditworthiness of such offtakers or the governments which provide credit support to such offtakers (or to the Projects directly), either directly or indirectly through other means, and there is therefore the risk that the relevant offtaker is unable to make the relevant payments under the Offtake Agreement, which may result in a default under the relevant Offtake Agreement. For example, as of 31 December 2020G, the off-takers for the Group's Projects were in arrears on payments amounting to SAR 304.597 million for the CEGCO Assets (which such payments are the subject of a back-to-back payment mechanism under the fuel supply agreement) dating from August 2017G to August 2018G, and, with respect to payments relating to the Group's assets in Oman (which such payments are not the subject of a back-to-back payment mechanism under the fuel supply agreement), amounting to SAR 162 million in relation to the Salalah 2 IPP dating from Jan 2020G, SAR 148.3 million in relation to the Barka 1 IWPP dating from Jan 2020G, SAR 859.9 million in relation to the Ibri IPP dating from May 2019G and SAR 847.2 million in relation to the Sohar III IPP dating from May 2019G). In addition to the fuel payment delays noted, as a result of the COVID-19 crisis, the National Electricity Power Company ("NEPCO") in Jordan has delayed the revenue payments partially in Zarqa from February 2020G to December 2020G, in Mafraq PV IPP and Risha PV IPP from February 2020G to September 2020G. In addition, in CEGCO as well NEPCO has been delaying revenue payments with a two-month lag since December 2019G. As of the date of this Prospectus, all delayed payments have been settled by NEPCO. These risks can increase in times of a deteriorating and volatile global economy.

In addition, under most Offtake Agreements, if the agreement is terminated prior to the expiry of its term (other than where the Project Company is in default (see 2-1-7 "**Risks related to the Offtakers' right to terminate the Project Companies' Offtake Agreements for certain defaults by the Project Company**" below)), the relevant Project Company is intended to be compensated through the payment of a termination payment by the offtaker, which would cover the payment for the outstanding debt but may be lower than the amount of capacity and output payments that would otherwise be made by the offtakers pursuant to the relevant agreements. In such circumstances, there is a risk that an offtaker may either refuse to pay such amount or is otherwise unable to make this payment, which could have a material adverse effect on the Group's business, financial position and results of operations. Furthermore, while a majority of the Group's compensation payments from offtakers have the benefit of government credit support, there can be no assurance that the applicable government will honour or otherwise have the financial capability to honour its credit support or other obligations which could have a material adverse effect on the Group's business, financial position and results of operations. In addition, there can be no guarantee that certain offtakers will not breach their purchase obligations or seek to renegotiate the terms of their respective Offtake Agreements, for example if a wholesale power market is introduced in the relevant jurisdiction which could potentially create alternative competitive power purchase opportunities for such offtakers. For example, following the expiry of the PPA and WPA periods for the Group's Projects in Oman in December 2021G, these Projects may become subject to a spot market which is likely to result in a lower tariff than was previously the case. If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-1-7 Risks related to the Offtakers' right to terminate the Project Companies' Offtake Agreements for certain defaults by the Project Company

Under each Offtake Agreement, the relevant offtaker is entitled to terminate such agreement in case of an event of default by the relevant Project Company, if it is not cured within agreed cure periods. The events of defaults include:

- A failure by the Project Company to achieve the Project's commercial operation date before the long-stop date, which can give a right to the offtaker to terminate the agreement (see 2-1-3 " Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts").for example, Noor III CSP IPP may experience delays in its commercial operation date ahead of its respective long-stop date in the event if it does not meet minimum contractual generation in order to achieve Full Commercial Operations Date scheduled in Q4 of 2021G , which could lead to Project Company being in default and possibly to the eventual termination of its Offtake Agreements.
- Certain of the Group's Projects are required to list the respective Project Companies' shares in the relevant stock exchanges by an agreed timeframe. A failure to timely complete an IPO process of a Project Company or to obtain waivers from offtakers or lenders (under financing agreements) for an extension of this process, as may be the case for the Ibri IPP, which was required to complete its IPO by January 2020G under the project founders' agreement, the Sohar 3 IPP which was also required to complete its IPO by January 2020G under the project founders' agreement, and the Ibri 2 PV IPP;
- A wilful and unexcused failure by the Project Company to operate or make available the relevant plant for a specified period of time (usually more than two consecutive days);
- A failure by the Project Company to obtain and maintain approvals required under law or by its regulator in order to perform its obligations under the Offtake Agreement.
- A failure by the Project Company to pay any liquidated damages within specified time periods;
- The Abandonment of the Project;
- A material breach (as determined and identified under the relevant agreement) by the Project Company of its obligations under the Offtake Agreements that is not remedied within the specified time period;
- The average availability of the plant being below the pre-agreed threshold during the time period specified in the Offtake Agreement (see 2-1-1 "Risks related to the expected levels of available capacity to generate electricity and/or produce desalinated water, or the expected levels of electricity actually generated or water actually produced, at the Project Companies may not be achieved or maintained");
- Failure to execute and bring into effect certain ancillary agreements, such as the case for the non-completion of a water connection agreement by Barka with the Public Authority for Electricity and Water in Oman which has resulted in the Offtaker being able to terminate the PWPA for failure by Barka to enter into the water connection agreement; and
- Termination of certain agreements (such as the relevant land use agreements and connection agreements) as a result of default by the Project Company and the Project Company's insolvency or similar events.

In addition, certain of the Group's Projects may also be subject to even more demanding operation-specific termination grounds which may create an even more elevated risk of termination for such Projects. For further information, see "2.1. Risks related to RAWEC not complying with stringent operational requirements and being subject to bespoke, operation-specific termination grounds".

In the case of such termination, the relevant Project Company will lose its sole source of revenue. Moreover, in most instances, if the offtaker exercises its right to take over the Project following such termination of the Offtake Agreement, the purchase price will not include the return of equity and the Project Company's shareholders will suffer a loss of investment in that Project. In some instances, the offtaker may also call in the construction and performance bonds and claim damages.

For example, APO (a Group Company) entered into a PPA with Masen (as the Offtaker) for Noor I CSP IPP which includes certain risks related to the termination of the agreement, such as Masen's right to claim damages from APO upon the termination of the PPA for APO's default, and Masen's assumption of physical control over the plant following the PPA termination not being conditional on the termination payment having already been made, exposing APO to becoming Masen's unsecured creditor. For further details, please see Section (12-7-1-8) ("Legal Information – Summary of Material Contracts - APO").

If a termination of an Offtake Agreement in the case of an event of default by any Project Company occurs, this could adversely affect the Group's business, financial position and results of operations.

2-1-8 Risks related to the extent to which profits of the Group and the operation and maintenance of the Group's Projects depend on the costs of operation and the performance by the operation and maintenance contractors of their contractual obligations

Other than certain projects (namely, Risha PV IPP, Mafraq PV IPP, Zarqa IPP, NOOR III CSP IPP (in the case of NOOR III CSP, the EPC contractor is required to provide the O&M service until FCOD, at which point NOMAC will take over as the O&M contractor), NEOM Green Hydrogen Project and Jazan IGCC which are either operated by third parties completely, the Project Companies themselves or by NOMAC with a third-party as joint venture/ consortium), the Project Companies rely on various Group entities for the operation and maintenance of certain plants and, in particular, NOMAC and, for the Group's projects in Jordan, CEGCO. Therefore, in such projects any decrease in available capacity due to the fault of the Project Company or the O&M contractor would effectively result in loss of revenues for the Group.

With respect to the Projects in which NOMAC or CEGCO is the operation and maintenance contractor or subcontractor (or where NOMAC is the investment partner (i.e. owns a stake in the relevant operation and maintenance contractor)), there is a risk that the operation and maintenance costs incurred by the Group, which include costs related to labour, chemicals, operations, maintenance and repair, spare parts, imported electricity and environmental compliance, may be significantly higher than estimated, in particular because not all of the Group's costs are fixed for the duration of the operation and maintenance contract, including costs related to labour, operations, maintenance and repair. For instance, material deviations (20% of the revenues in 2020G) includes the additional costs that NOMAC may incur in relation to its O&M agreement with a Project Company in KSA as a result of the increase in the price of fuel. Accordingly, NOMAC (in its capacity as operator) estimated its potential loss for the remaining term of its O&M agreement with the Project Company to be approximately SAR 20,836,217. Additionally, NOMAC has submitted recovery claims for the alleged additional services provided since commissioning the commissioning of the project in relation to operation and maintenance services, amounting to approximately SAR 29,000,000. Such deviations may vary from project to project depending on O&M activities allocated for a given year e.g. major plant outages or overhauling. For example, the net service costs (O&M cost) of NOMAC in 2018G amounted to 19.9% and have decreased from 24.8% in 2019G to 21.4% in 2020G as a percentage of O&M revenue as a result of the completion of construction contracts and decreasing number of projects in the design phase. On the other hand, employee related cost increased from SAR 343.9 million in 2018G to SAR 397.3 million in 2019G to SAR 441.1 million in 2020G due to increase in number of employee under direct cost as more projects commenced operations. Furthermore, any increase in costs, to the extent not compensated by adjustments under the contract for fixed and variable operation and maintenance revenues, could impact the profitability of the Group and, as a result, could have a material adverse effect on the Group's business, financial position and results of operations.

In addition, although in case of non-compliance with the obligations under the operation and maintenance agreements by the operation and maintenance service providers, they will be liable to liquidated damages and certain penalties, such amounts may not be sufficient to cover any decrease in revenue or additional expenses incurred. As a result, in instances where NOMAC or CEGCO is the operation and maintenance service provider (or where NOMAC is the investment partner) any material non-performance by such contractor or subcontractor under the respective operation and maintenance agreements or any significant penalty for underperformance payable by operation and maintenance service providers could have a material adverse effect on the Group's business, financial position and results of operations.

Moreover, there can be no assurance that the Project Companies will be able to replace any defaulting operation and maintenance contractor or subcontractor, with a suitable replacement in time to avoid breaching related obligations under the respective Offtake Agreements and/or the Project's financing agreements. Furthermore, in case of non-compliance with the obligations under the operation and maintenance agreements by NOMAC (or its subsidiaries) or CEGCO, such agreements could be terminated or not renewed which could also have a material adverse effect on the business, financial position and results of operations of NOMAC or CEGCO. In addition, because NOMAC in particular has specific knowhow and experience operating and maintaining the Group's Projects, there can be no assurance that any replacement service provider would be able to adequately or timely meet the operational requirements of any given Project, if at all, or that the agreement with any such replacement service provider would be on favourable terms. As a result, the business, financial position and results of operations of such Project Company could be materially adversely affected.

Furthermore, the risk of non-compliance by operation and maintenance contractors or subcontractors may be enhanced as a result of disruptions caused by the COVID-19 pandemic. See 2**-4-1 " Risks related to the COVID-19 pandemic**" for further information.

Should any of the above risks materialise, it could have a material adverse effect on the Group's business, financial position and results of operations.

2-1-9 Risks related to RAWEC not complying with stringent operational requirements and being subject to bespoke, operation-specific termination grounds

In captive plants, such as those owned by RAWEC (the Project Company and a Subsidiary of the Company) which are the Petro-Rabigh IWSPP and Petro-Rabigh (Phase 2) IWSPP, which are plants built by, or at the request of, an industrial user for its exclusive consumption, the offtaker's main or sole source of power, desalinated water and steam is usually the captive plant, thus exposing the offtaker to a significant power, desalinated water or steam supply risk. Consequently, the offtaker may attempt to mitigate this risk by negotiating an Offtake Agreement that prescribes stringent operational requirements and bespoke, operation specific termination grounds that (i) are generally more onerous on the plant owner than would ordinarily be seen in non-captive plants (e.g. more limited allowances of unplanned shutdowns) and (ii) if exercised, would result in the project shareholders losing their equity investment and/or future equity returns (because the offtaker may be able to terminate the underperforming Project, take control of the plant and remedy the issue in question). Such contractual terms customary for captive projects are included in the amended and restated water and energy conversion agreement between RAWEC and Petro-Rabigh entered into on 18/5/1436H (corresponding to 9 March 2015G), which was subsequently amended on 28/6/1439H (corresponding to 14 February 2018G) (together, **RAWEC WECA**), covering the Petro-Rabigh IWSPP and Petro-Rabigh (Phase 2) IWSPP. For more information on this agreement, see Section (12-7-1-5) ("**Legal Information - Summary of Material Contracts - Water and Energy Conversion Agreement**"). For instance, contrary to other IWPPs, RAWEC has no right to terminate the RAWEC WECA, and to receive any corresponding purchase price payment, in the following circumstances: (i) expropriation or (ii) prolonged event of force majeure. This risk is compounded by the fact that RAWEC does not receive revenue protection with respect to expropriation and other events such as acts of war, invasion, armed conflict etc. which may (in comparable regional IWPPs) afford the project company revenue relief.

The Petro-Rabigh IWSPP experienced two unplanned shutdowns of the plant in December 2012G and in September 2013G (at which time the Group did not have a controlling stake in RAWEC) over a rolling 365-day period, each of which caused a complete shutdown of the plant, which resulted in the Project's offtaker, the Rabigh Refining and Petrochemical Company ("**Petro-Rabigh**"), issuing a notice of intention to terminate the RAWEC WECA. The Group, along with the other shareholders in RAWEC at that time (who have now exited RAWEC), subsequently entered into an ownership restructuring agreement with Petro-Rabigh, which also resulted in various adverse financial consequences for RAWEC and its shareholders (excluding Petro-Rabigh) which led to a SAR 750 million penalty on the Project from Petro-Rabigh and the implementations of other technical changes aimed at ensuring future performance and avoiding further shutdowns. While the termination of the RAWEC WECA did not materialize in this particular case as a result of the restructuring agreement, given the strict operational requirements and Petro-Rabigh-friendly termination grounds under the RAWEC WECA, there is a risk that there may be future unplanned outages of the facility, which may again entitle Petro-Rabigh to terminate the RAWEC WECA (which may result in the Group losing its equity investment and returns in the Petro-Rabigh IWSPP and Petro-Rabigh (Phase 2) IWSPP). As of 31 December 2020G, the contribution of RAWEC to the Group's total revenues is 24%. The occurrence of such an event would negatively impact the Group's revenues and could have a material adverse effect on its business, financial position and results of operations.

For further information on the Petro-Rabigh IWSPP, the Petro-Rabigh (Phase 2) IWSPP and RAWEC, see Section (4-6-3) ("**The Company – Project Descriptions**".

2-1-10 Risks related to the extension and non-extension of the Offtake Agreements of the Group's build, own, operate ("BOO") projects

Certain of the Group's Projects are built on a BOO basis (see Section (4-6-2-4) ("**The Company - Projects**") for a further discussion). Most of the Group's BOO projects are built on leased land and, in the case of Projects being subject to such leases, following the expiry of a Project's Offtake Agreement the relevant Project Company will be required to dismantle the plant and remove it from the project site with an obligation to return the land to its original condition at time of handover in line with the relevant land lease agreement, unless the Offtake Agreement is extended by the mutual agreement of the offtaker and the Project Company. Consequently, the relevant Project Company will only be able to generate revenue from the operations of the plant for the initial term of the Offtake Agreement (unless the relevant market is liberalised so as to permit power to be sold on a merchant basis or the Offtake Agreement is extended). Any extension to the term of the Project will ultimately depend on the requirements of the offtaker at the relevant time and will require an extension of the fuel supply agreement (where relevant) or a new fuel supply agreement, and an extension of the land lease agreement and may be on terms different to those signed in the initial contract such as increased cost. Such extension may be dependent on the relevant country's policy with respect to the use of fossil fuels for generation of electricity and it is possible that a significant change in such policy may result in no further extension of the relevant PPA or PWPA. For instance, KSA's recent announcement around gradually transitioning to renewable energy would potentially have a negative impact on the future, and likelihood of renewal, of the Offtake Agreements of fossil fuel conventional plants such as the Group's plants (Petro-Rabigh IWSPP, Rabigh IPP, Shuaibah IWPP, Shuqaiq IWPP). Accordingly, the Group is exposed to risk that it may be unable to extend the PPAs of existing oil fired plants in KSA portfolio which may result in incurring additional depreciation expense. This risk is higher for high carbon emission-based fossil fuels, such as oil and coal. In addition, where the governments of the relevant projects have provided guarantees on the obligations of the offtaker for the initial term of the offtake agreement, there is no visibility on whether the governments would extend the government guarantee in the event of an extension of the initial term. The relevant Project Company is exposed to a risk that it may be unable to seek compensation from the government if the relevant Offtaker breaches its payments obligations under the Offtake Agreement.

In addition, the life of the Group's assets may be shorter than what is previously assumed and resulting in a reassessment of useful life and thus a higher depreciation or impairment. During 2020G, the Group performed a detailed exercise to re-assess the useful life of the plants owned by its subsidiaries and joint ventures, pursuant to which it was determined that the economic life of some of these plants was shorter than the useful life due to advancement in technology which has resulted in the availability of more efficient new plants in the industry. The estimates for useful life for solar PV plants was reduced from 30 to 25 years, for the SWRO plants from 40 to 30 years, for the CSP plants from 35 to 30 years and for the natural gas plants from 40 to 35 years. As a result, the Group decided to align the plants existing useful life to its re-assessed economic life with effect from 1 January 2020G. This change in accounting estimates has resulted in higher depreciation expense than before amounting to SAR 82.2 million for the year ended 31 December 2020G.

The Group's business model does assume certain operations beyond the initial Offtake Agreement term for all BOO projects and there is a risk that the value attributed to this (arising from demand, tariff or efficiency) may be lower than estimated, which results in risk of impairment and reduction in the net income of the Group.

Furthermore, at the end of the life of the Project or the expiry of the Offtake Agreement, the plants will need to be decommissioned, thereby reducing the relevant Project's ability to make available and generate power or desalinated water or steam, which would adversely affect the Project Company's business and financial position, including its ability to fund short-term financial demands or repay outstanding debt and may result in the recording of impairments in relation to the affected Project. For example, the Bowarege IWP is a BOO project whose Offtake Agreements has expired. Although the Offtake Agreement of the Bowarege IWP was renewed following its initial expiration, there has been no renewal since 2017G and the plant is no longer operational. The Group recorded impairments of SAR 70.4 million in relation to the Bowarege IWP in 2018G and SAR 87.7 million in 2019G. The Barka 1 IWPP, Barka 1 Expansion IWP and Barka 1 Phase II Expansion IWP are all BOO projects whose Offtake Agreements are due to expire on 31 December 2021G. As a result of these expirations, Barka is participating in Power 2022 Procurement Process run by OPWP to secure a new PWPA for the Barka 1 IWPP. This procurement process has taken longer than anticipated and the outcome is not yet known. Due to these uncertainties around contract renewals in relation to the Barka Projects, the Group recorded impairments of SAR 309.7 million in 2018G, SAR 789.5 million in 2019G and SAR 130 million in 2020G in relation to these assets and, unless the situation regarding such renewals is clarified by the offtaker, the Group expects to continue to record such impairments noting that the management has implemented the impairment decision assuming that the Offtake Agreement will be renewed until 2038G and despite this, there are uncertainties on the renewal of the agreement to that date, and due to such uncertainties in addition to the uncertainties around the cash flows that may arise from the market, additional impairment may be required. The Group has also recorded a reduction in Barka's goodwill of SAR 7.5 million in 2020G. Furthermore, if Barka is not successful in securing a new PPA under the Power 2022 Procurement Process, it may operate its plant in the alternate spot market proposed to be implemented by OPWP from 2022G onwards. However, due to the lower tariff proposed under Power 2022 Procurement Process and lack of clarity on scarcity payments in the proposed spot market and in case of non-renewal of PPA, Barka may end up defaulting on its loan repayment obligations (the outstanding amount as of April 2022G is SAR 236.2 million) unless it is able to reschedule its outstanding loans. The Group's CEGCO assets are also all BOO projects whose Offtake Agreements are due to expire between 2021G and 2025G, with the associated generating units being decommissions through 2025G. The Group recorded an impairment loss of SAR 63.9 million in 2018G in relation to the CEGCO assets and further impairments may be recorded if any of their Offtake Agreements are not renewed or extended when they expire.

Moreover, if the Project Company enters into negotiations with the offtaker to extend the Offtake Agreement, it may incur expenses in relation to refurbishing such plant, which will need to be recovered from the operations during the extension term of the Offtake Agreement. In addition, there can be no assurance that the extension or renegotiation of the Offtake Agreement will occur on favourable terms, including the potential for the renegotiation of the tariff, or at all. In particular, the decrease in prices for new power and/or desalinated water generating technologies, including renewables, could impact the likelihood that Offtake Agreements associated with older technologies such as conventional fuels are renewed and agreed between offtakers and the Group, or if such Offtake Agreements are renewed and agreed, it may be at prices lower than the expiring tariff. This would impact the initial assumption of valuation of the Group and may result in recording of impairments in relation to the affected project.

If any of the above risks occur, this could have a material adverse effect on the Group's business, financial position and results of operations.

2-1-11 Risks related to global and regional macroeconomic factors

A significant component of the Group's performance depends on the condition of Saudi Arabia's economy, as 65% of its operating income (before impairment loss and other expenses) in the year ended 31 December 2020G was generated by its Projects in Saudi Arabia. The contribution of the oil sector to Saudi Arabia's GDP continues to be substantial despite the Government's diversification policies in recent years. Future volatility in the price of oil could adversely affect Saudi Arabia's economy and the Saudi Arabian government's budget. Certain of the Group's Projects Companies where the Offtaker of the relevant plant is SWPC are beneficiary of financial support from the Saudi Arabian government in the form of sovereign guarantees to back the obligations of the offtakers. As such, any effect on the availability of financial support to SWPC from the Saudi Arabian government as a result of volatility in oil prices could have a material adverse effect on the relevant Project Companies' business, financial position and results of operations.

In particular, starting from March 2020G, the price of, and demand for, petroleum products declined significantly in response to the ongoing spread and economic effects of the COVID-19 pandemic, including significant government measures being implemented to control the spread of COVID-19 such as lockdowns, quarantines, travel restrictions or bans, business shutdowns and physical distancing requirements. In addition, crude oil prices continued to decline as a result of the effects of the COVID-19 pandemic and a disagreement in oil production cuts among OPEC+ members in March 2020G. Although crude oil prices have since rebounded, the average prices remain below those of the third quarter of 2019G. The collapse in oil prices during the COVID-19 pandemic resulted in a decline in oil revenues in Saudi Arabia from SAR 594.4 billion in 2019G to SAR 413.0 billion in 2020G. Principally as a result of this decrease in oil revenues, Saudi Arabia's budget deficit reached SAR 293.9 billion in 2020G (Source: Ministry of Finance of Saudi Arabia, Quarterly Budget Performance Report. Q4 of FY 2020G). Should oil prices remain low, decrease further or there be additional volatility in oil prices for these or other reasons, it could affect the availability of the aforementioned support from Saudi Arabian government in the form of sovereign guarantees to back the obligations of the offtakers and have a material adverse effect on the Group's business, financial position and results of operations in Saudi Arabia.

In addition, the Group is exposed to power generation and water desalination markets for its future growth as well as following the end of relevant Offtake Agreements. As such, the Group's future business and financial performance is heavily dependent on the level of demand for power and desalinated water, and therefore directly dependent on the general economic performance and consumer demand in any given country where the Group operates or seeks to operate. The Group's forecasts of future demand for power and desalinated water in the regions that it operates in are based on a number of assumptions including, but not limited to, demographic analysis, consumption patterns, GDP growth, government subsidy availability and population growth, and may be inaccurate.

In addition to its operations in Saudi Arabia, the Group operates in a number of countries in the Middle East and North Africa, including the Arab Republic of Egypt ("**Egypt**"), Hashemite Kingdom of Jordan ("**Jordan**"), Kingdom of Bahrain ("**Bahrain**"), the Kingdom of Morocco ("**Morocco**"), the Sultanate of Oman ("**Oman**") and the United Arab Emirates ("**UAE**"). The Group's operating income in 2018G and 2019G from the Projects in these countries was, in Jordan: 10% and 17% respectively; in Morocco: 8% and 11% respectively; in Oman: 12% and 16% respectively; and the in United Arab Emirates: 2% and 18% respectively. In 2020G, approximately 66% of the Group's operating income was concentrated in its Projects in these countries (Jordan: 11% of operating income; Morocco: 2% of operating income; Oman: 19% of operating income; and the United Arab Emirates: 2% of operating income; the Group's operations in Egypt and Bahrain came online at the end of 2019G and the respective projects remain under construction as of 31 December 2020G). In addition, the Group has operations in Turkey (accounting for -1%, 3% and 0% of operating income in 2018G, 2019G, and 2020G). It is developing operations in the Republic of South Africa, the Socialist Republic of Vietnam, the Republic of Uzbekistan, Azerbaijan, Pakistan, Bangladesh and the Federal Democratic Republic of Ethiopia. The Group's performance is closely linked to the economies of the countries in which it operates, and, in particular, the Middle East and North Africa. Any economic growth, and therefore growth in demand for the Group's projects, is significantly affected by changes in global and regional economic, financial and political conditions that are outside of the Group's control, including as a result of the imposition of trade barriers, sanctions, boycotts and other measures, significant variations in the exchange rates applicable to currencies in the regions in which the Group operates, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, natural disasters, epidemics or terrorism. See also, 2-4-2 "Risks related to the Group being exposed to political risks in the countries and regions where it operates"), and in particular between Saudi Arabia and other jurisdictions, could impact the Group's ability to effectively operate or expand in such countries.

Furthermore, in December 2019G, the emergence of COVID-19 has resulted in significant disruption to the global economy. The decline in the economic activity of the MENA region, Europe, the United States, China and other countries as a result of the COVID-19 outbreak could result in a global economic downturn, which could have a negative impact on the Saudi Arabian economy in general and the Group's industry and business in particular (see 2-4-1 ("Risks related to the COVID-19 pandemic"). Should the COVID-19 pandemic adversely affect the Group's business and financial results, it may also have the effect of heightening or aggravating many of the other risks described in this "Risk Factors" section.

Following the COVID-19 pandemic, many countries have been discussing the implementation of certain protectionist measures in order to aid their economies. For example, in May 2020G, several key political groups within the EU Parliament voiced their support for new rules that would allow the EU to retaliate in certain trade areas, such as services and intellectual property, without WTO ruling. Implementation of such protectionist measures could lead to a worsening of trade relationships between countries and, as a result, have a negative adverse effect on the global economy.

Any such occurrence could have a material adverse effect on the Group's business, financial position and results of operations.

2-1-12 Risks related to co-investors and joint venture partners

The Group typically bids for projects through co-investment or joint venture structures with other partners who range from local companies based in the jurisdiction of the project to multinational project corporations. Although the Group aims to implement governance measures, such as veto rights for the Group on significant actions, in order to align interests, where the Group does not control or manage a project, the project may not be operated effectively or in the Group's best interests. The partners of certain joint ventures are also offtakers, and in some cases debt financing for the joint venture is provided by the offtaker as well, there can be no assurance that such partners will act in the best interests of the rest of the shareholding group.

In addition, co-investments and joint ventures expose the Group to risks customary in joint venture arrangements including, but not limited to, the risk that the co- investor or co-joint venturer breaches local law (including anti-corruption/bribery, tax, etc.) or defaults on its obligations to the detriment of the Group. The Group's reputation may be adversely impacted if a partner breaches local laws, and the Group may become liable under the arrangements if its affiliates breach local laws (see also 2-4-12 " Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation") or the Group may have to make cash contributions if their partners are unable to comply with their funding commitments. Many of the shareholders' agreements that the Group or its Subsidiaries (including, the intermediate holding companies that have ownership interests in the Project Companies and in which the Group may have a minority or majority stake depending on the Project) have entered into, state that in the event of a material breach by a shareholder of the terms of such agreement, the defaulting shareholder is required to sell at a discount its stake in the Project Company to the non-defaulting shareholders (resulting in an increase in shareholding for the non-defaulting shareholders). See Section (12-7) ("**Legal Information — Summary of Material Contracts**"). If the Group, its subsidiaries or such intermediate holding companies commit such a material breach of such shareholders' agreement, it could result in the Group, its subsidiaries or such intermediate holding companies being forced to sell its stake in the relevant Project Company at a discount, which could significantly reduce the Group's direct or indirect stake in, or result in the Group ceasing to be a direct or indirect shareholder in, that particular Project. For instance: (i) under the SAMAWEC shareholders' agreement, if a shareholder defaults under the terms of the shareholders' agreement, the other shareholders may, in some circumstances, be able to purchase the shares from the defaulting shareholder at 75% of the fair market value; (ii) under the SGA shareholders' agreement, if a shareholder defaults under the terms of the shareholders' agreement, the other shareholders may in some circumstances be able to purchase the shares from the defaulting shareholder at 80% of the fair market value of the shares; (iii) under the SIWEC shareholders' agreement, if a shareholder defaults under the terms of the shareholders' agreement, the other shareholders may in some circumstances be able to require the defaulting shareholder to sell all its shares to the non-defaulting shareholder at 50% of the fair market value; (iv) under the APBP shareholders' agreement, if a shareholder defaults under the terms of the shareholders' agreement, the other shareholders may, in some circumstances, be able to purchase the shares from the defaulting shareholder at 90% of the fair market value of the shares; (v) under the JWAP shareholders' agreement, if a shareholder defaults, the other shareholders may in some circumstances be able to purchase the shares from the defaulting shareholder at market value; (vi) under the Jazan shareholders' agreement, if an event of default has occurred any of the shareholders will be entitled to require the defaulting shareholder to sell to them the defaulting shareholder's interests and shareholder's loans at 75% of the valuation of the defaulting interests; and (vii) under the Project Founder's Agreement Electricity Holding Company has an option to purchase 40% of the shares in Sohar from the shareholders during any time between (a) the fourth anniversary of Sohar's incorporation date and (b) the date ending after three years and six months from (a).

In addition, in certain shareholders' agreements that the Group has entered into, a defaulting shareholder could, as an alternative to the above, be required to purchase the shares held by the non-defaulting shareholders at a premium to the fair value of such shares (in most cases, the valuation is carried out by an independent third party specialized in this regard). If the Group or another shareholder of a Project Company were to be such a defaulting shareholder, the Group could incur significant expense in purchasing such shares at a premium and may become a sole shareholder in such Projects which could significantly increase its contractual obligations to contribute equity into the Project. For instance: (i) under the SAMAWEC shareholders' agreement, if a shareholder defaults under the terms of the shareholders' agreement, the other shareholders may, in some circumstances, require the defaulting shareholder to purchase the shares of the non-defaulting shareholders for fair value; (ii) under the SIWEC shareholders' agreement, if a shareholder defaults under the terms of the shareholders' agreement, the other shareholders may, in some circumstances, be able to require the defaulting shareholder to buy all of the non-defaulting shares at 150% of fair market value.

In addition, under the shareholders' agreements that the Group, its subsidiaries or the intermediate holding companies have entered into, while the distribution policy is enshrined in the shareholder agreement and usually articulates the maximization of distribution, the approval of the Board of the relevant Project Company is required for the Group to receive distributions of funds from a project. see Section (12-6-1-5) ("**Legal Information—Overview of the Group's Contracts -Shareholders' Agreements and Joint Development Agreements**").

If any of the above risks materialise, this could have a material adverse effect on the business, financial position and results of operations of the Group.

2-1-13 Risks related to potential impairment of the Group's goodwill or long-term assets

The Group has invested in its various projects through its direct or indirect subscription for shares in each of the Project Companies. If any of the Project Companies are required to incur an impairment of any of the long-term assets that it owns in relation to, amongst others, the plant and machinery of the project, the Project Company may incur losses due to such impairment. Long-term assets are initially recorded at fair value and are amortised or depreciated over their Economic Lives. Long-term assets are evaluated for impairment when impairment indicators are present. These indicators may include delays in the outcome of the new PPA bids and introduction of spot market project in a country as the case in Oman. In assessing the recoverability of long-lived assets, the Group makes estimates and assumptions about sales, operating margin growth rates, commodity prices and discount rates based on the Group's budgets, business plans, economic projections, anticipated future cash flows and marketplace data. There are inherent uncertainties related to these factors and management's judgement in applying these factors. Generally, the fair value of a long-term asset or asset group is determined using an income approach based on the present value of future cash flows of each asset group and as a result the Group could be required to evaluate the recoverability of long-term assets if it experiences situations, including, but not limited to, disruptions to the business, unexpected significant declines in operating results, divestiture of a significant component of the Group's business or adverse action or assessment by a regulator. These types of events and the resulting analyses could result in additional long-term asset impairment charges in the future. For example, in the past, the Group has recorded net impairments in relation to the decommissioning of certain Projects, including impairments of SAR 63.9 million in relation to Rehab IPP for the year ended 2018G, SAR 789.5 million and SAR 309.7 million in relation to Barka 1 IPP for the years ended 2019G and 2018G, respectively, SAR 87.7 million and SAR 70.4 million in relation to Bowerage IWP in 2019G and 2018G, respectively Due to delays in the renewal of the Barka PPA and introduction of the spot market in Oman, additional impairment might be required in Barka. See, 2-1-10 "**Risks related to the extension and non-extension of the Offtake Agreements of the Group's build, own, operate ("BOO") projects**" and Section (6-3-5-2) ("**Management's Discussion and Analysis of Financial Position and Results of Operations of ACWA Power**") Impairment charges could materially and adversely affect the Group's business, financial position and results of operations.

The Group's goodwill as at 31 December 2020G is SAR 2.0 billion. In addition, the Group has recognised goodwill relating to the acquisition of various companies. Goodwill is not amortised, but is evaluated for impairment at least annually, or more frequently if impairment indicators are present. A potential impairment of goodwill outside of the required annual evaluation may be required to be performed if there are situations such as deterioration in general economic conditions, change in operating or regulatory environment, increased competitive environment, negative or declining cash flows or acquisitions not performing as expected. The Group's goodwill for as at 31 December 2018G and 2019G is SAR 2.01 billion and SAR 2.00 billion respectively. The decrease of the goodwill for the years 2018G and 2019G was due to the decrease in the goodwill of APBS 1 and APBS 2. These types of events may result in goodwill impairment, which could have a material adverse effect on the Group's business, financial position and results of operations.

2-1-14 Risks related to currency movements, including if currency pegs to the U.S. dollar were to be removed or adjusted or if the euro appreciates against the U.S. dollar and the Saudi riyal, and the changes in existing and new exchange rate controls and/or restrictions on transfer to foreign investors of proceeds from their investment

As of the date of this Prospectus, the Saudi Arabian riyal, the United Arab Emirates dirham, the Omani rial and the Jordanian dinar are pegged to the U.S. dollar at a fixed rate of SAR 3.75, AED 3.67, OMR 2.60 and JOD 1.41, respectively, to USD 1. In addition, the Moroccan Dirham is pegged against the dollar and euro. However, while most of the Group's projects have contractual protections for de-pegging, there can be no assurance that future unanticipated events, including an increase in the rate of decline of the reserve assets of the governments of Saudi Arabia, the United Arab Emirates, Oman, Jordan, Bulgaria or Morocco, will not lead these governments to reconsider their exchange rate policy and that their respective currencies will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects the Group. While foreign component related capacity and variable payments in the revenues are indexed to the exchange rate, other than in Bokpoort CSP IPP and Redstone CSP IPP in South Africa (where the full tariffs are indexed to inflation) and Khalladi Wind IPP in Morocco (where the tariffs are subject to ONEE tariff inflation), there is no certainty that such indexation covers all equity returns that are reflected in the actual Capacity Payments received and USD-linked costs incurred. Given the contractual protection, most of the Group's Project Companies and NOMAC have not hedged their foreign exchange exposures. Therefore, to the extent not covered by contractual protection, any change in, or removal of, any of these currency pegs for any reason (including, without limitation, changes in the monetary policies of the Saudi Arabian government, the U.S. Federal Reserve or the European Central Bank) or other currency movements could expose the Group to foreign exchange risk (which may also be further enhanced due to exchange rate volatility resulting from the ongoing COVID-19 pandemic), which could have a material adverse effect on their business, financial position and results of operations.

In addition, certain of the Group's operations have a limited portion of expenses, principally related to spare parts, in euro. If the euro appreciates against the currencies that the Group operates in, the costs of the Group's operations that have euro exposure could increase. Such increase could have an adverse effect on the business, financial position and results of operations of the Group.

Furthermore, in certain markets where the Group operates the Group may not be able to secure appropriate hedging or protection against the availability and repatriation of foreign exchange in relation to any distributions made by the Project Company (which may be the currency of the local jurisdiction) to the Group or any monies to be received from or paid to suppliers and vendors whose contracts may not be Saudi Riyal denomination. For as long as the Group's financial statements are denominated in Saudi Riyal, any adverse change in the regulatory environment relating to the remittance of such foreign exchange, in the relevant jurisdictions, could expose the Group to material variations in the foreign exchange rates which could have a material adverse effect on the Group's business, financial position and results of operations.

Moreover, the Group may from time-to-time operate Projects in a merchant environment, where the plant sells electricity in the competitive wholesale power market rather than to a contractual offtaker, in which case the Group may be vulnerable to market forces and a significant decrease in the price or demand for power or desalinated water or availability of fuel (or an increase in fuel price thereof) in such market (as a result of macroeconomic factors such as foreign exchange fluctuations). For example, the Group's operations in Turkey have been adversely impacted in 2018G by foreign exchange and merchant power price fluctuations, particularly as a result of the rapid and severe devaluation of the Turkish lira in 2018G, from which it has yet to recover and which has been further impacted by the COVID-19 pandemic. As a result of the deconsolidation of the Kirikkale CCGT IPP in Turkey the Group is currently no longer exposed to the same level of foreign exchange risk. However, there can be no assurance that the Group may not become subject to such risks through any Projects operating in a merchant market in the future. While the Group is not currently operating in any such market, in the future it may be exposed with respect to the Barka 1 IWPP following the expiration of its PPA on 31 December 2021G and the expected introduction of a spot market in Oman in 2022G. As a result of adverse impacts of merchant power price fluctuations, the Group may also be required to make additional equity investments into an affected project in such market or write-down residual losses in the Group's consolidated financial statements.

Additionally, the governments of several countries in which the Group operates, such as Morocco, Egypt and South Africa, have periodically implemented policies imposing restrictions on the remittance to foreign investors of proceeds from their investments or restricting the inflow of funds to such countries in order to control inflation, limit currency volatility and improve local economic conditions. Furthermore, restrictions on transfers of funds abroad can also impair the ability of Group companies to access capital markets, prevent them from servicing debt obligations that are denominated in non-local currencies and prevent or delay them from paying dividends to the Group. If any of the Company's subsidiaries or Project Companies were unable to make distributions to the Group because of restrictions on the transfers of currencies, the Group would need to obtain these funds from other sources in the form of loans or others, which funds may not be available on attractive terms. The materialization of any of these risks could adversely affect the Group's business, financial position and results of operations.

2-1-15 Risks related to the negative net assets of certain of the Group's Moroccan projects

The auditor's general report for the year ended 31 December 2020G indicates that the amount of the net assets of the Noor I CSP IPP, Noor II CSP IPP and Noor III CSP IPP have been negative for each financial year since 2015G. As at 31 December 2020G the negative amounts for each of the Noor I CSP IPP, Noor II CSP IPP and Noor III CSP IPP were MAD 588.3 million (SAR 246.0 million), MAD 948.2 million (SAR 396.5 million) and MAD 1,210 million (SAR 506.3 million), respectively.

Pursuant to article 357 of Law 17-95 on joint stock companies in Morocco ("article 357"), in the event that the Project's net assets were to fall below 1/4 of the Project Company's share capital amount, the shareholders shall, within three months as of the approval of the annual accounts that revealed such losses, take a decision as to whether there are grounds for early dissolution of the Project Company. In the event that the Project Company is not wound-up, the Project Company must before the closing of the financial year following the one during which the losses occurred, reduce its share capital by an amount at least equal to the losses that could not be charged to the reserves if its net assets did not amount to at least 25% of the Project Company's share capital at such date. However, as of the date of this Prospectus, the Projects have not regularized the situation within the aforementioned deadline and, consequently, any interested person can request from a competent court that the Project Company be dissolved.If the Projects would become subject to dissolution, this would adversely and materially affect the Group's business, financial position and results of operations.

2-1-16 Risks related to the Group being subject to certain legal and contractual requirements to maintain certain levels of localization with respect to personnel, supplies and materials

Many of the countries in which the Group operates, including Saudi Arabia, Oman, the UAE and South Africa, have laws and regulations which impose requirements on companies to locally source a certain amount of their employees and personnel, supplies, equipment and materials. MOHRSD of Saudi Arabia established the "Nitaqat" Saudization program to provide establishments with incentives to hire Saudi nationals. The program assesses an establishment's performance based on specific ranges, which are platinum, green (which is further divided into low, average and high ranges) yellow and red. Establishments that are classified within the platinum and green categories are deemed to be compliant with the Saudization requirements and receive certain specified benefits, such as the ability to obtain and renew work visas for foreign employees or the ability to change the profession of foreign employees (except for professions exempted by the Council of Ministers or by Royal Decrees that are reserved exclusively for Saudi nationals). Establishments that are classified as yellow or red (depending on the extent of non-compliance with Saudisation requirements) are deemed to be non-compliant with the Saudization requirements and are subject to certain punitive measures, such as a limited ability to renew work visas for foreign employees or complete inability to obtain work visas for foreign employees or to change the profession of foreign employees. As a result, if the Group were to become non-compliant with the Nitaqat program or any other laws or regulations aimed at maintaining minimum levels of local content in its business, it may lose certain benefits to its operations or become subject to punitive measures by the relevant authorities. For further information, see Section (4-8-2) ("**The Company—Saudization**").

Furthermore, the Group's Offtake Agreements may contain certain additional terms, the breach of which may not constitute an event of default but may result in penalties or other adverse consequences. For example, the Offtake Agreements for the Group's Projects in Saudi Arabia, Oman, the UAE and South Africa require that the Project comply with applicable regulations regarding the maintenance of minimum levels of localization with respect to employees and procurement of supplies. The failure to comply with such regulations may give the right to the relevant offtaker to demand penalty payments. If such penalties are not paid or if the noncompliance is not remedied, it could also result in an event of default under the Offtake Agreement.

If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-1-17 Risks relating to the Strategic Framework Agreement executed between the Company and the PIF

On 25 May 2021G the Company and the Public Investment Fund of KSA ("PIF") entered into a strategic framework agreement ("Strategic Framework Agreement") to jointly develop the national renewable energy development projects allocated to PIF, which comprise 70% of the total national renewable energy projects to be implemented as part of the 'Vision 2030' program of the Kingdom of Saudi Arabia (the "PIF RE Development Projects"). The Strategic Framework Agreement is expected to expand the Group's business and in the renewable energy projects sector and aims to govern the relationship of PIF and the Company in respect of such projects. For further information regarding this agreement, please see Section (12-8-4) (**Legal Information – Summary of Material Related Party Contracts and Transactions – Strategic Framework Agreement**) of this Prospectus.

Under this Strategic Framework Agreement, PIF agreed to allocate the PIF RE Development Projects to the Company. However, such commitment by the PIF is subject to several conditions, including obtaining PIF's internal approvals. The agreement is also subject to any new orders or decisions that may be issued in the KSA that could impact the overall renewable energy program in a manner that materially and adversely affects the Company's right to participate in such projects as contemplated in the Strategic Framework Agreement.

Further, the Company and PIF shall aim to negotiate and agree the path forward with respect to implementing any of the PIF RE Development Projects. There is no guarantee that the parties will reach an agreement on the allocation of ownership and the pursual of all the projects.

The Strategic Framework Agreement grants the PIF a unilateral right to terminate the agreement if the Company does not reach Financial Close for three (3) PIF RE Development Projects by the specified and agreed period. This is not limited to any specific period of time. As such, if the Company fails to reach Financial Close in any three of these projects during the term of the Strategic Framework Agreement (which terminates on 31 December 2030G unless renewed by the parties), then PIF may terminate the agreement. Please refer to Section (2-1-2) ("**Risks related to the Group's delays in the development of Projects and/or in the achieving the financial close**") for more details on the potential delays in achieving financial close.

If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-1-18 Risks related to the Red Sea Project

In line with the Group's growth strategy, the Group has submitted bids in 2020G for PPP packages including power generation capacity, water desalination capacity, waste management and wastewater treatment facilities for large-scale integrated community development projects by The Red Sea Development Company ("TRSDC"), for which one of the bids was awarded in November of 2020G. The Red Sea Project, given its size and complexity, could pose additional risks to the Group, including:

- It may be difficult to find and develop competency amongst the EPC contractors and subcontractors and O&M providers for the development and operation of fully integrated utility infrastructure of the project.
- The fully integrated nature of the Red Sea Project (a project that uses several technologies (e.g. PV / BESS / ICE / SWRO / STP / DC) which all interact together to operate the project) is expected to present new challenges to finding the right balance of targeted availability with low capital expenditure and operating costs.

- The Red Sea Project is spread over 30K sqkm and there is expected to be 34 different locations for the assets. This would require adequate oversight and monitoring which may result in the potential for organizational inefficiencies.
- The termination clauses contained in the Red Sea's project documentation are standard for the industry and similar to those typically seen with other of the Group's Projects. However, there is greater performance risk associated with the Project given that it will have multiple plants in separate sites, as compared to a single-site single-plant operation at most of the Group's other assets. The Red Sea Project also introduces the Group to new areas of operation such as transmission and distribution, sewage treatment, district cooling and municipal solid waste management that will add correspondingly to performance risk such as guaranteed level of MW and cubic meter.
- The risks of application of liquidated damages for the Red Sea Project are higher than is typical for projects in Saudi Arabia.

  It has been proposed that fuel for the Red Sea Project may have a variable cost linkage to utilization based on the fact that a percentage of the baseline energy delivered to the offtaker by the Project Company will be generated by the Project itself. However, there can be no guarantee that the Group will be able to successfully negotiate or adequately manage such risks given that the price of fuel is a material cost component for the Project and such fuel price is not a pass-through under the project agreement.
- The Group is required to maximize the level of "local content" by employing and training Saudi nationals which may lead to potentially increased costs if the Group if unable to procure its suppliers and resources locally.

If the Group is unable to properly and profitably manage the Red Sea Project in line with its strategy and business plan, this could have a material adverse effect on its business, financial position and results of operations.

2-2 Risks related to the Group's Operations

2-2-1 Risks related to critical equipment failure, unplanned power or desalinated water outages beyond what is contractually permitted, reduced output and unanticipated capital expenditures

The operation of the Group's facilities involves risks that include the breakdown or failure of equipment or processes and performance below expected levels of output or efficiency. Equipment failures and performance issues can stem from a number of factors, including human errors, lack of maintenance and general wear and tear over time. As a result, many of the Group's facilities require planned periodic major overhaul activities to avoid unplanned outages, which may also reduce the expected level of output or efficiency as well as require significant investment costs and expenses by the Group.

The Group had average unplanned outage levels of 6.7%, 8.6% and 2.6% for power, and 3.2%, 4.0%,and 3.2% for water, respectively of annual declared capacity for power/water in the three years ending 31 December 2018G, 2019G and 2020G. Unplanned outages of generating units, including extensions of scheduled outages due to mechanical failures or other problems relating to the Group's power generation and/or desalinated water or steam facilities, occur from time to time and are an inherent risk of the Group's business. In the past and as is typical in the power generation and water desalination industry, all Projects have experienced unplanned outages from time to time due to various equipment failures, such as the total plant shutdown at the Rabigh IPP in 2019G for approximately three months due to equipment failure which resulted in losses of SAR 284.6 million. The only outage to have historically resulted in any contractual breaches triggering the offtaker's right to terminate the relevant Offtake Agreement was with respect to the Petro-Rabigh IWSPP in 2013G (see 2-1-9 "**Risks related to RAWEC not complying with stringent operational requirements and being subject to bespoke, operation-specific termination grounds**"). Unplanned outages of the Group's power generation and/or desalinated water or steam producing units typically increase the Group's operation and maintenance expenses which may not be recoverable under the relevant Offtake Agreement and may reduce the Group's revenue as a result of selling fewer MW hours of energy and/or lower cubic meters of desalinated water or require the Group to incur significant costs (which the Group is unable to pass-through to customers) as a result of running a higher cost unit. For more information on material unplanned outages, see 2-1-1 "**Risks related to the expected levels of available capacity to generate electricity and/or produce desalinated water, or the expected levels of electricity actually generated or water actually produced, at the Project Companies may not be achieved or maintained**").

If such critical equipment failure were to occur, the relevant Project Company and the operation and maintenance contractor could suffer significant losses due to the costs of repair, the potential loss in revenue during the period when the Project remains non-operational, the incurrence of liability for liquidated damages and/or other penalties and/or increased insurance costs. There can be no assurance that losses would be covered adequately by property damage and business interruption insurance that the Group and the Project Companies have in place. Any such failure will increase power and/or desalinated water or steam Forced Outage rates, decrease commercial availability and result in additional expenses and a prolonged failure could impact the reputation of the affected Project Company and the operation and maintenance services provider, each of which could have a material adverse effect on their respective business, financial position and results of operations.

In addition, the equipment at the plants, whether old or new, requires periodic upgrades, maintenance, improvement or repair, and replacement equipment or parts may be difficult to obtain in circumstances when the Project Company relies on a single supplier and/or a small number of suppliers of equipment or where suppliers become insolvent, including as a result of disruptions caused by the COVID-19 pandemic. The inability to obtain replacement equipment or parts may negatively impact the ability of the relevant plant to perform and could, therefore, have a material impact on the relevant Project Company's business, financial position and results of operations.

Moreover, where certain critical equipment needs to be replaced due to its failure or malfunctioning, this could result in significant capital expenditure for the relevant Project Company, which may need to be procured by the Project Company if it is not covered under the supplier's warranty period or latent defect period or any property damage insurance taken out by such Project Company with respect to that Project. In the event the total amount of expenditure needed to rectify such failure exceeds the amount of funds available to the Project Company, including insurance and warranty proceeds, it would need to seek to raise additional debt or equity funding for the Project, which could have a material adverse effect on such Project Company's business, financial position and results of operations. Any unexpected failure, including failure associated with breakdowns, Forced Outages or any unanticipated capital expenditures at the Group's power and/or desalinated water or steam plants, could result in reduced revenue and profitability and jeopardise the ability of the Group's projects to pay their debt and other obligations and make distributions.

If any of these risks materialise, this would have a material adverse effect on the Group's business, financial position and results of operations.

2-2-2 Risks related to the dependency of electricity generation from renewable energy sources on suitable meteorological conditions

The Group has invested in various renewable projects that utilise solar or wind resources to generate electricity and may further invest in renewable energy. The Group has portfolios of concentrating solar power ("CSP") plants, in operation, construction or advanced development, in Morocco, South Africa and the United Arab Emirates, photovoltaic ("PV") plants in operation, construction or advanced development in Azerbaijan, Bahrain, Egypt, Ethiopia, Jordan, Saudi Arabia, Morocco, Oman, the United Arab Emirates and Vietnam and a wind farm in Morocco. See Section (4-6-2-4) ("The Company—Projects"). As of 31 December 2020G, the Group's renewable energy plants represented approximately 4.0% of its total gross capacity in operation, and 19.4% of its total gross capacity including projects under construction and in advanced development. Furthermore, the Group expects its investment in renewable projects, and as a result the proportion of its operations and financial results owed to such renewable projects and its exposure to the risks relating to renewable projects, will increase as a result of the Group executing the PIF renewables program in Saudi Arabia pursuant to a strategic framework agreement entered into between the Company and PIF (consisting of approximately 70% of renewable projects in Saudi Arabia being developed from 2020G to 2030G) for which it has development rights. For more information, please see Section (12-8-4) ("**Legal Information – Summary of Material Related Party Contracts and Transactions – Strategic Framework Agreement**") of this Prospectus. See also, Section (2-1-4) ("The Group is exposed to risks relating to its growth strategies") and Section (4-5-8) ("The Company—Strong future outlook").

Production levels for the Group's solar and wind projects are dependent upon adequate sunlight and wind conditions, respectively. The Group undertakes research during the developmental phase to assess such conditions. However, these conditions are nevertheless beyond the Group's control and can vary significantly from period to period, are subject to seasonal variations and are difficult to predict. Such variability, as well as general weather conditions and unusually severe weather, may result in volatility in production levels and profitability. For example, winds exceeding certain speeds may require the Group to halt its wind turbines or stall its CSP or PV panels. In addition, windiness may be reduced by neighbouring wind farms or other large structures. Similarly, solar energy projects are dependent on suitable solar conditions and associated weather conditions, and excessive temperatures may reduce solar energy production. Each of Noor I CSP IPP, Bokpoort CSP IPP, Noor II CSP IPP and Noor III CSP IPP have all been affected due to such conditions which resulted in losses compared to the assumptions of 2020G annual budget of SAR 3.8 million for Noor I CSP IPP, SAR 9 million for Bokpoort CSP IPP and SAR 18 million for Noor II CSP IPP and no losses for Noor III CSP IPP, which are not material to the Group.

The Group's businesses forecast electricity production based on normal weather representing a long-term historical average. Solar and wind resource estimates are based on historical experience when available and on resource studies conducted by an independent consultant and are not expected to reflect actual solar or wind energy production in any given year. There can be no assurance that planning by the Group for possible variations in normal weather patterns and potential impacts on the Group's operations and the Group's businesses can prevent these impacts or accurately predict future weather conditions or climate changes.

Any decrease in wind or solar resources for any of the reasons discussed above could have a material adverse impact on the expected results of operation of the Group's wind and/or solar Projects.

2-2-3 Risks related to the significant increase in the price or the interruption in the provision of fuel

The Group's thermoelectric plants burn coal, oil and natural gas. While a number of Projects are structured on an energy conversion basis (i.e. the offtaker is responsible for, or takes risk on, (i) the supply of an adequate amount of fuel to the Project Company, and (ii) the cost of such fuel (usually recovered by the Project Company as a variable cost under its tariff)), and others are structured on a fuel pass through mechanism (the Offtaker is responsible for the supply of fuel to the Project Company through suppliers), such arrangement is based on assumed and modelled performance criteria. Therefore, to the extent that a plant burns more fuel than it technically should for reasons other than those for which it is expressly excused from under the relevant Offtake Agreement, then the Project Company will have to absorb the additional cost of such fuel. In such a case of extra fuel consumption (potentially exacerbated by any significant increase to the market price of the fuel, consumables or energy on which the Group relies) the cost of fuel could have an adverse effect on the relevant Project Company's business, financial position and results of operations. Moreover, where the Group's Projects rely on fuel supplied by the offtaker on an energy conversion basis or by the fuel supplier in a fuel pass through arrangement, the Group is dependent on the continued ability of such suppliers to meet their obligations under the relevant fuel supply or other contract and may be subject to the risk of significant disruption to its operations. Unless the disruption is caused by an offtaker or fuel supplier event, this could have a material adverse impact on the Group's business, financial position and results of operations.

In addition, the Hassyan IPP which is located in the UAE is expected to rely on market supply (i.e. local suppliers) for fuel energy for its operations. Supplies of fuel for this Project could be affected by a number of possible factors:

- In the event that the local suppliers for Hassyan IPP become unwilling or unable to supply fuel to these businesses, it may not have any remedies under its respective supply contracts, or available remedies may not be sufficient to offset the potential incremental costs or reduction in revenues;
- Prolonged service disruptions or stoppages of fuel transmitted by third parties to this type of project could cause it to be unable to distribute power to the end users of electricity, in which case if the Group is unable to replace with new suppliers, the Group may be subject to claims for damages from end users, fines from regulators or Offtakers and the possible loss of the Group's concessions;
- Should a government in a neighbouring country to the UAE decide, for political reasons or otherwise, to curtail or interrupt the transportation of fuel required by the Group's businesses to operate; and
- Where the Group has committed to cover the difference or take up the surplus between two agreed prices with the current coal supplier during the 25-year period of operations, any difference between two agreed prices (i.e. reference under the coal supply agreement of the Project as opposed to the coal supplier's actual prices agreed on sourcing of such coal) the Group may then be obliged to pay the difference when procured through such supplier.

The loss of significant fuel supply contracts and the inability to replace them on favourable terms (or at all), with respect to the Hassyan IPP, or the failure by any of the parties to such contracts to fulfil its obligations thereunder, could have a material adverse impact on the Group's business, financial position and results of operations.

2-2-4 Risks related to the Group's reliance on its IT infrastructure, which may fail or be adversely affected by cyber crimes

The Group is heavily reliant on an uninterrupted operation of its information technology ("IT") infrastructure that includes, amongst others, complex and sophisticated computer, telecommunication, supervisory control, data processing, data acquisition and data monitoring systems. If the Group's IT infrastructure, including its back-up facilities and emergency recovery procedures, used throughout its business including its highly automated plants, were to fail or become subject to disruptions for any reason, such failure could lead to significant increased costs (to repair the plant), reductions in available capacity and output and critical data at one or more Project Companies, which could result in losses for Project Companies. This risk could be enhanced due to the Group's Projects in some cases making up a part of critical national infrastructure which could as a result become the target of politically motivated actors, including by way of physical attacks on assets or cyberattacks which could disrupt the Group's IT infrastructure and which may not be completely covered by the force majeure clauses in its Offtake Agreements or insurance policies (see also 2-2-6 "**Risks related to the force majeure events such as health crises (including the COVID-19 pandemic), fire, floods, earthquakes, tsunami, sandstorms, explosions, acts of terrorism or sabotage or other events outside of the Group's control**").

In addition, remote working during the COVID-19 pandemic lockdown in Saudi Arabia and elsewhere has and continues to put additional strain on the reliability of the Group's IT infrastructure. Moreover, there is a risk that the IT security systems set up by the Group to help prevent cyber attacks or leaks of sensitive information could be affected by cyber crimes. In addition to adversely impacting business operations, a failure in the Group's operations monitoring systems (which focus on plant availability, activity and efficiency, operational oversight, health and safety, and compliance with environmental laws and regulations) could lead to non-compliance with permit requirements and the imposition of fines or penalties. If any of these risks materialise, this would impact the Group's revenues and would have a material adverse effect on its business, financial position and results of operations. For more information on the Group's IT infrastructure, see Section (4-6-4-2) ("**The Company—Information Technology**").

2-2-5 Risk related to the Group's inability to maintain the quality of operations and reputation

The Group's ability to operate its existing projects in an efficient manner in accordance with the relevant requirements, successfully tender for new projects and maintain its good relationship with its various partners is dependent on its ability to maintain high standards of operations, health, safety and environmental compliance, and efficiently manage its projects and quality of management personnel. There is no certainty that such standards will be maintained in the future. There is also a possibility that the Group's operations may be adversely affected if there is any environmental damage, or bodily harm to employees of the Group, a Project Company or any other party, or to members of the public due to the activities of the Group or the relevant Project Company. Any occurrence of environmental damage or loss of life or serious injury to the Project Companies' employees as a result of any breach of applicable safety legislation may result in a disruption of the Project Companies' operations or cause reputational harm, and significant liability could be imposed on such Project Companies for damages, clean-up costs, penalties and/or compensation as a result (see also 2-4-4 ", **Risks related to violations by Project Companies of health, safety and security standards**").

There is also a strong possibility that the Group's reputation will suffer in the event of any adverse impact on the government of a country or that country's utility services as a result of the activities of the Group or the relevant Project Company in that country. In addition, if the Group suffers such reputational damage either inside or outside the countries in which it operates, it may be unable to win new customers. Any such occurrence would have a material adverse effect on the Group's business, financial position and results of operations.

2-2-6 Risks related to the force majeure events such as health crises (including the COVID-19 pandemic), fire, floods, earthquakes, tsunami, sandstorms, explosions, acts of terrorism or sabotage or other events outside of the Group's control

The Group's facilities and business operations could be adversely affected or disrupted by force majeure events such as health crises (including the COVID-19 pandemic (see also 2-4-1 " Risks related to the COVID-19 pandemic".)), fire, floods, earthquakes, tsunami, sandstorms, explosions, acts of terrorism or sabotage or other events outside of their control. Any catastrophic loss of the use of all or a portion of one of the Group's key power generation and/or water desalination or steam plants due to such events, whether short- or long-term, could prevent the Group from carrying out its business activities at the affected location or significantly impact operations. Furthermore, severe weather incidents could damage components of the Group's facilities, and replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Some of the Group's most significant contributors to historical operating income include Marafiq IWPP, Rabigh IPP, Shuaibah IWPP, Petro-Rabigh IWSPP, Shuqaiq IWPP, Qurayyah IPP and the CEGCO Assets, and a catastrophic loss of any of these projects would have material negative impact on the Group. In addition, this risk could be enhanced due to the Group's Projects in some cases making up a part of critical national infrastructure which could as a result become the target of politically motivated actors, including by way of physical attacks, acts of terrorism, sabotage, cyber-attacks or similar acts on the Group's Projects and which may not be completely covered by the force majeure clauses in its Offtake Agreements or insurance policies. Insurance policies may not be adequate to cover all losses arising in the event of a catastrophe at one of the Group's plants, see also Section (2-2-8) ("**Risks related to obtaining sufficient insurance coverage for the risks associated with the Group's respective operation**").

For example, the development of Zarqa IPP was delayed for two months as a result of a cable and seal explosion caused by a mistake in installation by the offtaker, the Mafraq IPP was delayed for 11 months as a result of windstorms that damaged the trackers and solar panels, the generation of early power at the Ibri IPP was delayed seven months as a result of delays in the EPC related issues and delays in gas supply by MOG and the actual commercial operation date was delayed 39 days as a result of grid system capacity restrictions during the final commissioning and testing and the Sohar III IPP was delayed four months as a result of an acceptance test delay due to the inability of LTSO (OETC) to arrange for the export of electrical power. The forgoing event has resulted in a total delay of 65 days. The above events have resulted in total loss in the project Company level in account for the delays resulting in liquidated damages, increase in the project's cost and loss of revenues of SAR 78.8 million for Zarqa IPP, SAR 45.9 million for Mafraq IPP, SAR 444.7 million for Ibri IPP and SAR 260 million for Sohar III IPP.

The Group is currently seeking relief under the Offtake Agreements in this respect, but there is no guarantee that the Group will be successful in doing so. For additional details on these delays, see Section (2-1-3) ("**Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts**"). There can be no guarantee that the Project Companies' and/or the operation and maintenance provider's operations will not, in the future, be disrupted by such events.

The occurrence of any such events may materially disrupt or damage a key Project facility, which could adversely impact the affected Project Company's ability to operate the relevant plant and generate revenue to the extent the Project Company is not otherwise protected by property damage and business interruption insurance, or pursuant to the cost and revenue protection provisions of the relevant Offtake Agreement, or it cannot, for any reason, successfully recover the proceeds from the relevant insurers, and ultimately could have a material adverse effect on the Group's business, financial position and results of operations.

2-2-7 Risks related the Group's power generation and/or water desalination or steam plants, fuel suppliers, contractors and certain of the Group's development Projects being subject to varying degrees of unionisation, which may disrupt operations or delay completion of construction projects

Certain of the Group's employees in South Africa and Jordan are represented by a labour union or are covered by collective bargaining agreements. In the event that the Group's union employees strike, participate in a work stoppage or slowdown or engage in other forms of labour strike or disruption, the Group would be responsible for procuring replacement labour or the Group could experience reduced power generation and/or water desalination or steam production, outages or impact on construction activities. The Group's ability to procure such labour is uncertain. For example, there was an employee union strike in April 2012G in the plants owned by CEGCO in Jordan. While CEGCO managed to operate the plants without interruption during this period and a settlement agreement was signed subsequently, there is a risk that the employee union could go on strike and make more demands. As of the date of this Prospectus, there have been no disruptions to operations in relation to this strike.

In addition, as the Group expands into more jurisdictions where unionisation is prevalent, the likelihood of this risk materialising could increase. Additionally, even in non-unionised jurisdictions, employees could withhold their services for a variety of reasons including demands of higher pay or revised terms and conditions of employment. In addition, local labour unions in the markets where the Group operates may increase the cost of, and/or lower the productivity of, the Group's power generation and/or water desalination or steam production Projects where employees' demands for higher salaries and favourable benefits are not met and they become discouraged from working in the plants. The Group may also be subject to labour unavailability and/or increased labour union requirements due to multiple simultaneous projects in a geographic region. Should any of these risks materialise, this could materially and adversely impact the Group's business, financial position and results of operations.

The Group can give no assurance that future labour union or collective bargaining action may not significantly disrupt the Group's operations or delay construction of the Group's development projects. Strikes, work stoppages or the inability to negotiate future collective bargaining agreements on favourable terms could have a material adverse effect on the Group's business, financial position and results of operations.

2-2-8 Risks related to obtaining sufficient insurance coverage for the risks associated with the Group's respective operations

There are inherent risks in operating a power generation and/or water desalination or steam production Project such as natural disasters, fire, earthquakes, explosions, sabotage, acts of terrorism or similar events which, if they occur, can cause significant personal injury or loss of life, severe damage to, and destruction of, property, plant and equipment or contamination of, or damage to, the environment, which may result in the affected Project Company and/or operations and maintenance provider being named as a defendant in lawsuits asserting claims for substantial damages, environmental clean-up costs, personal injury and fines and/or penalties. There can be no assurance that the industry standard insurance cover that the Group, each Project Company and operations and maintenance provider currently maintain will be sufficient or effective under all circumstances and against all hazards or liabilities to which the Group, the Project Companies and/or operations and maintenance provider may be subject. For more information on the nature of the insurance model of the Company, see Section (4-6-6-7) ("The Company – Insurance"). The Company has six different insurance policies, which are all valid as of the date of this Prospectus, and all Group companies have procured, and renew in a timely manner, the insurance coverage that is customary in similar projects, for more information on the Company's insurance policies, see Section (12-9) ("**Legal Information – Insurances**"). A claim for which the Group, the Project Companies and/or operations and maintenance provider are not fully insured or insured at all could have a material adverse effect on the Group, the affected Project Company's and/or the operations and maintenance provider's business, financial position and results of operations.

The business interruption insurance held by the Group is meant to cover loss of revenues from such interruptions. Nevertheless there is a residual exposure carried by the Project Companies in the form of deductible periods lasting around 45- 60 days and a minimum deductible amount. Furthermore, the timing of the payment for the insurance claims is in the subsequent period which may have an impact on the Project Company's cashflows in the current period. The Projects have working capital facilities to cover this shortfall in the payments to mitigate its effect on the cash flows. There can be no assurance that the Group's insurance coverage will be sufficient to cover all losses arising from any or all risks to which the Projects may be exposed. The Group also cannot guarantee that it, the Project Companies and/or the operations and maintenance services providers will be able to renew existing insurance cover on commercially reasonable terms, if at all.

In addition, there can be no assurance that the Group's insurance will be sufficient or effective under all circumstances and against all hazards or liabilities to which the Group may be subject to. Due to rising insurance costs and changes in the insurance markets, the Group cannot provide assurance that insurance coverage, specifically insurance cyber insurance, will continue to be available on terms similar to those presently available to the Group or at all. Any losses not covered by insurance could have a material adverse effect on the Group's business, financial position or results of operations.

2-2-9 Risk related to the credit default exposure of ACWA Reinsurance

ACWA Reinsurance, which is the captive re-insurance arm of the Group, only reinsures risks relating to Project Companies in the Group. The Project Companies typically seek insurance from local insurers in the jurisdictions of their operation/incorporation. ACWA Reinsurance then offers such local insurers reinsurance packages, either directly or through other insurers/reinsurers. In respect of all reinsurance which it writes, ACWA Reinsurance purchases its own reinsurance protection from other investment grade international reinsurance companies on terms that pass on all the reinsurance risks to its reinsurers. If the Group changes the strategy for the captive to become a risk retaining captive, then the risk profile of the captive will change and this could result in the captive taking losses in the future. As a result of this change in strategy, this may have a material adverse impact on the financials, profit and cash, of the company. The international reinsurance is spread between multiple investment grade reinsurers to minimise the risk on ACWA Reinsurance. However, in the event an insurance claim is not paid by the international reinsurance company, due to an insolvency event of the international reinsurance company, then ACWA Reinsurance would need to pay the claim thereby resulting in ACWA Reinsurance carrying the credit default risk of the investment grade international reinsurance company from which ACWA Reinsurance has purchased such reinsurance protection. In such an event, if ACWA Reinsurance is required to pay the claim it could have a material adverse effect on ACWA Reinsurance and in turn the Group's business, financial position and results of operations.

2-2-10 Risks related to senior management's experience in managing a publicly listed company

Since its incorporation, the Company has been operated as a privately held company and, accordingly, the senior management have limited experience in managing a publicly listed company complying with the specific laws and regulations pertaining to public companies listed in Saudi Arabia. In particular, the regulatory oversight and reporting obligations imposed on public companies will require substantial attention from the senior management and may divert their attention away from the day-to-day management of the Group in order to rapidly invest in the appropriate governance and compliance infrastructure, and attract, empower, motivate, and retain the professionals able to ensure governance and compliance in a manner meeting and exceeding legal requirements. There can be no assurance that senior management will be successful in this transition, which could have a material adverse effect on its business, financial position, results of operations and reputation. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on listed companies will expose the Company to regulatory sanctions and fines. The imposition of fines on the Company could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2-2-11 Risks related to the Company's reliance on the performance of, and dividend distributions and other revenue flows from, its numerous subsidiaries and equity accounted investees

The Company conducts its operations principally through, and derives most of its revenues from, its numerous Subsidiaries and Equity Accounted Investees, as well as revenue-generating services that it provides to the subsidiaries, equity accounted investees and contractors. As at 31 December 2020G, the Group comprises a complex chain of over 100 entities that are effectively owned by the Company most of which are special purpose vehicles and corporate bodies incorporated for special projects. Consequently, the Company's cash flows and ability to meet its cash requirements, depend upon the profitability and cash flows from its Subsidiaries and Equity Accounted Investees, including their ability to make dividend distributions to the Company or their parent companies, repay interest on intercompany loans extended to them by the Company and its affiliates, and pay fees to the Company and its affiliates for any services provided to Subsidiaries, Equity Accounted Investees and contractors by the Company, its Subsidiaries and Equity Accounted Investees. In particular, the Company conducts certain business operations through joint ventures that are not controlled by the Company, and therefore, may be subject to decisions made not be solely in the interests of the Company and may reflect the interests of the other joint venture partners, including in relation to dividend distributions. See also 2-1-12 ("**Risks related to co-investors and joint venture partners**"). Furthermore, if there are any issues (including non-compliance with applicable laws, or any conditions of the relevant licenses and/or relevant projects agreements, it could impact the revenues generated from the underlying Subsidiary or Equity Accounted Investee which results in the Company not receiving any distributions, which would restrict the Company's cash flows and ability to meet its cash requirements.

Moreover, the Company indirectly owns shares in certain Project Companies and O&M companies through First National Holding Company, Oasis Power One, Oasis Power Two, Projects Acquisition Company, Qurayyah Investment Company LLC, Qurayyah Project Company, Rabigh Expansion Company Limited, Rabigh Investment Company, Rabigh Project Company Limited, Shouaiba Expansion II Water Desalination Holding Company LLC, Shuaibah National Company for Water and Power, Shuqaiq Arabian Water and Electricity Company, Shuqaiq International Water and Electricity Company and KAHROMAA. The constitutional documents of these Intermediate Holding Companies are not limited to holding shares in other companies; the activities of these Intermediate Holding Companies include: (i) constructing O&M activities (in relation to the First National Holding Company); (ii) water harvesting, water purification desalination of water and water transmission and distribution activities (in relation to KAHROMAA); (iii) construction, establishment, acquisition, purchase power and electricity plants, desalination of water and O&M activities (in relation to Oasis Power One); (iv) establishment, acquisition, purchase, O&M activities and investment in industrial power and electricity plants and water desalination plants (in relation to Oasis Power Two);

(v) development, creation, ownership, lease desalination and steam plants and ownership of real estate (in relation to Projects Acquisition Company); (vi) O&M activities (in relation to Qurayyah Investment Company LLC); (vii) generation of electricity, desalination of water, O&M activities and sales and purchase of real estate (in relation to Qurayyah Project Company); (viii) O&M activities, investment in power generation plants and desalination of water (in relation to Rabigh Expansion Company); (ix) water distribution, maintain and repair power plants and extension of electric wires (in relation to Rabigh Investment Company); (x) development and establishment of electrical power plants, desalination and steam plants, generation of electricity, desalinated water and steam, ownership of real estate, establishment of industrial projects (in relation to Rabigh Project Company Limited); (xi) water harvesting, water purification, desalination, water transmission and distribution and reduction of salinity in water (in relation to Shouaiba Expansion II Water Desalination Holding Company LLC); (xii) desalination of water, purification and sewage plants and O&M activities (in relation to Shuaibah National Company for Water and Power); (xiii) acquisition of electricity generation, saline water conversion and sewage transmission and distribution plants, electricity generation and transmission works and O&M activities (in relation to Shuqaiq Arabian Water and Electricity Company); (xiv) establishment, operation, investment in projects of electricity generation and desalination (in relation to Shuqaiq International Water and Electricity Company). To the extent that these Intermediate Holding Companies derive their profits from the Project Companies through the distribution of dividends up the chain of ownership, there is a risk that the Company's profits from the Project Companies may be impacted by any potential liabilities imposed on these Intermediate Holding Companies as a result of their operations such as the liquidated damages imposed on these Intermediate Holding Companies which may have a negative impact on the distribution of dividends from these Intermediate Holding Companies.

Any decline in the Company's services income, or the Subsidiaries' or Equity Accounted Investees' profitability that could affect their ability to pay dividends, interest and/or make other payments to the Company, its Subsidiaries and Equity Accounted Investees, could in turn have a material and adverse effect on the Group's business, financial position and results of operations.

2-2-12 Risk related to the limitation on the Group's ability to exit investments pursuant to the terms of its agreements

Certain of the Group's agreements provide for limitations on the circumstances in which the Group may divest its interests in Project Companies or O&M contractors. For further information, see Section (12-6-5) ("**Legal Information—Overview of the Group's Contracts—Shareholders' Agreements and Joint Development Agreements**"). The Company indirectly owns 20% of JWAP, the Project Company for the Marafiq IPP, through Aqua Marafiq Water and Electricity Co. ("**JWAP SPV**") which owns 33.33% of SGA (which in turn owns 60% of JWAP). For further information on such ownership, see Section (4-6-3-1-8) (**Company – Project Descriptions – Marafiq IWPP (JWAP)**). Under the terms of the shareholding agreement, JWAP SPV may not divest its interest in SGA without the prior written consent of Power and Water Utility Company for Jubail and Yanbu ("**Marafiq**"), save in limited circumstances. JWAP SPV may transfer its interest if it continues to hold 51% of its original ownership interest and, among other things, the transferee is of comparable financial strength. Furthermore, an affiliate of JWAP SPV may not divest its interest in the O&M contractor without the prior written consent of Marafiq (which consent should not be unreasonably withheld or delayed in the case of a transfer to an entity that has comparable experience in the O&M of plants similar to the project); the term "unreasonably" is undefined in the agreement and is to be interpreted by the relevant tribunals by reference to the facts surrounding the withholding or delaying of such consent).

Under the terms of the SGA shareholders agreement, shareholders in SGA are subject to the transfer restrictions set out in the SGA shareholders' agreement, including only transferring the shares to a reputable person, reasonably complying with its obligations under the SGA SHA. However, a shareholder may at any time transfer its shares to either an affiliate of reputation and financial standing reasonably acceptable to the other parties to the SGA SHA or a wholly-owned affiliate.

Under the terms of the JWAP shareholders' agreement, shareholders in JWAP are subject to transfer restrictions set out in the JWAP shareholders' agreement. SGA may only transfer its shares as required by law, by the operation of law or by order of a governmental entity with competent jurisdiction, or subject to the restricted period, in respect of a transfer resulting from the permitted creation or enforcement of a lien over the relevant shares to secure indebtedness pursuant to the financing documents. The JWAP SHA also provides restrictions on the transfer of interests in SGA.

Under the terms of the RABEC shareholders' agreement, at any time after the fifth anniversary of the commercial operation date (the commercial operation date being 29/5/1434H (corresponding to 10/4/2013G)) and up until the tenth anniversary, the Company must continue to hold, directly or indirectly, at least 10% of the shares in Rabigh Project Company Limited.

Under the terms of a syndicate agreement for RABEC, Rabigh Project Company Limited takes turns with KEPCO Netherlands B.V. filling the role of the managing developer shareholder. On and from the ninth anniversary of the commercial operation date (the commercial operation date being 29/5/1434H (corresponding to 10/4/2013G), the shareholder with the greatest shareholding interest shall be the managing developer shareholder. To the extent that Rabigh Project Company Limited and KEPCO Netherlands B.V. continue to hold equal interests in RABEC, the position of managing developer will alternate between the two shareholders every three years.

Under the terms of the RAWEC shareholders' agreement, ACWA Power Projects is required to maintain its shareholding in RAWEC for up to the sixth anniversary of the commercial operation date (the commercial operation date being 29/5/1439H (corresponding to 15/2/2018G)) of the RAWEC expansion project and any subsequent sale or transfer of ACWA Power Projects' shares in RAWEC requires Rabigh Refining & Petrochemical Company's consent.

Under the SQWEC shareholders' agreement, ACWA Power Projects may not sell its shares in Shuqaiq International Water and Electricity Company without consent. ACWA Power Projects must hold at least 36% of the shares in Shuqaiq International Water and Electricity Company until the fifth anniversary of the commercial operation date being May 2011G (i.e. until May 2016G) (or 30 days from the repayment of the equity bridge loan facilities in place, whichever is later) and up until the tenth anniversary (i.e. May 2021G), ACWA Power Projects must continue to hold at least 10% of the shares in Shuqaiq International Water and Electricity Company. After May 2021G, ACWA Power Projects can sell 100% of its interests in Shuqaiq International Water and Electricity Company without any consent.

Under the HEPCO shareholders' agreement, the Company must hold at least 20% of the shares in Qurayyah Investment Company LLC until the fifth anniversary of the commercial operation date being May 2016G (i.e. until May 2021G). At any time after the fifth anniversary of the commercial operation date and up until the tenth anniversary (i.e. up until May 2026G), the Company must continue to hold at least 10% of the shares in Qurayyah Investment Company.

Under the MEPCO shareholders' agreement, the Company must hold at least 20% of the shares in Rabigh Investment Company Ltd until the fifth anniversary of the commercial operation date, being 7/6/1439H (corresponding to 23/2/2018G). At any time up to the third anniversary of 7/6/1439H (corresponding to 23/2/2018G) (i.e. the commercial operation date), the Company may transfer some of its interest in Rabigh Investment Company Ltd to a third party that is approved by SEC provided that it continues to hold, jointly with Samsung C&T, 20% of the shares in Rabigh Investment Company Ltd. At any time after the third and up until the fifth anniversary of 7/6/1439H (corresponding to 23/2/2018G) (i.e. the commercial operation date), the Company may transfer any or all of its interest to any person without SEC approval as long as it continues to hold 20% of the shares in Rabigh Investment Company Ltd. At any time after the fifth anniversary of 7/6/1439H (corresponding to 23/2/2018G) and up until the tenth anniversary, the Company must continue to hold at least 10% of the shares in Rabigh Investment Company Ltd.

Under the Hassyan shareholders' agreement, until the 10th anniversary of the commercial operation date, the Company may not transfer its shares in ACWA Power Harbin without the prior written consent of DEWA save in certain limited circumstances (e.g. to an affiliate). After the 10th anniversary of the commercial operation date, the Company may transfer its shares in ACWA Power Harbin with the prior written consent of DEWA (which consent shall not be unreasonably withheld, if the proposed transferee is of comparable financial strength and operation and management ability). For further information, see Section (2-3-10) ("**Risks related to the Group's agreements containing change of control provisions, which could have adverse consequences for the Group**") and Section (12-6-5) ("**Legal Information—Overview of the Group's Contracts—Shareholders' Agreements and Joint Development Agreements**"). However, there is nevertheless a risk that the Group may not be able to receive consent to divest such assets when it determines that it would be economically advantageous or necessary to do so, which could have a material and adverse effect on the Group's business, financial position and results of operations.

2-2-13 Risks related to the seasonality of revenue and profitability levels of conventional projects

Conventional Projects Companies are exposed to seasonality of revenue and profitability levels based on availability, which is the key driver of capacity revenue as defined in the P(W)PAs. Available capacity requirements vary between the winter (low season) and summer (high season) as the demand for power and water is usually higher in the summer months. These are typically defined in the Offtake Agreement, whereby the Offtaker restricts any outages during summer. Any Planned Outage is scheduled during winter period. In cases where outages occur during the summer, these are considered unplanned and result in penalties. Accordingly, revenues and gross profits during the summer season tend to be higher and typically extends over Q 2 and Q 3 as compared to winter mainly from higher available capacity.

Should any of the above risks materialize, it could have a material adverse effect on the business, financial position and results of operations of the Group.

2-3 Risks related to the Group's Financing

2-3-1 Risks related to the repayment of the Group's debt, availability of financing or equity funding or the requirement to make additional equity investments

The Group operates in a capital-intensive business sector. In order to finance, or assist in the financing of, its existing advanced development projects or future projects and acquisitions, or expansions to existing Projects, or any refinancing(s) in relation to existing Projects, which require substantial capital investment, the Group primarily relies on its ability to procure commercial financing on competitive market terms or raise additional equity. The Group's ability to obtain external financing and the cost of such financing or the ability to raise additional equity are dependent on numerous factors including general economic and market conditions, international and domestic interest rates, credit availability from banks and other financiers (such as local and international financial institutions and sovereign funds), investor confidence in the Group and the success of its business. In addition, all of the aforementioned factors may be negatively affected by the ongoing COVID-19 pandemic and its consequences (see 2-4-1 ("**Risks related to the COVID-19 pandemic**"). Should the Group be unable to raise additional financing or equity in the future on terms which are not onerous to the Group, the financial performance of the Group and its ability to expand will be impacted, which could have a material adverse effect on the business, financial position and results of operations of the Group.

In addition, the Group operates in a sector that requires significant equity investment into Projects that will not generate revenue during the period when they are under construction. For example, in the case of solar PV plants or wind plants (both depending on size) the construction could be around 18 months, whereas for solar CSP or thermal plants the construction could be between 30 to 48 months (depending on various factors such as the size of the plant, the need to have interconnection facilities and the technological complexity of the project). As of 31 December 2020G, the Group's total borrowings amounted to SAR 19.6 billion and the non-recourse debt amounted to SAR 18.7 billion (SAR 17.9 billion as at 31 December 2019G and SAR 15.5 billion as at 31 December 2018G), non-current portion of recourse debt (financing facilities in relation to Projects and corporate facilities) amounted to SAR 866.9 million (SAR 624.2 million as at 31 December 2019G and SAR 2,772.8 million as at 31 December 2018G); the current portion of recourse debt (financing facilities in relation to Projects and corporate facilities) amounted to SAR Nil (SAR 1,202.7 million as at 31 December 2019G and SAR 424.5 million as at 31 December 2018G); the Group's current liabilities under short-term financing facilities amounted to SAR 364.8 million (SAR 444 million as at 31 December 2019G and SAR 618.9 million as at 31 December 2018G) and its total contingent liabilities (principally in the form of letters of credit and guarantees for equity contribution and other current and non-current contingent liabilities relating to bid bonds, performance guarantees and guarantees for liquidated damages), which could be converted into funded exposure and increase the Group's overall indebtedness if the contingent event attached to such liabilities arises, amounted to SAR 11.3 billion (SAR 10.6 billion as at 31 December 2019G and SAR 9.0 billion as at 31 December 2018G). For further information on the Group's financing arrangements, see Section (6-3-18) ("**Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources"), Section (12-6-4) ("Legal Information – Financing Arrangements**") and Section (12-7) ("**Legal Information—Summary of Material Contracts**").

The Group's principal sources of liquidity include dividends from the Group Companies, fees, repayment of interest and principal on loans provided to shareholders, repayment of capital, proceeds from new debt raised, refinancing the loans in Project Companies and proceeds from partial asset sales. If these liquidity sources are insufficient to repay the debt commitments as they mature or to fund the Group's other liquidity needs in the longer term and the Group is not able to find alternative sources of funding, the Group may need to enter into negotiations with its creditors to restructure some of its borrowing arrangements. There can be no assurance that any restructuring negotiations entered into would be successful and any failure to successfully restructure its debt could result in generally weakening the credit profile of the Group or ultimately the Group's insolvency. The Group has entered into equity support or funding agreements of approximately SAR 4.4 billion as of 31 December 2020G (which, in many cases, are limited by time and/or amount) with third party financiers in respect of the contractual equity obligations of certain of the Project Companies.

Furthermore, under the relevant shareholders' agreements, the Group could be required to contribute funds to the relevant Project Company in the event of unexpected cost overruns, and certain other circumstances, such as delays in receipt or lower amounts of pre-completion revenues vis-à-vis the base case forecast, which may necessitate the funding gap (if any) to be funded by the Group. For further information, see Section (12-6-5) ("**Legal Information—Overview of the Group's Contracts—Shareholders' Agreements and Joint Development Agreements**"). In addition, the Group may choose to contribute further funds to a Project Company where the Board of the Company determines that this is in the best interests of the Group's business. Such additional funding obligations could materially affect the financial position of the Group, particularly in the event of an unplanned contribution to service such funding obligation (for which the Project Company is not otherwise compensated under the relevant Offtake Agreement), and this could have a material adverse effect on the Group's business, financial position and results of operations. Unplanned contributions occur when the Group injects cash or arrange a bank facility for a Project backed by the Group's credit support to help bridge any temporary liquidity shortfalls, which would increase the group's exposure in respect of the relevant Group Company and reduce the overall returns. Recent examples include contributions to Rabigh IPP (The Company' share of contribution is in the form of guarantee for a recourse debt is SAR 80 million). The Project Company has partially repaid the loan amount from the insurance proceeds as per the repayment plan.

Furthermore, the Group invested an additional amount of SAR 145 million in Noor III and expects that it be required to invest a further amount of SAR 150 million of which SAR 54 million has been requisitioned by the Project Company to settle statutory payments and debt service and has been approved by the Group.

The occurrence of any of the above-mentioned risks could result in a material adverse effect on the Group's business, financial position and results of operations.

2-3-2 Risks related to existing and future leverage

Typical to project finance transactions, the Project Companies are highly leveraged and have project-level indebtedness outstanding on a non-recourse basis, meaning that the debt is repayable solely from the relevant Project's revenues and the repayment of the loans (and interest thereon) is secured solely by the capital stock, physical assets, contracts, insurance policies and cash flow of that Project Company. See Section (4-1) ("Overview") for a description of the Group's business including the types of financing arrangements the Group enters into. All Project Companies enter into financing arrangements effective from the Financial Close of each Project (see also Section (6-3-7-4) ("Non Current Liabilities – Long Term Financing and Funding Facilities") for further details on the total consolidated debt). In addition, the Project Companies may raise additional debt in the future to the limited extent permitted under their financing and project arrangements. For more information on the facility agreements of the Company, see Section (12-7-5) ("**Legal Information— The Company's Facility Agreements**"). Subject to any restrictions contained in its existing financing agreements or the new financing agreement, the increased leverage and indebtedness of the Group or a particular Project Company could, amongst other things:

- Impose restrictions pursuant to financing arrangements on the ability of such Project Company to make dividends to the Group (see 2-3-5 "**Risks related to the restrictions under financing arrangements on the ability of most Project Companies to pay dividends (or equivalent distributions**")) is restricted under their financing arrangements");
- In case of additional indebtedness, increase the amount of finance charges incurred and interests payable by the Project Companies and in turn reduce the amount of net cash flow;
- Particularly in the case of the financing for (i) the Group's Projects located in Oman, which are subject to a reset in the interest rate every five years under the relevant agreements, (i) for Hassyan IPP, Noor Energy 1 IPP, Rabigh 3 IWP, Taweelah IWP, DEWA V PV and Sakaka IPP which are structured as soft mini-perm financings (i.e. financings which while having a long-dated contractual maturity have built in incentives to refinance with permanent financing shortly—typically three to five years—after the Project is operational, the failure of which results in the margin on the financing to increase and most, if not all, of the Project's available cash flow being used to pay down the principal amount of the financing) and (ii) for Qurayyah IPP, Mourjan IPP, Ibri IPP, Sohar III IPP, Shuaibah Expansion II IWP and Umm-al-Qwain IWP, Shuaa Energy 1 IPP and Salalah IWP structured with a repayment balloon at the end of the PPA contract term (which may also be the case for future financings). For these Projects and others, there can be no assurance that the existing financing arrangements, and any future similar arrangements, will be able to be refinanced on similar terms or at all. Should the Project Company be unable to obtain financing in the future (on similar terms which are not more onerous to than the current arrangements), the financial performance of the Group will be impacted by requiring an increased portion of cash flow from operations to be dedicated to the payment of principal and commission on its indebtedness, thereby further reducing their ability to use cash flow to fund operations and capital expenditures and to make distributions of dividends, which could have a material adverse effect on the business, financial position and results of operations of the Group. It may be noted that while the Group may choose to dis-apply the cash sweep through posting an Letter of Credit (LC) back-stopping the cash sweep amount, there can be no assurance that the Group will be able to raise such an LC on a non-recourse project finance basis ;
- Limit their ability to obtain additional financing for working capital, capital expenditures, project development, debt service requirements and general corporate or other purposes; and
- Increase the likelihood of failure to meet their respective financial and other obligations.

The existing leverage and any potential increase in the leverage of a Project Company could reduce the cash flows to the Group and have a material adverse effect on the Group's revenues and business, financial position and results of operations.

2-3-3 Risk related to events of default under the financing arrangements

Provisions governing events of default are typical in project finance structures and are prescribed in the financing documentation entered into between the Group (and/or a Project Company) and its lender(s). The occurrence of an event of default could restrict a Project Company or Group subsidiary's ability to make distributions or pay dividends to its shareholders (including to the Group) (for further information on the restrictions of the Project Companies ability to pay dividends see 2-3-5 " ("**Risks related to the restrictions under financing arrangements on the ability of most Project Companies to pay dividends (or equivalent distributions**") In addition, a material quantum of the Group's assets (including its ownership in various project companies) are secured in favour of the lender(s) who could enforce such security upon the occurrence of a significant and continuing event of default. (please see Section (2-3-1) ("**Risks related to the repayment of the Group's debt, availability of financing or equity funding or the requirement to make additional equity investments**") for further details on such security. See also Section (6-3-7-1) ("**Management's Discussion and Analysis of Financial Condition and Results**

of Operations—Current liabilities") and Section (6-3-9) ("**Management's Discussion and Analysis of Financial Condition and Results of Operations— Capitalisation and indebtedness - APMI One's Bond and other funding instruments of the Company - The Bonds**""). This could lead to shareholders losing all or part of their investment in the project which would have a material adverse effect on the business, financial position and results of operations of the Group and any affected Project Companies. In relation to Hassyan: (i) there exist a commercial mortgage in favour of Union National Bank PJSC as is apparent on Hassyan's industrial licence and (ii) the shares held by ACWA Power Harbin are pledged to Union National Bank PJSC as is apparent on Hassyan's register of shares. In relation to Noor Energy 1, the share register notes a share pledge agreement between ACWA Power Solar as pledgor and Abu Dhabi Commercial Bank PJSC as onshore security agent, attestation date 29 May 2019G. In relation to APO, pursuant to the share transfer ledger, the following security interests were granted on 26 March 2013 to certain beneficiaries: (a) a pledge over 258,572 shares of APO by ACWA Power Bahrain Holdings W.L.L.; (b) a pledge over 88,402 shares of APO by Masen Capital; and (c) a pledge over 6,630 shares of APO by ASRA. In relation to APO II, pursuant to the share transfer ledger and the up-to-date extract of the commercial register dated 21/6/1442H (corresponding to 3 February 2021G), APO II has granted the following security interests: (a) a pledge over shares granted on 21/7/1436H (corresponding to 10/5/2015G) by ACWA Power Bahrain Holdings W.L.L. to Masen over 2,096 shares of APO II (the 642,985,740 shares issued in the frame of the capital increase of 2016 have also been pledged); (b) a pledge over shares granted on 21/7/1436H (corresponding to 10/5/2015G) by Sener Grupo de Ingeniera SA to Masen over 150 shares of APO II (the 45,927 shares issued in the frame of the capital increase of 2016 have also been pledged); and (c) multiple pledges over machinery and equipment in favour of Masen for an aggregate amount of approximately SAR 435,658,107.98. In relation to APO III, pursuant to the extract of the share ledger and the up-to-date extract of the commercial register dated 20/6/1442H (corresponding to 2 February 2021G), APO III has granted: (a) a pledge over shares granted on 21/7/1436H (corresponding to 10/5/2015G) by ACWA Power Bahrain Holdings W.L.L. to Masen over 2,246 shares of APO II (the 536,572,752 shares issued in the frame of the capital increase of 2016 have also been pledged); (b) multiple pledges over machinery and equipment in favour of Masen for an aggregate amount of approximately SAR 428,444,025.79; and (c) a pledge over machinery and equipment granted on 13/7/1438H (corresponding to 10/4/2017G) for an amount of approximately SAR 593,613.09. In relation to Kirikkale, as per the annotations under the share ledger of Kirikkale: (a) first-degree share pledge has been established over 2,304,000 shares of Kirikkale Holdings Ltd (Bahrain) W.L.L., and 4,608,001 shares of ACWA Power Enerji and 767,999 shares of Samsung C&T in favour of T. Garanti Bankası A.Ş. on 10/2/1436H (corresponding to 3/12/2014G); (b) a second-degree share pledge has been granted over 2,304,000 shares of Kirikkale Holdings Ltd (Bahrain) W.L.L., and 4,608,001 shares of ACWA Power Enerji and 767,999 shares of Samsung C&T in favour of T. Garanti Bankası A.Ş. on 28/1/1437H (corresponding to 11/11/2015G); (c) a first-degree share pledge has been established over the newly issued shares following the capital increase made on 19 December 2018G and, accordingly, 11,600,226 shares of Kirikkale Holdings Ltd (Bahrain) W.L.L., and 27,067,174 shares of ACWA Power Enerji have been pledged in favour of T. Garanti Bankası A.Ş. pursuant to the Share Pledge Supplement dated 19 December 2018; and (d) a first-degree share pledge has been established over the newly issued shares following the capital increase made on 16 September 2020G and 13,107,678 shares of Kirikkale Holdings Ltd (Bahrain) W.L.L. and 30,794,603 shares of ACWA Power Enerji have been pledged in favour of T. Garanti Bankasi A.Ş. pursuant to the Share Pledge Supplement dated 11 September 2020. In relation to Ibri, a share pledge certificate issued by the Muscat Clearing and Depository dated August 2016G confirms that: (i) Dhofar International Energy Services LLC pledged 24,999 shares in favour of Bank Muscat SAOG; (ii) MAPIH pledged 475,000 shares in favour of Bank Muscat SAOG; and (iii) Dhofar Investment & Real Estate Services LLC pledged 1 share in favour of Bank Muscat SAOG. From time to time, certain of the Group's Projects may be in technical breach of their respective financing agreements regarding which the Group engages in discussions with its lenders. This is currently the case for Ibri IPP and Sohar III IPP with respect to ratings downgrades and delays in timely completing respective IPOs of the Projects (requirements to list the Project Companies' shares in the relevant stock exchanges) for which waivers have been obtained. In addition, with respect to the Shuaibah IWPP and the Shuaibah Expansion I & II IWPs, the Projects obtained waivers from lenders on reduction in ownership at the Company level in 2018G, while new waivers have been sought for change in ownership structure following the PIF transaction, and have been approved by certain lenders.

A number of events of default have occurred under the SWEC, SEPCO, Zarqa, Risha, Mafraq Kirikkale, Sohar, Redstone and Sakaka projects and the Company has obtained waivers of such event of default from the relevant financiers in respect of each event of default. In addition, a Group Company in Jordan issued a notice of dispute to the offtaker dated 29 April 2021G under the PPA for delay liquidated damages withheld by offtaker and non-payment of deemed energy invoices issued to the Offtaker by the Group Company. Lenders are of the view that issuance of dispute notice has breached certain covenants under the financing documents. The obligations of the project companies under the various financing are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and (in some cases) shares. Upon an event of default, the financiers are entitled to enforce their security. This may lead to the shareholders losing all or part of their investment in the project.

In addition, a material event of default occurring at the Project Company or other Group Company level could result in a reclassification of the long-term liability to a current liability, which could have an adverse impact on balance sheet and financial condition at the Group level. For a description of the events of default under the financing arrangements see Section (12-7) ("**Legal Information—Summary of Material Contracts**").

Furthermore, as is customary for project finance structures, most of the project finance arrangements entered into by the Group contain financial indebtedness cross-default provisions. Notwithstanding any arrangements to the contrary, these provisions allow lenders to invoke an event of default under the financing arrangements as soon as the Group, a relevant Project Company and/or another party that is material to the Project (such as the shareholders, offtakers and contractors) triggers an event of default (often in excess of an agreed monetary threshold) under other financing agreements. This gives the lender an indirect protection over the events of default in the Group's other financing documentation and the lender may enforce its respective rights under the financing agreements and could accelerate the loan repayment, which would materially and adversely affect the Group's business, financial position and results of operations.

In some instances, default provisions in the finance documentation, could apply if insolvency proceeding occur in relation to a counterparties of a Project Company, such as the EPC Contractor for the Project or the operation and maintenance contractor. If such counterparties suffer insolvency proceedings, including unrelated to the Project, an event of default could occur under the finance documentation for the Projects, even in the absence of any default by the Project Companies. If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-3-4 Risks related to the Group's bonds

Under the USD 814 million aggregate principal amount of 5.95% Senior Secured Bonds (**the "Bonds" or "ACWA39**") issued in 2017G by ACWA Power Management and Investments One Limited, a wholly owned subsidiary of the Group, and maturing in 2039G, the obligation to make payments of principal and interest to bondholders is secured for the benefit of bondholders by a security package that includes (i) rights of certain subsidiaries of ACWA Power to dividends from certain intermediate holding companies or Project Companies holding ownership interests in the following projects: the Shuaibah Expansion IWP, Shuaibah IWPP, Marafiq IWPP, Shuqaiq IWPP, Rabigh IPP, Qurayyah IPP, Bowarege IWP, Petro-Rabigh (Phase 1) IWSPP and Petro-Rabigh (Phase 2) IWSPP (the "**ACWA Power Eight Assets Portfolio**" (counting Petro-Rabigh IWSPP and Petro-Rabigh (phase 2) IWSPP as one asset)); (ii) rights of First National Holding Company to dividends from NOMAC and rights of NOMAC to dividends from Jubail O&M Company Limited, Rabigh Operation and Maintenance Company and Rabigh Power Company Limited, which currently provide operation and maintenance services to almost all projects in the ACWA Power Eight Assets Portfolio (other than the Shuaibah IWPP); (iii) pledges over all shares held by ACWA Power directly in ACWA Power Management and Investment One Ltd., First National Holding Co and ACWA Power Projects (through which ACWA Power holds all of its ownership interests in the ACWA Power Eight Assets Portfolio) and (iv) rights of ACWA Power and two of its subsidiaries, APP and NOMAC, to certain other cash flows (principally certain management fees and the operator's fees under technical services agreements). See Section (6-3-9-2) ("**Management's Discussion and Analysis of Financial Condition and Results of Operations—- "Capitalisation and indebtedness - APMI One's Bond and other funding instruments of the Company - The Bonds**") for further details on the Group's bonds and the shares pledged as a result. In the event of a default on the bond, which is non-recourse with respect to the rest of the Group, bondholders may be able to enforce their security over the ACWA Power Eight Assets Portfolio and this would adversely affect the Group's business, financial position and results of operations.

2-3-5 Risks related to the restrictions under financing arrangements on the ability of most Project Companies to pay dividends (or equivalent distributions)

The Project Companies make payments through a cash waterfall mechanism in their financing documents, pursuant to which the costs of the Project Company such as operation and maintenance fees, taxes, debt payments, salaries and similar payments are paid before its shareholders receive distribution of cash flows such as dividends, payments on shareholder loans and other subordinated payments to the shareholders. In some instances, for example under the Barka financing arrangements, dividends (and all other amounts) payable to ACWA Power International (a wholly-owned Group company) from APBS 1, APBS 2 and ACWA Power Barka Project TSA Company are assigned in favour of Bank Muscat. Additionally, most of the Project Companies are required to set aside an annual percentage of net profits to statutory reserves up to a set threshold. In particular, companies incorporated in Saudi Arabia, including all Project Companies and NOMAC companies incorporated in Saudi Arabia, are required to set aside annually 10% of their net profit to statutory reserves until the statutory reserve reaches 30% of their respective share capital. Such statutory reserves are also mandatory in jurisdictions such as Morocco, Oman, United Arab Emirates, Bahrain, Egypt, Jordan and Turkey, which comprise the majority of the Group's projects.

The ability of the Project Companies to distribute cash flows to the shareholders of the Project Companies (shareholders loans repayments, shareholders interest payments, or dividends) depends on satisfying certain covenant tests and conditions under their financing arrangements, which could typically include:

- completion of the Project;
- the occurrence of the first repayment date and the payment of all amounts due and payable on such date with respect to the facilities utilised to finance the project;
- no actual or potential event of default has occurred under the finance documents and is then continuing or would result from the payment of such dividends;
- a reserve (or credit support) equal to not less than six or twelve months of debt service (i.e. loan repayment plus interest) is in place; and
- the debt service coverage ratio being in excess of the debt service cover ratio test level for dividend payments for the relevant calculation period.

Individual Project Companies must also satisfy certain other conditions to be able to pay dividends and should any of the Project Companies be unable to pay dividends as a result of restrictions under their financing agreements it could have a material adverse effect on the business, financial position and results of operations of the Group. See Section (2-5-5) ("**Risks related to the Company's ability to distribute dividends**") for further details on such risks, and Section (12-7) ("**Summary of Material Contracts**") for a summary of the material financing arrangements entered into by the Group.

Should any of the above risks materialize it could have a material adverse effect on the business, financial position and results of operations of the Group.

2-3-6 Risks related to the Group's interest rate volatility and volatile securities

Under the terms of their financing arrangements, the Project Companies pay interest based on inter-bank offered rates, such as LIBOR, SAIBOR (Saudi Arabian Interbank Offered Rate) or JIBAR (Johannesburg Interbank Average Rates), plus a margin. Under most of the Group's project financing arrangements, the Group or the Project Companies are required to hedge all or a portion of their exposure to interest rate volatility during the construction and operation period. The Group and Project Companies are also exposed to interest rate volatility with respect to their financing arrangements once their hedging arrangements expire, or to the extent that they otherwise have any unhedged exposure to such volatility, or if the Group or the Project Companies fail to otherwise successfully implement their strategies to mitigate the interest rate risk. Out of the total loan amounts, the Group's unhedged exposure of the Group's Projects in respect of interest rate fluctuations varies from 5% to 40% over the term of the Project's debt in line with the respective CTA requirements. See Section (6-3-10-3) ("**Management Discussion & Analysis of Financial Condition and Results of Operations - Interest Rate Risk**") for a discussion of the Group's interest rate sensitivity. In addition, if a hedge is not entered into at the appropriate time, it may subsequently become more expensive than initially estimated. In addition, certain types of economic hedging activities may not qualify for hedge accounting under IFRS, resulting in increased volatility in the Group's net income. For a description of the requirements and hedges, please refer to Section (6-3-10) ("**Management Discussion & Analysis of Financial Condition and Results of Operations – Financial and Market Risks**").

Currently, the interest rate swaps were consistently out of the money as a result of a drop in market interest rates. The economy across most countries is experiencing a slowdown as a result of the COVID-19, and as such interest rates are expected to stay low, and thus leading to further unfavourable outcome from the interest rate swaps. However, the interest rate hedges are accounted for as a cash flow hedge resulting in the mark to market changes occurring in the balance sheet. Furthermore, the drop in interest rates has resulted in interest expense savings on the loans with floating interest rates.

In addition, the Group is also exposed to interest rate volatility with respect to changes in value of certain hedges and other securities, including related derivative instruments. The fair value of the derivatives decreased from -SR338.3 million at 31 December 2019G to -SR710.4 million at 31 December 2020G mainly due to the following: 1) The fair value of Rabigh 3 IRS decreased from -SR130.8 million at 31 December 2019G to –SR333.0 million at 31 December 2020G mainly due to the increase in the notional amount in relation to the increase in the loan utilization coupled with the drop in LIBOR; and 2) the drop in LIBOR resulted in the decrease in the IRS fair value of Sakaka of SAR 178,276,895, Zarqa SAR 122,681,708 and STPC SAR 73,118,273 at 31 December 2020G. The Group also effectively owns 41.91% of Barka and 27% of DGC whose shares are listed on the Muscat Securities Market in Oman, which are subject to price fluctuations that could materially and adversely impact the Group's financial position. The potential exposure to interest rate volatility and volatile securities could have a material adverse effect on the Group's (and/or any affected Project Company's) business, financial position and results of operations.

As mentioned above, the Group's borrowings are to a significant extent linked to LIBOR and in addition under project financings put in place, the Group has hedged a bulk of its LIBOR linked exposure to protect against interest rate volatility. In this context, it is pertinent to note that among the changes introduced by financial regulators to create a more resilient financial system is a market transition away from the Interbank Offered Rates ("**IBORs**"), including LIBOR and, after 2021, the Financial Conduct Authority ("**FCA**"), the LIBOR regulator in the UK, will no longer require banks to submit rates that are used to construct LIBOR. Accordingly, LIBOR will cease as a reference rate for loans and swaps and, in this regard, the ICE Benchmark Administration ("**IBA**"), which is an independent subsidiary of Intercontinental Exchange and is responsible for the end-to-end administration of benchmarks such as LIBOR, in December 2020G started consultations with stakeholders (such as banks, regulators and financial institutions) on intent to cease publication of LIBOR for all tenors after 30 June 2023 and have provided guidance that banks and borrowers should stop new LIBOR transactions by end 2021. As an update, the transition from LIBOR to alternative reference rates (such as Secured Overnight Funding Rates ("**SOFR**") for USD loans) is currently underway with the frameworks being developed and late 2020, ISDA (the International Swaps and Derivatives Association) launched protocols to transition to alternative reference rates for derivatives. However, financial markets (both on the loan side and the derivatives side) have not settled on an agreed transition protocol and also terms for post-LIBOR products. As a Group, given its exposure to LIBOR linked financings and hedges, the transition uncertainty creates challenges (such as being able to adjust both the swaps and the loans to the new benchmark without any economic impact on the borrowers) and the Group is monitoring developments in the transition on a real time basis with the objective of working with all its lenders (including lenders at the Project Company level) and ensuring a seamless transaction to the replacement benchmark (whether SOFR or otherwise) across the portfolio by end 2021. The carrying value of the liabilities exposed to the amendments as at 31 December 2020G (excluding the liabilities that will expire before transition) is SAR 4,95 million for the financial liabilities exposed to LIBOR and SAR 3,87 million for the notional of hedges linked to LIBOR. Moreover, the carrying value of the liabilities exposed to the amendments for the Equity

Accounted Investees as at 31 December 2020G amounted to SAR 17. 5 billion.

Should any of the above risks materialize it could have a material adverse effect on the business, financial position and results of operations of the Group.

2-3-7 Risks related to the Group becoming an unsecured creditor of an offtaker in the event of the early termination of certain Offtake Agreements

With respect to the Saudi Arabia based IWPPs (the Shuaibah IWPP and the Shuqaiq IWPP), IPPs (the Rabigh IPP, the Rabigh 2 IPP and the Qurayyah IPP) and IWPs (the Shuaibah Expansion IWP and the Shuaibah Expansion II IWP) for which SEC is the offtaker, if the Offtake Agreement is terminated and the offtaker is to acquire the plant by paying the termination payment, the Project Company is required to transfer the plant to the offtaker upon receiving the first of four instalments of the payment due (with the remaining three instalments to be paid every six months after the first payment). This exposes the Project Company to the risk of becoming an unsecured creditor of the offtaker with respect to the remaining 75% of the payment while no longer being the owner of the Projects listed above. To date, none of these clauses in the Offtake Agreements of the Saudi Arabian projects listed above have been triggered. However, no assurance can be given that they will not be triggered in the future, which could have a material adverse effect on the Group's business, financial position and results of operations.

2-3-8 Risks related to the Group's working capital

The Company has working capital management strategies that focus on maintaining an effective balance of both current assets (maturing within one year or less) and current liabilities (maturing within one year or less) in accordance with the current ratio, which limit the risk related to working capital. These strategies aim to maintain an adequate cash flow to meet short-term debt and pay for its operating costs.

The Company's reliance on loans to finance working capital involves risks in finding easier credit terms. If the economic climate becomes less favorable, the Company may face stricter credit conditions or be excluded from access to much-needed loans. Moreover, the impairment of loan guarantees provided by the shareholders of the relevant Project Company, which could damage its credit status and thus worsen its difficulties in obtaining financing, would have an adverse effect on the Company's business, financial position and results of operations.

2-3-9 Risk related to APREH convertible loan

In the year ended 31 December 2018G, the Group entered into a convertible loan agreement for SAR 1.4 billion with SRF, through APREH. This loan provides an option to convert all or part of the loan's principal into shares of APREH at an agreed conversion price. In 2019G, the lender partially exercised the option and acquired the 49% stake in APREH at an agreed value of SAR 580.6 million. Due to this conversion, the Group lost control over APREH and reclassified the subsidiary as an equity investment as at 31 December 2019G.

The Outstanding balance of the convertible loan was SAR 773 million as at 31 December 2020G. It is expected that the remaining convertible loan will be converted into shares of APREH. However, the Group and the Lender has not yet decided which assets will be included and what will be the agreed valuation. This creates a risk that such conversion may result in gain/loss on the asset valuation and also further lowering of the shareholding.

If any of these risks materialise, this would have a material adverse effect on the business, financial position and results of operations of the Group.

2-3-10 Risks related to the Group's agreements containing change of control provisions, which could have adverse consequences for the Group

Under certain of the Group's project-level financing, shareholder and operating agreements, including for Shuaibah IWPP, Shuaibah Expansion I IWP, Noor I CSP IPP, Noor II CSP IPP Shuqaiq IWPP and Rabigh IPP, there may be a breach or default if the current shareholders reduce their shareholding in the Project that was committed under the relevant agreements.

Furthermore, under the Groups' financing arrangement and certain of its project level-financing, shareholder and operating agreements there may also be a breach, default or a repayment, repurchase or call right in favour of a counterparty if a third party or group of persons acquires control of 50% or more of the Group's shares, which may serve as a deterrent to any takeover offer for the Group and could therefore have an adverse effect on the market price of the Group's shares which could accordingly have a material adverse effect on the business, financial position and results of operations of the Group.

2-3-11 Risks related to the Company's Sukuk

ACWA Power has (as the issuer) launched Sukuk program with an amount up to SAR 5 billion for a period of 7 years (under Shariah compliant Mudaraba-Murabaha structure) in KSA issued as private offering which is unlisted and unclassified. The size of the first tranche that has been issued under this program is 2.8 billion SAR. The final pricing and book-building was completed in the early of June 2021G. The sukuk was issued in KSA as a private and unlisted offering in accordance with OSCOs issued by CMA.

The Payment obligations under the issued sukuk will constitute direct, unconditional, unaffiliated, and unsecured obligations of the issuer and will be classified equally with all outstanding unsecured and unaffiliated obligations of the issuer. The issuer is obligated to fulfil the payments due to the sukuk holders on their due dates. In the event the issuer breaches its obligations under the sukuk, this breach may result in (i) any indebtedness of the issuer will become due and payable before its original due date; (ii) Any guarantee granted by the issuer of the indebtedness will become enforceable. Should any of the events occur, this would have a material adverse effect on the business, financial position and results of operations of the Group.

2-4 Risks Relating to the Market, Industry and Legal and Regulatory Environment

2-4-1 Risks related to the COVID-19 pandemic

COVID-19 was first reported in December 2019G and has subsequently spread throughout the world to countries and jurisdictions in which the Group operates. On 30 January 2020G, the World Health Organization declared COVID-19 a public health emergency of international concern and on 11 March 2020G, the WHO declared the outbreak a pandemic. The COVID-19 pandemic has had and continues to have adverse repercussions across regional and global economies and financial markets, which adversely affect the jurisdictions in which the Group's operate, including Saudi Arabia. Governments, businesses, and the public are taking unprecedented measures to contain the spread of COVID-19 and to mitigate its effects, including quarantines, travel bans, shelter-in-place orders, closures of businesses and schools, fiscal stimulus, and other regulatory changes. A number of governments and organizations have revised Gross Domestic Product ("**GDP**") growth forecasts for 2020G and subsequent years downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 outbreak could result in a prolonged global economic crisis or recession. For example, the real GDP growth forecasts by the World Bank for Saudi Arabia, the UAE, Oman and Morocco for 2020G were -5.4%, -6.3%, -9.4% and -6.3%, respectively (Source: World Bank, Global Economic Prospects – January 2021). In 2020G, there was no significant direct impact on the Group's operational performance as a result of the COVID-19 pandemic, including with respect to the power generation and water desalination availability of its Projects, however construction works for projects under construction were impacted such as Hassyan IPP and DEWA Independent Water and Power Project. For further details see Section (6-3-2-5) ("**Management's Discussion and Analysis of Financial Position and Results of Operations, One-off Event Affecting Overall Results of Operations**") and there can be no guarantee that the Group will not be affected by the crisis in the future. While the scope, duration and full effects of COVID-19 are rapidly evolving and not fully known, the pandemic and related efforts to contain it have disrupted global economic activity, adversely affected the functioning of financial markets, impacted interest rates, increased economic and business uncertainty, and disrupted trade and supply chains. If these effects persist for a prolonged period or result in sustained economic stress or recession, many of the risk factors identified in this Prospectus may be exacerbated and such effects may have a material adverse impact on the Group in a variety of ways related to liquidity, operations, customer demand, interest rate risk, and human capital, as described in more detail below.

- **Operational risk.** Current or future restrictions on the Group's workforce's, access to the Group's facilities and the health and availability of the Group's workforce in constructing its Projects could limit its ability to meet customer expectations and have a material adverse effect on its operations. The Group may experience increased difficulties in receiving payments from its Offtakers which could impact the Group's liquidity (see "Liquidity Risks" below). These Offtakers may have inadequate liquidity or may have greater difficulties in settling their bills. Changes in demand for power and water resulting from the COVID-19 crisis do not generally contractually impact the Group's rights to Capacity Payments owed under the Group's Offtake Agreements. Nevertheless, the National Electricity Power Company ("**NEPCO**") in Jordan has delayed the revenue payments partially in Zarqa from February 2020G to December 2020G, and in Mafraq PV IPP and Risha PV IPP from February 2020G to September 2020G. In addition, in CEGCO as well NEPCO has been delaying the revenue payments with a two-month lag since December 2019G citing financial difficulties. The Group on 28 April 2021G has entered into settlement agreement with NEPCO for the delayed payment of revenues and the full amount of the delayed revenue payments has been paid by NEPCO as of the date of this Prospectus.Additionally, although offtakers cannot unilaterally change the prices of the Offtake Agreement while it is in force, the ongoing crisis may prompt offtakers to attempt to negotiate relief, which if successful would impact the Capacity Payments received by the Group. As a result of the financial strains caused by the crisis, certain governments of the countries in which the Group operates, including Oman, Jordan and Egypt, have already expressed a desire to reform their public spending, which may include the renegotiation of the Offtake Agreements of the Group's Projects in these countries.

  In addition, all of the Group's Projects which are currently under construction have experienced delays as a result of supply chain disruptions relating to the COVID-19 pandemic. Several EPC contractors have served force majeure notices while all of the Projects themselves have activated force majeure provisions in their Offtake Agreements. Offtakers may provide relief of obligations relating to time, costs or both, however no assurance can be provided that such relief will be sufficient or given at all, nor that it can be effectively passed on to the applicable EPC contractor. Unless relief is granted by the relevant offtaker providing additional time to meet obligations, this could result in liquidated damages becoming payable to the offtaker. Similarly, the delays may result in increases to the overall costs of completing the

Project despite the fact that many of these costs are contractually available to be passed to the offtaker, and in the event that such relief pertaining to these additional costs is not granted, the Project may not have sufficient funding to complete its construction activities. As a result, the non-granting relief of obligations relating to time or costs can adversely impact the project completion and can result in disputes with contractors and offtaker. As of the date of this Prospectus, no Projects have been refused relief by their respective offtaker as a result of the aforementioned delays. See also, 2-1-3 "**Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts**".

Moreover, the Group and the Project Companies rely on many suppliers and contractors in its business operations (in particular, NOMAC and CEGCO for operation and maintenance activities of the Projects (see 2-1-8 ". Risks related to the extent to which profits of the Group and the operation and maintenance of the Group's Projects depend on the costs of operation and the performance by the operation and maintenance contractors of their contractual obligations")), some of which have issued or may issue in future, force majeure notices requesting an extension of time for their performance resulting in disruption of the Group's supply chain. In response to the force majeure notice from the Group's suppliers, force majeure notices have already been issued to certain of the Group's offtakers including Electricity and Water Authority ("EWA") in UAE, Oman Power and Water Procurement Company SAOC ("**OPWP**") in Oman and Saudi Electricity Company ("**SEC**"), Saudi Power Procurement Company ("**SPPC**"), Saudi Water Partnership Co. ("**SWPC**") in Saudi Arabia which are currently under consideration by the offtakers, however the likelihood of being accepted is unknown/unprecedented. The Group also relies on local and government agencies, offices, and other third parties in obtaining permits, conducting construction of its Projects. In light of the developing measures responding to the pandemic, many of these entities may limit the availability and access of their services. For example, for all its Projects, the Group relies on frequent facility upkeep and improvement through operation and maintenance ("**O&M**") activities to maintain an efficient operation of its facilities. The COVID-19 pandemic could potentially restrict the Group's O&M activities due to any labor shortage and limited availability of third-party service providers, resulting in an adverse impact on the Group's revenues that are not covered through insurance due to the fact that the COVID-19 related risks are not covered under the Group's existing insurance policies. Please refer to Section (6-3-2-5) ("**Management Discussion & Analysis of Financial Condition and Results of Operations – Covid-19**") for further details. If the suppliers and the third-party service providers continue to have limited capacities for a prolonged period or if additional limitations or potential disruptions in these services materialize, it may negatively affect the Group's operations. Moreover, the Group may have disputes with suppliers, contractors or customers that could lead to litigation or arbitration due to contractual force majeure notices.

Furthermore, in response to COVID-19, the Group has modified and may continue to modify its business practices with respect to the physical presence of employees and remote working policies, all of which may increase the risk of inefficiencies due to reliance on less robust information technology, of increased cybersecurity and incidences of IT failures and of data security breaches.

- **Liquidity risk.** The Group's success may be influenced by a variety of external factors which may affect the price or marketability of the Group's goods and services, including disruptions in the capital markets, changes in interest rates that may increase the Group's funding costs and, with respect to a limited number of the Group's operations, reduced demand for the power or water produced by the Group due to economic conditions and the various response of governmental and nongovernmental authorities. The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global capital markets during 2020G, which increases the cost of capital and adversely impacts access to capital. Although the global markets have begun to show some signs of recovery, a prolonged period of volatile and unstable market conditions may increase the Group's funding costs and negatively affect market risk mitigation strategies. Furthermore, significant disruptions in the business of the Group or significant declines in operating results as a result of the COVID-19 pandemic could result in additional impairment charges in the future of the Group's goodwill or long-term assets. For more information regarding the impairment of the Group's assets, see also 2-1-13 "**Risks related to potential impairment of the Group's goodwill or long-term assets**".
- **Strategic risk.** Reduced demand from the slowdown in the global economy may impact the development and success of the Group's greenfield projects. Due to the potential prolonged global economic crisis or recession, the reduced customer demand for electricity may not increase rapidly to or from pre-COVID-19 level. The economic downturns may alter the priorities of governments to subsidize and/or incentivize participation in the Group's primary markets in which it operates as well as on its greenfield developments, which could have an adverse impact on the Group's financial condition, results of operations, and cash flows. For more information regarding this change in government priorities, see for example, the delays in payments relating to the Group's assets in Jordan as discussed further in "Operational risk" above.

Because there have been no comparable recent global pandemics that resulted in a similar global impact, there is still significant uncertainty relating to the severity of the near- and long-term adverse impact of the COVID-19 pandemic on the global economy, global financial markets, the Saudi Arabian economy and the economies of the jurisdictions in which the Group operates. As a result, the Group may not be able to accurately predict the near- or long-term impact of the COVID-19 pandemic on the Group's business, financial condition and results of operations. It is possible that the current COVID-19 pandemic will cause a prolonged global economic crisis or recession, which could have a negative impact on the Saudi Arabian economy in general and the

Group's industry and business in particular. The extent to which the COVID-19 outbreak impacts the Group's business, results of operations and financial condition will depend on future developments, including the timeliness and effectiveness of measures taken or not taken to contain and mitigate the effects of COVID-19 both in Saudi Arabia and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted.

Should any of the above risks materialize, this could materially and adversely affect the Group's business, operations, operating results, financial condition, liquidity, capital levels and future prospects.

2-4-2 Risks related to the Group being exposed to political risks in the countries and regions where it operates

The Group is exposed to the geopolitical risks in the countries in which the Group operates as well as the countries into which the Group intends to expand, which could have an adverse effect on the economy of these countries and thereby the Group's customers and its operations in such regions. Such risks could adversely impact the value of any investment in the Group.

The offtakers of the power and/or desalinated water produced by the plants developed by the relevant Project Companies are typically government or semi-government entities. Notwithstanding any contractual cost and revenue protections available under the relevant Offtake Agreements (including any local or foreign political force majeure) any unexpected major change in the political condition in any of the countries in which the Group has invested or plans to invest (particularly in emerging economies where such risks are greater), including a change in government, political instability, nationalization, major policy shifts or revolution or any negative developments in the existing relationship between the Group or Project Company and such government entities could have a material adverse effect on the Group's business, financial position and results of operations. For example, in the case of a natural or foreign political force majeure event affecting CEGCO in Jordan, unless CEGCO terminates the relevant Offtake Agreements pursuant to such force majeure event, NEPCO is not obliged to buy back the shareholders' shares. In addition, Kirikkale and Khalladi IPP do not benefit form change of law protection and Kirikkale, Khalladi IPP and the Group's assets in Oman do not benefit from termination protection.

2-4-3 Risks related to the environmental regulations in the jurisdictions where the Group operates

The risks of environmental damage, such as pollution and leakage, are inherent in the power generation and water desalination industries. The Group is subject to numerous international, national and local environmental laws and regulations, as well as the requirements of the independent government agencies and development banks that provide financing for many of the Group's projects. These laws, regulations and requirements govern, among other things, the generation, storage, handling, use, disposal and transportation of hazardous materials; the emission and discharge of hazardous materials into the ground, air or water; and treatment of migratory birds and endangered and threatened animal and plant species.

These environmental laws, regulations and requirements are expected to become more stringent in the future and, to the extent that change in law protection is not otherwise provided under the relevant Offtake Agreement or ancillary document, as is the case in the Khalladi IPP and Vinh Hao 6 PV IPP, any changes in environmental law and regulation may result in increased liabilities, compliance costs, capital expenditures, difficulty in the Group's ability to comply with applicable requirements or obtain financing for the Group's Projects. In connection with these environmental laws, regulations and requirements, the Group may need to obtain new or revised permits, purchase offsets or allowances, or install costly emission control technologies and such changes could have a material adverse impact on the Group's business, financial position and results of operations.

From time to time, the Group may not be in compliance with applicable environmental laws, regulations or requirements or environmental permits. The business of generating power involves certain risks, including fuel spillage or seepage or the release of hazardous materials, which could result from, or lead to, the Group not being in compliance with applicable environmental laws. Government environmental agencies, and in some jurisdictions, environmental advocacy groups and/or other private parties, could take enforcement actions against the Group for any failure to comply with applicable laws, regulations or requirements or environmental permits. Such enforcement actions could lead to, among other things, the imposition of fines, liabilities or capital improvements, revocation of licences, suspension of operations, imposition of criminal liability or reputational harm to the Group.

For example, since 2015G, the emissions of sulphur oxides at the Rabigh IPP have exceeded the applicable limits in Saudi Arabia, as a result of which the Group entered into discussions on how to resolve this issue with the General Authority for Meteorology and Environment Protection ("**GAMEP**") in relation to its environmental operating permit. The Group obtained a permit renewal from GAMEP and, in parallel, commenced work on flue gas desulphurization ("**FGD**") modification at the Rabigh IPP at a cost of approximately SAR 40 million. Upon completion of the Rabigh IPP and demonstration that the FGD modification would keep sulphur oxides emissions within limits, Rabigh IPP received the environment permit from GAMEP in March 2020G for a period of 2 years. Rabigh IPP continues to face difficulties in continuous run capabilities of the FGD modification and is working on appropriate measures towards ensuring its reliable operation, expected to be complete in Q1 2022G. While it is expected that the Rabigh IPP will fully comply with the applicable emissions standards and regulations after the completion of these measures, there can be no assurance that this Project may not continue to exceed the applicable emissions limits, in which case it could become subject to fines, the suspension or revocation of its operating licences or to an event of default under its financing arrangements (see also 2-3-3 " **Risk related to events of default under the financing arrangements**"). Environmental laws, regulations and requirements can also impose joint, several and strict liability for the environmental remediation of releases and discharges of hazardous materials and wastes at the Group's and its predecessors' currently and formerly owned, leased and operated sites and at third-party sites to which the Group or its predecessors have sent waste, and could require the Group to incur significant costs for natural resource damages, investigate or remediate resulting contamination or indemnify or reimburse third parties for the same. Locations at which the Project Companies operate may be, or have been in the past, contaminated with hazardous materials, resulting in a potential liability to investigate or remediate them, as well as for claims of alleged harm to persons, property or natural resources.

If any of these risks materialise, this could have a material adverse effect on the business, financial position and results of operations of the Group.

2-4-4 Risks related to violations by Project Companies of health, safety and security standards

The Project Companies and its contractors are subject to applicable health and safety and security regulations in force in the countries in which the Group operates that set various standards for regulating certain aspects of health, safety and security quality and impose civil and criminal penalties and other liabilities for any violations. The use of machinery and high-voltage equipment inherent in the Group's business may involve significant health and safety risks.

Potential health, safety and security events that may materially impact the Project Companies' operations include fires, flooding, explosions, light vehicle incidents, falls from height, personal injuries and fatalities, electrocutions, incidents involving equipment and emissions of harmful gases or chemicals. Fatalities, or serious injury, to employees or site contractors may occur due to these or other factors. Such events have occurred in the past and may occur in the future. In 2018G, one fatality occurred at Hassyan IPP as a result of a fall and two fatalities occurred at Sohar III IPP, one as a result of a fall and the other as a result a fire. In 2019G, one fatality occurred at Hassyan IPP as a result of a drowning and one fatality occurred at Rabigh 3 IWP due to a heavy-machinery accident. To date, the Company has not experienced a material impact resulting from any liability in relation to such incidents. However, there can be no guarantee that the Project Companies will be in compliance with all applicable health, safety and security regulations in force in the countries in which the Group operates in the future. Should any Project Company fail to comply with any such regulations, it may be liable for penalties and/or the consequences of default under any contractual obligations requiring it to comply with applicable regulations. Such accidents could also result in a material reputational impact on the Group that will materially and adversely affect the price of the Offer Shares in the market and the Group's business, financial position and results of operations.

In addition, relevant authorities in the countries in which the Group operates may enforce existing regulations, including health, safety and security laws and regulations, more strictly than they have done in the past and may in the future impose stricter standards, or higher levels of fines and penalties for violations, than those which are in effect at present. Accordingly, the Group is unable to estimate the future financial impact of compliance with, or the cost of a violation of, any applicable regulations by the Project Companies.

Furthermore, the Project Companies operate in the countries where environmental, health and safety laws, regulations and their enforcement are still developing. Increasingly, the Project Companies' stakeholders expect them to apply stringent, internationally recognized health, safety and security benchmarks to their operations, which could result in significant new obligations and costs for them. For example, in 2017G the High Commission for Industrial Security (the "HCIS") in Saudi Arabia issued a new set of industrial security directives (the "**2017 HCIS Directives**"). As a result, two Group Companies have become subject to potential upgrades in order to comply with the 2017 HCIS Directives, the cost of which is estimated to be up to a total of SAR 91 million (excluding VAT). As of May 2021G, one of these Group Companies has engaged a contractor to undertake the works necessary for the plant to comply with the new directives.

Failure to manage relationships with governments and non-governmental organisations may harm the Project Companies' reputation and operations, which could in turn adversely affect the Project Companies' revenues, results of operations and cash flows, potentially in a material manner.

In addition, the Project Companies' costs and management time required to comply with internationally recognized standards of social responsibility and sustainability are expected to increase over time.

Any occurrence of loss of life or serious injury to the Project Companies' (PC) employees as a result of any breach of applicable safety legislation may result in a disruption to the PC operations or cause reputational harm, and significant liability could be imposed on such Project Companies for damages, penalties and/or compensation as a result. Disruption to a Project Company's operations could come in the form of "Stop Work" orders (or the legal equivalent), and if the PC is in the middle of construction, a Stop Work order would expose the PC to delay related liquidated damages. If in the Project is operational, to the disruption could cause a loss of revenue. Major incidents could also be picked up and reported by the media thus adversely affecting the Group's reputation.

If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-4-5 Risks related to the Group's licensing and permits and corporate registration requirements

The Group and the Project Companies are required to obtain and maintain appropriate licences, permits and regulatory consents in respect of their activities, including corporate registration requirements, environmental permits and licences and approvals for the operation of its facilities, construction of new, or modification of existing, facilities or the installation and operation of new equipment required for the Group's businesses. Permits, licences and approvals are generally subject to periodic renewal and challenge from third parties. In addition, most of the licences provide that the relevant company may be subject to financial penalties, or the relevant licence may be suspended or terminated (following a warning), if it fails to comply with the requirements of the relevant licence. Furthermore, the Group operates in heavily regulated industries requiring multiple licenses in low transparency jurisdictions, as a result of which the Group may become exposed to bribery and corruption risks in relation to those licensing processes (see also 2-4-11 "**Risks related to the Group conducting a significant amount of its business in countries, including developing countries, which present significant risks that could adversely impact the Group's business, results of operations, and financial condition and reputation**" and 2-4-12 "**Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation**").

When a licence is sought to be renewed or amended there can be no guarantee that the relevant authority would be prepared to renew the relevant licence or otherwise permit the same scope of work when granting such licence. Furthermore, the relevant authority may choose to impose onerous conditions on the Project Company in the course of such renewal (for example, due to a difference in interpretation by the Group and a regulator of the relevant legal requirements and standards or other related matters). Whilst the Group believes that the relevant Project Companies have obtained the licences required by law for their activities (subject to the below), there can be no guarantee that additional licences may not be required in the future. If a Project Company is unable to procure the relevant licence or is unable to renew an existing licence on similar terms, it could (to the extent that adequate protection is not otherwise provided under the relevant Offtake Agreement or ancillary document) materially impact the operation of the projects and in some limited circumstances, may also lead to a cancellation of the project or closure of the plant.

NOMAC Oman's constitutional documents are not compliant with the relevant regulations in Oman. Although, the commercial companies law does not specifically address the consequences of failing to update the constitutional documents, the Ministry of Commerce and Industry in the Sultanate of Oman has broad enforcement powers which includes the suspension of a company's commercial registration. In addition, on 11 May 2021G, the Authority for Public Services Regulation (APSR) notified SGC, Ibri, DGC, DDC, Barka and Shams Ad-Dhahira Generating Company (SAGS), of a breach of the provisions of their licenses arising from a change in control which had not been notified to APSR. This change in control arose from a change in the shareholding of the ultimate parent company that owns these companies due to PIF's recent investment into ACWA Power. These companies have provided APSR with a notification, which is being considered by APSR. In the event that it is not accepted by APSR, there is a risk that APSR will revoke the licenses of such companies.

Furthermore, pursuant to the terms of ACWA Power Redstone's generation licence, amendments, variations and / or ratification of power purchases and connection agreements must not be made without the prior written approval of NERSA. Any amendment to the PPA without the prior written approval from NERSA is a breach of the generation licence. In terms of section 18 of the Electricity Regulation Act 4 of 2006 of South Africa, contravention of a licence condition may carry a penalty of 10% of the annual turnover of the licensee or R2,000,000.00 (approximately SAR 500,000) per day commencing from receipt of notice from NERSA to comply with a condition in the event of failure and until compliance with such a notice. In the event the project company did not comply with these conditions, fines will be imposed on the project company which would have a material adverse impact on the Group's business, financial position and results of operations.

There are seven Key Group Companies and a number of Intermediate Holding Companies in KSA which have not updated their constitutional documents to be in line with the latest amendments to the Saudi Companies Law and also to implement the new International Standard Industrial Classification of All Economic Activities (ISIC4) coded activities system, which could result in certain issues in processing applications with the Ministry of Commerce and the Ministry of Investment, which could result in a material adverse impact on the Group's operations.

In addition, STPC has been granted a temporary license from the Electricity & Co-Generation Regulatory Authority ("**ECRA**") dated 09/11/1441H (corresponding to 29 June 2020G) in order to carry out seawater desalination activities through 07/11/1442H (corresponding to 17 June 2021G) pending issuance of a permanent ECRA licence. ECRA will continue to issue temporary licenses until certain regulatory changes are implemented. Until such time, there is a risk that ECRA may not renew the relevant licence which could cause STPC to suffer substantial losses.

If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-4-6 Risks related to the change, adverse interpretations or inconsistent enforcement of the tax laws and regulations in countries in which the Group's projects operate

The Group has Projects that operate in jurisdictions where taxes are payable which can be substantial and include, amongst others, corporate income tax, value-added tax, custom duties, profit taxes, payroll-related taxes, withholding taxes, property taxes and other taxes. Furthermore, tax laws and regulations in some of these countries, including transfer pricing policies with respect to cross-border intragroup transactions in which the Group engages, may be subject to the introduction of new tax laws and regulations, frequent change, varying interpretation and inconsistent enforcement. While all the Projects of the Group other than Marafiq IWPP, Kirikkale CCGT IPP and Bokpoort CSP IPP have change in tax law protection in the Offtake Agreements whereby the introduction of new taxes or change in current tax rates are passed through the tariff to the offtakers (the Bokpoort CSP IPP has a more limited protection for discriminatory changes applied only to the Project), there remains a possibility of the imposition of taxes and penalties, either by imposing incorrect tax assessments not in line with the tax rules and law or by introduction of new taxes, which could have a material adverse effect on the Group's business, financial position and results of operations. Furthermore, because the Group operates in certain low transparency jurisdictions with respect to tax application and enforcement, the Group may become exposed to bribery and corruption risks in relation to tax proceedings (see also 2-4-11 "**Risks related to the Group conducting a significant amount of its business in countries, including developing countries, which present significant risks that could adversely impact the Group's business, results of operations, and financial condition and reputation**" and 2-4-12 "**Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation**"). In addition to the usual tax burden imposed on taxpayers, these conditions could create uncertainty as to the tax implications of various business decisions. This uncertainty could expose the relevant Project Company to significant fines and penalties and to enforcement measures despite its best efforts at compliance, and could result in a greater than expected tax burden which would impact the Group's revenues and could have a material adverse effect on its business, financial position and results of operations.

As at 10 June 2021G, the Group (i.e. Key Group Companies and all other Group Companies that are both consolidated and nonconsolidated) has received assessments under appeal for a number of Projects, for which the total potential tax exposure is SAR 124,472,842 (excluding Zakat, delay fines and time-barred claims) and of which ACWA Power's share of this is amount is SAR 56,326,848 (excluding delay fines and time-barred claims). This amount includes tax assessments for both Saudi and non-Saudi Group Companies. Where Saudi entities have been subject to both Zakat and tax assessments, only the tax assessment value has been included in this section, and the Zakat portion has been included in Section (2-4-7) below. For further information, see (2-4-7 " **Risks related to the change, adverse interpretations or inconsistent enforcement of the Zakat laws and regulations in countries in which the Group's projects operate**") below. A total provision against the tax exposure of SAR 45,487,423 has been made. While the Group believes it has grounds to prevail in these appeals, there can be no assurance that it will not be required to pay part or all of these amounts. Please refer to Section (12-13) ("**The Zakat Status of the Company and its Subsidiaries**") for further details on the Group's tax positions.

In addition, the relevant Project Company may be exposed to an increase in the amount of the taxes payable, if tax rates increase or the tax laws or regulations in the jurisdictions in which it operates, or treaties between those jurisdictions, are modified or interpreted in an adverse manner particularly in relation to withholding tax treaties (unless, as stated above, the increase, modification or change in interpretation is covered under the change of law protections). This will impact the Project Company's ability to make distributions to its sponsors (including the Company) which could have a material adverse effect on the Group's business, financial condition and results of operations. For example, as at the date of this Prospectus, RABEC has made an appeal to ZATCA in relation to certain withholding tax implications on certain payments made by RABEC to shareholders outside Saudi Arabia. The ZATCA has not accepted the interpretation of RABEC with respect to benefits of not applying withholding taxes under the Saudi Arabia-Korean tax treaty on payments made to Korean shareholders in relation to project development fees. RABEC has filed an appeal with Tax Appeal Committee (GSTC) and is waiting for the final decision on the matter. The total withholding tax and zakat demand on each of RABEC is SAR 25 million, HEPCO is SAR 19 million (excluding delay fines of SAR 7 million) and SqWEC is SAR 16.9 million (excluding time-barred claims of SAR 22.3 million).

As at 10 June 2021G, the Group (i.e. Key Group Companies and all other Group Companies that are both consolidated and nonconsolidated) had a total potential tax and zakat exposure related to current open claims amounting to SAR 247,879,833 (including share of other partners where applicable in the Project Companies) relating to assessments under appeal (excluding delay fines and time-barred claims subject to the statute of limitations of approximately SAR 68 million) of which ACWA Power's share of this amount is SAR 129,287,389 (SAR 56,326,848 for tax payments and SAR 72,960,541 for zakat payments)) (excluding delay fines and time-barred claims), and a provision against this exposure of a total value of SAR 85,243,518 (ACWA Power's share of the provision amount due to its effective ownership is SAR 53.6 million approximately). The amounts of these disputes include the total amount disputed by the Key Group Companies (SAR 195,347,148) and by the rest of the Group Companies (i.e., companies other than the Key Group Companies) (SAR 52,532,685).

Additionally, as at 10 June 2021G, the Group had a total potential tax and zakat exposure on draft assessments issued by the ZATCA for all the previous periods amounting to 172,736,269 (including share of other partners where applicable in the Project Companies), of which ACWA Power's share of this amount is SAR 41,256,401. As the assessments are in draft, they are subject to change from the ZATCA until the final assessment is issued. The Group is currently appealing against the draft assessments and to have these removed. The 2018G draft assessment of JWAP of SAR 160,656,642 million makes up the most of the draft assessment total, with smaller immaterial draft assessments on other KSA Group entities making up the remaining amount.

Furthermore, the Group has invested in the relevant Project Companies through complex investment structures which involve special purpose vehicles incorporated across multiple jurisdictions. There is a risk that a material adverse change in the regulatory or tax environment in any of these jurisdictions will impact any distributions to be received by the Group from the relevant Project Company which will impact the Group's revenues and could have a material adverse effect on its business, financial position and results of operations.

2-4-7 Risks related to the change, adverse interpretations or inconsistent enforcement of the Zakat laws and regulations in countries in which the Group's projects operate

Since incorporation and up to 2014, the Company and its wholly owned Subsidiaries filed consolidated Zakat declarations as required under the Zakat guidance issued by the ZATCA (as 100% Saudi shareholders owned companies were only subject to Zakat in KSA), and for the non-wholly owned Subsidiaries (which are subject to both Zakat and tax as they were considered as mixed companies) they were required to file Zakat and tax returns (non-consolidated) separately based on their standalone financial statements.

Following the investment of the International Finance Corporation ("IFC") in 2014G, the Company and its Subsidiaries were deconsolidated for Zakat purposes given IFC's shares in the Company's profits should not be subject to Zakat (as a non-GCC entity) and is exempt from Tax in KSA. From 2014G to the end of 2020G, the Saudi Group Companies were considered as mixed companies and were required to file Zakat and tax returns (non-consolidated) separately based on their standalone financial statements. Following IFC's exit in 2020G, the Company has the option to consolidate its Zakat returns which include the Company and its wholly owned Subsidiaries for Zakat purposes going forward (on the basis it will be subject to Zakat only in KSA).

The Group and the Project Companies operating in Saudi Arabia are required to file Zakat returns with the ZATCA in Saudi Arabia on an annual basis and can deduct its investments to the extent of Saudi shareholders ownership in partly-owned foreign and KSA projects from its Zakat base subject to satisfying certain conditions. The ZATCA's application of this approach is based on the understood practice as at the date of this Prospectus. There is a risk that if there is a material shift in ZATCA's policy in this regard, the Group could become subject to additional Zakat payments which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Company has closed all Zakat/Tax assessments from incorporation to and including 2018G. The periods of 2019G and 2020G remain open. Given that the Company and number of its Subsidiaries have not yet not completed their Zakat assessments for some previous years, the ZATCA may impose additional Zakat payments related to the years in which the assessment and payment of the dues imposed on the Company and its related Subsidiaries have not been completed, which may result in higher Zakat payments compared to the expected payments, which may have an adverse impact on the Group's business, financial position and results of operations. For more information about the years in which the assessment was not completed and the final Zakat and Tax assessments were paid for the Key Group Companies (inside and outside KSA), as well as the disputed amounts and the provisions for each of them as of 13 May 2021G, see Section (12-13) ("**The Zakat Status of the Company and its Subsidiaries**").

As at the date of this Prospectus, the Group has received Zakat assessments currently under appeal for a number of Projects, for which the total potential Zakat exposure is SAR 123,406,992 (excluding time-barred claims) and of which ACWA Power's share of this is amount is SAR 72,960,541 (excluding time-barred claims), a provision against the Zakat exposure of SAR 39,756,095 has been made. There can be no assurance that it will not be required to pay part or all of these amounts.

These include the Zakat demand on each of RABEC is SAR 18,572,434 (excluding time-barred claims of SAR 7 million approximately), and HEPCO is SAR 43,607,715. The Group has filed an appeal against the demand raised by the ZATCA, RABEC in 2018G and HEPCO in 2018G and 2021G. The Group received its Zakat assessment of SAR 41,005,408 for the periods 2015-2017G and for 2018G wherein ZATCA has raised a demand on a Group's wholly owned company (APP). APP has made a provision against these demands of SAR 12,500,000. In the event that these companies are not successful in appealing and reducing these claims, they will bear these amounts, which would have a material adverse impact on their financial position and the results of their operations.

Please refer to Section (12-13) ("**The Zakat Status of the Company and its Subsidiaries**") for further details on the Group's Zakat positions.

2-4-8 Risks related to antitrust laws, including the Competition Law in Saudi Arabia, and similar legislation and legislation relating to unfair competitive practices and similar behaviour in the jurisdictions where the Group operates

The Group is subject to a variety of antitrust, unfair competitive practices and similar laws and regulations in the jurisdictions where it operates. In some of the markets in which the Group operates, it has market positions that may make future significant greenfield projects or acquisitions more difficult and may limit its ability to expand. In addition, the Group may be subject to allegations of, or further regulatory investigations or proceedings into, unfair competitive practices or similar behaviour. Such allegations, investigations or proceedings may require the devotion of significant management effort, time and financial resources to defending the Group. In the event that such allegations are proven, there may be significant fines, damages awards and other expenses, and the Group's reputation may be harmed, which could have a material adverse effect on its businesses.

In Saudi Arabia, if the Group has or is deemed or classified by the General Authority for Competition (the "**GAC**") as having a dominant position in the market, the Group's operational activities shall be subject to the terms and conditions set out in the Competition Law issued by Royal Decree No. (M/75) dated 29/6/1440H (corresponding to 6 March 2019G) and Implementing Regulations thereof issued by the General Authority for Competition under Resolution No. (337) dated 25/1/1441H (corresponding to 24 September 2019G). The Competition Law seeks to protect fair competition in the Saudi markets and promote and establish market rules and free/transparent prices. In the event that the Group violates the provisions of the Competition Law and a judgment is issued against the Group with respect to such violation, the Group may be subject to significant fines at the discretion of the GAC. In addition, the GAC is entitled to request (partial or full) suspension of the Group's activities temporarily or permanently in case of repeated violations. Moreover, defending against such proceedings may be lengthy and costly to the Group. The occurrence of any of these risks could have a material adverse effect on the Group's revenues, financial position, results of operations and future prospects.

Furthermore, Pursuant to Article 7 of the Competition Law, entities participating in an economic concentration are required to notify the GAC for approval of such concentration at least 90 days prior to completing the relevant transaction. The law defines "economic concentration" widely to capture, amongst other things, any partial transfer of ownership over shares and states that its implementing regulations will set out the application process to be followed. The implementing regulations of the Competition Law set a new threshold with respect to transactions that require the approval of the GAC. If the total revenues of the entities involved in a sale and purchase transaction exceed SAR 100 million, then the relevant parties should apply to the GAC at least 90 days prior to completion. The GAC issued some guidance on which entities should be taken into account when determining whether the aforementioned threshold has been exceeded. Effectively, the parties to the relevant transaction (along with any other entity controlled within their respective groups) should be considered. Given the size of the Group, and its considerable involvement in the Saudi market, any corporate transaction undertaken by a Group member may trigger the SAR 100 million threshold and, as a result, such transaction may need to be filed with the GAC for approval. This is the case even if such transaction occurs outside the Kingdom and regardless of the size of the transaction.

GAC should be notified of all merger and acquisitions that are affected by the Group which are deemed economic concentrations. Under the Competition Law, the GAC has a right to reject any such transaction if it deems it to be prejudicial to competition in the Kingdom. The GAC would have a period of 90 days to provide a response. If it is found that a filing was required and the parties move forward with the proposed transaction without seeking the GAC's approval, the GAC may impose a fine of (i) up to 10% of the annual sales in connection with the violation, or (ii) up to three times the amounts profited by the violator(s) as a result. Additionally, the GAC may require the violator(s) to take all necessary steps to rectify the violation, including unwinding the whole transaction, and a daily penalty fee of up to SAR 10,000 may be imposed until such rectification is completed.

Given that the merger and acquisition activities form an integral part of the Group's business model, there is a risk that the GAC may withhold its approval, issue conditional approvals that the Group may not be able to satisfy, reject certain transactions or delay their completion until it issues its decision GAC may also impose the above-mentioned penalties/sanctions if it finds that any Group Company has not complied with the provisions of the Competition Law and its implementing regulations.

If any of the above risks were to materialise, this could materially and adversely affect the Group's business, financial position and results of operations.

2-4-9 Risks related to the Group not being in compliance with applicable labour laws and regulations and/or if not being able to retain existing key senior management personnel or other key skilled employees or continue to attract and employ key personnel with the suitable skills and experience

The Group's operating success and its ability to carry out its growth initiatives are dependent on the abilities, skills and experience of its senior management and other personnel, in administrative, listed company governance and operational areas. The Group may not be able to retain existing key employees or continue to attract and employ key people who have specific technical or industry expertise, including people in the many international locations where the Group has operations. This might result in a shortage of trained and qualified personnel. Such shortage of personnel may be a constraint on the Group's ability to retain the resources required to run its operations effectively and, therefore, could have a material adverse effect on their business, financial position and results of operations of the Group.

Additionally, the Group is required to abide by applicable labor and employment law requirements, including Saudization requirements, the failure of which could lead to the imposition of fines and potential termination by the employees. For example, the Company and six of the Key Group Companies operating in KSA have not updated their employment contracts or HR manuals/policies to include the mandatory provisions required by the Saudi Labor Law, which could lead to fines of up to SAR 100,000, temporary closure for up to 30 days or permanent closure of the establishment and even termination of the employment contract by the relevant employees.

The Group is also routinely required to assess the business, financial, legal and tax impacts of complicated business transactions the Group enters into on a worldwide basis, whether in connection with operating projects or new projects the Group is developing or evaluating. The success of these projects is dependent on hiring and retaining personnel globally with sufficient expertise to allow the Group to accurately and timely complete its analysis and reporting requirements. The inability to attract and retain qualified personnel or the difficulty of promptly finding qualified replacements could have a material adverse effect on the Group's business.

Furthermore, from time to time, executives and other employees with technical or industry expertise may depart or be removed from the Group. If the Group fails to appoint qualified and effective successors in the event of such departures or removals, this could have a material adverse effect on its business operations and growth strategy.

2-4-10 Risks related to the enforcement of foreign court judgments and arbitral awards in the countries in which the Group operates

All countries in which the Group operates are parties to the New York Convention. However, there is no certainty that the Group would be able to successfully enforce foreign court judgments or arbitral awards in all of the countries where it operates as enforcement depends on the relevant enforcement law in those jurisdictions and the relevant court's interpretation of the same. For example, most of the Group's projects agreements for Projects located in KSA are governed by foreign laws such as laws of England and Wales and disputes arising out from these agreements are subject to arbitration pursuant to the UNCITRAL Rules for International Arbitration or the Rules of Arbitration of the International Chamber of Commerce. Accordingly, judgments issued in this respect will constitute foreign judgments for the Saudi court and for a foreign judgment to be enforceable in the Kingdom of Saudi Arabia, it must comply with the Saudi Enforcement Law, and the principle of reciprocity must exist between the Kingdom of Saudi Arabia and the relevant country. The inability of the Group to enforce a foreign court judgement or arbitral award could impact its revenues and could have a material adverse effect on the Group's business, financial position and results of operations.

2-4-11 Risks related to the Group conducting a significant amount of its business in countries, including developing countries, which present significant risks that could adversely impact the Group's business, results of operations, and financial condition and reputation

Most of the Group's business is conducted in countries that are classified by the United Nations as developing countries. The Group has operations and/or development activities in a variety of developing countries. Part of the Group's growth strategy is to selectively expand its business in countries in which the Group already has a presence and other countries, including developing countries, based on an assessment of various factors, including the political, economic and investment stability of the country. Operations in any country, and particularly the operation, financing and development of projects in developing countries and other jurisdictions which the Group operates in or targets, may entail significant risks and uncertainties, including:

- Economic, social and political instability, including threats of terrorism, in any particular country or regional;
- Nascent legal regimes in the countries in which the Group operates or conducts development activities;
- Unwillingness or inability of governments, government agencies, similar organisations or other counterparties to honour their contracts;
- Difficulties in hiring, training and retaining qualified personnel;
- An inability to obtain access to fair and equitable political, regulatory, administrative and legal systems;
- Corruption, bribery and compliance risk and the risk of fraudulent activity by the Group's employees, subsidiaries, joint ventures or associates (see also, Section (2-4-12) ("**Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation**");

- Local social unrest or protests against the operation of power generation and/or water desalination or steam production projects by protesters such as environmentalist or anti-nuclear protesters; and
- Potentially adverse tax consequences of operating in multiple jurisdictions.

Any of these factors, by itself or in combination with others, could materially and adversely affect the Group's business, results of operations, financial condition and reputation.

2-4-12 Risks related to the Group not being able to detect money laundering, bribery and other illegal or improper activities fully or on a timely basis, which could expose it to liability and harm its business or reputation

The Group is required to comply with applicable anti-money laundering, anti-bribery and anti-terrorism laws and other regulations in the jurisdictions where it has operations. These laws and regulations require the Group, among other things, to adopt and enforce "know your customer" ("**KYC**") policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions.

The Company has in place internal controls, systems and procedures in conformity with the relevant sanctions, anti-bribery, anti-money laundering and anti-terrorism laws, although the compliance of such controls and procedures is limited with respect to non-controlled entities and associates. However, there is no certainty that such internal controls and procedures will be maintained in the future. For example, to the extent the Group, its employees, subsidiaries, joint ventures or associates, fail to fully comply with applicable laws and regulations, the relevant government or international agencies and regulators have the power to impose monetary fines and other penalties, including imprisonment of the responsible persons, which could harm its business or reputation and have a material adverse effect on the Group's business, financial position and results of operation.

2-4-13 Risks related to the Group and its companies entering into transactions with Related Parties

The Group and its companies have entered into transactions with certain of their Related Parties or affiliates that are operation and maintenance contractors or subcontractors, offtakers, shareholders, Project Companies, EPC Contractors or providers of intercompany loans, such as O&M contracts, services arrangements, shareholder agreements and loans from shareholders. See Section (12-8) ("**Legal Information—Summary of Material Related Party Contracts and Transactions**"). Related party transactions are determined and recorded in the Financial Statements in accordance with IFRS and applicable Saudi Arabian rules and regulation. The total amount of the related parties transactions during the financial year 2020G is SAR 2,287 million. For more information on transactions with related parties, including the relationship of the parties to the Company as well as the concerned amounts for the last three years together with their various analyses, see Section (6-3-6-14) ("**Management's Discussion and Analysis of Financial Position and Results of Operations - Transactions with related parties**").

As at the date of this Prospectus, all current Related Party transactions of the Company are on an arm's length basis. However, there can be no assurance that the terms and scope of agreements with Related Parties in the future are as favourable to the Group, the Project Companies and/or NOMAC as those that may have been obtained from unaffiliated third parties. Particularly in circumstances in which the interests of the Group, the Project Companies and/or NOMAC differ from the interests of their respective affiliates. To the extent that the Company enters into contracts with any Related Parties which are not on arm's-length terms and/or in the event such transactions transfer undue benefits to Related Parties of the Group, this could negatively affect the Company's costs and revenues which would, in turn, adversely and materially affect the Company's business, results of operations, financial condition and prospects.

The Group's future success is also dependent on the continuation of the relationships with the Group's Related Parties (see also Section (12-6) (**Legal Information — Overview of the Group's Contracts**) for an overview of the Group's contractual framework, including the arrangements between the Group Companies), and the expiry or termination of any material related party contract or relationship would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

Additionally, if the Project Companies have to contract with third parties because such related parties are unable to meet their obligations under these contracts, no assurance can be given that the Group, the Project Companies and/or NOMAC could replicate the terms of these contracts, which could have a material adverse effect on the business, financial position and results of operations of the Group, the Project Companies and/or NOMAC. See also, 2-1-8 " Risks related to the extent to which profits of the Group and the operation and maintenance of the Group's Projects depend on the costs of operation and the performance by the operation and maintenance contractors of their contractual obligations", 2-1-10 "Risks related to the extension and non-extension of the Offtake Agreements of the Group's build, own, operate ("BOO") projects " and 2-2-3 "**Risks related to the significant increase in the price or the interruption in the provision of fuel**".

Under Article 71 of the Companies Law, transactions in which any Director is deemed to have an interest will need to be disclosed to the General Assembly for approval. Directors are also required to obtain the approval of the General Assembly if they are engaged in any activities that compete with the Group in accordance with Article 72 of the Companies Law and Article 46 of the Corporate Governance Regulations. Given that the Directors and the Company's Substantial Shareholders, who may have representatives on the Board, are generally involved in the Group's sector, this could give rise to conflicts of interest from time to time that require the approval of the General Assembly pursuant to Article 71 or Article 72 of the Companies Law. For further details, please see Section (5-5-4) ("**Corporate Governance Compliance") and Section (5-9) ("Interests of Directors, Senior Executives and Relatives in contracts entered into with the Company and its Subsidiaries**") of this Prospectus.

There is a risk that the Company's Board or the General Assembly of the Company or any of its group companies may not agree on the approval of these contracts in which case the Director who is deemed to be interested in the transaction must resign, or take steps to ensure that he/she is no longer deemed to be interested (for example by terminating the relevant contract or disposing of the rights creating the interest). While the Group has a framework in place governing Related Party transactions and conflicts of interest, including policies and procedures for disclosure and obtaining the approvals of the Company's committees, Board of Directors and the General Assembly (as the case may be), there can be no assurance that no conflicts of interest cases will arise from time to time from entering into agreements by the Group by virtue of such parties' relation to the Group. Termination of these agreements or the resignation of a Director could have a negative and material impact on the profitability of the Group and consequently on its business, results of operations, financial condition and prospects.

It should be noted that the Company's General Assembly has issued an authorization for five (5) Board members (Mohammad Abdullah Rashid Abunayyan, Sulaiman A.K. Abdulmohseen Al-Muhaidib, Rasheed Abdulrahman Nasser Al-Rasheed, Omar MohammedNabil Mohammed Almidani and Esmail Mohammed Saleh Alsallom) to compete with the Group's ancillary activities, such as water treatment, district cooling, green hydrogen and other activities that are ancillary to the core activities of the Group (i.e. those activities specified in the Company's Bylaws). Such authorization is subject to the rules applicable to Board members competing with the business of the Company or a branch of the activities it conducts as set out in the related party transactions and conflict of interest policy adopted by the Company (see Section (5-7) ("Conflict of Interest and Competing Interests")). However, there is no guarantee that a Board member engaged in such activities would not result in a detrimental impact on the interests of the Company and its shareholders. It is therefore possible for a Board member to engage in businesses that compete with the Company which could impact its market share, or such Board member may not comply with the rules for competing with the Company as set out in the related party transactions and conflict of interest policy which could result in a negative and material impact on the profitability of the Group and consequently on its business, results of operations, financial condition and prospects.

2-4-14 Risk related to the Group not owning all of the lands on which the Group's assets are located

Other than with respect to the CEGCO Assets in Hashemite Kingdom of Jordan and Bokpoort CSP IPP in South Africa which lands are owned by the Group, the Group does not own most of the land on which its assets are located. Therefore, the Group has obtained rights to operate these assets pursuant to related long-term leases or other arrangements (including easements). These arrangements include key terms such as, among others, (i) grant of right to use and benefit, (ii) rights of way and easements, (iii) warranties and covenants, (iv) rent, (v) terms ranging from 15 years to 35 years. Upon an extension to any of the existing offtake agreements, while the land leases are expected to be extended accordingly, there is the possibility that the renewal will be on less desirable terms resulting in increased costs which may have a material adverse effect on the Group's financial position and results of operations. Please refer to Section (6-1-3) ("("**Management Discussion & Analysis of Financial Condition and Results of Operations – Significant Accounting Policies - Leases**")") and Section (12-12) ("**Legal Information- Real Estate**") for further information on the Group's leases.

2-4-15 Risks related to material disputes and possible litigation

The Company and the Project Companies have contracted with a number of counterparties, including offtakers and, for Projects under construction, EPC Contractors. There is generally a risk of disputes arising in relation to any of those agreements such as from delays in achieving commercial operation, liquidated damages, achievement of performance metrics, force majeure claims and additional works undertaken by the EPC.

As at the date of this Prospectus, the total amount of the material ongoing litigation / arbitration proceedings made against the Group Companies is approximately SAR 180 million which represents two (2) material ongoing litigation/arbitration proceedings. The total amount of the material ongoing litigation/arbitration proceedings made by the Group Companies (including counter-claims) is approximately SAR 1,126 million. Please refer to Table (12-15) ("**Summary of the total estimated values of the claims by and against the Group**") for the details of these material ongoing litigation/arbitration proceedings.

In addition, there are other approximately eight potential Material claims and potential material legal proceedings made or that may be made against the Group Companies of SAR 240 million . The total amount of the material claims and potential material legal proceedings made or that may be made by the Group Companies is approximately SAR 2,50 billion. Some of the material claims are summarized below and for further information on the material claims to which the Group is currently subject, see Section (12-11) ("**Legal Information—Litigation**").

The Group currently has delays in the following projects Noor Energy 1, Al Dur Phase II IWPP, Taweelah IWP, Ibri 2 PV IPP and Hassyan IPP. These could give rise to potential disputes with the offtakers and the Project lenders. For further information, see also Section (2-1-3) ("**Risks related to the delays, cost overruns and quality of workmanship issues in the construction of the Group's Projects when such delays, overruns and quality issues are not covered under its EPC contracts**") and Section (4-6-2-4) ("**The Company – Projects**").

Due to confidentiality reasons, and in order to avoid any breach of confidentiality obligations, the Company has decided not to disclose: (i) the names of the other relevant parties to the following disputes; and (ii) certain details that could jeopardize its position in these dispute. The Group's material disputes include the following:

- A Group Company is claiming that a member of the European Union breached treaty law, causing material losses to a project and approximately SAR 356 million in damages payable by the member of the European Union. Arbitration commenced in 2018, and evidentiary hearings are scheduled for June 2021.
- Three Group Companies in KSA are subject to an ongoing dispute with their offtaker with respect to the interpretation of the indexation provisions based on the consumer price index under the relevant project agreements. The dispute is currently subject to an arbitration proceeding with a total potential liability or award, depending on the outcome, of approximately SAR 87 million.
- With respect to a Group Company in South Africa, an EPC contractor consortium claims approximately SAR 75 million as alleged performance uplift payments and payments alleged to be due for additional or unpaid works. Arbitration was commenced by the EPC contractor consortium against the Subsidiary and its shareholders, and evidentiary hearings are scheduled for August / September 2021. The Group Company has made a counterclaim of approximately SAR 238 million for performance related liquidated damages and defects.
- There is currently a dispute between the EPC contractor and a Group Company in Morocco. The Group Company has rejected certain claims raised by the EPC contractor, and the dispute has been subject to arbitration. The Group Company has submitted several counter-claims. The EPC contractor is claiming approximately SAR 105 million and the Group Company is claiming approximately SAR 480 million as the respondent.

For further details about material ongoing disputes in which the Group or the Project Companies are involved, see Section (12-11) ("**Legal Information—Litigation**").

In addition, the Group, the intermediate holding companies that have ownership interests in the Project Companies, the Project Companies and NOMAC and the subsidiaries and joint ventures that provide operation and maintenance services to the Projects could also become subject to litigation. The Group (including MEPCO and RAWEC) may also face claims in relation to unregistered trademarks or other intellectual property.

In 2014, ACWA Power entered into a joint development agreement (the JDA) with a development partner (the Development Partner) for the development of a coal-fired power plant (the Project). The Project currently remains in development without construction having commenced and none of the key project agreements have been entered into with the host Government counterparties (i.e., the BOT Contract, power purchase agreement, coal supply agreement, etc.). However, even though the EPC contract and certain financing agreements have been signed during the period between 2018G to 2021G, as they can only become effective upon the key project agreements being signed and becoming effective, none of these are effective. Recently ACWA Power reviewed its corporate environmental stewardship commitment within the framework of establishing a clear targeted environmental stewardship, social responsibility and good governance (ESG) strategy and, taking into account the carbon emission reduction objectives that the Kingdom of Saudi Arabia has set and the wider energy transition underway across the world, ACWA Power decided that by year 2030 the carbon emission intensity of its portfolio of assets needs to be reduced by 50% with the aim of achieving Net Zero by the year 2050. Having regard to this, ACWA Power has decided to refrain from proceeding with the development of any new coal-fired power plant projects and thus has informed the Development Partner and the host Government that it is withdrawing from the Project. While there are sufficient provisions within the JDA that permits the withdrawal of ACWA Power, there is the risk that the Development Partner initiates a claim for breach of contract and damages against ACWA Power and any such claim could include financial compensation , and could also result in reputational damages on the Group, which may have a material adverse effect on its business, financial position and results of operations.

If a claim is for a significant amount of money, and the judgments/awards are issued in favour of the counterparties, or a large number of claims are brought against the Group Companies and such companies were to be found liable to pay significant amounts in respect of such claims, this would have a material adverse effect on its business, financial position and results of operations.

2-4-16 Risks related to the future changes in IFRS

The Group has prepared the consolidated financial information of the Group in accordance with IFRS and IFRS as endorsed in KSA. Changes in these accounting standards and accompanying accounting pronouncements, implementation guidelines and interpretations could significantly impact the Group's reported results and financial position, and may retroactively affect previously reported financial information. New standards and interpretations that have affected the Group's reported results include: IFRS 15 Revenue from contracts with customers, IFRS 9 Financial Instruments, , which have come into effect as of 1 January 2018G and IFRS 16 Leases has come into effect as of 1 January 2019G, respectively. Those standards have been applied, as applicable, in the consolidated financial information for the year ended 31 December 2018G, 2019G and 2020G. For a discussion of the impact of these new standards on its reported results of operations and financial position of the Group, see 6-11 - Significant accounting policies and Notes to the Consolidated Financial Statements for the year ended 31 December 2019—Note 3. Significant Accounting Policies—New standards, amendments and interpretations adopted by the Group, —Amendments to IFRS and —Annual Improvements 2015-2017 Cycle.

2-4-17 Risks related to certain provisions in shareholder agreements entered into by the Group

Although common in practice, any provisions in shareholder agreements pertaining to the Saudi Subsidiaries that could impose restrictions on the shareholders from disposing or dealing with their shares, or that could force shareholders to take specific actions in relation to their ownership in such shares, may not be enforceable under Saudi law. This includes put options, call options, drag/tag rights, etc. which may be seen by Saudi courts as unenforceable pursuant to applicable Sharia principles. For further information, see Section (12-6-5) ("**Overview of the Group's Contracts—Shareholders' Agreements and Joint Development Agreements**").

Additionally, the shareholder agreements of the Group's Subsidiaries HEPCO, MEPCO and RABEC (in which the Group effectively owns 22.49%, 50% and 40%, respectively) include certain provisions such as reserved matters which require the approval of all shareholders and/or board members for certain resolutions to be passed. These reserved matters have not been reflected in the bylaws of these Project Companies. As such, the other shareholders in these Project Companies may be able to pass certain resolutions without the Group's involvement through the relevant Intermediate Holding Company. If such reserved matters are not reflected in the bylaws of the Project Companies, the Group may not be able to implement or enforce these provisions.

Given that the Group has entered into several shareholder agreements in relation to the Project Companies as well as its intermediate holding companies which are not wholly owned by the Group, and given that such agreements include such rights, there is a risk that the relevant courts in Saudi Arabia may not enforce these rights (even if the governing law of the agreement is a foreign law which typically permits the enforcement of such rights). This could impact its revenues and could have a material adverse effect on the Group's business, financial position and results of operations.

2-4-18 Risks related to the Group's Environmental, Social and Corporate Governance (ESG) targets not being fully, partially or timely met

Forms of sustainable finance have grown rapidly in recent years, as growing number of institutional investors and lenders incorporate various Environmental, Social and Governance (ESG) values and metrics in their investment decisions. The Group routinely considers the climate change and corporate social and governance responsibilities in its business and investment decisions and, accordingly, has set and disclosed certain time-bound Environmental, Social and Corporate Governance (ESG) targets in accordance with its ambition to transition to low-carbon economy.

In the event that the Group may not meet these targets fully, partially or in a timely manner, it may affect the ease with which it can raise new capital in the form of debt or equity from the increasing number of investors or lenders, or both, who consider it important to incorporate disclosure of and performance against ESG-related metrics into their selection of investments. Additionally, in the event of repeated unfulfillment of these targets, the Group may face the risk of higher cost of capital by such investors or lenders—based on their own institutional expectations from their investees related to the scope and pace of progress against ESG targets—potentially insofar as reconsidering their existing investment in the Group, which may lead to adverse impact on the Company's market valuation and reputation.

2-4-19 Risks related to the Group's compliance with the CMA's Corporate Governance requirements

The Board approved an internal Corporate Governance Code on 25/08/1442H (corresponding to 07/04/2021G). The code includes rules and procedures related to corporate governance derived from the Corporate Governance Regulations issued by the CMA. The Company's success in proper implementation of the corporate governance rules and procedures will depend on the extent of comprehension and understanding of these rules and proper execution of such rules and procedures by the Board, its Committees and Senior Executives, especially with regards to formation related to the Board and its Committees thereof, independence requirements, rules related to conflict of interests and Related Party Transactions.

The Corporate Governance Regulations impose various mandatory requirements on the Company, including the adoption of certain corporate governance policies and procedures. Failure to comply with the governance rules, especially the mandatory rules that have derived from the Corporate Governance Regulations, would subject the Company to regulatory penalties and would adversely and materially affect the Company's business, results of operations, financial condition and prospects.

The Ordinary General Assembly of the Company formed the Audit Committee on 01/12/1429H (corresponding to 29/11/2008G). The Board of Directors formed the Nomination and Remuneration Committee on 17/04/1433H (corresponding to 10/03/2012G), and the Executive Committee on 02/06/1431H (corresponding to 15/05/2010G) (See Section (5-6) ("**Internal Committees**")). Failure by members of these Committees to perform their duties and adopt a work approach that ensures protection of the interest of the Company and its Shareholders may affect corporate governance compliance, the continuous disclosure requirements and the Board's ability to monitor the Company's business through these Committees. In addition, the responsibilities of the Conflict of Interest & Related Party Transaction Committee have been transferred to the Audit Committee, and accordingly, the Audit Committee may not be experienced in cases of conflict of interest and related party transactions, or it may need time to be so, which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Such committees and the Company's internal governance system do not have sufficient experience in applying the corporate governance requirements imposed by the CMA. Any future inability of such committee members to carry out the tasks assigned to them and follow a work methodology that ensures the protection of the interests of the Company and its Shareholders, may affect the implementation of Governance regulations and the efficiency of the Company's Board of Directors control over the management of its business through such committees. This may expose the Company to potential non-compliance with continuous disclosures after listing requirements on the one hand, and to operational, administrative and financial risks on the other hand.

The Board and the Audit committee will not have a sufficient number of independent members in the period starting from Listing until the election of a new Board is complete, for more information on the commitment by the Company and the Shareholders in this respect, see Section (5-5-4) ("**Corporate Governance Compliance**") and Section (17) ("**The Company's Undertakings after being Listed**"). Accordingly, during that period, there will be insufficient number of independent directors to exercise the roles assigned to the independent directors, so that the required level of independence is achieved to ensure that the interests of the minority shareholders of the Company, including the Public are protected. Moreover, failure by the Company to comply with the requirements of the Corporate Governance Regulations could subject the Company to fines by the CMA have a negative and material impact on the Group's business, results of operations, financial condition and prospects.

2-5 Risks related to the Offer Shares

2-5-1 Risks related to the control by Substantial Shareholders

Following the completion of Offering, pursuant to which 11.1% of new shares are being issued to public, the Substantial Shareholders will collectively own 78.63% of the Shares. The Substantial Shareholders will, therefore, be able to influence all matters and decisions requiring shareholder approval including significant corporate transactions, capital adjustments and the election of Directors. In addition, the Substantial Shareholders may prevent the Group from making certain decisions or taking certain actions that would protect the interests of the Group other shareholders. As a result, the Substantial Shareholders could exercise their rights in a manner that may not be in the best interests of other Shareholders or that could have a material adverse effect on the Group's business, financial position and results of operations.

2-5-2 Risks related to absence of a prior market for the Shares

Prior to the Offering, there has been no public market for the Shares. Furthermore, there can be no assurance that an active and liquid trading market for the Shares will develop or be no sustained market for the Shares after the Offering. If no active trading market for the Shares develops, or is maintained, the liquidity of the Shares will be adversely affected, or result in the loss of all or a portion of the Subscribers' investment in the Company, which would adversely and materially affect their anticipated returns.

2-5-3 Risks related to fluctuation in the market price of the Shares

The Offer Price has been determined based upon several factors, including the past performance of the Group, the Group's prospects, the industry in which it operates, the markets in which it competes and an assessment of the Company's management, operations and financial results. The Offer Price may not be equal to the price at which the Shares will be traded following completion of the Offering and Subscribers may not be able to resell the Offer Shares at the Offer Price or above, or may not be able to sell them at all.

The stock market in general experiences from time to time extreme price and volume fluctuations. Market fluctuations could result in extreme volatility in the price of the Shares, which could cause a decline in the value of the Shares, with price volatility being worse if the trading volume of the Shares is low. The price of Shares may be negatively affected by various factors, including the Group's performance and results of anticipated operations, departures of key personnel, changes in earnings estimates or forecasts, changes in the business strategy, market conditions in its industry, the general situation of the Saudi Arabian economy, changes in laws and regulations, terrorist acts, acts of war or periods of widespread civil unrest, natural disasters and other calamities and stock market price fluctuations. The realization of any of these risks or other factors would have a material adverse effect on Subscribers' anticipated returns, or result in the loss of all or a portion of their investment in the Company.

2-5-4 Risks related to futuresales of substantial number of Shares

Sales of substantial amounts of the Shares in Tadawul following the completion of the Offering, or the perception that these sales will occur, could adversely affect the market price of the Shares.

The Substantial Shareholders are subject to six months lock-up period from the date of Listing. Additionally, the Substantial shareholders may from time to time pledge their shares as security for obtaining funding for the ordinary day to day business. If any of these shareholders chooses to dispose a significant proportion of its Shares after the end of the six months lock-up period, or should it default under any facility/financing agreements, the relevant lenders could enforce against the share pledges as which would result in the relevant shareholder exiting the Company. This could have an adverse effect on the market of the Shares, and may result in a lower price of the Shares.

2-5-5 Risks related to the Company's ability to distribute dividends

The distribution of dividends by the Company will be dependent upon a number of factors, including the future profit, financial position, capital requirements, statutory reserve requirements, the amount of distributable reserves, available credit of the Company and general economic conditions and other factors that the Directors deem significant from time to time. Also, the Company's ability to declare and pay cash dividends on the Shares may be restricted by, among other things, covenants in any credit facilities that the Company may enter into in the future, the recovery of any incurred losses in the future and provisions of Saudi Arabian law. Therefore, there can be no assurance that any dividend will ever be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year.

Furthermore, as the Group's business is undertaken though the Project Companies, the Company is reliant on distributions from these companies in gathering cash flows from which to pay a dividend. A material decline in revenues generated by one or more of the Project Companies or the occurrence of a material investment by the Company in relation to any Project Company could prevent the Company from making distributions to its shareholders. In addition, in the event of the insolvency, bankruptcy, liquidation, dissolution or winding-up of a Project Company, secured and unsecured creditors of the Project Company will have the right to be paid before any distributions are made to the Company.. These factors could have a material adverse effect on the Company's ability to distribute dividends to the Shareholders.

2-5-6 Risks related to issuance of new shares in the market after the Offering

If the Company decides to raise additional capital through the issuance of new shares, it may adversely affect the share price in Tadawul and may reduce the percentage holding of the Shareholders in the Company if such Shareholders do not subscribe to the new shares at that time which will have a material adverse effect on the expected revenues of Subscribers.

3- Overview of the Industry and the Market

3-1 General Power and Water Markets overview

The source of information set out in section (3) ("Overview of the Industry and the Market") is the report developed by the Market Consultant, Compass Lexecon, trading as FTI-CL Energy ("Market Consultant"), which acts as an independent provider for the strategic market researches. For more information, please visit the Market Consultant's website. (www.fticonsulting.com and www.compasslexecon.com)

The Market Consultant is one of the world's leading economic and financial consultancies. The Market Consultant's energy team consists of economists, engineers, accountants and industry professionals with extensive experience in energy and environmental policies, competition economics, regulatory economics, market and network models, accounting and finance, econometrics and statistics, valuation, arbitration and damages. Acting as an independent Market Consultant, it provides an independent high-level qualitative and quantitative analysis of Middle-East, Asia and Africa's electricity and water markets as well as an approach to capture the P(W)PA market environment, resulting in a report suitable for ACWA Power's IPO prospectus.

The Market Consultant has submitted its written consent to use its name, logo, market information and data provided by it to the Company in the form contained in this Prospectus. This consent has not been withdrawn as at the date of this Prospectus. Estimates and projections set out in this section are prepared based on the analysis performed by the Market Consultant. They include research estimates founded in published official sources such as IEA, IRENA, World Bank, etc.

The analysis is based on information available to the Market Consultant at the time of writing of the report and does not take into account any new information which becomes known after the date of the report. The Market Consultant accepts no responsibility for updating the report or informing any recipient of the report of any such new information. The Market Consultant does not accept any responsibility for verifying or establishing the reliability of those sources or verifying the information so provided.

Nothing in the analysis of the Market Consultant constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to the recipient's individual circumstances, or otherwise constitutes a personal recommendation. No representation or warranty of any kind (whether express or implied) is given by the Market Consultant to any person as to the accuracy or completeness of the note.

The members of the Board of Directors consider that the information and data contained in this Prospectus from other sources, including those provided by the Market Consultant, are credible data and information. However, neither the Company nor any of the Board members, any of its senior management members, shareholders, or other consultants have verified or ensured the accuracy or completeness of the information in this section, and none of them shall bear any responsibility with respect to such information.

ACWA Power operates across 13 countries, including its domestic market—the Kingdom of Saudi Arabia,—wider Gulf Cooperation Council (GCC) countries, as well as several high-growth economies. The company also considers numerous international markets for expansion. Its main activity includes wholesale electricity generation from conventional and renewable plants, operation of water desalination plants and provision of operations and maintenance (O&M) services through its fully owned-subsidiary NOMAC. After announcing the agreement to construct the hydrogen plant in NEOM, ACWA is set to become a seminal player on the market of green hydrogen. All ACWA Power's target geographies are undergoing a historic energy transition, driven by increasing electricity demand and accelerated deployment of renewable energy.

This section provides an overview of general trends in water and power sector development, costs and investments across the target geography of ACWA Power, revealing the following key factors:

- Markets across the wider GCC and high-growth economies of Southeast Asia and Africa are at the forefront of electricity consumption rise with increasing needs to meet power demand.
- The regions are abundant with renewables energy potential and are increasingly considering solar and wind technologies to ensure sustainable, secure and accessible electricity supply.
- Solar PV and onshore wind technologies have become competitive against conventional technologies on the global scale and especially in the GCC states that witnessed multiple records of the lowest costs for solar PV technologies over the last years.
- Global energy investments have shifted towards emerging economies and power segment, mostly large-scale grid-connected market, as ESG ("Environmental, Social, Governance") strategies are becoming mainstream.
- Electricity generation markets where ACWA Power operates or plans expansion provide opportunities of investments with contracted revenues and visibility of the cash flows thanks to the regulated contractual business models.
- With newer wind and solar technologies replacing maturing projects, O&M services are set to experience accelerating growth led by affiliated service providers.
- Demand for water desalination (mostly, in the GCC states) is to be largely met with cost-efficient renewables-powered procurement through secure build-own-operate-transfer schemes.

Electricity demand and renewable power capacity are set to grow in target markets

The leading drivers of global electricity demand growth are industrial activity, space cooling, water heating, appliances and non-petroleum cars, but these vary substantially by geography (source: IEA WEO 2019, p.253). In addition, due to demographic and economic factors over the last two decades, the countries of wider GCC and high-growth economies of Southeast Asia and Africa have been among the global leaders in terms of electricity generation growth, exceeding OECD and South American economies (see the table below). According to IEA, while in advanced economies the growth in digitalisation and electrification is offset by improvements in energy efficiencies, in developing economies electricity generation will continue to grow thanks to higher population growth rates, rising incomes, expanding industrial output, increased electrification in previously under-served markets:

- The economies of GCC have been witnessing substantial increase in electricity consumption per capita and electricity intensity of GDP driven by housing and commercial projects that will be boosted further by growing adoption of electric vehicles and penetration of smart and driverless transport (source: IRENA 2019a, p.45, 119, 124).
- In South-eastern Asia, where less than 20% households are equipped with air conditioning and 45mn people still do not have access to electricity, rising incomes and high temperature control needs are propelling the ownership of appliances and cooling demand which is becoming the fastest-growing use of electricity (source: IEA 2019b, p.14-15).
- Sub-Saharan Africa is home to the largest unelectrified population in the world, with about 600mn people still lacking connection, so demand is to be added by achieving universal access to electricity. Another driver is urbanisation: the share of the population living in cities is now 40%, up from 32% in 2000 (sources: IRENA 2015, p.56; IEA 2019c, p.83).

Table (3-1): Global electricity generation and growth by geography, TWh, 1999-2019

Electricity generation	1999	2009	2019	1999-2009 CAGR	2009-2019 CAGR
North America	4,704	4,860	4,782	0.3%	-0.2%
Central and South America	772	1,083	1,329	3.4%	2.1%
Western and Central Europe	3,509	3,895	3,993	1.0%	0.65%
China	1,239	3,715	7,503	11.6%	7.3%
India	547	880	1,559	4.9%	5.9%
Japan	1,079	1,114	1,036	0.3%	-0.7%
CIS	1,034	1,226	1,431	1.7%	1.6%
Asia (excl. China, India and Japan)	1,173	1,829	2,592	4.5%	3.5%
Middle East	440	808	1,265	6.3%	4.6%
Africa	418	627	870	4.1%	3.3%
Global	**14,916**	**20,037**	**26,360**	**3.0%**	**2.8%**

Source: BP Handbook (2020), "Statistical Review of World Energy - All Data, 1965-2019.

The target geographies of ACWA Power have high potential for renewable generation

Renewable power technologies are dominating the global market for new power generation capacity. According to IEA, these will provide globally over half of additional power generation by 2040, underpinned by policy support in nearly 170 countries and the improving competitiveness of the technologies. The transformation of electricity supply is underway around the world, but the extent of change varies widely. Regional outlooks depend critically on four factors: policy environment, technology preferences, available resources and the relative economics of different power generation technologies (source: IEA WEO 2019, p.264, 268).

Table (3-2): Renewable energy capacity across ACWA Power's target geographies, MW, 1999-2019

Installed capacity	1999	2009	2019	1999-2009 CAGR	2009-2019 CAGR	2019-2040 CAGR
Solar						
Asia (excl. China, India, Japan)	27	980	44,048	43%	46%	12%
Middle East	-	42	5,583	-	63%	17%
Africa	8	65	7,236	23%	60%	18%
Global	424	22,639	586,421	49%	38%	9%
Wind						
Asia (excl. China, India, Japan)	58	3,036	14,284	49%	17%	12%
Middle East	9	101	723	27%	22%	19%
Africa	64	724	5,748	27%	23%	12%
Global	**13,427**	**150,165**	**622,704**	**27%**	**15%**	**6%**

Source: bp workbook, IEA WEO 2020, p. 344, 372, 380, 408.

Globally, IEA estimates additional installed capacity of 3,000 GW by the end of 2030, and almost 2,900 GW for the following decade. Over 80% of additional capacity will be ensured by renewable generation, which will achieve half of the power mix in 10 years' time (source: IEW WEO, p.680). In the countries where ACWA Power currently operates or to where it is expanding – in the wider GCC and ASEAN regions (as well as Pakistan and South Africa), governments have announced plans to deploy approximately 385 GW of power capacity, including more than 230 GW of renewables (see Part 1B).

GCC and ASEAN countries have considerable renewable energy potential, making them suitable for solar photovoltaic (PV) and wind generation (to a lesser extent). All countries in wider GCC, South-eastern Asia and Africa signed the Paris Agreement and, through their Nationally Determined Contributions (NDCs), they committed to contribute to the global effort to mitigate greenhouse emissions. To limit the global temperature rise to well below 2 °C and towards 1.5 °C as per the Paris Agreement targets, annual energy-related CO2 emissions would need to fall more than 70% from now until 2050. A large-scale shift to renewable energy and electrification measures could deliver three-quarters of the needed reductions. (sources: IMF WEO, p.341; IRENA 2020c, p.64). There are also region-specific trends supporting the need for additional renewable capacity.

First, these region-specific trends depend on social and economic level of development and the resulting specific power sector challenges as well as policy priorities. In GCC, the surge in domestic energy consumption, including in the power sector, has challenged policy makers to meet demand economically, without compromising current and future hydrocarbon export revenues, while also managing their countries' carbon footprint. Several governments have set targets for the deployment of renewable energy, as part of broader initiatives aimed at achieving greater economic and energy sustainability to gain benefits that include fossil-fuel savings, carbon emissions reductions and new jobs. Synergies between renewable energy integration and energy efficiency also exist in the water sector, for instance with production of chilled water via renewable energy – see the end of Part 1A for more details (source: IRENA 2019a, p.38, 51, 101, 130, 136).

Second, these region-specific trends are shaped by local power and water system specificities, such as for instance synergies with water desalination technologies in the GCC region, increasing interconnection across ASEAN and integration with agricultural needs in Sub-Saharan Africa. In South-eastern Asia, one of the key challenges is how to supply the growing demand for energy while at the same time enhancing energy security. Increasing flexibility of power systems is necessary to accommodate variable renewable sources of generation. In this context, further regional power system integration can support the growth of renewable sources of generation, in particular from wind and solar PV, as it provides such flexibility. In recent years, ASEAN members have reinvigorated their push to implement the power grid concept in full, including the establishment of multilateral power trading (sources: IRENA 2016, p.31, 35, 40; IRENA 2019a, p.139, 143).

Africa's solar power generation potential exceeds future demand by orders of magnitude. Unreliable power supply has been one of the obstacles in accelerating the economic growth for most African countries. The countries in the continent face the challenge of timely investment to meet the growing demand and support economic growth. In the longer term, the aim is also to ensure modern energy access to the entire population. Large-scale deployment of renewable energy now offers Africa a cost-effective path to sustainable and equitable growth. The vast majority of rural households in Africa rely on agriculture, and integrating agricultural energy needs such as irrigation, agroprocessing and storage into the design of electricity access business models and technologies can have a positive impact (source: IRENA 2015, p.14, 36, 38).

Global energy investments shift towards emerging economies

For the fourth year in a row, on the global level, the power sector exceeded oil and gas sectors as the largest investment segment and the focus is shifting towards emerging & developing economies. The power sector represents 50% of total energy supply investment worldwide and includes spending on new power plants, transmission and distribution lines, as well as refurbishments and upgrades. Renewables account for about USD 360bn per year, most of it for solar PV and wind power. Globally, the increasing cost-competitiveness of renewable energy technologies has been most apparent in the large-scale grid-connected market (source: IEA WEO, p.272).

Table (3-3): Global investment in the power sector by technology, 2019, SAR billion[2]

Fossil fuel Power	Renewable Power	Electricity Networks	Nuclear Power	Battery Storage	Total
487.5	1,166.3	1,023.8	146.3	15.0	2,838.9

Source: IEA WEI 2020, p.68.

Spending on renewables is shaped by the ESG ("Environmental, Social, Governance") strategies which are becoming mainstream by seeking positive, long-term returns from sustainable, ethical and socially responsible investments. Countries stand to gain significantly from renewable energy installations through fossil-fuel savings, emission reductions and job creation (IRENA 2019a, p.17).

During 2015 – 2018 the wider GCC region and Southeast Asia were among the main areas where the investment in the renewables has been growing: in total, by almost USD 3bn in the former and USD 0.5bn in the latter. The growth rates differ starkly – in the years 2015 to 2019, power sector investment across Arab Gulf countries has risen by nearly 40%, while in Southeast Asia it has remained around the same level, in part due to risks related to grid development and financial performance of incumbent utilities (sources: IEA WEI 2019, p.57, 60).

A considerable share of investment in the GCC region is driven by large stand-alone projects. In addition to the projects themselves, the GCC countries are also investing in the value chain including project developers, manufacturing companies, and research and development initiatives. Since 2015, auctions have been used to award more than 3,500 MW of renewable energy projects in the region. Other helpful factors include investor confidence, the strategic benefits of entering a promising market, low taxes, and minimal land and grid-connection costs (source: IRENA 2019a, p.15).

In Sub-Saharan Africa, power investment grew 8% in 2018, though has grown over 80% since 2010. This growth has all come from generation, over 65% of which was in renewables (sources: IEA WEI 2019, p.60).

Power sector reforms have kicked off in a number of countries in Central Asian and the Caucasus including a move to PPP schemes. An old and inefficient power generation portfolio is rapidly being replaced and expanded, both with conventional and renewable power plants, in some countries that are opening up to foreign investments and are liberalising their markets.

Business models underpinned by contracted revenues support investment

Investment in the power sector typically relies on a range of mechanisms, with contracted or state-backed mechanisms securing the revenues representing the majority of projects. There is a wide range of market and regulatory arrangements across the different countries, which result in different degrees of risk exposure for investors.

Table (3-4): Global power sector investment by main remuneration model, 2018

Remuneration model	USD billion
Wholesale market pricing	15
Distributed generation (retail/regulated tariff)	86
Regulated networks	302
Regulated/contracted utility-scale generation	372
Total	**775**

Source: IEA WEI 2019, p.134.

In countries which have introduced liberalised electricity markets, a merchant plant is one that is not owned by a utility or end-use customer and does not have a long-term bilateral contract for the power sale, but earns its revenues entirely from the wholesale electricity markets. To date, the most popular transaction type for dealing with long-term merchant risk has been the corporate power purchase agreements (PPAs) (see the table above).

Many countries still feature either regulated monopolies or have introduced some degree of liberalisation with third

2 Unless otherwise stated, the monetary values across the report are expressed on the nominal basis.

party Independent Power Producers (IPPs). In such countries investment in power production is typically either regulated or supported by long term power purchase agreements which provide long term guaranteed revenues. ACWA Power's projects prioritise long-term PPAs with largely Government-backed offtakers (source: ACWA Power).

Cash flow certainty is critical for generation projects to manage risks and facilitate financing. Nearly all utility-scale investments to date benefit from long-term pricing under supportive policy schemes – e.g. auctions for contracts and feed-in tariffs (FiTs) – and physical power purchase agreements with utilities subject to purchase obligations. Looking ahead, most renewable investments benefit from such policies (source: IEA WEO 2019, p.137).

Table (3-5): Utility-scale renewable capacity growth by remuneration and region, GW, 2019-2024

	China	Asia-Pacific	Europe	North America	Latin America	Africa	Middle East	Eurasia
Competitively set	196	111	135	75	30	12	11	5
Administratively set	139	75	24	47	7	18	4	9

Source: EU Joint Fuel Cell and Hydrogen Project (2019), "Europe's Hydrogen Roadmap: A Sustainable Path to European Energy Transmission", Luxembourg: EU Publications Office, 2019.

According to IEA, most of renewables investment is carried out on the balance sheets of developers: but project finance transactions have grown, especially for utility-scale solar PV and wind, to over USD 50bn in 2019. Renewables investment largely depends on policies and contracts that help manage price risks and there continues to be a global movement towards long-term contracts awarded via competitive auctions, but developers and financiers are increasingly required to have strategies for solar PV and wind projects to manage revenue risks. Corporate PPAs were the largest commercial arrangement for renewables with associated investments over USD 18bn in 2019, mainly in the US and Europe: over 10% of utility-scale solar PV and wind investment is now based on corporate PPAs (IEA WEI 2020, p.152-153).

Renewable technologies become competitive against conventional technologies

Reliance on renewables technologies has been increasingly offering power producers greater abilities to compete on price as the renewables-based electricity production costs have become competitive vis-à-vis conventional sources in recent years.

Levelised Cost of Energy (LCOE) Analysis is a cost metric methodology allowing to compare different electricity production technologies. The calculation of LCOE values is based on project-specific total installed costs and capacity factors, as well as the O&M costs.[3] The LCOE of renewable energy technologies varies by technology, country and project, based on the renewable energy resource, capital and operating costs, and the efficiency/performance of the technology (source: IRENA 2020a, p.136).

Fuel prices materially affect the LCOE of conventional generation, but direct alternatives to "competing" renewable energy generation technologies must take into account issues such as dispatch characteristics (e.g., baseload and/or dispatchable intermediate capacity vs. those of peaking or intermittent technologies) and most of all the differential of wind and solar resources available in the different locations and countries.

Renewable technologies (PV and wind) are approaching the LCOE of conventional generation, and trends are expected to continue in the future, as shown in table below.

Table (3-6): Global LCOE by technology, USD per MWh, 2010-2050 (IRENA)

Technology	2010		2019		2050
	5-95% Range	Average	5-95% Range	Average	Average
Solar PV	188-514	378	52-190	68	38
Solar CSP	276–390	346	144–431	182	60
Offshore wind	114-204	161	88-157	115	59
Onshore wind	58-117	86	38-107	53	40
Geothermal	37–74	79	48–138	73	60
Biomass	40–138	76	55–239	66	80
Hydropower	20–83	37	30–113	47	54
Fossil Fuels	-	-	50-177	140	-

Sources: IRENA 2020a, p.13; IRENA 2019b, p. 66. Note: costs expressed in real terms as of 2019.

3 LCOE is determined from a financial model as a USD per MWh (=0.1 cents per kWh) value that would provide an after-tax IRR to equity holders equal to an assumed cost of equity capital. The computation of LCOE could differ depending on inputs (debt and equity returns, capital structure, investment costs, capacity factors, operating costs, fuel costs etc) and is therefore may not be comparable across different outlets. The analysis excludes the impact of government incentives or subsidies, system balancing costs associated with variable renewables, CO2 pricing and any system-wide cost-savings from the merit order effect.

Cost trends in the GCC have been consistent with international trends.[4] Solar PV is emerging as the cheapest source of electricity generation for new projects in the GCC, beating natural gas, liquefied natural gas, oil, coal and nuclear. Meanwhile, CSP costs less than what some utilities such as the Dubai Electricity and Water Authority pay for gas-based options. Well-designed auctions have been essential for lowering costs. Since 2015, they have been used to award more than 3,500 MW of renewable energy projects in the region.

- Large-scale solar PV projects in Dubai have featured record-low bids in 2015 (USD 59.8 per MWh for a 200 MW project) and again a few years later (USD 29.9 per MWh for an 800 MW venture). And yet, these bids now look high compared to the winning USD 23.4 per MWh bid by ACWA Power for the 300 MW Sakaka project in the Kingdom of Saudi Arabia, and USD 24 per MWh for another, 250 MW, solar park in Dubai in late 2018. Earlier this year, the 900 MW fifth phase of 5 GW Mohammed bin Rashid Al Maktoum Solar park was awarded a 25-year power purchase agreement with a bid of USD 16.953 per MWh. In Dubai, Abu Dhabi got the world's record low solar power price offer of USD 13.5 per MWh on a LCOE basis by a consortium which offered to build a 2 GW PV plant.
- CSP with storage can provide a dispatchable source of renewable generation that may be considered firm capacity by utilities. Blended solar technology features the low price of PV and the storage of CSP to provide a comprehensive alternative to gas-based generation. This is shown by the record low of USD 73 per MWh for the 700 MW Phase IV of Dubai's solar park.
- Governments are also capitalising on the availability of strong wind resources, thus increasing the competitiveness of onshore wind in the region. Thanks to performance improvements, the LCOE estimate reached USD 60 per MWh in 2018. In the Kingdom of Saudi Arabia, among the schemes that have already been tendered are the 400-MW Dumat Al Jandal onshore wind project and the 300-MW Sakaka solar photovoltaic (PV) project. In July, Dumat Al Jandal marked a new global record low levelised cost of energy (LCOE) by closing at USD 19.9 per MWh (sources: IRENA 2019a, p.15-16, 87, 99; IRENA 2020b, p.52, PV 2020b, PV 2020c).

The low cost of Solar in the Kingdom of Saudi Arabia in particular is evidenced by the bids shortlisted for the Solar PV capacity as part of the National Renewable Energy Programme (NREP). In 2018, as part of the 1st round of procurement programme organised by REPDO the contract for Sakaka (capacity of 300 MW) was awarded to ACWA Power at SR 8.79 per kWh (or USD 23.6 per MWh).[5] The second round initially drew 250 bidders, as it includes four solar PV plants totalling 1.4 GW. Shortlisted prospective developers offered the bids in the range of USD 15.9 – 17.8 per MWh.[6] Same trend of tariffs reduction has been observed for land-based wind technology, when under NREP the above-mentioned 400 MW Dumat Al Jandal onshore wind project was tendered and marked a new global record low LCOE by closing at USD 19.9 per MWh. (sources: PV 2020a, Renewables Now).

The need for O&M services will support the development of the value chain

With increasing demand for capacity and aging of the existing technologies, there is a large and growing market for servicing of the power plants, including those that use conventional technologies as well as those relying on renewables.

Gas-fired power generation is known for having relatively low operation and maintenance (O&M) costs, but with their ability to quickly ramp output up or down as needed, the growing requirement of intermittent renewable supply will likely drive gas-fired O&M costs. A major driver for O&M costs at coal-fired plants is monitoring and servicing the many moving parts involved in the generation process, including turbines and generating sets, coal yard conveyors and handling systems. As coal power stations are often baseload plants, these components are expected to operate continuously while being subjected to heavy loads and high temperatures, as well as varying levels of dust, dirt and moisture (source: Power Technology).

When expressed on a USD per MWh basis, O&M spending for the fossil-fuel plants tends to increase with age. This is primarily a result of declines in plant capacity factors over time. The decline in capacity factor, in turn, could be a result of less efficient heat rates, increased component failures, and increased outage rates over time. A major contributor to this decline in performance is often a result of increased cycling operation which leads to higher O&M spending over time (source: EIA 2019).

According to Wood and Mackenzie, the annual spend on non-residential solar PV O&M will grow to USD 9bn by 2025. The main driver behind the demand for O&M services for the solar power systems is that the growing number of them will be nearing their end of life (source: Wood Mackenzie 2020). The global offshore wind O&M market is expected to grow by 17% annually. Turbine O&M costs constitute the biggest portion of offshore wind OPEX spend. Uncertainty caused by key component failures is further pushing the costs upwards (source: Wood Mackenzie 2019).

The O&M opportunity is attractive for market players as renewable sources generation plays a key role in the energy

4 In fact, EU tariffs are relatively higher, if normalised for solar irradiation. This is because in Europe, the average solar resource is around 1,200 kWh/m2/year, while in the Arab Gulf it typically varies between 1,800 and 2,300 kWh/m/year. The higher the level of solar resource, the lower the LCOE will be. Siting solar PV systems in areas with high solar resources, will therefore minimise the cost of electricity from solar PV (source: IRENA 2012, p.8-9).

5 Please, note that PPA generation costs may differ from a modelled LCOE. Though PPA tariffs are an actual locked-in price, unlike the LCOE, and should account for profit, thus being higher than the breakeven point, in practice the companies may bid with a low PPA, as it would not reflect the sunk costs or a planned yearly indexation.

6 SR 5.96 – 6.69 per kWh

transition. For all ageing renewable technologies, project owners must assess the economics of repowering, refurbishing or decommissioning. The uptake of renewable energy could lead to the establishment of a regional market of equipment and services, offering promising opportunities to countries with well-developed relevant industries and service sectors. Countries with relatively nascent industries can also contribute to this market by adopting industrial policies to help build or strengthen their domestic capabilities (IRENA 2019a, p.112).

Desalination capacity is growing globally whilst costs of technologies are declining

As water scarcity grows and with advances in desalination technology and reductions in cost, policy makers around the world are rightly asking whether desalination should play a part in closing the gap between supply and demand in future years. In 2018, 18,426 desalination plants were reported to be in operation in over 150 countries, producing 87mn cubic meters of clean water each day and supplying over 300mn people (including non-utility-scale production). 44% of this capacity is concentrated in the countries of the Arabian Gulf (source: Wold Bank, p.8). Certain countries bordering the Caspian Sea in Central Asia and the Caucasus as well as a selection of African counties start to look into water desalination options as a solution as their shrinking availability of drinking water (see Part 1B).

There are two main desalination methods, thermal and membrane, and both can be combined as a hybrid:

- Thermal desalination: condensing the vapor resulting from evaporating salt water. MED ("multiple effect distillation") uses nozzle spray, MSF ("multistage flash distillation") evaporates water with a flashing mechanism.
- Membrane methods adapt the natural process of osmosis (i.e., equalising solute pressure of two liquids under pressure). Seawater reverse osmosis (SWRO) plants usually build in pre-treatment facilities not used in thermal systems to pre-treat the source seawater.

In 2014, SWRO technology represented about 63% of the global desalination capacity, followed by MSF (23%), MED (8%) and hybrid technologies (6%). Thermal is, however, still a leading technology in the GCC countries, where, as of 2015, 53% plants used thermal technology and 47% SWRO (source: World Bank, p.17).

The cost of desalination has decreased over the years, and it is becoming an increasingly feasible option. Until now, MSF has been the more competitive thermal technology for larger projects and MED for smaller ones, but MED is becoming more competitive at all scales. In terms of average cost, SWRO records the lowest, but production costs of hybrid projects have often proved lower than the costs of single-technology production. Despite considerable cost reductions in recent years for all technologies energy remains by far the largest single item of recurrent cost. Thermal plants need mainly thermal energy, whereas SWRO uses more electricity (source: World Bank, p.43).

Table (3-7): The global costs of desalination, 2019

Desalination method	Capital costs (USD/ litres per day)		O&M costs (USD/m3)		Cost of water production (USD/m3)	
	Range	Average	Range	Average	Range	Average
MSF	1.7-3.1	2.1	0.22-0.30	0.26	1.02-1.74	1.44
MED-TVC	1.2-2.3	1.4	0.11-0.25	0.14	1.12-1.50	1.39
SWRO Mediterranean Sea	0.8-2.2	1.2	0.25-0.74	0.35	0.64-1.62	0.98
SWRO Arabian Gulf	1.2-1.8	1.5	0.36-1.01	0.64	0.96-1.92	1.35
SWRO Red Sea	1.2-2.3	1.5	0.41-0.96	0.51	1.14-1.70	1.38
SWRO Atlantic & Pacific oceans	1.3-7.6	4.1	0.17-0.41	0.21	0.88-2.86	1.82
Hybrid (MSF/MED)	1.5-2.2	1.8	0.14-0.25	0.23	0.95-1.37	1.15
Hybrid (SWRO)	1.5-2.4	1.3	0.29-0.44	0.35	0.85-1.12	1.03

Source: World Bank, p.43, 87-88. Note: 1 litre/day = 0.001 m3/day. Water production costs include capital costs (construction, engineering, and project financing) and O&M costs (energy, labour, maintenance etc.).

One area for future focus will be a shift away from fossil-based energy supply for desalination to renewable energy (RE). Large-scale RE-based desalination projects are largely confined to wind, although the Kingdom of Saudi Arabia is pioneering solar PV-based desalination. Costs of solar powered desalination are currently high, but technological advances will make CSP and other RE technologies cost competitive. Currently, PV-based SWRO solar desalination is the leading solar energy choice and is the main focus of further research: the regions of the world with freshwater scarcity are also the ones with good solar power potential. They also typically have large desert or waste lands that can be used for solar farms. The key challenges of RE (solar and wind in particular) are the intermittence of supply, storage requirements, and space for installation of the RE equipment.

To reach maturity and cost-effectiveness, desalination generation using RE will continue to need strategic support: elimination of fossil-fuel subsidies, creation of an enabling environment for long-term power-purchase agreements and feed-in tariffs, and support for initial investments and research and development related to RE (source: World Bank, p.56-59).

The use of BOOT ("build-own-operate-transfer") schemes for procuring desalination infrastructure and services is gaining popularity, as they allow the project to be financed off the balance sheet of the awarding authority. 47% percent of desalination capital investments made in 2016 (USD 2.9bn) were financed using BOOT schemes. This share is expected to increase to 50 percent by 2020 (source: World Bank, p.66).

Green Hydrogen will have an important role in decarbonisation

The Company is developing a number of green hydrogen strategic opportunities in its core markets. With these initiatives, ACWA Power wants to position itself as one of the key suppliers of state-of-the-art renewable solutions strongly integrated with green hydrogen production supporting decarbonization and energy transition. Among those the most remarkable and advanced is the NEOM Green Hydrogen world-scale project in the Kingdom of Saudi Arabia.

According to IEA, hydrogen can play a critical role to tackle various critical energy challenges in transition to a decarbonized economy molecule (source: IEA 2020). Combusting one kilogram of hydrogen releases three times more energy than a kilogram of gasoline and produces only water. Moreover, hydrogen can be produced entirely by the use of green energy and as such being a fuel or a chemical able to provide a fully decarbonized solution utilized for many key sector of our societies (source: WEC 2019a).

Even though hydrogen is currently mainly used in the refining and chemical sectors, it could evolve to be utilized also in a range of other sectors, including long-haul transport, iron and steel, where it has proven difficult to reduce emissions with other means (source: IEA 2019).

According to the Hydrogen Council, hydrogen can offer economically viable and socially beneficial solutions for the energy transformation required to limit global warming within two degrees Celsius. In their vision, by 2050 hydrogen will support the rational utilization of renewables by converting and storing more than 500 terawatt hours (TWh) of excess renewable generation that otherwise would have to be reduced despite the availability of sun or wind due to lack of demand or lack of grid capacity. Costs associated with such renewable energy curtailment have already amounted to USD 1.2 billion in Germany in 2017 and USD 1.1 billion in the United Kingdom in 2018 (source: Bundesnetzagentur, 2018; National Grid, 2019). In Germany this has already led to plans for usage of curtailed electricity for hydrogen production: in 2018 three German grid operators announced plans for a 100 MW electrolyser in Lower Saxony where there is regularly too much offshore wind energy for the existing grid, with refuelling stations cited as providing potential hydrogen demand (source: Tennet, 2018).

In this context, in July 2020 ACWA Power, in conjunction with Air Products and NEOM, has signed an agreement to develop a USD 5bn world-scale green hydrogen-based ammonia production facility in Saudi Arabia powered only by renewable energy. This project is one of the most advanced and concrete initiatives for producing green hydrogen and most probably the largest project in the world with commercial offtake fully committed. The green hydrogen is exported as ammonia and then cracked back into green hydrogen and commercialized by Air Products to decarbonize heavy transportation in certain countries.

Production and import of hydrogen is set to much increase in the coming decades

Hydrogen can be produced with various means and technologies, a common terminology is the following (source: WEC 2019a, p.9):

1. **Grey hydrogen:** produced from fossil fuels like natural gas, oil or coal, which emit CO2 into the air during Hydrogen production (no decarbonized hydrogen; classical production process);
2. **Blue hydrogen:** produced from natural gas, but with CO2 emissions during Hydrogen production sequestered via carbon capture technologies allowing CO2 to be safely stored or utilised in industrial processes (partially decarbonized hydrogen in connection with Capture and Sequestration of the CO2 emitted; relatively new approach and mainly utilized in process industry);
3. **Green hydrogen:** produced from renewable energy (electricity) sources (fully and only decarbonized hydrogen. Can be used as a means of storage, transport and then use of clean energy where it is required and not only close to where the renewable resource is present).

Currently, 96% of hydrogen is produced from fossil fuels via the carbon-intensive processes steam methane reforming or coal gasification (1) (source: WEC 2019a, p.8).

The two main low-carbon production routes for hydrogen involve: coupling conventional technologies with CCUS[7] (2) and generating hydrogen through water electrolysis (3).

The two main technologies to produce hydrogen via electrolysis using (renewable) electricity are proton-exchange membrane electrolysis (PEM) and alkaline electrolysis. Alkaline electrolysis is currently a mature technology, using a saline solution to separate Hydrogen from water molecules by applying electricity. PEM is slightly less mature and uses a solid membrane to separate the hydrogen from water molecules via an electric charge (source: Hydrogen Council, 2020).

Table (3-8): Low-carbon hydrogen production, historical and announced volumes, Mt/y, 2018-2023

	2018	2019	2020E	2021E	2022E	2023E	CAGR
Production	0.37	0.36	0.46	0.55	0.86	1.45	
y-o-y Growth		-2.7%	27.8%	19.6%	56.4%	68.6%	31.4%

Source: IEA 2020 "Hydrogen", IEA, Paris...

Current demand for pure Hydrogen is around 70 Mt per year (of which refining accounts for 38.2 Mt and the ammonia sector consumes 31.5 Mt). Almost all of it is produced from fossil fuels. In the future, however, there will be significant growth for green Hydrogen for the uses previously mentioned, primarily driven by demand in East Asia, Europe and certain areas of North America which will become the main potential export market for the main producers (source: IEA 2019, p.18; FuelCellWorks, 2021).

Demand for low-carbon could significantly increase as a result of the global trends for injecting hydrogen into the gas grid and replacing "grey" hydrogen with "green" in industrial applications as well as using hydrogen for heavy transportation, steel production and eventually in perspective for shipping and aviation (source: IEA, 2020).

In Europe alone, there is potential for approximately 2,250 TWh of hydrogen demand in 2050, representing roughly a quarter of the EU's total energy demand. In the "water-electrolysis-dominant scenario", new hydrogen demand is met to a large degree from electrolysis. Import of hydrogen also plays a significant role in the EU's 2020 hydrogen strategy planning for 40 GW of electrolyser capacities outside of Europe by 2030 to meet European hydrogen demand – together with additional 40 GW located within the EU (source: EU COM 2020).

Production cost of low-carbon Hydrogen is expected to decline significantly driven by increased demand, economies of scale and reduced electricity prices

Natural gas is currently the primary source of hydrogen production, accounting for around three quarters of the annual global dedicated hydrogen production of around 70 million tonnes. This accounts for about 6% of global natural gas use. Gas is followed by coal, due to its dominant role in China, and a small fraction is produced from the use of oil and electricity. The production cost of hydrogen from natural gas is influenced by a range of technical and economic factors, with gas prices and capital expenditures being the two most important.

Table (3-9): Hydrogen production costs by resource, USD/kg H2, 2018

Natural Gas	Natural Gas with CCUS	Coal	Renewables
0.9-3.2	1.5-2.9	1.2-2.2	3.0-7.5

Source: IEA, 2019.

In traditional Hydrogen production, fuel costs are the largest cost component, accounting for between 45% and 75% of production costs. Low gas prices in the Gulf Cooperation Council (GCC) states, as well as Russia and North America give rise to some of the lowest hydrogen production costs. Gas importers like Japan, Korea, China and India have to contend with higher gas import prices, and that makes for higher hydrogen production costs (source: IEA 2019, p.42).

The costs of producing hydrogen by water electrolysis are influenced by various technical and economic factors, with CAPEX requirements, conversion efficiency, electricity costs, variability and intermittency of the renewable resource and annual operating hours being the most important. In the mid-term (until 2030), the cost advantage of fossil fuels is likely to remain in most places, with the cost of hydrogen from natural gas without CCUS in the range of USD 1–2/kgH2, depending on local gas prices (IEA, 2019). In a prospective approach, for countries with good renewable resources, producing hydrogen from renewables may become cheaper than producing it from natural gas. Low-carbon Hydrogen production from natural gas with CCUS may be the cheaper option in regions with cheap domestic gas resources and CO2 storage availability (source: IEA, 2019).

Overall, low-carbon hydrogen production costs are expected to decline by up to 60% by 2030, with the optimal production option highly dependent on the region.

7 Carbon Capture, Utilisation, and Storage.

Table (3-10): Hydrogen production costs from renewables-based electrolysis (USD/kg H2) – Green hydrogen

Category	2018	2030		
		Based on IEA, 2019	Based on FSR, 2021 using Utility scale PV	Based on FSR, 2021 using Offshore Wind
Average hydrogen total costs	-	2.9	1.8	2.6
CAPEX	-	0.8 (28%)	-	-
OPEX	-	0.1 (4%)	-	-
Fuel Costs	-	1.9 (67%)	-	-
Global price ranges	**3.0 – 7.5**	**1.8 – 3.9**	**1.1 – 2.5**	**2.0 – 3.1**

Source: CL Energy based on IEA, 2019 "future of hydrogen: gaining today's opportunities", IEA, Paris, and FSR, 2021.

The breakdown provided by the Hydrogen Council illustrates the expectations of cost reductions for renewable hydrogen. Most of costs reduction lies in CAPEX and energy costs, representing together more than 85% of the expected cost reduction.

This makes the green hydrogen already competitive in certain sectors and conditions, and has enabled the NEOM Green Hydrogen and other projects that ACWA Power is establishing and developing.

Table (3-11): Hydrogen electrolysis from offshore wind breakdown of costs reduction by 2030

Category	Hydrogen Council - 2030 Leverage for costs reduction USD/kg H2
Cost in 2020	6.0
Capex reduction	1.6
Efficiency improvement	0.4
Energy costs reduction	0.2
Other	1.3
Cost in 2030	**2.6**

Source: CL Energy based on Hydrogen Council, 2020,"The Path to Hydrogen Competitiveness: A Cost Perspective", Hydrogen Council.

To achieve significant cost reduction, three drivers will be important:

1. **Stimulation of demand for green hydrogen**. With costs of green hydrogen production and distribution falling, many new applications should become competitive against low-carbon alternatives. Examples include most road transport applications except short-range use cases (e.g. compact cars which are likely to be electrified), simple-cycle hydrogen turbines for peak power, hydrogen boilers, and industry heating (source: Hydrogen Council, 2021).
2. **The exploitation of economies of scale in electrolyser production**. Currently, hydrogen technologies have a niche status not for the technology that is utilized in many other sectors (chloride industry for example), but for the scale installed in the H2 production. Good news is that the electrolyser systems are scalable, moreover, there is significant potential for achieving economies of scale in the manufacturing process. Electrolyser learning rates are about 9% and 13%[8] for alkaline and PEM technology, respectively. Key reason for continued cost reduction is the shift from a largely manual production process to greater use of automation and 'roll-to-roll' streamlined production processes ("the industrialisation of electrolyser manufacturing") where a 60 to 80% reduction from larger-scale manufacturing is expected by 2030 (source: Hydrogen Council, 2020).
3. **The access to low electricity prices**. Electricity prices represent the biggest cost share for producing hydrogen. In 2030, the IEA estimates that 67% of green hydrogen costs will be fuel costs. The steep decrease in the cost of electricity from renewables that has taken place recently, makes the case for remote production and intercontinental hydrogen logistics infrastructure potentially viable in the future under certain circumstances (source: IRENA 2018, p.47), such as low renewable costs of production, as found in the wider GCC states, North Africa, Mexico, Chile, Australia, South Africa, the North Sea, etc.

Utilization of carbon tax in certain sectors is likely to be an accelerator mean for the utilization of green hydrogen (source: Hydrogen Council, 2021).

8 Cost reduction over logarithmic cumulative production numbers

Hydrogen projects required to achieve announced strategic targets open up a global multi-billion USD investment market – provided required subsidies become available

Hydrogen is a crucial element in most strategies to achieve net zero emissions and ever more countries are developing hydrogen plans. There are more than 90 policies in the European region that explicitly support investment (whether directly or indirectly) in expanding the use of hydrogen for energy and climate purposes (often via hydrogen fuel cells) as well as 11 hydrogen roadmaps and more than 200 pilot and demonstration projects for low-carbon hydrogen production (source: WEC 2019b, p.38; WEC 2019a, p.35). Over 30 countries have created national hydrogen strategies and six are drafting them.

In February 2021 the government of Morocco has signed a declaration of cooperation with Portugal to establish the necessary bases to develop a partnership in the green hydrogen sector. Morocco is thereby banking on international cooperation for the exploitation of this renewable energy source (source: Afrik21, 2021). Moreover and at the same time, the establishment of the Abu Dhabi Hydrogen Alliance was acted. The Alliance partners will collaborate to establish Abu Dhabi as a trusted leader of low-carbon green and blue hydrogen in emerging international markets. They will also work together to build a substantial green hydrogen economy in the UAE. Under the terms of the agreement, the Alliance will develop a roadmap to accelerate the UAE's adoption and use of hydrogen in major sectors such as utilities, mobility and industry, through their respective operating companies and with international partners (source: FuelCellWorks, 2021).

Table (3-12): New hydrogen projects

	Expected year of completion									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Number of projects	22	16	16	6	10	0	3	2	0	7
Sum of production capacity (where available) (tsd. m3N H2/h)	104	165	451	26	378	0	3,401	4,200	0	3,010

Source: CL Energy based on IEA hydrogen projects database in IEA (2020),"Hydrogen" IEA, Paris.

Globally, there are currently (early 2021) 228 low-carbon hydrogen projects announced across the value chain. Of these, 17 are already giga-scale production projects (i.e. more than 1 GW electrolyser capacity ore more than 200 thousand tons annual production in case of low-carbon hydrogen). The biggest projects were announced in Middle-east (i.e. NEOM Green Hydrogen), Europe, Australia and Chile. Europe leads globally in the number of announced hydrogen projects (55%), with Australia, Japan, Korea, China and the USA following as additional hubs. While Europe is home to 105 production projects, the announced projects cover the entire hydrogen value chain including midstream and downstream. In expected major demand centers like Korea, Japan and Europe, the focus is on industrial usage and transport application projects (source: Hydrogen Council, 2021).

Table (3-13): Overview of biggest hydrogen projects, 2020

Name	Location	Power source	Developers	Usage	Electrolyser capacity (GW)	Expected production (million of tonnes of H2 per year)	Investment	Expected completion
Asian Renewable Energy Hub	Pilbara, Western Australia	16 GW - Onshore wind 10 GW - Solar	InterContinental Energy, CWP Energy Asia, Vestas, Macquarie	Green hydrogen and green ammonia for export to Asia	14	1.75	$36bn	2027
NortH2	Eemshaven, northern Netherlands	Offshore wind	Shell, Equinor, RWE, Gasunie, Groningen Seaports	Help power heavy industry in the Netherlands and Germany	10	1	- (another source says $11bn)	2024 (First stage) 2030 (Second stage)

Name	Location	Power source	Developers	Usage	Electrolyser capacity (GW)	Expected production (million of tonnes of H2 per year)	Investment	Expected completion
AquaVentus	Heligoland, Germany	Offshore wind	A consortium of 27 companies, research institutions and organisations, including RWE, Vattenfall, Shell, E.ON, Siemens Energy, Siemens Gamesa, Vestas, Northland Power, Gasunie and Parkwind	General sale via a European hydrogen network	10	1	-	2035
Murchison Renewable Hydrogen Project	near Kalbarri, Western Australia	Onshore wind and solar	Hydrogen Renewables Australia and Copenhagen Infrastructure Partners	A demonstration phase would provide H2 for transport fuels; an expansion stage would produce H2 to blend into local natural-gas pipelines; and a final, large expansion would produce H2 for export to Asia, with a focus on Japan and South Korea	5	-	$10-12bn	2028
Beijing Jingneng Inner Mongolia	Eqianqi, Inner Mongolia, China	Onshore wind and solar	Chinese utility Beijing Jingneng	-	5	0.5	$3bn	2021
Helios Green Fuels Project	Neom, a planned city in northwest Saudi Arabia	Onshore wind and solar	Air Products, ACWA Power, Neom	To produce green ammonia (NH4), which would be transported around the world and converted back into H2 for use as a transport fuel.	4	0.24	$5bn	2025

Source: CL Energy based on RECHARGE news

Given the industry's early stage, the vast majority (75%) of projects comprise announcements but not committed funding. As of 2021, the Hydrogen Council estimates USD 80 billion of mature investments until 2030. These include USD 45 billion in the planning phase, which means companies are spending sizable budgets on project development. Another USD 38 billion involves either committed projects or those under construction, commissioned or already operational. However, investments required to reach government production targets and spending projections across the value chain add up to more than USD 300 billion until 2030 (source: Hydrogen Council, 2021).

Hydrogen Europe estimates total hydrogen investments up to 2030 to reach 430 billion Euro, with approximately 220 billion Euro for hydrogen production with an estimated total necessary support of 145 billion Euro. The main share of this investment (160 billion Euro) will be required for the production of renewable electricity (source: Hydrogen Europe, 2020).

To achieve the global policies and to respond to the sustainable development objectives, more projects will have to be developed in the coming years. According to the European Hydrogen Strategy, at least 40 GW electrolyser capacity shall produce up to 173 TWh (equal to 4,4 million tonnes) green hydrogen in the EU by 2030. Additional at least 40 GW electrolyser capacity in North Africa (30 GW) and Ukraine (10GW) shall produce up to 118 TWh (3 million tonnes) green hydrogen in 2030.[9] Producing 4 million tonnes of green hydrogen in North Africa and Ukraine requires the realization of about 77 GW of additional renewable electricity production, wind onshore, solar PV and solar CSP[10]. The total investments for renewable energy and electrolyser plants are about 92 billion Euro for the 40 GW in Ukraine and North Africa (source: Hydrogen Europe, 2020).

Table (3-14): Hydrogen production quantity forecasts

Sources	Hydrogen Production – 2030 Mt/year
Hydrogen Europe – Blue print paper	16.9 (EU only)
IEA Sustainable Development Scenario for Low-carbon Hydrogen – 2019	7.9
Hydrogen Council Forecast for Clean Hydrogen - 2019	2.3
Hydrogen Council Forecast for Clean Hydrogen– 2020, including :	6.7
* RES – Mature	1.8
* RES – Announced	2.4
* Low carbon – Mature	1.6
* Low carbon – Announced	0.9

Source: CL Energy based on IEA, Hydrogen Europe and Hydrogen Council.

Cheap renewable electricity in the Middle East opens up export opportunity of green Hydrogen from the NEOM Green Hydrogen project

The realization of hydrogen production plants far away from demand, e.g in North Africa and Ukraine to serve EU demand, requires hydrogen transport and storage infrastructure.

Hydrogen can be transported globally using three forms of transportation – trucks, pipelines or ships –using a range of different carriers. The three major hydrogen carriers are liquid hydrogen (LH2), ammonia (NH3), and a set of different technologies based on liquid organic hydrogen carriers (LOHCs). LH2 shipping delivers hydrogen in pure form at the location of import. Today LH2 shipping costs are high (e.g. for the route from Saudi Arabia to Japan about USD 15 per kg in 2020), but with enough scale, they could fall to USD 1.7 per kg in 2030 (source: Hydrogen Council, 2020).

The emergence of international trade of hydrogen is driven by cost differences of hydrogen production stemming from renewables endowment, the availability of natural gas and carbon storage sites, existing infrastructure, etc. Many expect hydrogen demand centers, including Europe, Korea, Japan, and parts of China to experience production constraints requiring to import hydrogen rather than producing it locally (source: Hydrogen Council, 2021). Furthermore, in many countries there is an extensive existing natural gas pipeline network that could be used to transport and distribute hydrogen. New infrastructure could also be developed, with dedicated pipeline and shipping networks potentially allowing large-scale overseas hydrogen transport (source: IEA, 2019).

9 Note: the stated minimum electrolyser capacities are generally assumed not to be sufficient to produce the annual target hydrogen volumes due to typically lower full-load hours / capacity factors

10 CSP : Concentrated Solar Power plant

Dedicated electricity generation from renewables or nuclear power offers an alternative to the use of grid electricity for hydrogen production. With declining costs for solar PV and wind generation, building electrolysers at locations with excellent renewable resource conditions could become a low-cost supply option for hydrogen, even after taking into account the transmission and distribution costs of transporting hydrogen from (often remote) renewables locations to the end users. Promising areas exist, for example, in Patagonia, New Zealand, Northern Africa, the Middle East, Mongolia, most of Australia, and parts of China and the United States (source: IEA, 2019).

The GCC countries are projected to be among the lowest-cost regions in the world for green hydrogen production – particularly in the Kingdom of Saudi Arabia and south-eastern Oman, due to their very high direct normal irradiance and wind speed (source: Qamar Energy, 2020). Countries in the region have already established ambitious renewable energy programs, enabling project developers to build large scale renewable power plants that deliver the world's lowest LCOEs of under 2 cents/kWh (source: Strategy&, 2020).

GCC countries can export hydrogen to Europe in a relatively low-cost way in the form of ammonia, as pipelines to transport compressed gaseous hydrogen between the two regions are currently non-existent and liquefied hydrogen transport is costly, while liquid organic hydrogen carriers' gravimetric density is low. Due to the low solar electricity cost in the GCC, green ammonia could be produced in a cost-competitive way and shipped at competitive cost to even Japan (source: Qamar Energy, 2020).

Beside the full commercial NEOM Green Hydrogen project, GCC countries have engaged in a number of R&D projects, including feasibility studies and pilot projects for blue and green hydrogen for different uses. There was a pick-up in activity around 2010, which then went quiet until 2019-20 when there has been renewed interest. More R&D investment needs to be allocated to strengthen technology expertise, drive cost reductions in electrolysis, create an infrastructure network and refine export business models (source: Qamar Energy, 2020).

3-2 Part 1B. Country Reports[11]

3-2-1 Kingdom of Saudi Arabia (Country of Operation)

The Kingdom of Saudi Arabia has significant plans to increase and diversify its installed power generation capacity. It initially announced a target in 2017 of 58.7 GW of renewable capacity by 2030 in its National Renewable Energy Program, in line with the Vision 2030 development plan. Power generation has been ensured by private investments, and growth in the number of I(W)PPs is projected to continue with the liberalisation of transmission and distribution activities. Water production has experienced rapid growth, supported by new desalination capacity, with almost a dozen more projects to be delivered in the coming years through long-term contracts after industry privatisation.

Table (3-15): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	0.4	58.7	58.3	57%
Other	GW	85.2	33.0	-52.2	-8%

Source: ECRA, IRENA, InvestSaudi.

3-2-1-1 Overview and background

Table (3-16): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	Future est.
Nominal GDP (current USD)	USD billion	736.0	746.6	756.4	654.3	644.9	688.6	786.5	793.0	1.1%	-
GDP per capita	USD 000s	25.2	24.8	24.5	20.6	19.9	20.8	23.3	23.1	-1.2%	-
Real GDP (local currency) growth	% YoY	5.4%	2.7%	3.7%	4.1%	1.7%	-0.7%	2.4%	0.3%	-	2.6% (2021)
Population	million	29.2	30.1	30.9	31.7	32.4	33.1	33.7	34.3	2.3%	39.3 (2030)
Inflation rate	%	2.9%	3.5%	2.2%	1.2%	2.1%	-0.8%	2.5%	-2.1%	-	2.0% (2021)
Public debt / GDP	%	3.0%	2.1%	1.6%	5.8%	13.1%	17.2%	19.0%	22.8%	33.6%	-

Source: ECRA, IMF, UN, World Bank. CAGR is computed for the time period 2012-2019 except for the public debt/GDP ratio which is computed for the time period 2012-2018 and may differ slightly due to rounding.

11 Note to Draft: Numbering for all of Market section should conform to the overall prospectus numbering format. This is the start of the Country Reports, and should be section 3.3. Kingdom of Saudi Arabia should be section 3-3-1 and so on….

Growth stalled in 2019, primarily driven by the deliberate oil production cuts above those required under the OPEC+ agreement, and lower oil prices. Overall, the economy grew by 0.3% in 2019 and the IMF forecasts a 2.6% increase in 2021. The stronger non-oil sector offset the headwinds from oil, with December 2019 headline inflation recording a positive reading for the first time in a year, the strong growth in non-oil revenues was increased from reducing VAT registration threshold and expansion of excise taxes and fees. The outlook remains weak in the wake of Covid-19 and oil supply shocks, with a decrease of 6.8% real GDP in 2020. Vision 2030 related reforms are critical for diversification, and progress was made on business environment reforms. The completion of Saudi Aramco's initial public offering (IPO) in December 2019 reflects the government's drive to leverage oil wealth to finance diversification (source: World Bank).

The credit rating for The Kingdom of Saudi Arabia was last reported at A- with stable outlook (S&P), A1 with negative outlook (Moody's), A with negative outlook (Fitch).

In response to the Covid-19 pandemic, the Kingdom of Saudi Arabia announced a USD 18.7bn support package targeting the private sector with additional liquidity by reducing fiscal payments and an increase in available financing from the National Development Fund. On June 16, the Saudi Industrial Development Fund announced initiatives totalling SAR 3.7bn to support 536 private sector industrial enterprises impacted by the coronavirus pandemic. On November 2, the Saudi Central Bank announced it was extending its loan payment deferral program for customers until end-March 2021 (source: IMF).

3-2-1-2 Overview of the power sector

Nearly all of the existing generating capacity is powered by conventional fossil fuels, oil or gas; 41% of generation capacity came from gas turbines, 41% from steam and 18% from Combined Cycle Units in 2018. Total renewable resources accounted for 0.1% of the total mix in 2018. The Kingdom of Saudi Arabia plans to diversify fuels used for the generation of electricity, in part, to free up oil for export. Power generators can access fuel subsidies, however, the Kingdom of Saudi have been gradually implementing energy subsidy cuts over the past few years, increasing the prices of electricity, gasoline and other fuels sold in the domestic market, but the government extended the timeline for subsidy cuts to 2025 (source: KAPSA, World Oil).

As part of Vision 2030, the National Renewable Energy Programme was launched in 2016 and aimed for 3.45 GW of installed renewable capacity by 2020 and 9.5 GW by 2023. Following strong expansion, the current targets are set at 27.3 GW of renewable capacity by 2024, and a total of 58.7 GW by 2030. The country is also planning on increasing its nuclear capacity. In July 2017, the Council of Ministers approved proposals to establish the National Project for Atomic Energy, which includes large-scale and small-scale reactors by 2030; the current target sits at 2-3 GW (source: GCCIA, Invest in Saudi, IRENA).

The NEOM project launched recently, which will be the world's most advanced energy hub and the first at-scale fully renewable energy system. The project will include towns and cities, ports and enterprise zones, research centres, sports and entertainment venues, and tourist destinations. It will be the home and workplace for more than a million citizens from around the world. It launched its first infrastructure works in July 2020. ACWA Power, with two partners, has signed an agreement for a $5 billion world-scale green hydrogen-based ammonia production facility powered by renewable energy that will be situated in NEOM (source: ACWA Power, NEOM).

Table (3-17): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Electricity consumption	TWh	246.6	262.7	281.2	294.6	296.7	298.4	299.2	288.6	2.3%	-
Electricity generation	TWh	271.7	284.0	311.8	338.3	345.4	355.1	358.9	-	4.7%	-
Peak electricity demand	GW	51.9	52.4	56.5	62.3	60.8	62.1	61.7	62.1	2.6%	-
Peak demand growth rate	% YoY	-	0.8%	8.0%	10.1%	-2.3%	2.1%	-0.6%	0.5%	-	-

Source: ECRA. CAGR is computed for the time period 2012-2019 except for electricity generation which is computed for the time period 2012-2018 and may differ slightly due to rounding.

Table (3-18): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2030 est.
Conventional fossil fuels	MW	-	69,739	76,815	81,603	87,754	88,685	85,556	85,185	3.4%	31,000
Nuclear	MW	0	0	0	0	0	0	0	0	0.0%	2-3,000
Renewables	MW	14	22	24	24	24	37	87	397	61.3%	58,700
Total installed capacity	MW	-	69,761	76,839	81,627	87,778	88,722	85,643	85,582	3.5%	91,700-92,700
Capacity growth rate	% YoY	-	-	10.1%	6.2%	7.5%	1.1%	-3.5%	-0.1%	-	-

Source: ECRA, IRENA, InvestSaudi. Note: Renewables include mostly solar technologies. As of 2018, oil accounted for 49% of conventional fuel generation and natural gas for 43%. There is currently no installed nuclear energy capacity in The Kingdom of Saudi Arabia, but there are plans between 2 and 3 GW to be built by 2030. CAGR is computed for the time period where data is available.

Operators:

- **Transmission grid:** National Grid SA.
- **Distribution grid:** Saudi Electricity Company.

Table (3-19): Power capacity of major generators

Energy producers	Unit	2013	2014	2015	2016	2017	2018	2019
SEC (Saudi Electricity Company)	MW	51,525	54,717	57,138	59,599	58,224	55,465	55,332
Saline Water Conversion Corporation	MW	5,018	4,762	6,222	7,812	7,812	7,458	6,465
ACWA Power	MW	2,230	2,230	2,230	2,230	2,230	2,230	2,480
ENGIE	MW	5,536	5,536	5,893	6,072	6,072	6,072	7,579

Source: ACWA Power, ECRA, ENGIE. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

The Electricity Industry Restructuring Plan (EIRP) was drafted by the Electricity and Cogeneration Regulation Authority (ECRA) and started in 2007. It proposed a transformation of the electricity sector to a more competitive structure in an 8-year plan, envisaging unbundling transmission, distribution and generation activities to introduce competition and private sector ownership, as well as investment. In 2012, the transmission system operator National Grid SA was created, and, in 2017, the Saudi Power Procurement Company (SPPC) was named the principal buyer. Both of these entities are subsidiaries of the state-owned Saudi Electricity Company (SEC), which is in charge of distribution operations and also has generation assets alongside private entities. All markets are regulated by ECRA (source: ECRA).

In 2002, the Kingdom of Saudi Arabia began allowing private participation in the electric power sector, approving the first independent water and power producer. The Electricity Law of 2005 provided for further privatization, allowing private business to invest in electricity and water production. Despite power generation being highly concentrated by the state-owned SEC (which had more than 64% of generation capacity in 2018), power capacity from private entities including the SWCC, ARAMCO, ACWA Power and other IPPs/IWPPs has continuously increased, from a share of 26% in 2013 to nearly 35% in 2018. This trend is likely to continue due to the liberalization of transmission and distribution activities (source: ECRA).

A competitive tender process selects private projects. Once selected, through the SEC, the government offers long-term PPAs and ensures fuel price stability by organising an agreement with Saudi Aramco, which is the only fuel power producer allowed to sell to the IPPs (source: National Grid SA, Saudi Electricity Company, Saudi Power Procurement Company).

3-2-1-3 Overview of the water sector

The main operator in the water sector is the Saudi Water Partnership Company (SWPC). In 2019, the total installed capacity for water desalinisation was 7.8mn m3 per day, of which more than 50% was produced using multi-stage flash distillation. Total capacity increased by 26% from 2013 to 2019. The Ministry of Environment, Water and Agriculture also recently set a target of reaching an urban water production mix of 90% desalinated water by 2030 and, in 2025, existing and committed desalination supply are expected to provide 9.3mn m3 per day (source: ECRA, SWPC).

Table (3-20): Evolution of water market and breakdown of desalination capacity by process

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2025 est.
Water production	mn m3/ year	1,764	1,812	1,912	2,049	2,242	2,457	2,540	2,558	5.5%	-
Installed capacity:	mn m3/ day	-	6.2	6.2	7.4	7.7	7.6	7.6	7.8	3.9%	9.3
SWRO		-	-	1.4	1.4	2.1	2.1	2.1	2.5	12.3%	-
MSF		-	-	3.9	4.6	4.5	4.5	4.5	4.2	1.5%	-
MED		-	-	1.0	1.2	1.1	1.1	1.1	1.1	1.9%	-

Source: ECRA, SWPC. Note: SWRO stands for Sea Water Reverse Osmosis, MSF for Multi-Stage Flash Distillation and MED for Multiple-Effect Distillation. CAGR is computed for the time period where data is available and may differ slightly due to rounding.

Table (3-21): Desalination capacity of major producers

Water producers	Unit	2013	2014	2015	2016	2017	2018	2019
Saline Water Conversion Corporation	000 m3/ day	3,668	3,581	4,606	4,606	4,606	4,606	4,340
ACWA Power	000 m3/ day	2,230	2,230	2,230	2,230	2,230	2,230	2,480

Source: ACWA Power, ECRA. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

As in the power sector, the role of water market players and the water market structure is set to change. The Saline Water Conversion Corporation (SWCC) generation assets are planned to be privatized and converted to several production companies and will possess WPAs and PWPAs with the Water and Electricity Company (WEC). They will be under a fuel supply agreement with Saudi Aramco. The WEC became the Saudi Water Partnership Company (SWPC) in 2019, and, according to the SWPC, 12 IWP projects are planned with a project commercial operation date between 2022 and 2025. These include, for example, Jubail 6, Ras Al-Khair 2 and 3, and Ras Mohsan (source: SWPC 7 Year Statement).

3-2-1-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Gulf Cooperation Council Interconnection Authority (GCCIA); Arab Union of Electricity.
- **Ministries:** Ministry of Industry and Mineral Resource; Ministry of Energy; Ministry of Environment, Water and Agriculture. The Ministry of Energy, Industry and Mineral Resources separated into two entities in 2019: The Ministry of Energy and the Ministry of Industry and Mineral Resources, the latter becoming independent (source: US-Saudi Business Council).
- **Government bodies and agencies:** Electricity and Cogeneration Regulatory Authority (ECRA); Renewable Energy Project Development Office (REPDO) which operates within the Ministry of Energy and was established in 2017 to deliver on the goals of the National Renewable Energy Program (NREP) in line with Vision 2030; Capital Market Authority.
- **Key off-takers:** Saudi Water Partnership Company (SWPC), which is owned 100% by the Ministry of Finance, has the main mandate to be the principal off-taker of water; Saudi Power Procurement Company (SPPC) with a primary role to purchase electricity through long-term PPA with the power producers.

The Kingdom of Saudi Arabia's roadmap to a competitive electricity market envisages creating an independent system operator as a non-profit organization with complete administrative independence and no ownership rights over future transmission assets; introducing a spot market; and bilateral trading between generators and large consumers.

Saudi Vision 2030 and the National Renewable Energy Programme also support power and water investments. The National Centre for Privatization enhances the role of the private sector in the provision of services and the availability of government assets, it will strengthen the government's focus on its legislative and regulatory role and the program seeks to attract foreign direct investment and improve the balance of payments.

As part of the Kingdom of Saudi Arabia's development plan, the first round of the National Renewable Energy Program was launched in 2017, with the issuance of tenders for two renewable energy projects. The 300 MW solar PV plant at Sakaka, which is the country's first utility-size renewable energy plant, was awarded in February 2018 to ACWA Power. The project set a new world record for lowest cost, with a bid of 23.4 USD per MWh. The USD 302mn facility is developed on the IPP model and is backed by a 25-year PPA with the SPPC. A second round of tenders was held in early 2020 for four solar plants totalling 1.4 GW, including Al-Faisaliah PV (now renamed as Shuaibah PV) IPP (600 MW), Jeddah PV IPP (300 MW), Rabigh PV IPP (300 MW) and Qurrayat PV IPP (200 MW). (source: National Center for Privatization, PV Magazine, REPDO). Two of these projects (Al-Faisaliah Project (which has been renamed 'Shuaibah PV IPP') and Qurrayat PV IPP) have been awarded to the Company.

Moreover, ECRA authorized a net metering scheme for residential PV in 2017 under "Small-Scale Solar PV Systems Regulations", and the SEC's revised 2019 deployment strategy sets out its plans to install 10mn smart meters by mid-2020. The Smart Metering Project is one of the single biggest digital transformation projects in the Kingdom (source: ECRA).

3-2-2 United Arab Emirates (Country of Operation)[12]

The United Arab Emirates aims to diversify its natural gas-based generation mix and targets 44% of renewable energy by 2050, particularly focusing on solar power, wind power, and bioenergy. The power sector includes four authorities covering the seven emirates, two of them being almost entirely dominated by the public sector. IPPs have a significant share of generation in the Abu Dhabi and Dubai emirates, where distribution and transmission activities are still operated by state-owned entities. Water and energy development plans and their incentives are expected to increase the presence of the private sector in these industries in the coming years.

Table (3-22): Announced changes to the installed capacity

Electricity source	Unit	Current (2018)	Expected (2030)	Additions	CAGR
Renewables	GW	0.6	3.8	3.2	17%
Other	GW	30.6	48.5	17.9	4%

Source: IRENA, MOE.

3-2-2-1 Overview and background

Table (3-23): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	374.6	390.1	403.1	358.1	357.0	385.6	422.2	421.1	1.7%	-
GDP per capita	USD 000s	41.0	42.4	43.8	38.7	38.1	40.6	43.8	43.1	0.7%	-
Real GDP (local currency) growth	% YoY	4.5%	5.1%	4.3%	5.1%	3.1%	2.4%	1.2%	1.7%	-	2.5% (2022)
Population	million	9.1	9.2	9.2	9.3	9.4	9.5	9.6	9.8	1.0%	10.6 (2030)
Inflation rate	%	0.7%	1.1%	2.3%	4.1%	1.6%	2.0%	3.1%	-1.9%	-	1.5% (2021)
Public debt / GDP	%	17.0%	15.8%	15.5%	18.7%	20.2%	20.0%	19.1%	27.3%	7.0%	-

Source: IEA, IMF, United Nations, World Bank. CAGR is computed for the time period where data is available and may differ slightly due to rounding.

Overall, economic growth stabilized in 2019 at 1.7%, despite a recovery in the hydrocarbon (HC) sector, due to headwinds in non-HC sector, notably from real-estate over-supply. Fiscal stimulus programs targeting business costs were launched to facilitate an acceleration. In 2020, plunging oil prices and efforts to contain Covid-19 weighed heavily on the non-HC sector which was already facing challenging debt burdens and intensified traded services competition. Over the medium-term, and dependent on the speed of global recovery, growth in the UAE is expected to reach to 2.5% by 2022; supported by the

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government's mitigation and recovery plans, higher oil prices and production capacity, improved business sentiment and a boost from Dubai Expo2021 (source: World Bank).

The credit rating for the United Arab Emirates was last reported at AA with stable outlook (S&P), Aa2 with stable outlook (Moody's), AA- with stable outlook (Fitch). In the cases of Fitch and S&P, this refers to the Abu Dhabi emirate only.

The authorities have announced about AED 32bn (USD 8.7bn) in various fiscal measures amid the Covid-19 pandemic, such as private sector support reducing government fees, providing additional water and electricity subsidies, and simplifying business procedures. The Central Bank of the UAE also reduced its policy interest rate by a combined 1.25% across 2020 (source: IMF).

3-2-2-2 Overview of the power sector

UAE currently relies primarily on natural gas, but has significant installed capacity for coal and diesel. Installed power capacity coming from renewable energy sources has increased continuously since 2012, and this reached 586 MW of installed capacity in 2018.

Launched in 2017, The UAE 2050 energy strategy plans to diversify the country's energy mix and is to include 12% clean coal, 38% natural gas, 6% nuclear energy, and 44% renewable energy (consisting of solar power, wind power, and biofuels). The strategy aims to increase the share of clean energy in the country's electricity generation capacity to 50% by 2050. The Ministry of Climate Change and Environment (MOCCAE) also announced the UAE Green Agenda 2030 and the UAE National Climate Change Plan, which again reflect the country's desire to increase renewable energy production (source: EIA, MOEI).

Table (3-24): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Electricity consumption	TWh	101.5	105.4	111.7	119.5	121.6	126.3	127.6	-	3.9%	-
Electricity generation	TWh	106.2	110.0	116.5	127.4	129.6	134.6	136.0	-	4.2%	-
Peak electricity demand*	GW	-	19.6	20.5	22.6	23.4	24.3	24.8	-	4.8%	-
- DoE	GW	-	8.6	9.0	10.2	10.5	10.9	11.1	11.2	4.5%	-
- DEWA	GW	-	6.9	7.3	7.7	7.9	8.2	8.5	8.5	3.5%	-
- SEWA	GW	-	2.1	2.1	2.3	2.4	2.4	2.4	2.4	2.3%	-
- EWE	GW	-	2.0	2.2	2.4	2.6	2.8	2.8	-	7.0%	-
Peak demand growth rate	% YoY	-	-	4.4%	10.0%	3.9%	3.6%	2.1%	-	-	-

Source: MOEI, IRENA, DoE, DEWA, SEWA. Note: DoE refers to the Abu Dhabi emirate, DEWA to the Dubai emirate, SEWA to the Sharjah emirate and EWE for the four other emirates: Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah. CAGR is computed for the time period where data is available and may differ slightly due to rounding.

Table (3-25): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/18	2030 est.
Conventional fossil fuels	MW	27,169	27,734	28,704	28,620	28,636	30,046	30,561	-	2.0%	42,900
Nuclear	MW	0	0	0	0	0	0	0	-	-	5,600
Renewables	MW	11	124	125	125	125	325	586	1,888	108.6%	3,800
Total installed capacity	MW	27,180	27,858	28,829	28,745	28,761	30,371	31,147	-	2.3%	52,300
Capacity growth rate	% YoY	-	2.5%	3.5%	-0.3%	0.1%	5.6%	2.6%	-	-	-

Source: MOEI, IRENA. Note: Renewables include mostly solar technologies.

Transmission grid operators:

- **Abu Dhabi:** TRANSCO Abu Dhabi Transmission and Dispatch Company (part of Abu Dhabi Department of Energy).
- **Dubai:** Dubai Electricity and Water Authority (DEWA).
- **Sharjah emirate:** Sharjah Electricity and Water Authority (SEWA).
- **Other emirates (Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah):** Etihad Water and Electricity (EWE), formerly Federal Electricity and Water Authority (FEWA).

Distribution grid operators:

- **Abu Dhabi:** Abu Dhabi Distribution Company (ADDC), Al Ain Distribution Company (AADC) which are DoE subsidiaries.
- **Dubai:** Dubai Electricity and Water Authority (DEWA).
- **Sharjah emirate:** Sharjah Electricity and Water Authority (SEWA).
- **Other emirates (Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah):** Etihad Water and Electricity (EWE).

Table (3-26): Power capacity of major generators

Energy producers	Unit	2013	2014	2015	2016	2017	2018	2019
TAQA	MW	12,487	12,487	12,487	12,487	12,487	12,487	13,179
DEWA	MW	-	-	-	-	10,200	11,100	11,400
ENGIE	MW	8,842	8,842	8,842	9,733	9,733	9,733	9,733
Abu Dhabi: TAPCO	MW	-	-	-	2,220	2,220	2,220	2,220
ACWA Power	MW	0	0	0	0	200	200	200

Source: ACWA Power, DEWA, ENGIE, EWEC, TAQA. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

All the emirates are part of the Emirate National Grid though four Electricity and Water companies: DoE, DEWA, EWE, and SEWA.

- In Abu Dhabi (DoE), the market started an unbundling process in the 2000s. The state-owned EWEC is the single buyer, networks are state-owned, but the majority of generation is assured by IWPPs and IPPs (TAPCO and FAPCO being the two biggest) and by state-owned Al-Mirfa Power Company. Power generation and water desalination projects are awarded through a competitive bidding process based on the lowest cost for long-term power and water purchase agreements (PWPAs).
- Dubai's DEWA is an integrated supplier, owning and operating in all segments of the electricity market from generation to transmission to distribution. Since the enactment of the Dubai Electricity Privatization Law, several independent power projects have been initiated. Large-scale projects in Dubai follow an IPP approach in which DEWA holds a 51% share, with the project developer holding the other 49%.
- Sharjah's SEWA is responsible for electricity generation, transmission and distribution and has the authority to determine electricity prices and connection fees. No private participation has been encouraged until very recently.
- EWE acts as the single point of sale, owns networks, and is authorised to establish private power generation plants in the northern emirates. Several projects are presently under development, but these are primarily owned by the public sector (source: The Law Reviews).

The UAE has been a leader among GCC countries in subsidy reform, having begun to reduce or eliminate subsidies for electricity, water, petrol and diesel in recent years.

In Dubai, tariffs were reviewed in 2011 and, pursuant to the Dubai Tariff decision, introduced a variable fuel surcharge to its electricity tariff. The Sharjah emirate released a new tariff system in 2014, dictating the price of the consumption of electricity for commercial and industrial entities, but residential prices were not increased. Electricity and water tariffs for the Northern Emirates were also revised upwards in 2015, but the primary focus was on prices charged to expatriates.

In Abu Dhabi, the possibility of developing a competitive bulk supply market is limited, because EWEC acts as the single buyer and purchases all power output. The costs of purchasing power, water, and natural gas, plus EWEC's operational costs, form the basis of the bulk supply tariff (BST). This tariff is effectively the wholesale power and water tariff for the sector. The BST represents between 50% and 60% of total sector costs. EWEC calculates the BST, including the cost of electricity imports, and it is then reviewed and approved by the regulator as per the tariff determination process.

Local authorities are now focused on monitoring the impacts of these initial reforms and presently have no plans for further immediate changes to the tariffs, but are developing an overall Demand Side Management strategy (source: MOEI, King Abdullah Petroleum Studies and Research Centre).

3-2-2-3 Overview of the water sector

The operators are DoE in Abu Dhabi, Dubai Electricity and Water Authority (DEWA) in Dubai, Sharjah Electricity and Water Authority (SEWA) in Sharjah emirate and for the other emirates (Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah) the operator is Etihad Water and Electricity (EWE).

Table (3-27): Evolution of water market and breakdown of desalination capacity by emirate

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR
Water production	mn m3/ year	1,818	1,974	1,946	2,001	2,006	1,979	2,020	-	1.7%
Water consumption	mn m3/ year	1,681	1,714	1,786	1,847	1,829	1,829	1,845	-	1.6%
Installed capacity by authority:	mn m3/ day	7.3	7.4	7.4	7.4	7.3	7.5	7.5	-	0.5%
DoE		4.2	4.2	4.2	4.2	4.1	4.4	4.1	4.1	-0.3%
DEWA		2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	0.0%
SEWA		0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.6	2.6%
EWE		0.3	0.4	0.4	0.4	0.4	0.4	0.4	-	4.9%

Source: MOEI, DoE, DEWA, SEWA. CAGRs may differ slightly due to rounding.

UAE has limited natural water resources and uses thermal desalination as the dominant technology in its water production. Today, most of the country's potable water comes from some 70 major desalination plants, which account for around 14% of the world's total production of desalinated water.

In September 2017, the Ministry of Energy & Industry launched the UAE Water Security Strategy 2036, aiming to reduce average water consumption per capita by half, focus on sustainable practices and aid the UAE's vision of achieving prosperity and sustainability. Objectives are: to reduce total demand for water resources by 21%; increase the water productivity index to USD 110 per cubic meter; reduce the water scarcity index by three degrees; increase the reuse of treated water to 95%; and increase national water storage capacity to two days' supply. The strategy also includes establishing six connecting networks between water and electricity entities across the UAE (source: MOEI, Government of United Arab Emirates).

- In Dubai, the sustainability of water production is based on the clean solar energy used to desalinate seawater using reverse osmosis (RO), which will help to expand the desalinated water production capacity to reach 750 million imperial gallons per day (MIGD, or 3.4 mn m3) of desalinated water by 2030.
- In Abu Dhabi, 145 MIGD (0.7 mn m3) are produced through RO, while 770 MIGD (3.4 mn m3) are produced using traditional thermal desalination methods. An additional 175 MIGD (0.8 mn m3) of capacity using RO are expected by 2022.
- Between 2018 and 2021, FEWA (now EWE) aimed to add 135 MIGD (0.6 mn m3) of installed capacity with three desalination plants. Another plant in the emirate of Umm Al Quwain (using RO and being built by ACWA) is scheduled to be commercially operational in Q3 2022, with a capacity of 150 MIGD (0.7 mn m3) (source: ACWA Power, DoE, DEWA 2020, Arabian Industry 2018-2019).

The market positioning of IWPP/IWP within the water supply value chain in the water sector is the same as the power sector.

3-2-2-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Gulf Cooperation Council Interconnection Authority (GCCIA); Arab Union of Electricity.
- **Ministries:** Ministry of Energy and Industry (MOEI); Ministry of Climate Change and Environment (MOCCAE).
- **Government bodies and agencies:** The Abu Dhabi Investment Authority (ADIA); Dubai Supreme Council of Energy (DSCE); Sharjah Electricity & Water Authority (SEWA); Etihad Water and Electricity (EWE); Dubai Electricity & Water Authority (DEWA); Department of Energy- Abu Dhabi (DoE).

The UAE's new policy objectives are to decouple power generation from water generation and to pursue alternative technologies such as seawater reverse osmosis to improve energy and water efficiency and help meet energy and water security goals (source: MOEI).

Aside from the targets of mechanisms and joint initiatives of interest, the development of water policies and associated legislation aims to support management methodology for integrated water resources across sectors while incentivising investment in institutional capacity.

In Dubai, a dedicated free trade zone, the Dubai Green Zone, will also be established to attract the world's leading R&D centres and emerging clean energy companies. A legislative structure is also planned to be established to support clean energy policies, and an AED 100bn (c. USD 27bn) Dubai Green Fund, for investments in green businesses, will be created to provide low-interest loans to companies in the clean energy sector; the private sector is to play an increasingly important role. In the Sharjah emirate, the goal is to work among the public and private sectors and to create cross-sector partnerships as a first priority under the SEWA Vision 2025 (source: MOEI).

In February 2021, the body previously known as the Federal Electricity and Water Authority (FEWA) was transferred to the ownership of the UAE's sovereign wealth fund, the Emirates Investment Authority, where it will now be known as Etihad Water and Electricity (EWE) (source: Utilities Middle East).

In addition to the overall UAE Energy Strategy 2050, further objectives and initiatives exist at the emirate level, for example (source: MOEI):

- The Dubai Supreme Council of Energy's Dubai Integrated Energy Strategy 2030 began setting the strategic direction for the city's energy sector in 2011. It aims to have 25% clean energy by 2030 and 75% by 2050.
- Dubai's overall goal is to produce 100% desalinated water using a mix of clean energy and waste heat by 2030. This includes a target to raise reverse osmosis production from a current level of 5% of Dubai's desalinated output to 41% by 2030.
- SEWA is working to increase its electricity grid by adding new generation units and transmission substations as well as heightening transmission and distribution capacities.
- FEWA (now EWE) announced in 2016 that it would upgrade the power grid to help meet the increasing demand by 2025.

3-2-3 Oman (Country of Operation)

Oman's power sector has shown consistent growth since 2012, a trend that is expected to continue with a forecasted 12.6 GW of total capacity by 2025. The power sector is divided into three different systems. The government still dominates a large share of transmission, distribution and generation assets next to IPPs, whose presence has gradually increased and now represents more than half of power generation.

Table (3-28): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2025)	Additions	CAGR
Renewables	MW	0	850	850	-
Other	MW	11,596	11,770	174	0%

Source: EIA, IRENA.

3-2-3-1 Overview and background

Table (3-29): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	76.7	78.8	81.1	68.4	65.5	70.6	79.3	77.0	0.1%	78.2 (2022)
GDP per capita	USD 000s	21.9	20.9	20.1	16.0	14.6	15.1	16.4	15.5	-4.8%	-
Real GDP (local currency) growth	% YoY	9.3%	4.4%	2.8%	4.7%	5.0%	0.3%	1.8%	0.5%	-	2.5% (2022)
Population	million	3.5	3.8	4.0	4.3	4.5	4.7	4.8	5.0	5.2%	5.9 (2030)
Inflation rate	%	2.9%	1.0%	1.0%	0.1%	1.1%	1.6%	0.9%	0.1%	-	3% (2022)
Public debt / GDP	%	4.9%	5.0%	4.9%	15.5%	32.7%	46.4%	53.4%	63.0%	43.6%	-

Source: IEA, IMF, United Nations, World Bank. CAGR is computed for the time period where data is available and may differ slightly due to rounding.

Oman's economy is expected to contract in 2020 due to the oil price slide and the Covid-19 public health response. An increase in gas output and infrastructure spending plans will help growth recover over 2021-22. Fiscal and external deficits will remain under strain due to low oil and gas prices. Rigid recurrent spending will keep public debt high. Real GDP growth is estimated to have decelerated to 0.5% in 2019, down from a recovery of 1.8% in 2018. This is largely driven by a decline in oil production, capped by the since-lapsed OPEC+ production deal. The non-oil economy is estimated to have been subdued due to the slowdown in industrial activities and the services sector. Inflation is estimated to have remained muted at 0.1% in 2019, reflecting weak domestic demand and tame food and housing prices (source: World Bank).

The credit rating for Oman was last reported at B+ with stable outlook (S&P), Ba3 with negative outlook (Moody's), BB- with negative outlook (Fitch).

In response to Covid-19, the authorities have suspended some government fees and rent payments in industrial zones, supported the economy with tax suspensions, and authorised a program of interest-free emergency loans. The Central Bank of Oman announced a set of policy measures to support the financial sector and estimated its impact in terms of additional liquidity at OMR 8bn (USD 20.8bn) (source: IMF).

3-2-3-2 Overview of the power sector

All electricity generation in Oman comes from fossil fuels. However, in 2018, the Oman Power and Water Procurement Company (OPWP), the single buyer in the power sector, began the implementation of a Fuel Diversification Policy which set the following targets for the electricity sector: 10% (or more) of electricity generation is to be sourced from renewable resources by 2025; coal to fuel up to 3,000 MW of generation capacity by 2030; and gas efficiency was set as a priority of the electricity sector (source: EIA, OPWP).

Table (3-30): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2025 est.
Electricity consumption	TWh	21.0	22.8	25.2	28.9	30.4	32.3	33.5	33.8	7.1%	-
Electricity generation	TWh	25.0	26.2	29.1	32.8	34.2	36.1	37.7	38.3	6.3%	51.1*
Peak electricity demand**	MW										
- MIS	MW	4,448	4,634	5,269	5,712	6,105	6,304	6,339	6,540	5.7%	8,600
- DPS	MW	389	422	439	495	523	552	539	594	6.2%	827

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2025 est.
Peak demand growth rate	% YoY										
- MIS	% YoY	-	4.2%	13.7%	8.4%	6.9%	3.3%	0.6%	3.2%	-	-
- DPS	% YoY	-	8.5%	4.0%	12.8%	5.7%	5.5%	-2.4%	10.2%	-	-

Source: AER, OPWP. Note: *The forecasts come from the expected case scenario. In this scenario, the average demand and capacity generation growth is 5% per year for MIS, 7% for DPS, and 23% for the Rural systems. **The Oman Power grid is divided into 3 systems: the Main Interconnected System (MIS) which covers the North of the Sultanate, the Rural Areas System covering the South (Dhofar, Al Wusta regions and 2 islands in the north) and the Dhofar Power system, which is an enclave grid in the south coast of the Dhofar region. However, 95% of the electricity generation comes for the MIS and Dhofar Systems.

Table (3-31): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2013/19	2025 est.
Conventional fossil fuels	MW	-	7,866	7,757	8,056	7,772	9,552	11,200	11,596	6.7%	11,770
Renewables	MW	-	0	0	0	0	0	0	0	-	850
Total installed capacity	MW	-	7,866	7,757	8,056	7,772	9,552	11,200	11,596	6.7%	12,620
Capacity growth rate	% YoY	-	-	-1.4%	3.9%	-3.5%	22.9%	17.3%	3.5%	-	-

Source: OPWP. Note: Other renewables include geothermal and modern biofuel production. There is currently no installed nuclear energy capacity in Oman, nor are there plans for capacity to be built. The forecast considers contracted capacity and planned contracts for guaranteed capacity excluding capacity contributions from other contracts (demand side response or non-firm contracts). The Duqm IPP project was taken as using coal and not solar CSP (may be supplied by either Clean Coal or Solar CSP, subject to Government approval).

Operators:

Transmission grid:

- For the Main Interconnected System (MIS) and Dhofar System: Oman Electricity Transmission Company (OETC) covers the majority of the Sultanate and acts as a dispatch power balancing supply and demand throughout the day.
- For the Rural Areas System: Rural Areas Electricity Company (RAECO).

The systems are not fully interconnected, and a 220 kV interconnection between Oman (MIS) and UAE (Abu Dhabi) power systems has been commercially operational since 2012. It supports reliable transfers of up to 400 MW and can carry up to 800 MW in emergencies.

Distribution grid:

- For MIS: Muscat Electricity Distribution Company (MEDC), Mazoon Electricity Company (MZEC), Majan Electricity Company (MJEC).
- For Dhofar System: Dhofar Power Company.
- For Rural System: Rural Areas Electricity Company (RAECO).

Table (3-32): Power capacity of major generators

Energy producers	Unit	2013	2014	2015	2016	2017	2018	2019
Phoenix Power Company SAOC	MW	-	-	-	2,000	2,000	2,018	2,018
Shinas Generating Company	MW	-	-	-	1,710	1,710	1,710	1,744
Ad-Dhahira Generating Company SAOC	MW	-	-	-	1,509	1,509	1,509	1,539
ACWA Power	MW	427	427	427	700	700	1,145	4,364

Source: ACWA Power, OPWP. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

The electricity is divided into three markets. The Main Interconnected System and the Dhofar Power System (DPS) are the two most prominent. The Rural Areas Systems (made up of Ad Duqm Power System and Musandam Power System, two smaller isolated systems) is the other electricity market. The water market is divided into four systems: The Main Interconnected System, the Sharqiyah Water Network, the Dhofar Water Network, and the Masirah Zone Generation.

Transmission and distribution operations have been unbundled in the MIS and DPS. However, in the Rural System, these functions are still performed by the Rural Areas Electricity Company in a single vertically integrated manner. In the MIS and DPS, the OETC is the transmission system operator. The Oman Power and Water Procurement Company acts as a monopolistic buyer for both electricity and associated desalination water, interacting with generation and production plants are mostly privatized. All the power market distribution and transmission monopolies are regulated by the Authority for Electricity Regulation (AER), and the Public Authority for Electricity and Water (PAEW, also known as Diam) regulates the water sector (source: AER).

The Royal Decree 78/2004 began the privatization of the electricity and related water sector and set in place their regulation. The legislation aims to encourage the unbundling of power generation, transmission, distribution and supply, and facilitate private investments in both the generation and desalination sectors. The Electricity Holding Company (EHC, also known as Nama Holding), owned by the Ministry of Finance, was formed as a joint-stock company and maintains the government role in transmission and distribution activities. Since this unbundling, in MIS and DPS, nearly all of the generation and desalination capacity is held by private entities (partially owned by EHC). In the Rural Areas, however, RAECO owns generation plants alongside IPPs (source: AER).

The Oman Power and Water Procurement Company purchases power via power purchase agreements, power and water purchase agreements and other similar agreements. All the MIS's main power plants are contractually committed to providing a specific generation capacity (in MW) upon demand, being dispatched by the OETC, and maintaining specific availability levels. These are firm capacity contracts, also termed 'contracted capacity'. OPWP also purchases power when the contractual arrangements do not provide a guaranteed level of capacity upon demand. They may be termed collectively as 'non-firm resources' (source: OPWP).

3-2-3-3 Overview of the water sector

The primary operator is The Public Authority for Water, which purchases the water produced by plants through Oman Power and Water Procurement and manages the supply, storage, and distribution to the Omani population in the majority of the sultanates.

Table (3-33): Evolution of water market and desalination capacity

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2025 est.
Water production	mn m3/ year	235	262	283	301	330	348	365	386	7.3%	-
Water consump-tion	mn m3/ year	155	169	185	197	201	223	284	300	9.9%	-
Installed capacity	mn m3/ day	-	0.73	0.81	1.01	1.02	1.38	1.71	1.78	16.0%	2.30*
Desalination peak demand**	mn m3/ day	-	-	0.80	0.96	1.02	1.11	1.12	-	8.8%	-

Source: Diam, OPWP. Note: *Considers large plants, small plants and wells. **Desalination peak demand is for MIS and DPS, as in the power sector. CAGR is computed for the time period where data is available.

The desalination landscape has seen massive growth between 2010 and 2019, and desalination represented more than 85% of the total water production in 2019. Approximately 3/4 of the desalination capacity comes from reverse osmosis. In 2010, there were five large desalination plants and 33 small desalination plants under the operation of the Public Authority for Water. This number increased to 10 large plants and 49 small plants in 2019, and water consumption nearly tripled from 107m3/ day in 2010 to 300m3/ day in 2019.

The total contracted water capacity for 2025 is expected to reach nearly 2.3mn m3 in 2025 for MIS and DPS systems. Oman's National Water Sector Master Plan includes a blueprint, spanning 25 years, for expanding and reinforcing the country's water transmission and distribution infrastructure, as well as their desalination capacity (source: Diam, Oman Water and Energy Conference).

Table (3-34): Desalination capacity of major producers

Water producers	Unit	2016	2017	2018	2019
Rural Areas Electricity Company SAOC	000 m3 per day	315	365	347	347
Barka	000 m3 per day	281	281	281	281
ACWA Power	000 m3 per day	193	193	193	194

Source: ACWA Power, AER. Note: The capacity is presented on a contracted basis for the total water production, without adjustments for effective ownership.

3-2-3-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Gulf Cooperation Council Interconnection Authority (GCCIA); Arab Union of Electricity.
- **Ministries:** Ministry of Regional Municipal and Water Resources; Ministry of Commerce and Industry; Ministry of Oil and Gas; Ministry of Finance.
- **Government bodies and agencies:** The Authority for Electricity Regulation (AER); Public Authority for Water.

The Authority for Electricity Regulation is responsible for regulating the electricity sector and some aspects of the water sector. It was established through the Law for the Regulation and Privatisation of the Electricity and Related Water Sector in 2004. The Authority has a statutory obligation to ensure that OPWP undertakes a fair and transparent competition when procuring any new generation or desalination capacity. The gas network may also be part of the AER management and may begin undergoing privatization, as may the water and wastewater sectors (source: AER).

Furthermore, the Authority also applies market share thresholds for applicants of any new capacity or expansion of existing capacity to safeguard against any market power abuse. The Sector Law allows the Authority to impose restrictions on the economic interest a person may have in a licensee or licensees. The Authority has the discretion to relax the market share thresholds and economic interest restrictions on public interest grounds, provided that any such relaxations are consistent with its statutory obligations.

In 2018, OPWP began requesting bids from foreign investors to develop several major solar power and solar-diesel electricity storage projects. Oman is currently aiming for further market liberalisation; four measures have been identified in the sector law and are in process:

- Privatizing the share of the government in EHC and OPWP. In December 2019, 49% of the government's share in OETC was sold to China State Grid International Development;
- The permitting of licensed production facilities to sell power to other entities than the current single buyer, OPWP;
- Electricity exchanges with other countries; and
- Creation of competition between licensed suppliers.

A day ahead spot market is expected to be operational in the near future, where electricity purchase terms for power producers with valid PPAs are to remain unchanged by the spot market (source: OPWP).

The Sector Law implements a mechanism through which the Ministry of Finance provides an electricity subsidy calculated by the Authority to Licensed Suppliers annually. The Authority calculates subsidy requirements for the MIS, the Dhofar Power System and the Rural Area System (source: AER, Ministry of Finance).

In December 2020, Oman set up a state-owned energy company, Energy Development Oman, that will be financially independent from the government and will be able to raise debt/ issue securities. This decision was made following the slide in oil prices and the coronavirus pandemic (source: Reuters).

3-2-4 South Africa (Country of Operation)

South Africa intends to diversify away from its current dependence on coal and expand its wind and solar capacity, having great potential in these areas. It aims to take advantage of having one of the best regions for wind farms in the world. It stands as one of the most popular IPP countries in Sub Saharan Africa and targets 29 GW of IPP procurement by 2025.

Table (3-35): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	8.9	28.1	19.2	11%
Other	GW	49.2	-	-	-

Source: EIA, Eskom, Integrated Resource Plan, IRENA.

3-2-4-1 Overview and background

Table (3-36): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2025 est.
Nominal GDP (current USD)	USD billion	396.3	366.8	350.9	317.6	296.4	349.6	368.3	351.4	-1.7%	-
GDP per capita	USD	7,501	6,832	6,433	5,735	5,273	6,132	6,374	6,001	-3.1%	-
Real GDP (local currency growth)	% YoY	2.2%	2.5%	1.8%	1.2%	0.4%	1.4%	0.8%	0.2%	-	3.0%
Population	million	52.8	53.7	54.5	55.4	56.2	57.0	57.8	58.6	1.5%	61.8
Inflation rate	%	5.7%	5.8%	6.1%	4.5%	6.6%	5.2%	4.5%	4.1%	-	5.1%
Public debt / GDP	%	41.0%	44.1%	47.0%	49.3%	51.5%	53.0%	56.7%	62.2%	6.1%	101.3%

Source: Bloomberg, Investec, IMF, IEA, World Bank. CAGR is computed for the time period where data is available.

The South African economy grew by 0.8% in 2018 and 0.2% in 2019. Economic growth is expected to grow to 3.0% by 2025, per Investec. Given population growth, gross domestic product per capita growth has been close to nil since 2015, leaving little room to reduce poverty from the existing high levels. Commodity prices remain essential for South Africa, who is a major exporter of minerals and an importer of oil. Strengthening investment, including foreign direct investment, will be critical to propel growth and create jobs (source: Investec, World Bank).

The credit rating for South Africa was last reported at BB- with stable outlook (S&P), Ba2 with negative outlook (Moody's), BB- with negative outlook (Fitch).

In response to Covid-19, the government has made further social grants available for low-income workers and vulnerable families, as well as distributing funds to SMEs under stress and small-scale farmers through its Unemployment Insurance Fund (source: IMF).

3-2-4-2 Overview of the power sector

After experiencing chronic power shortages for several years, in 2016, South Africa had a power capacity surplus primarily due to suspensions of planned activities on the state utility's power station fleet. By 2018, chronic power shortages had resumed and persist today, despite a reduction in electricity demand.

In recent years, South Africa has made considerable progress in its Integrated National Electrification Programme which aims to achieve universal access to electricity by 2025/26. As of 2016, 88% of South African households had access to electricity. South Africa intends to diversify its electricity generation portfolio to include cleaner-burning fuels such as natural gas and renewable energy.

The Eskom coal-fired power plants dominate the South African electricity market. It is estimated that in 2020 around 80% of the energy mix used coal as its primary source. However, with the decommissioning of Eskom coal-fired power plants and the introduction of gas, solar, wind, hydro and concentrated solar power, it is anticipated that coal's share of the energy mix will drop to below 50% by 2030, with the shortfall covered by an increase in installed capacity for gas, renewable power and an increase in capacity of the current nuclear plant.

South Africa has an average of more than 2,500 hours of sunshine per year, and average direct solar radiation levels range between 4.5 and 6.5 kWh/m2 per day, making it an attractive region for solar power investment. South Africa's Northern Cape is one of the most attractive solar resource areas globally (source: South African Government, Thomson Reuters Practical Law).

Table (3-37): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Electricity consumption	TWh	212.6	211.5	211.9	209.2	207.1	208.3	206.5	210.3	-0.2%	-
Electricity generation	TWh	257.9	256.1	254.8	250.1	252.7	255.1	256.3	252.6	-0.3%	-
Peak electricity demand	GW	36.2	35.5	35.0	34.7	33.3	34.9	35.3	34.3	-0.8%	-
Peak demand growth rate	% YoY	-	-1.9%	-1.5%	-0.6%	-4.1%	4.7%	1.1%	-3.0%	-	-

Source: BP, EIA, Eskom. The CAGR for electricity consumption is calculated over the period 2012-2017. Growth rates may differ slightly due to rounding.

Table (3-38): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2030 est.
Conventional fossil fuels	MW	40,202	40,185	40,185	40,974	40,974	40,974	42,596	47,336	2.4%	-
Nuclear	MW	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	0.0%	1,860
Renewables:	MW	2,403	2,900	4,110	4,829	7,049	8,319	8,797	8,899	20.6%	28,107
hydro	MW	2,135	2,135	2,132	2,147	3,146	3,479	3,479	3,479	7.2%	4,696
wind	MW	10	257	569	1,079	1,473	2,094	2,094	2,094	114.6%	11,442
solar	MW	11	262	1,163	1,352	2,174	2,486	2,959	3,061	123.5%	8,558
other	MW	246	246	246	251	256	260	265	265	1.1%	3,411
Total installed capacity	MW	44,465	44,945	46,155	47,663	49,883	51,153	53,253	58,095	3.9%	75,744
Capacity growth rate	% YoY	-	1.1%	2.7%	3.3%	4.7%	2.5%	4.1%	9.1%	-	-

Source: EIA, Eskom, Integrated Resource Plan, IRENA, USAID. Note: Future estimates are per the 2019 Integrated Resource Plan and include 2.6 GW of other capacity additions. South Africa has achieved their expected installed capacity for 'Other' electricity sources for 2030, which was stated in their 2019 Integrated Resource Plan to be 45.8 GW. CAGR is computed for the time period where data is available and differs slightly due to rounding.

Operators:

- **Transmission grid:** state-owned Eskom Holdings SOC Limited is a vertically integrated national transmission company.
- **Distribution grid:** Eskom and the Municipalities have distribution licences and are mostly responsible for electricity distribution.

Through their Southern Africa Power Pool membership, South Africa has interconnections with Botswana, Lesotho, Mozambique, and Namibia, amongst other countries.

Table (3-39): Power capacity of major generators

Energy producers	Unit	2012	2013	2014	2015	2016	2017	2018	2019
Eskom	MW	44,145	44,115	44,206	44,281	45,075	46,407	48,039	48,029
ENGIE	MW	0	0	0	457	1,116	1,116	1,116	1,212
ACWA Power	MW	0	0	0	0	50	50	50	50

Source: ACWA Power, Eskom. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

Eskom supplies approximately 90% of South Africa's electricity, and the remainder comes from Independent Power Producers and imports. In response to chronic power shortages and the need to ensure a more diverse fuel supply, South Africa began a procurement program in 2011 to purchase power from renewable sources and lower-emitting energy plants funded by IPPs. This program has added 5 GW of generation capacity to the grid, mostly from facilities fuelled by wind, solar, and natural gas. South Africa's capacity target from IPP procurement is 29 GW by 2025.

In the renewable energy sector, Eskom is the purchaser of energy that is produced by Independent Power Producers. It should be noted that the main risk to IPPs operating in South Africa is the financial health of Eskom, who has seen its debt costs rise almost 15-fold since 2005. However, it should be noted that a government guarantee mechanism currently underpins the financial obligations of Eskom towards IPPs through the National Treasury. Both the consumer and wholesale electricity prices are regulated by the National Energy Regulator of South Africa.

South Africa attracts the most private finance for IPPs in Sub-Saharan Africa - attracting USD 7bn between 2014 and 2018. Competitive procurement has been increasing in Sub-Saharan Africa, although almost half of the privately financed capacity was awarded by direct negotiation. In South Africa, no privately developed capacity has been granted pursuant to direct negotiation (source: BusinessTech, EIA, IEA, Thomson Reuters Practical Law).

3-2-4-3 Overview of the water sector

There are 15 water boards in South Africa, with the three largest being Rand Water in Gauteng, Umgeni Water in KwaZulu-Natal and Overberg Water in the Western Cape.

Following significant water crises, starting in 2010, the planning of a reverse osmosis plant in Durban, South Africa capable of processing 36mn m3 per day has been built. The total cost of the project is USD 76.9mn, and the plant is noted for its 50% recovery ratio (most other plants have a recovery ratio of less than 45%) (source: World Bank). Following the recent water crisis in Cape Town, Western Cape, a few small desalination projects have been implemented.

3-2-4-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Southern African Power Pool.
- **Ministries:** Ministry of Mineral Resources and Energy.
- **Government bodies and agencies:** Department of Energy, The Petroleum Agency of South Africa (PASA), The National Energy Regulator of South Africa (Nersa), Department of Water Affairs.

South Africa has three acts that direct the country's electricity sector's planning and development: the National Energy Act of 2008, the National Energy Regulator Act of 2004 (NERA) and the Electricity Regulation Act (ERA) of 2006. In May 2011, the Department of Energy (DoE) gazetted the Electricity Regulations on New Generation Capacity under the ERA. The New Generation Regulations establish rules and guidelines that apply to the undertaking of an IPP Bid Programme and the procurement of an IPP for new generation capacity. They also facilitate fair treatment and non-discrimination between IPPs and the energy buyer (source: Eskom, South African Government).

The Integrated Resource Plan 2019 (IRP) in the National Energy Act is specific to the electricity sector. It sets out a planning framework for the management of electricity supply in South Africa. Energy security in the context of this IRP is defined as South Africa developing adequate generation capacity to meet its electricity demand under both the current low-growth economic environment and even when the economy turns and improves to the level of 4% growth per annum. It notes its desire to balance the benefits of not committing to projects and forgoing gains from improved technology and the observed large lead times in energy projects (source: Thomson Reuters Practical Law, Integrated Resource Plan 2019).

Energy regulator NERSA granted a price hike for Eskom at the start of March 2019, which will allow the power utility to raise its prices by 25% over the following three years. The first of these increases, coming in at just over 9.4%, went into effect from 1st April. On top of the price hike, NERSA also previously granted Eskom permission to recover ZAR 7.8bn through a Regulatory Clearing Account application, which will see a further 4.4% added to the total over the period. This puts electricity prices at some of the lowest globally, but still high compared to peers in emerging markets (source: BusinessTech).

Renewable energy procurement is subject to the Renewable Energy Independent Power Producers Programme (REIPPP). South Africa recently announced plans to launch three bid windows for a combined 6,800 MW of renewable energy through this programme. This consists of 2,600 MW of wind and solar in January/ February, another 2,600 MW in August and a third for 1,600 MW in January or February of 2022. These tenders are alongside the existing Risk Mitigation Procurement Programme, which aims for an extra 2,000 MW of capacity, where ACWA Power was recently announced as a preferred bidder (source: Reuters, South African Government).

3-2-5 Jordan (Country of Operation)

Jordan's power generation is expected to increase by 16% over the period from 2019 to 2025, and additional capacity will be required to meet this increase. The power sector operates under the single buyer model but is almost fully liberalised, with generation and distribution assets held by the private sector. Public authorities still dominate the water sector. Jordan aims to increase private participation, reform both power and water sectors, and increase desalination and electricity capacity.

Table (3-40): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	1.5	-	-	-
Other	GW	4.2	-	-	-

Source: NEPCO.

3-2-5-1 Overview and background

Table (3-41): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	31.4	34.1	36.3	38.0	39.2	40.7	42.2	43.7	4.9%	-
GDP per capita	USD	3,877	3,998	4,073	4,105	4,104	4,163	4,242	4,330	1.6%	-
Real GDP (local currency) growth	% YoY	2.7%	2.8%	3.1%	2.4%	2.0%	2.1%	1.9%	2.0%	-	3.7% (2021)
Population	million	8.1	8.5	8.9	9.3	9.6	9.8	10.0	10.1	3.2%	10.6 (2030)
Inflation rate	%	4.5%	4.8%	2.9%	-0.9%	-0.8%	3.3%	4.5%	0.8%	-	1.6% (2021)
Public debt / GDP	%	70.5%	75.6%	75.0%	78.4%	77.4%	76.0%	75.1%	78.0%	1.5%	-

Source: NEPCO, International Monetary Fund, United Nations, World Bank. CAGR is computed for the time period where data is available.

Economic activity has been weak in Jordan. Real GDP growth during the first three quarters of 2019 stood at 1.9%, consistent with the trend over the past three years. Headline inflation remained subdued through 2019, with growth in consumer prices averaging at 0.8% compared to 4.5% in 2018. Jordan's near-term growth prospects have substantially weakened due to the Covid-19 pandemic. Jordan's economic growth is projected to contract significantly to -3.5% of GDP in 2020. Given Jordan's already elevated debt levels, policy responses are constrained by limited fiscal space and a Covid-19-induced sharp drop in capital flows to emerging markets as global risk aversion surges (source: World Bank).

The credit rating for Jordan was last reported at B+ with stable outlook (S&P), B1 with stable outlook (Moody's), BB- with negative outlook (Fitch).

As a result of the Covid-19 pandemic, the Central Bank of Jordan reduced policy rates by a cumulative 150 basis points in March 2020, as well as announcing a package of measures, injecting additional liquidity of JD 550mn (USD 776mn). The government also instituted a temporary cash transfer program to support the unemployed and self-employed, which was subsequently extended in December 2020. In June, as a response to the pandemic's economic impact, Jordan issued a double tranche of Eurobonds worth USD 1.75bn at a coupon of c. 5% with a maturity of 10 years. There was strong investor interest in this issuing, and it was 6.25 times oversubscribed (source: IMF, Reuters).

3-2-5-2 Overview of the power sector

Jordan issued their National Energy Strategy Plan 2012-2020 with a target of 20% of renewable energy input to the energy mix by 2020. This aimed for an added 1,200 MW of wind power and 600 MW of solar power to enhance the local energy sources' contribution in the total energy mix. Following the success in reaching this goal, Jordan set a further target of sourcing 31% of its electricity from renewables by 2030.

Prior to this, in 2008, the Government approved a USD 18bn energy strategic plan to guide the country until 2020, covering all aspects of the energy sector from generation to transmission and conventional power to renewable and nuclear energy. The Renewable Energy and Energy Efficiency Law, amended in 2014, also provides incentives and directives to implement these targets. Jordan was also aiming to generate 30-50 MW of power from waste-to-energy projects by 2020 (source: IRENA, MEMR).

Table (3-42): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2025 est.
Electricity consumption	TWh	14.3	14.6	15.4	16.2	16.7	17.5	17.5	17.9	3.3%	-
Electricity generation	TWh	16.6	17.3	18.3	19.0	19.7	20.8	20.5	21.2	3.6%	24.3
Peak electricity demand	MW	2,900	2,975	2,900	3,310	3,250	3,320	3,205	3,380	2.2%	3,645
Peak demand growth rate	% YoY	-	2.6%	-2.5%	14.1%	-1.8%	2.2%	-3.5%	5.5%	-	-

Source: NEPCO.

Table (3-43): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	Future est.
Conventional fossil fuels	MW	3,299	3,173	3,863	4,008	3,774	3,695	4,246	4,242	3.7%	-
Renewables:	MW	13	13	13	135	496	606	991	1,486	96.8%	-
hydro	MW	12	12	12	12	12	12	12	12	0.0%	-
wind	MW	1	1	1	118	198	198	280	370	132.7%	-
solar	MW	0	0	0	5	286	396	699	1,101	285.2%	-
other	MW	4	4	4	4	4	4	4	4	0.0%	-
Total installed capacity	MW	3,312	3,186	3,877	4,143	4,269	4,300	5,236	5,728	8.1%	-
Capacity growth rate	% YoY	-	-3.8%	21.7%	6.9%	3.1%	0.7%	21.8%	9.4%	-	-

Source: NEPCO. Note: Other renewables include geothermal and modern biofuel production. As of 2018, oil accounted for 19% of conventional fuel generation and natural gas for approximately 2%. There is currently no installed nuclear energy capacity in Jordan nor are there plans for capacity to be built. CAGR may differ slightly due to rounding.

Operators:

- **Transmission grid:** National Electric Power Company (NEPCO).
- **Distribution grids:** Central part of Jordan: Jordan Electric Power Company (JEPCO); Northern part of Jordan: Irbid District Distribution Company (IDECO); and Southern part of Jordan: Electricity Distribution Company (EDCO).

Table (3-44): Power capacity of major generators

Energy producers	Unit	2013	2014	2015	2016	2017	2018	2019
Samra Electricity Power Company (SEPCO)	MW	888	1,059	1,059	1,059	1,129	1,245	1,250
AES	MW	370	373	373	373	373	370	370
Al Quatraneh	MW	373	373	373	373	373	373	370
IPP3	MW	-	-	570	570	570	573	573
IPP4	MW	-	-	240	240	240	241	241
ACWA Power	MW	692	692	692	692	692	1,227	1,227

Source: ACWA Power, EMRC, MEMR. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

In the 2000s, Jordan started to restructure the power sector. NEPCO was split into three entities: a transmission, a generation and a distribution company. The market liberalization began when the Central Electricity Generation Company was partly-privatized (by 60%), along with the Electricity Distribution Company (EDCO). The first Amman East Power Company IPP project began operating in 2008, and, as of 2017, more than 67% of the generation capacity was owned by IPPs.

The transmission system operator NEPCO is still a wholly state-owned company and the single buyer in Jordan's power market. All four distribution companies are currently privately owned, and more than half of the generation activities (except SEPCO) are also privatized. In 2001, the Electricity Regulatory Commission was created to regulate these assets. Implementing the Energy and Efficiency Law to encourage investment and competition in the sector permitted investors to develop generation on projects through tenders. These tenders are announced by the Ministry of Energy and Mineral Resources for companies engaged in renewable energy projects or special generation-consumption licences, then licensed by the EMRC (source: EMRC, MEMR, NEPCO).

3-2-5-3 Overview of the water sector

The main operators are The Water Authority of Jordan (WAJ) and The Jordan Valley Authority (JVA).

Table (3-45): Evolution of water market and breakdown of desalination capacity by process

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/17
Installed capacity:	000m3/ day	208.0	208.0	208.0	212.4	212.4	212.4	-	-	0.4%
SWRO	000m3/ day	78.4	78.4	78.6	82.8	82.8	82.8	-	-	1.1%
Other	000m3/ day	129.6	129.6	129.6	129.6	129.6	129.6	-	-	0.0%

Source: MWI.

To face Jordan's water scarcity issue, the National Water Strategy 2016-2025, which followed the 2008-2022 Strategy, was developed to adopt a strategic and integrated approach to address the water shortage and provide sustainable water resources management. The water sector is mainly dominated by conventional treatment plants. However, desalination plants started to expand from 2000 onwards, and the total seawater treated was 8,850 m^3/hr in 2017 (source: MWI).

The Water Authority of Jordan is responsible for the operational management of the water sector, which includes bulk water supply and retail distribution where commercialization of distribution services has not occurred. The Jordan Valley Authority is responsible for the socio-economic development of the Jordan Valley, and primarily manages bulk water supply for irrigation, domestic and industrial purposes. Water and sanitation are then regulated mainly by the WAJ, under Law No. 18 of 1988, and by the JVA, under Law No. 30 of 2001, as well as by the MWI, under Law No. 54 of 1992. The first private entities began operating in the early 2000s. Since then, several private actors have been given limited government resources, and the private sector is noted to be required to meet Jordan's targets, as it could offer solutions through public/private partnerships (source: MWI).

3-2-5-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Arab Union of Electricity.
- **Ministries:** Ministry of Water and Irrigation (MWI); Ministry of Energy and Mineral Resources (MEMR); Ministry of Environment.
- **Government bodies and agencies:** Jordanian Renewable Energy and Energy Efficiency Fund (JREEEF); Energy and Mineral Regulatory Commission (EMRC); Water Authority Jordan (WAJ); Jordan Valley Authority (JVA).

Independent Power Producers have been authorized since 2002, and NEPCO conducts contracts with the private sector under PPAs, with the government providing a financial guarantee. The Renewable Energy and Energy Efficiency Law also provides incentives and directives to implement renewable energy targets, on top of encouraging investment and competition in the sector. It allows investors to develop generation on projects through tenders announces by the MEMR for companies engaged in renewable energy projects or special generation-consumption licences, then licensed by the EMRC (source: Castlereagh Associates).

JREEEF was created in 2015 and provides loan guarantees for small-scale projects, helping finance the energy-related national targets to upsurge investment and business in renewable energy and energy efficiency, especially foreign investments and contributions (source: JREEEF). The EMRC issued a reference price list for the different renewable technologies, and Jordan also created an incentive tax regime where renewable energy projects are partially exempted from Custom Duties and Sale Taxes (source: MEMR, USAID JORDAN).

In March, the Kingdom's Energy and Mineral Resources Commission (EMRC) instructed power distribution companies to disconnect all wheeling solar facilities due to low electrical loads induced by Covid-19 containment measures.

NEPCO has been facing financial issues since 2011. However, the European Bank for Reconstruction and Development approved a USD 265mn restructuring loan finance capital expenditures to improve renewable energy integration and refinance existing debt at the end of 2018. This was then supplemented by a US$ 100 million financing package in 2021 (source: EBRD).

Concerning the water sector, a Sector Capital Investment Program 2016-2025 was implemented with regard to the National Water Strategy 2016-2025, and the Ministry of Water and Irrigation received bids for the first phase of the Red Sea-Dead Sea project with Israel in 2016 and hopes to have construction completed by 2021, where seawater will be pumped to produce desalinated water (source: MEMR).

The Jordan Vision 2025 highlights the need to: reform the water sector; increase desalination and power capacity; enhance the Energy Efficiency and Renewable Energy measures and programs in all sectors; and that both energy and water sectors require Public-Private Partnerships. As part of this, in 2018, the MEMR launched a third round of investment in solar energy and wind power projects in conjunction with the expansion of the Green Corridor and is aiming to continue creating an attractive investment environment capable of attracting foreign capital and encouraging local investment (source: MEMR).

3-2-6 Morocco (Country of Operation)

Moroccan power capacity and demand have seen moderate growth over the past ten years. The sector is approximately split between two-thirds conventional fossil fuel and one-third of renewable energy. However, the government has stated a definite aim to diversify the power mix and electrify all the country. The sector has historically been dominated by the Office National de l'Electricité et de l'Eau (ONEE) in terms of generation, transmission and distribution activities, but, as of 2019, more than 70% of generation was carried out by IPPs. Morocco has plans to improve legislation and competitiveness to attract more IPPs and private investments and develop seawater treatment plants and innovate with hydrogen and gas to power technologies.

Table (3-46): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	3.7	13.2	9.5	12%
Other	GW	6.9	-	-	-

Source: ONEE, IEA.

3-2-6-1 Overview and background

Table (3-47): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	98.3	106.8	110.1	101.2	103.3	109.7	117.9	118.7	2.7%	-
GDP per capita	USD	2,913	3,122	3,172	2,875	2,897	3,036	3,222	3,204	1.4%	-
Real GDP (local currency) growth	% YoY	3.0%	4.5%	2.7%	4.5%	1.1%	4.2%	3.0%	2.3%	-	4.8% (2021)
Population	million	33.2	33.7	34.2	34.7	35.1	35.6	36.0	36.5	1.3%	40.8 (2030)
Inflation rate	%	1.3%	1.9%	0.4%	1.6%	1.6%	0.8%	1.9%	0.2%	-	1.3% (2021)
Public debt / GDP	%	56.5%	61.7%	63.3%	63.7%	64.9%	65.1%	65.0%	65.8%	2.2%	-

Source: Source: IMF, United Nations, World Bank. CAGR is computed for the time period where data is available and may differ slightly due to rounding.

Economic activity slowed down in 2019. Real GDP growth decelerated to 2.3%, mainly driven by agricultural output contraction by 5.4% and modest non-agricultural growth. On the demand side, private consumption contributed the most to growth, boosted by higher salaries and low inflation. Thanks to prudent monetary policy and declining import prices, inflation has remained low and controlled at under 0.5%. Following five years of strong fiscal consolidation efforts, the fiscal deficit widened in 2019 to an estimated 4.1% of GDP driven mainly by increased spending, especially on wages and social programs, but also by lower than forecasted corporate tax revenue and grants from the Gulf Cooperation Council (source: World Bank).

The credit rating for Morocco was last reported at BBB- with negative outlook (S&P), Ba1 with negative outlook (Moody's), BB+ with stable outlook (Fitch).

The country has announced the creation of a special fund to manage the pandemic, valued as of April 2020 at MAD 32bn (approximately USD 3bn), including 10bn from the State's budget and 1.5bn from the Regions. On 6 August, the government announced a new 'Fund for Strategic Investment' (source: OECD, IMF).

3-2-6-2 Overview of the power sector

Over half of the installed capacity in Morocco comes from conventional fossil fuels. The government has noted a strong aim to develop clean energies, as well as to electrify all rural citizens, with their National Energy Strategy, with Renewable Energy and Energy Efficiency Plan as the main pillars. This became possible through (i) creation of dedicated organizations to support the implementation of the strategy (Masen and SIE), (ii) passing legislation to provide the sector with an ad hoc governance and set up a national regulatory scheme and, (iii) creation of national energy funds. The first National Energy Law targeted a 42% renewable energy share in 2020, and this has since been increased to a target of 52% by 2030 (source: EIA, MEME).

Table (3-48): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Electricity consumption	TWh	27.6	27.8	28.8	29.4	30.0	31.4	30.7	-	1.8%	-
Electricity generation	TWh	26.5	26.9	28.1	29.9	30.8	31.9	34.5	40.3	6.2%	-
Peak electricity demand	GW	5.2	5.6	5.7	5.9	6.0	6.2	6.3	-	3.0%	-
Peak demand growth rate	% YoY	-	5.7%	1.6%	3.4%	3.2%	2.1%	2.1%	-	-	-

Source: ONEE. CAGR is computed for the time period where data is available and may differ slightly due to rounding.

Table (3-49): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2030 est.
Conventional fossil fuels	MW	4,652	5,077	5,427	5,431	5,412	5,851	7,237	6,976	6.0%	-
Renewables:	MW	2,025	2,265	2,567	2,726	2,849	2,969	3,701	3,701	9.0%	13,237
hydro	MW	1,770	1,770	1,770	1,770	1,770	1,770	1,770	1,770	0.0%	2,636
wind	MW	255	495	797	795	898	1,018	1,220	1,220	25.1%	5,420
solar	MW	0	0	0	161	181	181	711	711	45.0%	5,271
Total installed capacity	MW	6,677	7,342	7,994	8,157	8,261	8,820	10,938	10,677	6.9%	-
Capacity growth rate	% YoY	-	10.0%	8.9%	2.0%	1.3%	6.8%	24.0%	-2.4%	-	-

Source: ONEE, IEA. Note: Other renewables include geothermal and modern biofuel production. As of 2019, coal accounted for 59% of conventional fuel generation and natural gas for 28%. There is currently no installed nuclear energy capacity in Morocco nor are there plans for capacity to be built. CAGR for solar is calculated over the time period 2016-2019.

Operators:

- **Transmission grid:** National Office of Electricity and Potable Water (Office National de l'Electricité et de l'Eau Potable (ONEE)).
- **Distribution grid:** ONEE, Lydec (in Casablanca), Redal (in Rabat), Amendis (in Tanger and Tetouan) as well as 7 local municipal utilities (Régies).

Electricity market type: contractual.

Table (3-50): Power capacity of major generators

Energy producers	Unit	2015	2016	2017	2018	2019
TAQA	MW	2,056	2,056	2,056	2,056	2,056
ENGIE	MW	301	301	1,566	1,566	1,566
SAFIEC	MW	1,386	1,386	1,386	1,386	1,386
JLEC	MW	1,356	1,356	1,356	1,356	1,356
ACWA Power	MW	0	160	160	765	765
EET	MW	384	384	384	384	384
Tarec	MW	300	300	300	300	300
CED	MW	50	50	50	50	50

Source: ACWA, Casablanca Bourse, TAQA. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Market positioning of IPP/IWPP within the electricity supply value chain:

In 2019, more than 75% of power generation came from IPPs, with the rest coming from ONEE generation plants. Since the development of the National Energy Strategy in 2009 and the implementation of some related laws, the Moroccan power sector has begun liberalising the supply chain to enhance renewable energy and energy efficiency. However, the sector is still vertically integrated, dominated by the Office National de Electricité et de l'Eau, which has generation assets, is the transmission system operator and single buyer and operates more than half of the distribution system (source: ONEE).

The Renewable Energy Law 13-09 allows electricity to be produced, sold and exported by any private producer, as long as they utilise renewable energy sources. ONEE allocates concessions to private operators directly with purchase guarantees through IPP competitive bidding processes for large-scale projects. As of 2019, 62% of power generation came from thermal IPPs and 13% from renewable IPPs (source: MEME, ONEE).

On tariff regulation and cost recovery, performance has been poor but has begun to improve. Morocco has long functioned without a regulatory entity, leading to poor regulatory governance and limited application of best practice methodologies for tariff regulation. Between 2014 and 2017, new tariffs were implemented as part of a financial restructuring process. ONEE and four other distribution utilities now appear to be recovering their operating expenditure from energy sales, but not necessarily their capital costs. The establishment of a National Energy Regulatory Authority in June 2016 was a further step towards liberalization of the market, aiming to regulate both electricity and gas markets (source: ONEE, World Bank).

3-2-6-3 Overview of the water sector

The main water operators are ONEE, the local authorities (Basin Agencies) and private entities (Redal, Amendis, Lydec etc). Since the Moroccan Water Sector Development Strategy in 2009, the government has given sanitation and water-related targets a large place in their national objectives, aiming to provide potable water access to the majority of the population. Under an Integrated Water Resources Management (IWRM) approach and the Water Law 36-15, which both recognise non-conventional sources (such as desalination) as a key to meeting long term sustainability, ONEE is planning 64 additional treatment plants by 2023. In 2014, it also committed to adding 500mn m3 of water production capacity per year coming from desalination and demineralization of brackish waters.

First financed by ONEE in the early 2000s, the private sector and investment in the form of build-operate-transfer or build-own-operate-transfer contracts are currently on-trend to ensure the country's objectives in terms of desalination and potable water (source: ONEE).

As part of Morocco's liberalization in the early 2000s, the private sector began to participate in water distribution activities and wastewater treatment operations in some large cities. Following the National Water Plan of 2010 and related programs (for example, the Green Morocco Plan or the National Sanitation Plan) that preceded the Water Law 36-15 in 2016, the participation of users, local communities and the private sector in the management of water resources has been encouraged through contractual relations. The Ministry of Energy, Mining Water and Environment (MEME), the Ministry in Charge of Environment and Finance, and other ministries, as well as the local authorities, can authorise the decentralization of water resources. Privates entities have emerged and are planning to be given an increased role (source: World Bank).

3-2-6-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Arab Union of Electricity.
- **Ministries:** Ministry of Energy, Mining Water and Environment (Ministère de l'Energie, des Mines de l'Eau et de l'Environnement).
- **Government bodies and agencies:** Energy Development Fund, Moroccan Agency for Sustainable Energy, National Office of Oils and Mining, National Authority of Electricity Regulation, Energy and Climate Observatory, Moroccan Agency for Energy Efficiency, Higher Council for Water and Climate.

Since 1994, under Law 2-94-503, the national power monopoly, ONEE, has entered into PPAs with IPPs. Under the RES Law 3-09, private power producers can use the transmission grid and enter into direct purchase agreements with end-users to sell the electricity produced from renewable resources. The government introduced Law 54-05, on the Delegation of Public Services, the Public-Private Partnership Law and Law 17-08 for Distribution Activities after four major cities chose to outsource power and water distribution to the private sector (source: World Bank).

In 2015, the scope of renewable energy law was further widened to distribution grids. Private renewable energy developers can connect their projects to the medium voltage grid and directly access the end-users, albeit under some restrictions (source: World Bank).

The National Energy Regulatory Agency began operation in 2020, and ONEE's transmission network will be administered independently of energy production to avoid discrimination against new producers (source: MEME, Thomson Reuters Practical Law).

In March 2021, Morocco announced the launch of Green H2 Maroc, the country's Green Hydrogen cluster. This is part of a plan to provide a supportive investment climate for the Green Hydrogen sector in Morocco. Morocco aims to become a leading hub for the export of Green Hydrogen and its derivatives in North Africa, given its substantial renewable energy capacity that enables it to support production (source: Morocco World News).

3-2-7 Bahrain (Country of Operation)

Bahrain's electricity demand is expected to increase by 26% by 2030, and renewable energy sources are set to increase from only 1% of the power mix to more than 31% by 2025. Bahrain's power sector allows private participation only in electricity generation, but IPPs procure 80% of the total electricity supply through off-take contracts. Bahrain has relied on desalination for decades, and the industry, that is undergoing privatisation, supplies more than 98% of the country's total water.

Table (3-51): Announced changes to the installed capacity

Electricity source	Unit	Current (2017)	Expected (2025)	Additions	CAGR
Renewables	MW	7	255	248	57%
Other	MW	3,922	-	-	-

Source: EIA, IRENA, SEA.

3-2-7-1 Overview and background

Table (3-52): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	30.7	32.5	33.4	31.1	32.3	35.4	37.7	38.6	3.3%	-
GDP per capita	USD 000s	23.7	24.7	24.9	22.7	22.6	23.7	23.9	23.5	-0.1%	-
Real GDP (local currency) growth	% YoY	3.7%	5.4%	4.4%	2.9%	3.5%	3.8%	2.0%	1.8%	-	3.0% (2021)
Population	million	1.3	1.3	1.3	1.4	1.4	1.5	1.6	1.6	3.4%	2.0 (2030)
Inflation rate	%	2.8%	3.3%	2.6%	1.8%	2.8%	1.4%	2.1%	1.0%	-	2.5% (2021)
Public debt / GDP	%	36.2%	43.9%	44.4%	66.0%	81.3%	88.2%	94.7%	103.4%	16.2%	-

Source: EWA, IMF, United Nations, World Bank. CAGR is computed for the time period where data is available.

Overall growth is estimated to have remained flat at 1.8% in 2019 due to drag from fiscal consolidation measures. Non-oil sector growth is estimated to have remained around 2%, sustained by gains in finance, construction and hospitality, against the significant declines in other sectors, including manufacturing and real estate. Oil GDP growth is estimated to have returned to positive figure rising to 1%, driven by slightly better crude oil production, while capped by the now-lapsed OPEC+ output cut agreement. Inflation has weakened at an average of 1% in 2019 despite the introduction of VAT in January 2019, reflecting weak domestic demand. Overall economic growth is expected to contract this year as economic disruption associated with Covid-19 will weaken oil demand and weigh heavily on non-oil activity (source: World Bank).

The credit rating for Bahrain was last reported at B+ with stable outlook (S&P), B2 with stable outlook (Moody's), B+ with stable outlook (Fitch).

A BHD 560mn (USD 1.5bn or 4% of GDP) stimulus package to respond to the economic distress due to the Covid-19 pandemic was announced on March 17. This has since been extended to support the salaries of most affected workers, payment of water and electricity bills and support for businesses, amongst other measures (source: IMF).

3-2-7-2 Overview of the power sector

The National Energy Efficiency Action Plan, launched in 2017, set a national renewable energy target of 5% by 2025 and 10% by 2035. The proposed renewable energy mix consists of solar, wind and waste to energy technologies, attracting more than BHD 140mn of investment by 2025. According to EWA's projections, the demand for grid-supplied electricity could reach 21.7 TWh, 28.2 TWh or as high as 34.6 TWh in their low, medium and high growth scenarios, respectively (source: SEA).

Table (3-53): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/18	2025 est.
Electricity consumption	TWh	12.6	13.4	15.2	16.6	16.3	16.6	17.2	-	5.3%	28.2*
Electricity generation	TWh	14.3	14.7	16.3	17.2	17.1	17.9	17.8	-	3.8%	-
Peak electricity demand	GW	2.9	2.9	3.2	3.4	3.4	3.6	3.4	-	3.0%	5.1
Peak demand growth rate	% YoY	-	1.4%	7.9%	9.2%	-0.6%	4.4%	-3.6%	-	-	-

Source: EWA, SEA. Growth rates may differ slightly due to rounding. *This refers to EWA's medium growth scenario.

Table (3-54): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2025 est.
Conventional fossil fuels	MW	3,934	3,934	3,934	3,922	3,922	3,922	3,922*	3,922*	0.0%	-
Renewables	MW	1	1	6	6	7	7	7	7	32.0%	-
Total installed capacity	MW	3,935	3,935	3,940	3,928	3,929	3,929	3,929*	3,929*	0.0%	-
Capacity growth rate	% YoY	-	0.0%	0.1%	-0.3%	0.0%	0.0%	0.0%	0.0%	-	-

Source: EIA, IRENA, SEA. Note: Renewables are mainly solar technologies. There is currently no installed nuclear energy capacity in Bahrain nor are there plans for capacity to be built. *The data for installed capacity in 2018 and 2019 is not published yet, however, there has been no additional power capacity installed.

Operators:

- **Transmission grid:** Electricity and Water Authority (EWA).
- **Distribution grid:** Electricity and Water Authority (EWA).

Table (3-55): Power capacity of major generators

Energy producers	Unit	2013	2014	2015	2016	2017	2018	2019
ENGIE	MW	3,117	3,117	3,117	3,117	3,117	3,117	3,117
Al-Dur Power and Water Company	MW	1,228	1,227	1,226	1,225	1,225	1,225	-
Al Ezzel Power Co. (AEPC)	MW	943	943	942	942	942	942	-
Hidd Power Company	MW	929	929	929	929	929	929	-

Source: ENGIE, EWA

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

With the adoption of the Electricity Law in 1996, the private sector was allowed to participate in the power generation market, where vertically integrated utilities coexist with the private sector for power generation. There is no independent regulatory agency in Bahrain. EWA is the sole body responsible for electricity transmission, distribution, and grid operation. The Governmental Power Stations form about 17% of the national grid capacity, with 80% of the Kingdom's power being produced by IPPs and IWPPs, while the rest is supplied by the power links with Aluminium Bahrain and the Gulf Cooperation Council (source: Electricity and Water Authority).

Previously, electricity and water tariffs were subsidised. After March 2016, new tariffs have been applied to consumers, per the new schedule announced by the EWA. The electricity tariffs were planned to gradually increase to meet the cost of power generation of 77 USD per MWh by 2019 (source: SEA).

3-2-7-3 Overview of the water sector

The main operator is the Electricity and Water Authority (EWA).

Table (3-56): Evolution of water market and desalination capacity

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR
Desalinated water production	mn m3/ year	216	224	239	260	261	263	261	261*	2.7%
Water consumption	mn m3/ year	240	249	260	257	257	258	261	-	1.4%
Installed capacity:	mn m3/ day	-	-	-	-	0.9	0.9	0.9	-	0.0%
SWRO		-	-	-	-	0.3	0.3	0.3	-	0.0%
MSF		-	-	-	-	0.5	0.5	0.5	-	0.0%
MED		-	-	-	-	0.04	0.04	0.04	-	0.0%
Water peak demand	mn m3/ day	0.7	0.7	0.8	0.8	0.8	0.8	0.8	-	2.1%

Source: EWA. Note: SWRO stands for Sea Water Reverse Osmosis, MSF for Multi-stage flash distillation and MED for Multiple-Effect Distillation. *The data for desalination production in 2019 is not published yet but there was no additional water production in comparison to 2018. CAGR is computed for the time period where data is available.

Bahrain has relied on desalination for decades and introduced multi-stage flash distillation in 1975 with its first desalination plant at Sitra. Reverse osmosis followed in 1984, and multiple-effect distillation was then implemented in 2004. Since 2015, more than 98% of the total water production has come from desalination plants, and more than 35% of this is from reverse osmosis. No notable national water strategies or programs were in place before 2018 (source: Cooperation Council for the Arab States of the Gulf, Water Resources Council).

EWA, through The Water Production Directorate and The Water Distribution Directorate, is the main actor in the water sector. However, as the privatization process started in the power sector, IWPPs now represent a large share of the water production (source: EWA).

3-2-7-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** The Gulf Cooperation Council Interconnection Authority; The Arab Union of Electricity; The Regional Centre for Renewable Energy and Energy Efficiency.
- **Ministries:** Ministry of Electricity and Water Affairs; Ministry of Works; Municipalities Affairs and Urban Planning.
- **Government bodies and agencies:** Electricity and Water Authority (EWA); Sustainable Energy Authority (SEA); Supreme Council for the Environment; National Oil and Gas Authority of the Kingdom of Bahrain (NOGA); Economic Development Board Bahrain; The Electricity and Water Conservation Directorate; The Tender Board.

In 2018, the National Water Strategy 2030 was approved, guided by the GCC Unified Water Strategy (2016-2035); however, there is no evidence that formal regulation and laws have passed.

For the power sector, with the National Renewable Action Plan, authorities are trying to motivate private developers to invest in renewable energy and are aware of the need for a mechanism whereby private investors can sell the power produced from renewable sources and generate income with a guaranteed price. Such policies can be either feed-in tariff policies, auctions or competitive public tenders (source: SEA).

To achieve the stated targets and attract private sector investment in renewable energy technologies, three complementary policies were part of the National Action: a net metering scheme for decentralized small-scale solar systems (operational in 2020); tender-based feed-in tariffs with a long-term purchase guarantee of electricity from renewable sources; and a renewable energy mandate for new buildings.

Despite the existing measures, the country does not yet have an overall energy strategy in place, nor does it provide greater incentives geared to attract private sector investments in renewables and energy efficiency. There is no evidence of water strategies for desalination.

In 2019, the Government Action Plan 2019-2022 was approved. The plan focuses on empowering the private sector; enhancing the investment climate; cutting down expenditures; and better utilising water resources. In 2020, the first renewable energy certificates were launched that are granted to renewable energy producers and investors in solar energy systems to enable them to register their production with the SEA (source: Asharq al-Awsat, Bahrain News Agency, IRENA).

Through the Bahrain Economic Vision 2030, the private sector is set to drive growth in Bahrain independently from the public sector and promote sustainable energy (source: Economic Vision 2030, SEA).

3-2-8 Egypt (Country of Operation)

Population growth and the potential Egypt-Sudan interconnection are driving power needs in Egypt. The country plans for large-scale capacity additions in both solar and wind power, combining to a 24 GW expansion of renewable energy capacity by 2025. Egypt's electricity market is liberalised, and the state-owned Egyptian Electricity Transmission Company has shown willingness to engage with IPPs.

Table (3-57): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2025)	Additions	CAGR
Renewables	GW	5.1	29.4	24.3	34%
Other	GW	53.3	75.1	21.8	6%

Source: Egyptian Electricity Holding Company Annual Reports. Note: "Other" additions include, among others, nuclear (3.6 GW).

3-2-8-1 Overview and background

Table (3-58): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	279.4	288.6	305.5	332.7	332.9	235.4	250.9	303.2	1.2%	-
GDP per capita	USD	3,233	3,264	3,379	3,599	3,525	2,441	2,549	3,020	-1.0%	-
Real GDP (local currency) growth	% YoY	2.2%	2.2%	2.9%	4.4%	4.3%	4.2%	5.3%	5.6%	-	5.8% (2022)

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Population	million	86.4	88.4	90.4	92.4	94.4	96.4	98.4	100.4	2.2%	111.5 (2025)
Inflation rate	%	7.1%	9.5%	10.1%	10.4%	13.8%	29.5%	14.4%	10.5%	5.7%	10.0% (2022)
Public debt / GDP	%	62.9%	71.9%	73.2%	76.6%	84.4%	77.4%	70.3%	70.1%	1.6%	-

Source: Central Bank of Egypt, IEA, World Bank. CAGR is computed for the time period where data is available.

GDP growth increased in Egypt to 5.6% in FY2019 (ending June 2019), compared to an average of 4.6% in the previous three years. This robust performance was sustained throughout the first half of fiscal year 2020, driven mainly by investments and improving net exports. Job-creation has been somewhat subdued, with the share of employed individuals within the working-age population remaining low, at 39%, and may be hindered further by the adverse effect of the Covid-19 pandemic on the Egyptian economy, notably through its impact on domestic production, trade, tourism, and remittances. Inflation has been high in recent years, but, as of 2019, remains consistent with the Central Bank's target of 9+/-3% (source: IMF, World Bank).

The credit rating for Egypt was last reported at B with stable outlook (S&P), B2 with stable outlook (Moody's), B+ with stable outlook (Fitch).

The Egyptian government has announced stimulus policies of USD 6.1bn to mitigate the economic impacts of Covid-19, which includes USD 3.1bn for the support of the tourism sector. This will be partially funded through a new 'corona tax' on salaries and pensions. The Central Bank of Egypt has reduced the policy rate by a cumulative 400bps (source: IMF).

3-2-8-2 Overview of the power sector

Egypt is the largest oil and natural gas consumer in Africa, accounting for 22% of petroleum and other liquids consumption and 37% of dry natural gas consumption in Africa, as of 2016. The installed capacity of oil and gas is projected to reach 54.9 GW by 2025. Given the development of natural gas projects in the country, natural gas-fired generation is expected to remain the dominant fuel source for generation. Renewables remain secondary to fossil fuels in Egypt in this sense, but there remains great potential for renewable projects given Egypt's geographical positioning. For example, the Benban Solar Park became one of the world's largest solar parks when it was completed in 2019. An Egypt-Saudi interconnection is expected to begin operations in 2021, with a total capacity of 3 GW. Also, Egypt is considering other projects for the Eastern Nile Basin and an Egypt-Sudan interconnection commenced operation in 2020. Should these projects be implemented, these combined expansions will further enhance Egypt's need for additional power capacity beyond the existing targets (source: Construction Review Online, EBRD, EIA, Export.gov).

Table (3-59): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Electricity consumption	TWh	137.1	134.5	144.1	153.5	153.9	159.7	-	-	3.1%	-
Electricity generation	TWh	162.8	165.1	171.2	181.8	188.2	193.2	199.4	200.6	3.0%	-
Peak electricity demand	GW	27.0	26.1	28.0	29.2	29.4	30.8	31.4	-	2.9%	-
Peak demand growth rate	% YoY	-	-3.2%	7.2%	4.2%	0.7%	4.8%	1.9%	-	-	-

Source: BP, Egyptian Electricity Transmission Company, EIA. CAGR is computed for the time period where data is available.

Table (3-60): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2025 est.
Conventional fossil fuels	MW	25,587	27,313	28,528	31,836	35,273	41,424	51,224	53,274	11.0%	71,500
Nuclear	MW	0	0	0	0	0	0	0	0	0.0%	3,600
Renewables:	MW	3,487	3,487	3,487	3,487	3,687	3,687	3,989	5,079	5.5%	29,400
hydro	MW	2,800	2,800	2,800	2,800	2,800	2,800	2,832	2,832	0.2%	2,900

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	2025 est.
wind + solar	MW	687	687	687	687	887	887	1,157	2,247	18.4%	26,500
Total installed capacity	MW	29,074	30,800	32,015	35,323	38,960	45,111	55,213	58,353	10.5%	104,500
Capacity growth rate	% YoY	-	5.9%	3.9%	10.3%	10.3%	15.8%	22.4%	5.7%	-	-

Source: Egyptian Electricity Holding Company Annual Reports. Note: Other renewables include geothermal and modern biofuel production.

Operators:

- **Transmission grid:** Egyptian Electricity Transmission Company (EETC).
- **Distribution grid:** electricity subsidiaries of Egyptian Electricity Holding Company.

Table (3-61): Power capacity of major generators

Energy producers	Unit	2013	2014	2015	2016	2017	2018	2019
Egyptian Electricity Holding Company	MW	-	-	-	5,600	14,400	14,400	-
East Delta Electricity Production Company	MW	5,841	7,092	7,070	7,720	10,270	10,486	-
Cairo Electricity Production Company	MW	6,920	8,000	8,900	8,900	9,050	9,390	-
Upper Egypt Electricity Production Company	MW	3,443	4,169	3,354	3,354	4,954	6,504	-
Middle Delta Electricity Production Company	MW	5,277	5,424	5,424	5,424	5,863	5,863	-
ENGIE	MW	-	-	-	-	-	-	263
ACWA Power	MW	-	-	-	-	-	-	120

Source: ACWA Power, ENGIE, Egyptian Electricity Transmission Company. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

In Egypt, an IPP may sell electricity to private consumers under two different schemes; the net-metering scheme and the wheeling scheme:

- **The net metering scheme allows consumers with an installed solar plant on their premises to contract with the grid for the installation of a bi-directional meter in order to offset their electricity consumption with the excess electricity they feed back to the network. The net metering scheme requires that the solar power plant's capacity does not exceed 20 MW.**
- **Under the wheeling scheme, an IPP can construct a plant of any capacity and energy type and use the grid to sell electricity to off-takers. Access to the Transmission Grid or distribution network is granted in exchange for a wheeling fee, which is revised every two years (source:** Energy Egypt).

In June 2020, Egypt's Electricity of Energy announced electricity prices would increase by 19% as of July 1st – the seventh increase in prices since the current government took power in 2014. This follows an announcement that electricity subsidies will be phased out entirely by 2022 as part of Egypt's economic reform plan (source: Middle East Monitor).

3-2-8-3 Overview of the water sector

The main operator is the Holding Company for Drinking Water and Sanitation. In 2017, the Ministry of Housing, Utilities and Urban Development announced the construction of 16 desalination plants to preserve the use of Nile water for other activities.

In August 2020, Egypt announced plans to invest 134.2bn EGP (USD 8.5bn) through to 2050 to build 47 seawater desalination plants with a combined capacity of 6.4m m3 per day. The plan spans over six five-year periods, and the first will see 19 desalination plants built with a cumulative capacity of 312,00 m3 per day. These facilities will join 65 existing plants that produce 800,000 m3 per day (source: Afrik 21, Enterprise, Smart Water Magazine).

3-2-8-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Eastern Africa Power Pool, CIGRE, World Energy Council.
- **Ministries:** Ministry of Electricity and Energy (MOEE), Ministry of Petroleum and Mineral Resources.
- **Government bodies and agencies:** Egyptian Electricity Utility and Consumer Protection Regulatory Agency (EGYPTERA), New and Renewable Energy Authority (NREA).

The government of Egypt has proven to be supportive of IPPs, and state-owned electricity companies have been willing to engage with and encourage private investment. For example, EETC purchased nearly USD 230mn from IPPs between February 2018 and January 2020. However, there is no formal framework in place at present, although this may be subject to change in the near future (source: Afrik 21).

The 2015 New National Renewable Energy Strategy stipulated the auction mechanism to be introduced in Egypt for future renewable energy capacity procurement. In 2014, a competitive bidding mechanism for build-own-operate (BOO) contracts was established. Within the mechanism, the EETC held five rounds of tenders for BOO contracts. The EETC announced a call for applications and is responsible for running the auction. New and Renewable Energy Authority (NREA) is responsible for land provision to selected projects for the period when projects will be constructed and operating. After the decommissioning of the project, the land goes back to NREA. This auction was finalised in Autumn 2016 (source: Climate Policy Database).

The prices of electricity for different technologies are set by the Minister of Electricity and Renewable Energy. The current prices are set as per Ministerial Decree 100 of 2020, which outlines the electricity prices for five years starting from 2020/2021. The Decree also distinguishes prices between different categories of consumer (source: Thomson Reuters Practical Law).

There have been local media reports indicating that a formal IPP system is soon to be announced, which will increase opportunities for private investors in the country. This will be a key milestone in helping Egypt achieve its solar installed capacity targets (source: Daily News Egypt).

3-2-9 Vietnam (Country of Operation)

Vietnam's ambitious economic targets drive the need for higher installed capacity for electricity generation, and they intend to achieve this with a mix of coal-fired power stations and renewable energy. IPPs can enter into PPAs with state-owned Electricity Vietnam across all technologies, and there is no restriction on foreign ownership of power plants.

Table (3-62): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	24.6	32.0	7.4	2%
Other	GW	30.2	65.0	34.8	7%

Source: EIA, IRENA, McKinsey, WRI. Note: "Other" additions include, among others, coal (33.9 GW).

3-2-9-1 Overview and background

Table (3-63): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Nominal GDP (current USD)	USD billion	155.8	171.2	186.2	193.2	205.3	223.8	245.2	261.9	7.7%	-
GDP per capita	USD	1,735	1,887	2,030	2,085	2,192	2,366	2,567	2,715	6.6%	-
Real GDP (local currency) growth	% YoY	5.2%	5.4%	6.0%	6.7%	6.2%	6.8%	7.1%	7.0%	-	6.8% (2021)
Population	million	89.8	90.8	91.7	92.7	93.6	94.6	95.5	96.5	1.0%	102.8 (2025)
Inflation rate	%	9.1%	6.6%	4.1%	0.6%	2.7%	3.5%	3.5%	2.8%	-	3.5% (2021)
Public debt / GDP	%	40.5%	43.7%	46.3%	49.3%	50.9%	48.8%	46.2%	44.2%	1.3%	-

Source: World Bank, Asian Development Bank, Our World in Data, IEA, IMF. CAGR is computed for the time period where data is available.

Despite rising trade tensions and volatility in emerging economies throughout 2018, Vietnam's economy saw broad-based growth and low inflation. Government spending remained in check, and bank capital rules were strengthened, public debt is stable and under the state-mandated ceiling of 65%. In 2019, Vietnam's economy continued to show fundamental strength and resilience, supported by robust domestic demand and export-oriented manufacturing. Real GDP grew by an estimated 7 per cent in 2019, similar to 2018, one of the fastest growth rates in the region. Current economic risks relate to geopolitics, trade policy uncertainty, and domestic reform implementation. Looking ahead to the longer term, Vietnam will face risks associated to aging, climate change, and digitalization (source: IMF, World Bank).

The credit rating for Vietnam was last reported at BB with stable outlook (S&P), Ba3 with negative outlook (Moody's), BB with stable outlook (Fitch).

The Vietnamese government's Covid-19 support package totals 3.7% of GDP and includes deferring VAT and corporate income tax obligations, as well as a cash transfer package for affected workers that is estimated to benefit more than 10% of the population. In 2020, the investment capital disbursement rate was 83%, the highest in five years. Because of Vietnam's effective containment of the coronavirus, most restrictions have been lifted (source: IMF).

3-2-9-2 Overview of the power sector

Under the 7th version of the Power Development Plan (PDP VII) issued in 2011, Vietnam announced plans to transform its electricity generation mix over the next two decades to change its agriculture-based economy to a more industrial economy. To attain this goal and to ensure energy security, it is increasing its electricity generating capacity. Vietnam plans to add substantial coal-fired capacity and to promote renewable energy. Recent plans for constructing nuclear power plants in Vietnam were postponed following the Fukushima disaster, and generation is now expected to begin in 2028. Coal power plants will be the main contributors to expanding capacity, surpassing hydropower as the primary resource of electricity generation.

Vietnam intends to increase its non-hydro renewables capacity to 7GW by 2030. Due to high debt levels, the need for private sources is set to increase in the future, and the solar PV industry has already benefited from strong investor interest on a local and regional level. Vietnam is well-placed to expand its renewable capacity, given its location and geography. It has c. 3,000 km of coastlines that receive consistent wind at a range of 5.5 – 7.3m/s and strong solar capacity, averaging between 4 and 5 kWh/m2 (source: IEA, McKinsey, Thomson Reuters Practical Law).

Table (3-64): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	Future est.
Electricity consumption	TWh	103.9	106.8	121.6	144.7	162.0	160.0	-	-	9.0%	559 (2030)
Electricity generation	TWh	115.1	124.5	141.3	157.9	175.7	191.6	209.2	227.4	10.2%	-
Peak electricity demand	GW	19.0	20.0	22.0	25.0	28.0	31.0	35.0	-	10.7%	-
Peak demand growth rate	% YoY	-	5.3%	10.0%	13.6%	12.0%	10.7%	12.9%	-	-	-

Source: BP, EIA, Thomson Reuters Practical Law, Vietnam Energy Outlook. CAGR is computed for the time period where data is available.

Table (3-65): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2030 est.
Conventional fossil fuels	MW	13,417	15,539	18,268	22,779	23,320	24,220	26,800	30,249	12.3%	65,000
Renewables:	MW	13,713	14,901	15,264	16,208	17,486	18,214	18,712	24,631	8.7%	32,000
hydro	MW	13,552	14,718	15,069	15,905	17,131	17,809	17,989	18,069	4.2%	25,000
other	MW	161	183	195	303	354	406	723	6,562	69.8%	7,000
Total installed capacity	MW	27,130	30,440	33,532	38,987	40,806	42,434	45,512	54,880	10.6%	97,000
Capacity growth rate	% YoY	-	12.2%	10.2%	16.3%	4.7%	4.0%	7.3%	20.6%	-	-

Source: EIA, IRENA, McKinsey, WRI. Note: Other renewables include wind, solar, geothermal and modern biofuel production. As of 2019, coal accounted for 62% of conventional fuel generation. There is currently no installed nuclear energy capacity in Vietnam, nor are there plans for capacity to be built. CAGR is computed for the time period where data is available.

Operators:

- **Transmission grid:** National Power Transmission Corporation (Electricity Vietnam subsidiary).
- **Distribution grid:** Electricity Purchase and Trading Corporation (Electricity Vietnam subsidiary).

Table (3-66): Power capacity of major generators

Energy producers	Unit	2012	2013	2014	2015	2016	2017	2018	2019
Electricity Vietnam (inc. GENCOs)	MW	17,115	18,569	20,540	23,580	25,884	28,169	-	-
PetroVietnam	MW	2,715	3,560	4,429	4,435	4,435	-	-	-
Vinacomin	MW	1,545	1,545	1,485	1,785	1,785	-	-	-
ACWA Power	MW	-	-	-	-	-	-	-	41

Source: ACWA Power, Electricity Vietnam. Note: The capacity is presented on a contracted basis for the total power, without adjustments for effective ownership.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

Currently, Vietnam's electricity market is dominated by state-owned Electricity Vietnam (EVN), which acts as a single buyer of all electricity generated from on-grid independent power projects.

The first major private power plant was commissioned in 1996, since then IPPs have contributed about 14% of total installed capacity, covering all technologies available in Vietnam from small hydro to coal. The Vietnam Oil and Gas Group and Vietnam National Coal-Mineral Industries Holding Corporation Limited (Vinacomin) are the Vietnam's biggest IPPs. There is no restriction on foreign ownership of power generating projects; all foreign generation companies invest in the electricity sector in Vietnam via a build-operate-transfer model, transmission and distribution of electricity are not open to foreign investors. The total capacity of foreign-invested power producers accounted for 2,800 MW in 2015 and is increasing. Several BOT projects are currently being negotiated (source: Thomson Reuters Practical Law).

The main investor framework is a state-owned single buyer of electricity with IPPs. The average coal/ gas-fired power purchase agreement length in Vietnam is 25 years. The country is noted to have relatively high financing costs and other risks posed by the lack of policy to mitigate issues related to dispatch, payments, and legal disputes (source: IEA, Thomson Reuters Practical Law).

The role of the private sector and foreign investment, in particular, is increasing in the Vietnamese electricity market. Most foreign investment takes the form of build-operate-transfer projects (BOT), where a foreign investor builds a power generation project, operates it for a certain period of time to gain profits, and then transfers it to the Vietnamese Government. Several BOT projects are currently being negotiated.

The new version of Vietnam's Power Development Plan (PDP VIII) had key tasks approved in October 2019 and has since been finalised. This sets out the following priority order for approval of power plant/ generation projects: wind, waste-to-energy, biomass, hydropower, conventional power generation projects. The objectives of PDP VIII include (source: Thomson Reuters Practical Law):

- Encouraging the participation of all economic entities in electricity development, especially private economic enterprises.
- Prioritising the development of electricity sources using renewable energy.
- Encouraging the development of a modern, smart power grid in Vietnam.
- Establishing grid links with neighbouring countries.

To create a more competitive electricity market, the Vietnamese Government aims to divide EVN-owned power plants and generation companies into independent generators, wholesalers, and retailers (except for power plants of economic, security or defence importance). These plants and generation companies will not be involved in electricity transmission. However, this plan has yet to be implemented. EVN and its subsidiaries remain responsible for the transmission, distribution, and sale of electricity to end-consumers (source: Baker McKenzie, Thomson Reuters Practical Law).

In March 2019, Vietnam raised its electricity prices (wholly controlled by the government) by an average of 8%. This is to attract private investment and develop the capacity required to support its economy. It is expected that a policy introducing auction guidelines for wind projects is to be announced soon that will supersede the current feed-in tariff system, with this legislation expected to come into place as of November 2021 (source: Reuters, Norton Rose Fulbright).

3-2-9-3 Overview of the water sector

There is little evidence to suggest significant efforts at a local or government level to invest heavily in desalination technology, although there is still investment activity in this sector. Deals for water treatment plants have been announced as recently as 2017, when Darco Water Technologies of Singapore signed an agreement for four plants in the Ben Tre province with a capacity of 62,000 m3/ day across all four of them (source: Desalination.biz).

3-2-9-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Part of the Greater Mekong Subregion (GMS) offering power trade and interconnection with Cambodia, Laos, Myanmar, Thailand, Vietnam and China.
- **Ministries:** Ministry of Industry and Trade, Provincial People's Committees, Institute of Energy, Ministry of Health (oversees water provision).
- **Government bodies and agencies:** Electricity Regulatory Authority of Vietnam, Electricity and Renewable Energy Authority.

To create a more competitive electricity market, the Vietnamese Government aims to divide EVN-owned power plants and generation companies to become independent generators, wholesalers, and retailers (except for power plants of economic, security or defence importance). These plants and generation companies will not be involved in electricity transmission. However, this plan has yet to be implemented. EVN and its subsidiaries remain responsible for the transmission, distribution, and sale of electricity to end-consumers.

Nguyen Anh Tuan, director of the Electricity Regulatory Authority of Vietnam, explained that the agency would sell energy generated by the EVN's hydroelectric plants into the market. Renewable energy providers can connect to the national grid soon after. This is set to open up the electricity market and reduce the monopoly of EVN (source: Thomson Reuters Practical Law, Asian Power).

To incentivise the development of renewable energy, the Vietnamese Government offers various incentives. These include zero import duty on assets to build renewable energy plants, corporate income tax reductions, lend rental reductions and government funding for research and technology pilot projects. There is no restriction on foreign ownership in Vietnamese power projects (source: Thomson Reuters Practical Law, Reuters).

3-2-10 Ethiopia (Country of Operation)

With the National Electrification Program and plans for grid expansions underway, Ethiopia is set for increased power demand in the coming years, which will be met by renewable projects added to an energy mix that is already almost 100% green. Despite a lack of experience in dealing with IPPs, engagement with the World Bank's Scaling Solar program and recent success in the first round of tenders are promising for further private investment in the Ethiopian power market.

Table (3-67): Announced changes to the installed capacity

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	4.5	25.0	20.5	16.9%
Other	GW	0.1	-	-	-

Source: EIA, IEA, IRENA.

3-2-10-1 Overview and background

Table (3-68): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	Future est.
Nominal GDP (current USD)	USD billion	43.3	47.6	55.6	64.6	74.3	81.8	84.3	96.1	12.1%	493.0 (2030)
GDP per capita	USD	467	500	567	641	717	769	772	858	9.1%	-
Real GDP (local currency) growth	% YoY	8.6%	10.6%	10.3%	10.4%	9.4%	9.6%	6.8%	8.3%	-	6.5%* (2025)
Population	million	92.7	95.4	98.1	100.8	103.6	106.4	109.2	112.1	2.7%	126.0 (2025)
Inflation rate	%	23.4%	7.5%	6.9%	9.6%	6.6%	10.7%	13.8%	15.8%	-	-
Public debt / GDP	%	25.6%	27.4%	28.6%	31.8%	32.1%	34.9%	35.6%	35.7%	4.9%	-

Source: World Bank, IEA, National Bank of Ethiopia.

*This growth rate represents the average from 2018-2040. The CAGR for power consumption is calculated over the period 2012-2017.

Ethiopia's economy experienced strong, broad-based growth averaging 9.9% a year from 2007 to 2018, compared to a regional average of 5.4%. Industry, mainly construction, and services accounted for most of the economic growth. Agriculture and manufacturing made a lower contribution to growth in 2018 compared to the previous year. Both private consumption and public investment explain demand-side growth, the latter assuming an increasingly important role (source: World Bank).

The credit rating for Ethiopia was last reported at B- on negative watch (S&P), B2 with negative outlook (Moody's), and CCC (Fitch).

On April 3, the Prime Minister announced a response plan in response to Covid-19 totalling USD 1.6bn in order to fund emergency food distribution, health sector response in the worst-case scenario, emergency shelters, amongst other at-risk areas. The government announced measures to support Foreign Direct Investment in June 2020 (source: IMF).

3-2-10-2 Overview of the power sector

Although Ethiopia is endowed with abundant renewable energy resources and has the potential to generate over 60,000 MW of electric power from hydroelectric, wind, solar and geothermal sources, currently, it only has approximately 4,500 MW of installed generation capacity to serve a population of over 95mn people. Almost all of its installed capacity is from renewable energy. The National Electrification Program (2017) is expected to be a key driver of installed capacity growth, as it aims for 100% electrification in 2025 (up from the 30% level in 2018), with 35% off-grid and 65% on-grid, while extending the grid to reach 96% of households by 2030. It aims for additions to its installed capacity of 25,000 MW by 2030, made up of 22,000 MW of hydropower, 1,000 MW of geothermal and 2,000 MW of wind.

This comes as experts estimate wind potential in Ethiopia to be the third-largest in Africa, and the installed capacity has seen a 26% CAGR between 2012 and 2018 – acting as a strong complement to its existing seasonal hydropower reserves (source: Reuters, Scaling Solar, USAID, World Bank).

Table (3-69): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/17	Future est.
Electricity consumption	TWh	5.5	6.4	6.6	7.6	8.6	10.7	-	-	14.4%	-
Electricity generation	TWh	7.6	8.7	9.5	10.4	12.5	13.7	-	-	12.7%	-
Peak electricity demand	MW	-	-	-	-	-	2,491	-	-	-	-

Source: African Development Fund, EIA

Table (3-70): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2030 est.
Conventional fossil fuels	MW	204	200	200	140	100	100	104	-	-10.6%	-
Renewables:	MW	2,081	2,224	2,230	2,619	2,649	4,366	4,450	4,452	11.5%	25,000
hydro	MW	1,972	1,972	1,972	2,159	2,159	3,817	3,817	3,820	9.9%	22,000
other	MW	109	252	258	460	490	548	632	632	28.5%	3,000
Total installed capacity	MW	2,285	2,424	2,430	2,759	2,749	4,466	4,554	-	12.2%	-
Capacity growth rate	% YoY	-	6.1%	0.2%	13.5%	-0.4%	62.5%	1.97%	-	-	-

Source: EIA, IEA, IRENA. Note: Other renewables include wind, solar, geothermal and modern biofuel production. There is currently no installed nuclear energy capacity in Ethiopia, nor are there plans for capacity to be built. CAGR is computed for the time period where data is available.

Operators:

- **Transmission grid:** Ethiopian Electric Power (state-owned).
- **Distribution grid:** Ethiopian Electric Utility.

Electricity market type: contractual.

Market positioning of IPP/IWPP within the electricity supply value chain:

Ethiopia lacks significant experience in dealing with IPPs, however its recently announced partnership with Scaling Solar looks to change this and empower Ethiopia in accessing the market for private energy investors. Following success in the first round of tenders, the Public-Private Partnerships Directorate General announced a request for prequalification for a combined 750 MW over six projects (source: Norton Rose Fulbright, Scaling Solar, USAID).

The Government of Ethiopia is currently working on updating the methodology for the calculation of mini-grid electricity tariffs in order to increase their financial viability (source: PV Magazine).

Regional water boards are responsible for the servicing of the Ethiopian water network. The largest is the Addis Ababa Water and Sewerage Service Authority. There is little evidence to suggest significant efforts at a local or government level to invest heavily in water desalination technology.

3-2-10-3 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Eastern Africa Power Pool, Kenya and Ethiopia (both EAPP members) are connected via the Eastern Electric Highway Project (constructed by China Electric Power Equipment and Technology).
- **Ministries:** Ministry of Mines and Petroleum, Ministry of Water, Irrigation and Energy, Department of Electrification.
- **Government bodies and agencies:** Ethiopian Energy Authority.

Ethiopia recently joined the World Bank-supported project Scaling Solar, which will advise on developing 500 MW through this initiative that aims to be a 'one-stop-shop' for making privately funded, grid-connected solar projects operational. It was announced in 2019 that the World Bank would provide support to Ethiopia in developing its renewable energy program (together with the aforementioned Scaling Solar project). The Renewable Energy Guarantees Program is aimed at supporting ongoing power sector reforms by lowering the risks of investing in Ethiopia. It provides guarantees on IPP contracts to help backstop the Government's obligations, aims to improve understanding of the process and investment framework and encourages a phased approach to allow for more efficient and agile responses to the needs of private sector investors.

ACWA Power won the 2nd tender supported by this initiative in September 2019 for Gad and Dicheto solar power plants' contracts, which will require an investment of USD 180mn. They have since entered into a long-term power purchase agreement at a price of USD 2.5260 cents/ kWh over 20 years. Other significant Ethiopian power projects include the Tulu Moye Geothermal plant and the Assela Wind Farm project (source: ACWA Power, Siemens, TMO, World Bank).

The Government of Ethiopia has communicated to the private sector that there will be no limit imposed on private participation in the future. An investment framework is in place that includes customs duty exemptions for equipment and a tax holiday of up to five years for the project company (source: Afrik 21).

Significant hurdles remain that the Government of Ethiopia must overcome to increase their appeal to IPPs. Ethiopian Electric Power must become a more credit-worthy purchaser of electricity; the transmission/ distribution system, which suffers from a high loss rate, must be improved; efficient planning of new additions to the grid must be undertaken; and electrification of off-grid populations must be addressed (source: PV Tech, USAID).

3-2-11 Uzbekistan (Country of Operation)

Uzbekistan plans for significant additions to its wind and solar power capacity, and there are substantial projected increases in both electricity consumption and generation following considerable growth already since 2012. The country recently joined the World Bank's Scaling Solar project and has shown increasing interest in IPPs, with 8 GW of renewable energy projects due for allocation to private investors.

Table (3-71): Announced changes to the installed capacity

Electricity source	Unit	Current (2017)	Expected (2030)	Additions	CAGR
Renewables	GW	1.9	11.8	9.9	15%
Other	GW	11.2	17.5	6.3	3%

Source: EIA, IRENA, Ministry of Energy. Note: "Other" additions include gas (4.8 GW) and nuclear (2.4 GW). 0.8 GW of coal will be decommissioned.

3-2-11-1 Overview and background

Table (3-72): Macroeconomic performance

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR 2012/19	Future est.
Nominal GDP (current USD)	USD billion	63.6	69.0	76.7	81.8	81.8	59.2	50.4	57.9	-1.3%	-
GDP per capita	USD	2,137	2,281	2,492	2,615	2,568	1,827	1,529	1,725	-3.0%	2,813
Real GDP (local currency) growth	% YoY	7.4%	7.6%	7.2%	7.4%	6.1%	4.5%	5.4%	5.6%	-	6.5% (2021)
Population	million	29.8	30.2	30.8	31.3	31.8	32.4	33.0	33.6	1.7%	35.2
Inflation rate	%	11.9%	11.7%	9.1%	8.5%	8.8%	13.9%	17.5%	14.5%	-	10.0% (2021)
Public debt / GDP	%	8.9%	8.2%	4.7%	7.5%	8.5%	20.2%	20.6%	24.0%	15.2%	33.9%

Source: World Bank, IMF, Asian Development Bank, FRED, EIA, Ministry of Energy. The CAGR for power consumption is calculated over the period 2012-2017.

Real GDP growth in Uzbekistan increased to 5.6% in 2019 from 5.4% in 2018. Growth was supported by a 34% year-on-year increase in investment, more robust agricultural development, and increased construction activity. Annual inflation remained high at 14.5% but was lower than a year earlier when it was three percentage points higher at 17.5%. Strong export growth and increased remittance inflows resulted in a smaller current account deficit of 4.2% of GDP in 2019 from 7.1% in 2018. Foreign exchange reserves increased by USD 2.1bn in 2019 or roughly 13 months of import cover (source: World Bank).

The credit rating for Uzbekistan was last reported at BB- with negative outlook (S&P), B1 with stable outlook (Moody's), BB- with stable outlook (Fitch).

In response to Covid-19, the central government has asked local governments to reduce taxes by 30% and is expanding funding for health care for low-income families, as well as offering further assistance for businesses and regional infrastructure projects. The 2021 budget includes policy lending to support the economy, primarily through the Fund for Reconstruction and Development (source: IMF).

3-2-11-2 Overview of the power sector

Uzbekistan has an electrification rate of nearly 100% and a total installed capacity of 11,400 MW. However, due to the country's ageing Soviet-era infrastructure and increasing electricity demand, supply shortages may increase over the next several years.

Natural gas-fired thermal plants are the country's primary source of power generation, supplying nearly 90% of the country's total power, while hydropower stations provide the remaining electricity. Uzbekistan's power system contributes significantly to the Central Asia Power System's power generating capacity, an integrated power transmission network linking several Central Asian nations. Uzbekistan is also the primary electricity supplier to neighbouring Afghanistan. Annual targets call for an increase of renewable energy sources' total capacity to 3 GW for wind and 5 GW for solar power plants by 2030 in their 2020-2030 Concept for the Supply of Electric Power. This has been followed by an uptick in the number of solar tenders launched by the Ministry of Energy, supported by the Asian Development Bank (source: EIA, PV Magazine).

Table (3-73): Evolution of power market

Indicator	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2025 est.
Electricity consumption	TWh	36.1	41.6	42.7	44.2	45.4	48.0	-	-	5.9%	60.0
Electricity generation	TWh	53.0	54.9	55.4	57.3	59.1	60.8	62.9	62.9	2.5%	92.0
Peak electricity demand	GW	-	-	-	-	-	-	-	10.4	-	20.9 (2030)

Source: BP, EIA, Ministry of Energy. CAGR is computed for the time period where data is available.

Table (3-74): Breakdown of power capacity by technology

Source	Unit	2012	2013	2014	2015	2016	2017	2018	2019	CAGR	2030 est.
Conventional fossil fuels	MW	10,834	10,980	11,100	11,167	11,167	11,167	-	11,400	0.7%	15,100
Nuclear	MW	0	0	0	0	0	0	0	0	0.0%	2,400
Renewables:	MW	1,746	1,747	1,762	1,762	1,796	1,843	1,919	-	1.6%	11,800
hydro	MW	1,746	1,746	1,761	1,761	1,794	1,839	1,915	-	1.6%	3,800
other	MW	0	1	1	1	2	4	5	-	38%	8,000
Total installed capacity	MW	12,580	12,727	12,862	12,929	12,963	13,010	-	-	0.7%	29,300
Capacity growth rate	% YoY	-	1.2%	1.1%	0.5%	0.3%	0.4%	-	-	-	-

Source: EIA, IRENA, Ministry of Energy. Note: Other renewables include wind, solar, geothermal and modern biofuel production. The majority of the conventional fossil fuel capacity is made up of gas power plants. As of 2019, natural gas accounted for 75% of conventional fuel generation, coal for 22% and oil for 3%. CAGR is computed for the time period where data is available and may differ due to rounding.

Operators:

- **Transmission and distribution grids:** Uzbekenergo divided into 3 operators in April 2019: Thermal Power Plants, National Electric Networks and Regional Electric Networks.

Electricity market type: contractual, but transitioning to merchant.

Market positioning of IPP/IWPP within the electricity supply value chain:

In its 2020-2030 Concept for the Supply of Electric Power in Uzbekistan, it is noted that special attention will be paid to the production of electricity through renewable energy sources, in particular, the development of solar energy. Renewable projects will be implemented only by private investors (source: Dentons).

Uzbekistan joined the World Bank's Scaling Solar program and has since committed to increasing the project's capacity to 1,000 MW of solar PV plants following the success of recent tenders. There were tenders for 600 MW in December 2020, and further tenders will be held in 2021. Further to this, the 2019 Law of the Republic of Uzbekistan on the Use of Renewable Energy Sources formed the Ministry of Energy and provides several benefits, including tax exemptions, subsidies of 30% (up to specified limits) for the purchase of solar PV equipment and further subsidies on loan interest payments (source: Ministry of Energy, Renewables Now).

3-2-11-3 Overview of the water sector

The main operator is the Ministry of Water Resources. There is no evidence of installed desalination capacity in Uzbekistan, and the recently approved Concept of Development of Water Management for 2020-2030 does not mention this technology.

3-2-11-4 Energy and water regulatory and market framework

Relevant institutions:

- **International organisations:** Central Asian Power System.
- **Ministries:** Ministry of Energy, Ministry of Water Resources.

The IPP market in Uzbekistan is relatively new, but in the past two years there has been strong interest from the Ministry of Energy to attract IPPs and from IPPs to engage with Uzbekistan. Further to this, in the 2020-2030 Concept for the Supply of Electric Power, renewable projects will not be implemented by the state – which means the projected 8 GW of installed capacity will be allocated to private investors. In December 2020, the third solar PV public-private partnership project under the Uzbek Solar programme was launched, which will tender a total capacity of 500 MW in three lots (source: Dentons, Power Engineering International).

The 2020-2030 Concept for the Supply of Electric Power defines the medium-term and long-term objectives of Uzbekistan, and will be adjusted as circumstances arise. In total, by 2030, it is expected that electricity capacity will increase to 29.3 GW, and electricity production to 120.8bn kWh. The aims are to:

- Develop renewable energy, including annual targets of a renewable capacity of 3 GW of wind and 5 GW of solar by 2030.
- Develop thermal power with the addition of 13 new projects planned and the phasing out of obsolete units with a capacity of 5.9 GW.
- Increase hydropower capacity by carrying out 62 projects, including the construction of 35 hydropower plants and the modernisation of 27 others.
- Develop the distribution network in the process of transitioning to a wholesale competitive electricity market. The functions of operating the distribution network and selling electricity will be unbundled, and the distribution network will become state property.
- Transition to a wholesale market and implementation of the tariff policy in the electricity sector.

In 2021, an energy market regulator and an energy market operator will be organized (source: Dentons).

The transition to the wholesale electricity market will be carried out in stages in 2020-2023, with the transition to each subsequent stage depending on whether the necessary conditions are met. By 2023, a competitive wholesale market is expected to be formed, and all its participants to be provided with equal and unimpeded access to the main power grid (source: Dentons).

3-3 Expansion Markets

3-3-1 Azerbaijan

Electricity consumption grew from 17.8a TWh in 2012 to 19.5a TWh in 2017 (CAGR of 1.9%). Electricity generation grew from 23.0a TWh in 2012 to 24.3a TWh in 2017 (CAGR 1.1%). Generation grew further to 26.3a TWH in 2019. The targets of increased electricity consumption and a more significant share of renewable energy in the power mix create the need for increased investment in Azerbaijan. Despite the fact that natural gas is the main source of electricity generation, Azerbaijan has vast potential for renewable energy development. Azerbaijan's wind energy potential is estimated at 3,000 MW and the solar energy potential at 23,040 MW (source: IRENA). There has been a recent move from the state administration towards further engagement with IPPs, and drafts for formal documents reducing barriers to private investors are under review. In January 2020, ACWA signed an agreement with the Ministry of Energy of Azerbaijan for a 240 MW wind project which constitutes their first investment in the country and will contribute towards Azerbaijan's target of 30% renewable energy capacity by 2030 (source: ACWA Power).

Table (3-75): Announced changes to the installed capacitya

Electricity source	Unit	Current (2018)	Expected (2025)	Additions	CAGR
Renewables	GW	1.3	2.6	1.3	11%
Other	GW	6.6	8.3	1.8	4%

[a]Source: EIA, Energy of Azerbaijan, IRENA, UN, BP.

3-3-2 Bangladesh

Electricity consumption grew from 39.9b TWh in 2012 to 61.8b TWh in 2017 (CAGR 9.1%). Electricity generation grew from 48.7b TWh in 2012 to 73.4b TWh in 2017 (CAGR 8.6%). Generation grew further to 89.7b TWh in 2019. Economic and population growth have increased both the consumption and generation of electricity in Bangladesh, where the majority of power comes from natural gas, and renewable capacity is currently very minimal. The government aims to: gradually increase the renewable capacity from the current levels of 260 MW with foreign investment; diversify the generation mix; and ensure supply security (source: Government of Bangladesh). There is as of now little evidence of government efforts to attract investment into desalination plants in Bangladesh. There is only a small scale of private sector participation in the water sector in Bangladesh (source: OECD). IPPs in Bangladesh operate through PPAs under local joint ventures. ACWA Power announced on October 2019 the signing of a Memorandum of Understanding with the Bangladesh Power Development Board for a LNG-based power plant (3,600 MW) (source: ACWA Power).

Table (3-76): Announced changes to the installed capacityb

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	0.3	1.4	1.1	16%
Other	GW	17.5	24.1	6.5	3%

bSource: BPDB, SAARC Energy Centre, ADB, IEA, World Bank.

3-3-3 Cambodia

Electricity consumption grew from 3.2c TWh in 2012 to 6.9c TWh in 2017 in 2017 (CAGR of 16.4%). Electricity generation grew from 1.4c TWh in 2012 to 6.7c TWh in 2017 (CAGR of 37.3%). With an electrification rate of just 60%, Cambodia's electricity consumption will continue growing as this figure increases. The hydroelectricity-dominated power mix will be supported by imports and the addition of 1.3 GW of fossil fuel capacity and 0.7 GW of renewables capacity by 2025. There is little evidence of government efforts to attract investment into desalination plants in Cambodia. IPPs carry out the vast majority of electricity generation in Cambodia under PPA contracts with Electricité du Cambodge that are negotiated on an ad hoc basis (source: Asian Development Bank).

Table (3-77): Announced changes to the installed capacityc

Electricity source	Unit	Current (2017)	Expected (2025)	Additions	CAGR
Renewables	GW	1.1	1.8	0.7	7%
Other	GW	0.8	2.0	1.3	13%

[c] Source: Cambodia Basic Energy Plan, Electricité du Cambodge, EIA.

3-3-4 Cameroon

Electricity consumption grew from 4.6d TWh in 2012 to 8.3d TWh in 2017 (CAGR 12.5%). Electricity generation grew from 4.9d TWh in 2012 to 6.6d TWh in 2017 (CAGR 6.3%). Cameroon has a fast-growing economy, with a relatively high electrification rate of 54%, mostly supplied by hydro-energy plants (the rest is comprised of fossil fuels). However, the country plans to source 25% of the power mix from non-hydro renewable energy by 2030. There currently no desalination plants in Cameroon and no evidence of planning on developing future plants. The power market is liberalised; generation and distribution assets are privatised, and the state-owned transmission operator SONATREL recently opened its capital to private investors (source: ARSEL, World Bank).

Table (3-78): Announced changes to the installed capacityd

Electricity source	Unit	Current (2018)	Expected	Additions	CAGR
Renewables	MW	732	-	-	-
Other	MW	603	-	-	-

[d] Source: EIA, ARSEL, MINEE.

3-3-5 Ghana

Electricity consumption grew from 9.3e TWh in 2012 to 13.9e TWh in 2019 (CAGR of 6.0%). Electricity generation grew from 12.0e TWh in 2012 to 18.3e TWh in 2019 (CAGR of 6.2%). Ghana's electricity consumption is projected to double from 2019 levels by 2025, and there is a focus on growing installed capacity of renewables to reduce dependence on hydropower. Ghana was one of the first countries in Sub-Saharan Africa to work with IPPs, and there is widespread support for private investment in the country. As of 2014, it had nearly 1,000 MW of installed capacity under the control of private investment. The first desalination plant in Ghana opened in April 2015 near Accra and produces 60,000m3 of water per day (source: Water-Technology, Graphic Online).

Table (3-79): Announced changes to the installed capacitye

Electricity source	Unit	Current (2019)	Expected	Additions	CAGR
Renewables	GW	1.7	-	-	-
Other	GW	3.5	-	-	-

[e] Source: Energy Commission Ghana, EIA, IRENA.

3-3-6 Indonesia

Electricity consumption grew from 171.4f TWh in 2012 to 221.0f TWh in 2017 (CAGR of 5.2%). Electricity generation grew from 189.3f TWh in 2012 to 241.3f TWh in 2017 (CAGR of 4.9%). Indonesia is endowed with excellent potential for renewable energy, and it expects to see a massive electricity generation growth to 435f TWh by 2025 – almost doubling from the 2017 level. In a bid to combat water shortages, there has been some interest in desalination technologies in the Jakarta region. Construction of 4 seawater reverse osmosis desalination plants was completed in February 2019, with operations starting in November 2019. The role of private investors in the Indonesian electricity market is through build, operate, transfer schemes, and investors can also benefit from tax exemptions. The plants are then transferred to the state-owned PLN (source: The Jakarta Post, Norton Rose Fulbright).

Table (3-80): Announced changes to the installed capacityf

Electricity source	Unit	Current (2018)	Expected (2025)	Additions	CAGR
Renewables	GW	9.5	39.1	29.6	22%
Other	GW	57.1	75.9	18.8	4%

Note: "Other" additions include, among others, coal (16 GW).

[f]Source: EIA, PLN, PwC, IRENA, Ministry of Energy and Mineral Resources.

3-3-7 Ivory Coast

Electricity consumption grew from 4.5g TWh in 2012 to 8.8g TWh in 2018 (CAGR of 11.9%). Electricity generation grew from 6.9g TWh in 2012 to 10.0g TWh in 2018 (CAGR of 6.3%). Ivory Coast has a fast-growing economy that needs to boost infrastructure development to achieve 100% electrification. It targets 3.3 GW of additional solar, wind and bioenergy capacity by 2030. Production, distribution and transmission activities are operated by a private company CIPREL, but the number of IPPs is growing through public-private partnerships, and private investments are attracted by long-term contracts. The Ivory Coast aims to achieve 100% potable water access where the support of IWPPs will be necessary, but there is not yet planned desalination capacity (source: ANARE, Government of Ivory Coast).

Table (3-81): Announced changes to the installed capacityg

Electricity source	Unit	Current (2018)	Expected (2030)	Additions	CAGR
Renewables	GW	0.9	2.8	1.9	10%
Other	GW	1.3	3.9	2.7	10%

Note: "Other" additions include, among others, coal (1.4 GW) and gas (1.3 GW).

g Source: ANARE, IFC.

3-3-8 Kenya

Electricity consumption grew from 6.4h TWh in 2012 to 8.0h TWh in 2017 (CAGR of 4.4%). Electricity generation grew from 7.9h TWh to 10.1h TWh in 2017 (CAGR of 4.9%). Kenya aims for an increase in renewable energy capacity from 2h GW to 5h GW by 2030 and IPPs generate a substantial proportion of Kenya's electricity. The electricity generated is sold to Kenya Power and Lighting Company under power purchase agreements. Following droughts, the government has encouraged foreign investment into large-scale water desalination plants, with the first plant awarded in 2018 and a subsequent contract for a further plant agreed in 2020 (source: World Bank, Afrik 21, ClimateHomeNews).

Table (3-82): Announced changes to the installed capacityh

Electricity source	Unit	Current (2017)	Expected (2030)	Additions	CAGR
Renewables	GW	1.7	5.0	3.4	9%
Other	GW	0.8	1.0	0.2	2%

h Source: EIA, Kenya Power and Lighting Company, Government of Kenya, IRENA.

3-3-9 Laos

Electricity consumption grew from 2.9i TWh in 2012 to 4.6i TWh in 2017 (CAGR of 9.1%). Electricity generation grew from 12.9i TWh in 2012 to 27.9i TWh in 2017 (CAGR of 16.6%). Laos' government, aiming to reach a 98% electrification rate, has an ambitious target to install 5g GW of renewables capacity (other than hydro) by 2025. Solar energy potential is important, with an estimated 8.8g GW of potential across the nation. Presently, ideas that are being posed to harness this power include floating solar on hydro reservoirs and distributing solar home systems to off-grid villages. Laos is landlocked and there is no evidence to suggest significant efforts at a local or government level to invest in desalination technology. Foreign private investment is already widespread in Laos and is encouraged through accommodative policy measures regarding power purchase agreements with the state-owned Electricité du Laos. A separate arm of Electricité du Laos (EdL-GEN Solar Power) has recently been established to promote and facilitate investments into solar power (source: Asian Development Bank, IRENA).

Table (3-83): Announced changes to the installed capacityi

Electricity source	Unit	Current (2019)	Expected	Additions	CAGR
Renewables	GW	6.0	-	-	-
Other	GW	3.0	-	-	-

i Source: EIA, IRENA, Électricité du Laos

3-3-10 Mauritania

Electricity consumption grew from 0.8j TWh in 2012 to 1.1j TWh in 2017 (CAGR of 5.3%). Electricity generation grew from 0.9j TWh in 2012 to 1.2j TWh in 2017 (CAGR of 5.2%). Mauritania has shown expanding power capacity over the last decade and aims to continue this expansion, from renewable energy sources. The power market is dominated by the presence of SOMELEC, the state-owned vertically integrated utility. Despite underdeveloped regulatory and tariff frameworks in the power sector, there have been some private and foreign investments. Mauritania has an objective to ensure universal access to drinking water, the current access rate is 68%. A desalination plant in the north of the country has been suggested as a potential way of meeting this target (source: Ministry of Hydraulics and Sanitation).

Table (3-84): Announced changes to the installed capacityj

Electricity source	Unit	Current (2017)	Expected (2030)	Additions	CAGR
Renewables	MW	69	292	223	12%
Other	MW	392	460	68	1%

j Source: EIA, IRENA.

3-3-11 Pakistan

Electricity consumption grew from 78.4k TWh in 2012 to 105.5k TWh in 2017(CAGR of 6.1%). Electricity generation grew from 99.5k TWh in 2012 to 122.5k TWh in 2017 (CAGR of 4.2%). Generation grew further to 136.3k TWh in 2019. Pakistan is on the path to continue the diversification of its power production mix, aiming to generate 20% of electricity from renewable sources in 2025 and 30% in 2030 – there are 41 upcoming renewable energy projects with expected Commercial Operation Date before 2022. Even though private entities are allowed for generation through long term contracts, the power sector is still dominated by the public sector. Pakistan is targeting an increase in the share of IPPs in the coming years to supply reliable and sustainable electricity to the country. The National Water Policy also points out the urgent need for seawater utilisation and water recycling, requiring innovation and investments (source: NEPRA, IEEFA, Government of Pakistan).

Table (3-85): Announced changes to the installed capacityk

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	11.8	42.8	31.0	12%
Other	GW	27.2	31.5	4.3	1%

k Source: EIA, NEPRA, NTDC, IRENA, SAARC Energy Centre

3-3-12 Philippines

Electricity consumption grew from 61.3l TWh in 2012 to 81.7l TWh in 2017 (CAGR of 5.9%). Electricity generation grew from 69.7l TWh in 2012 to 90.0l TWh in 2017 (CAGR of 5.25%). Conventional fossil fuels currently dominate the Filipino energy mix but will be supplemented by 15 GW of renewables targeted for 2030, helped by the country's excellent solar and wind resources. Part of the driving force behind the need for additional capacity is the Department of Energy's goal of 100% electrification by 2022, which is expected to increase electricity demand. There is little evidence of government efforts to attract investment into desalination plants in the Philippines. The Filipino Electricity Market is partially unbundled, and private investors benefit from special economic zones set up with minimal government intervention. There are plans for a Green Energy Tariff Program auction, which hopes to allocate 2 GW of renewable energy generation capacity worth USD 2bn (source: World Bank, IEEFA).

Table (3-86): Announced changes to the installed capacityl

Electricity source	Unit	Current (2019)	Expected (2040)	Additions	CAGR
Renewables	GW	7.4	14.5	7.1	3%
Other	GW	18.1	50.8	32.7	5%

Note: "Other" additions include, among others, coal (16.7 GW).

lSource: Department of Energy, EIA, IRENA.

3-3-13 Senegal

Electricity consumption from 2.6m TWh in 2012 to 3.8m TWh in 2017 (CAGR of 7.7%). Electricity generation grew from 3.1m TWh in 2012 to 4.5m TWh in 2017 (CAGR 7.3%). Senegal has shown healthy development in the power sector, and it aims to upgrade and diversify the installed capacity, partly to increase the electrification rate and also to boost economic growth. State-owned Senelec monopolises the electricity industry in almost all of Senegal; however, approximately half of the generation is secured by IPPs, whose market share is expected to increase to support Senegal's development goals. Senegal aims to secure water resources for Dakar and will build a desalination plant with a capacity of 100,000 m3 per day by 2021 — more than five times the current shortfall (source: Lighting Africa, Reuters).

Table (3-87): Announced changes to the installed capacitym

Electricity source	Unit	Current (2017)	Expected	Additions	CAGR
Renewables	MW	138	-	-	-
Other	MW	834	-	-	-

mSource: EIA, IRENA, Senelec.

3-3-14 Tunisia

Electricity consumption grew from 14.0n TWh in 2012 to 15.6n TWh in 2017 (CAGR 1.7%). Electricity generation grew from 16.8n TWh in 2012 to 19.2n TWh in 2017 (CAGR 2.7%). Tunisian electricity consumption and production remained relatively stable this past decade; however, the government is aiming at 30% of electricity to be generated by renewable sources, which would represent an additional capacity of 2250 MW by 2030. IPPs have developed slowly since the 2000s and have been awarded many contracts to generate renewable energy in the last few years. Tunisia also commissioned its first desalination plant in 2018 (100,000 m3 per day)[13] and is aiming at constructing other plants which, together with their energy development plan, represent opportunities to attract private investments (source: GSE, OECD).

Table (3-88): Announced changes to the installed capacityn

Electricity source	Unit	Current (2019)	Expected (2030)	Additions	CAGR
Renewables	GW	0.3	3.7	3.4	25.3%
Other	GW	5.3	-	-	-

n Source: UNDP, STEG, Arab Union of Electricity, EIA.

3-4 Post-P(W)PA market and tariffs

Assessing the post-P(W)PA[14] value is critical to provide an accurate evaluation of the value of assets currently operating under P(W)PAs, but with a remaining life extending beyond these contractual arrangements.

There is evidence in a number of markets that investors are pricing in some post-P(W)PA value. For instance, the dynamics of stock prices for utilities in Oman – all of which are individually traded in the Muscat Securities Market ("MSM") - is not compatible with a Build Own Transfer ("BOT") model (i.e. with zero post-P(W)PA value). United Power Company SAOG, which operated the Manah IPP, was the only project in Oman awarded under a BOT structure. The evolution of its share price follows an expected trend in that the share price converges on zero at the offtake agreement reaches expiry. This is not reflected in the share price movements of other I(W)PPs. Since the expected net income from other P(W)PAs is largely predetermined, this suggests that other factors are influencing share price movements. And other than general market price movements, one of the only other factors is the vision that investors have over post-P(W)PA outcomes.

In this section, for a given ACWA project ("Project") we describe:

- Overview of the post-P(W)PA asset valuation,
- Impact of market design on post-P(W)PA value,
- Modelling approaches for assessing the post-P(W)PA asset value.

Overview of the post-P(W)PA asset valuation

The value of an asset operating after the expiration of the P(W)PA would be determined by the present value of the expected Annual Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") over the post-P(W)PA period, referred below as "Residual Value" or "RV". EBITDA is calculated as the product of expected dispatch and capacity with the relevant realised prices, less all operating and lifetime extension costs. Below we discuss the main drivers of EBITDA, demand and cost and present a high-level decision-making process to define the Residual Value.

Demand driver of the post-P(W)PA value

A sufficiently high level of demand for capacity is a necessary precondition for the Project to have post-P(W)PA value. A supply shortfall at the P(W)PA expiry can be evidenced if the "firm" capacity from existing plants and new entrants lies below the peak demand plus a security margin. "Firm" (or "dependable") capacity is different from nominal capacity in that it relates to the amount of output guaranteed to be available when system demand is highest. In the case of the electricity market, a thermal plant will be able to provide a larger proportion of its installed capacity to meet the peak demand (defined as the Reserve Margin Contribution or "RMC") than a photovoltaic ("PV") or wind project whose operational profile depends on the resource availability. For a representative PV project, its RMC will depend on the correlation between its expected generation profile and hours of highest demand. So, if the annual peak demand falls in the summer around midday, a PV project will have a higher RMC than if the system peak falls in a winter evening.

13 Two desalination projects of 25-50,000 m3/day and 100-200,000 m3/day capacities to be implemented under PPP Scheme (source: OECD).
14 " P(W)PA" is a catch-all that includes PWPAs, PPAs and WPAs. Similarly, "I(W)PP" is a catch-all for IWPPs, IPPs and IWPs.

Cost drivers of the post-P(W)PA value

With the demand established for the Project's capacity and/or output, one must then take a view on its post-P(W)PA generation profile. In the case a thermal power plant, if the Project's marginal costs are similar to those of new replacement plants, then this should increase the expected output of the Project and a new thermal baseload plant might be the most suitable replacement. However, if new replacement plants have lower marginal costs, a new thermal peaking power plant might be the most suitable replacement which would tend to limit the Project to a back-up role. Note that new baseload replacement plants tend to be more expensive to build than peaking alternatives. However, the higher capital expenditure ("capex") tends to be offset by higher thermal efficiency and hence lower fuel and associated CO2 (where relevant) costs.

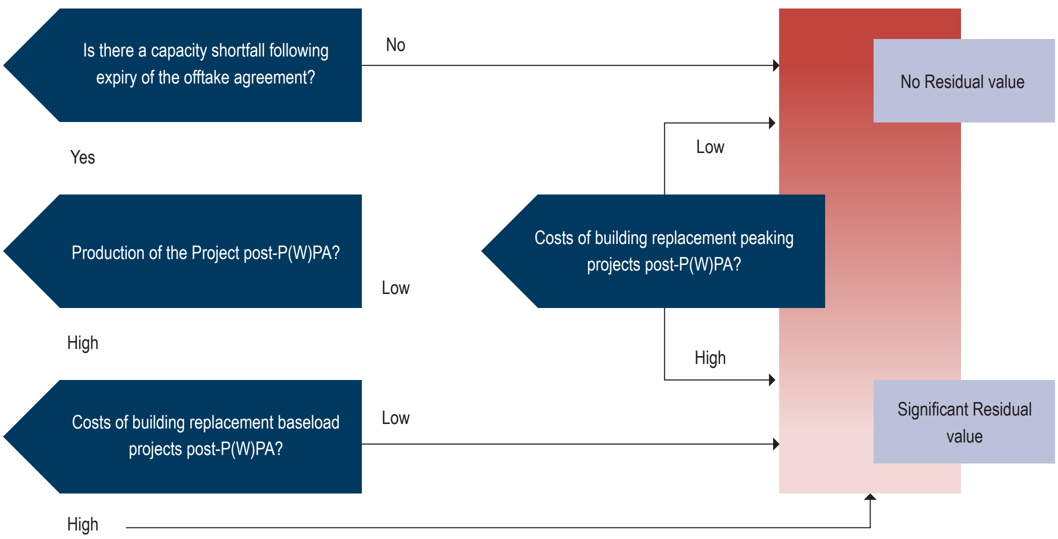
When assessing the costs of the Project and the replacement plants, one should distinguish between the fuel and electricity costs under the offtake agreement, which in most cases will be passed through, and the actual or opportunity cost thereof. For example, in the case of Oman, the price of gas under the Gas Supply Agreement ("GSA") for IPPs and thermal IWPPs is established by the authorities but the price of gas used for allocating capacity under long-term contracts is based on a separate and higher "Evaluation" price (see OPWP Power 2022). It is not uncommon for the authorities to subsidise fuel cost and utility tariffs to end users. However, these should not be confused with the opportunity costs of operating a power or water system at minimum cost for which the correct standard should be the opportunity cost of such inputs. In the case of fossil fuel prices, an international benchmark price may be more appropriate, and this should be used to establish an equivalent wholesale electricity cost for IPP or IWPP assets. This said, governments may have different priorities which may lead one to use a range of plausible input cost alternatives.

Decision-making process to define the Residual Value

Whether extending the economic lifetime of the Project is most cost-effective than replacing it with a new plant depends on the result of a cost-benefit exercise. The data needed to define the cost of replacement plant options is very similar to that needed to define the build-up of their Levelised Cost of Electricity ("LCOE") or Long Run Marginal Cost ("LRMC") and includes annual capex repayment, fuel, CO2, electricity and Operating and Maintenance ("OM") costs, as appropriate.[15] To determine which is the most cost-effective replacement plant one needs to compare the operating costs of the Project at different levels of dispatch with those for different replacement plant options. For each operating point (say baseload, midmerit, peaking) one might identify a different replacement plant that offers the most cost-effective replacement. Whichever provides the lowest system cost solution across all operating points will be the most cost-effective replacement for the Project.

Figure below summarises the decision-making process and resulting impact on post-P(W)PA or Residual Value.

Figure (3): Decision-making flow chart to define the Residual Value16



Source: IPA 2018.

15 Please, refer to Part 1A where we present global LCOE by technology.
16 Capacity shortfall is the difference between "firm" capacity of existing plants together with new entrants, and peak demand, plus a security margin.

It may also be feasible that an existing thermal project be replaced by a new renewable project. However, one must make an allowance for the difference in reliability in the peak between Project and the renewable replacement plant. This will mean that even if a representative PV project can match the annual output of the Project, it may not provide the same "firm" capacity cushion in the peak demand hours. To ensure the replacement plant provides the same amount of "firm" capacity, it may be necessary to increase the installed capacity or add an associated storage option. (The latter would ensure that energy generated in off-peak hours could be redispatched in hours of highest demand thereby improving it RMC.)

The above approach is equally valid for water desalination projects. If the Project uses Reverse Osmosis ("RO") technology, there will be no thermal efficiency nor fuel cost in the cost build-up but one would have to define the energy utilisation per cubic meter of water produced and hence total electricity use. And this input electricity has a cost, if not paid for by the operator directly then by the offtaker. If the Project were a thermal IWPP, namely those using Multi-Stage Flash ("MSF") or Multi-Effect Distillation ("MED") technology, there will also be an additional fuel cost component since some of the thermal heat generated must be diverted to the desalination facilities to heat water thereby increasing fuel burn relative to a non-thermal desalination option.

Impact of market design on post-PWPA value

One can assess the value that the Project provides to the electricity or water system after its offtake agreement expires under a Single Buyer approach or a Liberalised Market approach. Both work on the premise that the main offtaker or the market will seek outcomes that minimise the Total System Cost ("TSC") of production on an ongoing basis. In any year, the TSC is made up of fuel and OM costs of all plants and repayment for capital invested of new plants. The approaches can be described as follows:[17]

1- **Single Buyer ("SB") approach**. In the Single Buyer approach, an extension to the offtake agreement with the Single Buyer will need to be negotiated. The basis for establishing the Project's annual remuneration should be the "avoided cost" to Single Buyer, i.e. the amount that Single Buyer saves in terms of avoided costs of fuel, OM costs and capital investment costs by extending the Project's offtake agreement. If the owner of the Project were to bid for the right to extend its offtake agreement, the Single Buyer should be willing to accept the offer as long as it is more competitive than the most cost-effective alternative.

2- **Liberalised Market ("LM") approach**. In the Liberalised Market approach, the Project would remain online and would be free to buy fuel and/or electricity and sell its output, where for any given hour, all participants receive a uniform price. Hourly prices should be high enough to cover the marginal operational costs of the costliest units required to meet demand, including a premium to allow investors to reach their targeted return on equity on new investments (the "Capacity Premium"). The Project's expected remuneration should reflect its contribution to both generation and capacity requirements.

Table 1 below summarises the results of publicly available comparisons based on Initial Public Offer ("IPO") prospectuses made public by the MSM. This shows that results for both Single Buyer and Liberalised Market approaches provide comparable post-PWPA valuation results suggesting that post-P(W)PA value should not be expected to be impacted by the market design and rather depends on economic fundamentals.

Table (3-89): Differences between LM and SB approaches

IPO company	Asset and location	IPO offer close date	Average post-P(W)PA difference between LM and SB approaches*
Dhofar Generating Company	Salalah 2 IPP, southern Omani	16 August 2018	0.63%
Phoenix Power Company	Sur IPP, northern Omanii	8 June 2015	0.76%
Al Sawadi Power Company	Barka 3 IPP, northern Omaniii	9 June 2014	0.32%
Al Batinah Power Company	Sohar 2 IPP, northern Omaniv	9 June 2014	0.32%
Sembcorp Salalah Power & Water Company	Salalah IWPP, southern Omanv	26 Sept 2013	0.44%
SMN Power Holding	Barka 2 IWPP and Rusail IPP, northern Omanvi	10 Oct 2011	0.74%

Source: iNMN Dhofar Prospectus, iiMSM Phoenix Prospectus, Pages 52 and 53, iiiMSM Al Sawadi Prospectus, Pages 46-47, ivMSM Al Batihan Prospectus, Pages 46-47, vMSM Semrcorp Prospectus, Pages 55-57, viMSM SMN Prospectus, Pages 48-50. Notes: *Percentage difference measured as absolute difference in the "Cost Savings to the Single Buyer" and "EBITDA from the Liberalised Market approach" divided by the latter

17 This description is based on IPA (2018).

Modelling approaches to quantify post-PWPA value

A range of modelling approaches can be applied to quantify the Residual Value for which the high-level decision-making process was provided in Figure 1 above.

First, a Least-Cost Dispatch and Capacity Planning Model ("LCDCPM") approach could be used.[18] This assumes that a rational investment environment will prevail in the future. Therefore, whether electricity or water is procured via long-term contracts by a Single Buyer or via the Liberalised Market, the evolution of dispatch and capacity of capacity will be such that it minimises the TSC of production on an ongoing basis. The resulting power and water dispatch and capacity addition profile will have the following characteristics:

- dispatch of all plants will be co-optimised based on their relative operational costs and,
- capacity additions of new plants will result in the lowest possible power production costs including capital expenditures.

Using the LCDCPM approach, the power and water prices will be equal to the marginal production costs of delivering one additional unit of output plus a Capacity Premium that measures the incremental cost of providing one unit of dependable capacity to ensure that the supply maintains a reasonable level of reliability. Annual EBITDA can be calculated as the product of expected dispatch and "firm" capacity with the relevant realised prices, less all operating and lifetime extension costs, and the RV by taking the present value of the Project's EBITDAs in the post-P(W)PA period. This approach was used in the analysis of post-P(W)PA value in the references provided in Table 1 above.

Second, a Simplified Modelling ("SM") approach could be applied as an alternative to the LCDCPM if the market is in equilibrium when the P(W)PA expires. This approach compares the cost of replacing the Project in the first post-P(W)PA year with the most cost-effective alternative new build option and assumes that the Project receives the tariff equivalent to the replacement cost. If the Project's annual cost of operation falls below the realised income from the tariff, then the Project should accept the tariff. The Project's post-P(W)PA value calculated this way will be equal to the difference in TSC from keeping the Project in operation rather than closing it, defined as the Annual Cost Saving ("ACS"). By mapping the ACS to all post-P(W)PA years, the RV will be the present value thereof less any lifetime extension costs.

Both LCDCPM and SM approaches require testing the entire universe of available replacement plant options. In fact, limiting the comparison to a handful of replacement options could force one to select more expensive plants resulting in an unjustifiable increase of the post-P(W)PA value. That said, there might be justifiable reason why some options may be dropped for obvious cost, environmental, logistical or political reasons (as could be envisaged in the case of nuclear or coal-fired plants).

3-5 Part 3. API 2 and API 4 coal price index trends[19]

This section provides background and an analysis of some of the drivers of on the API 2 and API 4 coal price indices which act as a reference for coal trading in Europe and Asia.

General commentary on API 2 and API 4 coal price indices

As mentioned in part 1B, coal plays an essential role in the generation mix of many countries where ACWA Power operates (e.g., South Africa, Egypt, Vietnam) or plans to expand (e.g., Indonesia, Pakistan, Philippines). Some of these countries however do not have sufficient domestic coal production and rely on imports from a range of countries including Indonesia, Australia, and Russia (source: IEA, p.11).

API2 and API4 act as a reference for coal trading in Europe and Asia along with other indices:

- API 2 is an average of the Argus CIF ARA assessment and the IHS McCloskey NW Europe Steam Coal marker. The prices are assessed for 6,000 NAR meeting certain specification as per the methodology published by Argus in its Argus/McCloskey's Coal Price Index Report.
- API 4 is an average of the Argus FOB Richards Bay 6,000 assessment and the IHS McCloskey Richards Bay 6,000kc FOB marker. The prices are assessed for 6,000 NAR meeting certain specification as per the methodology published by Argus in its Argus/McCloskey's Coal Price Index Report

Within the ACWA Power portfolio API 2 and API 4 coal price indices are applicable for the Hassyan project in the UAE.

18 An example of such models can be seen in in Page 12 of DOE (2016).

19 Note to Draft: This should be section 3.5.

Drivers behind API 2 and API 4 indices

The API 2 is the primary price reference for physical and over-the-counter coal contracts in Europe. API 2 prices are affected by the dynamics of European power demand, natural gas prices, regulatory framework, emission costs etc. For instance, the European carbon prices have a negative impact on coal demand (source: ING).

The API 4 price assessment is used for physical as well as futures and options contracts on financial exchanges. The API 4 prices are affected mainly by Asian power demand (especially India) and the domestic demand within South Africa, in addition to other global factors (source: EEFA).

Long-term expectations on the dynamics between the two indices

Historically, the two indices have been quite convergent, with occasional price divergences of USD 2-5 per ton. March 2020 future quotes suggest an average ~USD 12 per ton premium for the API4 over API2 up until the end of 2025 (source: CME Group). The latest trends emerging in the coal markets are expected to affect the two indices in a differentiated way:

- On the demand side, though Covid-19 has depressed the demand for coal globally with the expectations of a short-term rebound, the dynamics in coal usage in Europe and Asia is markedly different (sources: Argus Media 2020b, IEA 2019, IEA p/r 2020). Decarbonisation policies, increasing competition from gas in Europe are pushing coal demand in Europe down (sources: Argus Media 2019, Thomson Reuters 2018). South Africa's thermal coal export industry is facing long-term, permanent decline. Aside from the domestic issues that the South African coal industry faces, its major export markets (India, Pakistan, South Korea) have been already showing signs of transition away from coal or limited growth potential (source: EEFA).
- On the supply side, 2020 policy changes in India with regard to Commercial Coal Mining and FDI suggest that net imports could reduce in the future. The move to reform the sector is part of the government's goal of replacing at least the "substitutable" thermal coal imports with increased domestic output when the new mines come into production (source: Argus Media 2020a, GTM). In Europe, domestic production will be gradually phased out or transitioned to clear energy (source: JRC, p.45, 81).

As a result of major coal producing countries targeting Asian consumption, we may see competition in this region too, that may drive down the prices. Australian Coal has improved its competitiveness into key markets, threatening market share for South African Coal and hence API4 (source: S&P Global).

4- The Company

4-1 Overview

The International Company for Water and Power Projects (**"ACWA Power"** or the **"Company"**) (together with its subsidiaries, the **"Group"**) was founded as a closed joint stock company in the Kingdom of Saudi Arabia pursuant to ministerial resolution number 215/Q dated 2/7/1429H (corresponding to 5 July 2008G) with commercial registration number 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G) and with an initial share capital of SAR 2,920,895,000 (two billion nine hundred and twenty million eight hundred and ninety five thousand) consisting of 292,089,500 (two hundred and ninety two million eighty nine thousand and five hundred) ordinary shares with a nominal value of SAR 10 per share (each a **"Share"**). For further information on the evolution of the Company's share capital, see Section (4-11) (**"Founding and Share Capital Evolution of the Company"**). The Company's head office is located at 2nd Floor, Building 5, The Business Gate, King Khaled International Airport Road, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The Company's main activities are the development and operation of power and water desalination plants in the Kingdom of Saudi Arabia and internationally.

The Group is a leading private developer, investor and operator of 64 power generation and water desalination projects (such projects of the Group, the **"Projects"**) in operation, construction and advance development as of 1 June 2021G—with a portfolio both within the Kingdom of Saudi Arabia and internationally in the GCC, Egypt, Ethiopia, Morocco, South Africa, Turkey, Uzbekistan, Azerbaijan and Vietnam. The Group is a leading power and water provider, both in fossil fuel and renewable technologies, in the Kingdom of Saudi Arabia and a significant participant in the power generation and water desalination industries in the countries in which it operates as measured by MWs of contracted electricity generation capacity and millions of cubic meters (m3) of desalinated water capacity. As of 1 June 2021G, the Group had estimated market shares in Saudi Arabia, Oman, the UAE, Bahrain, Jordan and Uzbekistan of 24%, 43%, 14%, 29% ,22% and 23%, respectively, based on contracted power capacity. As of 1 June 2021G, the Group had a portfolio with a total estimated project cost of SAR 248 billion, comprising 64 power and/or desalinated water Projects, in 13 countries, with a mix of renewable energy and conventional fuel Projects. Of these Projects:

- 39 are in operation representing a total estimated project cost of SAR 100.3 billion;
- 12 are under construction representing a total estimated incurred and future project cost of SAR 55.5 billion; and
- 13 are in a state of advanced development (either where the Group has been awarded a preferred bidder status, has signed the long-term Offtake Agreement, or for some negotiated deals has committed significant financial resources, and is working on achieving financial close) representing a total estimated incurred and future project cost of SAR 91.6 billion.

Table (4-1): The Group's operational capacity of the portfolio is highlighted in the table below:

	2018	2019	2020*
Operational Capacity (# of projects)	32	41	38
Operational Capacity (GW)	16.9	20.5	20.3
Operational Capacity (million m3/day)	2.4	2.7	2.7

*Reduction in 2020 is due to removal of Bowarege and one plant at CEGCO and Karad was sold in 2020G

As of 1 June 2021G, approximately 33% of the gross power capacity of the Group's power-generation Projects (including operating, under construction and in advanced development Projects) utilize renewable technologies (solar and wind), and another 44% use natural gas, so that approximately 77% of the gross power capacity of the Group's power-generating Projects utilizes either renewable or low carbon sources. Approximately 23% of the gross power capacity of the Group's power-generation Projects utilize coal and oil. However, with the decision of the Company in 2020G which was subsequently formalized by the board of directors to no longer pursue any new coal- or oil-fired project, the Group is committed to gradually reducing its green house gas (GHG) emission intensity and ultimately achieving net zero-emissions by 2050G.

The Group focuses on large assets operated with high standards in line with industry best practices. Approximately 71% of the Group's gross power generation capacity is from plants that have an individual capacity of greater than 1 GW. The Group's Offtake Agreements (including those for advanced development assets) have a weighted average (weighted by project cost) remaining life of 22 years. Between 31 December 2006G and 31 December 2020G, the Group's gross power capacity and water capacity (including under construction and advanced development Projects) have grown at CAGRs of 28.4% (from 1.3 GW to 41.7 GW) and 13.3% (from 1.0 million m3 to 5.8 million m3 per day), respectively.

The Group aims to become one of the largest power generation, water desalination players in the countries where it chooses to operate as well as a major Green Hydrogen player (i.e., establishment of plants to extract hydrogen used as fuel and as a means to store energy by separating hydrogen and oxygen from water through electrolysis using electricity generated from renewable energy sources), without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost. To this effect, the Group seeks to sustainably grow its power and desalinated water contracted capacities by focusing largely on sovereign offtake markets in the Kingdom of Saudi Arabia (where the counterparties to the relevant Offtake Agreement are state-owned entities), GCC and other high-growth economies through the expansion of its existing facilities, the development of greenfield Projects and the acquisition of ownership interests in companies operating existing plants. The Group is also positioning itself to lead in the Energy Transition and be a key player in the market for Green Hydrogen, with one utility-scale project already announced in Saudi Arabia and additional projects being actively explored both inside and outside the Kingdom of Saudi Arabia. The Group aims to be a key developer, investor and operator of critical power, water desalination and Green Hydrogen assets.

The Group aims to be a strategic lead developer by targeting critical assets in strong growth markets. At the forefront of the Energy Transition, the Group focuses predominantly on renewables and transitional low CO2 projects and seeks to employ innovative technical, commercial and financial bidding strategies while focusing on cost leadership by providing turnkey solutions with leading original equipment manufacturers (**"OEMs"**) and EPC Contractors. In these Projects, the relevant special purpose company incorporated in the host jurisdiction of the relevant Project which it is tasked to implement and which holds the relevant Project assets (the **"Project Company"**) typically enters into a long-term offtake contract with creditworthy offtakers (which are usually government-related and/or predominantly investment grade). Long-term offtake contracts are contracts to sell the Project's electricity generation capacity and/or desalinated water production capacity at a pre-agreed tariff or to sell actual electricity generated and/or desalinated water produced at the relevant Project. The offtakers include investment-grade sovereign and quasi-sovereign entities, as well as predominantly investment grade resource/commodity-based industrial companies that require significant quantities of utility services and are usually capable of supplying their own fuel resources to the Projects (for example, captive power plants for oil and gas companies).

The Group co-invests in all of its Projects with a view to maintaining technical and operational control over the performance of these Projects. The Group aims to invest in Projects efficiently by bringing in equity partners in most of its Projects, by using non-recourse or limited recourse project finance debt and by targeting to raise funding using equity bridge loans. Equity bridge loans are frequently used as a structuring technique in I(W)PP projects because the cost of equity for such projects is almost always greater than the cost of debt. By bridging its equity injection during the construction period with an equity bridge loan, the Group is able to pass on part of the savings in cost of funds as a tariff reduction to the offtaker. Additionally, the Group seeks continuous capital optimization through re-financing of equity bridge loans with the objective of generating incremental return on its investments.

The Group targets significant, long-term shareholding interests in most of its projects and seeks to play the role of the lead investor with de facto control over the investment (e.g. by obtaining and maintaining the ability to appoint senior managers (for example the CEO and the CFO) and operational management through NOMAC, its wholly owned subsidiary, acting as the operation and maintenance contractor on an arms-length basis). The Group focuses on building scalable investment platforms and on building and maintaining a portfolio with a diversified asset base. Furthermore, the Group seeks to maximise differential returns through the use of development fees (which are fees typically paid to the developers or sponsors upon financial close or COD as compensation for the risks taken and efforts made while developing the Project), project management and advisory fees (which are fees typically paid to the Group for managing the construction of the Project) and technical services fees (which are fees typically paid to the Group for providing technical advisory services for the Project during its operation), and O&M fees (which are the fees paid by the project company to the entity, usually a Group company, which provides operational and maintenance services to its plant following its commissioning) for all its Projects.

Normally, the Group does not operate third-party assets or own assets operated by third parties. Instead, the Group generally holds a significant equity interest in the assets it operates and largely a majority interest in the entities operating its assets. For the operation and maintenance of its own Projects, the Group generally leverages its wholly owned subsidiary, NOMAC, and NOMAC's subsidiaries or joint ventures, which operate the majority of the Group's Projects to its standardized operating model with what management considers to be high standards of health, safety, security and environmental protection in line with global standards. In this manner, the Group aims to create value through a standardised operational model that seeks to ensure superior control and understanding of operating assets through the life cycle, provide stable long-term income and super senior cash flows, incentivize adoption of consistent high operational standards and a culture of safety, enhance the use of digitalization to improve asset performance, capture the benefits from economies of scale, create operational synergies from replicable and transferable learnings, enhance risk mitigation and deliver systematically optimized costs across the supply chain.

Additionally, the Group seeks to continuously implement financial and operational initiatives to further optimize the returns from the portfolio. It systematically targets to recycle its capital through sell-downs of minority stakes in its Projects (while retaining its operational and de facto control), extending contracts beyond the original P(W)PA, and portfolio level capital structure optimization through (i) re-financing of equity bridge loans (by extending tenors for individual EBLs or re-financing the portfolio EBLs with long-term permanent capital) and/or (ii) bringing in strategic equity partner(s) on a portfolio of assets across multiple jurisdictions, both with the objective of generating incremental return on its investments.

The Group's business is capital intensive in nature and the Group utilizes diverse sources of financing including a combination of equity and debt financing from a variety of sources including institutional investors, international development banks and international and national (Saudi) commercial banks. Financing and funding facilities of the Group comprise recourse or non-recourse facilities.

Recourse facilities are (i) direct borrowings at parent level for liquidity support and other general corporate purposes; (ii) facilities of the Project Companies, including equity commitments that are normally in the form of Equity Bridge Loans (EBLs), guaranteed by the Company (see Section (6-3-9-3) Contingencies and Commitments); and (iii) other liabilities in relation to APREH's convertible loan and PIF's non-interest bearing converted loan (for further analysis on the net recourse debt of the Company, please refer to Section (6-3-9-2) Capitalization and indebtedness, Net Recourse debt of the Company).

Non-recourse facilities are borrowings by either the Project Companies or the Holding Companies, which are ring-fenced with no recourse to the Company. They comprise (i) non-recourse facilities that are secured by the Project Company with its own assets, cash flows and contractual rights over certain proceeds; and (ii) non-recourse facilities that are secured by the Holding Company with its investments and cash flows through the Project Company with no recourse to the Company, including the existing ACWA39 Bond issued by the Company's wholly owned subsidiary APMI One with no recourse to the Company and secured against the cash flows from a select portfolio of Projects in the Kingdom of Saudi Arabia (see Section (6-3-9-2) Capitalisation and indebtedness, APMI One's Bond and other funding instruments of the Company, The Bonds).

The Group believes that its develop, invest, operate and optimize business cycle model allows it to generate total returns substantially in excess of its cost of capital or hurdle rate across the technologies and portfolio.

As of 1 June 2021G, the Group's portfolio of Projects in operation, under construction or in advanced development represented approximately 41.6 GW of gross electricity generation capacity and 6.4 million m3 per day of desalinated water production capacity. The Group's proportionate share of this gross capacity based on its equity share in each of the assets is 18.4 GW of electricity generation capacity and 2.8 million m3 per day of desalinated water production capacity. The Group's Projects in the Kingdom of Saudi Arabia accounted for approximately 55% of the Group's gross power capacity overall as of 1 June 2021G, with the next largest markets being Oman, UAE and Uzbekistan, accounting for approximately 12%, 11% and 10% of the contracted power capacity from the Group's Projects, respectively. The Group's Projects in the Kingdom of Saudi Arabia also represented approximately 67% of the Group's contracted desalinated water production capacity overall as of 1 June 2021G, with UAE, Oman and Bahrain accounting for the remaining 25%, 5% and 4% respectively.

4-2 Company History

The Group traces its history to 2004G when Abdullah Abunayyan Trading Company and Abdulkadir Al Muhaidib & Sons Co (who together formed Arabian Company for Water and Power Development or ACWA Holding (which today is known as Vision International Investment Company) and MADA Group for Industrial and Commercial Investment (which today is known as Al Rajhi Holding) created Arabian Company for Water and Power Projects or ACWA Power Projects. This was in response to new opportunities that emerged in the Saudi Arabian electricity and desalinated water markets following the historic decision of the Saudi Arabian government, taken in 2002G pursuant to Supreme Council Resolution No: 5/23 dated 23/2/1423H (corresponding to 3 June 2002G) to progressively open up the electricity and desalinated water production sectors to the private sector to own and operate assets. ACWA Power Projects then successfully bid for the Shuaibah IWPP and Petro-Rabigh IWSPP in 2005G and for the Shuqaiq IWPP and Marafiq IWPP in 2006G. In 2008G, Al Rajhi Holding, Vision Investment, Mohammed Abdullah Rashid Abunayyan, Sulaiman Abdulkadir Al Muhaidib and Ahmad Sulaiman Al Rajhi, established the Company, in order to acquire ACWA Power Projects and broadened the Group's strategy to include expansion of the Group's operations into high-growth markets outside of the Kingdom of Saudi Arabia. Since 2008G, the Company has been the holding company for the Group. In 2009G, certain Saudi private conglomerates based across the Kingdom of Saudi Arabia acquired shares in the Company. Vision International Investment Company (Vision Investment), is currently the Company's second largest shareholder with a 25.76% ownership stake. In 2013G, Sanabil Direct Investment Company, a wholly owned subsidiary of the Public Investment Fund or PIF (a sovereign wealth fund of the Kingdom of Saudi Arabia), and the Saudi Public Pension Agency of the Kingdom of Saudi Arabia became shareholders of the Company with stakes of 13.71% and 5.71% respectively. In 2014G, the International Finance Corporation (IFC), which is one of the world's largest development institutions and is a member of the World Bank Group, became a shareholder of the Company with a 5.10% ownership interest. In 2018G, the PIF subscribed for a 15.20% direct stake in the Company. Saudi Arabian Investment Company (Sanabil Investments) subsequently transferred their 9.78% ownership stake in the Company to the PIF in October 2019G. In May 2020G, the PIF acquired IFC's 4.3% shareholding in the Company, and in November 2020G, the PIF acquired PPA's entire 4.08% stake, as well as purchased shares pro-rata from the other shareholders to achieve its current ownership interest in the Company of 50.00%. For further information on the evolution of the Company's share capital and ownership, see Section (4-11) (**"Founding and Share Capital Evolution of the Company"**) and Section (4-12) (**"Beneficial Ownership"**).

Table (4-2): The following table illustrates certain key milestones in the Group's history:

Year	Milestone
2004G	Establishment of ACWA Power Projects to participate in the Kingdom of Saudi Arabia's water and power sector privatization.
2005G	ACWA Power Projects successfully bid for the Shuaibah IWPP and Petro-Rabigh IWSPP, Kingdom of Saudi Arabia. Establishment of NOMAC by ACWA Power Projects as a founding shareholder with a 65% shareholding.
2006G	Financial close of the Shuaibah IWPP and Petro-Rabigh IWSPP, Kingdom of Saudi Arabia. ACWA Power Projects successfully bid for the Shuqaiq IWPP and Marafiq IWPP, Kingdom of Saudi Arabia.
2007G	Added the Shuaibah Expansion I IWP, Kingdom of Saudi Arabia. Financial close of the Shuqaiq IWPP and Marafiq IWPP, Kingdom of Saudi Arabia.
2008G	The Company (ACWA Power) was formed to acquire ACWA Power Projects and facilitate subscriptions from strategic investors from different regions of Saudi Arabia. Start of commercial operations of the Bowarege IWP and Petro-Rabigh IWSPP, Kingdom of Saudi Arabia,
2009G	Successfully bid and achieved financial close of the Rabigh IPP, Kingdom of Saudi Arabia, Commenced operation of Shuaibah Expansion I IWP
2010G	Acquired a 41.9% shareholding in and integration of the Barka 1 IWPP, Oman. Commenced operation of the Shuiabah IWPP, Marafiq IPP and Shuqaiq IWPP.
2011G	Signed the PPA for the then largest gas fired IPP in the world – the Hajr IPP. Acquired a 28.2% shareholding in the Aqaba IPP, Rehab IPP and Risha IPP managed by CEGCO (the "CEGCO Assets"), Jordan. Founding of Higher Institute for Water and Power Technologies in Rabigh, Kingdom of Saudi Arabia to provide training in the power and water sector to build technical skills of Saudi nationals.
2012G	Financial Close for the Hajr IPP, Kingdom of Saudi Arabia. Increased the Group's shareholding in CEGCO, Jordan to 40.93% and also acquired a 42% shareholding in the Karadzhalovo PV IPP in Bulgaria. Signed a WPA for the expansion of Barka 1 IWPP. Completed the acquisition of the remaining 35% shareholding in NOMAC, thereby making it a wholly-owned subsidiary of the Group. Signed an MOU for the Petro-Rabigh (Phase 2) IWSPP, Kingdom of Saudi Arabia.
2013G	Increased shareholding in the Petro-Rabigh IWSPP by 13.1% to 37% Achieved financial close and commenced construction for each of: Bokpoort CSP IPP in South Africa Noor I CSP IPP plant in Morocco Petro-Rabigh (Phase 2) IWSPP in the Kingdom of Saudi Arabia. The Rabigh IPP achieved its commercial operation date.
2014G	The Group increased its shareholding to 40% in the Shuqaiq IWPP by buying Mitsubishi's 6% shareholding in SqWEC, later reduced to 32% in 2017G. The Barka 1 Expansion IWP achieved its commercial operation date.
2015G	Successfully achieved financial close of the Shuaa Energy PV IPP, United Arab Emirates. Achieved financial close of the Salalah 2 IPP – Greenfield in Oman and simultaneously acquired a 45% shareholding in Dhofar Generating Company SAOC in Oman from NAMA Group and Ministry of Finance, the project company for the Salalah 2 IPP – Existing. Commenced operation of the Noor I CSP IPP in Morocco. Achieved financial close of the Noor II CSP IPP and Noor III CSP IPP.
2016G	Acquired a 70% economic and voting interest in the Mafraq PV IPP in Jordan from Sunrise Solar. Commenced operation of the Bokpoort CSP IPP in South Africa. The Group selected as the preferred bidder for Hassyan IPP in United Arab Emirates and for the Ibri IPP and Sohar 3 IPP in Oman. The Hajr IPP, the Noor I CSP IPP and achieved their respective commercial operation dates.

<table>
<tr><th>Year</th><th>Milestone</th></tr>
<tr><td>2017G</td><td>Successfully bid for the Noor Energy 1 IPP in the United Arab Emirates and the Risha PV IPP in Jordan.
The Kirikkale CCGT IPP and the Shuaa Energy PV IPP achieved their respective commercial operation dates.
Successfully launched and priced a 22 year USD 814 million investment grade non-recourse project bond, backed by cash flows from eight KSA power and water assets and eight KSA O&M contracts.</td></tr>
<tr><td>2018G</td><td>Commenced operations in:
Petro-Rabigh (Phase 2) IWSPP and Rabigh 2 IPP in Saudi Arabia
Salalah 2 IPP – Greenfield in Oman
Khalladi Wind IPP, NOOR PV1 IPP, Noor II CSP IPP and Noor III CSP IPP in Morocco
Zarqa IPP and Mafraq PV IPP in Jordan
Achieved financial close for:
Sakaka PV IPP in Saudi Arabia
Salalah IWP in Oman.
Ben Ban PV IPP in Egypt.
Sold 30% of the Group's stake in the Kirikkale CCGT IPP to certain shareholders of the Group.
The Public Investment Fund (PIF) became a 15.2% direct shareholder in the Company.
Increased shareholding at RAWEC in Saudi Arabia to 74% by acquiring 37% from Marubeni.
Successfully bid and awarded Rabigh 3 IWP and Jazan IGCC in Saudi Arabia, Al Dur Phase II IWPP in Bahrain and Vinh Hao 6 PV in Vietnam.
Bid for Askar 100 MW Landfill-cum-Solar PV in Bahrain; Kom Ombo 200 MW PV in Egypt; Ibri 2 PV IPP in Oman; Taweelah IWP in UAE—all four were awarded in 2019G.</td></tr>
<tr><td>2019G</td><td>Commenced operations in:
Sakaka PV IPP and Shuaibah Expansion IWP in Saudi Arabia
Ibri IPP and Sohar 3 IPP in Oman
Ben Ban PV IPP in Egypt.
Risha PV IPP in Jordan.
Vin Hao 6 PV IPP in Vietnam.
Achieved financial close for:
Rabigh 3 IWP in Saudi Arabia
Noor Energy 1 CSP+PV IPP and Taweelah IWP in UAE
Al Dur Phase II IWPP in Bahrain
Vin Hao 6 PV IPP in Vietnam.
Signed project agreements for the Ibri 2 PV IPP and the UAQ IWP.
Increased shareholding at RAWEC in Saudi Arabia to 99% by acquiring 25% from JGC.
Sold-down 49% shareholding in ACWA Power Renewable Energy Holding to a subsidiary of China's Silk Road Fund (SRF).
Successfully bid and awarded DEWA Phase V PV IPP in UAE and Scaling Solar Phase I (2 x 125 MW PV) in Ethiopia.
Signed Shareholder Agreement on Jazan IGCC with Saudi Aramco and Air Product with the Company owning 25% in the Joint Venture.</td></tr>
<tr><td>2020G</td><td>Awarded Jubail 3A IWP and The Red Sea Project in Saudi Arabia.
Entered two new countries:
Awarded three projects in Uzbekistan: (Sirdarya CCGT IPP, Bash Wind project, and Dzhankeldy Wind project)
Awarded wind project in Azerbaijan
Achieved financial close for:
Jubail 3A IWP in Saudi Arabia
Ibri 2 PV IPP in Oman
Signed a binding agreement to increase shareholding at Hajr Electricity Production Company in Saudi Arabia to 22.49% following 4.99% partial acquisition of Samsung's equity.
The PIF acquired shares from other shareholders to bring its total ownership interest to 50.00%.
Signed joint development agreement with Air Products and NEOM for an approximate SAR 18.75[22] billion green ammonia production facility powered by renewable electricity for export to global hydrogen markets.</td></tr>
</table>

22 The expected project cost is preliminary with actual costs to be ascertained as the project progresses further.

Year	Milestone
2021	Signed Strategic Framework Agreement (SFA) with PIF for partnership in the development of renewable projects under Saudi Arabia's Vision 2030 and National Renewable Energy Program, and signed PPA for 1500 MW Sudair PV IPP, the first project to be developed under the SFA Signed Implementation Agreement for 1500 MW Wind project in Uzbekistan Achieved financial close for: Sirdarya CCGT IPP in Uzbekistan Redstone CSP IPP in South Africa Kom Ombo PV IPP in Egypt

Source: Company; 2021 achievements are up to 6 June 2021

4-3 Mission and values

The Group aims to become one of the largest IWPP players in the GCC, Asia and Africa without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost, as well as an innovative player in the Green Hydrogen and industrial gases landscape, and has accordingly set out the following mission and central values. The Group's mission is to reliably and responsibly deliver electricity and desalinated water at an optimized cost that is as low as possible to ensure uninterrupted and complete contracted cash flow throughout the term of the contract yet remains high enough to recover all costs and for the investment to create shareholder value. This contributes toward the Group's wider vision to ensure the ingenuity and entrepreneurship of the private sector, and make available electricity and desalinated water in a reliable and responsible manner to support the social development and economic growth of nations in which the Group operates, and be a key player at the forefront of the Energy Transition from conventional to renewable power and Green Hydrogen.

The Group has as its central values: Safety, People, and Performance.

Safety: The Group seeks to prioritize safety and is committed to protecting the well-being of its employees, partners, plants and communities in which they operate, while also finding sustainable solutions for its business in considerations of long-term environmental sustainability for the future generations.

People: The Group seeks to foster a healthy, inclusive and productive working environment for its employees and partners, rooted in respect and professionalism. The Group seeks to work collaboratively, where people can contribute, innovate and excel through support to achieve client, personal and company goals. Accordingly, the Company embraces strong ethical and professional standards, emphasizing values of integrity, transparency and collaboration.

Performance: The Group commits itself to excellence in its business and operations. It seeks to achieve ambitious targets by expanding its capacities on an ongoing basis. Towards this end, the Group values speed, adaptability and accountability in approaching new challenges and contexts.

4-4 Strategy

The Group's overall strategy is to be at the forefront of the Energy Transition by delivering reliable and responsible power, desalinated water and Green Hydrogen at low cost in the Kingdom of Saudi Arabia, the wider GCC and attractive high-growth markets based on a de-risked and contracted business model.

The key tenets of the Group's strategy are:

4-4-1 Leadership in KSA and selected high-growth markets

The Group aims to build on its leading position in the power and water sector in the Kingdom of Saudi Arabia, while assessing potential opportunities in the international markets it already serves and expanding into other fundamentally attractive high-growth economies selected through a rigorous internal investment decision process.

Further growth opportunities within KSA include a very significant renewable projects pipeline under Saudi Arabia's Vision 2030 and National Renewable Energy Program. This was initially announced as 58.7 GW of renewables projects by 2030G. Of this, 70% is expected to be undertaken by PIF and 30% will be allocated for public tendering, which will be undertaken by REPDO. As the dominant national player, the Company expects to play an integral role in KSA's Vision 2030 energy transition goals and has signed an agreement with PIF to jointly fulfil PIF's renewables mandate (see Section (4-5-8) ("**Strong Future Outlook**"). The Company is also seeking to be at the forefront of this Energy Transition with ground-breaking projects such as the NEOM Green Hydrogen project and the recently announced The Red Sea Project, a carbon-neutral renewables-powered "giga-city" with fully integrated utilities infrastructure.

Outside the Kingdom of Saudi Arabia, the Group's expansion plans include targeting high-growth economies, based on a comprehensive assessment of several criteria, including the Group's ability to generate value and the availability of creditworthy potential purchasers offering long-term Offtake Agreements. As at the date of this Prospectus, the Group aims to focus its international market strategy on four primary target geographies: the wider GCC, selected other MENA countries, Southern Africa and Asia.

	The Group's Key Markets	OECD Markets
Key Features of the Macro Environment		
GDP growth	High	Low
Population growth	High	Low
Electricity demand growth	High	Low
Need for water desalination	High	Low
Sovereign credit rating	Mostly investment grade	Mostly Investment grade
Key Features of the Power and Water Markets		
Reserve margins	Low	High
Power capacity growth	High	Low
Thermal power sales	Long-term Offtake Agreements	Mostly merchant markets
Renewables power sales	Long-term Offtake Agreements	Feeding Tariffs / Recent zero-subsidy tenders
Feed-in Tariff vs. Offtake Agreement tenors	High	Medium

The Group's target markets typically have low reserve margins and a high demand for electricity and, where relevant, for desalinated water, pursuing long-term Offtake Agreements with predominantly investment grade and/or sovereign-linked entities. With sizeable growth opportunities in the Group's key target markets, additional power capacity is expected to reach approximately 385 GW including more than 220 GW of renewable sources (please refer to Section (3) (**"Overview of the Industry and the Market"**). The Group is also evaluating 9.3 million m3/day of identified bids for water desalination projects in its target markets.

As an agile developer of critical utility-scale power and water projects with an extensive track-record in innovation and adding value pre- and post-bidding, the Group is well positioned to capture future opportunities.

4-4-2 Focus on driving the Energy Transition and wider environmental, social, and corporate governance (ESG) agenda in all targeted markets

The Group is at the forefront of the Energy Transition and innovation, with a strong track record across multiple renewable technologies including CSP, solar PV and wind and has achieved breakthrough accomplishments including the world's largest CSP plant and lowest CSP and PV tariffs (as at the time of bid). In relation to water projects, the Group believes it is a pioneer in renewable-powered reverse osmosis desalination. The under construction partially solar-powered Taweelah IWP plant in the UAE is the world's largest reverse osmosis plant and has the lowest desalinated water tariff in the world, utilising the least energy per gallon of water produced.

The Group is an early mover into utility-scale Green Hydrogen, a cutting-edge climate-relevant technology through the planned NEOM Green Hydrogen JV. This world-scale Green Hydrogen project is to be powered by approximately 4GW of combined solar and wind capacity. The Group is also actively pursuing a number of additional Green Hydrogen projects inside and outside the Kingdom of Saudi Arabia. ACWA Power is also a founding partner, along with CWP Renewables, Envision, Iberdrola, Orsted, Snam and Yara, of the "Green Hydrogen Catapult" initiative project which aims to develop up to 25 GW of worldwide renewables-based hydrogen production and halve the current production costs of hydrogen to below $2/kg by 2026G.

As part of Saudi Arabia's economic transformation, the Group also seeks to build carbon-neutral sustainable off-grid "giga-cities" utilising fully integrated utilities infrastructure, powered largely by renewable energy and distributed generation. In relation to this, The Red Sea Development Company (**"TRSDC"**) has awarded the contract to design, build, operate and transfer The Red Sea Project's utilities infrastructure to a consortium led by ACWA Power. The contract marks a significant step forward for The Red Sea Project, establishing it as the region's first tourism destination powered solely by renewable energy. Energy will be generated via solar panels and wind turbines to meet an initial demand of 210MW with the ability to expand in line with the development. Included in the package is the one of the world's largest battery storage facility of 1GWh, which is expected to allow the destination to remain completely off-grid and powered by renewables day and night. The agreement also covers the construction of three seawater reverse osmosis plants, designed to provide clean drinking water, a waste management center and an innovative sewage treatment plant that is expected to allow waste to be managed in a way that enhances the environment, by creating new wetland habitats and supplementing irrigation water for the TRSDC landscape nursery. The PIF, which owns TRSDC, will provide the guarantee for the 25-year offtake agreement.

The Group's multi-technology capability has allowed it to build a balanced asset base and development pipeline addressing climate challenges by supporting the Energy Transition through focusing on predominantly low CO2 projects (CCGT, renewables and green utility-scale hydrogen) and climate adaptation (e.g. highly efficient water desalination).

The Group believes that it is crucial to act as a sustainability enabler and is committed to contribute in creating a sustainable future by generating power and producing desalinated water reliably, responsibly and at low cost. In this context, the Group has identified, selected and prioritised material topics through a systematic process to ensure that the effects of climate change and corporate social and governance responsibilities become routinely considered in its business and investment decisions, and set time-bound interim and end-state targets and will be reporting these based on the reporting principles of the Global Reporting Initiative (GRI) and the Taskforce on Climate-related Financial Disclosures (TCFD). These targets support the Group's ambition to transition to low-carbon economy and help the Group manage its operations more efficiently by optimizing the use of scarce resources such as water.

The Group will no longer invest in additional coal fuelled projects. While the Group currently has 33% of its power generation capacity in Renewables (including projects under construction or Advanced Development), the Group is committed to raising this to at least 50% renewables by 2030G, reducing the GHG emission intensity of its portfolio by 50% by 2030, and to achieving net-zero emissions by 2050 with at least 95% renewables and to address the carbon emission arising from the remaining 5% fossil fuel energies via mechanisms ranging from carbon capture to nature-based solutions. The Group intends to lead the way to de-carbonisation and focus predominantly on renewables and transitional low CO2 projects. As a national champion the Group is positioned to play a leading role in the Kingdom of Saudi Arabia's Vision 2030 energy transition strategy which targets almost 60 GW of renewable energy generation capacity in the country by 2030G, and is the partner of choice for the Public Investment Fund to implement the majority of this capacity (see Section (4-5-8) (**"Strong Future Outlook"**).

The Group places significant emphasis on social and economic development by maximizing value retention in the local economy generating local employment and local content opportunities, including through training and developing human resources, seeking to maximize local procurement, protecting and contributing to environmental sustainability and ensuring the health and safety of the Group's workforce in the communities where it operates. In relation to the social aspect, further actions include increasing and facilitating local communities' access to education, promoting better local infrastructure and women empowerment.

The Group's strong ESG credentials are underpinned by a firm commitment to five of the UN Sustainable Development Goals (namely, Climate Change, Affordable and Clean Energy, Clean Water and Sanitation, Auality Education and Gender Equality), and ongoing focus on driving positive community impact and creating shared long-term value.

The Group's ESG strategy is supplemented with a sound corporate governance framework which ensures a high level of accountability, transparency, responsibility and fairness in all aspects of the Group's operations. The Group aims to align its governance policies with local and international standards and the best practices of corporate governance are incentivised by the historically strong presence of institutional shareholders at the holding and project company levels in an effort to create high levels of sustainable value to shareholders.

4-4-3 De-risked business model underpinned by diversified long-term contracts

The Group aims to have a de-risked proposition by:

1. Focusing exclusively on fully contracted long-term offtake opportunities in high-growth markets with no merchant volume exposure(the Kirikkale project in Turkey being the Company's only presence in a merchant market){. In addition, the Group looks for additional de-risking features in such long-term contracts including inflation and energy generation and water desalination volume protection, change in law protection, fuel pass-through mechanisms, and local currency exposure protection ideally via USD linkage as well as use of sovereign guarantees. The Group's long-standing and strong relationships with lenders and financial institutions further enhances the financially de-risked profile.
2. Credit risk is managed because offtakers are typically government or government backed entities. While 76% of our portfolio by project cost is in investment grade jurisdictions, in most of our territories, we have in place various forms of government guarantees that are designed to contractually protects us from credit risk and termination risk. In addition, since the Group provides critical power and water infrastructure, our assets are considered crucial to keep operational or afloat, and as such even during adverse economic periods, payments to I(W)PPs by offtakers tend to continue even when other industries/ sectors are more affected. Also, as the Group is in a very capital-intensive business, governments are incentivised not to create a precedent that could jeopardise future public-private partnerships or private sector investments in their country.

3. Funding the development of new assets by utilizing long tenor, limited or no-recourse project finance for a significant portion of the capital needs for each plant and not exposing itself to any significant interest rate risk by putting in place long tenor hedges at the outset. In addition, the Group aims to match the currency of borrowing with that of the offtake payments for the limited projects which have no USD linkage.
4. Minimising the development risks by implementing (a) favourable contracting mechanisms, (b) detailed project planning at the outset, (c) resource studies for renewable assets to mitigate resource risk and (d) close oversight during implementation, as well as by leveraging strong relationships with OEMs, EPC Contractors and the supply chain actors. The Group typically enters into lump-sum, turn-key EPC contracts including timely delivery and plant performance, to mitigate cost overruns.
5. Entering into long-term O&M contracts with similar length to the offtake agreements through NOMAC, its wholly-owned and best-in-class O&M subsidiary, to minimise operational risk.

4-4-4 Utilise centralised expertise to optimise portfolio operations and economics via the Group's wholly-owned O&M company, NOMAC

NOMAC, the Group's wholly-owned subsidiary, is responsible for the O&M of the vast majority of the Group's assets, managing approximately 19 GW of operational electricity generation capacity and 2.8 million m3 per day of operational desalinated water production capacity as of 1 June 2021G.

Promoting consistent high standards, operational excellence and a culture of safety across all projects, NOMAC is dedicated to provide best-in-class reliability of supply. NOMAC's value creation capability also contributes, other than in operations, to the Group's elements of its business cycle model: develop, construct, and optimize. With its early involvement in the development stage it provides engineering, operability review and plant design services that contribute to the high winning bids ratio of the Company. As part of construction, it assists in construction review from an operations aspect as well as during commissioning activities. It then further optimizes operations and maintenance by using economies of scale (to systematically reduce costs across the supply chain while focusing on quality), replicable operations, know-how and transferrable learnings.

By involvement in all cycles of the assets, its standardized operating model allows it superior control and understanding of operating the Group's assets through the various stages of their life cycle. NOMAC continues to deploy digitalized platforms for monitoring and prediction of critical equipment by using Big Data and advanced pattern recognition capabilities to enhance performance.

Through NOMAC, the Group aims to deliver above-contracted availability and efficiency and to preserve the residual value of assets within its portfolio as a result of high operating standards. With an expanding portfolio of plants across technologies and fuels, including renewable energies, NOMAC is able to self-perform long-term services for a growing range of critical equipment through its wholly owned subsidiary, NMES. This generates an immediate value creation opportunity by insourcing annual, mid and major maintenance activities as well as LTSAs that would typically be done by OEMs and in further enhancing NOMAC's economics for current and future projects. Additionally, NOMAC's expertise is also increasingly being used to service third parties offering an attractive new stream of cash flows.

With the low capital commitment requirement in O&M and the senior nature of the O&M cash payments from the Project Company to it, NOMAC is able to provide visible and secure cashflows and dividends to the Company.

4-4-5 Apply a total return concept focused on extracting economics across the value chain to offer optimal "win-win" tariffs

The Group, with its dedicated in-house experts including technical, financial, legal and project management teams, formulates leading technical and financial solutions and procures technology and construction services in a cost-competitive way to address the offtaker requirements at the lowest costs, and offering an optimal tailored and innovative solution, unlike a conventional "off the shelf" solution, resulting in a win/win proposition without compromising on the required returns on investment.

The Group aims to invest efficiently in all of its Projects and to take the role of lead investor with de facto control over the Project through a combination of significant and long-term stakes in the assets and with managerial and operational rights enshrined in each shareholders agreement. In this sense, the Group understands that equity partnerships in the Projects' platforms are an adequate response to an increasingly competitive renewables environment, particularly in view of the entry of oil players in the industry.

The Group will continue focusing on optimising its equity outlays in each investment, by investing alongside other partners whose cost of equity is lower than that of ACWA Power, whilst retaining development and O&M fees in relation to its Projects as well as recycling capital.

The Group aims to adopt an optimal financing model for each Project, tapping into limited recourse project finance debt markets, capital markets or bank loans, with the aim of reducing the funding cost of each Project and to optimise its shareholders' risk/return profile. The Group has established a wide network of local, regional and international lenders as well as development finance institutions (**"DFIs"**) and export credit agencies and will continue to maintain and grow these relationships.

In markets where commercially feasible, the Group also utilizes equity bridge loans to defer capital injections until later stages of a Project's construction phase (or where possible, even later) in order to further optimize the funding cost of the project and further reduce the tariff being provided and to increase the utilization efficiency of the Group's own balance sheet.

In addition, the Group seeks to continuously implement financial and operational initiatives to further optimize the returns from the portfolio. It systematically targets to recycle its capital through sell-downs of minority stakes in its Projects (while retaining its operational and defacto control), extending contracts beyond the original Offtake Agreement and portfolio level capital structure optimization through (i) re-financing of equity bridge loans (by extending tenors for individual EBLs or re-financing the portfolio EBLs with long-term permanent capital) and/or (ii) bringing in strategic equity partner(s) on a portfolio of assets across multiple jurisdictions, both with the objective of generating incremental return on its investments.

The Group believes that it's "Develop, Invest, Operate and Optimize" business model allows it to generate total returns substantially in excess of its cost of capital or hurdle rate (i.e., the minimum acceptable rate of return) across its technologies and portfolio while supporting the Group's ability to maximize tariff competitiveness by allocating the required total return across these different value streams of develop, invest, operate and optimize.

4-5 Competitive Strengths

The Group's competitive strengths include its Project development mastery underpinned by the "ACWA Power Total Solution", high quality contracted portfolio with diversified cashflows, business model configured to extract returns across lifecycles, seasoned management with strong in-house multi-disciplinary team of experts, critical mass in high-growth markets with visible growth pipeline and long-term buy-in from strategic shareholders.

4-5-1 Project development mastery underpinned by the cost-focused "ACWA Power Total Solution"

The Group has developed a proven track-record in greenfield development, consistently winning bids, and demonstrating strong development capabilities across technologies and fuel types. In the Kingdom of Saudi Arabia, the Group has won twenty out of twenty-eight bids since 2005G (including negotiated deals and acquisitions, in which the Group participated for which an outcome is known) principally as a result of delivering significantly lower tariffs than other bidders.

Table (4-3): Bid Winning Ratios

Bid winning ratios since 2005G (1)	Ratio of Successful Bids/Total Bids	Winning Percentage
South Africa	4 / 5	80%
Egypt	3 / 4	75%
Kingdom of Saudi Arabia	21 / 29	72%
Jordan	4 / 6	67%
Oman	8 / 12	67%
Other Countries	15 / 22	68%
Morocco	5 / 8	63%
UAE	6 / 11	55%
Total	**66 / 97**	**68%**

Source: Company. Note: (1) Based on the total number of the Group's submitted bids since 2005G and ranked by winning ratios. Wins include where the Company was awarded the project or where the Company is the lowest bidder. Bids submitted but not yet decided have been excluded.

The Group's approach to delivering winning tariffs encompasses five core elements: development, EPC and equipment, technology, financing and O&M. Its development process involves sustained engagement with stakeholders including EPC companies, OEM suppliers, and lenders, to deliver the cost-focused "ACWA Power Total Solution" to ensure sustainable cost leadership, with an experienced team who seek to apply ingenuity and entrepreneurship. Given its scale, track-record, early mover advantage (with respect to CSP and Green Hydrogen) and focus on sustainability and ESG, the Group also enjoys strong relationships with key partners and stakeholders including communities, authorities, offtakers, EPC companies, OEMs, equity partners and financing institutions, amongst others.

The Group exercises significant purchasing power when bidding on a Project, having established a compelling bid win-rate along with well-established relationships with OEMs and EPC Contractors at senior management levels. With technological innovation and development of optimal tailored solutions by the technical in-house team, the Group is able to provide customized turnkey solutions at competitive prices during the bidding stage. In addition, the Group is able to differentiate itself through the use of detailed and innovative designs during the bidding stage and integrating localized requirements through procurement of locally produced goods and services as part of its solutions, as opposed to the conventional practice of adopting "off-the-shelf" solutions.

In the case of financing the Group is able to capitalize on well-established relationships with lenders and non-bank financial institutions (internationally and regionally) to structure innovative solutions and access wider and deeper pools of liquidity. The proactive financial structuring approach utilizing a model based on significant equity stakes with financial structuring of shareholder loans and equity bridge loans allows for more efficient capital deployment and a wider range of bidding opportunities.

With respect to operation and maintenance of its Projects, the Group leverages NOMAC's scale (economies of scale allowing it to reduce costs across the supply chain), scope (in addition to O&M its engineering, operability review and plant design services), know-how (gathered during construction and operation and maintenance) and use of digitalization (monitoring and prediction of critical equipment through the use of advance pattern recognition capabilities) to optimize cost and improve bid competitiveness.

Table (4-4): The table below presents a selection of successful bids by the Group:

Select Successful Bids (All Levelized Tariffs in USD cents / Saudi halalas per kWh)	ACWA Power	2nd Bidder	Percentage Difference
Shuaibah PV in KSA (2021)	1.042/ 3.908	1.159/ 4.346	10%
DEWA V - PV in UAE (2019)	1.695/ 6.357	1.725 / 6.469	1.7%
Kom Ombo - PV in Egypt (2018)	2.752 / 10.32	2.791 / 10.467	1.4%
Al Dur Phase II IWPP – Gas in Bahrain (2018)	3.456 / 12.96	3.471 / 13.016	0.4%
Hassyan IPP – Coal in UAE (2015)	5.177/19.4	5.998/22.49	13.7%
Shuaa Energy PV IPP – Solar PV in UAE (2015)	5.986/22.44	6.128/22.98	2.3%
Noor I CSP IPP – CSP in Morocco (2012)	18.9 / 70.9	22.8 / 85.5	17.1%
Shuqaiq IWPP – Heavy Fuel Oil in Saudi Arabia (2006)	2.7/10.3	3.2/12	14.4%
Marafiq IWPP			
Gas in Saudi Arabia (2005)	1.52/5.71	1.86/6.99	18.3%
Water (USD / SAR cents per m3) – Reverse Osmosis	102.8/385.6	133.1/499.1	22.7%
Jubail 3A IWP in Saudi Arabia (2020)	41.3/ 154.9	42.7/160.0	3.2%

Source: Company information.

The Group's recognition as a leading global independent power and water developer has been internationally showcased by numerous prestigious awards including MENA Sponsor of the Year (2016G) by IJ Global, Project Bond Deal of the Year - APMI One (2017G) by IJ Global, IPP of the Year (Saudi Arabia) (2017G) by Asian Power Awards, EMEA Awards Best Water Deal (2017G), IJ Global MENA Water Deal of the Year (2018G) and MENA Solar Deal of the Year (2019G), MEED Renewables Company of the Year (2018G), PFI Global Sponsor of the Year (2019G), PFI PMEA Power Deal of the Year (2019G) and Desalination Company of the Year Award in 2020 by Global Water Intelligence (GWI).

4-5-2 Established critical mass and leadership across markets

With approximately SAR 248 billion of assets in its portfolio as at 1 June 2021G, the Group is a leader in most of its high-growth markets, which are characterized by high-growth rates in: GDP, population, and demand for electricity and water desalination. The Group's principal markets are predominately in investment grade jurisdictions and offer large-scale asset growth opportunities across various fuel-types and technologies. These markets have low reserve margins and a high demand for electricity, predominantly under long-term Offtake Agreements. With sizeable growth opportunities in the Group's primary target markets, additional power capacity of approximately 385 GW is expected by 2030G (Please refer to Section (3) – (**"Overview of the Industry and the Market"**)). Management believes the Group's business development team has the capacity to pursue 20 Projects a year with capability and resource to manage financial closing on 10 to 12 Projects a year.

4-5-3 High quality, long-term contracted portfolio, diversified across geographies and technologies

The Group's portfolio comprises 64 assets in 13 countries as of 1 June 2021G. The portfolio is highly contracted with an average remaining term as of 1 June 2021G of approximately 22 years by project cost (weighted average for all assets including Advanced Development) and is characterized by the following cash flow visibility enhancing features:

- **Price and volume:** protections against demand risk and changes in regulations and laws;
- **Fuel pass-through:** Little to no fuel supply or commodity risk (excluding the Kirikkale CCGT IPP, 100% of conventional assets have some form of fuel pass-through mechanism, and only the Hassyan IPP may have potential partial commodity price exposure);
- **Limited foreign exchange risk:** USD-denominated and inflation-linked to adjust for currency fluctuations; and
- **Creditworthy offtake counterparties:** typically sovereign-linked (predominantly with sovereign guarantees) and/or investment grade offtakers to sell the Project's electricity generation capacity and/or desalinated water production capacity.

The portfolio is diversified across (by project cost as of 1 June 2021G):

- **Type of asset:** power plants (74%), water desalination plants (7%) and power and water desalination plants (19%);
- **Operating mix:** Operating (41%), under construction (22%) and advanced development (37%); and
- **Fuel type:** gas (22%), coal (5%), oil (32%) and renewables (34%) (SWRO water plants using electricity make up the remainder of the project cost).
- **Geography:** KSA (59%), UAE (15%), Uzbekistan (7%), Oman (6%), Morocco (5%), South Africa (2%) and remaining 6% spread across the other countries in which the Group has assets in operation, under construction or in advanced development.

This diversification reduces the Group's exposure to any one type of asset, technology, fuel or geography.

Additionally, the Group's portfolio consists of mostly large and young assets--with 71% of capacity from projects that are greater than 1 GW in capacity—and 81% of capacity from plants having an age of zero to five years, 8% within the six to ten year range and 11% at more than ten years reflecting a significant opportunity for extensions and re-contracting of Offtake Agreements.

4-5-4 Business model configured to extract value throughout the asset life cycle

The Group's business model aims to allow it to allocate and extract returns across its development, investment, operations and optimisation offering. In a typical Project, the Group would earn fees as lead Project developer, for its construction management services, fees as technical service provider, dividend returns as an investor and profitability as an operator and maintenance service provider. Over the years, the Group has also managed to further optimize the value of its Projects by actively renegotiating, amending and/or extending initial Offtake Agreements in the context of additional negotiations regarding project refurbishments and/or capacity additions.

The Group also benefits from equity participation through equity bridge loans, as well as capital recycling through sell-downs which drive gains and crystallize value creation. As examples of portfolio level optimizations, in 2017G the Company, through its wholly owned subsidiary, APMI, issued a 22-year USD 814 million (SAR 3,053 million) bond backed by a number of Saudi Projects and operation and maintenance cashflows and used the proceeds to redeem the EBLs on a number of assets, and in 2018G, the Company received a convertible loan of SAR 1,361 million from Silk Road Fund of which SAR 581 million was converted in 2019G into a 49% equity interest in a portfolio of eight international renewable Projects (see also, Section (6-3-5) (**"Management's Discussion and Analysis of Financial Position and Results of Operations - Comparability of Operations**).

NOMAC's scale and operational synergies, as well as its activities which generate O&M profitability, act as a further value driver for the Group. NOMAC provides an in-house platform for OEM level quality services for the power generation and water desalination portfolio, also enabling better pricing and premium economics for future projects. NOMAC is a key source of additional value creation through a centralised operational model which ensures superior control and understanding of operating assets through the life cycle, optimises performance, captures the benefits from economies of scale, enhances risk mitigation and delivers systematically lower costs across the value chain. In addition, this generates stable long-term income and secure super-senior cash-flows and dividends with low capital commitment, where payment to NOMAC by a Project Company is senior to debt servicing (as they are key to the operations). NOMAC operates the Group's portfolio of Projects to a high standard and with a view on operational excellence and a culture of safety across all projects while preserving value of the plants and accumulating expertise in a wide range of technologies. It also further reduces costs through in-house field engineering service capacity that aims to reduce the need for outsourcing long-term servicing of critical equipment and by extracting synergies across a growing portfolio of assets by acquired know-how. Furthermore, NOMAC has begun to also extract additional value from servicing third parties in addition to the Group's Projects with the recent award in Indonesia of its first short-term maintenance contract.

The Group has a target internal rate of return (**"IRR"**) in the mid-teens throughout the develop, invest, and operate cycle which can be further improved from optimisation activities such as EBL refinancing and project finance debt refinancing within an optimal capital structure, and capital recycling.

4-5-5 A seasoned management team with decades of industry experience

The Group is led by a seasoned management team of industry veterans with over 300 professionals working in the Group's main headquarters in Riyadh, Kingdom of Saudi Arabia, and extension headquarters office in Dubai, United Arab Emirates and in satellite offices in Rabat, Morocco; Cairo, Egypt; Amman, Jordan; Jakarta, Indonesia, Istanbul, Turkey; Johannesburg, South Africa; Beijing, China; Hanoi, Vietnam; Tashkent, Uzbekistan and Baku, Azerbaijan.

a- **Suntharesan Padmanathan, President & Chief Executive Officer:** Mr. Padmanathan is a professional civil engineer, with over 35 years of experience. He joined the Group initially as a Business Development director in 2005G and then assumed the role of President & CEO when the role was established in 2007G. Mr. Padmanathan began his career in John Burrow and Partners, an infrastructure engineering and development consultancy services provider but transitioned via two mergers to be Partner and Vice President/Corporate Officer at Black & Veatch, a major global engineering and construction company. Mr. Padmanathan having lived and worked in many countries around the world brings a wealth of experience in not only engineering and construction of a range of major projects but also of development of infrastructure assets using a concession and utility outsourcing models of contracts and of leading business. He holds a degree in Engineering from the University of Manchester, a post graduate qualification in Civil Engineering Production from University of Lancaster and serves on the board of several water and power companies (please see Section (5-2-5) (**"Ownership and Organisational Structure of the Company – Summary Biographies of the Senior Executives"**) for the biography of the CEO).

b- **Rajit Nanda, Chief Portfolio Management Officer and Acting Chief Investment Officer:** Mr. Nanda has more than 25 years of experience. As the Chief Portfolio Management Officer, he is currently responsible for the global portfolio performance of ACWA Power. Mr. Nanda has been the Group's Chief Investment officer since January 2014G, and as of September 2020, continues in the role as Interim Chief Investment Officer of ACWA Power with responsibility for the Group's growth and remains functionally in charge of new business development, legal (projects), acquisitions and divestiture, project finance, and jointly in charge of corporate finance with the Chief Financial Officer. He has led the structuring and financing of Independent Water and Power Projects IPP / IWPPs in Oman, Saudi Arabia, Jordan, Bahrain, Abu Dhabi, Qatar, Thailand, Singapore, Morocco, Turkey and South Africa. He is currently overseeing the Group's expansion across the Group"s targeted geographies. Before joining the Group, Mr. Nanda was the Regional CFO for Engie's Middle East, Asia & Africa region. Mr. Nanda sits on the Board of several power and utility companies owned and operated by the Group (please see Section (5-2-5) (**"Ownership and Organisational Structure of the Company – Summary Biographies of the Senior Executives"**) for the biography of the CPMO).

c- **Kashif Rana, Chief Financial Officer:** Mr. Rana has 20 years of power and water sector experience in areas of corporate strategy, capital raising, project financing, project development, operational finance and leadership in complex negotiations. In his role with the Company he has led a number of the Group's equity capital raising transactions and in defining the Group's strategic plans including its long-term funding plan in line with the Group's expansion strategy. He has responsibility for the operational finance activities for the Group and leads the development and implementation of best practices around areas covering long-term planning, short- and medium-term budgeting, audits, accounting, internal controls, reporting, insurance, investor relations, treasury, tax and zakat structuring, and financial performance management as well as digitalization of operational finance activities. Up to mid-2020G, he was responsible for the information technology for the corporate and cyber resilience for the Group. In addition, he carries out audit committee, board executive and management committee representation at various businesses of ACWA Power. Before becoming CFO, Mr. Rana was Director of Accounting, Controls & Taxation for the Group and CFO for AES Middle East Region where other than his operational finance role, he also worked in project finance and project development roles as well as was involved in merger and acquisitions. Mr. Rana is a Chartered Accountant who qualified in 2001G from the Institute of Chartered Accountants of Pakistan (please see Section (5-2-5) ("Ownership and Organisational Structure of the Company – Summary Biographies of the Senior Executives") for the biography of the CFO).

d- **Julio Torre-Gutierrez, Chief Operations & Maintenance Officer and President and Chief Executive Officer - NOMAC:** Mr. Torre-Gutierrez is a professional engineer with over 33 years of experience. He serves as the Chief Operations & Maintenance Officer for ACWA Power and as the President and Chief Executive Officer of First National Operations and Maintenance Company (NOMAC). A member of the leadership team at ACWA Power since 2009G. Mr. Torre-Gutierrez has played a pivotal role in developing NOMACto its position today as one of the most reputed and trusted operation and maintenance companies in the world. As the President and CEO of NOMAC, Mr. Torre-Gutierrez is responsible for all aspects including profitability of business operations of the Groups electricity generation and seawater desalination portfolio. Mr. Torre-Gutierrez also serves on the Board of Directors of numerous NOMAC subsidiaries. Before joining NOMAC, Mr. Torre-Gutierrez was working with Duke Energy, a leading energy company focused on electric power and gas distribution operations in the Americas, latterly working as Vice-President of Business Operations of the Latin American portfolio. Mr. Torre-Gutierrez holds a degree in nuclear engineering from the North Carolina State University.

Other than its operational and maintenance expertise, the Group's multi-disciplinary and multi-cultured team of professionals have technical expertise in multiple technologies from fossil fuel fired (coal, oil, gas) to renewables (photovoltaic, concentrating solar power and wind) and water desalination; arranging project finance and corporate finance; accessing debt capital markets, equity capital markets, sourcing equity partners for its transactions and sell-downs and running merger and acquisitions; managing and supervising construction, commissioning and providing technical support to activities in bid, construction and operation; arranging construction insurances, global insurance programs and procuring other forms of insurance for risk protection; managing and structuring complex tax and accounting arrangements; areas of corporate legal, project finance legal and project documentation legal support; procurement of strategic spares, critical equipment, other spares and consumables both in the local jurisdiction of operation as well as internationally; human resource recruitment as well as talent development and management; and as well as in other areas including investor relations, internal and external communications, risk management, compliance, safety, information technology, digitalization and cyber resilience.

4-5-6 Critical mass and leadership in high-growth markets immediate visible growth pipeline and long-term development opportunities

The Group is uniquely positioned in high-growth markets that are offering attractive opportunities in the next decade on account of its Develop, Invest, Operate and Optimise business model. The Group has developed, constructed, operated and optimized businesses and achieved critical mass and leadership in high-growth markets allowing it to capitalize on the development opportunities these markets offer.

A. Established critical mass and leadership in high-growth markets

With approximately, SAR 248 billion of assets in its portfolio as at 1 June 2021G, the Group is a leader in high-growth markets, characterized by high-growth rates in: GDP, population, and demand for electricity and water desalination. The Group's principal markets are predominately in investment grade jurisdictions and offer large-scale asset growth opportunities across various fuel-types and technologies. These markets have low reserve margins and a high demand for electricity, predominantly under long-term Offtake Agreements.

The Group develops its business in clusters where it sees opportunities of economy of scale. This has led the Group to currently being the largest private power generation and water desalination provider in the Kingdom of Saudi Arabia and Oman, the largest power generation company in Jordan and the largest renewable energy generation company in Morocco. The Group's estimated market share as per the latest available public data by contracted power capacity in the countries it is currently present, based on its assets under operation, construction or advanced development, is set out in the table below:

Table (4-5): Estimated market group share by energy production

	Country Gross capacity (GW)	Group Contracted Power Capacity (GW)	Estimated Group share
Saudi Arabia	94.0*	22.8	24%
Oman	11.2	4.9	43%
UAE	31.2	4.5	14%
Uzbekistan	17.1*	4.0	23%
Bahrain	5.6*	1.6	29%
Jordan	5.7	1.3	22%
Vietnam	45.5	1.2	3%
Turkey	NA	1.0**	NA
Morocco	10.1	0.8	8%
Ethiopia	4.5	0.3	6%
Azerbaijan	7.9	0.2	3%
Egypt	58.4	0.3	0.5%

Source: Market section prepared by Compass Lexecon based on public data sources, with recent portfolio additions added

* Includes Jazan IGCC (capacity of 3,800 MW), Neom Green Hydrogen (4GW) and Shuaibah PV (0.6 GW) added to Saudi Arabia country capacity, Al Dur Phase 2 and Al Askar (capacity of 1,500 MW and 140 MW respectively) added to Bahrain country capacity, and Sirdarya,, Bash, Dzhankeldy and Karakalpakstan Wind (capacity of 4 GW) added to Uzbekistan country capacity.

** Plant capacity instead of contracted capacity shown for Turkey which is a merchant market.

The Group's estimated market share as of most recently available data of the contracted water desalination capacity in the countries in which it is currently present, based on its assets under operation, construction or advance development is highlighted in the table below:

Table (4-6): Estimated market group share by desalinated water production capacity

	Country Gross desalination capacity ('000 m3/day)	Group Desal Capacity ('000 m3/day)	Estimated Group share
Saudi Arabia	8,400*	3,713	49%
UAE	7,500	1,591	21%
Oman	1,710	307.1	18%
Bahrain	900	227	25%

Source: Market section, prepared by FTI-Compass Lexecon based on public data sources

* Includes Jubail 3A IWP (600,000 m3/day) added to Saudi Arabia country capacity. Excludes SWEC RO from Group KSA capacity as this is replacement capacity.

The fact that the Group has established itself in a strong position in most of the markets in which it is present allows it to pursue growth opportunities efficiently and effectively benefit from its platform size and scale. The Group's gross power and water capacity (including under construction and advanced development Projects) have grown, between 31 December 2006G and 31 December 2020G at CAGRs of 28.4% (from 1.3 GW to 41.7 GW) and 13.3% (from 1.0 million m3/day to 5.8 million m3/day), respectively.

The Group's focus on large assets (71% of its capacity is in Projects with capacity of 1GW or larger), enable it to benefit from the scale and size of its operating platforms and to efficiently deploy its development and O&M capabilities.

A. Immediate visible growth pipeline and long-term development opportunities

The Group's existing under construction and advanced development Projects are expected to double its operational power generation capacity from 20.3 GW currently to 41.6 GW when completed and brought into operations within the next four years. (Please refer to Section (4-6-2-4) (**"The Company—Projects"**) for further details on under construction and advanced development projects).

In addition to its immediate pipeline of projects under construction and advanced development, the Group has also identified over 85 projects, representing an overall potential of 69 GW in electricity generating capacity and 10.5 million m3/day in water desalination capacity with a cumulative estimated project cost of approximately SAR 245 billion, that are expected to be offered for competitive bidding over the next two years (including, in some cases, for which ACWA Power has already been pre-qualified). (For more information on the identified bidding Projects please refer to Section (4-5-8) (**"The Company—Project Pipeline"**).

In addition to the identified projects, the Group's primary target markets offer sizeable growth opportunities with additional power capacity expected to reach approximately 385 GW by 2030G please see Section (3) (**"Overview of the Industry and the Market"**).

The Group's growth avenues and large-scale opportunities include:

- About 60 GW of renewables opportunities in KSA (2030G target) as initially announced under Vision 2030 program, 70% of which will be awarded by PIF and 30% through competitive bidding by REPDO;
- Ground-breaking projects under development or construction (e.g., Jazan gasification / power integration and Green Hydrogen JVs);
- Carbon-neutral off-grid "Giga Cities" offering integrated renewables, battery storage and decentralised grid opportunity (such as the Red Sea Project); and
- Additional potential growth avenues potentially accessible on account of the key partnerships established with PIF and Air Products.

4-5-7 Long-term shareholders' profile

The Company has an established shareholder base comprising leading Saudi Arabian conglomerates and the PIF, the Kingdom of Saudi Arabia's sovereign wealth fund.

The Company's shareholder group includes its founders, Vision Investment and Al Rajhi Holding, as described in Section (4-12) (**"Beneficial Ownership"**), all of which have long-standing and significant commercial interests in the Kingdom of Saudi Arabia and abroad, and have consistently provided the Group with strategic support, credibility and access to key market stakeholders.

The Group's largest shareholder is PIF, which is also responsible for executing a significant portion of Saudi Arabia's Vision 2030 National Renewable Energy Program. PIF's shareholding in the Company reflects the strategic importance the Government of the Kingdom of Saudi Arabia places on the Group and its role as a leading private sector investor in the power and water infrastructure of the country.

4-5-8 Strong future outlook

The Group's growth opportunities include its immediately visible under construction and advanced development or shovel-ready projects; identified short-term project pipeline of more than 85 projects representing an overall potential capacity of 69GW of power and 10.5 m3/day of water desalination; and future greenfield growth opportunities in the Groups target markets with additional capacity of approximately 385 GW.

The Group invests in Projects that are funded with a combination of debt and equity. Senior Debt in the form of limited recourse or non-recourse project finance is used to fund typically 70-80% of the total project cost. The Group's equity investment is in proportion to its shareholding in the project. Historically, the Group has averaged an expected IRR in above the midteens on its bids to date (expectation at time of Financial Close) from its Develop-Invest-Operate-Optimise business model.

Furthermore, equity investments are funded initially through equity bridge loans (EBLs) whenever possible, which delays the time at which the Group invests its equity into the Projects, typically until the commercial operation date (and in some cases a few years beyond the commercial operation date) thereby contributing to an improvement in IRR with the aim of allowing the Group to achieve its IRR target.

From the years 2016G to 2020G the Group committed SAR 18,381 million to new projects including SAR 4,688 million to the Jazan IGCC project. Excluding mega projects such as the Jazan IGCC and Neom Green Hydrogen, the Group has committed an annual average of SAR 2,739 million to new projects. Management believes that the Group has the capacity and resources to manage bids for around 20 projects and financial closing of 10 to 12 Projects per year. The Group has had a historical win ratio of 68% (based on the total number of the Group's submitted bids since 2005G) with respect to the Projects it pursues. The Group plans to maintain equity commitments in line with its recent historical average and in addition also participate in the renewable energy projects under KSA's Vision 2030 program.

A. PIF Renewable Energy Partnership

On 15 April 2017G the Council of Ministers resolution no.308 approved the Vision 2030 program of KSA which sets out various long-term plans proposed by KSA including those related to renewable energy sector (**"National Renewable Energy Programme"**) and also required relevant ministries and other authorities to take necessary actions to implement and execute the KSA Vision 2030. (please refer to section [3-3-1] (**"Kingdom of Saudi Arabia—Overview of the Power Sector"**) for more details).

Based on the approved national renewable implementation programme in KSA, 30% of the national renewable energy development projects would be tendered by the Ministry of Energy (**"Ministry Projects"**) through REPDO and 70% would be allocated under the umbrella of the Public Investment Fund of KSA (the **"PIF RE Development Programme"**). The process for setting tariffs for the PIF RE Development Programme projects shall be based on a price discovery mechanism developed by the Water and Electricity Regulatory Authority. The tariff for the projects under the PIF RE Development Programme is intended to be based on the tariffs received through a competitive process for the Ministry Projects which will be a benchmark for the PIF RE Development project tariffs, with allowance for adjustments for project specific conditions of the PIF RE Development Programme projects.

In May 2021G the Company and the Public Investment Fund of KSA (**"PIF"**) entered into a strategic framework agreement (**"Strategic Framework Agreement"**) to jointly develop the projects allocated to PIF under the PIF RE Development Programme. Under this Strategic Framework Agreement, ACWA Power, in addition to being a shareholder, will be responsible for the overall leadership and co-ordination of the renewable energy projects allocated to ACWA Power under the terms and conditions therein, including but not limited to obtaining financing, designing and selecting the technology, selecting and negotiating relevant EPC, O&M, insurance and other related arrangements, preparing and negotiating the project documents with the off-taker and other government authorities and engaging any third party advisors for specialist advice. The PIF RE Development Projects are to be developed on the basis of delivering acceptable returns to the shareholders in the relevant project companies. As part of the Strategic Framework Agreement, the Company will be supporting the localization of renewable technology and the supply chain of local manufacturing. Further, the parties agreed that the PIF has the right to permit other KSA government related companies to participate as financial investors in the PIF RE Development Programme projects.

The Sudair project which is currently under Advanced Development is the first renewable energy project being developed by the Company under the Strategic Framework Agreement. The Strategic Framework Agreement provides for the development of PIF renewable projects, whereas the participation of ACWA Power in the Ministry Projects will be in accordance with the tendering requirements set by the Ministry for such Projects.

To date, out of the total PIF RE Development Programme, 11.8 GW of projects have been identified between the Company and PIF, and scheduled for development by 2025G subject to Ministry of Energy's approval, as set out in the table below, with additional projects in the process of being identified.

	2022	2023	2024
MWs (by FC year)	5,400	3,200	3,200

B. Project Pipeline

Aside from the PIF renewables pipeline, the Group has been pre-qualified for 11 potential projects for a total capacity of 4.4 GW of electricity generation capacity. The following table provides an overview of each of the Projects for which the Group has been pre-qualified as of 24/07/1442H (corresponding to 07 March 2021G).

Table (4-7): Overview of each of the projects for which the Group is pre-qualified to submit its offers

Name of Project	Technology Used	MW	m3/day	Country	Estimated Project Cost (USD million)
Manah 2 x 500 MW PV IPP	PV	500	-	Oman	300
300 MW wind (2 projects, 200 MW + 100 MW)	Wind	300	-	Tunisia	380
Gulf of Suez II (negotiated) Wind IPP	Wind	500	-	Egypt	700
West of Nile Solar 600 PV	PV	600	-	Egypt	750
750 MW (6 projects) Scaling Solar Phase II; PV	PV	750	-	Ethiopia	750
Captive PV + Wind up to 600 MW (Sasol)	Wind and PV	300	-	South Africa	200
Captive PV	PV	225	-	South Africa	150
Captive Gas to Power 950 MW	Natural Gas	950	-	Mozambique	525
100 MW solar PV (2 x 50 MW)	PV	100	-	Botswana	120
Land PV Java (2X50MW)	PV	100	-	Indonesia	80
Wind 80MW with BESS - South Kalimantan	Wind	80	-	Indonesia	150

In addition, the Group has identified a list of sizable projects that are expected to be offered for competitive bidding or are being negotiated in the next two years, in markets that the Group would target, including nine projects that are being developed under the Strategic Framework Agreement (see section (4-5-8(b) above). The following table provides an overview of each of the Group's identified projects as of 24/07/1442H (corresponding to 7 March 2021G).

Table (4-8): Overview of all specific projects for the Group

Name of Project	Technology Used	MW	m3/day	Country	Estimated Project Cost (SAR million)
Umm Al Quwain Solar PV	PV	500	-	UAE	1,875.00
Abu Dhabi Waste to Energy IPP	Waste to Energy	100	-	UAE	1,875.00
EWEC PV3	PV	1,500	-	UAE	3,750.00
EWEC Mirfa IWP	SWRO	-	682,000	UAE	2,625.00
Seawater Treatment and Transportation Project-ADNOC, UAE	Water Treat-ment	-	954,660	UAE	5,625.00
Shuweihat 4 IWP - Abu Dhabi UAE (EWEC)	SWRO	-	227,300	UAE	843.75
Ruwais IWP - Abu Dhabi UAE (EWEC)	SWRO	-	682,000	UAE	2,625.00
Al Ain WtE IPP	Waste to Energy	60	-	UAE	1,125.00
Inter-state Grid Connection and Wind Energy Export Project	Grid	2,600	-	KSA	13,125.00
Aqaba Desalination + Pipeline (AAWDCP)	SWRO	-	270,000	Jordan	4,500.00
Az Zour North 2+3 IWPP	SWRO + CCGT	2,700	750,000	Kuwait	9,000.00
Al Khiran IWPP	SWRO + CCGT	1,800	568,250	Kuwait	6,375.00

Name of Project	Technology Used	MW	m3/day	Country	Estimated Project Cost (SAR million)
Manah 2 x 500 MW PV IPP	PV	500	-	Oman	1,125.00
New greenfield IWP	SWRO	-	600,000	KSA	2,700.00
Ras Muhaisen IWP	SWRO	-	300,000	KSA	1,687.50
Rabigh 4 IWP	SWRO	-	600,000	KSA	2,625.00
Jubail 6	SWRO	-	300,000	KSA	1,687.50
Jazan IWP	SWRO	-	300,000	KSA	1,687.50
Ras Al Khair 2 IWP	SWRO	-	600,000	KSA	2,700.00
Shuqaiq-4 IWP	SWRO	-	400,000	KSA	2,062.50
Ras Al Khair 3 IWP	SWRO	-	400,000	KSA	2,062.50
Tabuk 1 IWP	SWRO	-	400,000	KSA	2,062.50
Rabigh 5 IWP	SWRO	-	400,000	KSA	2,062.50
Jubail 4 IWP	SWRO	-	300,000	KSA	1,687.50
Rays 2 IWP	SWRO	-	300,000	KSA	1,687.50
Saad 300 MW Solar PV (REPDO Round 3 Category B)	PV	300	-	KSA	1,237.50
Alras 700 MW Solar PV (REPDO Round 3 Category B)	PV	700	-	KSA	1,237.50
Wadi Adawser 120 MW Solar PV (REPDO Round 3 Category A)	PV	120	-	KSA	315.00
Layla 80 MW Solar PV (REPDO Round 3 Category A)	PV	80	-	KSA	180.00
Yanbu 850 MW Wind	Wind	850	-	KSA	3,187.50
CSP (to be decided)	CSP	500	-	KSA	9,375.00
Wind (to be decided)	Wind	1,000	-	KSA	3,750.00
NEOM Green Hydrogen(1)	Hydrogen	4,000(1)	-	KSA	18,750.00
Privatization of Ras Alkhair Integrated Desalination and Power Plant[23]	SWRO + CCGT	2,650	1,050,000	KSA	13,125.00
KSA IPP (name withheld)	Natural Gas	3,600		KSA	7,500.00
Captive Solar PV + Battery storage	PV	24	-	KSA	131.25
Renewables + water + associated facilities (name withheld)	PV + Wind + RO + MSWP			KSA	0.00
KSA IPP (name withheld)	PV + Wind	15,000		KSA	41,250.00
Captive Cogeneration plant	Natural Gas	1,115		KSA	3,375.00
North Qassim CCGT	Natural Gas	3,600		KSA	0.00
AlFaisaliah 2000 MW Solar PV	PV	2,000		KSA	0.00
Rabigh 300 MW Solar PV	PV	300		KSA	0.00
Saad 1100 MW Solar PV	PV	1,100		KSA	0.00
Rass 2000 MW Solar PV	PV	2,000		KSA	0.00
Henakiyah PV	PV	800		KSA	0.00
Dawadmi wind	Wind	1,600	-	KSA	0.00
Muwayh PV	PV	1,000	-	KSA	0.00
Al Kahafa PV	PV	800	-	KSA	0.00
Haden PV	PV	800	-	KSA	0.00
NOOR Midelt Phase II, ca. 400 MW (PV + CSP)	PV + CSP	400	-	Morocco	3,750.00

23 The current Ras Al Khair privatisation process has been cancelled by NCP, NCP have stated a new strategy for Ras Al Khair will be announced shortly

Name of Project	Technology Used	MW	m3/day	Country	Estimated Project Cost (SAR million)
NOOR PV2 corporate PPAs	PV	200	-	Morocco	750.00
Chtouka - Captive Wind	Wind	100		Morocco	487.50
300 MW wind (2 projects, 200 MW + 100 MW)	Wind	300	-	Tunisia	1,425.00
75 MW wind with site (1 project)	Wind	75	-	Tunisia	337.50
650 MW Skhira CCGT	Natural Gas	650	-	Tunisia	2,062.50
Ksour Essef Desalination, 100,000-200,000 m3	SWRO	-	150,000	Tunisia	1,031.25
Corporate PPA Solar PV – negotiated	PV	100	-	Tunisia	375.00
Gulf of Suez II (negotiated) Wind IPP	Wind	500	-	Egypt	2,625.00
West of Nile Solar 600 PV	Wind	600	-	Egypt	2,812.50
Desalination Plant (Site to be determined) 190,000 m3/day	SWRO	-	190,000	Egypt	1,125.00
750 MW (6 projects) Scaling Solar Phase II; PV	PV	750	-	Ethiopia	2,812.50
Captive PV + Wind up to 600 MW (Sasol)	PV + Wind	300		South Africa	750.00
4x75 MW PV (Bid Window 5)	PV	300	-	South Africa	1,125.00
Captive PV	PV	225	-	South Africa	562.50
2 x 140 MW Wind (Bid Window 5)	Wind	280	0	South Africa	1,125.00
Captive Gas to Power 950 MW	Natural Gas	950		Mozambique	1,968.75
100 MW solar PV (2 x 50 MW)	PV	100	-	Botswana	450.00
150 MW CCGT	Natural Gas	150		Senegal	450.00
100,000m3/day desal	SWRO		100,000	Senegal	675.00
350 MW CCGT Limbe	Natural Gas	300		Cameroon	1,312.50
180 MW Solar PV	PV	180	-	Bangladesh	750.00
1.2 GW Gas to Power Plant	Natural Gas	1,200	-	Bangladesh	7,500.00
Land PV Java (2X50MW)	PV	100	-	Indonesia	300.00
Floating PV JTE - Java (PJT1)	PV	300	-	Indonesia	1,312.50
Floating PV JTE - Java (PJT2)	PV	200	-	Indonesia	750.00
Wind 80MW with BESS - South Kalimantan	PV	80	-	Indonesia	562.50
Wellhead Combine Cycle GT PP Sumbagut IPP	Natural Gas	200	-	Indonesia	1,125.00
Combine Cycle GT PP Riau-2 IPP	Natural Gas	250	-	Indonesia	1,312.50
Waste to Energy West Java	Waste to Energy	80	-	Indonesia	450.00
CCGT 550 MW	Natural Gas	550	-	Azerbaijan	2,062.50
2x200 MW IFC solar PV- bidding	PV	400	-	Uzbekistan	1,200.00
1500 MW CCGT Sirdarya II – bidding	PV	1,500	-	Uzbekistan	4,500.00
200 MW ADB Sherabad Solar PV – bidding	PV	200	-	Uzbekistan	750.00
100 MW EBRD Wind – bidding	Wind	100	-	Uzbekistan	412.50
ADB Sherabad 2 - 2x200 MW PV	PV	400		Uzbekistan	1,200.00
IFC Scaling Solar 3 - 150+150+200 PV + 200MWh BESS	PV	550		Uzbekistan	1,650.00
1.5 GW Wind	Wind	1,500		Uzbekistan	7,312.50
Brunei Utility Technical Partner - 850 MW plus T&D	Other	850	-	Brunei	750.00
Philippines - 200MW Solar PV	PV	200	-	Philippines	562.50
Total	**-**	**68,819**	**10,524,210**	**-**	**245,070.0**

(1) Based on preliminary estimates; actual costs will be ascertained as the project progresses further

A. KSA Privatisation

The National Center for Privatization & PPP (**"NCP"**) is responsible for developing an ecosystem and executing a framework for the privatization of certain government sectors: assets and services. One of the sectors targeted for privatisation by NCP is the Water sector within which it is looking at some of the assets owned by the Saline Water Conversion Corporation.

Subsequently SWCC has also announced that they have begun preparations for the privatization process for Yanbu and Shoaiba production plants as well as other under-construction plants, in order to achieve the goals of the Kingdom's Vision 2030 and in line with the state's aspirations to stimulate investments from local and foreign private sector companies.

4-5-9 Fee Income from new projects

The Company receives fees both during the development phase and operations phase of its projects. Fees related to the development phase of a project typically are in the form of development fees paid by the project company linked to key milestones such as achieving financial close or achieving COD, or project management and advisory fees for services provided by the Company to contractors during the construction phase.

For projects that are currently under construction or in advanced development, fees related to the development phase as per contracts that have been executed are SAR 2,006 million (of which SAR 1,202 million are still receivable). These fees will be paid out between 2021G and 2025G based on agreed development milestones. Approximately 42% of the fees still receivable are linked to milestones that are scheduled to be achieved before the end of 2021G, 72% of these fees are linked to milestones expected to be achieved by 2022G and 91% by 2023G for existing under-construction and advanced development projects. These contracted fees of SAR 2,006 million (of which SAR 1,202 million are still receivable[24]) are for projects representing SAR 59,290 million out of the total under-construction and Advanced Development project cost of SAR 99,434 million (excluding Jazan IGCC for which there are no development fees). For the remaining projects – mostly in Advanced Development – fee agreements are still to be executed.

The Company can also receive Technical Service and Advisory (**"TSA"**) fees during the operational phase of the Project, which tend to be recurring annual contracted fees, indexed for local and/or US inflation.

In 2020G, the Company had TSA fees of SAR 194 million after indexation. For Projects that are currently under construction or in advanced development, there are an additional contracted TSA fees totaling SAR 79 million per annum on an unindexed basis that will become payable as these projects become operational. As per the scheduled commercial operation dates, 25% of these TSA fees will commence by the end of 2022, 72% by 2023, and 100% by 2025. Furthermore, the Company expects to contract for additional TSA fees for some Advanced Development projects through contracts currently under negotiation. To date, the TSA fees of SAR 79 million that have been agreed are for SAR 47,609 million of the SAR 99,434 million projects in Advanced Development or under construction (excluding Jazan IGCC for which there are no TSA fees).[25]

24 The accounting impact in the profit and loss account from intercompany eliminations of development fees has historically been approximately 20% of fees received.

25 Note to Draft: To be updated as of June 2021.

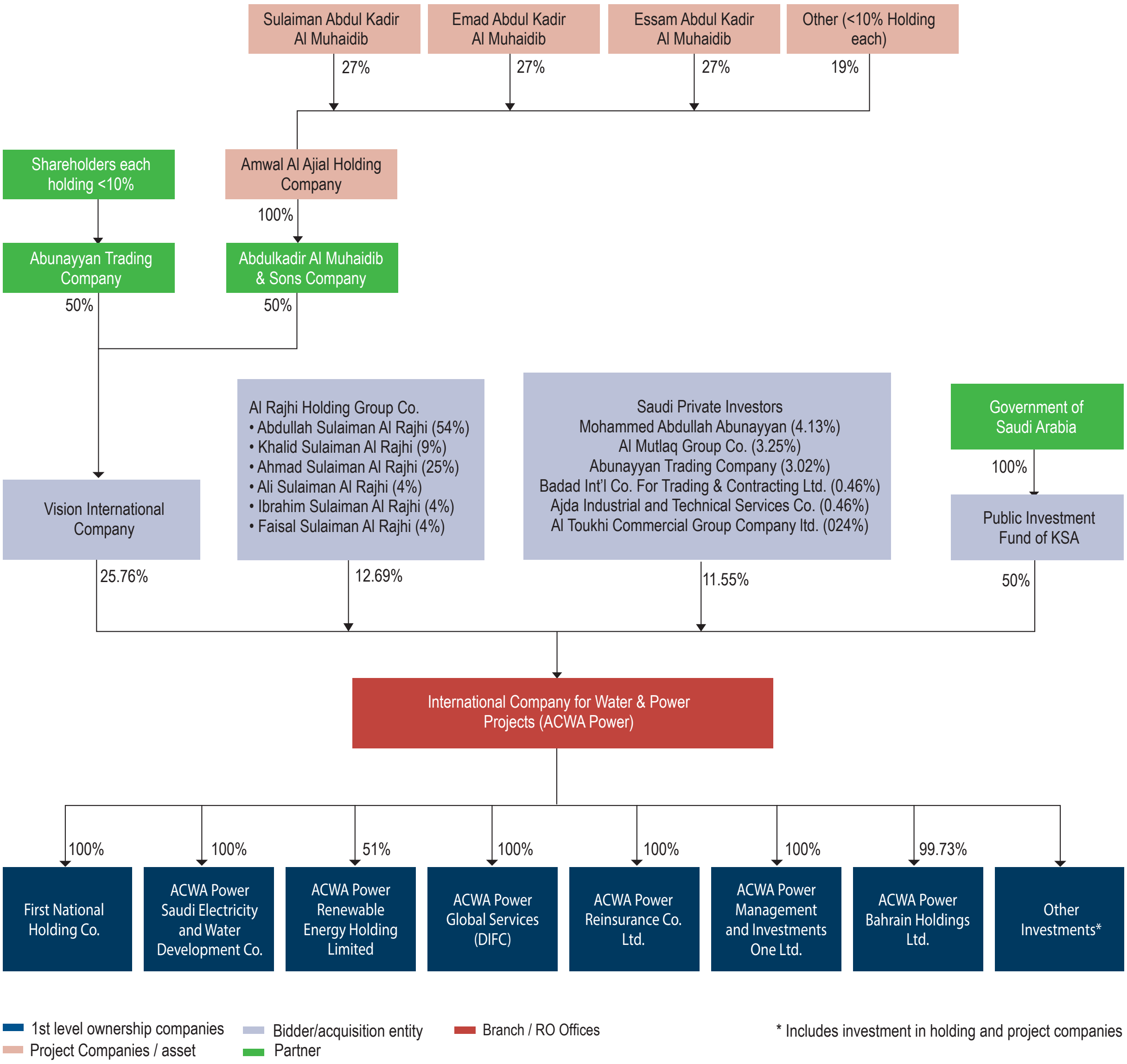
4-6 The Group's Principal Operations

4-6-1 Company Organization

The charts below present a summary of the structure of the Group, including the Company and its Key Group Companies along with the effective ownership of the Company in the Project Companies as at the date of this Prospectus.

With the exception of the first chart shown below, the Company's ownership in the Project Companies set out in the charts may not be a direct ownership as the Company owns the majority of such companies through Intermediate Holding Companies. As such, the charts show the Company's effective ownership in the relevant companies.

Figure (4): ACWA Power's Ownership Structure



Source: Company

Note: Ownership between 1st level ownership entities and Project/O&M Companies pass through multiple layers of Intermediate Holding Company entities which are treated as pass-through for the purpose of this illustration. Ownership percentages of Project Companies and O&M Companies represent ultimate direct/indirect beneficial ownership of ACWA Power in the respective Project and O&M Company.

Figure (5): ACWA Power Investment Ownership Structure

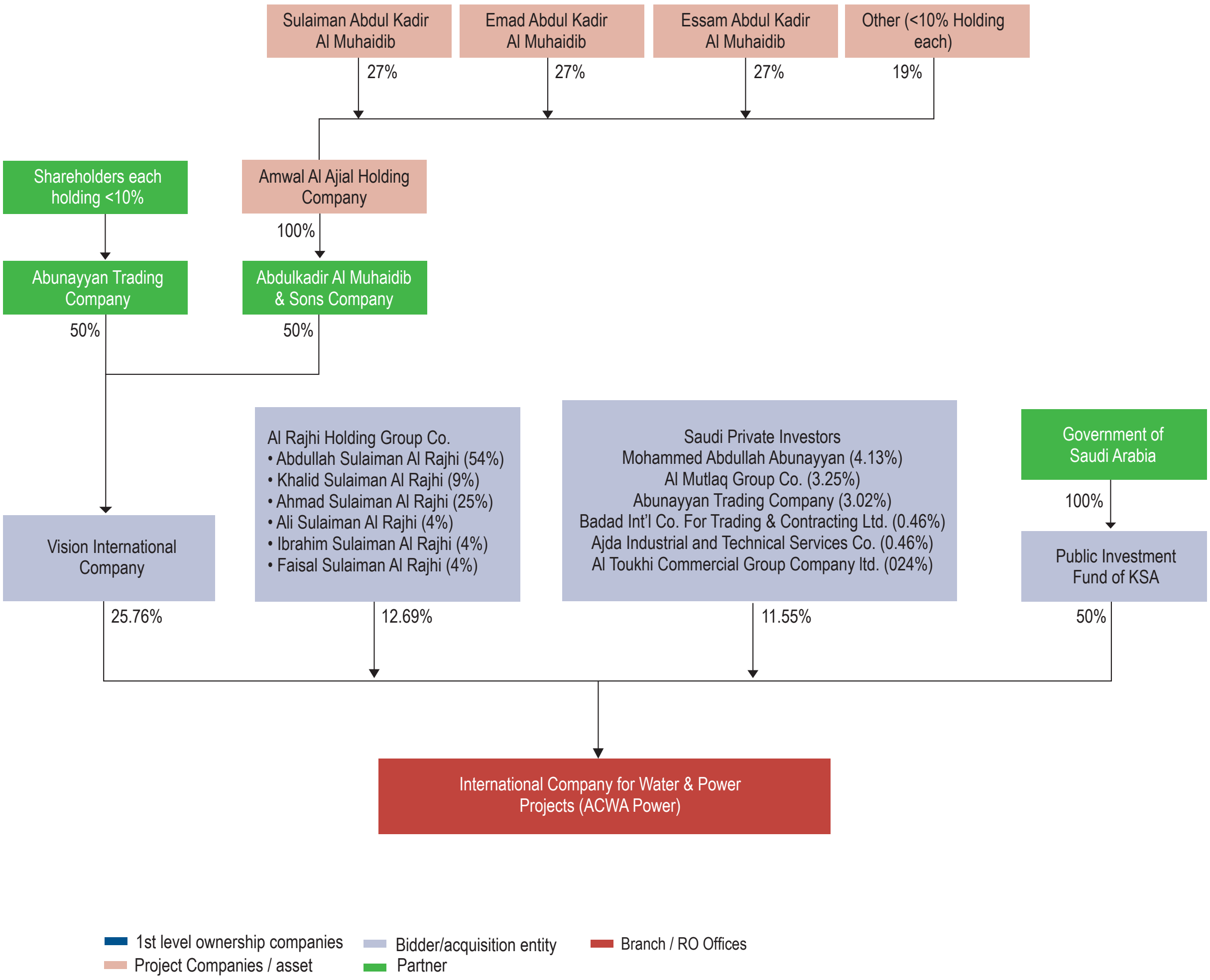


Figure (6): ACWA Power's Direct Ownership Structure

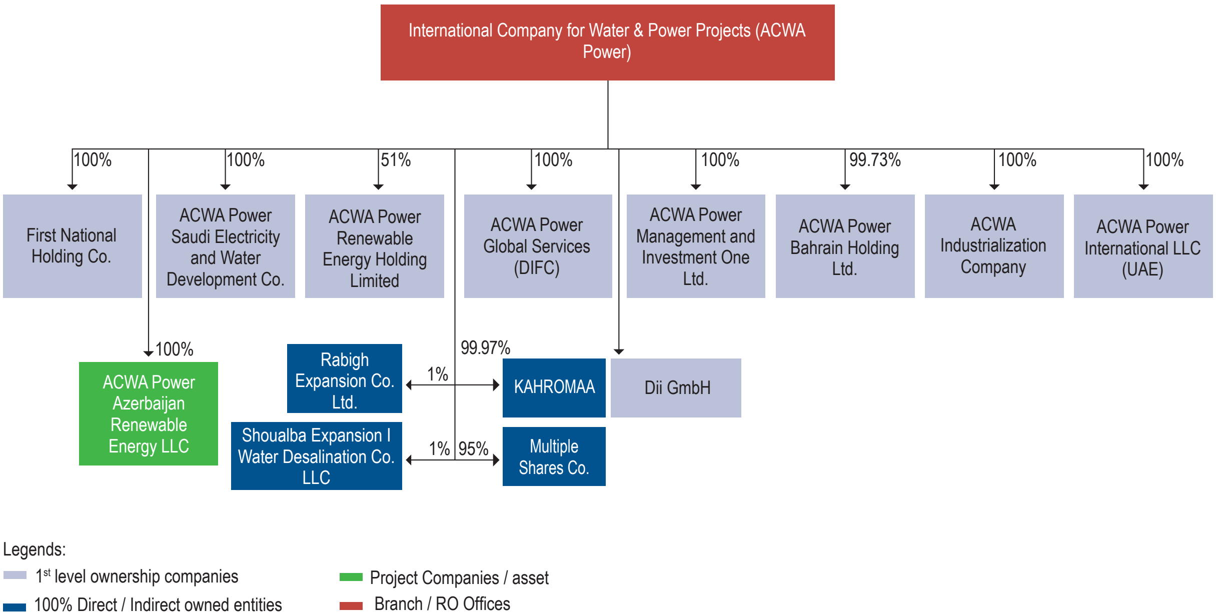


Figure (7): ACWA Power's Summarized Investment Ownership Structure

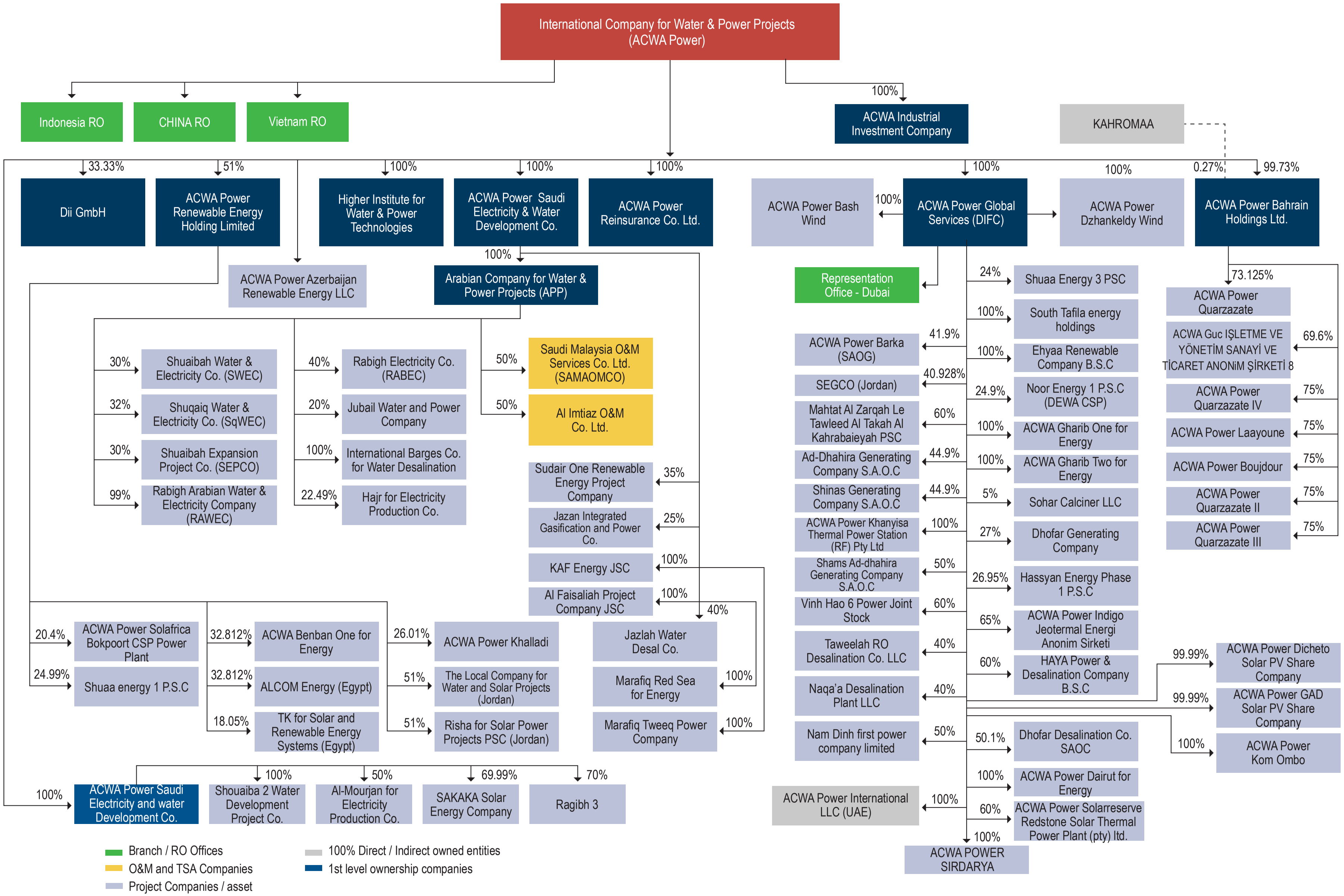
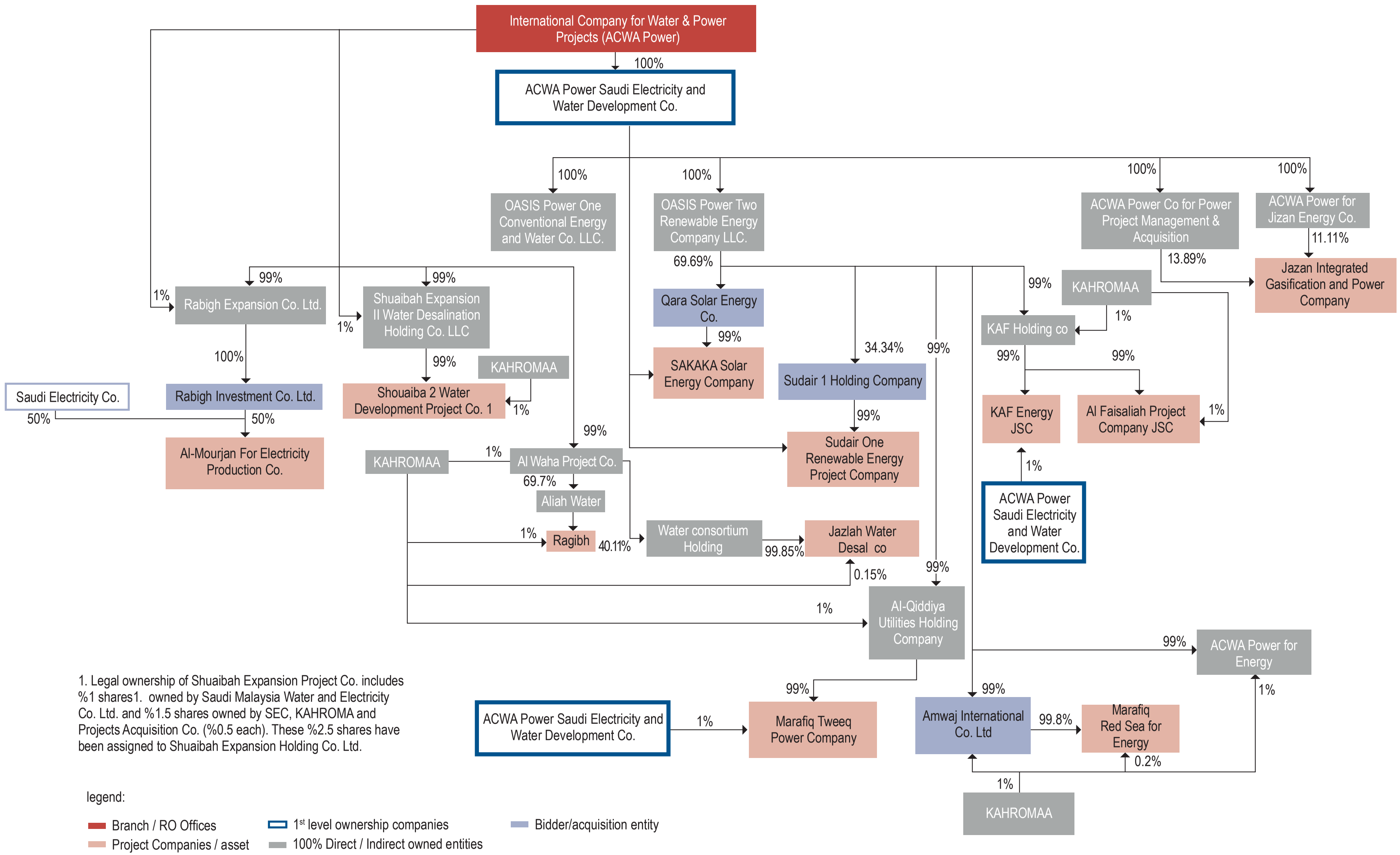


Figure (8): ACWA Power's Saudi Investment Ownership Structure



1. Legal ownership of Shuaibah Expansion Project Co. includes %1 shares1. owned by Saudi Malaysia Water and Electricity Co. Ltd. and %1.5 shares owned by SEC, KAHROMA and Projects Acquisition Co. (%0.5 each). These %2.5 shares have been assigned to Shuaibah Expansion Holding Co. Ltd.

Figure (9): ACWA Power's Saudi Investment Ownership Structure (Continued)

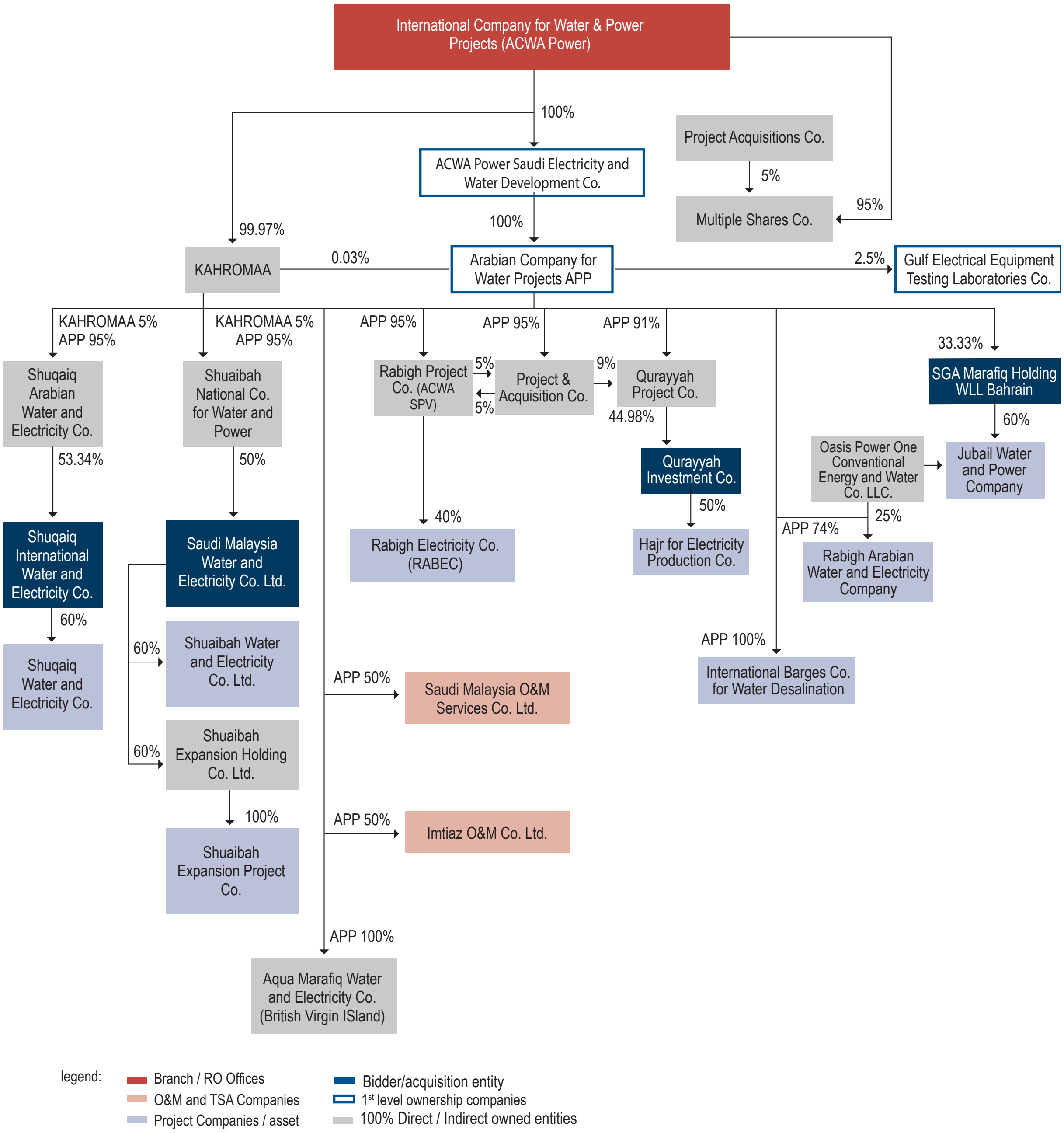


Figure (10): ACWA Power's International Investment Ownership Structure

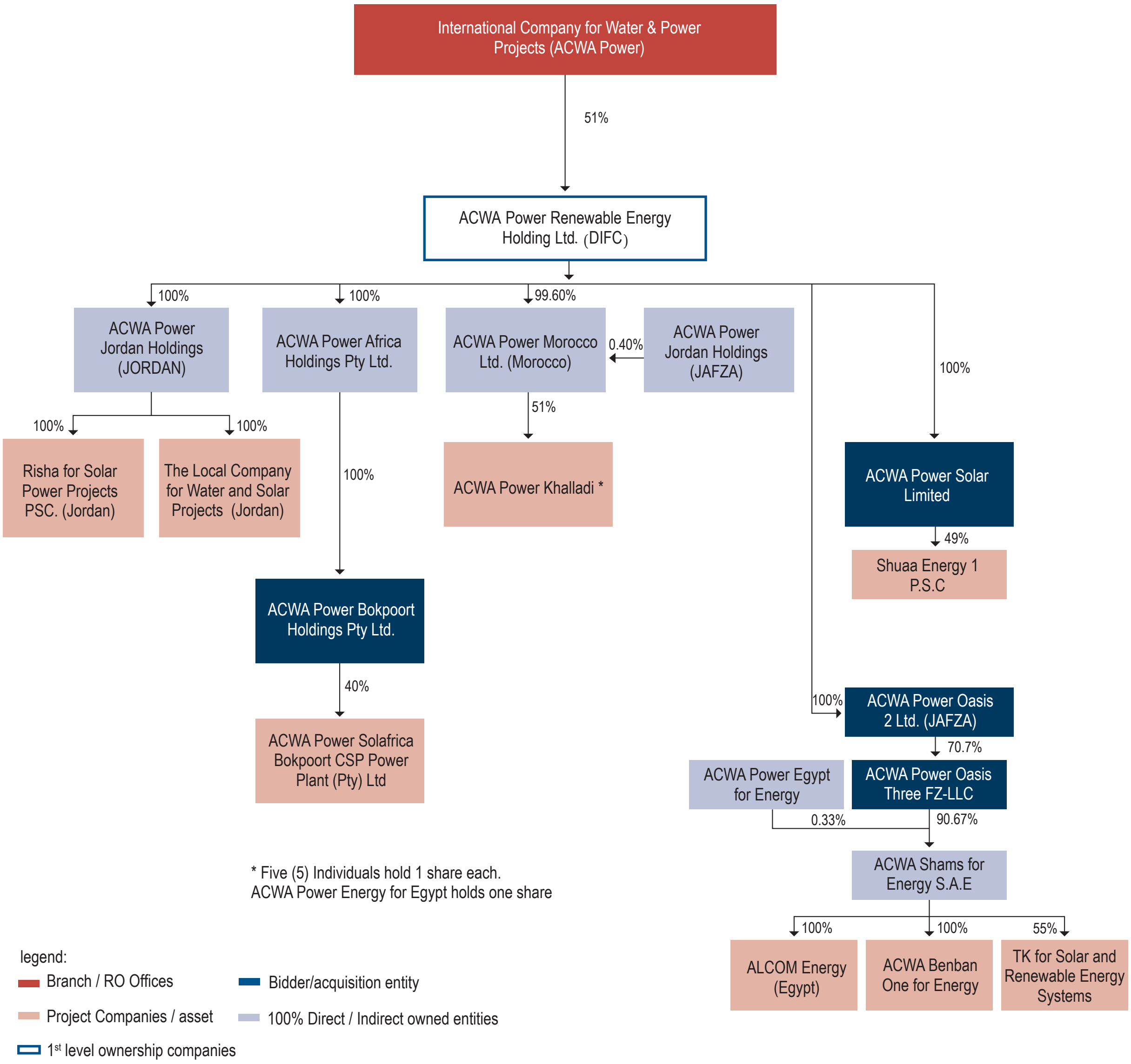


Figure (11): ACWA Power's International Investment Ownership Structure (Continued)

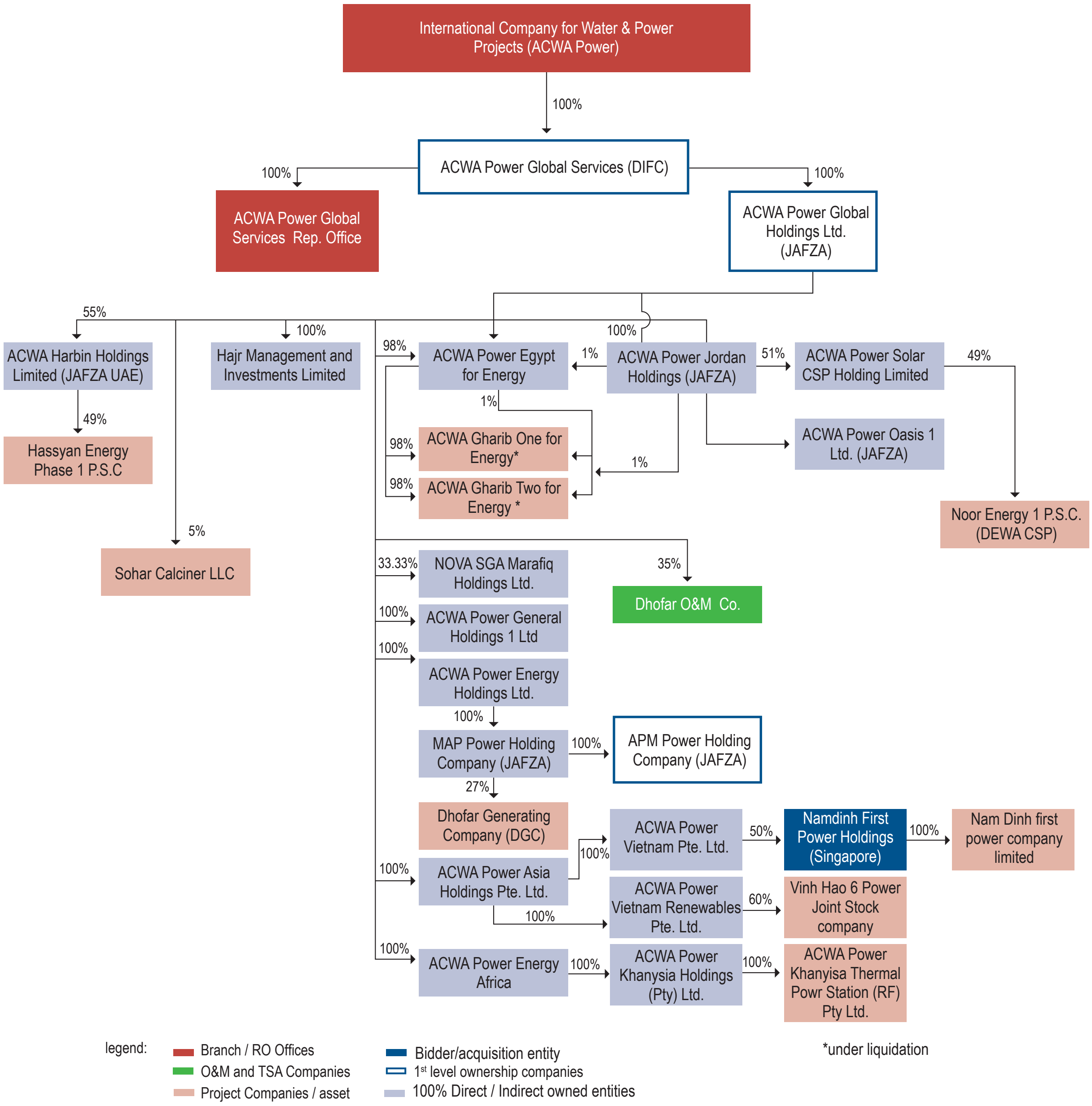


Figure (12): ACWA Power's International Investment Ownership Structure (Continued)

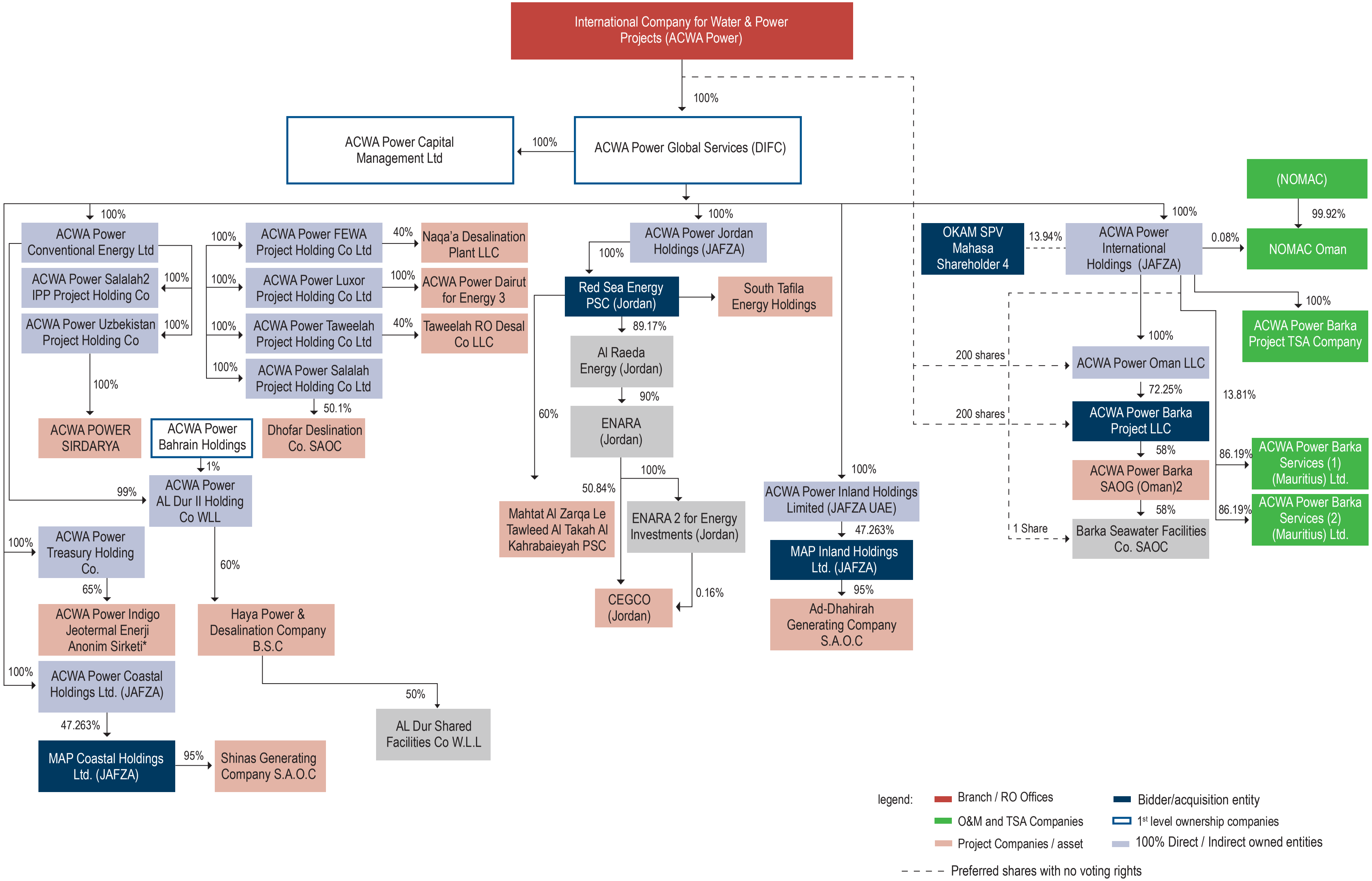
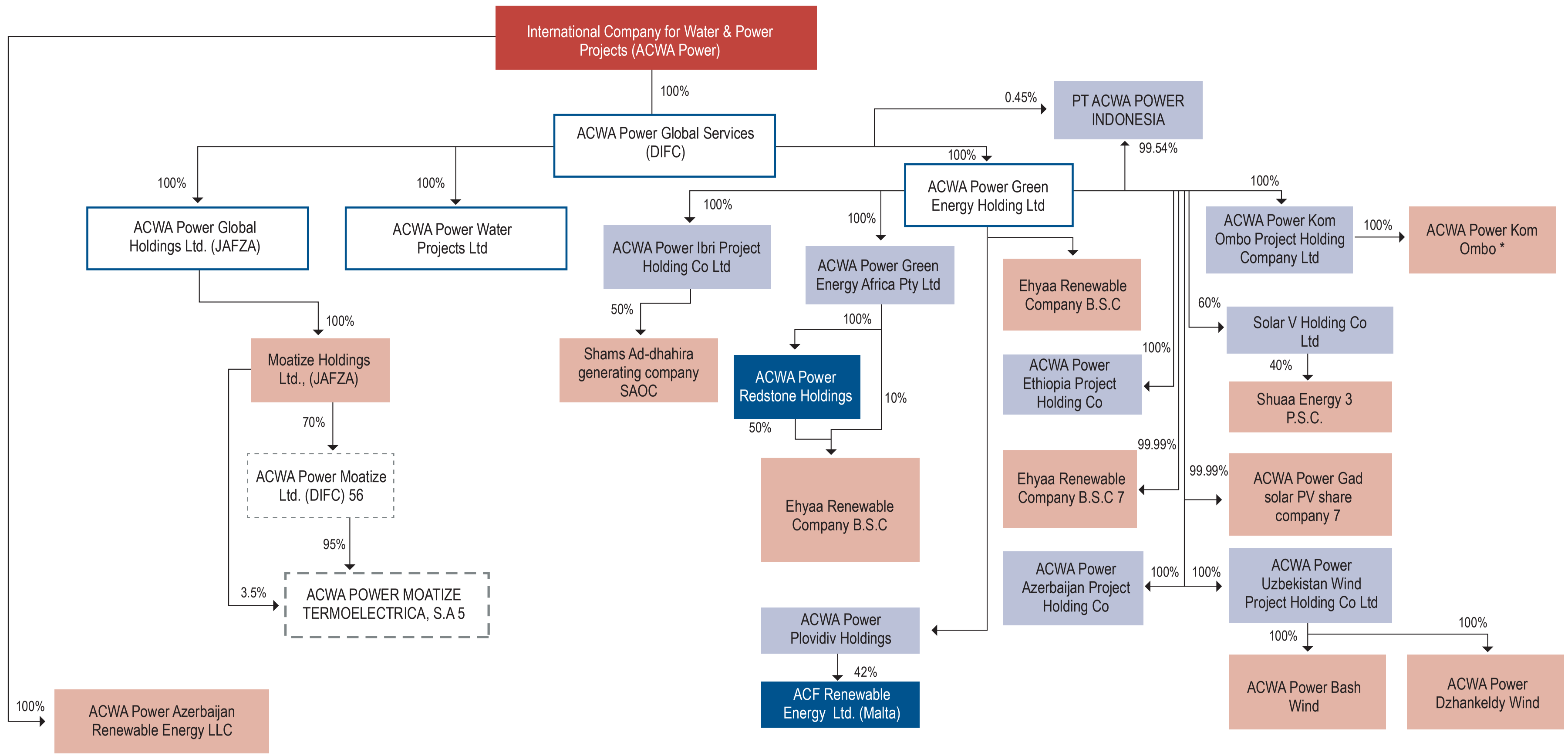


Figure (13): ACWA Power's International Investment Ownership Structure (Continued)



legend:
- Branch / RO Offices
- Bidder/acquisition entity
- 1st level ownership companies
- 100% Direct / Indirect owned entities
- Project Companies / asset

5 ACWA Power Moatize Termoelectrica SA is liquidated however pending to obtain confirmation from the tax authorities that no tax debts or any other liabilities or pending matters, thereafter the authorities will issue the document of termination of activities.

6. ACWA Power Moatize Ltd. Is already liquidated but is mentioned in the structure due to Project company. However, this company is removed from count of ACWA power entities as well

7. 1 share is held by Rajit Nanda, Jasdeep Singh Anand, Abdul Majid, Elias Berhe each

* ACWA Power Energy for Egypt and ACWA power global services holds one share

Figure (14): ACWA Power's International Investment Ownership Structure (Continued)

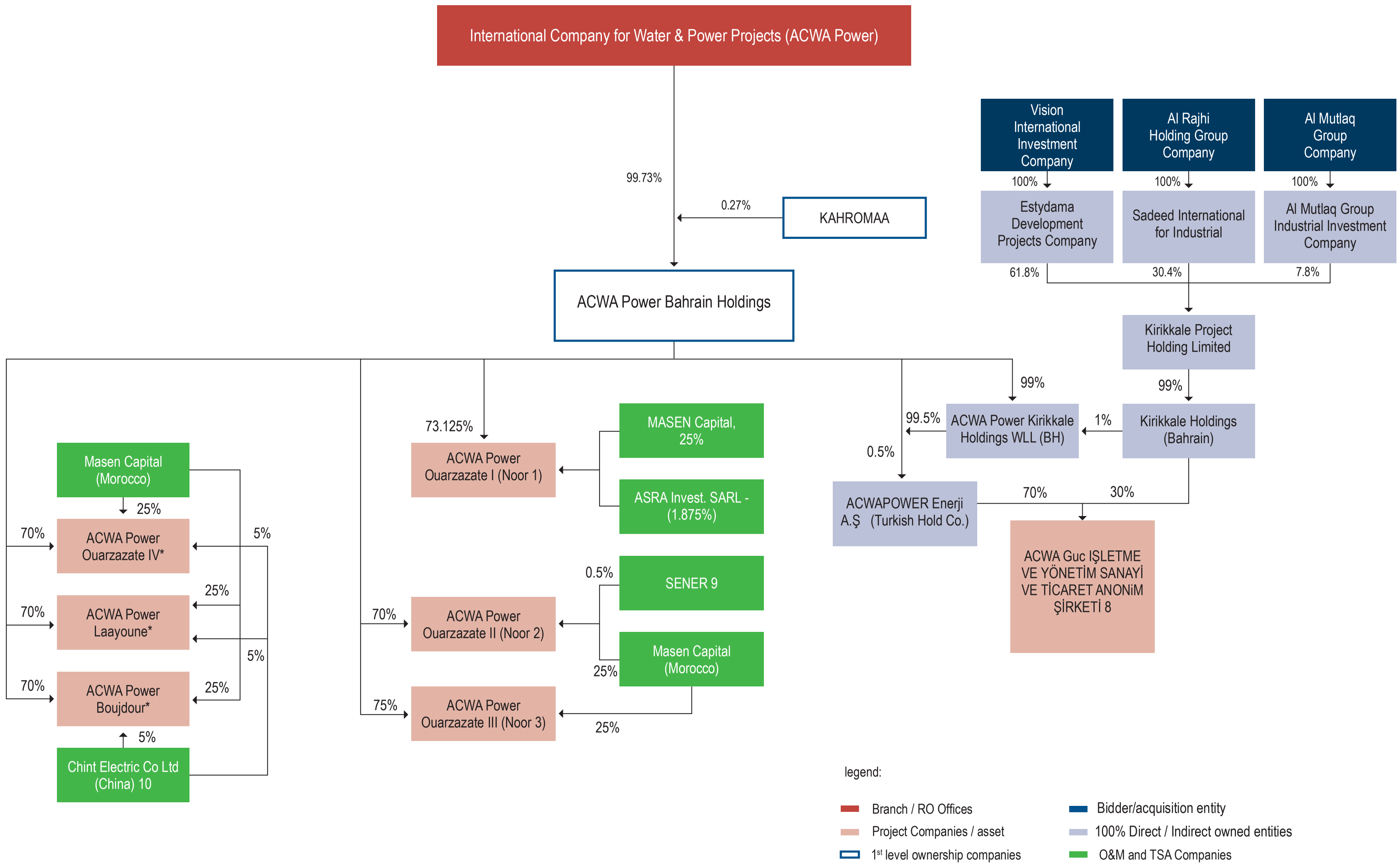
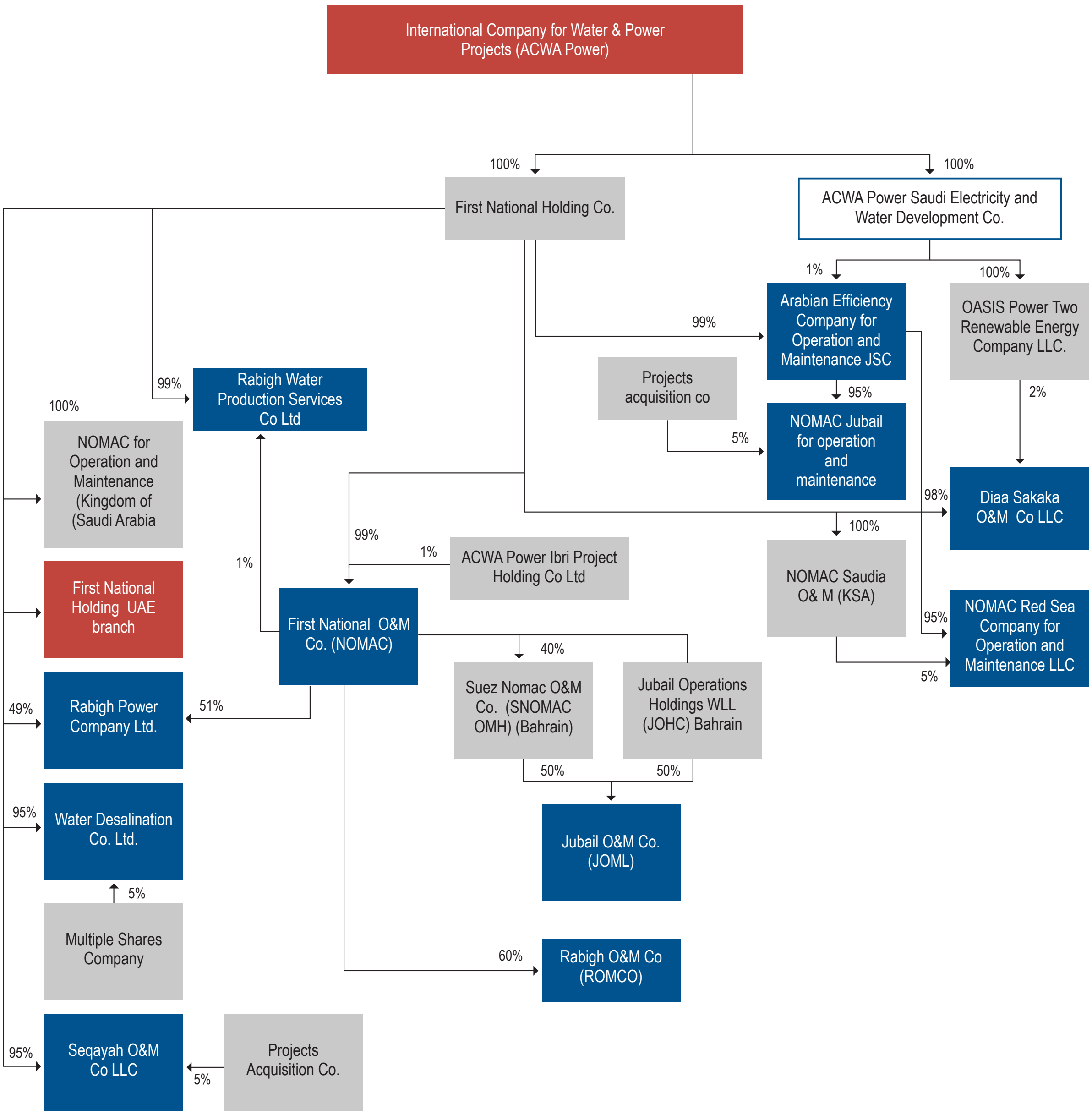


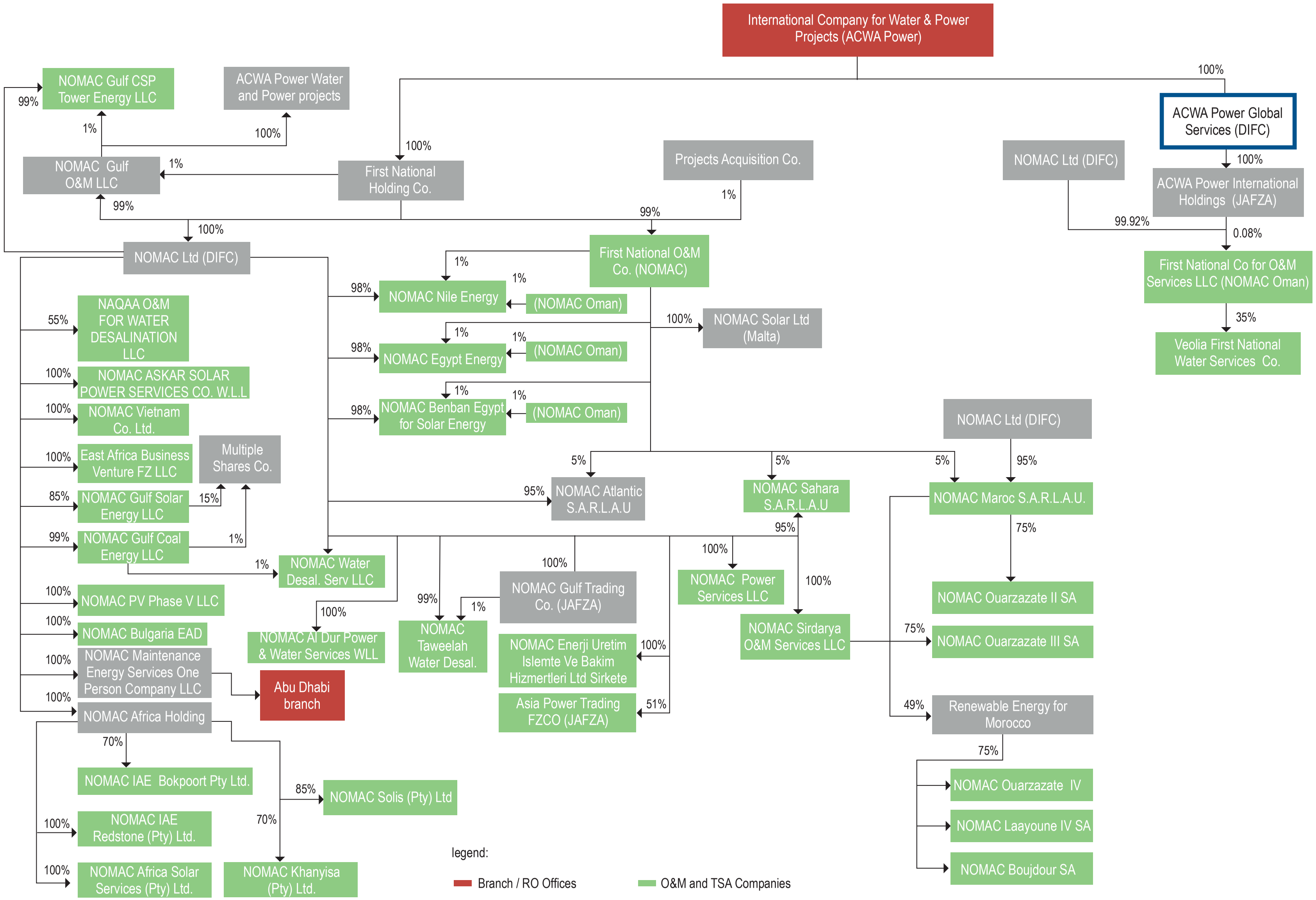
Figure (15): ACWA Power's International Investment Ownership Structure (Continued)



legend:

- O&M and TSA Companies
- 1st level ownership companies
- 100% Direct / Indirect owned entities
- Branch / RO Offices

Figure (16): ACWA Power's International Investment Ownership Structure (Continued)



4-6-2 Operating Organization

4-6-2-1 Operational Pillars

The Group deploys a "Develop-Invest-Operate-Optimise" business model that maximizes its oversight and influence over the lifecycle of its Projects and allows premium economics and attractive total returns across the asset life cycle.

4-6-2-1-1 Develop

The Group primarily seeks to develop critical assets in fundamentally strong growth markets. At the forefront of the Energy Transition, the Group focuses predominantly on water, renewables and transitional low CO2 power projects. The Group seeks to employ innovative out-of-the box technical, commercial and financial bidding strategies, providing turnkey solutions at low cost with leading OEM and EPC Contractors. The Group actively develops greenfield Projects, focused on power generation and/or water desalinization solutions, by seeking to create deep engagement with offtakers and regulators to deliver the "total ACWA Power solution". The Group's management believes that the Group has the capability to effectively structure its Projects in a manner that mitigates risk at the holding level. When considering Projects to develop, the Group aims to maintain a forward-thinking, dedicated technical in-house team whose innovative technical, commercial and financial bidding strategy, the Management believes, allows it to achieve competitive advantages across different fuel types and technologies. The Group's dedicated in-house technical team focuses on optimal bespoke and innovative solutions during the bidding stage rather than just apply conventional "off-the-shelf" solutions. O&M synergies from standardised large-scale operations as well as NOMAC's scope and know-how reduces cost and improves bid competitiveness.

The Group enters into development Projects with predominantly investment grade and/or sovereign-linked offtakers, with 73% of the project cost for the Group in countries with an investment grade credit rating. Generally, under the Group's Offtake Agreements (PPAs, WPAs and PWPAs) with such offtakers, the Project Company has the right and the obligation to develop, operate and maintain, for the duration of the term of the Offtake Agreement, the Project with a given contracted electricity generation capacity and/or contracted water desalination capacity. This allows the Group to offer competitive tariffs to its clients with predictable cash flow streams. Depending on the Project structure, at the end of the term of each Offtake Agreement the Group either:

1. retains title to the relevant power and/or water plant on a BOO (Build, Own, Operate) basis with the prospect of continued commercial operations following the initial post-contract period commercial tail (based on the Economic Life of such plant exceeding the term of the relevant Offtake Agreement); or
2. is obliged to transfer the plant on a BOOT (Build, Own, Operate, Transfer) basis to the relevant offtaker for a pre-determined amount (in which case there is limited potential of such plant having any residual commercial value beyond the term of the Offtake Agreement, unless the original term of such Offtake Agreement is extended by the relevant offtaker).

The Project Company is also (in some cases) obliged to develop the plant (whether through a single or multiple phases) and to develop certain specialized facilities with respect to electrical and fuel requirements (which, upon their completion are transferred to the offtaker, at which point all risks of loss and liabilities relating to the ownership and operation of such facilities are borne exclusively by the offtaker).

In addition, during the development phase of its Projects, the Group aims to employ turnkey solutions with established and reputable OEM / EPC Contractors, while focusing on cost leadership and financial performance. All of the Projects developed by the Group are done under either a single EPC contract or a split EPC contract, with the relevant contractor or contractor consortium assuming responsibility for the delivery of the total Project on a turnkey basis and includes the design, engineering, procurement of the materials, construction and testing of the various elements. The Group actively oversees the construction by its contractors and aims to maintain broad supply chain partner relationships to undercut market prices and maintain its cost-competitiveness. It seeks customised turnkey solutions with the most effective EPC and OEM providers.

4-6-2-1-2 Invest

The Group aims to invest efficiently in all of its Projects with an ESG centric investment focus. It co-invests in all of its Projects with a view to maintaining sufficient technical and operational control over the performance of these Projects by bringing in equity partners for each of them and by targeting to raise funding using equity bridge loans. It targets significant, long-term shareholding interests in all its Projects and seeks to play the role of the lead investor with de facto control over the investment and operational management of the Project by means of robust shareholders agreements (SHAs). Management believes that the Group has succeeded in building scalable investment platforms in each country to enhance returns and efficiencies, while also seeking to maximise development and O&M fees in relation to its Projects. Finally, when investing in Projects, the Group aims to optimise its portfolio of assets in which it invests and to maintain a diversified asset base across geographies and technologies with a focus on low CO2 generation.

4-6-2-1-3 Operate

Typically, the Group does not operate third-party assets, or own assets operated by third parties. Instead, the Group aims to operate its Projects on a sustainable basis with positive operational control and asset performance via long-term stakes in its assets and de facto control (e.g. by obtaining and maintaining the ability to appoint senior managers such as the CEO and the CFO, with NOMAC or one of NOMAC's subsidiaries acting as the operation and maintenance contractor on an arms-length basis). Operational control over projects helps to increase the predictability of cash flows from such projects. The Group aims to achieve operational excellence through pro-active and effective risk allocation processes, strong use of digitisation and automation as well as a good track record on fuel consumption efficiency and available capacity (for both conventional as well as renewable power and water Projects). The Group's overall plant availability for power and water was 94.3% and 93.8%, respectively, in 2020G, 90% and 94%, respectively in 2019G, and 90% and 95% for power and water respectively in 2018G. In 2020G and 2019G, this was well above contractual threshold limits, but slightly lower than internal best practice targets on account of two major temporary shutdowns in Saudi Arabia and several other outages in Morocco. In 2018G, the Group demonstrated an availability of 90% across the power plants due to the impact of outages at the Hajr IPP, the Barka 1 IWPP, the Rabigh IPP and the Marafiq IWPP.

The Group leverages its wholly owned subsidiary, NOMAC and its subsidiaries or joint ventures, which operate the majority of the Group's Projects to what management considers to be high standards of health, safety, security and environmental protection in line with global standards. Additionally, the Group vertically consolidated in 2019G under NOMAC through its wholly owned subsidiary, NOMAC Maintenance Energy Services (NMES), the maintenance works of its Projects that were previously outsourced to multiple third parties including the Original Equipment Manufacturers (OEMs). As an in-house yet arms-length contractor benefiting from centralized and large-scale operations, through NOMAC the Group aims to increase operational synergies within each of the Projects it operates. The ability to leverage NOMAC's operational performance to improve competitiveness via economies of scale and the replication and transfer of practical learnings from the operation and maintenance of Projects within the portfolio operations of NOMAC, its subsidiaries and joint ventures is described below in further detail (see "4-7-2-2 – NOMAC"). In this manner, Management believes that the Group is able to operate its Projects to high global standards, in terms of operational efficiency, financial performance, health, safety, security and environmental standards.

4-6-2-1-4 Optimise

The Group aims to consistently undertake financial and operational initiatives to further optimise its assets. It seeks to maintain an efficient capital structure and cost-effectively finance the development, construction and operation of its Projects through innovative financing. The financing tools typically employed consist of financial structuring using equity bridge loans, refinancings and inexpensive debt to the extent possible and a proactive approach to identifying refinancing opportunities such as the Bonds the part of the proceeds of which were advanced to affiliates for settlement of certain equity bridge loan facilities, and as advances to affiliates permitted under the Bonds indenture (please refer to Section (6-3-9-2) (**"Management's Discussion and Analysis of Financial Position and Results of Operations—Capitalization and indebtedness—The Bonds"**) for further information on the Bonds). All these options are structured as part of a continuous effort to optimise the capital structure at Group and project level.

The Group has comprehensive project finance expertise and a seasoned management team with vast experience in managing its assets and underlying financing. The financing capabilities are also underpinned by the Group's strong relationships with lenders and financial institutions, including regional, European, U.S. and Asian financial institutions, which enhances access to low-cost debt financing options and cheaper equity capital.

The capital recycling strategy with equity sell-downs, such as the Silk Road Fund Partnership for Renewables, allows better and more efficient capital allocation. As part of its capital recycling strategy, the Group is also at present in discussion for the sale of one of its oil-fired assets (the project company) in addition to a portion of the NOMAC O&M Agreement of such project. If the transaction is agreed during 2021G it would likely close in 2022G, and while it is not expected that the transaction itself will be significant for the Group, with the project company representing less than 5% of the Group's consolidated FY2020G revenue, net income or assets, and the associated portion of the O&M agreement contributing less than 2% of the Group's FY2020G Consolidated revenue or net income, it would advance the Group's efforts towards carbon emission reduction. The Group also focuses on optimising its equity outlays in each investment whilst retaining development and O&M fees in relation to its Projects.

Finally, to the extent that it is possible, the Group aims to capture additional value in the portfolio by exploring post Offtake Agreement opportunities through contract extensions, merchant sales or additional and ancillary services.

4-6-2-2 NOMAC

On 28 August 2005G, the Company's predecessor, Arabian Company for Water and Power Projects, along with its then partner, SOGEX Oman Co. LLC, incorporated NOMAC as a subsidiary registered as a limited liability company in the Kingdom of Saudi Arabia with an issued share capital of SAR 2,000,000 represented by 2,000 shares with a par value of SAR 1,000, in accordance with the Companies Law at the time, including due consideration paid. The Group then acquired the entirety of the shares in NOMAC in 2012G through its subsidiary ACWA Power Projects, making it an indirect wholly-owned subsidiary of the Company. NOMAC provides operation and maintenance services for the majority of the Group's Projects. NOMAC's broad range of services includes, amongst other things, long-term operation and maintenance, major overhaul of high-tech plant equipment, development of plant-specific standard operation and maintenance procedures, and bidding for long-term operation and maintenance contracts.

In 2019G, NOMAC completed a corporate restructuring of its organization structure creating a holding company (a wholly owned Subsidiary of the Company) in the Kingdom of Saudi Arabia, with sub holding companies in KSA and a holding company in UAE for international projects as part of the requirements of the pledge of shares under the covenants of the Group's Bonds issued by ACWA Power Management and Investments One Limited, a wholly owned subsidiary of the Group (please refer to Section (6-3-9-2) (**"Management's Discussion and Analysis of Financial Position and Results of Operations—Capitalization and indebtedness—The Bonds"**) for further information on the Bonds).

NOMAC is involved in every stage of the Group's Develop-Invest-Operate-Optimise cycle starting from bid design. NOMAC in addition aims to: (i) provide for long-term and predictable super-senior cash flow generation; (ii) ensure long-term positive operational control and asset performance; (iii) drive the adoption of high standards of health, safety, security and environmental management; (iv) provide for the operation of the entire fleet to high global standards; (v) deliver economies of scale; and (vi) systematically capture synergies from portable and transferrable experience operating the Group's Projects across its full range of technologies and geographies.

NOMAC generally has a controlling interest in, and exercises such control over, all of its subsidiaries, with the exception of two joint ventures, namely, the Project Salalah IWP and the Marafiq IWPP, where NOMAC holds 35% and 40% interests respectively in the applicable O&M entities. In addition, NOMAC has an effective 36.75% interest in each of NOMAC Ouarzazate IV, NOMAC Laayoune and NOMAC Boujdour, although it maintains oversight via the secondment of key personnel on-site and the management of these companies where the Chairmen of the Supervisory Board and the Management Board are appointed by NOMAC. NOMAC provides turn-key O&M services for all its Projects, with the exception of Projects in Jordan. As for Zarqa IPP in Jordan NOMAC- through its fully owned subsidiary NMES- provides long-term major maintenance services and parts but does not operate the Project. Altogether, NOMAC operates or manages 33 of the Group's 39 operational assets as of 1 June 2021G and is responsible for a portfolio of approximately 19 GW of operational power generation and 2.8 million m3 per day of operational desalinated water capacity. These assets form an integral part of the critical infrastructure in the countries where NOMAC operates.

NOMAC aims to operate the Group's Projects for which it provides services to high operational and quality standards. NOMAC has extensive capabilities as an O&M provider with expertise operating power production and water desalination Projects across a wide range of fuel types and technologies. NOMAC provides, amongst other things, long-term operation and maintenance, major overhaul of high-tech plant equipment, development of plant-specific standard operation and maintenance procedures, and bidding for operation and maintenance proposals for long-term contracts, supply chain and procurement, and supply of chemicals, spares and services. It aims to create value through a centralised operational model that seeks to ensure superior control and understanding of operating assets throughout its life cycle. While NOMAC has the capability and expertise to service third party contracts, it currently remains fully engaged with the Group in growing its portfolio.

NOMAC is uniquely positioned to support operation of a diversified mix of power generation and water desalinization technologies including:

- Renewable wind turbine generators;
- Renewable solar photovoltaic power plants;
- Renewable energy power plant with molten salt as thermal storage systems;
- Renewable concentrating solar tower-based power plants;
- Renewable concentrating solar parabolic trough-based power plants;
- Gas-fired combined cycle combustion turbine-based power plants;
- Gas-fired simple cycle combustion turbine-based power plants;
- Coal-fired steam turbine driven power plants;
- Oil fired steam turbine driven power plants;
- Seawater multi-effect distillation desalination;
- Seawater multi-stage flashing desalination plants; and
- Seawater reverse osmosis desalination plants.

In total, NOMAC companies operated and maintained a fleet of 54 gas turbines, 44 steam turbines and 98 electricity generators at the Group's operating projects as of 31 December 2020G. NOMAC's management believes that it is currently the largest private desalinated water operation and maintenance company in the world. NOMAC's management also believes that it is the largest global operator of renewable energy thermal storage systems, which allow the Group's concentrating solar plants to distribute generated power at night. NOMAC's portfolio has grown as follows:

	2018	2019	2020
Power (MW)	15,315	18,695	18,995
Water (000' m3/day)	2,424	2,674	2,674

The Company believes that sustainability, stability and growth of NOMAC is driven by: (1) the systematic application of a comprehensive standardized Integrated Management System (**"IMS"**); (2) the widespread deployment of a standardized Enterprise Resource Planning (**"ERP"**) system which effectively ensures implementation of processes and procedures company-wide across technology types and geographies; (3) the robust and effective use of Enterprise Risk Management (**"ERM"**) system; (4) the use of big data analytics and predictive pattern recognition platforms to predict component failures and eliminate unplanned outages as part of NOMAC's Monitoring and Prediction Center (**"MPC"**); and (5) the digitalization of the majority of the day-to-day processes and procedures across corporate functions and operational sites.

4-6-2-2-1 NOMAC Group Structure

NOMAC operates most of the Group's assets, as shown in the table below. Its group of companies includes 60 subsidiaries and joint ventures as at 15 May 2021G, which are responsible for a portfolio of 33 operational Projects with contracted power capacity of 19 GW and contracted operational desalinated water capacity of 2.8 million m3 per day. In addition, NOMAC provides limited maintenance services such as equipment inspections and repairs for certain non-Group assets through its fully owned subsidiary - NMES, but does not operate any of them. The table below provides a list of the Projects serviced by NOMAC and its subsidiaries and joint ventures of NOMAC and provides additional information on the nature of operation and maintenance services provided by NOMAC, its subsidiaries or joint ventures.

Project	Operation and Maintenance Service Provider	Nature of O&M Services
Shuaibah IWPP	SEQAYA*	Operator
Petro-Rabigh IWSPP	RPC*	Operator
Shuqaiq IWPP	NOMAC	Operator
Marafiq IWPP	Jubail O&M Company (JV between NOMAC 40% and Tractabel 60%)	Operator
Shuaibah Expansion IWPs	NOMAC	Operator
Rabigh IPP	ROMCO*	Operator
Hajr IPP	NOMAC	Operator
Petro-Rabigh (Phase 2) IWSPP	RPC*	Operator
Al Mourjan IPP	NOMAC	Operator
Barka 1 IWPP	NOMAC Oman	Operator
Barka 1 Expansion IWP	NOMAC Oman	Operator
Barka 1 Phase II Expansion IWP	NOMAC Oman	Operator
Salalah 2 IPP	NOMAC Oman	JV Operator
Salalah IWP	Veolia First National Water Services Co. LLC	JV Operator
Kirikkale CCGT IPP	NOMAC Enerji	Operator
Shuaibah Expansion II IWP	Water Desalination Expansion Company*	Operator
Noor I CSP IPP	NOMAC Maroc	Operator
Noor II CSP IPP	NOMAC Ouarzazate II SA	Operator
Noor III CSP IPP	NOMAC Ouarzazate III SA	Operator
Noor IV IPP	NOMAC Ouarzazate IV SA	Operator
Project Boujdour	NOMAC Boujdour SA	Operator
Project Laayoune	NOMAC Laayoune SA	Operator

Project	Operation and Maintenance Service Provider	Nature of O&M Services
Shuaa Energy PV IPP	NOMAC Gulf Solar Energy	Operator
Ibri IPP	NOMAC Oman	Operator
Sohar III IPP	NOMAC Oman	Operator
Zarqa IPP	NOMAC LLC	LTSA
Sakaka PV IPP	Diaa Sakaka Operation and Maintenance Company*	Operator
Ben Ban PV IPP	i. NOMAC Egypt Energy ii. NOMAC Nile Energy iii. NOMAC BenBan Egypt for Solar Energy	Operator
Bokpoort CSP IPP	NOMAC South Africa	Operator
Khalladi Wind IPP	NOMAC Sahara SARLAU	Operator
Vinh Hao 6 PV IPP	NOMAC Vietnam	Operator

* Wholly-owned direct or indirect subsidiary of NOMAC

NOMAC operates and maintains 32% of desalinated water installed capacity in the Kingdom of Saudi Arabia and 15% of installed power capacity. NOMAC Maintenance Energy Services (**"NMES"**), a wholly-owned subsidiary of NOMAC, provides complete turnkey LTSA services for the gas turbine and its generator in Zarqa IPP in Jordan and Al Dur Phase II IWPP in Bahrain, respectively. On the steam turbine and its generator units, NMES is currently executing a total of 15 LTMA with various operating assets and working on 3 LTMA to be executed in the near future. NOMAC provides O&M services as well for Al Dur Phase II IWPP under an O&M Contract.

NOMAC is involved through the life cycle of a Project, commencing from the bidding, development and investment phase of each Project to operations and maintenance and optimisation of the Project.

Projects in advanced development for which NOMAC is expected to provide operation and maintenance services include:

- Ethiopia PV IPP in Gad and Dicheto region of Ethiopia
- DEWA V PV IPP in the UAE
- Sudair PV IPP in the Kingdom of Saudi Arabia
- Shuaibah PV IPP in the Kingdom of Saudi Arabia
- Qurrayat PV IPP in the Kingdom of Saudi Arabia
- KSA RO IWP in the Kingdom of Saudi Arabia
- Red Sea Giga City Project in Kingdom of Saudi Arabia
- Bash Wind IPP, Uzbekistan
- Dzhankeldy Wind IPP, Uzbekistan
- Karakalpakstan Wind IPP in Uzbekistan
- Azerbaijan Wind project, Azerbaijan
- Projects under construction for which NOMAC is expected to provide operation and maintenance services include:
- Noor Energy 1 IPP in Dubai
- Rabigh 3 IWP in the Kingdom of Saudi Arabia
- Hassyan Clean Coal IPP in UAE
- Taweelah IWP in UAE
- UAQ IWP in UAE
- Sirdarya CCGT IPP, Uzbekistan
- Kom Ombo IPP in Egypt
- Redstone CSP in South Africa
- Salalah RO IWP in Oman
- Ibri 2 PV IPP in Oman
- Al Dur Phase II IPP in Bahrain
- Jubail 3A IWP in the Kingdom of Saudi Arabia

In addition, NOMAC is expected to provide operation and maintenance services for Noor III CSP IPP in Morocco, which has achieved ICOD and is under commissioning.

NOMAC typically provides operability and maintainability readiness and mobilization services during the constructing and commissioning phases of each Project in preparation for the long-term operation and maintenance of each facility.

In order to ensure the smooth transition of plant takeovers, NOMAC provides for the mobilization of an O&M team for each new site incorporating experienced staff from previous Projects locally and centrally including allocation of adequate resource and on-the-ground support for the local management during mobilization. Successful mobilization of new Projects can be maximized by systematically and effectively:

- transferring knowledge and organizing handover sessions between business development teams and operations and maintenance teams;
- identifying design review teams;
- assessing operability concerns pursuant to standardized procedure;
- incorporating lessons learned at structured related technology workshops;
- preparing Project-specific mobilization plans pursuant to a standardized template; and
- implementing and reviewing an approved mobilization plan and Project-specific key performance indicators.
- For a description of the relevant Operation and Maintenance Agreements, see Section (4-6-2-2-3) (**NOMAC Contractual Structure**)

4-6-2-2-2 NOMAC Governance

NOMAC, as the O&M Business Unit of the Group, follows the Group's regional governance structure as set out below:

- Red Sea Region, which include Projects in the Western Region of the Kingdom of Saudi Arabia;
- Gulf Region, which include Projects in the Central and Eastern Region of KSA and Bahrain;
- Middle East and Asia Region, which include Projects in the UAE, Turkey, Oman and Asia,
- Africa Region, which include Projects in Africa from South Africa, Egypt, Ethiopia and Morocco;
- Field Services, which includes the Outage Management Services (i.e. NMES), LTSA services for gas turbines, generators and major rotating equipment, specialized technical services, pumps services, manufacturing of components, robotic cleaning equipment for PV panels, etc.

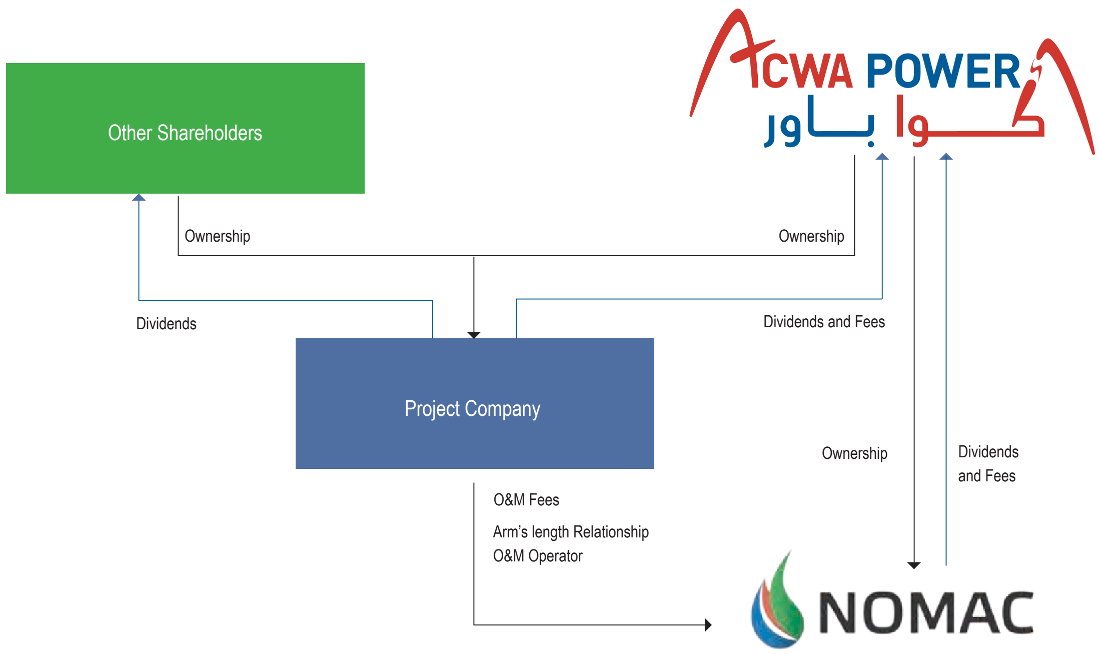
NOMAC is led by a Chief Executive Officer, supported by a Chief Financial Officer, with Vice Presidents heading each of the Regions and NMES.

Supply Chain, Legal, Business Development, Human Resources, and the Centre of Excellence functions form part of the central group, and members of some of these functions are also embedded within the respective business vertical streams under a "matrix" organizational structure.

4-6-2-2-3 NOMAC Contractual Structure

The following diagram presents an overview of NOMAC's role in the typical Project Company structure:

Figure (17): Overview of NOMAC's Role in The Typical Project Company Structure



Project companies/operators enter into an O&M agreement/O&M subcontract agreement with NOMAC (or its relevant subsidiary) pursuant to which NOMAC (or its relevant subsidiary) is appointed as the operator to provide operation and maintenance services in respect of the plant of the Project Company. The term of the O&M agreement is usually equivalent to the term of the Offtake Agreement of the Project Company with the exception of Kirikkale. For Kirikkale, whilst the Project Company does not have an Offtake Agreement, the Project Company has entered into an O&M agreement with NOMAC (or its subsidiary) for a period of 20 years. Under the terms of most of the O&M agreements and O&M subcontract agreements, if the terms of the Offtake Agreement are extended, the Project Company has the right, but not the obligation, to extend the term by periods equivalent to the Offtake Agreement extensions.

In broad terms, under the O&M agreement NOMAC takes responsibility for discharging the Project Company's O&M obligations under the Offtake Agreements during the mobilisation phase and the operational period of the plant.

The obligations of NOMAC (or its subsidiaries) arising under the O&M agreement or O&M subcontract agreements are usually guaranteed by the Company.

Under the O&M agreement, NOMAC can claim from the Project Company for specified events which permit the contractor to claim relief in most cases equal to the corresponding relief awarded to or received by the Project Company from the offtaker under the Offtake Agreement. This reduces the risk of mismatch of relief and liability applicable to NOMAC under the O&M agreement.

NOMAC is remunerated during the pre-operating period by way of a fixed fee, and during the operating period, in most cases, by way of a mixture of fixed and variable fees. In addition, there are incentive payments and corresponding liquidated damages payments payable to and by NOMAC respectively depending on the availability of the plant's capacity. The liquidated damages NOMAC is liable to pay the Project Company under the agreement are typically equal to 30% of the reduction in revenue resulting from a decrease in the plant's availability. However, these liquidated damages payable by NOMAC throughout the term of the O&M agreement or O&M subcontract are typically capped at a specified amount which does not exceed the annual compensation that NOMAC receives under each respective O&M agreement, so this is only a partial mitigation to the Project Company or operator exposure to liability under the Offtake Agreement or O&M agreement. In addition, there are incentive payments and liquidated damages in relation to the consumption of fuel to ensure that NOMAC shares in some of the upside and downside of the plant's efficiency. In such instance, the liquidated damages NOMAC is liable to pay Project Company or operator are typically equal to 30% of the payment to be made to offtaker or Project Company under the Offtake Agreement or O&M agreement. These liquidated damages are capped at a specified maximum of 1-year annual fixed fee for the term of the contract per annum (typically not exceeding 15%-25% of annual compensation that NOMAC receives under each respective O&M agreement or O&M subcontract agreement).

The O&M agreement can be terminated by the Project Company or operator in the event of a force majeure or in the event that the Offtake Agreement is terminated. In addition, the O&M agreement can be terminated by Project Company or operator following the default of NOMAC. The O&M agreement can also be terminated by NOMAC following a default by the Project Company. The Project Company is typically liable to pay the operator any termination amounts payable by the operator to the OEM under the long-term services agreement (where the O&M agreement is terminated by the Project Company for reasons other than as a result of the default of NOMAC).

The O&M agreements are governed by laws of England and Wales for the Projects located in the Kingdom of Saudi Arabia, Egypt, Oman, Turkey, Uzbekistan and Vietnam. The O&M agreements for the Projects located in Ethiopia are also governed by the laws of England and Wales, however, because Ethiopia is not a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention), disputes settled or arbitral awards sought in Ethiopia would likely be subject to Ethiopian law. The O&M agreements for the Projects located in United Arab Emirates are governed by the laws of the Emirate of Dubai. The O&M agreements for the Projects located in South Africa are governed by the laws of South Africa. The laws of the Kingdom of Morocco govern the O&M agreements of the Projects in Morocco.

4-6-2-2-4 NOMAC Revenue Composition

As discussed above, NOMAC is generally remunerated through a combination of fixed and variable fees during the operating period of the relevant Project. In addition, there are generally incentive payments made to NOMAC and corresponding liquidated damages payments payable by NOMAC which are capped as discussed above, depending on the performance of the plant by reference to the availability and/or capacity.

NOMAC provides visibility on the Group's cash flow coupled with a significant degree of stability and predictability as a result of the majority of its revenues being fixed as contracted revenues for services provided. The Company believes that NOMAC's demonstrated ability to leverage standardized processes, systems and digitalization to effectively expand operations and manage long-term operational risks also provides a platform for continued fast growth. The Company believes that NOMAC is able to contribute to the Group's long-term business development success by offering competitive tariffs for the operation and maintenance of any Project without regard to technology on a global basis, while realizing significant profit margins and generating stable and senior cash flows to the Group, and that NOMAC is strategically positioned from a financial perspective to support the Group's credit rating over the long run.

NOMAC aims to minimize its foreign currency exposure and price fluctuations by predominantly entering into operation and maintenance contracts that are US dollar-denominated and inflation-linked to adjust for currency fluctuations. NOMAC is also generally indemnified against any changes in law by the change in law protections, which are provided for in the O&M contracts.

NOMAC operates as an independent contractor at arms' length with each of the respective Project Companies, with which it enters into O&M contracts. While the Company owns 100% of NOMAC, there are other material investors with equity stakes in the Project Companies. During the development stage, NOMAC submits comprehensive O&M price proposals to the Project sponsors. Competitiveness is promoted via internal and external benchmarking. The Company believes that NOMAC's track record of cost-competitiveness, in tandem with the Group, makes the Group a price leader across the markets in which it operates. Indeed, the Group considers NOMAC's competitiveness to be an advantage over its competitors during the Project development stage. After being selected as the preferred bidder, the Project Company (incorporated by the shareholders) becomes a party to the O&M contract, and NOMAC carries on the operation and maintenance of the sites for the duration of the Offtake Agreement.

NOMAC's historical net profit margin between 2018G and 2020G has been 13% (2018G), 12%% (2019G), and 15% (2020G). NOMAC's revenue is contracted with Project Companies and is coterminous with PPA terms (in respect of Kirikkale, while the Project is based on a merchant operation, the O&M contract is for a period of 20 years).

The table below sets out key NOMAC financial metrics. Financial information included in this section is derived from the audited consolidated financial statements of NOMAC as of and for the years ended 31 December 2019G (restated) (which also include the restated comparative financial information as of and for the year ended 31 December 2018G) and 31 December 2020G ("NOMAC Audited Financial Statements"). The financial statements have been prepared in accordance with IFRS endorsed in KSA. These financial statements are not included in this Prospectus. The audited consolidated financial statements of NOMAC are presented in Saudi Riyal ("SAR").

	For the year ended 31 December		
	2018G	2019G	2020G
	(SAR millions)		
EBITDA	269.1	314.2	362.4
Depreciation and amortisation	(15.6)	(26.6)	(25.5)
EBIT	253.4	287.6	336.9
Interest expense	(4.5)	(31.3)	(3.7)
Profit before zakat and income tax	248.9	256.3	333.2
Zakat and income tax expense	(26.6)	(29.0)	(23.8)
Net Profit	222.3	227.3	309.4
Capital expenditure	31.1	33.6	21.6
Dividends paid	170.8	166.4	217.6

Source: Consolidated financial statements and management information

4-6-2-2-5 Additional Value Creation

In April 2018G, NOMAC incorporated NOMAC Maintenance Energy Services (**"NMES"**), a wholly-owned subsidiary, whose objective is to provide turn key maintenance requirements and specialized maintenance services for the entire fleet of steam turbines, combustion turbines, generators, large pumps and other rotating equipment. In order to jump-start operations, NOMAC strategically acquired all of the assets and personnel of National Maintenance Engineering Services, an Oman-based full-service maintenance provider. The acquisition of the Omani assets was completed in May 2018G and NMES is now fully operational. NMES has already entered into long-term maintenance agreements to support the maintenance requirements of the following Projects under long-term agreements: the Zarqa IPP, Barka 1 IWPP, Barka 1 Expansion IWP, Barka 1 Phase II Expansion IWP, Shuaibah IWPP, Hajr IWPP, Shuqaiq IWPP, Rabigh 2 IPP, Kirikkale CCGT IPP, Salalah 2 IPP, Noor I CSP IPP, Ibri IPP, Sohar 3 IPP, Hassyan IPP and Al Dur Phase II IWPP.

NMES represents a vertical integration initiative by NOMAC. Potential additional opportunities for the provision of field services through NMES include:

- carrying out life-time extensions. NMES has signed a life-time extension agreement with the Barka 1 IWPP for the upgrade of two of its units, The upgrade of both the units has been completed.
- initial spare parts identification and sourcing. Two initial spare parts agreements (**"ISPs"**) have been executed by NMES. With respect to the ISP with the Zarqa IPP, delivery has been completed. With respect to the ISP with the Al Dur Phase II IWPP, delivery is scheduled for August 2021G;

- long-term services and parts supply (**"LTSA/LTPA"**). NMES has entered into 17 LTSAs (thirteen with respect to international projects and four with respect to projects located in Saudi Arabia). NMES has also entered into two LTPAs (Zarqa and Al Dur 2) as well as an LTSA/LTE with the Barka 1 IWPP for parts necessary in connection with the lifetime extension. NOMAC's intention is that all LTPAs (including ISPs) for relevant major equipment, to which any NOMAC company is currently a party, will be handled by NMES; and
- centralised warehousing and inventory procurement opportunities and corresponding benefits. NMES has established a procurement team, which is currently focusing on organising procurement under LTPAs and procurement of materials for operational requirements. The team is building competencies and procurement network/channels, which in the medium-to-long-term could lead to much broader inventory procurement initiatives.
- provision of services to third parties as an additional income stream.

By leveraging the presence of a global supply chain with its robust sourcing capabilities, and with business volumes growing across water and energy technologies, NOMAC is able to eliminate intermediaries in the supply chain to reach the OEM. NOMAC has also forged a strategic business partnership with key vendors, rather than having a vendor/vendee relationship, and has regularly recouped the price advantages of economies of scale and long-term business opportunities.

4-6-2-2-6 NOMAC Monitoring and Prediction Digital Platforms

Potential operations and maintenance risks are mitigated by robust predictive and preventive maintenance planning and execution. These maintenance programs are enhanced by the on-going deployment of a state-of-the-art monitoring and prediction centre (**"MPC"**), which leverages big data advanced pattern recognition capabilities to monitor operating parameters and help to predict failure prior to occurrence. The MPC is intended to maximize availability, whilst minimizing unplanned outages and maintenance costs. NOMAC's MPC is built around General Electric's PREDIX IoT platform which is the state-of-the art solution for industrial big data analysis. The solution is cloud-hosted and readily scalable. NOMAC is in the process of implementing the predictive solution at 26 operating sites and is realizing substantial economies of scale in the process. Initial deployment has rolled out at five sites (Shuqaiq IWPP, Rabigh 2 IPP, Hajr IPP, Salalah 2 IPP and Noor I CSP IPP) while the deployment at six sites (Sohar III IPP, Ibri IPP, Noor II CSP IPP, Zarqa IPP, Hassyan IPP and Bokpoort) is on-going as of the date of this Prospectus.

The MPC provides for persistent monitoring of the health and performance of plants across all Projects operated and maintained by NOMAC. Typically, data is collected and stored for up to 10,000+ sensors for each site providing rich insight into the performance of all major equipment pieces. The MPC allows NOMAC to transform this extensive plant operational sensor data into real-time insights to be used to proactively with the aim of (i) managing maintenance planning; (ii) maximising operational efficiency and (iii) most importantly, providing early warning of equipment problems to avoid unplanned downtime and forced outages.

The MPC includes a collection of software apps designed to handle big data analysis. It relies on advanced pattern recognition (**"APR"**) techniques that relies on clustering of operating parameters into groups that share certain similarities. The APR platform design allows for the development of a series of operational profile-patterns and compares the real-time data with the known operation profiles and alerts (early warning signals) whenever current operation deviates from the predicted behavior.

The APR platform is self-learning and is capable of training itself as patterns evolve and improves over time as additional data is captured. The Company believes that the MPC aims to allow NOMAC to mitigate both unavailability and maintenance cost fluctuation risk and allows NOMAC to deploy its resources where they are most required by evolving the maintenance strategies from time-based to a more proactive condition-based strategy, improving efficiency and maximizing returns on its investments.

The MPC further provides NOMAC sites with the ability to digitally simulate changes to operating parameters and predict the consequences in real time. Each NOMAC site where the MPC is implemented is provided with a digital twin (a virtual model of the site). This pairing of the virtual and physical worlds allows the relevant NOMAC companies to analyse data and monitor systems with a view to address problems before they occur, prevent downtime, develop new opportunities and plan for the future by using simulations, thus allowing them to make operational decisions with a higher degree of confidence and lower risk.

The operations optimization and thermal performance monitoring module of the MPC provides insights into plant assets' actual heat rate performance as compared against expected performance, thus providing an opportunity to act where a shortfall in performance is detected. This thermal performance tool allows for efficient plant operation and seeks to maximize the opportunity to realize incentive payments under the O&M agreements.

4-6-2-2-7 NOMAC Integrated Management System

NOMAC has been designed from its initial incorporation to provide a standardized, portable and scalable model that provides for all aspects of the management of the Project Company including safety, new Project mobilization, commissioning, operation, financial, human resources and business intelligence. In order to ensure the integrity of the business model over the long-term as the Group embarked on a fast-paced international expansion, NOMAC uses an integrated management system (IMS) that provides for the systematic adoption and implementation of the company's policy, processes and procedures on a global basis at each location in which it operates. NOMAC's integrated HSE and quality management system have been independently certified under the ISO 9001:2015 Quality management systems — Requirements), ISO 14001:2015 (Environmental management systems — Requirements with guidance for use), ISO 45001:2018 (Occupational Health And Safety Management Systems — Requirements With Guidance For Use), and ISO/IEC 27001:2013 (Information Technology — Security Techniques — Information Security Management Systems — Requirements) standards and incorporates the following elements:

- adoption of a robust ERM system embedding risk culture across the organization to ensure quality, sustainability, continuous improvement and delivery of outstanding business performance;
- adoption of a leading ERP system across operations, maintenance, finance, supply chain, human resources and business reporting functions to ensure comprehensive oversight, resource optimization and decision making;
- fulfilling contractual obligations, satisfying customer, legal and stakeholder requirements by systematically considering the requirements, needs and expectations of the interested parties;
- meeting quality standards articulated in contractual, statutory and regulatory requirements by ensuring full integration of such requirements and associated business processes within the IMS;
- validating the effectiveness of the IMS through internal and external audit processes in accordance with international standards and ensuring that audit findings are promptly addressed; and
- performing systematic, periodic and structured customer satisfaction surveys to identify concerns if any and address opportunities for improvement.

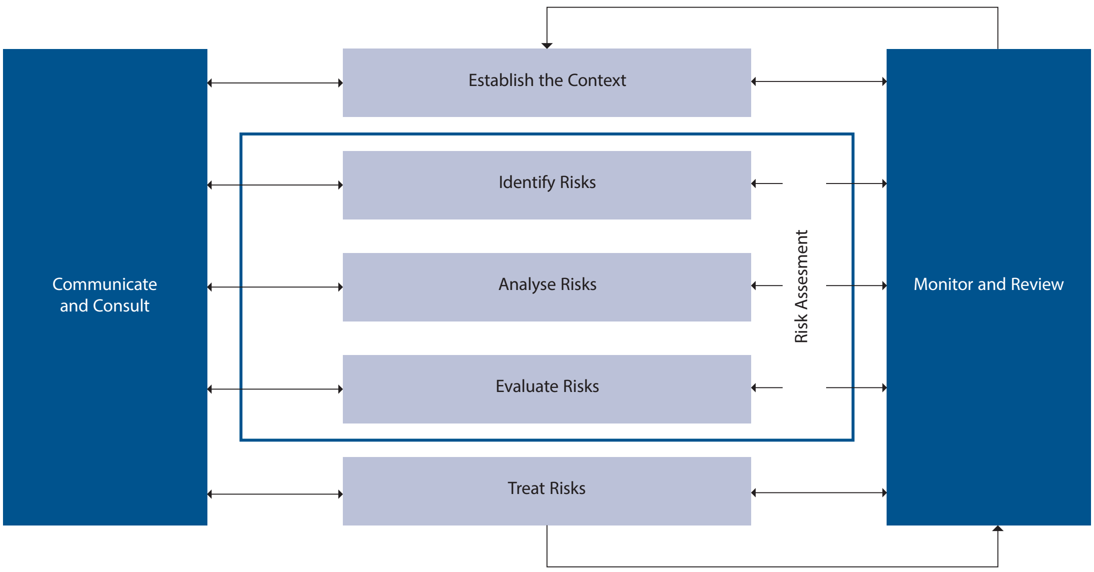
NOMAC's management conducts periodic reviews of the IMS policy and seeks to foster regular system upgrades and improvements.

4-6-2-3 Risk Management of the Group

The Group operates in a fast-changing environment which can give rise to a host of risks across its value chain which could impact its operations, financial results and, possibly, its reputation. The Group is also exposed to indirect risks that emanate from other businesses and entities that are linked to the Group's line of business.

The Group recognises that risk management is an integral aspect of effective management practices and corporate governance as it assists decision making and enhances sustainability and accountability. Accordingly, the Group is committed to implement risk management best practices across its business by means of adopting sound Enterprise Risk Management (ERM) principles based on the commonly accepted ISO 31000 Risk Management standard. This commitment has been formalised in the Group's ERM Policy, which has been endorsed by its Management and approved by its Board of Directors. The Group's robust and dynamic risk management framework that is depicted in the summary chart below aims to continuously identify, communicate and manage and mitigate risks.

Figure (18): Strong and dynamic Group Risk Management



Source: Company information.

The main purpose of the development and implementation of a state-of-the-art approach in risk management, across the whole organisation, is to secure the Group's business objectives towards:Reliable and responsible delivery of power and desalinated water, at low cost;

- Safe, healthy and sustainable operations;
- Respect for people with commitment to highest professional and ethical standards;
- Commitment to excellence in business and operations;
- Creation of sustainable value for all stakeholders;
- Protection and enhancement of the brand and reputation; and
- Compliance with law and regulations.

Through this ERM framework, which is embedded into the operational and strategic processes, the Group seeks to effectively and successfully address the main risks inherent in its business and activities. The risks are identified and managed at each level of the organisation (from Projects' level up to corporate) with the appropriate level of granularity. They are reported on a regular basis to the appropriate Management level and ultimately to the Board's Risk and Compliance Committee (BRCC), the subcommittee of the Board mandated to oversee risk management. Risks and mitigation actions are reviewed on a regular basis to ensure that risk management is a continuous and iterative process, reflecting an up-to-date and accurate risk and mitigating actions picture of the Group.

The Company's dedicated Corporate Risk Management Department is responsible for the ERM process and its implementation across the organisation, including the Projects and other legal entities in which the Group is a shareholder. Risk management is headed at a Group level by an Executive Director, who reports to the Chief Risk, Sustainability and Strategy Officer, who is part of the Management Committee. The Board Risk and Compliance Committee oversees and reviews the risk assessment processes that inform the Board's decision making and advises the Board on the Group's current risk exposures and future risk strategy. The Board aims to ensure adequate allocation of responsibility and accountability for Risk Management activities across the Group, while overseeing the overall Risk Management process and risk profile of the Group.

In accordance with the risk management framework of the Group, the Group has developed specific responsibilities, tools and guidance, systematically assess, mitigate and monitor risks in the development, construction and operation stage of Projects to more effectively manage the relevant risks.

Furthermore, the Group seeks to mitigate potential risks in relations to its Projects via back-to-back contractual arrangements which distribute Project risks to the counterparties best-suited to manage them. For example, approximately 98% of the Group's power capacity and 100% of its water desalination capacity is structured under long-term Offtake Agreements that provide for tariffs based on available capacity, which seeks to minimize price and volume risks. Similarly, in order to manage potential counterparty risks, almost all the Group's Offtake Agreements (including those for advanced development assets) are long-term typically with 15-30 years, with a weighted average (weighted by project cost) remaining contract life of approximately 20 years and on a take-or-pay basis with sovereign-linked and/or high credit-quality counterparties. The Group's Offtake Agreements also serve to mitigate fuel-supply risks as offtakers are typically obligated to supply their own fuel requirements (e.g. gas, coal and oil) to the Project during the term of the agreement. In addition, the Group also plays a direct role in selecting its partners, contractors and technology for its Projects to ensure an optimal solution for the Project while reducing the Project or the Group's exposure (directly or indirectly) to identified risks.

In particular, with respect to NOMAC, potential operations & maintenance risks are mitigated by predictive and preventive maintenance planning and execution. The vertical integration through NOMAC Maintenance Energy Services (NMES) of the maintenance works of its Projects that were previously outsourced to multiple third parties has also increased the Group's risk mitigation capabilities by allowing holistic coverage of its entire value chain, from sourcing of spares to engineering and quality control.

4-6-2-3-1 Risk Management of NOMAC

NOMAC's risk management framework includes establishing risk appetite, continuously assessing and reassessing risks both quantitatively and qualitatively, establishing controls, drawing up mitigation actions and reviewing them periodically and comprehensively.

Standardized processes are followed by establishing a comprehensive risk diary, establishing risk categories (plants and functions are allocated a risk category depending upon the type of plant and the phase in the life cycle, with every plant and function obtaining an exhaustive risk register). Controls, such as contract trackers, are tested continuously to validate their effectiveness, adequacy, relevance and accuracy. A digitized ERM process encompasses risk capture, collation, analysis, control, mitigation and reporting and takes place seamlessly through an internet-based application. NOMAC's risk management approach permeates all stages of the business life-cycle including business development, bid submission, construction, mobilization, operation and maintenance and the entire strata of the organization including plants, functions and entities. The Group believe that a culture of risk-ownership is deeply-embedded in NOMAC a result of a bottom-up approach where risk owners and risk champions are identified for each plant and function. Risk profiles are then reviewed on an ongoing basis across various organizational levels, from the plants and functions, to the management and to the board, with the assistance of pre-existing structures (including management committees, corporate risk committees, and Board Audit and Risk committees).

NOMAC seeks to manage contractual risks through contract compliance and tracking mechanisms. Operational risks are managed through robust operational and maintenance procedures including digitized condition monitoring and prediction. Supply risk and price risk are managed by comprehensive and efficient global supply chain management. Cyber risks are managed by multi-layer protections, back-up and disaster recovery, regular penetration testing and timely technology upgrades. At a Project level, the evolution of these risk management frameworks develops in line with the maturity and age of the respective Project.

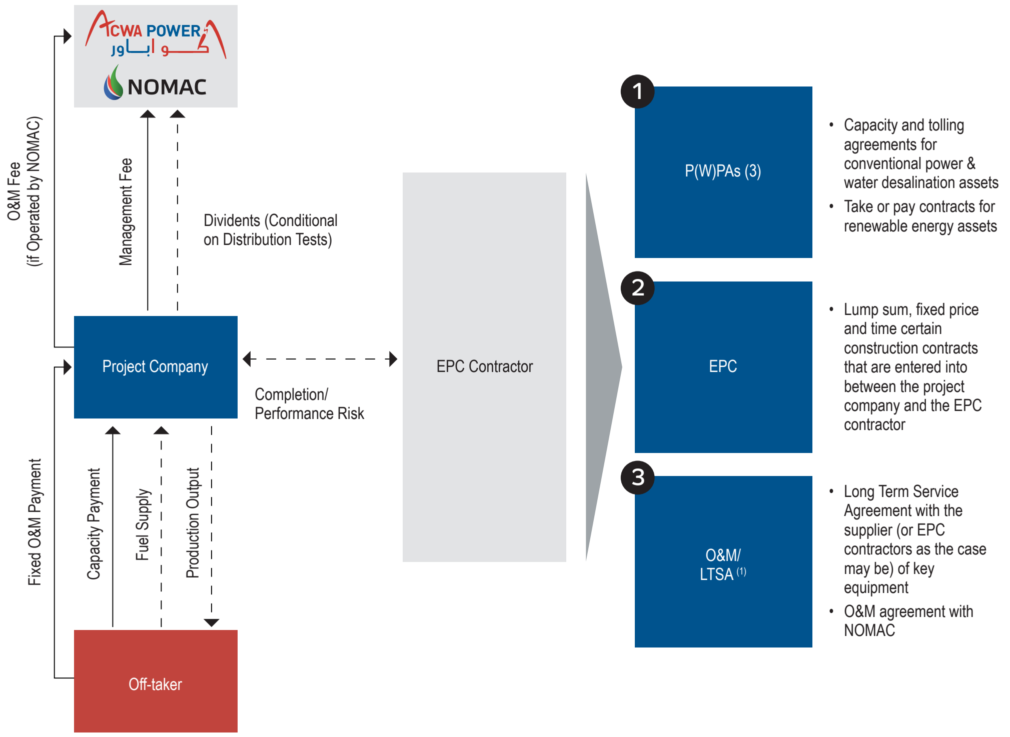
NOMAC also seeks effectively to manage the cost-critical risks associated with manpower and maintenance. It uses its rapid business growth to nurture in-house talent. Lateral movement and vertical movement provide ample opportunities for talent retention and development. For example, a strong pipeline of talent is fostered by an in-house training institute, the Higher Institute of Water and Power Technology, which provides training to young graduates.

Long-term service and parts contracts and framework agreements not only secure the price of spares and supplies but also limit the potential for disruptions in availability. NOMAC established in-house division NMES as a viable alternative service provider to undertake major and medium outages. Risk of delayed mobilization and quality of outage are effectively mitigated by NMES leveraging the partnership with technology providers. During any emergency or pandemic situations, when it is difficult to manage outage teams, NOMAC aims to maintain availability and reliability by timely preventive and corrective maintenance through NMES.

The inherent risk of taking over a plant with warranty defects is effectively mitigated by a robust mobilization and takeover procedure. This procedure provides protection and defect identification, tracking, reporting and claiming during the warranty period.

While the arrangements described below are generally back-to-back, the Group seeks to manage residual risks through insurance, over and above potential liability amounts. The Group also seeks to effectively mitigate completion and design performance risk during the development and construction phase of its Projects by structuring EPC contracts to transfer almost all risk to contractors. At an operations and maintenance level, the Management believes that the Group's vertical integration minimizes associated risks, as such responsibilities are handled by an experienced provider, which in most instances is NOMAC. Finally, the Group aims to minimize its foreign currency exposure by entering predominantly into offtake contracts that are matched in duration to the O&M contracts, which are USD-denominated and inflation-linked to adjust for currency fluctuations. In this manner, the Management believes that the Group has no material currency exposure at an asset level.

Figure (19): The diagram below summarizes the Group's typical risk-mitigating contractual arrangements for its Projects.



Source: Company information.

1. Long-term Service Agreement
2. Except Kirikkale, for which there is a long-term O&M agreement but no Offtake Agreement
3. Including conventional and water desalination

Notes:

In addition to management fee the Group's intermediate holding companies that are shareholders of project company also receive development fees (which are upfront fees typically paid by the project company to the developers or sponsors as compensation for the risks taken and efforts made while developing the project) and project management and advisory fees.

Aside from the Hassyan IPP in which the Group can face limited exposure to coal prices, most of the Group's Projects are structured on an energy conversion basis (i.e. the offtaker is responsible for, or takes risk on, (i) the supply of an adequate amount of fuel to the project company and (ii) the cost of such fuel (usually recovered by the project company as a variable cost under its tariff)). Other Projects are structured on a fuel pass through mechanism based on assumed and modelled performance criteria. In such cases, there are incentive payments and liquidated damages in relation to the consumption of fuel, so that that the project company and the provider of operation and maintenance services share some of the upside and downside of the plant's efficiency.

4-6-2-4 Projects

As of 1 June 2021G, the Group had a portfolio with a total estimated project cost of over SAR 248 billion, comprising 64 power and/or desalinated water Projects, in 13 countries, with a mix of renewable and conventional fuel Projects. Of these Projects:

- 39 are in operation[26] representing a total project cost of SAR 100.3 billion;
- 12 are under construction representing a total estimated incurred and future project cost of SAR 55.5 billion; and
- 13 are in a state of advanced development (either where the Group has been awarded a preferred bidder status or has signed the long-term Offtake Agreement and is working on achieving financial close) representing a total estimated incurred and future project cost of SAR 91.6 billion (pending financial close).

While approximately 67% of the gross power capacity of the Group's power Projects (including operating, under construction and in advanced development Projects) utilize conventional fuel (including natural gas, coal and oil) as of 1 June 2021G, approximately 33% of the gross power capacity of the Group's power-generating Projects utilize renewable technologies (including solar and wind) and 77% utilize decarbonized power technologies (including solar, wind as well as gas, but excluding oil and coal). The Group focuses on large assets operated with high standards. Approximately 71% of the Group's gross power generation capacity is from plants that have an individual capacity of greater than 1 GW. The Group's Offtake Agreements (including those for advanced development assets) have a weighted average (weighted by project cost) remaining life of 22 years.

26 Including the five projects owned by CEGCO.

4-6-2-4-1 Portfolio Summary

Table (4-9): The following table provides an overview of each of the Group's operational Projects as of 20/10/1442H (corresponding to 1 June 2021G).

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)	Gross Contracted Water Capacity (thousand m3/day)	ACWA Power's Effective Ownership Interest(1)	Original term of the Offtake Agreement	Commercial Operations Date	Contract Type (BOO, BOOT) (2)	Est'd Remaining offtake contract Life (Years)	Est'd Remaining Asset Life (Years)	Concession End Date	Total Project Cost (SAR millions)	ACWA Power Equity Commitment (SAR millions)
	Conventional														
1.	Shuaibah IWPP	Kingdom of Saudi Arabia	Power and water	Arabian Light Crude and Reverse Osmosis	900	880	30%	20 years	Q1 2010G	BOO	8.75 years	18.6years	13-Jan-30G	9,188	550
2.	Petro-Rabigh IWSPP	Kingdom of Saudi Arabia	Power and water	Heavy Fuel Oil and Reverse Osmosis	360	134	99%	25 years	Q2 2008G	BOO	20.0 years	27.6years	21-Jun-41G (extended)	4,466	962
3.	Petro-Rabigh (Phase 2) IWSPP	Kingdom of Saudi Arabia	Power and water	Heavy Fuel Oil and Reverse Osmosis	160	54.5	99%	25 years	Q1 2018G	BOO	20.0 years	35.6 years	21-Jun-41G	3,690	778
4.	Shuqaiq IWPP	Kingdom of Saudi Arabia	Power and water	Arabian Heavy Crude Oil and Reverse Osmosis	850	212	32%	20 years	Q2 2011G	BOO	9.9 years	9.9 years(13)	30-Apr-31G	6,866	474
5.	Marafiq IWPP(15)	Kingdom of Saudi Arabia	Power and water	Natural Gas and Reverse Osmosis	2,744	800	20%	20 years	Q4 2010G	BOOT	9.6 years	9.6 years	27-Oct-30G	11,561	352
6.	Shuaibah Expansion I IWP	Kingdom of Saudi Arabia	Water	Reverse Osmosis	N/A	150	30%	20 years	Q4 2009G	BOO	8.5 years	18.6 years	16-Nov-29G	874	53

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)	Gross Contracted Water Capacity (thousand m3/day)	ACWA Power's Effective Ownership Interest(1)	Original term of the Offtake Agreement	Commercial Operations Date	Contract Type (BOO, BOOT) (2)	Est'd Remaining offtake contract Life (Years)	Est'd Remaining Asset Life (Years)	Concession End Date	Total Project Cost (SAR millions)	ACWA Power Equity Commitment (SAR millions)
7.	Shuaibah Expansion II IWP	Kingdom of Saudi Arabia	Water	Reverse Osmosis	N/A	250	100%	25 years	Q2 2019G	BOO	23.0 years	28.1 years	26-May-44G	1,155	177
8.	Rabigh IPP	Kingdom of Saudi Arabia	Power	Heavy Fuel Oil	1,204	N/A	40%	20 years	Q2 2013G	BOO	11.85 years	11.85 years(13)	09-Apr-33G	9,398	727
9.	Mourjan IPP	Saudi Arabia	Power	Natural Gas	2,060	N/A	50%	20 years	Q1 2018G	BOO	16.75 years	31.7 years	22-Feb-2038	5,854	702
10.	Hajr IPP	Kingdom of Saudi Arabia	Power	Natural Gas	3,927	N/A	22.49%	20 years	Q2 2016G	BOO	15.0 years	29.9 years	12-May-2036G	10,219	564
11.	CEGCO Assets(4)	Jordan	Power	N/A	692	N/A	40.93%	14-18 years	Q3 2007G(5)	BOO	<5 years	4.6 years	In phases from Dec-2019G to Dec 2025G (6)	1,773 (7)	248
12.	Zarqa IPP	Jordan	Power	Natural Gas	485	N/A	60%	25 years	Q3 2018G	BOO	22.0 years	32.1 years	30-Jun-43G	1,834	273
13.	Barka 1 IWPP	Oman	Power and water	Natural Gas and Reverse Osmosis	427	91.2	41.91%	18.7 years	Q2 2003G(8)	BOO	<1 year	17.6 years	31-Dec-21G	1,556	311
14.	Barka 1 Expansion IWP	Oman	Water	Reverse Osmosis	N/A	45.5	41.91%	4 years + extension of 3 years and 8 months	Q2 2014G	BOO	1 year	23.5 year	31-Dec-21G	197	24

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)	Gross Contracted Water Capacity (thousand m3/day)	ACWA Power's Effective Ownership Interest(1)	Original term of the Offtake Agreement	Commercial Operations Date	Contract Type (BOO, BOOT) (2)	Est'd Remaining offtake contract Life (Years)	Est'd Remaining Asset Life (Years)	Concession End Date	Total Project Cost (SAR millions)	ACWA Power Equity Commitment (SAR millions)
15.	Barka 1 Phase II Expansion IWP	Oman	Water	Reverse Osmosis	N/A	56.8	41.91%	2 years and 2 months + extension of 3 years and 8 months	Q1 2018G	BOO	1 year	25.5 year	31-Dec-21G	298	31
16.	Salalah 2 IPP - Existing (15)	Oman	Power	Natural Gas	273	N/A	27%	15 years	Q2 2015G(9)	BOO	11.5 years	12.1 years	1-Jan-33G	629	92
17.	Salalah 2 IPP - Greenfield	Oman	Power	Natural Gas	445	N/A	27%	15 years	Q1 2018G	BOO	11.5 years	32.1 years	1-Jan-33G	1,687	151
18.	Sohar III IPP	Oman	Power	Natural Gas	1,710	N/A	44.9%	15 years	Q2 2019G	BOO	12.8 years	32.8 years	31-Dec-33G	3,685	482
19.	Ibri IPP	Oman	Power	Natural Gas	1,509	N/A	44.9%	15 years	Q2 2019G	BOO	12.6 years	32.6 years	31-Mar-34G	3,683	449
20.	Kirikkale CCGT IPP(14)	Turkey	Power	Natural Gas	950(10)	N/A	69.6%	N/A	Q3 2017G	BOO	NA years	31.1 years	NA	3,488	968
21.	Salalah IWP	Oman	Water	Reverse Osmosis	N/A	114	50.1%	20 years	Q1 2021G3	BOO	19.75 years	40 years	2041	600	67
	Renewable														
22.	Sakaka PV IPP(15)	Kingdom of Saudi Arabia	Power	Solar	300	N/A	70%	25 years	Q2 2020G(11)	BOO	24.0 years	24.1 years	30-Ju-45G	1,133	199
23.	Ben Ban PV IPP (three power plants)(12)	Egypt	Power	Solar	120	N/A	32.81%, 32.81% and 18.05%	25 years	Q3 2019G	BOO	23.25 years	23.1 years	7-Sep-44G	694	69
24.	Mafraq PV IPP	Jordan	Power	Solar	50	N/A	51%	20 years	Q4 2018G	BOO	17.5 years	22.1 years	31-Aug-38G	265	34
25.	Risha PV IPP	Jordan	Power	Solar	50	N/A	51%	20 years	Q42019G	BOO	18.5 years	23.1 years	1-Dec-39G	254	26

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)	Gross Contracted Water Capacity (thousand m3/day)	ACWA Power's Effective Ownership Interest(1)	Original term of the Offtake Agreement	Commercial Operations Date	Contract Type (BOO, BOOT) (2)	Est'd Remaining offtake contract Life (Years)	Est'd Remaining Asset Life (Years)	Concession End Date	Total Project Cost (SAR millions)	ACWA Power Equity Commitment (SAR millions)
26.	Noor I CSP IPP(15)	Morocco	Power	Solar	160	N/A	73.13%%	25 years	Q1 2016G	BOOT	19.5 years	19.6 years	31-Dec-40G	3,153	441
27.	Noor II CSP IPP(15)	Morocco	Power	Solar	200	N/A	75%	25 years	Q2 2018G	BOOT	21.9 years	21.9 years	24-Apr-43G	4,125	571
28.	Noor III CSP IPP(15)	Morocco	Power	Solar	150	N/A	75%	25 years	Q4 2018G(16)	BOOT	22.5 years	22.5 years	20-Oct-43G	3,233	476(17)
29.	Noor IV IPP(15)	Morocco	Power	Solar	55	N/A	75%	20 years	Q1 2018G	BOOT	16.75 years	17.1 years	3-Aug-38G	293	39
30.	Laayaoune(15)	Morocco	Power	Solar	65	N/A	75%	20 years	26-Sep-18G	BOOT	17.25	17.1	26-Sep-38G	379	51
31.	Boujdour(15)	Morocco	Power	Solar	15	N/A	75%	20 years	9-Oct-18G	BOOT	17.25	17.1	9-Oct-38G	118	19
32.	Khalladi Wind IPP	Morocco	Power	Wind	120	N/A	26%	20 years	Q2 2018G	BOOT	22.0 years	17.1 years	1-Sep-38G	655	40
33.	Bokpoort CSP IPP	South Africa	Power	Solar	50	N/A	20.4%	20 years	Q1 2016G	BOO	14.75 years	17.1 years	11-Dec-35G	1,939	116
34.	Shuaa Energy PV IPP(15)	United Arab Emirates	Power	Solar	200	N/A	24.99%	25 years	Q1 2017G	BOO	20.75 years	21.1 years	31-Mar-42G	1,222	48
35.	Vinh Hao 6 PV IPP(15)	Vietnam	Power	Solar	41	N/A	60%	20 years	Q2 2019G	BOO	18.0 years	18.1	18-June-39G	203	50
	Total				**20,272**	**2,788**								**100,348**	**10,614**

Notes:

1- Ownership information is updated as of 1 June 2021G.

2- BOO (Build, Own, Operate) envisages the construction or development of a power generation and/or water desalination asset, followed by its ownership and operation. This model does not include a right for the counterparty to purchase or have transferred to it the Project at the end of the term of the agreement. BOOT (Build, Own, Operate, Transfer) envisages the construction or development and then ownership and operation of a power generation and/or water desalination asset for a specified period of time during which certain contractual arrangements and regulatory or tariff treatment remain in place. At the end of this period, the asset is transferred to the purchaser of services for an amount of compensation determined in accordance with a pre-agreed formula or pursuant to a valuation process or other similar exercise. This contractual framework is typical for energy Projects in developing countries, as it ultimately allows for a transfer of assets, know-how and technology to the counterparty of the relevant asset at the end of the asset's useful life. It also prevents the power generator from selling the asset to a third-party investor while allowing it to achieve a return on its investment.

3- Salalah IWP achieved commercial operations as of 12 March 2021G.

4- Includes three conventional power plants, which are described in "– Operational Conventional Projects – Jordan – Aqaba IPP, Rehab IPP and Risha IPP" and two small renewable projects owned by CEGCO, which are described in "– Operational Renewable Projects – Jordan – Rehab Hofa Wind and Rehab Ibrahimyah Wind".

5- Operational when acquired. Acquisition completed in the third quarter of 2011G.

6- The expiration dates for these PPAs are in December 2025G for units 3,4 and 5 of the Aqaba IPP; in December 2021G for the CCGT unit of the Rehab IPP; in December 2021G for unit 4 of the Risha IPP and in December 2022G for unit 5 of the Risha IPP.

7- Net of decommissioned assets.

8- Operational when acquired. Acquisition completed in the third quarter of 2010G.

9- Operational when acquired. Acquisition completed in the second quarter of 2015G. The PPA Term of 15 years starts from PCOD of new plant-Salalah II-IPP Greenfield.

10- The gross power capacity of the Kirikkale CCGT IPP is not contracted.

11- The initial commercial operation date for this project was achieved in the fourth quarter of 2019G. Project (final) commercial operation date for the Sakaka PV IPP was achieved on 30 June 2020G.

12- It Includes three separate power plants Ben Ban One, Alcom & TK Solar having power capacity of 50MW, 50MW and 20MW respectively.

13- Effective from 1st January 2021G, Group board has decided that useful lives of these assets should be equal to contract lives.

14- Kirikkale was fully written down and deconsolidated in 2018G.

15- These assets are accounted as Finance Leases, please refer to Section (6-3-4) Overview of the Group's Subsidiaries, Associates and Joint Ventures and 6-3-7-1 Non-current assets.

16- This was ICOD and FCOD is expected by the Company to be in Q4 2021G.

17- Furthermore, the Group injected an additional amount of SAR 145 mn in Noor III and expects that it will be required to inject a further amount of SAR 150 mn of which SAR 54 mn has been requisitioned by the project company to settle statutory payments and debt service and is in line with the provisions of the SHA contract of the project.

Table (4-10): The following table provides an overview of each of the Group's Projects under construction as of 20/10/1442H (corresponding to 1 June 2021G).

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)	Gross Contracted Water Capacity (thousand m3/day)	ACWA Power's Effective Ownership Interest(1)	Offtake Agreement Expiration	Financial Close Date	Commercial Operation Date (expected)	Contract Type (BOO, BOOT) (2)	Total Project Cost (SAR millions)	ACWA Power Equity Commitment (SAR millions)
	Conventional												
1.	Rabigh 3 IWP	Saudi Arabia	Water	Reverse Osmosis	N/A	600	70%	25 years	13-Apr-19	Q1 2022G	BOO	2,575	423
2.	Al Dur Phase II IWPP	Bahrain	Power and water	Natural Gas and Reverse Osmosis	1,500	227	60%	20 years	01-Jul-19	Q2 2022G	BOO	4,125	532
3.	Hassyan IPP(3)	UAE	Power	Coal	2,400	N/A	26.95%	25 years	30-Nov-16	Q1 2023G	BOO	12,140	630(4)
4.	Taweelah IWP	UAE	Water	Reverse Osmosis	N/A	909	40%	30 years	16-Oct-19	Q4 2022G	BOO	3,278	143
5.	UAQ IWP	UAE	Water	Reverse Osmosis	N/A	682	40%	35 years	17-Nov-2019	Q3 2022G	BOOT	2,988	179
6.	Jubail 3A IWP	Saudi Arabia	Water	Reverse Osmosis	N/A	600	40.20%	25 years	07-Sep-2020	Q4 2022G	BOO	2,438	244
7.	Sirdarya IPP	Uzbekistan	Power	Natural Gas	1500	N/A	100%	25 years	Q1 2021G(5)	Q3 2023G	BOOT	4,500	1316
	Renewable												
8.	Ibri 2 PV IPP	Oman	Power	Solar	500	N/A	50%	15 years	19-Mar-20	Q2 2021G	BOO	1,481	242
9.	Noor Energy 1 CSP IPP	UAE	Power	Solar	950	N/a	24.99%	35 years	21-Mar-2019	Q4 2022G	BOOT	16,233	1,458
10.	DEWA V PV	UAE	Power	Solar	900	N/A	24.00%	25 years	02-Sep-2020	Q1 2023G	BOO	2,115	80
11.	Kom Ombo	Egypt	Power	Solar	200	N/A	100%(6)	25 years	2021G	Q4 2022G	BOO(6)	619	66
12.	Redstone CSP IPP	South Africa	Power	Solar	100	N/A	49.00%	20 Years post COD	May 2021	Q4 2023	BOO	3,000	544
	Total				**8,050**	**3,018**						**55, 491**	**5,857**

Notes:

1- Ownership information is updated as of 1 June 2021G.

2- For a description of BOO and BOOT, see footnote (1) in the preceding table on the Group's operational projects.

3- Hassyan Unit 1 achieved Initial commercial operation date as of 19 November 2020G.

4- The Group committed additional equity amounting SAR195 million.

5- Financing agreements for Sirdarya CCGT were signed in March 2021G.

6- A local partner is expected take an ownership stake before financial close resulting in a reduced stake by the Group.

7- Effectively BOOT given a requirement to decommission site at the end of the term of PPA.

Table (4-11): The following table provides an overview of each of the Group's advanced development as of 20/10/1442H (corresponding to 1 June 2021G).

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)[1]	Gross Contracted Water Capacity (thousand m3/day)[1]	ACWA Power's Effective Ownership Interest[2]	Offtake Agreement Expiration	Expected Financial Close Date	Status/ COD (expected)	Contract Type (BOO, BOOT)[3]	Total Project Cost (SAR millions)[1]	ACWA Power Equity Commitment (SAR millions)[1]
	Conventional												
1.	Jazan IGCC	Kingdom of Saudi Arabia	Power	Integrated Gasification Combined Cycle	3800	N/A	25%[8]	25 years	Q4 2021G	Commencing in Q4 2021G –[7]	OOT	45,000	4,500_[9]
2.	KSA RO	Kingdom of Saudi Arabia		SWRO	N/A	600	40%	25 years	Q4 2021G	Q2 2024G	BOO	2,419	409
	Renewable												
3.	Sudair PV	Kingdom of Saudi Arabia	Power	Solar	1500	N/A	35%	25 years	Q3 2021G	Q4 2024G	BOO	3,563	387
4.	Ethiopia PPP Phase 1 (two power plants)	Ethiopia	Power	Solar	250	N/A	100%	20 years	2022G	Q4 2023G	BOOT	675	159
5.	Bash	Uzbekistan	Power	Wind	500	N/A	100%	25 years post COD	Q1 2022G	[Q4 2023]	BOO(T)	2,542	942
6.	Dzhankeldy	Uzbekistan	Power	Wind	500	N/A	100%	25 years post COD	Q1 2022G	[Q4 2023]	BOO(T)	2,524	934
7.	The Red sea Development company	Kingdom of Saudi Arabia	Power and Water	Multi-Technology	210	32.5	35%	Dec 2048 (25 years from COD)	Q2-2021G	Dec 2023	BOOT	5,792	573
8.	Qurrayyat PV IPP	Kingdom of Saudi Arabia	Power	Solar	200	N/A	50%	2048G (25 years from COD)	Q3 2021	Q4 2022	BOO	506	43

	Project	Country	Project Type	Technology	Gross Contracted Power Capacity (MW)[1]	Gross Contracted Water Capacity (thousand m3/day)[1]	ACWA Power's Effective Ownership Interest[2]	Offtake Agreement Expiration	Expected Financial Close Date	Status/ COD (expected)	Contract Type (BOO, BOOT)[3]	Total Project Cost (SAR millions)[1]	ACWA Power Equity Commitment (SAR millions)[1]
9.	Azerbaijan Wind	Azerbaijan	Power	Wind	240	N/A	100%[4]	20 Years post COD	2022G	Q2-2023	BOO	1073	199
10.	Shuaibah PV	Kingdom of Saudi Arabia	Power	Solar	600	N/A	50%	25 Years post COD	Q3 2021	Q3 2023	BOO	1,219	93
11.	Karakalpakstan Wind IPP	Uzbekistan	Power	Wind	1500	N/A	100%	25 Years post COD	Q1 2023	Q3 2026	BOOT	7,571	1,245
12.	Neom Green Hydrogen	Kingdom of Saudi Arabia	Power	Multi-Technology	4000	N/A	33.33%	Long term post COD	2022*	2025*	BOO	18,750[9]	TBD[5]
	Total				**13,300**	**633**						**91, 631**	**9,484**

Notes:

1- Capacity, COD, project cost and equity commitment for Advanced Development projects are subject to change until financial close.

2- Ownership information is updated as of 1 June 2021G.

3- For a description of BOO and BOOT, see footnote (1) in the preceding table on the Group's operational projects.

4- Government of Azerbaijan has an option to increase its stake in the project to 29.9% prior to execution of EPC contract and 49.9% by financial close.

5- Costs will be ascertained as the project progresses further and equity Commitment for Neom Green Hydrogen will be determined after finalization of project cost and financing structure.

6- During FY2021, the company decided not to pursue Dairut-Luxor & Al Askar Advanced Development projects and the development cost associated to both these projects amounting SAR 30 million will be written off in FY 2021G.

7- Jazan IGCC is targeted to partly commence operations in Q4 2021 and is targeted to become fully operational by Q1 2025.

8- The Group has an effective interest of 21.25% in the returns of JIGPC.

9- The Group intends to fund all or part of its share of equity in JIGPC through a SAR 5 billion Sukuk Issuance. Programme of which SAR 2.8 billion has been issued in June 2021 to finance the first tranche of ACWA Power's equity commitment. (Please refer to section 6-3-9-2).

4-6-3 Project Descriptions

4-6-3-1 Selected Significant Projects

4-6-3-1-1 Hajr IPP (HEPCO)

Overview

The Hajr Independent Power Project (**"Hajr IPP"**), is a 3927 MW gas-fired Project located in Qurayyah, approximately 100 kilometers south of Dammam on the eastern coast of Saudi Arabia. The Project is located adjacent to the Qurayyah power complex which is owned by the Saudi Electricity Company (**"SEC"**). The Project uses natural gas as fuel, which is provided by Saudi Aramco under a tolling arrangement with SEC. The Project began commercial operations in May 2016G. The Project was completed at a total project cost of SAR 10,219 million. As of 9/11/1441H (corresponding to 31 December 2020G), the PPA is valid for another 15 years while the remaining asset life of the plant is 29.9 years.

The Group exercises certain governance rights over the Project via mechanisms such as board and management appointment rights, veto powers, etc. and owned by Hajr for Electricity Production Company (**"HEPCO"**), which was incorporated on 26/3/1432H (corresponding to 1 March 2011G) and of which the Group has an effective shareholding of 22.49%.

The Project's offtaker is SEC, with whom HEPCO signed a PPA (the **"HEPCO PPA"**) on a BOO basis on 23/10/1432H (corresponding to 21 September 2011G). The concession period under the HEPCO PPA is 20 years. Pursuant to an operation and maintenance agreement dated 23/10/1432H (corresponding to 21 September 2011G), as amended on 11/3/1433H (corresponding to 3 February 2012G) (the "Hajr O&M Agreement"), HEPCO appointed NOMAC as operator to provide operation and maintenance services to the Hajr IPP. For additional information about these agreements, see Section (12-7-1-3) (**Summary of Material Contracts**)

Key information	
Commercial operation date	PCOD: 13 May 2016G
Capacity	3,927 MW (contracted)
Technology	Gas fired project
Energy source	Gas
Location	Qurayyah, Saudi Arabia, (approximately 100 kilometers south of Dammam on the eastern coast of Saudi Arabia)
Project cost	Total Cost at PCOD - SAR 10,219 million
Contract type and duration	Contract (PPA) Type (BOO) Duration: 20 Years (as of PCOD) ending on 12 May 2036G
Remaining asset life	29.9 Years as at 1 June2021G
Offtaker	Saudi Electricity Company (SEC)
O&M Provider	NOMAC

Beneficial Ownership and Governance

The shareholding interests in the Hajr IPP are set out in the following table as at 1 June 2021G.

Entity	Interest (%)
Qurayyah Investment Company	50
SEC	50
	100

The Group has an effective shareholding of 44.98% in Qurayyah Investment Holding Company resulting in an effective shareholding of 22.9%. In May 2020G, the Group and Samsung signed a Sale Purchase Agreement according to which the Group bought 4.99% Samsung indirect share in the Hajr IPP during 2020G. As of 31 December 2020G, legal procedures for this sale of shares were pending but which were completed on 8 March 2021G.

In addition, the Group and Samsung signed call and put option agreements for Samsung's remaining stake in Qurayyah Investment Company (**"QIC"**). Under the terms of the Call/Put Option Agreement, the option is structured in two different set of options for each party.

- **First Option:** ACWA Power will have a call option and Samsung will have a put option on additional 5.02% of the shareholding of Samsung in QIC until 2023G.
- **Second Option:** ACWA Power will have a call option and Samsung will have a put option on remaining 20% of the shareholding of Samsung in QIC. The call option will be valid until 2023G and Samsung's put option validity will be until the end of 2030G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	79.1	91.31	94.01

Financial Performance

The revenue details under the HEPCO PPA and O&M agreements include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	USD Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Power Capital Cost Payment	574	669	428.02	273.78	-	701.8
Reference exchange rate	-	-	-	-	-	-

For additional information about these agreements, see Section (12-7-1-3) (**Summary of Material Contracts**)

The below summarizes the contracted planned unavailability for power and water for the Hajr IPP.

Availability and Planned Maintenance	
Last Major Maintenance date	5 May 2020G
Average annual contracted availability (Non-major maintenance years)	96%
Average annual contracted availability (For major maintenance years only)	93%
Maintenance schedule	Major maintenance after every eight years.

Selected key performance metrics[27] for HEPCO are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[28]	548.5	574.5	578.4
Depreciation (including G&A element of depreciation)	(242.4)	(245.8)	(271.4)
Operating income	262.9[29]	304.4	293.3
Other income[30]	175.3	25.4	14.6
Financial charges	(281.1)	(295.2)	(288.2)
Tax expense[31]	(15.5)	(18.4)	(6.2)
Zakat expense[32]	(3.9)	(5.2)	(2.9)
Net profit (without OCI)	5.5	9.9	9.6
Net profit (ACWA proportionate share)[33]	1.0	1.7	2.2

Debt

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Islamic facility (SAR millions)	3,337.0	2,963.9	2,611.6	576.3
% of original loan amount	86.85%	77.14%	67.97%	15%
Last repayment date[34] **31 Dec 2033 – 576.3 SAR millions**				
Interest Base	3M SIBOR	3M SIBOR	3M SIBOR	3M SIBOR
Interest Margin	1.40%	1.55%	1.65%	1.75%
Reference Exchange Rate	-	-	-	-
US Exim facility (SAR millions)	1,100.7	440.1	-	-
% of original loan amount	53.6%	21.42%	-	-
Last repayment date **30 Jun 2028 – 73.1 SAR millions**				
Interest Rate – Fixed	2.46%	2.46%	-	-
Reference Exchange Rate	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD
Commercial facility (SAR millions)	582.9	517.8	456.2	100.7
% of original loan amount	86.7%	77.0%	67.85%	14.97%

27 Financial information included in this section is derived from the audited financial statements of HEPCO as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of HEPCO are presented in Saudi Riyal (**"SAR"**).
28 Inclusive of other income amounting to SAR175.3 million, 25.4 million and 14.6 million in 2018G, 2019G and 2020G, respectively and other expenses amounting to SAR 132.2 million, 1.2 million and 0.9 million for years 2018G, 2019G and 2020G, respectively
29
30 Other income mainly relates to Insurance claims
31 The tax expense relates to foreign shareholding. The effective foreign shareholding as at 31 December 2020G was 27.14%.
32 Zakat expense relates to GCC shareholding
33 The Group's effective shareholding was 17.5% in 2018G and 2019G and 22.5% in 2020G. Net profit (ACWA Power proportionate share) has been calculated by applying the Groups effective shareholding to net profit.
34 Balloon repayment

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Last repayment date[35] **31 Dec 2033 – 100.7 SAR millions**				
Interest Base	3M LIBOR	3M LIBOR	3M LIBOR	3M LIBOR
Interest Margin	1.7%	1.85%	1.85%	2.00%
Reference Exchange Rate	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD
Hermes covered facility (SAR millions)	258.1	103.2	-	-
% of original loan amount	53.56%	21.42%	-	-
Last repayment date **30 Jun 2028 – 17.1 SAR millions**				
Interest Rate - Fixed	3.235%	3.235%	-	-
Reference Exchange Rate	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD
Kexim direct facility (SAR millions)	302.5	268.7	236.8	52.2
% of original loan amount	86.85%	77.14%	67.97%	15%
Last repayment date[36] **31 Dec 2033 – 52.2 SAR millions**				
Interest Base	3M LIBOR	3M LIBOR	3M LIBOR	3M LIBOR
Interest Margin	2.00%	2.00%	2.00%	2.00%
Reference Exchange Rate	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD
Kexim covered facility (SAR millions)	247.5	219.8	193.7	42.7
% of original loan amount	86.85%	77.14%	67.97%	15%
Last repayment date[37] **31 Dec 2033 – 42.7 SAR millions**				
Interest Base	3M LIBOR	3M LIBOR	3M LIBOR	3M LIBOR
Interest Margin – Average	2.1%	2.25%	2.25%	2.4%
Reference Exchange Rate	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD

Hedge Interest Rate SWAPS	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD notional (SAR millions)	1,132.5	1,017.0	897.38	-
SWAP Rate – Average	3.47%	3.47%	3.47%	-
SAR Notional (SAR millions)	3,092.2	2,795.1	-	-
SWAP Rate – Average	3.44%	2.53%	-	-

Note: Swap rate does not include interest margin

35 Balloon repayment
36 Balloon repayment
37 Balloon repayment

4-6-3-1-2 Mourjan IPP (MEPCO)

Overview

The Mourjan Independent Power Project (**"Mourjan IPP**"), is a 2,060 MW gas-fired power Project located in Rabigh, approximately 130 kilometers north of Jeddah on the west coast of the Kingdom of Saudi Arabia. The Project is located adjacent to the operational Rabigh IPP complex and uses natural gas as fuel, which is provided by Saudi Aramco under a tolling arrangement with SEC. The Project began operating in June 2017, achieving commercial operation in Q1 2018G. The generated electricity is then delivered to SEC's national grid and is distributed to SEC's network. The Project was completed at a total project cost of SAR 5,854 million (USD1,561 million). As of 20/10/1442H (corresponding to 1 June 2021G), the PPA is valid for another 16.7 years while the remaining asset life of the plant is 31.7 years.

The Group exercises certain governance rights over the Project via mechanisms such as board and management appointment rights, veto powers, etc. and owned by Mourjan for Electricity Production Company ("MEPCO"), which was incorporated on 29/3/1434 (corresponding to 10 9 February 2013G) and of which the Group has an effective shareholding of 50%.

The Project's offtaker is SEC with whom, MEPCO signed a PPA on a BOO basis on 26/1/1435H (corresponding to 30 November 2013G). This PPA was subsequently amended by an amendment agreement (**"Mourjan PPA"**) dated 24/9/1435H (corresponding to 22 July 2014G). The concession period under the Mourjan PPA is 20 years. For additional information about this agreement, see Section (12-7-1-1) (**Summary of Material Contracts**). Under an operation and maintenance agreement dated 26/1/1435H (corresponding to 30 November 2013G) (the "MEPCO O&M Agreement"), MEPCO appointed NOMAC as the contractor to provide operation and maintenance services in respect of the plant.

Key information	
Commercial operation date	PCOD: 23 February 2018G
Capacity	2,059.97 MW (Contracted)
Technology	Gas fired
Energy source	Gas
Location	Rabigh, approximately 130 kilometers north of Jeddah on the west coast of the Kingdom of Saudi Arabia.
Project cost	Total Cost at PCOD - SAR 5,854 million
Contract type and duration	Contract (PPA) Type (BOO) Duration: 20 Years (as of PCOD) ending on 22 February /2038G
Remaining asset life	31.7 years as at 1 June 2021G
Offtaker	Saudi Electricity Company (SEC)
O&M Provider	NOMAC

Beneficial Ownership and Governance

The shareholding interests in MEPCO are set out in the following table as at 1 June 2021G:

Entity	Interest (%)
Rabigh Investment Company	50
SEC	50
	100

The Group has an effective shareholding of 100% in Rabigh Investment Company resulting in an effective shareholding of 50% in MEPCO as at 15 May 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates:

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	87.04	76.86	92.26

Al Mourjan IPP in Saudi Arabia had 6.9% forced outage rate in 2020G mainly due to repairs and maintenance required for a steam turbine and shutdown of gas turbines for ASL (Arabian Super Light Crude) commissioning.

Financial Performance

The revenue details under the Mourjan PPA include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	USD Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Power Capital Cost Payment	373.3	332.3	322.24	79.81	-	402.05
Reference exchange rate	-	-	-	-	-	-

For additional information about this agreement, see Section (12-7-1-1) (**Summary of Material Contracts**)

The below summarizes the contracted planned unavailability for power and water for the Mourjan IPP.

Availability and Planned Maintenance	
Last Major Maintenance date	No major planned outage taken yet
Average annual contracted availability (Non-major maintenance years)	95%
Average annual contracted availability (For major maintenance years only)	90%
Maintenance schedule	Major maintenance is in CY 11 (37 days)

Selected key performance metrics[38] for MEPCO are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[39]	356.0	284.5	375.3
Depreciation (including G&A element of depreciation)	(140.2)	(137.9)	(160.2)
Operating income	215.8	136.1	196.0
Other income[40]	-	10.6	19.5
Financial charges	(206.8)	(227.3)	(234.1)
Tax (expense) / credit [41]	(2.1)	0.3	(2.0)

38 Financial information included in this section is derived from the audited financial statements of MEPCO as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of MEPCO are presented in SAR.

39 Inclusive of other income amounting to SAR10.6 million and SAR 19.6 million in 2019G and 2020G, respectively

40 Other income is mainly from insurance claims

41 Tax expense in year 2018G and 2019G relates to foreign shareholding which was entirely sold in 2019G and tax expense in year 2020G

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
Zakat expense	(0.3)	-	-
Net profit / (loss) (without OCI)[42]	10.8	(80.9)[43]	(16.5)
Net profit / (loss) (ACWA proportionate share)[44]	5.4	(40.45)	(8.25)

Debt

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Istisna Ijara (SAR millions)	2,156.8	1,795.1	1,536.8	871.3
% of original loan amount	88.2%	73.4%	62.8%	35.6%
Interest Base	3M SIBOR	3M SIBOR	3M SIBOR	3M SIBOR
Interest Margin	1.25%	1.4%	1.55%	1.75%
Reference Exchange Rate	-	-	-	-
Last repayment date(1) **31 May 2037 – 366.9 SAR millions**				
Wakala Ijara (SAR millions)	826.2	687.6	588.7	333.8
% of original loan amount	88.2%	73.4%	62.8%	35.6%
Last repayment date(1) **31 May 2037 – 140.6 SAR millions**				
Interest Base	3M SIBOR	3M SIBOR	3M SIBOR	3M SIBOR
Interest Margin	1.25%	1.4%	1.55%	1.75%
Reference Exchange Rate	N/A	N/A	N/A	N/A
USD Commercial facility (SAR millions*)	876.2	729.2	624.3	353.9
% of original loan amount	88.2%	73.4%	62.8%	35.6%
Last repayment date(1) **31 May 2037 – 149.1 SAR millions**				
Interest Base	3M LIBOR	3M LIBOR	3M LIBOR	3M LIBOR
Interest Margin	1.65%	1.90%	2.05%	2.4%
Reference Exchange Rate	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD	3.75 SAR/ USD

(1) Balloon repayment

As at 31 December 2020, MEPCO also had a shareholder loan of SAR100 million at an annual interest rate of 8.4%

Hedge Interest Rate SWAPS	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD notional (SAR millions)	876.2	729.2	624.3	-
SWAP Rate	4.69%	5.045%	5.045%	-
SAR Notional(1) (SAR millions)	2,790.0	-	-	-
SWAP Rate	3.71%	-	-	-
(1) SAR hedge is placed till 30 Nov 2024G with 95% portion of SAR facilities are hedged				

Note: Swap rates do not include interest margin

relates to deferred tax movement

42 Inclusive of Interest income amounting to SAR 0.4 million for year 2020G

43 2019 was impacted by forced outage resulting in plant availability of 76.8%

44 Net profit (ACWA proportionate share) calculated by applying the Groups effective ownership to the Net profit (without OCI) of MEPCO

4-6-3-1-3 Rabigh IPP (RABEC)

Overview

The Rabigh IPP (**"Rabigh IPP"**), is a 1,204 MW heavy-oil-fired Project located in Rabigh, approximately 130 kilometres north of Jeddah on the west coast of the Kingdom of Saudi Arabia. The Project was the first independent electricity project to be developed in the Kingdom of Saudi Arabia and is located adjacent to the Rabigh I Power Plant owned by the Saudi Electricity Company. The Project started its operations in April 2013 and uses heavy fuel oil as fuel, which is provided by Saudi Aramco under a tolling arrangement with SEC. The Project generates net electricity of 1,204 MW on net basis. The generated electricity is delivered across region including to the cities of Makkah, Jeddah, Taif and Al-Baha. The Project was completed at a total project cost of SAR 9,398 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA is valid for another 11.8 years and the remaining asset life of the plant is also 11.85 years.

The Group exercises certain governance rights over the Project via mechanisms such as board and management appointment rights, veto powers, etc. and owned by Rabigh Electricity Company (**"RABEC"**), which was incorporated on 12/3/1430H (corresponding to 8 March 2009G) and of which the Group has an effective shareholding of 40%.

The Project's offtaker is Saudi Electricity Company (**"SEC"**), with whom RABEC signed a PPA on a BOO basis on 18/07/1430H (corresponding to 11 July 2009G). This PPA was subsequently amended by two amendment agreements (together, **"RABEC PPA"**) dated) 19/8/1430H (corresponding to 11 August 2009G) and 10 January 1436H (corresponding to 3 November 2014G). The concession period under the RABEC PPA is 20 years. For additional information about this agreement, see Section (12-7-1-4) (**Summary of Material Contracts**). Under an operation and maintenance agreement dated 18/7/1430H (corresponding to 11 July 2009G) (the **"RABEC O&M Agreement"**), RABEC appointed ROMCO (which is owned 60% by NOMAC and 40% by KWEPCO) as the contractor to provide operation and maintenance services in respect of the plant.

Key information	
Commercial operation date	PCOD : 10 April 2013G
Capacity	1,204 MW (contracted)
Technology	Oil
Energy source	Oil
Location	Rabigh /KSA
Project cost	SAR 9,398 million
Contract type & duration	Contract (PPA) Type (BOO) Duration: 20 Years (as of PCOD) ending on 09 April 2033G
Remaining asset life	11.85 years as at 1 June 2021G(1)
Offtaker	Saudi Electricity Company
O&M Provider	Rabigh Operation and Maintenance Company (ROMCO)

(2) With recent change in Government of Saudi Arabia's policy of not pursuing oil fired assets, ACWA Power Board decided to restrict the life of the assets to the term of the RABEC PPA with effect from 1 January 2021G. The impact of additional annual depreciation in future periods is expected to be SAR 293.5 million (or SAR 117.4 million at the Group level).

Beneficial Ownership and Governance

The shareholding interests in Rabigh Electricity Company are set out in the following table as at 1 June 2021G.

Entity	Interest
	(%)
Rabigh Project Company	40%
KEPCO Netherlands B.V	40%
SEC	20%
	100

The Group has an effective shareholding of 100% in Rabigh Project Company resulting in an effective shareholding of 40% in RABEC as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	87.17	75.53	96.08

Financial Performance

The revenue details under the RABEC PPA include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	Total (in SAR Millions)	Total (in SAR Millions)	Local Component (in SAR Millions)	U.S.$ Component (in SAR Millions)	Other Foreign Currency (in SAR Millions)	Total (in SAR Millions)
Power Capital Cost Payment	778.2	566.4	558.9	226.7	-	785.6
Reference Exchange Rate	-	-	-	-	-	-

For additional information about this agreement, see Section (12-7-1-4) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power for the Rabigh IPP.

Availability Planned Maintenance	
Last Major Maintenance date	First Major Maintenance is in 2021G
Average annual contracted availability (Non-major maintenance years)	95%
Average annual contracted availability (For major maintenance years only)	89.41%
Maintenance schedule	Major maintenance after every 8 years

Selected key performance metrics[45] for RABEC are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[46]	778.1	500.7	906.5
Depreciation (including G&A element of depreciation)	(219.2)	(219.3)	(222.1)
Operating income	554.3	287.6	515.2
Other income / (loss)	4.6	(6.3)	169.2
Financial charges	(404.6)	(403.2)	(359.2)
Tax expense[47]	(37.4)	(14.1)	(24.4)
Zakat expense[48]	(1)	-	(5.4)
Net income / (loss) (without OCI)[49]	116.9	(136.0)	295.5
Net income / (loss) (ACWA proportionate share)	46.75	(54.39)	118.20

45 Financial information included in this section is derived from the audited financial statements of RABEC as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of RABEC are presented in SAR.
46 Inclusive of other income amounting to SAR 4.6 million and SAR 169.2 million for the years 2018G and 2020G, respectively, and losses of 6.3 million.
47 The tax expense relates to foreign shareholding. The effective foreign shareholding as at 31 December 2020G was 40%.
48 Zakat expense relates to local shareholding
49 Inclusive of Interest income amounting to SAR 0.15 million for year 2020G

Debt

Debt Repayment Profile (Commercial – Floating Tranche)	31 December 2020G	30 June 2025G	30 June 2028G	31 March, 2033
Debt Balance (SAR millions)	394.05	281	185	-
% of total respective debt	81.31%	57.9%	38.2%	-
Last repayment date **31 Mar 2033 – 22.0 SAR millions**				
Interest Base	6M-LIBOR	6M-LIBOR	6M-LIBOR	-
Interest Margin	1.35%	2.40%	2.40%	-
Reference Exchange Rate	3.75	3.75	3.75	-

Debt Repayment Profile (Commercial – Fixed Rate Tranche)	31 December 2020G	30 June 2025G	30 June 2028G	31 March, 2033
Debt Balance (SAR millions)	557.21	397	262	-
% of total respective debt	81.3%	57.9%	38.2%	-
Last repayment date **31 Mar 2033 – 31.0 SAR millions**				
Interest Base	Fixed	Fixed	Fixed	-
Interest Margin	4.20%	4.20%	4.20%	-
Reference Exchange Rate	3.75	3.75	3.75	-

Debt Repayment Profile (Islamic Facility – Floating Tranche)	31 December 2020G	30 June 2025G	30 June 2028G	30 September, 2033
Debt Balance (SAR millions)	4,570.1	3,178	2,004	-
% of total respective debt	80.4%	55.9%	35.3%	-
Last repayment date **30 Sep 2032 – 245.5 SAR millions**				
Interest Base	6M-SAIBOR	6M-SAIBOR	6M-SAIBOR	-
Interest Margin	1.65%	2.20%	2.50%	-
Reference Exchange Rate	1.00	1.00	1.00	-

Interest Rate Hedge (BSF)	31 December 2020G	30 September 2021G
SAR Notional (SAR Millions)	794.4	770
SWAP Rate	3.80%	3.80%

Interest Rate Hedge (BAJ)	31 December 2020G	30 September 2021G
SAR Notional (SAR Millions)	508.4	493
SWAP Rate	4.02%	4.02%

Interest Rate Hedge (SCB)	31 December 2020G	31 March 2024G
USD notional (SAR Millions)	1845	1845
SWAP Rate	4.00%	4.00%

Interest Rate Hedge (SABB)	31 December 2020G	31 March 2024G
USD notional (SAR Millions)	126.8	99
SWAP Rate	4.64%	4.64%

H Interest Rate edge (SAMBA)	31 December 2020G	31 March, 2025
SAR Notional (SAR Millions)	1,414.30	3350.91
SWAP Rate	2.28%	2.28%

Note: Swap rates do not include interest margin

4-6-3-1-4 Petro-Rabigh IWSPP (RAWEC)

Overview

The RAWEC Independent Water, Steam and Power Project (**"Petro-Rabigh IWSPP"**), is a captive two phase, 520 MW, 188,400 m3 per day and 53,880 ton per day oil-fired, power generation, sea-water desalination and steam generation project located in Rabigh, approximately 130 kilometres north of Jeddah on the west coast of the Kingdom of Saudi Arabia in the Petro-Rabigh complex. The Project uses heavy fuel oil as fuel, which is provided by the Petro-Rabigh under a tolling arrangement. The generated electricity, desalinated water and generated steam is then delivered to Petro-Rabigh complex for its use.

The first phase of the Project started its deemed commercial operations in the 26/5/1429H (corresponding to 1 June 2008G). The first phase of the Project generates net electricity of 360 MW and desalinates 133,920 m3 per day of water, and 29,520 tons per day of steam on net basis. The second phase of the Project started its deemed commercial operations in June 2016G. The second phase of the Project generates net electricity of 160 MW and desalinates 54,480 m3 per day of water, and 24,360 tons per day of steam on net basis. The Project has been completed at a total project cost of SAR 8,156 million (First Phase: SAR 4,466 million and Second Phase: SAR 3,690 million. As of 21/10/1442H (corresponding to 1 June 2020G), the ARWECA is valid for another 12 years for the first Phase and extended by 8 years, subject to the provisions of clause 10.7 and 21 years for the second Phase while the remaining asset life of the plant is 27 years for the first Phase and 35 years for the second Phase.

The Project is controlled by the Group and owned by Rabigh Arabian Water and Electricity Company (**"RAWEC"**), which was incorporated on 7/8/1426H (corresponding to 10 September 2005G) and of which the Group has an effective shareholding of 99%.

The Project's offtaker is Rabigh Refining and Petrochemical Company (**"Petro-Rabigh"**), with whom RAWEC signed a Water and energy conversion agreement (**"RAWEC WECA"**) on a BOO basis on 2/7/1426H (corresponding to 7 August 2005G). Later in 18/5/1436H (corresponding to 9 March 2015G) the RAWEC had amended the WECA and the Amended and Restated Water and Electricity Agreement (**"RAWEC ARWECA"**) was executed. The concession period under the RAWEC WECA is 25 years. RAWEC appointed Rabigh Power as a contractor to provide operation and maintenance services with respect to the plant pursuant to the operation and maintenance agreement dated 13/8/1435H (corresponding to 12 June 2014G) (the **"RAWEC O&M Agreement"**). Rabigh Power is a subsidiary of NOMAC, which has a 100% ownership interest in it. The RAWEC O&M Agreement expires on the last day of the term of the RAWEC WECA. Later in 13/1/1442H (corresponding to 1 September 2020G) RAWEC had amended the RAWEC O&M Agreement and the Amended and Restated Operation and Maintenance Agreement (AROMA) was executed. For additional information about these agreements, see Section (12-7-1-5) (**Summary of Material Contracts**).

Key information	Phase I	Phase II
Commercial operation date (Deemed)	01 Jun 2008G	22 June 2016G
Capacity	Power: 360 MW Water: 133,920 m3/day Steam: 1,230 tons /hour	Power: 160 MW Water: 54,480 m3/day Steam: 1,015 tons/hour
Technology	Conventional Rankine Cycle; and SWRO for water desalination	Conventional Rankine Cycle; and SWRO for water desalination
Energy source	HFO	HFO
Location	Rabigh City, Saudi Arabia	Rabigh City, Saudi Arabia
Project cost	Total Cost at PCOD - SAR 4,466 million	Total Cost at PCOD - SAR 3,690 million

Key information		
	Phase I	Phase II
Contract type and duration	Contract: WECA Type: BOO Duration: 25 Years from PCOD ending on 31 May 2033G (extended to 21 June 2041G as per ARWECA)(1)	Contract: WECA Type: BOO Duration: 25 Years from PCOD ending on 21 Jun 2041G
Remaining asset life	27.0 years as at 1 June 2021G	35.0 Years as at 1 June 2021G
Offtaker	Rabigh Refining and Petrochemical Company	Rabigh Refining and Petrochemical Com-pany
O&M Provider	Rabigh Power	Rabigh Power

(1) On the completion of the tenor for phase I (i.e. on 31 May 2033G), the offtaker shall pay USD 96mn to the contractor, provided such payment shall not be due if the parties agree in the writing to a further extension of the term and/or a tariff taking into account such amount due to the contractor.

Beneficial Ownership and Governance

The shareholding interests in RAWEC are set out in the following table as on 1 June 2021G.

Entity	Interest (%)
Arabian Co for Water and Power Project	74%
Oasis power one conventional energy and water Co	25%
Rabigh Refining & Petrochemical Co (PRC)	1%
Total	**100**

The Group has an effective shareholding of 100% in Arabian Co for Water and Power Project and Oasis Power One Conventional Energy and Water Co resulting in an effective shareholding of 99% in RAWEC as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

Phase I	As at 31 December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	100	100	100
Water			
Commercial availability (%)	100	100	100
Steam			
Commercial availability (%)	100	100	100

Phase II	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	100	100	100
Water			
Commercial availability (%)	100	100	100
Steam			
Commercial availability (%)	100	100	100

Financial Performance

The revenue details under the RAWEC ARWECA include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	USD Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Power Capital Cost Payment	283.92	287.39	-	288.18	-	288.18
Water Capital Cost Payment	270.95	273.94	-	274.69	-	274.69
Steam Capital Cost Payment	292.05	294.56	-	295.36	-	295.36
Reference Exchange rate	-	-	-	-	-	

For additional information about this agreement, see Section (12-7-1-5) (**Summary of Material Contracts**).

During the given period, the Petro-Rabigh IWSPP has full commercial availability of Power, Steam and Water.

Availability and Planned Maintenance	
Last T&I (Turnaround and Inspection)	April/May 2020G for Phase I
Average annual commercial availability (Non-major maintenance years)	100%
Average annual commercial availability (For major maintenance years only)	100%
T&I schedule	T&I is carried out after every four years as per Offtaker schedule.

Selected key performance metrics[50] for RAWEC are provided in the following table.

	For the year ended December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA	839.5	839.4	843.9
Depreciation (including G&A element of depreciation)	(198.7)	(203.2)	(207.0)
Operating income	640.3	636.2	636.9
Other income[51]	4.2	3.7	2.0
Financial charges	(253.4)	(227.3)	(201.0)
Tax expense[52]	(19.4)	(10.4)	(0.1)
Zakat expense[53]	(1.6)	(3.5)	(10.8)
Net profit (without OCI)[54]	331.7	475.7	422.6
Net profit (ACWA proportionate share)[55]	195.4	394.1	418.4

50 Financial information included in this section is derived from the audited financial statements of RAWEC as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of RAWEC are presented in SAR.
51 Other income is mainly from deposits
52 The tax expense relates to foreign shareholding. The effective foreign shareholding as at 31 December 2020G was 0.375%. It excludes any impact of deferred tax.
53 Zakat expense relates to GCC shareholding
54 After Deferred Tax (expense)/credit of SAR (38.5) million, 76.9 million and (4.4) million for years 2018G, 2019G and 2020G, respectively
55 Based on the step-up acquisition in year 2018G and 2019G. Net profit (ACWA Proportionate share) calculated by applying ACWA Powers effective interest to RAWEC's net profit.

Debt

Debt Repayment Profile - Phase I	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	894.55	-	-	-
% of original loan amount	25.99%	-	-	-
Interest Base (Fixed)	5.765%	-	-	-
Interest Margin	-	-	-	-
Last repayment date 30 Nov 2023- SAR 91.4 millions				
Debt Repayment Profile - Phase II	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
Debt Balance (SAR millions)	2,320.57	1,361.13	653.79	-
% of original loan amount	77.63%	45.53%	21.87%	-
Interest Base (Fixed)	5.70%	5.70%	5.70%	-
Interest Margin	-	-	-	-
Last repayment date 30 Jun 2031 – SAR 116. millions				
Interest Rate Hedge	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional	Not Applicable			
SWAP Rate				
SAR Notional				
SWAP Rate				

Note: Swap rates do not include interest margin

4-6-3-1-5 Shuqaiq IWPP (SqWEC)

Overview

The Shuqaiq Independent Water and Power Project (**"Shuqaiq IWPP"**), is a 850 MW and 212,000 m3 per day water desalination capacity oil-fired, power and sea-water desalination water project located in Shuqaiq, 140 kilometres north of Jazan on the south-west coast of the Kingdom of Saudi Arabia. The Project is located in the Shuqaiq complex which is owned by the Saline Water Conversion Corporation and is in fact the second phase of the Shuqaiq complex. The Project started its operations in May 2011G and it uses Arabian Heavy Crude Oil as fuel, which is provided by Saudi Aramco under a tolling arrangement with the Saudi Water Partnership Company (formerly known as "The Water and Electricity Company (WEC)") (**"SWPC"**). Both the generated electricity and desalinated water is then delivered to the city of Jazan and to the other parts of the Assir region. The Project was completed at a total project cost of SAR 6,866 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PWPA is valid for another 9.9 years and the remaining asset life of the plant is also 9.9 years.

The Group exercises certain governance rights over the Projectvia mechanisms such as board and management appointment rights, veto powers, etc. and owned by Shuqaiq Water and Electricity Company (**"SqWEC"**), which was incorporated on 1/2/1428H (corresponding to 21 February 2007G) and of which the Group has an effective shareholding of 32%.

The Project's offtaker is WEC, with whom SqWEC signed a PWPA (the **"SqWEC PWPA"**) on a BOO basis on 10/2/1428H (corresponding to 28 February 2007G). The concession period under the SqWEC PWPA is 20 years. For additional information about this agreement, see Section (12-7-1-6) (**Summary of Material Contracts**). Under an operation and maintenance agreement dated 10/2/1428H (corresponding to 28 February 2007G) (the **"SqWEC O&M Agreement"**), SqWEC appointed NOMAC as the contractor to provide operation and maintenance services in respect of the plant.

Key information	
Commercial operation date	1 May 2011G
Capacity	850 MW 212,000 m3 / day
Technology	oil-fired power plant, SWRO for water desalination
Energy source	Oil
Location	Shuqaiq, 140 kilometres north of Jazan on the south-west coast of the Kingdom of Saudi Arabia
Project cost	SAR 6,866 million
Contract type and duration	PWPA BOO Duration: 20 Years (as of PCOD) ending on 30 April 2031G
Remaining asset life	9.9 years as at 1 June 2021G(1)
Offtaker	Saudi Water Partnership Company (SWPC)
O&M Provider	NOMAC

(1) With recent change in government of Saudi Arabia's policy of not pursuing oil fired assets, ACWA Power Board decided to restrict the life of the assets to the term of the SqWEC PWPA with effect from 1 January 2021G. The impact of additional annual depreciation in future periods is expected to be SAR 222.9 million (or SAR 80.6 million at the Group level).

Beneficial Ownership and Governance

The shareholding interests in SqWEC are set out in the following table.

Entity	Interest (%)
SIWEC	60
WEHCO	32
SEC	8
Total	**100**

The Group has an effective shareholding of 53.34% in SIWEC resulting in an effective shareholding of 32% in SqWEC as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	96.68%	81.31%	89.26%
Water			
Commercial availability (%)	98.11%	97.76%	97.45%

Shuqaiq IWPP had 5.4% forced outage rate on power side in 2020G, mainly, in order to rectify generator bearing and rotor damage on one of the units.

Financial Performance

The revenue details under the SqWEC PWPA include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	Total (in SAR Millions)	Total (in SAR Millions)	Local Component (in SAR Millions)	USD Component (in SAR Millions)	Other Foreign Currency (in SAR Millions)	Total (in SAR Millions)
Power Capital Cost Payment	431.17	342.94	-	403.58	-	403.58
Water Capital Cost Payment	168.06	167.57	-	167.63	-	167.63
Reference Exchange rate	-		-	-	-	-

For additional information about this agreement, see Section (12-7-1-6) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the Shuqaiq IWPP for the periods indicated below.

Availability and Planned Maintenance	
Last Major Maintenance date	No major maintenance carried out to date, however there have been two minor outages in 2014G and 2020G and one medium outage in 2017G
Average annual contracted availability (Non-major maintenance years)	95.2%, 7 days/year annual outage for Power 3 days/year for water
Average annual contracted availability (For major maintenance years only)	91.7% in minor outage during 2014G and 2020G and 89.1% in medium outage 2017G
Maintenance schedule	Outage is classified into three categories as: l- Minor outage: three times during the PWPA term; planned for 20 days in (CY15) m- Medium outage: two times during the PWPA term; n- Major outage: once during the PWPA term; planned for 45 days in (CY12)

Selected key performance metrics[56] for SqWEC are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[57]	625.7	558.9	593.0
Depreciation (including G&A element of depreciation)	(167.8)	(167.0)	(170.8)
Operating income	457.0	345.8	387.6
Other income	0.8	43.2	34.5
Financial charges	(269.7)	(254.3)	(238.0)
Tax (expense) / credit	0.0	0.3	(5.0)
Zakat expense	(0.2)	(3.2)	(8.8)
Net profit (without OCI)[58]	189.5	132.3	180.5
Net profit (ACWA proportionate share)[59]	60.7	42.4	57.8

56 Financial information included in this section is derived from the audited financial statements of SqWEC as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of SqWEC are presented in SAR.
57 Inclusive of other income amounting to SAR 43.2 million and SAR 34.5 million in 2019G and 2020G respectively
58 Inclusive of Interest Income amounting to SAR 1.7 million, SAR 1.2 million and SAR 0.2 million for years 2018G,2019G and 2020G, respectively
59 Net profit (ACWA proportionate share) calculated by applying effective shareholding to the net profit (without OCI)

Debt

Debt Repayment Profile (Commercial Long-term)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	2,777.56	1,507.7	413.09	-
% of original loan amount	72.9%	39.57%	10.84%	-
Last repayment date 31 May 2029 – 215.6 SAR millions				
Interest Base	6MLibor	6MLibor	6MLibor	-
Interest Margin	1.40%	1.65%	1.65%	-
Reference Exchange Rate	3.75	3.75	3.75	-

Debt Repayment Profile (Islamic Facility)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	389.09	211.21	57.9	-
% of original loan amount	72.90%	39.57%	10.84%	-
Last repayment date 31 May 2029 – 30.2 SAR millions				
Interest Base	6MLibor	6MLibor	6MLibor	-
Interest Margin	1.40%	1.65%	1.65%	-
Reference Exchange Rate	3.75	3.75	3.75	-

Debt Repayment Profile (Junior Facility)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	2.20	-	-	-
% of original loan amount	0.97%	-	-	-
Last repayment date 31 May 2021 – 2.2 SAR millions				
Interest Base	6MLibor	-	-	-
Interest Margin	3%	-	-	-
Reference Exchange Rate	3.75	-	-	-

Interest Rate Hedge (Long-term)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD Notional (Millions)	753.89	414.32	114.45	Nil
SWAP Rate	5.263375%	5.263375%	5.263375%	Nil

Note: Swap rates do not include interest margin

4-6-3-1-6 Shuaibah Expansion II IWP (STPC)

Overview

The Shuaibah Two Independent Water Project (**"Shuaibah Expansion II IWP"**) is a 250,000 m3 per day electric-powered, sea-water desalination water Project located in Shuaibah, approximately 120 kilometers south of Jeddah on the west coast of the Kingdom of Saudi Arabia. The Project is located adjacent to the Shuaibah power and desalination water complex (comprising two other projects) owned by the Saudi Electricity Company and is also next to the Group's existing Shuaibah Independent Water and Power Project (**"Shuaibah IWPP"**) and Shuaibah Expansion Independent Water Project (**"Shuaibah Expansion I IWP"**). The Project desalinates 250,000 m3 per day of sea-water on a net basis, which is then delivered to cities of Makkah, Jeddah, Taif and Al-Baha. The Project was completed at a total project cost of SAR 1,155 million. As of 20/10/1442H (corresponding to 1 June 2021G), the WPA is valid for another 23 years while the remaining asset life of the plant is 28.1 years.

The Project is controlled by the Group and owned by Shuaibah Two Water Development Project Company (**"STPC"**), which was incorporated on 15/08/1438H (corresponding to 03 June 2017G) and of which the Group has an effective shareholding of 100%.

WEC is the Project's offtaker. STPC signed a WPA (the "STPC WPA") on a BOO basis on 19/9/1438H (corresponding to 14 June, 2017G). The STPC WPA has a 25-year term from the project's commercial operation date, which was 27 May 2019G. The cost of the electric power used by the Shuaibah Expansion II IWP is passed through to SWPC under the STPC WPA. For additional information about this agreement, see Section (12-7-1-10) (**Summary of Material Contracts**). Under an operation and maintenance agreement dated 17 August 2017G (the "STPC O&M Agreement"), STPC appointed Water Desalination Expansion Company as the contractor to provide operation and maintenance services in respect of the plant. The Group's management has refinanced project's senior debt (non-recourse to ACWA Power) with a bond and loan.

Key information	
Commercial operation date	27 May 2019G
Capacity	250,000 m3/day (Contracted)
Technology	SWRO
Energy source	Electricity
Location	Shuaibah/ Jeddah, Saudi Arabia
Project cost	SAR 1,155 million
Contract type and duration	WPA BOO Duration: 25 Years (as of PCOD) ending on 26 May 2044G
Remaining asset life	28.1 years as at 1 June 2021G(1)
Offtaker	Saudi Water Partnership Company (SWPC)
O&M Provider	Water Desalination Expansion Company (WDEC)

(1) As a result of a decision made by ACWA Power board for IWP assets, the economic life assumption for STPC is being revised from 35 years previously to 30 years, and the remaining asset life of 28.5 years is based on a 30-year life.

Beneficial Ownership and Governance

The shareholding interests in STPC are set out in the following table as at 1 June 2020G.

Entity	Interest (%)
Shuaiba Two Water Desalination Holding Company ("STWDHC")	99
Kahroma Company	1
Total	**100**

The Group has an effective shareholding of 100% in STWDHC and Kahroma Company resulting in an effective shareholding of 100% in STPC as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Water			
Commercial availability (%)	-	95.77%	99.07%

Financial Performance

The revenue details under the STPC WPA include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	**Total (in SAR Millions)**	**Total (in SAR Millions)**	**Local Component (in SAR Millions)**	**USD Component (in SAR Millions)**	**Other Foreign Currency (in SAR Millions)**	**Total (in SAR Millions)**
Water Capital Cost Payment	NA	50.6	21.3	67.6	-	88.9
Reference Exchange rate	-	-	-	-	-	-

For additional information about this agreement, see Section (12-7-1-10) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the STPC IWP.

Availability and Planned Maintenance	
Last Major Maintenance date	No major maintenance (since PCOD)
Average annual contracted availability (Non-major maintenance years)	98.00%
Average annual contracted availability (For major maintenance years only)	N/A
Maintenance schedule	N/A

Selected key performance metrics[60] for STPC are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[61]	-	52.8	95.7
Depreciation (including G&A element of depreciation)	(0.2)	(18.7)	(37.5)
Operating income	-	34.1	58.1
Other income	-	0.1	0.2
Financial charges	-	(26.5)	(41.7)
Tax expense	-	-	-
Zakat expense[62]	-	(0.219)	(0.2)
Net profit (without OCI)	-	7.5	16.3
Net profit (ACWA proportionate share)	-	7.5	16.3

Debt

Debt Repayment Profile (Commercial – Floating Tranche)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	599.3	313.94	266.44	162.84
% of original loan amount	95.90%	83.72%	71.05%	43.4%
Last repayment date				
30 Nov 2040 – 62.5 SAR millions				

60 Financial information included in this section is derived from the audited financial statements of STPC as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of STPC are presented in SAR.
61 Inclusive of other income amounting to SAR0.1 million and 0.2 million in 2019G and 2020G, respectively
62 Zakat expense relates to GCC shareholding

Debt Repayment Profile (Commercial – Floating Tranche)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Interest Base	6MLibor	6MLibor	6MLibor	6MLibor
Interest Margin	1.85%	1,65%	1.95%	2.00%
Reference Exchange Rate	3.75	3.75	3.75	3.75

30 Nov 2040 – SAR 2.72 millions

Debt Repayment Profile (Commercial – Fixed Rate Tranche)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	358.2*	556	504.2	397.74
% of original loan amount	95.90%	89.22%	80.91%	63.82%
Last repayment date				
30 Nov 2040 – SAR 37.3 millions				
Interest Base	4.5%	4.5%	4.5%	4.5%
Interest Margin	-	-	-	-
Reference Exchange Rate	3.75	3.75	3.75	3.75

27 May 2044 – 29.1 SAR millions

Interest Rate Hedge	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD notional (SAR millions)		313.94	266.4	155.1
SWAP Rate		2.965%	3.45%	3.43%
Based on refi-Loan				

Note: Swap rates do not include interest margin

4-6-3-1-7 Shuaibah IWPP (SWEC)

Overview

The Shuaibah Independent Water and Power Project (**"Shuaibah IWPP"**), is a 900 MW and 880,000 m3 per day, oil-fired, power and sea-water desalination water project respectively, located in Shuaibah, approximately 120 Kilometers south of Jeddah on the west coast of Saudi Arabia. The Project is located adjacent to the Shuaibah power and desalination water complex (comprising of two other Projects) which is owned by the Saudi Electricity Company. The Project uses Arabian Light Crude Oil as fuel, which is provided by the Saudi Aramco under a tolling arrangement with SWPC. The Project generates net electricity of 900 MW and desalinates 880,000 m3 per day of water on net basis. Both the generated electricity and desalinated water is then delivered to a wide region including the cities of Makkah, Jeddah, Taif and Al-Baha. The Project was the first IWPP to be developed in the Kingdom of Saudi Arabia following the Saudi Arabian government's decision to open the electricity generation and desalinated water production markets to private investment and began commercial operations in the January 2010G The Project was completed at a total project cost of SAR 9,188 million. As of 20/10/1442H (corresponding to 1 June 2021G). the PWPA is valid for another 8.5 years while the remaining asset life of the plant is 18.6 years.

The Group exercises certain governance rights over the Project via mechanisms such as board and management appointment rights, veto powers, etc. and owned by Shuaibah Water and Electricity Company (**"SWEC"**), which was incorporated on 8/7/1427H (corresponding to 3 August 2006G) and of which the Group has an effective shareholding of 30%.

The Project's offtaker is SWPC (formerly WEC), with whom SWEC signed a Power and Water Purchase Agreement on a BOO basis on 13/10/1426H (corresponding to 15 November 2005G). This PWPA was subsequently amended by an amendment agreement (**"SWEC PWPA"**) dated 12/4/1427H (corresponding to 10 May 2006G). The concession period under the SWEC PWPA is 20 years. For additional information about this agreement, see Section (12-7-1-7) (**Summary of Material Contracts**). SWEC and Saudi Malaysia Operation and Maintenance Company (**"SMOMC"**) entered into an O&M agreement dated 15/12/1426H (corresponding to 14 January 2006G) (the "SWEC O&M Agreement"), pursuant to which SWEC appointed

SMOMC as contractor to provide operation and maintenance services in respect of the plant. As contemplated by the SWEC O&M Agreement, SMOMC fully subcontracted the operation and maintenance services (save for certain administrative responsibilities) of the plant to NOMAC (as contractor) under a subcontract agreement dated 15/12/1426H (corresponding to 14 January 2006G) (**"SWEC O&M Subcontract"**). Recently, Seqayah Operation and Maintenance Company Limited, a subsidiary of First National Holding Company, the parent company of NOMAC, has become the subcontractor for this project in place of NOMAC by way of novation of the SWEC O&M Subcontract.

Key information	
Commercial operation date	PCOD - 14-Jan-2010G
Capacity	900 MW power and 880,000m3/day water
Technology	Oil-fired power plant Multi-stage flash distillation (MSF) for desalinated water
Energy source	Oil
Location	110km south of Jeddah, Saudi Arabia
Project cost	Total Cost at PCOD - SAR 9,188 million
Contract type and duration	Contract: PWPA Type: BOO Duration: 20 Years (as of PCOD) ending on 13/Jan/2030
Remaining asset life	18.6 years as at 1 June 2021
Offtaker	SWPC
O&M Provider	NOMAC / SEQAYA (SEQAYA is effectively owned 100% by the Group)

Beneficial Ownership and Governance

The shareholding interests in SWEC are set out in the following table as at 1 June 2021G.

Entity	Interest (%)
SAMAWEC	60
WEHCO	32
SEC	8
Total	**100**

The Group has an effective shareholding of 50% in SAMAWEC resulting in an effective shareholding of 30% in SWEC as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G[63]
Power			
Commercial availability (%)	93.6	89.9	88.6
Water			
Commercial availability (%)	92.97	88.02	88.8

Shuaibah IWPP in Saudi Arabia had a forced outage rate of 7.9% and 7.2% for power and water, respectively in 2020G. The outage on the power side was mainly due to boiler load restrictions in order to avoid tube leaks and shutdown of units to rectify tube leaks. On the water side, the forced outage was mainly due to steam limitations originating from the boiler load restriction or due to tube leak rectification work.

63 amended via side letter between off-taker and project company in reference to transfer of outages

Financial Performance

The revenue details under the SWEC PWPA include the following:

Revenue Parameters for the 12 months period	2018G	2019G	2020G			
	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR Millions)	USD Component (in SAR Millions)	Other Foreign Currency (in SAR Millions)	Total (in SAR millions)
Power Capital Cost Payment (SAR/MWh)	362.24	351.12	103.92	64.66	N/A	346.40
Water Capital Cost Payment (SAR/m3)	598.50	567.85	171.57	106.75	N/A	571.89
Reference Exchange rate	-	-	-	3.75 SAR/ USD	-	-

For additional information about this agreement, see Section (12-7-1-7) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the Shuaibah IWPP.

Availability and Planned Maintenance	
Last Major Maintenance date	Unit 10 , 30-Jan-2021
Average annual contracted availability (Non-major maintenance years)	Power: 93.8%, Water: 94.6%
Average annual contracted availability (For major maintenance years only)	Power: 88.2% , Water: 89.5%
Maintenance schedule	The maintenance can be divided into three categories: Regular annual maintenance (7 days) Minor maintenance (20 days) after 5 years; last minor maintenance was done in CY 9 Major maintenance in CY12 (32 days) and in CY18 (30 days)

Selected key performance metrics[64] for SWEC are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA	955.8	904.5	872.5
Depreciation (including G&A element of depreciation)	(286.4)	(301.3)	(299. 8)
Operating income	669.4	603.2	559.9
Other income	4.6	6.3	1.4
Financial charges	(285.0)	(274.2)	(232.1)
Tax (expense) / credit [65]	(17.2)	(18.7)	(15.8)
Zakat expense[66]	(4.3)	(3.7)	(15.9)
Net profit (without OCI)[67]	360.6	311.6	297.6
Net profit[68] (ACWA proportionate share)	108.2	93.5	89.3

64 Financial information included in this section is derived from the audited financial statements of SWEC as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of SWEC are presented in SAR.
65 The tax expense relates to foreign shareholding. The effective foreign shareholding as at 31 December 2020G was 30%.
66 Zakat expense relates to GCC shareholding
67 Includes other expenses amounting to SAR 7.0 million and SAR 1.3 million for years 2018G and 2019G respectively
68 Net profit (ACWA proportionate share) calculated by applying effective shareholding to Net profit (wihtout OCI)

Debt

Debt Repayment Profile (Commercial)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	1,781	450	-	-
% of original loan amount	54.30%	13.70%	-	-
Last repayment date **15 Jan 2026 – 236.3 SAR millions**				
Interest Base	2.21%	6M LIBOR	-	-
Interest Margin	1.45%	1.70%	-	-
Reference Exchange Rate				
Debt Repayment Profile (Hermes)	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
Debt Balance (SAR millions)	317	-	-	-
% of original loan amount	21.1%	-	-	-
Last repayment date **15 Jul 2023 – 32.2 SAR millions**				
Interest Base (LIBOR)	2.21%	-	-	-
Interest Margin	0.40%	-	-	-
Reference Exchange Rate				
Debt Repayment Profile (K-Exim)	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
Debt Balance (SAR millions)	366	-	-	-
% of original loan amount	21.4%	-	-	-
Last repayment date **15 Jul 2023 – 60.9 SAR millions**				
Interest Base- Fixed	5.38%	-	-	-
Interest Margin	0.20%	-	-	-
Reference Exchange Rate				

Debt Repayment Profile (Islamic)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	367	93	-	-
% of original loan amount	57.6%	14.50%	-	-
Last repayment date **15 Jan 2026 – 45.9 SAR millions**				
Interest Base	2.25%	6M-SIBOR	-	-
Interest Margin	1.47%	1.72%	-	-
Reference Exchange Rate				

Debt Repayment Profile (Sub-Debt)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	441	383	131	-
% of original loan amount	98%	85%	29.11%	-
Last repayment date **15 Jan 2029 – 65.3 SAR millions**				
Interest Base (Libor)	2.21%	6M-LIBOR	6M-LIBOR	-
Interest Margin	3.25%	3.25%	3.25%	-
Reference Exchange Rate				

Interest Rate Hedge (Commercial)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD notional (USD Millions)	475.13	120	-	-
SWAP Rate	5.09%	2.52%	-	-
Interest Rate Hedge (Hermes)	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional (USD Millions)	84.51	-	-	-
SWAP Rate	5.06%	-	-	-

Interest Rate Hedge (Islamic)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
SAR Notional (SAR Millions)	366.89	-	-	-
SWAP Rate	1.74%	-	-	-

Note: Swap rates do not include interest margin

4-6-3-1-8 Marafiq IWPP (JWAP)

Overview

The Marafiq Independent Water and Power Project (**"Marafiq IWPP"**) is a 2744 MW and 800,000 m3 per day gas-fired, power and sea-water desalination Project respectively, located in Jubail, Eastern Province of the Kingdom of Saudi Arabia. The Project uses natural gas as fuel, which is provided by Saudi Aramco under an arrangement with Tawreed and both the generated electricity and desalinated water are delivered to Jubail and Yanbu. The Project was developed following the Saudi Arabian government's decision to open the electricity generation and desalinated water production markets to private investment and started its operations in October 2010G. The Marafiq IWPP was completed at a total project cost of SAR 11,563 million and today it is one of the world's largest IWPPs.

The Group exercises certain governance rights over the Project via mechanisms such as board and management appointment rights, veto powers, etc. and owned by Jubail Water and Power Company (**"JWAP"**), which was incorporated on 1/4/1428H (corresponding to 08 April 2007G) and of which the Group has an effective shareholding of 20%.

The Project's offtaker is Marafiq Water and Power Supply Company (Tawreed), with whom JWAP signed a PWPA on a BOOT basis on 25/12/1427H (corresponding to 15 January 2007G) (as subsequently amended, the "JWAP PWPA") under which the concession period is 20 years. As of 21/10/1442H (corresponding to 1 June 2020G), the PWPA is valid for another 9.6 years while the remaining asset life of the plant is 9.6 years. JWAP appointed Suez NOMAC Operation & Maintenance Holding Company as the contractor to provide operation and maintenance services in respect of the plant under an operation and maintenance agreement dated 23/5/1428H (corresponding to 9 June 2007G) (the "Marafiq O&M Agreement"). For additional information about these agreements, see Section (12-7-1-2) (**Summary of Material Contracts**).

Key information	
Commercial operation date	PCOD 28 October 2010G
Capacity	2,743.6 MW and 800,000 m3/day
Technology	Gas and steam turbines for power, Multi-stage flash distillation (MSF) for water
Energy source	Gas
Location	Jubail Industrial City, Eastern Province, KSA
Project cost	Total Cost at PCOD - SAR 11,563 million
Contract type and duration	Contract (PWPA) Type (BOOT) Duration: 20 Years (as of PCOD) ending on 27 October 2030G
Remaining asset life	9.6 years as at 1 June 2021G
Offtaker	TAWREED
O&M Provider	Suez NOMAC Operation & Maintenance Holding Company

Beneficial Ownership and Governance

The shareholding interests in JWAP are set out in the following table as at 1 June 2021G.

Entity	Interest (%)
SGA Marafiq Holdings W.L.L (equally owned by Gulf Investment Corporation, ENGIE and ACWAPOWER)	60%
SEC	5%
WEHCO	5%
Marafiq	30%
	100

The Group has an effective shareholding of 33.33% in SGA Marafiq through ACWA Marafiq Water and Electricity Company Limited (an entity wholly owned by the Group) resulting in an effective shareholding of 20% in JWAP as at 1 June 2021G

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	94.9%	97.6%	97.6%
Water			
Commercial availability (%)	96%	96%	97.2%

Financial Performance

The revenue details under the JWAP PWPA include the following:

Revenue Parameters for the 12 months period	2018G	2019G	2020G			
	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	USD Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Power Capital Cost Payment	549.05	564.83	-	-	-	568.87
Water Capital Cost Payment	627.90	628.18	-	-	-	639.53
Reference Exchange rate	-		-	-	-	-

For additional information about this agreement, see Section (12-7-1-2) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the JWAP IWPP.

Availability and Planned Maintenance	
Last Major Maintenance date	From February 2017 to March 2019
Average annual contracted availability (Non-major maintenance years)	Approx. 95.5% for Power and 96.5% and Water
Average annual contracted availability (For major maintenance years only)	Approx. 94% for Power
Maintenance schedule	Major maintenance after every six years for Power. There is no major maintenance for Water.

Selected key performance metrics[69] for JWAP are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA	779.7	735.8	688.0
Depreciation (including G&A element of depreciation)	(19.0)	(22.8)	(23.4)
Operating income	714.8	713.0	664.6
Other income	45.9		
Financial charges	(444.7)	(435.8)	(301.8)
Tax expense[70]	(23.6)	(16.0)	(20.5)
Zakat expense[71]	(9.9)	(12.4)	(6.5)
Net profit (without OCI)[72]	286.1	253.0	337.7
Net profit[73] (ACWA proportionate share)	57.2	50.6	67.5

Debt

Debt Repayment Profile (International)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	3,990.0	2,376.45	644.51	-
% of original loan amount	68.13%	41.53%	11.3%	-
Last repayment date 321.3 SAR millions 31 March 2029				
Interest Base	6M Libor	6M Libor	6M Libor	6M Libor
Interest Margin	1.45	1.60	1.60	-
Reference Exchange Rate	3.75	3.75	3.75	3.75

Debt Repayment Profile (KEIC)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	604.7	-	-	-
% of original loan amount	25.0%	-	-	-
Last repayment date 86.4 SAR millions 31 March 2024				
Interest Base	6M Libor	-	-	-
Interest Margin	0.40%	-	-	-
Reference Exchange Rate	3.75	-	-	-

69 Financial information included in this section is derived from the audited financial statements of JWAP as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS as endorsed in KSA. These financial statements are not included in this Prospectus. The audited financial statements of JWAP are presented in SAR. JWAP I is treated as a finance lease for accounting purposes and EBITDA is after deducting finance lease amortisation.
70 The tax expense relates to foreign shareholding. The effective foreign shareholding as at 31 December 2020G was 27.7891%.
71 Zakat expense relates to GCC shareholding
72 Inclusive of Interest Income amounting to SAR3.5 million, SAR 4.2 million and SAR 1.9 million in years 2018G, 2019G and 2020G, respectively
73 Net profit (ACWA proportionate share) calculated by applying effective shareholding to Net profit (without OCI)

Debt Repayment Profile (Islamic)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	1,568.8	934.38	253.50	-
% of original loan amount	69.7%	41.53%	11.3%	-
Last repayment date 126.3 SAR millions 31 March 2029				
Interest Base	6M Libor	6M Libor	6M Libor	6M Libor
Interest Margin	1.45	1.60	1.60	-
Reference Exchange Rate	3.75	3.75	3.75	3.75

Interest Rate USD hedge	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
SAMBA - I	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional (USD millions)	201.18	119.82	32.50	-
SWAP Rate	3.19%	3.19%	3.19%	0.00%
SAR Notional				
SWAP Rate				
SAMBA - II	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional (USD millions)	201.18	119.82	32.50	-
SWAP Rate	3.24%	3.24%	3.24%	0.00%
SAR Notional				
SWAP Rate				
Samba - III	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional (USD millions)	930.93	160.81	43.61	-
SWAP Rate	2.60%	2.99%	2.97%	0.00%
SAR Notional				
SWAP Rate				
NCB	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional (USD millions)	-	192.97	52.33	-
SWAP Rate	-	2.33%	2.33%	0.00%
SAR Notional				
SWAP Rate				
BNP Paribas - I	**31 December 2020G**	**30 June 2025G**	**30 June 2028G**	**31 December 2033G**
USD notional (USD millions)	-	192.97	52.33	-
SWAP Rate	-	1.84%	1.84%	0.00%
SAR Notional	-	-	-	-

BNP Paribas - II	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD notional (USD millions)	277.44	78.83	21.38	-
SWAP Rate	0.53%	0.53%	0.53%	0.00%
SAR Notional				

Note: Swap rates do not include interest margin

4-6-3-1-9 Ibri IPP (AGC)

Overview

The Ibri Independent Power Project (**"Ibri IPP"**), is a 1,509 MW gas-fired (with fuel oil as secondary fuel) power project located in Ad-Dhahirah region, Ibri, approximately 335 Kilometers north-west of Muscat on the west coastal line of Oman. The Project achieved a delayed commercial operation date on 10 May 2019 (delay in PCOD of 39 days) and lost the full early power period (from 1 April 2018 through 31 October 2018). The liquidated damages related to such delay were charged to the Project Company, Ad-Dhahirah Generating Company SAOC (**"AGC"**), by Oman Water and Power Procurement Company (**"OPWP"**), the Project's offtaker. AGC, in turn, made a claim related to such delay partially against the EPC contractor. The Project was completed at a total project cost is OMR 378 million, equivalent to SAR 3,683 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA is valid for another 12.8 years while the remaining asset life of the plant is 32.8 years.

The Group exercises certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by AGC, which was incorporated on 16/4/1437H (corresponding to 26 January 2016G) and of which the Group has an effective shareholding of 44.9%.

The Project's offtaker is OPWP, with whom AGC signed a PPA on a BOO basis on 21/5/1437H (corresponding to 1 March 2016G) (the "AGC PPA"). The term of the PPA is 15 years from the commercial operations date, which is 10 May 2019G. For additional information about this agreement, see Section (12-7-1-14) (**Summary of Material Contracts**). Under an operation and maintenance agreement dated 1/11/1437H (corresponding to 4 August 2016G) (the "Ibri O&M Agreement, AGC appointed Dhofar O&M Company LLC as the contractor to provide operation and maintenance services in respect of the plant. Under a subcontract for the operation and maintenance dated 1/11/1437H (corresponding to 4 August 2016G) (the "Ibri O&M Subcontract"), Dhofar O&M Company LLC appointed NOMAC Oman as the subcontractor to provide operation and maintenance services in respect of the plant.

From the PCOD of 5/9/1440H (corresponding to 10 May 2019G), the Ibri IPP experienced additional fuel consumption due to the heat rate performance being below the guaranteed performance levels. AGC is currently carrying out a detailed study in order to improve performance.

Key information	
Commercial operation date	PCOD – 10 May 2019G
Capacity	1509 MW
Technology	Gas – CCGT
Energy source	Gas
Location	Ibri Area, Ad-Dhahirah Region, Sultanate of Oman
Project cost	Total Cost at PCOD - SAR 3,683 million
Contract type and duration	Contract – PPA Type - BOO Duration: 15 Years ending on 31 March 2034G (Note: Contractual PCOD was 1 January 2019G, however, delays led to an effective PCOD of 10 May 2019G and the resulting PPA end date is 31 March 2034G)
Remaining asset life	32.8 Years as at 1 June 2021G (1)
Offtaker	Oman Power and Water Procurement Company SAOC
O&M Provider	Dhofar O&M Company LLC, sub-contracted to NOMAC Oman

(1) As a result of a decision made by ACWA Power board for CCGT assets, the economic life assumption for Ibri is being revised from 40 years previously to 35 years, and the remaining asset life of 32.9 years is based on a 35-year life.

Beneficial Ownership and Governance

The shareholding interests in Ibri IPP are set out in the following table as at 1 June 2021G.

Entity	Interest (%)
MAP Inland Holding Company Limited	95%
Dhofar International Energy Services Co. LLC	4.9998%
Dhofar Investment and Real Estate Services Co. LLC	0.0002%
	100

The Group has an effective shareholding of 47.26% in MAP Inland Holding Company Limited resulting in an effective shareholding of 44.9% in the Ibri IPP as 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	NA	93.76	91.02

Financial Performance

The revenue details under the AGC PPA include the following:

Revenue Parameters for the 12 months period	2018G	2019G				2020G			
	Total (in SAR)	Local (OMR) Component (in SAR)	USD Component (in SAR)	Euro Other Foreign Currency (in SAR)	Total (in SAR)	Local (OMR) Component (in SAR)	USD Component (in SAR)	Euro Other Foreign Currency (in SAR)	Total (in SAR)
Power	NA	21,257,934	140,276,521	NA	161,534,455	31,688,650	209,106,561	NA	240,795,211
Capital Cost Payment									
Other parameters	[NA]	9.8016	9.8016	9.8016	9.8016	9.8016	9.8016	9.8016	9.8016

For additional information about this agreement, see Section (12-7-1-14) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the Ibri IPP.

Availability and Planned Maintenance	
Last Major Maintenance date	No major maintenance yet given that COD was on 10 May 2019G
Average annual contracted availability (Non-major maintenance years)	92.5%
Average annual contracted availability (For major maintenance years only)	92.5% (there is no separate allowance available in PPA for major maintenance)
Maintenance schedule	Scheduled GT Major Inspection interval is 32,000 Weighted Operating Hours and hence major maintenance will be every 6.4 years for each GT assuming machine operating for 5,000 WOH/year

Selected key performance metrics[74] for AGC are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[75] Depreciation (including G&A element of depreciation)[76]	-	150.2 (56.1)	283.6 (87.3)
Operating income	-	94.1	111.4
Other income	178.3	42.1	84.8
Financial charges	-	(75.6)	(107.7)
Tax (expense) / credit	-	(36.8)	(54.8)
Zakat expense	-	-	-
Net profit / (loss) (without OCI)[77]	-	(18.45)	33.7
Net profit[78] (ACWA proportionate share)	-	(8.3)	15.1

Debt

	31 December 2020G	31 December 2025G	31 December 2028G	31 December 2033G
Debt Repayment Profile (USD Commercial Facility) Debt Balance (SAR millions)	2,038.87	1,496.32	1,129.75	426.19
% of original loan amount	90%	66%	50%	19%
Interest Base	3M LIBOR	3M LIBOR	3M LIBOR	3M LIBOR
Interest Margin	1.3%	1.7%	1.7%	1.9%
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016

Last repayment in Dec 2033

Interest Rate Hedge (USD Commercial Facility)	31 December 2020G	31 December 2025G	31 December 2028G
USD Notional (millions)	516.01	378.78	242.73
SWAP Rate (%)	2.1716	2.5704	2.6900
SAR Notional (millions)	1,947.73	1,429.73	916.21
SWAP Rate (%)	2.1716	2.5704	2.6900

74 Financial information has been extracted from project company's financial statements which have been prepared under IFRS. These financial statements are not included in this Prospectus. The audited financial statements of AGC are presented in Omani Riyal (**"OMR"**). The conversion rate used to translate the financial information in OMR into SAR is OMR 1 = SAR 9.8016

75 Inclusive of other income amounting to SAR 178.3 million, 42.05 million and 84.8 million for years 2018G, 2019G and 2020G, respectively and corresponding liquidated damages of SAR -178.3 million and SAR -42.05 million in 2018G and 2019G respectively.

76 The useful life of this asset used by group is shorter than useful life used by project company

77 After impact of liquidated damages of SAR -178.3 million and SAR -42.05 million in 2018G and 2019G respectively.

78 Net profit (ACWA proportionate share) calculated by applying ACWA Power's effective shareholding to Net profit (without OCI)

	31 December 2020G	31 December 2025G	31 December 2028G	31 December 2033G (last repayment date)
Debt Repayment Profile (OMR Commercial Facility) Debt Balance (SAR millions)	223.62	164.12	123.91	46.74
% of original loan amount	90%	66%	50%	19%
Interest Base	4.5%	5.0%	5.0%	5.0%
Interest Margin	-	-	-	-
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016

Note: Swap rates do not include interest margin

As of 1 June 2021, Ibri also had a shareholder loan of SAR1,255.40 million at an annual interest rate of 1.9%

4-6-3-1-10 Sohar III IPP (SGC)

Overview

The Sohar III Independent Power Project (**"Sohar III IPP"**) is a 1,710 MW gas-fired (diesel is secondary fuel), Project located in the Sohar industrial area next to the Sohar Aluminium, approximately 230 kilometers from Muscat, the capital of the Sultanate of Oman. The Project achieved a delayed commercial operation date on 4 May 2019G. The liquidated damages related to such delay were charged to the Project Company, Shinas Generating Company SAOC" (**"SGC"**), by OPWP, the Project's offtaker. SGC, in turn, made a claim related to such delay against the EPC contractor. Currently, settlement discussions with respect to this dispute are ongoing and the Group's management expects them to be completed in 2021G. The Project was completed at a total project cost of SAR 3,686 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA is valid for another 12.6 years while the remaining asset life of the plant is 32.6 years.

The Group exercises certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by SGC, which was incorporated on 15/4/1437H (corresponding to 26 January 2016G) and of which the Group has an effective shareholding of 44.9%.

SGC and OPWP signed a PPA on a BOO basis on 21/5/1437H (corresponding to 1 March 2016G) (the "SGC PPA"). The SGC PPA has a 15-year term starting from 23/4/1440H (corresponding to 1 January 2019G). For additional information about this agreement, see Section (12-7-1-15) (**Summary of Material Contracts**). Under an O&M agreement Shinas appointed Dhofar O&M company LLC as the operator with NOMAC Oman as the contractor to provide operation and maintenance services in respect of the plant (the "Shinas O&M Agreement"). The term of the Shinas O&M agreement is broadly coterminous with the expiration of the SGC PPA.

Key information	
Commercial operation date	PCOD 04 May 2019G
Capacity	1710 MW (contracted)
Technology	Gas CCGT
Energy source	Gas
Location	Sohar, Sultanate of Oman
Project cost	Total Cost at PCOD - SAR 3,686 million
Contract type and duration	Contract (PPA) Type (BOO) Duration: 15 Years ending on 31 Dec 2033G
Remaining asset life	32.6 years as of 1 June 2021G (1)
Offtaker	Oman Power and Water Procurement Company
O&M Provider	Dhofar O&M Company

(1) As a result of a decision made by ACWA Power board for CCGT assets, the economic life assumption for Sohar is being revised from 40 years previously to 35 years, and the remaining asset life of 32.9 years is based on a 35-year life.

Beneficial Ownership and Governance

The shareholding interests in Shinas Generation Company SAOC are set out in the following table as at 1 June 2021G.

Entity	Interest (%)
MAP Coastal Holding Company Limited	95.0000
Dhofar International Energy Services Co. LLC	4.9998
Dhofar Investment and Real Estate Services Co. LLC	0.0002
	100.0000

The Group has an effective shareholding of 47.26% in MAP Coastal Holding Company Limited resulting in an effective shareholding of 44.9% in Sohar IPP as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	-	92%	92%

Financial Performance

The revenue details under the SGC PPA include the following:

Revenue Parameters for the 12 months period	2018G	2019G				2020G			
	Total (in SAR)	Local Component (in SAR)	USD Component (SAR)	Other Foreign Currency (in SAR)	Total (in SAR)	Local Component (in SAR)	USD Component (in SAR)	Other Foreign Currency (in SAR)	Total (in SAR)
Power Capital Cost Payment	-	17,661,141	144,367,678	-	162,028,819	27,516,005	224,924,409	-	252,440,414
Reference Exchange rate	-	9.8016	9.8016	9.8016	9.8016	9.8016	9.8016	9.8016	9.8016

For additional information about this agreement, see Section (12-7-1-15) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the Sohar III IWPP.

Availability and Planned Maintenance	
Last Major Maintenance date	No major maintenance yet given that COD was on 4 May 2019G
Average annual contracted availability (Non-major maintenance years)	92.5%
Average annual contracted availability (For major maintenance years only)	92.5%
Maintenance schedule	Major maintenance after every 5-6 years.

Selected key performance metrics[79] for SGC are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[80]	-	166.3	231.55
Depreciation (including G&A element of depreciation)[81]	-	(61.4)	(93.3)
Operating income[82]	-	104.8	130.7
Other income	-	-	7.5
Financial charges	-	(77.6)	(113.7)
Tax (expense) / credit	-	(37.9)	(54.9)
Zakat expense	-	-	-
Net profit / (loss) (without OCI)	-	(10.7)	(30.3)
Net profit / (loss)[83] (ACWA proportionate share)	-	(4.8)	(13.6)

Debt

Debt Repayment Profile (USD Commercial Facility)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	2,096	1,640	1,282	412
% of original loan amount	92%	72%	56%	18%
Interest Base	3 M libor	3 M libor	3 M libor	3 M libor
Interest Margin	1.3%	1.3%	1.3%	1.3%
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016

Last repayment in December 2033

Interest Rate Hedge	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD notional (SAR millions)	2,032	1,600	1,278	-
SWAP Rate	2.14%	2.53%	2.53%	-

Debt Repayment Profile (OMR Commercial Facility)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	224	175	137	43
% of original loan amount	92%	72%	56%	18%
Interest Base	4.5%	4.5%	4.5%	4.5%
Interest Margin	-	-	-	-
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016
Last repayment in December 2033				

Note: Swap rates do not include interest margin

As of 1 June 2021, SOHAR III IPP also had a shareholder loan of SAR1,117.08 million at an annual interest rate of 1.9%

79 Financial information has been extracted from project company's financial statements which have been prepared under IFRS.. These financial statements are not included in this Prospectus. The audited financial statements of SGC are presented in Omani Riyal (**"OMR"**). The conversion rate used to translate the financial information in OMR into SAR is OMR 1 = SAR 9.8016

80 Inclusive of other income amounting to SAR7.5 million for year 2020G

81 The useful life of this asset used by group is shorter than useful life used by project company

82 Full year operations in 2020G as compared to 8 months in 2019G

83 Net profit / (loss) (ACWA proportionate share) calculated by applying effective shareholding to Net profit / (loss) (without OCI)

4-6-3-1-11 Zarqa IPP (Zarqa)

Overview

The Zarqa Independent Power Project (**"Zarqa IPP"**), is a 485 MW gas- fired, power project and is located in the city of Al-Zarqa, in the Zarqa Governorate, 31 Kilometers north of Amman in Jordan. The Project was completed at a total project cost of SAR 1,834 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA will be valid for 22.0 years.

The Project is controlled by the Group. The Group exercises certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by Mahatat Al Zarqa Le Tawleed Al Taka Al Kahrabaieyah PSC (**"Zarqa"**), which was incorporated on 5/6/1436 (corresponding to 16/3/2015G) and of which the Group has an effective shareholding of 60%.

The Project's offtaker is NEPCO with whom Zarqa signed a PPA on a BOO basis on 9/3/1437H (corresponding to 21 December 2015G) (the "Zarqa PPA"). The concession period under the Zarqa PPA is 25 years from the project's Phase I commercial operation date when the project had "simple-cycle start", which was on 1 July 2018G, though PCOD was upon "combined-cycle start" on 29 September 2018G. For additional information about this agreement, see Section (12-7-1-11) (**Summary of Material Contracts**). Under an O&M agreement, dated 25/7/1437H (corresponding to 2 May 2016G), as amended on 14/4/1438H (corresponding to 12 January 2017G) (together, the "Zarqa O&M Agreement"), Zarqa appointed CEGCO as the contractor to provide operation and maintenance services in respect of the plant.

Key information	
Commercial operation date	PCOD : 29 September 2018G(1)
Capacity	Contracted capacity 485MW
Technology	Gas turbines combined cycle
Energy source	Gas (Oil as backup fuel)
Location	Zarqa Jordan
Project cost	SAR 1,834 million
Contract type & duration	Contract: PPA Type: BOO Duration: 25 Years (as of PCOD) ending on 30 June 2043G
Remaining asset life	32.1 years as at 1 June 2021G (2)
Offtaker	NEPCO
O&M Provider	CEGCO

1- Phase I simple cycle commenced on 1st July 2018. Phase II COD for combined cycle commenced on 29th September 2018. PPA term of 25 years started from 1st July 2018 i.e. from Phase I COD.

2- As a result of a decision made by ACWA Power board for CCGT assets, the economic life assumption for Zarqa is being revised from 40 years previously to 35 years, and the remaining asset life of 32.1 years is based on a 35-year life.

Beneficial Ownership and Governance

The shareholding interests in Zarqa are set out in the following table as at 1 June 2021G.

Entity	Interest (%)
Red Sea Energy PSC	60%
Kingdom Electricity Company for Energy Invests PSC	40%
	100

The Group has an effective shareholding of 100% in Red Sea Energy PSC resulting in an effective shareholding of 60% in Zarqa IPP as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	100%	100%	100%

Financial Performance

The revenue details under the Zarqa PPA include the following:

	2018G	2019G	2020G			
Revenue Parameters for the 12 months period	Total (in SAR millions)	Total (in SAR millions	Local Component (in SAR millions)	U.S.$ Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Power	81.86	197.57	-	197.57	-	197.57
Capital Cost Payment						
Other parameters	NA	NA	NA	NA	NA	NA

For additional information about this agreement, see Section (12-7-1-11) (**Summary of Material Contracts**).

The below summarizes the contracted planned unavailability for power and water for the Zarqa IPP.

Availability and Planned Maintenance	
Last Major Maintenance date	N/A
Average annual contracted availability (Non-major maintenance years)	92% (with I GT major maintenance)
Average annual contracted availability (For major maintenance years only)	88% (for more than one GT major maintenance)
Maintenance schedule	Updated based on running hours of turbines

Selected key performance metrics[84] for Zarqa are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[85]	78.7	181.3	194.0
Depreciation (including G&A element of depreciation)	(20.0)	(42.5)	(50.2)
Operating income[86]	58.6	138.8	131.5
Other income	-	1.0	12.3
Financial charges	(37.3)	(99.5)	(92.8)
Tax (expense) / credit	(8.1)	(12.6)	(12.0)
Zakat expense	-	-	-
Net profit (without OCI)	13.3	27.7	39.0
Net profit[87] (ACWA proportionate share)	8.0	16.6	23.4

84 Financial information included in this section has been derived from the audited financial statements of ZARQA as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS. These financial statements are not included in this Prospectus. The audited financial statements of ZARQA are presented in Jordanian Dinar (**"JOD"**). The conversion rate used to translate the financial information in JOD into SAR is JOD 1 = SAR 5.3305.

85 Inclusive of other income amounting to SAR1.0 million and SAR 12.3 million in year 2019G and 2020G, respectively

86 Zarqa was operating partially in 2018G and started full operations in 2019G and 2020G

87 Net profit (ACWA proportionate share) calculated by applying effective shareholding to Net profit (without OCI)

Debt

Debt Repayment Profile (Loan 1)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	315.44	238.39	177.64	53.51
% of original loan amount	23%	17%	13%	4%
Interest Base	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**
Interest Margin	4.15%	4.15%	4.15%	4.15%
Reference Exchange Rate	NA	NA	NA	NA
Last repayment in Nov 2035				

Debt Repayment Profile (Loan 2)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	315.44	238.39	177.64	53.51
% of original loan amount	23%	17%	13%	4%
Interest Base	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**
Interest Margin	4.15%	4.15%	4.15%	4.15%
Reference Exchange Rate	NA	NA	NA	NA
Last repayment in Nov 2035				

Debt Repayment Profile (Loan 3)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	132.82	100.38	74.80	22.53
% of original loan amount	10%	7%	5%	2%
Interest Base	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**
Interest Margin	4.15%	4.15%	4.15%	4.15%
Reference Exchange Rate	NA	NA	NA	NA
Last repayment in Nov 2035				

Debt Repayment Profile (Loan 4)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	464.86	351.31	261.79	78.85
% of original loan amount	34%	26%	19%	6%
Interest Base	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**	**Margin +6M Lib**
Interest Margin	3%	3%	3%	3%
Reference Exchange Rate	NA	NA	NA	NA
Last repayment in Nov 2035				

Note: A 1% insurance premium is paid for MIGA covered loans

Note: Last repayment date is December 1, 2035

Interest Rate Hedge (Loan 2)	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD Notional (SAR Millions)	685.28	517.56	344.53	52.66
SWAP Rate	2.885%	2.885%	2.885%	2.885%
Interest Rate Hedge	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
USD Notional (SAR Millions)	245.71	185.69	193.72	127.12
SWAP Rate	1.998%	1.998%	1.998%	1.998%

Note: Settlement dates are 1st Jun and 1st Dec every year same as debt service dates

Note: Swap rates do not include interest margins

4-6-3-1-12 Noor I CSP IPP (APO I)

Overview

The Noor I CSP IPP is a greenfield project and the first of several projects planned by the Moroccan Agency for Solar Energy (**"MASEN**") at the Ouarzazate Solar Complex. This complex, located approximately 200 km south of Marrakesh, is a 500 MW solar park that incorporates several utility-scale solar power plants using various solar technologies where three hours of thermal energy storage is used to deliver power during evening peak times. The first plant within this complex is the 160 MW Noor I CSP, which comprises a solar field, a turbine and a thermal power-storage facility. In June 2013G, the Project achieved financial close and started delivering clean energy at the start of 2016G. The Project was completed at a total project cost of SAR 3,153 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA will be valid for 19.5 years.

The Group exercises certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by ACWA Power Ouarzazate (**"APO"**), which was incorporated on 13/12/1433H (corresponding to 29 October 2012G) and of which the Group has an effective shareholding of 73.125%.

Each of ACWA Power Ouarzazate (**"APO"**), MASEN (the offtaker) and Office National de l'Électricité et de l'Eau Potable (**"ONEE"**) entered into a PPA dated 5/1/1434H (corresponding to 19 November /2012G) as amended and restated on 16/6/1434H (corresponding to 26 April 2013G) (together, the (**"APO PPA"**)). For additional information about this agreement, see Section (12-7-1-8) (**Summary of Material Contracts**). APO and NOMAC entered into an O&M agreement dated 16/6/1434H (corresponding to 26 April 2013G), whereby APO appointed NOMAC as contractor to provide operation and maintenance services in respect of the solar power plant (the "APO O&M Agreement").

Key information	
Commercial operation date	ICOD: 16 January 2016G FCOD : 20 January 2018G
Capacity	160 MW and 3 hours of thermal energy storage
Technology	CSP
Energy source	Solar
Location	Ouarzazate, Morocco
Project cost	Total Cost at PCOD: SAR 3,153 million
Contract type & duration	Contract PPA Type BOOT Duration: 25 Years (as of ICOD) ending on 31 December 2040G
Remaining asset life	19.6 years as at 1 June 2021G
Offtaker	MASEN
O&M Provider	NOMAC

Beneficial Ownership and Governance

The shareholding interests in the APO are set out in the following table as on 1 June 2021G.

Entity	**Interest (%)**
ACWA Power Bahrain Holdings	73.125
Masen Capital	25
ASRA Invest	1.875
Total	**100**

The Group has an effective shareholding of 100% in ACWA Power Bahrain Holdings resulting in an effective shareholding of 73.125% as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Net Dispatch (MWh)	398,764	395,295	493,997

For 2018G, the generation of the Project was affected by the unavailability of the thermal energy storage system subsequent to a failure in the HTF/Salt Heat exchangers, which directly impacted the generation during the peak hours. 2019G was characterized by the high vibration in the LP turbine which resulted in a forced outage and temporary shutdown of the plant.

Financial Performance

The revenue details under the NOOR I CSP PPA include the following:

Revenue Parameters for the 12 months period	2018	2019	2020			
	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	U.S.$ Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Power Capital Cost Payment / Energy Payment	163.56	161.49	23.632	101.656	91.536	216.823
Reference Exchange rate	-	-	-	8.4129	11.1535	

For additional information about this agreement, see Section (12-7-1-8) (**Summary of Material Contracts**).

Selected key performance metrics[88] for APO I are provided in the following table:

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[89]	62.6	68.1	134. 9
Depreciation (including G&A element of depreciation)	(0.3)	(0.7)	(0.3)
Operating income	60.5	79.8	102.1
Other income	0.1	2.2	13.8
Financial charges	(76.1)	(75.3)	(71.6)
Tax (expense) / credit	(11.6)	8.1[90]	51.1[91]
Zakat expense			
Net profit (loss) (without OCI)[92]	(25.4)	0.2	114.1
Net profit (loss)[93] (ACWA proportionate share)	(19.1)	0.1	85.6

88 Financial information has been included in this section is derived from project company's financial statements which have been the group reporting pack prepared in US$ under local GAAP converted into IFRS by the management of APO I and used for the purpose of Group's consolidation for the years ended 31 December 2018G, 2019G and 2020G. A conversion rate of SAR 3.75 per US$ 1 has been used.
89 Inclusive of other income of SAR 0.10 million, 2.2 million and 13.8 million for years 2018G, 2019G and 2020G, respectively and Exchange gains (losses) amounting to SAR 1.7 million, -14.5 million, 18.7 million in 2018G, 2019G and 2020G, respectively. Noor I is treated as a finance lease for accounting purposes and EBITDA is after deducting finance lease amortisation.
90 Includes the impact of deferred tax
91 Includes the impact of deferred tax
92 Includes the impact of Exchange gains (losses)
93 Net profit (ACWA proportionate share) calculated by applying effective shareholding to Net profit (without OCI)

As at 31 December 2020G, the net assets of Noor I CSP IPP under local GAAP were MAD 588.5 million (SAR 247.9 million). Moroccan corporate regulations have certain requirements for joint stock companies that need to be fulfilled where a company's net assets are below 1/4 of the share capital amount. The Group has funded Noor I CSP IPP through a combination of share capital and shareholder loan and it intends to convert the shareholder loan to share capital to help address the negative net assets. However, as of the date of this Prospectus, Noor I CSP IPP's status has not been regularized as required under Moroccan corporate regulations, consequently, any interested person can request from a competent court under article 357 of Law 17-95 on joint stock companies in Morocco that the Project Company be dissolved. Given the improvement in financial results in 2019G and 2020G and the importance of power generation assets to any country's infrastructure the Group believes the risk of application of article 357 is low.

Debt

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G	15 November 2038G
MAD Debt Balance (SAR millions)	83.64	60.33	47.02	22.03	2.26
% of original loan amount	83%	64%	50%	21%	2.41%
Interest Base (Fixed Rate)	3.5%	3.5%	3.5%	3.5%	3.5%
Interest Margin	-	-	-	-	-
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4129	8.4129	8.4129	8.4129	8.4129
	11.1535	11.1535	11.1535	11.1535	11.1535
Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G	15 November 2038G
USD Debt Balance (SAR millions)	444.36	345.36	269.01	125.75	12.35
% of original loan amount	83%	64%	50%	21%	2.4%
Interest Base (Fixed Rate)	3.5%	3.5%	3.5%	3.5%	3.5%
Interest Margin	-	-	-	-	-
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4129	8.4129	8.4129	8.4129	8.4129
	11.1535	11.1535	11.1535	11.1535	11.1535

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G	15 November 2038G
EUR- Debt Balance (SAR millions)	1439.06	1022	796.42	373.22	38.22
% of original loan amount	83%	64%	50%	21%	2.41%
Interest Base (Fixed Rate)	3.5%	3.5%	3.5%	3.5%	3.5%
Interest Margin	-	-	-	-	-
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4129	8.4129	8.4129	8.4129	8.4129
	11.1535	11.1535	11.1535	11.1535	11.1535

Finance Lease details:

Noor I CSP IPP is accounted for as a finance lease for accounting purposes with an implicit lease interest rate of 4.89%

4-6-3-1-13 Noor II CSP IPP (APO II)

Overview

The 200 MW Noor II CSP IPP is a greenfield IPP developed as the second project for MASEN in a series of planned developments at the Ouarzazate solar complex. The Ouarzazate complex is set to develop into a 500 MW solar park incorporating several utility-scale solar power plants using various solar technologies. The Noor II CSP IPP is based on the parabolic trough CSP technology with a capacity of 200 MW and 7 hours of storage developed on a BOO basis. The solar power plant comprises a solar field, a turbine and a thermal power-storage facility. The Project was completed at a total project cost of SAR 4,125 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA will be valid for 21.9 years.

The Group exercises certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by ACWA Power Ouarzazate II (**"APO II"**), which was incorporated on 12/5/1436H (corresponding to 3/3/2015G) and of which the Group has an effective shareholding of 75%.

The Project's offtaker is MASEN, with whom APO II entered into a 25 year PPA dated 5/20/1436H (corresponding to 10/3/2015G) as amended and restated on 11/7/1436H (corresponding to 10/5/2015G) and 17/12/1436H (corresponding to 01/10/2015G), in the presence of Office National de l'Électricité et de l'Eau Potable (**"ONEE"**) (together, the "APO II PPA"). For additional information about this agreement, see Section (12-7-1-12) (**Summary of Material Contracts**). The Project is operational as of its 24 April 2018G Initial Commercial Operation Date (ICOD), but had an initial three year period where the Project was to be operated and maintained by the EPC contractors to prove plant performance before a Final Commercial Operation Date (FCOD). After addressing performance issues during this initial period, the Company aims to achieve FCOD by 4Q 2021.

There are two O&M agreements under this Project, one of which deals with the services rendered in the period (i) between the initial commercial operation date until the final commercial operation date appointing SENER Maroc Sarlau and SEPCO III Electric Power Construction Corporation, Noor Branch, as the contractor) (**"APO II ST O&M"**), and (ii) after the final commercial operation date until the end of the term of the APO II PPA, appointing NOMAC Ouarzazate II as the contractor) (**"APO II LT O&M"**). Together the APO II ST O&M and the APO II LT O&M form the "APO II O&M Agreement"

Key information	
Commercial operation date	ICOD: 24 April 2018G FCOD: Not yet achieved
Capacity	200 MW and 7 hours of storage
Technology	CSP
Energy source	Solar
Location	Ouarzazate, Morocco
Project cost	Total Cost at PCOD: SAR 4,125 million
Contract type & duration	Contract PPA Type BOOT Duration: 25 Years (as of PCOD) ending on 24 April 2043G
Remaining asset life	21.9 years as at 1 June 2021G
Offtaker	MASEN
O&M Provider	NOMAC (post FCOD)

Beneficial Ownership and Governance

The shareholding interests in the APO II are set out in the following table as on 1 June 2021G.

Entity	Interest (%)
ACWA Power Bahrain Holdings	70
SENER Group	5
Masen Capital	25
	100

The Group has an effective shareholding of 100% in ACWA Power Bahrain Holdings and beneficial ownership of SENER

Group shares resulting in an effective shareholding of 75% as at 15 May 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Net Dispatch (MWh)	257,995	636,023	506,535

The Noor II CSP IPP had lower generation in 2018G and 2019G mainly as a result of a steam generation system (SGS) repair during 2018G and a failure in the salt cold tank #1 during 2019G, for which the Project Company has filed insurance claims for recovery. Noor II CSP IPP experienced a partial outage in January 2020G related to a turbine outage and again for 18 days across June and July 2020G as a result of leakage in its steam generator system, with further inspections and repairs of the steam generator system in November 2020 resulting in lower availability in 2020G with net dispatch of 506,535 MWh versus the plan of 660,890 MWh.

Financial Performance

The revenue details under the Noor II CSP PPA include the following:

Revenue Parameters for the 12 months period	2018G	2019	2020G			
	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	U.S.$ Component (in SAR millions)	EURO € Component (in SAR millions)	Total (In SAR millions)
Power Capital Cost Payment / Energy Payment	94.82	231.56	62.257	81.562	55.737	199.575
Reference Exchange rate	-		-	8.4468	11.144	-

For additional information about this agreement, see Section (12-7-1-12) (**Summary of Material Contracts**).

Selected key performance metrics[94] for APO II are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[95]	(25.5)	138.4	(12.2)
Depreciation (including G&A element of depreciation)	(0.2)	(0.3)	(1.7)
Operating income / (loss)	(21.4)	141.1	(39.3)
Other income	0.3	-	41.5
Financial charges	(91.4)	(133.1)	(128.4)
Tax (expense) /credit	(16.1)	(10.5)	72.6[96]
Zakat expense	-	-	-

94 Financial information included in this section is derived from the group reporting pack prepared in US$ by the management of APO II and used for the purpose of Group's consolidation for the years ended 31 December 2018G, 2019G and 2020G. A conversion rate of SAR 3.75 per US$ 1 has been used.
95 Inclusive of other income of SAR 0.3 million, and SAR 41.5 million (mainly insurance claim) for years 2018G and 2020G and Exchange losses amounting to SAR 4.7 million, SAR 3.0 million, SAR 16.0 million in 2018G, 2019G and 2020G, respectively. Noor II is treated as a finance lease for accounting purposes and EBITDA is after deducting finance lease amortisation.
96 Includes the impact of deferred tax

Net profit / (loss) (without OCI)[97]	(133.2)	(5.5)	(69.7)
Net profit/ (loss)[98] (ACWA proportionate share)	(99.9)	(4.1)	(52.3)

As at 31 December 2020G, the net assets of Noor II CSP IPP under local GAAP were MAD 948.2 million (SAR 399.5 million). Moroccan corporate regulations have certain requirements for joint stock companies that need to be fulfilled where a company's net assets are below 1/4 of the share capital amount. The Group has funded Noor II CSP IPP through a combination of share capital and shareholder loan and it intends to convert the shareholder loan to share capital to help address the negative net assets. However, as of the date of this Prospectus, Noor II CSP IPP's status has not been regularized as required under Moroccan corporate regulations, consequently, any interested person can request from a competent court under article 357 of Law 17-95 on joint stock companies in Morocco that the Project Company be dissolved. Given that Noor II CSP IPP is an operating asset and the importance of power generation assets to any country's infrastructure the Group believes the risk of application of article 357 is low.

Debt

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 May 2040G
MAD Debt Balance (SAR millions)	1,028.63	854.56	708.96	16.8
% of original loan amount	91%	72%	59%	1.4%
Interest Base - Fixed	3.5%	3.5%	3.5%	3.5%
Interest Margin	-	-	-	-
Reference Exchange Rate (BID Rate: USD to MAD)	8.4468	8.4468	8.4468	8.4468

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 May 2040G
USD Debt Balance (SAR millions)	507.96	434.84	361.23	7.72
% of original loan amount	91%	72%	59%	1.4%
Interest Base – Fixed	3.5%	3.5%	3.5%	3.5%
Interest Margin				
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4468	8.4468	8.4468	8.4468
	11.144	11.144	11.144	11.144

Debt Repayment Profile	31 December 2020G	30 June 2025G	30 June 2028G	31 May 2040G
EUR Debt Balance (SAR millions)	1232.02	960.55	797.46	17.01
% of original loan amount	91%	72%	59%	1.4%
Interest Base - Fixed	3.5%	3.5%	3.5%	3.5%
Interest Margin				
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4468	8.4468	8.4468	8.4468
	11.144	11.144	11.144	11.144

Finance Lease details:

Noor II CSP IPP is accounted for as a finance lease for accounting purposes with an implicit lease interest rate of 4.49%

97 Includes the impact of Exchange gains (losses)
98 Net profit profit / (loss) (ACWA proportionate share) calculated by applying effective shareholding to Net profit / loss (without OCI)

4-6-3-1-14 NOOR III CSP IPP (APO III)

Overview

The 150 MW Noor III CSP IPP is a greenfield IPP developed as the third project for the Moroccan Agency for Solar Energy (MASEN) in a series of several planned developments at the Ouarzazate Solar Complex. The Ouarzazate complex is set to develop into a 500 MW solar park incorporating several utility-scale solar power plants using various solar technologies. Noor III is a CSP tower, with a capacity of 150 MW and 7 hours of storage developed on a BOO basis. The solar power plant comprises a solar field, a turbine and a thermal power-storage facility. The Project was completed at a total project cost of SAR 3,233 million. As of 20/10/1442H (corresponding to 1 June 2021G), the PPA will be valid for 22.5 years

The Project is controlled by the Group.The Group exercises certain governance rights over the Projectvia Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by ACWA Power Ouarzazate III (**"APO III"**), which was incorporated on 12/5/1436H (corresponding to 3/3/2015G) and of which the Group has an effective shareholding of 75%.

The Project's offtaker is MASEN, with whom APO III and and Office National de l'Électricité et de l'Eau Potable (**"ONEE"**) entered into a 25 year PPA (as amended and restated on 22/7/1436H (corresponding to 10/5/2015G) and July 2015G) (the **"APO III PPA"**). For additional information about this agreement, see Section (12-7-1-13) (**Summary of Material Contracts**). There are two O&M agreements under this Project, one of which deals with the services rendered in the period (i) prior to initial commercial operation date, and (ii) after the final commercial operation date until the end of the term of the PPA (amended and restated on 22/7/1436H (corresponding to 10/5/2015G), appointing NOMAC Ouarzazate III as the contractor) (**"APO III LT O&M"**). The second O&M agreement deals with the services rendered in the period between the initial commercial operation date until the final commercial operation date (amended and restated on 22/7/1436H (corresponding to 10/5/2015G), appointing SENER Maroc Sarlau and SEPCOIII Electric Power Construction Corporation Noor Branch as the contractor) (**"APO III ST O&M"** and, together with the APO III LT O&M, the **"APO III O&M Agreement"**).

Key information	
Commercial operation date	ICOD: 20 October 2018G FCOD: Not yet achieved
Capacity	150 MW and 7 hours of storage
Technology	CSP
Energy source	Solar
Location	Ouarzazate, Morocco
Project cost	Total Cost at PCOD: SAR 3,233million
Contract type & duration	Contract PPA Type BOOT Duration: 25 Years (as of PCOD) ending on 20 October 2043G
Remaining asset life	22.5 years as at 1 June 2021G
Offtaker	MASEN
O&M Provider	SENER Maroc Saralu and SEPCO III Electric Power Construction Corporation Noor Branch NOMAC (post FCOD)

Beneficial Ownership and Governance

The shareholding interests in APO III are set out in the following table as on 1 June 2021G.

Entity	Interest (%)
ACWA Power Bahrain Holdings	75
Masen Capital	25
	100

The Group has an effective shareholding of 100% in ACWA Power Bahrain Holdings resulting in an effective shareholding of 75% as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	As at December		
	2018G	2019G	2020G
Power			
Net Dispatch (MWh)	-	154,405	129,674

The Noor III CSP IPP had lower generation as a result of the end of plant commissioning tests during November 2018G and significant unplanned shut down as a result of a molten salt leak within its solar tower, which has now been resolved; as well as a plant outage as a result of mechanical failure in the evaporator and emergency stop valve (ESV) blockage which resulted in reduced availability during 2020G with net dispatch of 129,674 MWh versus the plan as per budget of 337,341 MWh. The plant is under warranty and the Group is under negotiation with the contractor to settle on the losses caused during these outages.

The contracted generation in the remainder of the PPA term will not be below 498,058 MWh in any of the remaining years

Financial Performance

The revenue details under the Noor III CSP PPA include the following:

Revenue Parameters for the 12 months period	2018G	2019	2020G			
	Total (In SAR millions)	Total (In SAR millions)	Local Component (in SAR millions)	U.S.$ Component (in SAR millions)	EURO € Component (in SAR millions)	Total (in SAR millions)
Capital Cost Payment / Energy Payment	21.49	58.72[99]	16.760	19.168	16.894	52.821[100]
Other parameters						
Reference Exchange rate (Bid Rate: USD to MAD and EUR to MAD)	-		1	8.4468	11.144	

For additional information about this agreement, see Section (12-7-1-13) (**Summary of Material Contracts**).

Selected key performance metrics[101] for APO III are provided in the following table

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[102]	(10.5)	(26.5)	(113.3)
Depreciation (including G&A element of depreciation)	(0.2)	(0.2)	(0.7)
Operating income / (loss)	9.4	(25.5)	(92.7)
Other income	0.2	-	0.9
Financial charges	(18.8)	(107.2)	(109.6)
Tax (expense) / credit	(1.9)	(14.9)	67.8[103]

99 Represents revenue for 5 months only due to unplanned shutdown as a result of molten salt leak as referred to in section 4.9

100 Represents revenue for 7 months only due to unplanned shutdown as a result of molten salt leak as referred to in section 4.9

101 Financial information included in this section is derived from the group reporting pack prepared by the management of APO III in US$ and used for the purpose of Group's consolidation for the years ended 31 December 2018G, 2019G and 2020G. A conversion rate of SAR 3.75 per US$ 1 has been used.

102 Inclusive of other income of SAR 0.20 million and 0.87 million for years 2018G and 2020G. Exchange losses amounting to SAR 20.23 million, 1.22 million and 22.19 million in 2018G, 2019G and 2020G, respectively. Noor III is treated as a finance lease for accounting purposes and EBITDA is after deducting finance lease amortisation.

103 Includes the impact of deferred tax

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
Zakat expense	-	-	-
Net profit / (loss) (without OCI)[104]	(31.4)	(148.9)	(155.8)
Net profit / (loss)[105] (ACWA proportionate share)	(23.5)	(111.7)	(116.85)

As at 31 December 2020G, the net assets of Noor III CSP IPP under local GAAP were MAD 1,217 million (SAR 512.7 million). Moroccan corporate regulations have certain requirements for joint stock companies that need to be fulfilled where a company's net assets are below 1/4 of the share capital amount. The Group has funded Noor III CSP IPP through a combination of share capital and shareholder loan and it intends if determined necessary to convert the shareholder loan to share capital to help address the negative net assets. However, as of the date of this Prospectus, Noor III CSP IPP's status has not been regularized as required under Moroccan corporate regulations, consequently, any interested person can request from a competent court under article 357 of Law 17-95 on joint stock companies in Morocco that the Project Company be dissolved. Given that Noor III CSP IPP is an operating asset and the importance of power generation assets to any country's infrastructure the Group believes the risk of application of article 357 is low.

Furthermore, the Group injected an additional amount of SAR 145 million in Noor III and expects that it will be required to inject a further amount of SAR 150 million of which SAR 54 million has been requisitioned by the project company to settle statutory payments and debt service and is in line with the provisions of the SHA contract of the project.

Debt

Debt Repayment Profile	31 Dec 2020G	30 June 2025G	30 June 2028G	30 April 2040G
MAD Debt Balance (SAR millions)	881.44	616.61	499.62	25.59
% of original loan amount	94%	64%	50%	2.56%
Interest Base - Fixed	3.5%	3.5%	3.5%	3.5%
Interest Margin				
Reference Exchange Rate (BID Rate: USD to MAD)	8.4468	8.4468	8.4468	8.4468

Debt Repayment Profile	31 Dec 2020G	30 June 2025G	30 June 2028G	30 April 2040G
USD Debt Balance (SAR millions)	218.62	164.06	132.75	6.82
% of original loan amount	94%	64%	50%	2.56%
Interest Base - Fixed	3.5%	3.5%	3.5%	3.5%
Interest Margin				
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4468	8.4468	8.4468	8.4468
	11.144	11.144	11.144	11.144

Debt Repayment Profile	31 Dec 2020G	30 June 2025G	30 June 2028G	30 April 2040G
EUR Debt Balance (SAR millions)	1,155.79	826.87	675.63	30.01
% of original loan amount	94%	64%	50%	2.56%
Interest Base - Fixed	3.5%	3.5%	3.5%	3.5%
Interest Margin				
Reference Exchange Rate (USD/MAD) Reference Exchange Rate (EUR/MAD)	8.4468	8.4468	8.4468	8.4468
	11.144	11.144	11.144	11.144

104 Includes the impact of Exchange gains (losses)

105 Net profit / (loss) (ACWA proportionate share) calculated by applying effective shareholding to Net profit (without OCI)

Finance Lease details:

Noor III CSP IPP is accounted for as a finance lease for accounting purposes with an implicit lease interest rate of 4.49%

4-6-3-1-15 Barka Project (Barka)

Overview

The Barka Independent Water and Power Project (**"Barka 1 IWPP"**), is a 427 MW and 91,200 m3 per day natural gas fired, power and sea-water desalination water project respectively, located in Barka, 60 km north of Muscat in Oman. Barka 1 IWPP is the first IWPP ever developed under the privatization program of the Sultanate of Oman. It was also the first dual purpose power generation and desalination plant 100% owned by international and local investors. Barka IWPP further expanded its capacity by constructing two stand-alone SWRO plants with a capacity to produce 45,460 m3 (**"Barka 1 Phase I Expansion IWP"**) and 56,826 m3 per day of desalinated water (**"Barka 1 Phase II Expansion IWP"**) respectively. Together the Barka 1 IWPP, Barka 1 Phase I Expansion IWP and Barka 1 Phase II Expansion IWP are referred to as the "Barka Project". The Barka Project started operations of the IWPP plant in June 2003G while two expansions commenced operations in May 2014G and February 2016G respectively. The Barka Project uses natural gas as the primary fuel, which is provided by the MOG. The Barka Project generates electricity of 427 MW and desalinates 193,486 m3 per day of water . Both the generated electricity and desalinated water is then delivered to the nearby Government Grid and Reservoir built near the plants. The Barka IWPP, Barka Expansion Phase I and Barka Expansion Phase II were completed at a total project cost of SAR 1,556 million, SAR 197 million and SAR 298 million, respectively. As of 20/10/1442H (corresponding to 1 June 2021G), the Barka IWPP PWPA, Barka Phase I WPA and the Barka Phase II WPA are valid until 26/5/1443H (corresponding to 31 December 2021G).

The Project is controlled by the Group. The Group is expected to exercise certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by ACWA Power Barka SAOG (**"Barka"**), which was incorporated on 21/8/1421H (corresponding to 19 November 2000G). The Group acquired majority stake of Barka, previously AES Barka SAOG, in August 2010 and currently has an effective shareholding of 41.9%.

The Ministry of Housing, Electricity and Water of the Government of the Sultanate of Oman (**"MHEW"**) was the Barka Project's offtaker, with whom Barka signed a PWPA on a BOO basis on 20/8/1421H (corresponding to 26/11/2000G). On 22/3/1426H (corresponding to 9/8/2005G), the rights and obligations of MHEW under the PWPA were novated to the Oman Power and Water Procurement Company SAOC (**"OPWP"**). This PWPA was subsequently amended by an amendment agreement on 10/2/1439H (corresponding to 30/10/2017G) and supplemented to account for additional net power capacity on 25/6/1432H (corresponding to 28/5/2011G)) (together, the "Barka IWPP PWPA"). Following the Barka IWPP PWPA, OPWP and Barka entered into (a) a WPA dated 11/10/1433H (corresponding to 29/8/2012G) in respect of Barka Expansion Phase I (the "Barka Phase I WPA") and (b) a WPA dated 13/3/1436H (corresponding to 4/1/2015G) in respect of Barka Expansion Phase II (the "Barka Phase II WPA" and together with the Barka IWPP PWPA and Barka Phase I WPA, the "Barka Offtake Agreements"). For additional information about these agreements, see Section (12-7-1-9) (**Summary of Material Contracts**). Barka IWPP entered into a Natural Gas Sales Agreement the Ministry of Oil and Gas of the Government of the Sultanate of Oman (**"MOG"**) on 14/8/1421H (corresponding to 26/11/2000G) (as amended on 24/2/1437H (corresponding to 6/12/2015G) and 10/2/1439H (corresponding to 30/10/2017G)) (together, the "Barka IWPP NGSA") for the sale, delivery and purchase of gas to be used at the Barka IWPP. For additional information about these agreements, see "11-6-1-9 Summary of Material Agreements". Barka SAOG entered into O&M Agreement with First National Company for Operation and Maintenance Services LLC on 31 May 2011 to operate and maintain the Plant. Barka SAOG entered into Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Barka Expansion Phase I on 13 November 2012 while Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Barka Expansion Phase II was entered into on 4 January 2015 (together, the "Barka O&M Agreement").

Key information			
Plant related information	Agreement 1 (PWPA)	Agreement 2 (WPA)	Agreement 3 (WPA)
Commercial operation date	PCOD (11 June 2003G)	PCOD (29 May 2014G)	COD1 (31 October 2015G) COD2 (4 November 2015G) PCOD (26 February 2016G)

Key information			
Capacity	Extension contract capacity 427 MW (Call on mode) and 388 MW (Call off mode) for power and 91,200 m3/day for MSF as per PWPA.	Initial capacity 45,461 m3/day as per WPA	Initial capacity 56,826 m3/day as per WPA
Technology	CCGT / MSFE	SWRO (Ultra-Filtration)	SWRO (Micro-Filtration)
Energy source	Gas	Electricity	Electricity
Location	Barka, South Batinah, Oman.	Barka, South Batinah, Oman.	Barka, South Batinah, Oman.
Project cost	Total Cost at PCOD (SAR 1,556 million)	Total Cost at PCOD (SAR 197 million)	Total Cost at PCOD (SAR 298 million)
Contract type & duration	Power: Contract (PWPA) MSFE: Contract (PWPA) Type (BOO) Original Duration: 15 Years (as of PCOD) ending on 30 April 2018G Extension: from 30 April 2018G to 31 December 2021G	Power: Contract (PWPA) Type (BOO) Original Duration: 4 Years (as of PCOD) ending on 30 March 2018G Extension: from 30 April 2018G to 31 December 2021G	Power: Contract (PWPA) Type (BOO) Original Duration: 3 Years (as of PCOD) ending on 30 March 2018G Extension: from 30 April 2018G to 31 December 2021G
Remaining asset life	17.6 years as at 1 June 2021G	23.5 year as at 1 June 2021G	25.5 year as at 1 June 2021G
Offtaker	Oman Power and Water procurement Company	Oman Power and Water procurement Company	Oman Power and Water procurement Company
O&M Provider	NOMAC (Oman)	NOMAC (Oman)	NOMAC (Oman)

Beneficial Ownership and Governance

The shareholding interests in Barka SAOG (at project company level) are set out in the following table as on 1 June 2021G.

Entity	Interest (%)
ACWA Power Barka Project LLC	58.0
Civil Services Pension Fund	14.1
Others	27.9
Total	**100**

ACWA Power International holding has effective ownership of 72.25% in ACWA Power Barka LLC and this results in an effective shareholding of 41.9%[106] as at 1 June 2021G.

Operational Performance

The operational details of the Project are presented in the following table as at the indicated dates.

	2018G	2019G	2020
Power			
Commercial availability (%)	90.8	97.2	99.9

106 OKAM SPV has an effective shareholding of 13.94% in ACWA Power Barka Project LLC. Therefore, ACWA Powers effective shareholding in ACWA Power Barka Project LLC is 86.19% - 13.94% = 72.25%.

	2018G	2019G	2020
Net Generation (MWh)	2,528,857	1,973,233	1,505,336
Water (MSFE)			
Commercial availability (%)	98.5	99.9	99.8
Net Water Generation (million m3)	12.1	0.20	0.7
Water (RO1)			
Commercial availability (%)	92.2	99.2	99.3
Net Water Generation (million m3)	9.0	6.4	8.2
Water (RO2)			
Commercial availability (%)	93.7	96.1	97.0
Net Water Generation (million m3)	11.7	11.4	12.5

Financial Performance

The revenue details under the Barka Offtake Agreements include the following:

Revenue Parameters for the 12 months period	2018	2019	2020			
	Total (in SAR)	Total (in SAR)	Local Compo-nent (in SAR)	U.S.$ Com-ponent (in SAR)	Other Foreign Currency (in SAR)	Total (in SAR)
Power						
Capital Cost Payment	107,437,645	120,513,832	NA	118,334,233	NA	118,334,233
Water (MSF, RO1 and RO2)						
Capital Cost Payment	94,251,308	62,747,286	NA	61,501,900	NA	61,501,900
Other parameters						
Reference Exchange rate	9.8016	9.8016	-	9.8016	-	9.8016

For additional information about this agreement, see Section (12-7-1-9) (**Summary of Material Contracts**).

The table below summarizes the contracted planned unavailability for power and water for the Barka Project.

Availability and Planned Maintenance	
Last Major Maintenance date	4 April 2020G
Average annual contracted availability (Non-major maintenance years)	Power: 91% MSFE: 92% RO1: 95% RO1: 95%
Average annual contracted availability (For major maintenance years only)	Power: 91% MSFE: 92% RO1: 95% RO1: 95%
Maintenance schedule	Major maintenance after every 4 years (the plant can operate for 34,000 EOH, which normally is achieved within 4-5 year depend-ing on actual operation)

Selected key performance metrics[107] for Barka SAOG are provided in the following table.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[108]	211.1	228.2	204.25
Depreciation (including G&A element of depreciation)	(57.8)	(65.6)	(75.2)
Operating income	153.3[109]	156.2	128.4
Other income	0.8	6.4	0.6
Financial charges	(40.1)	(36.4)	(28. 9)
Tax (expense) / credit	29.4	(1.9)	18.2
Zakat expense	NA	NA	NA
Net profit / (loss) (without OCI)[110]	(166.3)	5.5	(103.4)
Net profit / (loss)[111] (ACWA proportionate share)	(69.7)	2.3	(43.3)

Debt

Debt Repayment Profile (Tranche A1 Facility)	31 December 2020G	31 October 2022G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	148	-	-	-	-
% of original loan amount	24.07%	-	-	-	-
Interest Base	Fixed	-	-	-	-
Interest Margin	5.50%	-	-	-	-
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016	9.8016

Debt Repayment Profile (Tranche B Facility)	31 December 2020G	31 October 2022G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	71	37	-	-	-
% of original loan amount	43.89%	22.53%	-	-	-
Interest Base	Fixed	Fixed	-	-	-
Interest Margin	5.50%	5.50%	-	-	-
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016	9.8016

Debt Repayment Profile (Tranche C Facility)	31 December 2020G	31 October 2022G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Balance (SAR millions)	134	82	-	-	-
% of original loan amount	54.93%	33.56%	-	-	-
Interest Base	Fixed	Fixed	-	-	-
Interest Margin	6.25%	6.25%	-	-	-
Reference Exchange Rate	9.8016	9.8016	9.8016	9.8016	9.8016

107 Financial information included in this section has been derived from the audited financial statements of BARKA as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS. These financial statements are not included in this Prospectus. The audited financial statements of BARKA are presented in Omani Riyal (**"OMR"**). The conversion rate used to translate the financial information in OMR into SAR is OMR 1 = SAR 9.8016

108 Inclusive of other income amounting to SAR 0.8 million, SAR 6.4 million and 0.6 million for years 2018G, 2019G and 2020G, respectively

109 In 2018, The Barka PWPA expired but was extended till December 2021 under a new operating regime set by the Government of Oman. Under this regime, the water plant does not receive a capital cost payment, however as a compensation, the capacity tariff for the Power plant was increased resulting in a net increase of SAR 7 million. The PWPA expiry resulted in higher depreciation of SAR 18 million due to changes in residual value assumption in MSFE plant.

110 After impairment charge of SAR 309.7 million, SAR 118.75 million, SAR 221.8 million for years 2018G, 2019G and 2020G, respectively

111 Net profit / (loss) (ACWA proportionate share) calculated by applying effective shareholding to Net profit (without OCI)

Upon expiry of the existing PWPA/WPAs in December 2021, USD 63 million of non-recourse senior debt will be outstanding subject to renewal/extension of PPA.

4-6-3-1-16 Central Electricity Generating Company (CEGCO)

Overview

The Central Electricity Generating Company (**"CEGCO"**), is a 692 MW public shareholder company in Jordan. CEGCO operates three independent power projects in Aqaba, Rehab and Risha. The largest of the three power projects managed by CEGCO is the Aqaba Independent Power Project (**"Aqaba IPP"**) which is 366 MW oil/natural gas-fired, power project located approximately 22 Kilometres to the south of Aqaba town on the south-western border of Jordan and is one Kilometre away from the Red Sea. Rehab Independent Power Project (**"Rehab IPP"**) is 268 MW light fuel/gas-fired, power project located approximately 70 Kilometres to the north of Amman in the northern region of Jordan. Risha Independent Power Project (**"Risha IPP"**) is 58 MW light fuel/gas-fired, power Project located approximately 350 Kilometres from Amman in the eastern region of Jordan. The three projects of CEGCO were completed at a total project cost of SAR 1,776 million. As of 16/5/1442H (corresponding to 31 Dec 2020G), the Aqaba PPA is valid for 4 years, the Rehab PPA is valid for less than 1 years and the Risha PPA is valid for less than 5 years as per the key information table below.

CEGCO is controlled by the Group, which was incorporated on 12 February 1998G and of which the Group has an effective shareholding of around 41%.

NEPCO is the Project's offtaker, with whom CEGCO signed PPAs on 13/10/1428H (corresponding to 20/9/2007G) as part of CEGCO's privatization through the sale of 51% stake to Enara Energy Investments PSC (Group Company). These PPAs were amended by an amendment agreement (**"CEGCO PPA"**) dated 12/4/1427H (corresponding to 11/10/2007G). The term of CEGCO PPA is 14-18 years with set decommissioning dates of different generation units.

Key information			
	Agreement 1 AQABA	Agreement 2 Rehab	Agreement 3 Risha
Commercial operation date	PCOD Date: 20 September 2007G CEGCO in corporation Date 1 January 1999G ACWA power Acquisition Date 18 July 2011G	PCOD Date: 20 September 2007G CEGCO in corporation Date 1 January 1999 ACWA power Acquisition Date 18 July 2011G	PCOD Date: 20 September 2007G CEGCO in corporation Date 1 January 1999G ACWA power Acquisition Date 18 July 2011G
Capacity	UnitInitial net capacity Unit 3: 121.1 MWH Unit 4: 120.2 MWH Unit 5: 121.1 MWH Hydro unit 3.6 MWH	UnitInitial net capacity Unit 12: 85.37 MWH Unit 13: 90.35 MWH Unit 14: 92.52 MWH	Initial net capacity Unit 4: 26.9 MWH Unit 5: 30.7 MWH
Technology	All units 3 ,4 and 5 steam turbine	Units 12 ,13 Gas Turbine unit 14 Steam (combined cycle)	Units 4 ,5 Gas Turbine
Energy source	All units 3, 4 and 5 Natural Gas and back up Heavy Fuel Oil	Units 12 and 13 Natural Gas and back up Deiseal Oil	Units 4 and 5 Natural Gas and back up Diesel Oil
Location	Aqaba, industrial south coast, Jordan	Rehab, Mafraq, Jordan	Risha, Mafraq, Jordan
Project cost amounts in SAR (thousands)	Unit 3: 350,288 Unit 4: 350,288 Unit 5: 377,072	Unit 12: 153,714 Unit 13: 131,118 Unit 14: 284,525	Unit 4: 53,105 Unit 5: 72,557
Contract type & duration	Contract (PPA) Type (BOO) Duration: 18 Years (as of PCOD) ending on 31 December 2025G	Contract (PPA) Type (BOO) Duration: 14 Years (as of PCOD) ending on 31 December 2021G	Contract (PPA) Type (BOO) Duration: 15 Years (as of PCOD) ending on 31 December 2022G
Remaining asset life	4.6 years	0.6 Years	Unit 4: 0.6 Years Unit 5: 4.6 years
Offtaker	NEPCO	NEPCO	NEPCO
O&M Provider	CEGCO team	CEGCO Team	CEGCO Team

Beneficial Ownership and Governance

The shareholding interests in CEGCO are set out in the following table as on 1 June 2021G.

Entity	Interest (%)
Enara Energy Investment	50.83
Enara2	0.17
Government Investments Management Company – Government of the Hashemite Kingdom of Jordan Social Security Corporation	40.00 9.00
	100

ACWA Power Jordan Holdings has an effective ownership of 80.253% of Enara and Enara 2 through Intermediary SPV's. This results in an effective shareholding of 40.93% as at 1 June 2021G.

Operational Performance

operational details of the Projects are presented in the following table as at the indicated dates.

Aqaba	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	96.69	95.63	99.44
Net Generation (MWh)	819 730	153 804	73,809

Rehab	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	94.69	99.91	99.99
Net Generation (MWh)	764 122	98 295	98,963

Risha	As at December		
	2018G	2019G	2020G
Power			
Commercial availability (%)	92.76	97.37	97.89
Net Generation (MWh)	248 108	249 806	382,018

Financial Performance

The revenue details under the PPAs include the following:

Revenue Parameters for the 12 months period	2018	2019	2020			
	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	U.S.$ Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Aqaba Thermal Power Plant						
Power						
Capital Cost Payment	265.156	266.880	170.843	-	-	170.843

Revenue Parameters for the 12 months period	2018	2019	2020			
	Total (in SAR millions)	Total (in SAR millions)	Local Component (in SAR millions)	U.S.$ Component (in SAR millions)	Other Foreign Currency (in SAR millions)	Total (in SAR millions)
Rehab Plant						
Power						
Capital Cost Payment	82.168	88.216	82.540	-	-	82.540
Risha Power Plant						
Power						
Capital Cost Payment	13.262	14.353	14.761	-	-	14.761
Reference Exchange rate	5.3305	5.3305	5.3305	5.3305	5.3305	5.3305

The table below summarizes the contracted planned unavailability for the CEGCO PPA.

Availability and Planned Maintenance	
Last Major Maintenance date	Aqaba: Unit 3 from 24 February 2019G to 9 April 2019G Rehab: Unit 14 from 1 March 2018G to 5 April 2018G Risha: Unit 5 from 1 October 2018G to 16 November 2018G
Average annual contracted availability (Non-major maintenance years)	N/A
Average annual contracted availability (For major maintenance years only)	N/A
Maintenance schedule	(N/A (PPAs will expire between 2019 and 2025). No major maintenance took place in 2020G for all plants.

The financial metrics[112] for evaluating CEGCO performance are provided in the following table which sets out the details for the periods indicated.

	For the year ended 31 December		
	2018G	2019G	2020G
	SAR (millions)		
EBITDA[113]	186.55	224.6	189.5
Depreciation (including G&A element of depreciation)	(65.8)	(67.3)	(113.3)
Operating income[114]	113.6	121.5	18.4
Other income	7.2	35.1	56.5
Financial charges	(36.1)	(27.2)	(16.3)
Tax (expense)/ credit	(3.9)	(10.6)	8.1
Zakat expense	NA	NA	NA
Net profit (without OCI)	16.9[115]	113.6	53.6
Net profit[116] (ACWA proportionate share)	6.9	46.5	21.9

112 Financial information included in this section is derived from the audited financial statements of CEGCO as of and for the years ended 31 December 2018G, 2019G and 2020G prepared in accordance with IFRS. These financial statements are not included in this Prospectus. The audited financial statements of CEGCO are presented in Jordanian Dinar (**"JOD"**). The conversion rate used to translate the financial information in JOD into SAR is JOD 1 = SAR 5.3305

113 Inclusive of other income amounting to SAR 7.2 million, 35.1 million and 56.5 million for years 2018G, 2019G and 2020G, respectively mainly related to sale of decommissioned units and JPRC handling revenue

114 Inclusive of other expenses amounting to SAR 0.4 million, SAR -52.9 million and SAR -13. 7 million for years 2018G, 2019G and 2020G, respectively

115 Inclusive of Impairment Loss of SAR 63.9 million

116 Net profit (ACWA proportionate share) calculated by applying effective shareholding to Net profit (without OCI)

Debt

	31 December 2020G	30 June 2025G	30 June 2028G	31 December 2033G
Debt Repayment Profile (Japanese loan 1)				
Debt Balance (SAR millions)	32.539	-	-	-
% of original loan amount	18.66	-	-	-
Interest Base Fixed Rate	3%	-	-	-
Interest Margin	-	-	-	-
Last debt repayment date August 2024				
Debt Repayment Profile (Italian soft loan)				
Debt Balance (SAR millions)	2.594	-	-	-
% of original loan amount	19.44	-	-	-
Interest Base Fixed Rate	1%	-	-	-
Interest Margin	-	-	-	-
Last debt repayment date March 2024				
Debt Repayment Profile (Japanese loan 2)				
Debt Balance (SAR millions)	106.185	19.306	-	-
% of original loan amount	26.72	4.86	-	-
Interest Base Fixed rates	2.7%	2.7%	-	-
Interest Margin	-	-	-	-
Last debt repayment date April 2026				
Reference Exchange Rate	5.3305	5.3305	5.3305	5.3305

4-6-3-1-17 Jazan IGCC (JIGPC)[117]

Overview

The development of Jazan Economic City (**"JEC"**) is anchored around three major infrastructure projects: (i) a deep-water port; (ii) a 400,000 barrels per day refinery (the "Refinery") under development by Saudi Aramco (**"Saudi Aramco"**); and (iii) the ~3800 MW Jazan Integrated Gasification Combined Cycle (**"Jazan IGCC"**)

The key objectives for the Project include (1) producing power to address the power requirements for the Refinery, the JEC and KSA national grid by gasification of Vacuum Bottom Oil (**"VBO"**) produced by the Refinery to produce Syngas, which is then used as the fuel to generate power and steam from CCGT; and (2) producing hydrogen and utilities which will be utilised in the refinery.

The offtaker is Saudi Aramco, which is in very advanced stages of completing construction of the Jazan IGCC along with the Refinery. Once Jazan IGCC achieves mechanical completion, IGCC will be transferred to the Jazan Integrated Gasification and Power Co. (**"JIGPC"**) from Saudi Aramco in exchange for an agreed price/project cost. The Group will finance its investment in the Project with a mix of senior debt and equity in the ratio 60:40. IGCC assets will be transferred in two groups and the Group's equity investment will be paid in two drawdowns of senior debt and equity.

Post-transfer of the IGCC assets, JIGPC will commence commissioning, start-up and testing of the IGCC. A comprehensive Project-wide Lenders Reliability Test (LRT) will be completed, after which JIGPC will commence full operation and maintenance of the Project until the end of concession term. At the expiry of the term, the JIGPC will transfer the Project back to Saudi Aramco. The Project will be operated and maintained by JIGPC itself under an owner-operator model.

117 Tariffs are subject to finalization

Key information	
Target transaction close date	Jazan IGCC agreements are expected to be signed in September 2021, with the first group of assets (Group 1 assets) transferred by 31 October 2021 and the second group of assets (Group 2 assets) expected to be transferred by 1 October 2022.
Target Full Commercial Operation Date	Commencing upon transfer of the first group of assets which is expected in Q4 2021 and completed upon LRT targeted by 31 January 2025
Capacity	Power: 3800 MW gross capacity (net 2700 MW available for export to the refinery and grid) Steam: 585 tons per hour Hydrogen: 184,000 nM3/hour
Technology	Gasification of VBO to produce Syngas to run the CCGT
Energy source	VBO as the primary fuel High Sulfur Fuel Oil (HSFO) as secondary fuel
Location	Jazan Economic City, KSA
Indicative Project cost	c. USD 12 billion (SAR 45,000 Million)
Contract type & validity	Own-Operate-Transfer Duration: 25 Years from transfer of Group 1 asset
Remaining asset life	25 years
Offtaker	Saudi Aramco
O&M Provider	Jazan Integrated Gasification and Power Co. (Owner Operator Model)

Ownership and Governance

The shareholding interests in JIGPC are set out in the following table.

Entity	Interest (%)
Air Products Middle East for Industrial Gases Limited	46%
ACWA Power Company for Power Projects Management and Acquisition	13.89%
ACWA Power Jizan Energy Company	11.11%
Saudi Aramco Power Company	20%
Gas Industry Company for Industrial Services (51% owned by Air Products and 49% owned by Vision Invest)	9%
Total	**100%**

The Group has an effective shareholding of 25% as 1 June 2021G and beneficial interests of 21.25% in the returns of JIGPC. The Group intends to fund its share of equity in JIGPC through a SAR 5 billion Sukuk Issuance Programme of which SAR 2.8 billion has been issued in June 2021(please refer to section 6-3-9-2).

It should be noted that a planned maintenance schedule will be agreed with the offtaker every year on on-going basis (based on OEM recommendations). As a result, unlike other Projects, the planned maintenance schedule is not finalized at Financial Close. The first planned maintenance is expected in November 2026.

Shareholders' loan

Most of the equity (99.7%) is injected in the form of an interest-bearing shareholders' loan with an annual interest cost of 4%

Debt

							SAR MN
Jazan Simplified Debt profile	**2021**	**2022**	**2023 - 2025**	**2026**	**2027 - 2028**	**2029 - 2037**	**2038**
Debt drawdown*	16,697	10,558					
Repayment profile	0%	0%	0%	4%	25%	5%	1%
Effective interest rate	2.3%	3.1%	3.4%	3.4%	3.1%	4.8%	4.8%

*The financing structure is subject to finalisation of financing agreements, and includes a mandatory refinancing (Hard Mini Perm). Therefore, Both tranches are to be refinanced at or prior to the maturity date in 2028. The USD tranche balance to be refinanced is expected to be SAR 6,017.55MN and SAR tranche balance to be refinanced will be SAR 6,017.55MN. The above debt profile is excluding this refinancing

Financing Arrangement details:

The transferred assets will be classified as financing receivable in JIGPC balance sheet and will be amortized over 25 years with an effective interest rate of c. 10%. The total asset cost is calculated to be SAR 44,063 million, out of which for Group 1 assets (SAR 26,531 million), the payments under the PSA are expected to start from date of transfer of Group 1 Assets, targeted at 31 October, 2021 and remaining from date of transfer of Group 2 Assets, targeted at 1 October, 2022.

4-6-3-1-18 DEWA V PV (Shuaa Energy 3 PSC)

Overview

DEWA V PV is a photovoltaic independent power project that will have contracted electricity generation capacity of 900 MW. In November 2019G, a consortium led by ACWA Power and the Kuwait-based Gulf Investment Corporation, which is owned equally by the governments of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE, won the tender for the fifth phase of the Mohammed bin Rashid Al Maktoum Solar Park. The total project cost is estimated to be SAR 2,115 million and financial close for this Project was achieved in August 2020G.

The Project's offtaker is Dubai Electricity and Water Authority (**"DEWA"**) with whom Shuaa Energy 3 signed a PPA on a BOO basis on 6/9/1441H (corresponding to 29 April 2020G) (the "DEWA V PPA"). The concession period under the DEWA V PPA is 25 years from the project's commercial operation date, which is expected to take place in the second quarter of 2021G. Under an O&M agreement, dated 27/2/1442H (corresponding to 14 October 2020G), (the "DEWA V O&M Agreement"), Shuaa Energy 3 appointed NOMAC PV Phase V L.L.C as the contractor to provide operation and maintenance services in respect of the plant

Key information	
Commercial operation date	1 April 2023 (As per PPA)
Capacity	900MW
Technology	PV
Energy source	Solar
Location	Dubai
Project cost	SAR 2,115 million
Contract type & validity	Contract PPA Type: BOO Duration: 25 Years (from PCOD) ending on 1-Apr-48
Remaining asset life	25 years from PCOD
Offtaker	DEWA
O&M Provider	NOMAC PV Phase V L.L.C

Ownership and Governance

The shareholding interests in Shuaa Energy 3 PSC are set out in the following table.

Entity	Interest (%)
SHUAA Energy 3 Holding One Person Company LLC	60
Solar V Holding Co Ltd	40
Total	**100**

The Group has an effective shareholding of 60% in Solar V Holding Co Ltd resulting in an effective shareholding of 24% in Shuaa Energy 3 PSC as at 1 June 2021G.

Capacity Tariffs

	SAR Component (in SAR/MWh)	U.S.$ Component (in SAR/MWh)	Other Foreign Currency (in SAR/MWh)
Revenue Parameters			
Power			
Fixed Charge Rate (FCR)	-	56.02641	-
Variable Charge Rate (VCR)	-	6.22516	-
Reference Exchange rate	-	-	-

The table below summarizes the contracted planned unavailability for power and water for the DEWA V PV.

Contract Year	APRG [%]	DF [%]	Contract Year	APRG [%]	DF [%]
1	83.05%	-1.52%	15	79.62%	-0.41%
2	83.52%	0.57%	16	79.29%	-0.41%
3	83.36%	-0.20%	17	78.96%	-0.41%
4	83.09%	-0.32%	18	78.63%	-0.42%
5	82.79%	-0.37%	19	78.30%	-0.42%
6	82.48%	-0.37%	20	77.97%	-0.42%
7	82.17%	-0.37%	21	77.64%	-0.43%
8	81.86%	-0.38%	22	77.30%	-0.43%
9	81.55%	-0.38%	23	76.97%	-0.43%
10	81.23%	-0.39%	24	76.63%	-0.44%
11	80.91%	-0.39%	25	76.30%	-0.44%
12	80.59%	-0.40%	26	75.96%	-0.44%
13	80.27%	-0.40%	27	75.62%	-0.44%
14	79.94%	-0.40%	28	78.68%	4.04%

Contracted Generation Profile

Year	Generation (MWh) – Unit 1	Generation (MWh) – Unit 2	Generation (MWh) – Unit 3
2023	801,445.17	798,902.23	623,645.32
2024	798,626.01	796,115.41	804,221.62
2025	795,804.76	793,318.41	801,445.17
2026	792,981.96	790,519.28	798,626.01
2027	790,157.96	787,718.07	795,804.76
2028	787,333.40	784,914.32	792,981.96
2029	784,508.43	782,109.18	790,157.96
2030	781,682.89	779,303.45	787,333.40
2031	778,856.29	776,496.88	784,508.43
2032	776,029.05	773,689.52	781,682.89
2033	773,201.32	770,881.28	778,856.29
2034	770,372.93	768,072.76	776,029.05
2035	767,543.95	765,263.62	773,201.32
2036	764,714.73	762,453.69	770,372.93
2037	761,885.24	759,643.56	767,543.95
2038	759,055.23	756,833.57	764,714.73
2039	756,225.20	754,022.79	761,885.24
2040	753,394.91	751,212.25	759,055.23
2041	750,564.31	748,400.87	756,225.20
2042	747,733.22	745,589.37	753,394.91
2043	744,902.00	742,777.81	750,564.31
2044	742,070.52	739,965.79	747,733.22
2045	739,238.65	737,153.51	744,902.00
2046	736,406.53	734,340.86	742,070.52
2047	733,574.04	731,527.94	739,238.65
2048	166,009.20	165,546.77	167,292.27

(1) Debt

Commercial Facility A	1 April 2023G	30 June 2028G	30 June 2035G	31 March 2047G
Debt Balance (SAR millions)	939.34	730.74	479.73	12.44
% of total debt	100%	78%	51%	1%
Interest Base	LIBOR	LIBOR	LIBOR	LIBOR
Interest Margin	1.50%	2.10%	2.55%	3%
Other details	Stand by facility 20.55 million			

Commercial Facility B	1 April 2023G	30 June 2028G	30 June 2035G	31 March 2038G
Debt Balance (SAR millions)	45.45	32.68	10.86	0.96
% of total debt	100%	72%	24%	2%
Interest Base	LIBOR	LIBOR	LIBOR	LIBOR
Interest Margin	4.00%	4.00%	4.00%	4%
Other details	NA			

Istisna-Ijara Facility	1 April 2023G	30 June 2028G	30 June 2035G	31 March 2038G

Commercial Facility A	1 April 2023G	30 June 2028G	30 June 2035G	31 March 2047G
Debt Balance (SAR millions)	613.13	476.97	313.13	8.12
% of total debt	100%	78%	51%	1%
Interest Base	LIBOR	LIBOR	LIBOR	LIBOR
Interest Margin	1.50%	2.10%	2.55%	3%
Other details	NA			
Equity Bridge Loan	**1 April 2023G**	**30 June 2028G**	**31 March 2030G**	
Debt Balance (SAR millions)	376.24	376.24	376.24	
% of total debt	100%	100%	100%	
Interest Base (Bidder EBL)	LIBOR	LIBOR	LIBOR	
Interest Margin (Bidder EBL)	0.75%	0.75%	0.75%	
Interest Base (DEWA EBL)	Fixed	Fixed	Fixed	
Interest Margin (DEWA EBL)	2.5673%	2.5673%	2.5673%	
Other details	NA			

Interest Rate Hedge (Commercial Facility A & Istisna-Ijara Facility)	1 April 2023G	30 June 2028G	30 June 2035G	31 March 2038G
USD SAR Notional (SAR Millions)	1,464.15	1,166.83	769.89	20.08
SWAP Rate	3M LIBOR	3M LIBOR	3M LIBOR	3M LIBOR
Other details	Settlement monthly till 31 March 2023 thereafter quarterly basis to 31 March 2047			

Interest Rate Hedge (Commercial Facility B)	1 April 2023G	30 June 2028G	30 June 2035G	31 March 2038G
USD Notional (SAR Millions)	-	32.00	11.41	0.91
SWAP Rate	-	1.9679%	1.9679%	1.9679%
Other details	Settlement quarterly basis from 1 April 2023 till 31 March 2038			

Interest Rate Hedge (Equity Bridge Loan (Bidder EBL))	1 April 2023G	30 June 2028G	31 March 2030G
USD SAR Notional (SAR Millions)	142.97	142.97	142.97
SWAP Rate	1.6242%	1.8401%	1.8401%
Other details	Settlement monthly basis till 31 March 2023 thereafter quarterly basis to 31 March 2030		

Bridge Loan – Refinance – NA

Loan Repayment Profile	(SAR millions)
Loan Balance as of refinance date (SAR millions)	-
% of loan refinanced	e.g. 50%, 70%, 100%
Interest Rate (%)	-

Note: Swap rates do not include interest margin

4-6-3-1-19 Hassyan IPP (Hassyan)

Overview

The Hassyan clean coal power plant (**"Hassyan IPP"**) is the first clean coal fired power plant in the GCC region on a utility level. The plant comprises four units each of 600 MW capacity (resulting in total capacity of 2400 MW), comprising ultra-super critical boilers, steam turbines and generators. It is expected that the Hassyan IPP will be completed at a total project cost of SAR 12,140 million.

. The Group is expected to exercise certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by Hassyan Energy Phase 1 P.S.C. (**"Hassyan"**), which was incorporated on 29/6/1437H (corresponding to 7 April 2016G) and of which the Group has an effective shareholding of 26.95%.

Dubai Electricity and Water Authority (**"DEWA"**) is the Project's offtaker, with whom Hassyan entered into a PPA, dated 18/9/1439H (corresponding to 1/6/2016G) and amended on 29/2/1438H (corresponding to 29/11/2016G) (the "Hassyan PPA"). The term of the Hassyan PPA will expire on the earlier of (i) the 28th anniversary of the first unit commercial operation date, and (ii) the 25th anniversary of the plant commercial operation date

Key information	
Commercial operation date	1 March 2023G
Capacity	2400 MW
Technology	Ultra-Supercritical Coal-Fired Power Plant.
Energy source	Coal (Primary) and Natural Gas (Back up Fuel)
Location	Hassyan Energy Phase 1 PSC, Sheikh Zayed Road PO Box 30582, Dubai, UAE.
Project cost	SAR 12,140 million
Contract type & validity	Contract: PPA Type: BOO Duration: 25 Years from PCOD ending on 29 February 2048G
Remaining asset life	PPA is of 25 Years from PCOD (useful life is 40 years)
Offtaker	Dubai Electricity and Water Authority (DEWA).
O&M Provider	NOMAC Gulf Coal Energy LLC

Ownership and Governance

The shareholding interests in Hassyan are set out in the following table.

Entity	Interest (%)
ACWA Power Harbin Holdings Limited	49%
Hassyan Energy 1 Holdings LLC	51%
	100%

The Group has an effective shareholding of 55% in ACWA Power Harbin Holdings Limited resulting in an effective shareholding of 26.95% in Hassyan as at 1 June 2021G.

Capacity Tariffs

The tariff and payment details under the PPA include the following:

	SAR Component (in SAR/MWh)	U.S.$ Component (in SAR /MWh)	Other Foreign Currency (in SAR/MWh)
Revenue Parameters			
Power			
Capital Cost Recovery Charge Rate	-	43.42875	-
Base Coal Price1	-	2.387 USD/GJ	-
Reference Exchange rate	-	-	-

The coal consumption will average approximately 3,940,000 tons[118] per annum once plant is fully operational and operating at the planned production of 55% of capacity. Prior to commissioning the expected coal consumption in the testing phase is approximately 1,920,000 tons in year 2021 and 2,880,000 tons in year 2022. In the case of Hassyan IPP, the Group has committed to cover the difference or take up the surplus between two agreed prices with the current coal supplier during the 25-year period of operations. For any difference between two agreed prices (i.e. API2 and API4 being the reference under the coal supply agreement of the Project and the coal supplier's actual prices agreed on sourcing of such coal respectively) the Group may then be obliged to pay the difference when procured through such supplier (for more information on API2 and API 4 coal price index trends please refer to section Part 3 of Section 3: Overview of the Industry and Market).

The EGR for power produced by the Project during the testing and commissioning phase before COD is not used for distributions to shareholders.

The table below summarizes the contracted planned unavailability for power under PPA.

Availability and Planned Maintenance	
First scheduled Major Maintenance date	December 2026G
Average annual contracted availability (Non-major maintenance years)	94.67 % (Unit-1, 2025G)
Average annual contracted availability (For major maintenance years only)	93.59 % (Unit-1, 2026G)
Maintenance schedule	Major maintenance after every seven years.

Note: Information given above is on Unit-1 basis.

Debt

Debt Repayment Profile	1-March-2023	30 June, 2028	30 June, 2035	last repay date *
Debt Balance (SAR millions) Commercial Facility Mezzanine Facility	8,309.74 442.50	6,519.60 442.50	3,264.48 442.50	
% of total Commercial Facility	98%	76%	38%	
% of total Mez Facility	100%	100%	100%	
Interest Base	LIBOR	LIBOR	LIBOR	
Interest Margin Commercial Facility Mezzanine Facility	2.10% 4.00%	2.35% 5.50%	2.55% 5.50%	
Standby Facility		SAR 184.66 M		
* Commercial Facility is Feb 2041 Mezzanine Facility is Feb 2048				

118 The actual consumption will depend on the level of despatch required by the offtaker

Commercial Facility

Interest Rate Hedge	1 March 2023G	30 June 2028G	30 June 2035G	February 2041G
USD SAR Notional (SAR Millions)	7,894	5,644	2,134	
SWAP Rate	2.21%	2.73%	2.84%	
Other details NA				

4-6-3-1-20 Noor Energy 1 CSP IPP (Noor Energy 1)

Overview

Noor Energy 1 IPP is a 700 MW concentrating solar power (CSP) and 250 MW photovoltaic renewable (PV) (contracted electricity generation capacity) power project, which is located in, and constitutes the fourth phase of, the Mohammed Bin Rashid Al-Maktoum Solar Park, Dubai, UAE. Upon completion, it is expected to become the largest single-site CSP plant in the world using a combination of a central tower and parabolic trough CSP technologies. This will be supported with photovoltaic panels to take the full capacity of the plant to 950 MW (contracted electricity generation capacity). The total project cost is SAR 16,233 million and the Project is expected to achieve the plant commercial operation date in the fourth quarter of 2022G.

The Project is controlled by the Group. The Group exercises certain governance rights over the Project via mechanisms such a board/management appointment rights, veto powers, etc. and owned by Noor Energy 1 P.S.C. (**"Noor Energy 1"**), which was incorporated on 6/5/1439H (corresponding to 23/01/2018G) and of which the Group has an effective shareholding of 24.99%.

The Project's offtaker is Dubai Electricity and Water Authority (**"DEWA"**) with whom Noor Energy 1 signed a PPA on a BOO basis on 21/2/1440H (corresponding to 30/Oct/2018G) (the "Noor Energy 1 PPA"). The concession period under the Noor Energy 1 PPA is 35 years from the project's commercial operation date, which is expected to take place in the fourth quarter of 2022G. Under an O&M agreement, dated 6/4/1440H (corresponding to 13/Dec/2018G), (the "Noor Energy 1 O&M Agreement"), Noor Energy 1 appointed NOMAC Gulf CSP Tower Energy LLC as the contractor to provide operation and maintenance services in respect of the plant.

Key information	
Commercial operation date	22 December 2022 PCOD
Capacity	950MW
Technology	CSP & PV
Energy source	Solar
Location	Dubai, United Arab Emirates
Project cost	SAR 16,233 million
Contract type & validity	Contract (PPA) Type (BOO) Duration: 35 Years (from PCOD) ending on 21 December 2057G
Remaining asset life	35 years from PCOD (currently under construction)
Offtaker	Dubai Electricity and Water Authority (DEWA)
O&M Provider	NOMAC

Ownership and Governance

The shareholding interests in Noor Energy 1 PSC are set out in the following table.

Entity	Interest (%)
Noor Energy 1 Holdings Single Owner Company (owned by Jumeirah Energy International Holdings, owned by DEWA L.L.C.)	51
ACWA Power Solar CSP Holding	49
Total	**100**

The Group has an effective shareholding of 51% in ACWA Power Solar CSP Holding resulting in an effective shareholding of 24.99% in the Noor Energy 1 IPP as at 1 June 2021G.

Capacity Tariffs

The tariff and payment details under the PPA include the following:

	Local Component (in SAR/MWh)	U.S.$ Component (in SAR/kWh)	Other Foreign Currency (in SAR/MWh)
Revenue Parameters			
Power			
CSP Night-Time Fixed Charge Rate	-	0.2616807	-
CSP Night-Time Variable Charge Rate	-	0.08722691	-
CSP Day-Time Fixed Charge Rate	-	0.0815625	-
CSP Day-Time Variable Charge Rate	-	0.0271875	
PV Full Dispatch Fixed Charge Rate	-	0.0646875	-
PV Full Dispatch Variable Charge Rate	-	0.0215625	-
Reference Exchange rate	-	-	-

The variable charge rate and Fixed O&M Fee shall be adjusted annually according to the Consumer Price Index for All Urban Consumers (CPI-U) of the United States City Average All Items (Unadjusted) as published by the Bureau of Labour Statistics. Year on year increase of the variable charge rate is capped at 2%.

The table below summarizes the contracted planned unavailability for power under the PPA.

Availability and Planned Maintenance	
First Scheduled Major Maintenance date	N/A
Average annual contracted availability	CT & PT (CSP) Units: >70% PV Facility: 100%
3 year Average Net Electrical Output	CT & PT (CSP) Units: >85% PV Facility: 100%
Maintenance schedule	Major maintenance after every NA years.

Contracted Generation Profile

Year PCOD+	Generation (MWh) – PT (CSP)	Year PCOD+	Generation (MWh) – CT (CSP)	Year PCOD+	Generation (MWh) – PV
2022	1,533,024	2022	479,638	2022	525,932
2023	2,794,064	2023	524,105	2023	603,604
2024	2,914,556	2024	554,949	2024	601,238
2025	2,937,312	2025	535,448	2025	598,833
2026	2,933,891	2026	551,751	2026	596,438
2027	2,915,775	2027	542,134	2027	594,052
2028	2,958,330	2028	548,100	2028	591,676
2029	2,907,629	2029	524,717	2029	589,309
2030	2,916,594	2030	551,518	2030	586,952
2031	2,898,612	2031	542,207	2031	584,604
2032	2,941,172	2032	547,788	2032	582,266
2033	2,891,011	2033	528,804	2033	579,937
2034	2,900,240	2034	545,034	2034	577,617
2035	2,882,506	2035	535,650	2035	575,307
2036	2,924,426	2036	541,033	2036	573,006
2037	2,919,873	2037	540,083	2037	570,713
2038	2,881,892	2038	522,607	2038	568,431
2039	2,877,462	2039	549,182	2039	566,157
2040	2,860,194	2040	539,954	2040	563,892
2041	2,902,199	2041	545,658	2041	561,637
2042	2,852,908	2042	526,686	2042	559,390
2043	2,862,109	2043	542,484	2043	557,153
2044	2,844,411	2044	533,351	2044	554,924
2045	2,885,682	2045	538,619	2045	552,704
2046	2,868,485	2046	537,698	2046	533,154
2047	2,877,737	2047	520,336	2047	310,275
2048	2,828,007	2048	546,733	2048	273,049
2049	2,836,137	2049	537,730	2049	271,957
2050	2,818,546	2050	542,808	2050	270,869
2051	2,860,623	2051	524,071	2051	269,786
2052	2,812,780	2052	539,936	2052	268,707
2053	2,807,706	2053	530,834	2053	267,632
2054	2,802,500	2054	536,121	2054	266,561
2055	2,843,183	2055	527,912	2055	265,495
2056	2,851,534	2056	532,765	2056	264,433
2057	2,846,754	2057	527,787	2057	263,375

Day generation is approximately 20% of total generation in CT plant and approximately 24% of total generation in PT plant.

	Local currency component (in SAR/month)	U.S.$ Component (SAR/month)	Other Foreign Currency (in SAR/month)
Fixed O&M Fee			
Fixed O&M Fee	-	10,331,743	-
Reference Exchange rate	-	-	-

The operating cost (excluding the Fixed O&M fee) will be covered 100% by CSP CT Day-Time and Night-Time Variable Charge Revenue

Debt

Debt Repayment Profile (Senior Facility)	22 December 2022G	30 June 2028G	30 June 2035G	22 December 2045G
Debt Balance (SAR millions)	9,113.12*	7,708.35	5,494.71	126.46
% of total debt	100%	85%	60%	1%
Interest Base	LIBOR	LIBOR	LIBOR	LIBOR
Interest Margin	1.85%	3%	3%	3%
Other details	Stand by facility SAR 280.68 million			

* As per the attachment A to appendix 11 of the PPA, "in case of any refinancing during the period from December 22, 2022 and December 22, 2026, the amount of the senior debt to be refinanced shall not exceed SAR 12,436,320,000". The Group expects that the senior debt amounting to SAR 12,436,320,000 is expected to be refinanced on December 22, 2026 until PPA ends.

Debt Repayment Profile (Mezzanine Facility)	22 December 2022G	30 June 2028G	30 June 2035G	22 December 2047G
Debt Balance (SAR millions)	675.00	675.00	675.00	84.38
% of total debt	100%	100%	100%	13%
Interest Base	LIBOR	LIBOR	LIBOR	LIBOR
Interest Margin	3.50%	3.50%	3.50%	3.50%
Other details	Stand by facility SAR 20.775 million			
Debt Repayment Profile (Equity Bridge Loan)	22 December 2022G	31 December 2024G	30 June 2035G	22 December 2045G
Debt Balance (SAR millions)	5,828.10	-	-	-
% of total debt	100%	-	-	-
Interest Base (Bidder EBL)	LIBOR	-	-	-
Interest Margin (Bidder EBL)	1%	-	-	-
Interest Base (DEWA EBL)	Fixed	-	-	-
Interest Margin (DEWA EBL)	For the period from Financial Close until the date that is 48 months after the date of Financial Close, 3.94779% per annum; and thereafter until Final Maturity, 3% per annum	-	-	-
Settlement date 22 December 2024				

Interest Rate Hedge (Senior Facility)	22 December 2022G	30 June 2028G	30 June 2035G	31 March 2041G
USD notional	2,308.87	1,938.99	1,060.50	44.29
SWAP Rate	1.5775%	3.145%	5.272%	5.277%
SAR Notional	8,658.25	7,271.22	3,976.87	166.08
SWAP Rate	1.5775%	3.145%	5.272%	5.277%
Other details	Settlement quarterly till 31 March 2041			

Interest Rate Hedge (Mezzanine Facility)	22 December 2022G	31 December 2026G	
USD notional	150.00	-	
SWAP Rate	3%	-	
SAR Notional	562.50	-	
SWAP Rate	3%	-	
Other details	Settlement quarterly till 31 December 2026		
Interest Rate Hedge (Equity Bridge Loan (Bidder EBL))	31 December 2020	31 December 2021	31 December 2022G
USD notional	733.97	733.97	-
SWAP Rate	2.92%	2.92%	-
SAR Notional	-	-	-
SWAP Rate	-	-	-
Other details		Settlement monthly till 31 December 2022	

Bridge Loan – Refinance - NA

Loan Repayment Profile	(SAR millions)
Loan Balance as of refinance date (SAR millions)	NA
% of loan refinanced	e.g. 50%, 70%, 100%
Interest Rate (%)	NA

Note: Swap rates do not include interest margin

4-6-3-2 Other Projects

Details for the Group's projects other than the selected significant projects discussed above are provided in the tables above in 4-6-2-4-1 Portfolio Summary. The Group invests in Projects that are funded with a combination of debt and equity. Senior Debt in the form of limited recourse or non-recourse project finance is used to fund typically 70-80% of the total project cost. The Group's equity investment is in proportion to its shareholding in the project, and the Group targets an equity IRR in above mid-teens on its investments.

Equity investments for the Group's other projects are funded initially through equity bridge loans (EBLs), which delays the time at which the Group invests into the Projects, typically until the commercial date of operation, thereby contributing to an improvement in IRR with the aim of allowing the Group to achieve its IRR target.

4-6-4 Other Operations

4-6-4-1 ACWA Power Reinsurance Co. Limited

ACWA Power Reinsurance Co. Limited (**"ACWA Power Reinsurance**") is a fully licensed captive reinsurance company incorporated and operating in the United Arab Emirates that only reinsures risks emanating from the Group companies. The Group companies (in different jurisdictions) typically seek insurance from local insurers in the jurisdictions of their operation/incorporation. ACWA Power Reinsurance then offers such local insurers reinsurance packages, either directly or through other insurers / reinsurers, for which ACWA Power Reinsurance receives a premium. ACWA Power Reinsurance then purchases reinsurance protection from other international reinsurance companies. As a licensed reinsurer, ACWA Power Reinsurance is able to generate revenue in the form of reinsurance commissions and/or by the difference in inward and outward reinsurance premiums. ACWA Power Reinsurance has declared cash dividends of SAR 73 million from 2018G to 2020G (2018G: SAR 22 million; 2019G: SAR 19 million; 2020G: SAR 32 million). As a standard practise in line with good risk management, ACWA Power Reinsurance only contracts with financially sound Insurers and reinsurers, both ahead and behind (S&P A- rating or equivalent by AM best or others). There is no particular exposure to any one counterparty, since the Group contracts with several financially sound insurers and reinsurers globally.

ACWA Reinsurance and Marsh Management Services (Dubai) Limited (**"Marsh"**) have entered into a management agreement pursuant to which Marsh provides certain management services to ACWA Reinsurance, including, amongst others, insurance underwriting services, insurance policy issuance, endorsement, representative and other associated services normally involved in the operation of captive reinsurance companies. Typically, these contracts are for a three-year period.

4-6-4-2 Information Technology

The Group's IT framework encompasses four areas, (i) cyber-security, (ii) enterprise resource planning (**"ERP"**), (iii) business solutions, and (iv) IT infrastructure and operations.

In the area of cyber-security, the Group has enumerated its systems landscape across each Project in compliance with the Group's cyber-security IT and OT (operational technology) framework in order to fence them with necessary security measures and manage the Project's accessibilities to the operational business, suppliers and equipment manufacturers. The Group has made significant investments within its communication networks and technology to accomplish the implementation of a baseline architecture with the inclusion of the plant accounting and billing systems connected with its offtaker(s) as well as ensuring the availability of the plant monitoring system at some of its major assets. In particular, the Group has placed a unidirectional route for its systems to push meaningful data towards its O&M Centre of Excellence (**"COE"**) environment which provides 24/7 pro-active support and technical expertise using Big Data predictive analytics software furnished by GE as well as for continuous FireEye log monitoring and threat intelligence system as a result of which it provides high industry performance and security standards across the Group's systems. See Section (4-6-2-2-6) (**NOMAC Monitoring and Prediction Digital Platforms**) for further details.

The Group's ERP and business solutions frameworks address its financial, human capital and supply chain activities using Oracle EBS/Fusion and SAP ECC/S4 HANA ERP's, respectively, across all the Project Companies and O&M companies. These mainly utilize accounts receivables, payables, cash management, bank reconciliations, fixed assets, general ledger maintenance, people administration, payroll, self-services, SAP Concur, inventory, purchasing and iSupplier modules. From an O&M-specific perspective, SAP further extends to material management, warehouse management, project systems, production planning, predictive maintenance, preventive maintenance, quality management modules, BI/BO and SAP Success Factors as well. The Group and NOMAC further integrate both their ERP's with Hyperion Financial Management supplemented by Accounts Reconciliation Cloud Service, Tax Reporting Cloud Service, Narrative Reporting, Planning and Budgeting Cloud Service. The Kyriba treasury management tool and FileNet are utilized for the purposes of overall document management and provide powerful capabilities for budgeting, planning, forecasting, reconciliation, treasury and group consolidated reporting. The Group is in the process of implementing BWise for Risk, Compliance, Internal Control, IT Security and Internal Audit frameworks to enhance the flow of information between all stakeholders across the organization helping it build an Integrated Risk Management, with NOMAC currently utilizing MKInsights and SynergiLife tools to handle similar activities related to HSSE and enterprise risk. At the Group level, a centralized and comprehensive Diligent entity management platform is currently under implementation to track, manage and maintain a complex global business legal entity landscape supported by a Diligent boards tool that facilitates secure digital communication between members of the Company's Board of Directors.

The Group's IT infrastructure and operations are built using the industry-leading hardware manufacturers to ensure it is consistently available and covers the scale of the Group's operations. The Group's primary data centres are located in Riyadh, Jeddah and Dubai, each of which serves as a disaster recovery centre for the other. This level of redundancy is the key to the Group's IT uptime. Auxiliary data centres in South Africa, Turkey, Oman and Morocco also serve their respective local user base. The implemented systems aim to ensure that each primary data centre has a full copy of all mission-critical applications data at any given time, as well as backup systems run at regular intervals to store copies in both on- and off-site geographical locations so as to provide recovery options in case of any unlikely event of failure. The Group has adopted a policy of providing staff with regular IT security awareness and training sessions to ensure all employees are aware of the latest procedures and requirements, ensuring the Group's data and resources are carefully protected. In addition, the Group has also adopted a policy of conducting regular IT security tests to help ensure that its IT network and infrastructure is not susceptible to any IT security threats.

4-6-4-3 Research & Development

The Group has not historically engaged in formal research and development (R&D) other than through one collaboration with KAUST and through a certain number of pilot or demonstration projects on its own sites mainly serving for the qualification of new technologies from OEMs such as testing of membranes and PV panels. The focus was exclusively on desalination and solar PV. The Group is now preparing a roadmap to extend its R&D and technology innovation activities in the fields of desalination, renewables, green gases, hybrid systems and digital technologies (innovations using Artificial Intelligence algorithms and Big Data analytics). This roadmap and the associated budgets are yet to be approved by the board.

4-6-4-4 Health, Safety and Environment

The Group is subject to health, safety and environmental (**"HSE"**) laws and regulations both in the Kingdom of Saudi Arabia and in the other jurisdictions in which it operates. Under the relevant Offtake Agreements, most of the Project Companies have certain contractual protections from changes in environmental regulations coming into effect after the bidding date of the respective projects whereby the offtaker will be liable to compensate the Project Companies for certain amounts. The Group believes its HSE policies conform to international practices and standards. In order to comply with the legal requirements relating to HSE in the Kingdom and in the other jurisdictions in which the Group has Projects, the Group's HSE policy includes a commitment to provide HSE training to employees, set standards to promote and ensure the best practicable HSE performance across the group, members of the Group's supply chain and Project Companies and regular monitoring, reporting on and review of the Group's HSE management and performance.

The Group believes that it and its Project Companies currently possess all the necessary environmental or health and safety permits and licences required for its operations and, so far as it is aware, it is, and the Project Companies are, in compliance with all applicable environmental and health and safety standards and regulations. Furthermore, the Group confirms that neither it nor the Project Companies have been subject to, nor is it aware of any pending, legal action or fines relating to HSE management or performance.

The Group, its subsidiaries and affiliates have over 100 staff members with HSE responsibilities deployed at corporate offices, operational sites and construction sites. The Group holds Annual HSE Strategy workshops with Regional HSE Managers and Site HSE team members to recognise the team achievements, discuss gaps and develop strategic targets and KPIs for coming years. The most recent workshop was conducted in 2 February 2020G and attended by more than 20 members from Corporate, Region & Site HSE. The Group's Corporate HSE team has a comprehensive audit plan. During 2019G, the Group undertook more than 50 HSE audits of operational and construction sites, which was supported by 40 HSE audits that were undertaken by independent third-party auditors.

All of the Group's Projects are designed to comply and operate with local HSE regulations and standards and the HSE standards of the World Bank/IFC to facilitate financing by international finance institutions who are signatories of the Equator Principles for responsible lending. All new Projects are subject to an environmental and social impact assessment which is undertaken by an independent professional consultancy and also complies with both local and World Bank/IFC regulations. To promote high standards for environmental, health and safety management of the Group's asset portfolio, NOMAC obtained ISO 9001:2915 (Quality management systems — Requirements), ISO 14001:2015 (Environmental management systems — Requirements with guidance for use), and ISO 45001:2018 (Occupational Health and Safety Management Certification) certifications for all its service contracts.

4-6-4-5 Sustainability and Social Responsibility

4-6-4-5-1 Corporate Sustainability and Responsibility

The Group has prioritised corporate social responsibility (**"CSR"**) as a primary business objective. The socio-economic benefits of producing affordable desalinated water and electricity in an environmentally responsible manner aligns with the Group's business model both in the present and the future. The Group's sustainability approach is interwoven into its business model and enshrined in its dedicated CSR policy called Our Commitments. The Group aligns its community investment and engagement strategies with issues that are important not only to the management of its assets, but also to the benefit of the surrounding communities. These practices build a strong, long-term foundation for the creation of shared value for the Group and the local economies of the countries in which the Group operates.

At the local and Project levels, the Group has implemented a framework of socio-economic development standards and guidelines to be adopted at the commencement of operations in a new country. Each framework is based on local context and needs around education, health and training programs, partnerships and foundations. The Group understands the need for, and the value created by, the Group's investments in the communities where it operates in order to encourage self-reliance at the local level. This approach supports the Group's effective integration with local communities and maintains its ability to operate for generations to come.

The Group's community investment activities are aligned with the goals and objectives of local, provincial and national governments. The Group's focus is to support local and regional communities by improving their members' technical skills and employability; enhancing local infrastructure; engaging in charitable donations; and nurturing financial sustainability. This creates shared value by aligning the Group's stakeholders' socioeconomic improvements with the Group's core business objectives. The Group also enables the adoption and transfer of its good sustainability practices across its chain of global operations.

In the Kingdom of Saudi Arabia, the Group's CSR program includes a blend of supporting and sponsoring a range of sector conferences, educational institutions, community needs plus a long-term project, namely the Higher Institute of Water and Power (HIWPT).

The Group's CSR policy takes into account economic, social and environmental risks and opportunities which, amongst other things, focus on its employees and the environment. Some of the Group's recent CSR initiatives which have been undertaken either by the Group or through the Project Companies are highlighted below:

- Founding member of the King Abdullah University of Science and Technology Industrial Advisory Board to support local research and development and academia particularly in the areas of power and desalinated water generation;
- founding shareholder of Renewable Energy Bridging Continents (Dii GmbH), a private industry consortium working in Europe, the Middle East and North Africa towards enabling the vision of supplying a large part of the world with sustainable power, by tapping the energy potential of the desert. The Group is also one of the sponsors of its internship program;
- founding member of the Clean Energy Business Council, an association of leading local and international organizations, participating in the emerging renewable and low carbon energy sector within the MENA region;
- exceeding the South African government targets for community ownership and black economic empowerment at its project's operation and management levels;
- leading an initiative in responses to the COVID-19 crisis, under the guidance of the Saudi Ministry of Energy and supported by the Saudi Ministry of Health and Governorate of Al Madina Al Munawarah, for the development and construction of the 100-bed integrated Nujood al-Khaibari Hospital inaugurated on 8 July 2020G.

4-6-4-5-2 Higher Institute of Power and Water Technologies

In 2008G, the Group, together with the Technical and Vocational Training Corporation (**"TVTC"**) established a technical vocational training institute known as the Higher Institute of Water and Power Technologies (**"HIWPT"**) in Rabigh, Kingdom of Saudi Arabia. HIWPT started operations in September 2011G. HIWPT is a not-for-profit institute that operates under TVTC's license number 160811. The board of directors consists of members from the private sector including representatives from the Group, NOMAC, RAWEC, Arabian Qudra and SEC, and public sector representatives from TVTC and the Human Resources Development Fund.

HIWPT is an important part of the Group's corporate social responsibility endeavours. It helps to progress the development of graduates in the Kingdom of Saudi Arabia and provides valuable skilled labour to companies operating in the power and water sectors. HIWPT's stated mission is "to advance water & power technology training in the Kingdom of Saudi Arabia to a world-class status while satisfying industry requirements for sustainable skilled technical manpower". HIWPT provides specialized vocational training to regional high school graduates who intend to join the Saudi Arabian water desalination and power generation sector as skilled and certified operators and technicians.

HIWPT's strategic objectives are "to develop Saudi nationals for long-term careers by establishing a self-funding training institute that produces world class graduates" and address the shortage of skilled Saudi graduates.

HIWPT started operations in September 2011G and currently is operating at a capacity of 591 trainees who are attending academic and technical training. In 2019G, the Institute successfully trained 130 graduates in the long-term diploma programs, and 140 in the technical short courses. In support of HIWPT's ongoing efforts to foster, train and develop young talent through its vital partnership with Estidamah, a key innovation hub in KSA, ACWA Power provided support to the World Solar Challenge Race in Australia, where the Estidamah team formed by young Saudi engineers competed with around 100 teams from all over the world, becoming the first Saudi team to do so. The solar car was fully designed and manufactured in Saudi Arabia by the participants, showcasing impressive design thinking, technical ingenuity and development ability

4-6-4-5-3 Fully equipped 100-bed mobile hospital in Al-Madinah al Munawarah

The Group's recent contributions to the fight against the COVID-19 pandemic in Saudi Arabia represent its firm commitment to supporting, and collaborating with, Saudi official bodies to overcome the impact of this unprecedented health crisis. In April 2020G, ACWA Power pledged a contribution of SAR 52.5 million to support national health efforts to contain the impact of the COVID-19 pandemic in Saudi Arabia and built an integrated mobile hospital with a 100-bed capacity in cooperation with THABAT, a local construction company. The new mobile hospital is fully resourced with the medical equipment and supplies needed to treat COVID-19 cases.

4-6-4-6 Ethical Conduct and Compliance

The Group seeks to set the highest standards of corporate governance. Going beyond adhering to the statutory and regulatory requirements, the Group is focused on adopting voluntary practices that reinforce its governance philosophy to deliver the highest levels of sustainable value to its shareholders. One such reflection of adoption of this approach is the Group's "Conflict of Interest & Related Party Transaction Committee," or the RPTC. The RPTC is composed exclusively of members of the Board of Directors of the Group with an objective to review and approve all conflict of interests and related party transactions that involve the Group's shareholders, the members of the Board of Directors and management, as stipulated in the Board's approved Committee charter and Related Party Transactions and Conflicts of Interest Policy (RPTCI Policy), in compliance with the Group's Code of Governance policy. The review of the RPTC includes material related party transaction disclosures, contained in the Annual Report or in the Group's consolidated financial statements and which have also been reported by the Committee to the Board and General Assembly, in accordance with the Companies Law.

4-6-4-7 Insurance

The Group maintains the types and amounts of insurance coverage at its Projects that it believes are appropriate for the business and consistent with customary industry practices in the jurisdictions in which it operates. The Group's insurance policies at its Projects generally cover employee-related accidents and injuries, property damage and machinery breakdown, business interruption as a result of physical damage to assets and legal liability to third parties deriving from its activities, including certain environmental liabilities. The Group also maintains coverage in respect of directors' and officers' liability. The Group is not aware of any matter that would invalidate its insurance policies.

The Group's has leading risk identification, insurance strategy compliance practices, coverage, and program management practices in the global industrial power sector. The Group also has experienced insurance professionals who continually monitor the risks to which the business is exposed and ensure that effective coverage is procured in line with the relevant legal and regulatory requirements of the countries in which it operates. The insurance programme the Company has procured for construction and property risks is predicated on replacement or reinstatement values and maximum loss estimates for high value assets. Delay in start-up is valued generally based on the Company's commercial exposure under the various Offtake Agreements and in line with loan agreements. Business interruption coverage is for gross profit plus increased cost of working, which is generally regarded as the most comprehensive business insurance product available. As such the Company's Projects have a comprehensive insurance coverage. The values and sums insured at risk are reviewed and amended as necessary supported by professional valuation reports every three to five years to ensure appropriate coverage to reflect the insured exposure..

A comprehensive review of all Project agreements is undertaken to ensure that the risk is allocated to the right party and suitable insurance obligations are agreed in the form of insurance annexures in each of these agreements. The comprehensive insurance programs during both construction and operational periods of each of the Projects are developed from the above process of contract reviews and Insurance obligations agreed together with the local and international insurance / reinsurance practices and statutory regulations in each of the territories in which the Group operates. During each stage such as pre-bid, pre-financial close/notice to proceed, construction period and operational period, the risk and insurance activities are carefully reviewed, monitored and adjusted to suit the requirements of all Insured parties. The Projects typically being financed on a limited or non-recourse basis, the insurance programs are always arranged on a Principal Controlled basis to meet lenders requirements.

In addition to the prescriptive insurance programs arranged in line with obligations in the Project agreements, The Group has also embarked on additional risk transfer and insurance contracts to mitigate their exposures further.

4-7 Legal Proceedings

The Group is subject to various legal contingencies, including legal proceedings and claims arising out of the normal course of business, as well as other regulatory and tax disputes. These proceedings primarily involve commercial claims and tax disputes. The outcome of these lawsuits, legal proceedings and claims cannot be predicted with certainty. Nevertheless, save as disclosed in Section (11) (**"Legal Information – Litigation"**), the Company and its Subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect on the business of the Company or its Subsidiaries or their financial position.

4-8 Employees

4-8-1 Number of Employees

As at 16/05/1442H (corresponding to 31 December 2020G), the Group had 3,538 employees, of which 2,163 were employed through NOMAC or its subsidiaries and joint ventures, and 877 were employed directly through the Project Companies. Approximately 44.6% of the Group's employees are located in the Kingdom of Saudi Arabia as at 16/05/1442H (corresponding to 31 December 2020G), with the remainder located in other Middle Eastern countries (51.1%), Africa (3.2%), Europe (0%) and Asia Pacific (including Turkey) (1%). As at 16/05/1442H (corresponding to 31 December 2020G), the Group employed approximately 975 Saudi nationals and 605 expatriates in the Kingdom of Saudi Arabia, representing approximately 62%

and 38%, respectively of the Group's total workforce based in the Kingdom of Saudi Arabia. The following table shows the Group's employees as at 31 December for the years indicated):

	31 December		
	2020G	2019G	2018G
Group	3,538	3,434	3,355
Kingdom of Saudi Arabia	1,580	1,621	1,606
United Arab Emirates	1,218	1,032	867
Jordan	536	565	686
Morocco	73	84	72
Oman	28	36	35
South Africa	23	24	23
Bahrain	26	21	1
Turkey	18	20	26
Egypt	17	14	17
China	8	10	11
Vietnam	4	4	4
Indonesia	3	2	2
Ethiopia	1	1	0
Spain	-	-	5
Bulgaria	-	-	-
Uzbekistan	2	-	-
Azerbaijan	1	-	-

Certain of the Group's employees in South Africa and Jordan are represented by labour unions. There was an employee union strike in April 2012G in the plants owned by CEGCO. CEGCO managed to operate the plants without interruption during this period and a collective bargaining agreement was signed subsequently. As of the date of this Prospectus, there have been no disruptions to operations and no negotiations are ongoing between the unions, CEGCO and its employees. Other than those disclosed above, there are no collective bargaining agreements in place and none of the Group's or the remaining Project Companies' employees are unionized. Other than those disclosed, there have been no significant labor disputes, strikes or work stoppages at any of the Project Companies and the Group's management believes that it has a good relationship with its employees.

4-8-2 Saudization

The "Nitaqat" Saudization program was approved pursuant to the Minister for Labour Resolution No. 4040 issued on 12/10/1432H (corresponding to 10 September 2011G), based on Council of Ministers Resolution No. 50 issued on 21/5/1415H (corresponding to 27 October 1994G), which was applied as at 12/10/1432H (corresponding to 10 September 2011G). The MOHRSD established the "Nitaqat" program to provide establishments with incentives to hire Saudi nationals. The program assesses an establishment's performance based on specific ranges, which are platinum, green (which is further divided into low, average and high ranges) and red. Establishments that are classified within the platinum and green categories are deemed to be compliant with the Saudization requirements and receive certain specified benefits, such as the ability to obtain and renew work visas for foreign employees or the ability to change the profession of foreign employees (except for professions exempted by the Council of Ministers or by Royal Decrees that are reserved exclusively for Saudi nationals). Establishments that are classified as red (depending on the extent to which they are non-compliant) are deemed to be non-compliant with the Saudization requirements and are subject to certain punitive measures, such as a limited ability to renew work visas for foreign employees or complete inability to obtain work visas for foreign employees or to change the profession of foreign employees.

As at 31 December 2020G, the Company employed 1,580 personnel in the Kingdom of Saudi Arabia which included 975 Saudi nationals. This equates to an effective Saudisation percentage of approximately 61.7%. As such, the Company was categorized at the date as being within the 'High Green' category of the Nitagat Saudization programme approved by the MOHRSD. The official Saudisation percentage for the Company (not including its subsidiaries) as at 21 March 2021G on the Nitiaqat website was 55.6%.

The Group has been, and continues to be, fully committed to achieving the Government's policy on Saudization. Training and the development of Saudi skills and capabilities are a high priority of the Group. For this reason, the HIWPT in Rabigh has been founded jointly with the Technical and Vocational Training Corporation to provide training in the power and water sector to build up technical skills amongst Saudi nationals. Currently HIWPT is operating at a capacity of 57 trainees drawn from 3 local companies.

The following table shows the summary of the Saudi-based workforce of the Company and its substantial subsidiaries as at 31 December for the periods indicated:

	2020G			2019G			2018G		
	Saudi	Non-Saudi	Saudiza-tion	Saudi	Non-Saudi	Saudiza-tion	Saudi	Non-Saudi	Saudiza-tion
ACWA Power	90	81	52.6%	61	77	44.2%	45	64	41.3%
RABEC	6	7	46.2%	6	6	50.0%	8	8	50.0%
BOWAREGE	2	1	66.7%	2	1	66.7%	4	1	80.0%
SEPCO	3	2	60.0%	3	3	50.0%	3	3	50.0%
SqWEC	12	3	80.0%	12	3	80.0%	13	3	81.3%
MEPCO	6	8	42.9%	8	4	66.7%	8	4	66.7%
JWAP	10	6	62.5%	9	7	56.3%	9	7	56.3%
RAWEC				8	9	47.0%	12	10	54.5%
Rabigh Three	5	13	27.8%	5	10	33.3%	-	-	-
SWEC	14	2	87.5%	13	3	81.3%	17	2	89.5%
STPC	9	2	81.8%	7	2	77.8%	4	9	30.8%
HEPCO	7	3	70.0%	7	3	70.0%	8	4	66.7%
Sakaka	1	0	100.0%	4	0	100.0%	3	0	100.0%
SEHCO	1	0	100.0%	1	0	100.0%	0	0	-
RPC	201	126	61.5%	213	133	61.6%	200	142	58.5%
ROMCO	87	41	68.0%	89	40	69.0%	80	47	63.0%
NOMAC KSA	521	310	62.7%	555	317	63.6%	523	365	58.9%
Total	**975**	**605**	**61.7%**	**1,003**	**618**	**61.9%**	**937**	**669**	**58.3%**

Source: Company

The following table shows the distribution of Saudi nationals in the Company and its subsidiaries in the Kingdom of Saudi Arabia grouped into the various functions or offices as at (corresponding to 31 December 2020G) for the periods indicated:

2020G	Inside the Kingdom of Saudi Arabia			
	Saudi	Non-Saudi	Total	Saudization
Executive offices	9	6	15	60.0%
Investments & Business Development	16	16	32	50.0%
Finance	28	36	64	43.8%
Internal audit & risk management function	3	3	6	50.0%
Technology function	19	18	37	51.4%
Corporate legal function	3	3	6	50.0%
Human resources	50	14	64	78.1%
Other support Functions	48	31	79	60.8%
Information Technology function	17	16	33	51.5%

Portfolio Management	18	10	28	64.3%
Operations	618	435	1,053	58.7%
HSSE	146	17	163	89.6%
Total	**975**	**605**	**1,580**	**61.7%**

	Saudi	Non-Saudi	Total	Saudization
2019G				
Executive offices	8	10	18	44.44%
Investments & Business Development	12	17	29	41.37%
Finance	22	40	62	35.48%
Internal audit & risk management function	1	2	3	33.33%
Technology function	22	20	42	52.38%
Corporate legal function	5	3	8	62.5%
Human resources	100	17	117	85.47%
Other support Functions	60	19	79	75.94%
Information Technology function	17	15	32	53.12%
Portfolio Management	11	9	20	55%
Operations	610	449	1,059	57.60%
HSSE	135	17	152	88.81%
Total	**1,003**	**618**	**1,621**	**61.87%**
2018G				
Executive Offices	8	11	19	42.10%
Investments & Business Development	7	13	20	35%
Finance	21	33	54	38.88%
Internal audit & risk management function	0	4	4	-
Technology function	17	17	34	50%
Corporate legal function	4	5	9	44.44%
Human resources	134	15	149	89.93%
Other support Functions	61	20	81	75.30%
Information Technology function	17	13	30	56.67%
Portfolio Management	11	8	19	57.89
Operations	538	510	1,048	51.33%
HSSE	119	20	139	85.61%
Total	**937**	**669**	**1,606**	**58.34%**

Source: Company

4-9 Significant Disruptions to the Business

The Group operated at 94% availability for both power and water in 2020G. Material unplanned outages where forced outages were in excess of 5% of annual plant capacity occurred at Noor III IPP, Noor II IPP, Bokpoort CSP IPP, Shuaibah IWPP, Shuqaiq IWPP and Al Mourjan IPP.

Noor III CSP IPP in Morocco had a significant unplanned shut down as a result of a molten salt leak within its solar tower, which has now been resolved; as well as a plant outage as a result of mechanical failure in the evaporator and ESV blockage which resulted in generation of 129,674 MWh versus planned generation of 337,840 MWh in 2020. Noor II CSP IPP in

Morocco experienced a partial outage in January 2020G related to the turbine outage and again for 18 days across June and July 2020G as a result of leakage in its steam generator system, with further inspections and repairs of the steam generator system in November 2020 resulting in generation of 506,535 MWh versus planned generation of 660,890 MWh in 2020G.

Bokpoort CSP IPP in South Africa had 8.0% forced outage rate in 2020G which was mainly due to Communication Failure between the DCS and the Solar Field during March, a high pressure turbine emergency stop valve failure in July, tripping of a steam turbine as a result of High Condenser Pressure during February and performance losses.

Shuaibah IWPP in Saudi Arabia had forced outage rate of 7.9% and 7.2% for power and water, respectively. The outage on the power side was mainly due to boiler load restrictions in order to avoid tube leaks and shutdown of units to rectify tube leaks. On the water side, the forced outage was mainly due to steam limitations originating from the boiler load restriction or due to tube leak rectification work.

Al Mourjan IPP in Saudi Arabia had 6.9% forced outage rate in 2020 mainly due to repairs and maintenance required for a steam turbine and shutdown of gas turbines for ASL (Arabian Super Light Crude) commissioning.

Shuqaiq IWPP in Saudi Arabia had 5.4% forced outage rate on power side, mainly, in order to rectify generator bearing and rotor damage on one of the units.

Management estimates that disruptions across its portfolio resulted in SAR 178 million lower operating profit for the Group relative to plan in 2020G. Under the relevant insurance policies of the Group or the relevant Project Company (as the case may be), claims for business interruptions can be made for individual interruptions lasting 60 days or longer.

4-10 Material Change in the Nature of the Business

As at the date of this Prospectus, no material change in the nature of the business of the Group is contemplated that may have a material impact on the Group's business and profitability.

4-11 Founding and Share Capital Evolution of the Company

The Company was founded as a closed joint stock company in Saudi Arabia pursuant to ministerial resolution number 215/Q dated 2/7/1429H (corresponding to 5 July 2008G) with commercial registration number 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G) and with an initial share capital of SAR 2,920,895,000 (two billion nine hundred and twenty million eight hundred and ninety five thousand) consisting of 292,089,500 (two hundred and ninety two million eighty nine thousand and five hundred) Shares.

- On 1/12/1429H (corresponding to 29 November 2008G), it was resolved to increase the share capital of the Company to SAR 3,360,005,000 (three billion three hundred and sixty million and five thousand) consisting of 336,000,500 (three hundred and thirty six million and five hundred) Shares through subscription of new Shares by Mohammad & Abdullah Ibrahim Al Subaeaei Company, Al Fozan Holding, Omar Kassem Alesayi & Partners Marketing, Al Mutlaq Group Company and Al Mojel Trading & Contracting.
- On 2/7/1431H (corresponding to 14 June 2010G), it was resolved to increase the share capital of the Company to SAR 3,710,215,605 (three billion seven hundred and ten million two hundred and fifteen thousand six hundred and five) consisting of 371,021,560 (three hundred and seventy one million twenty one thousand five hundred and sixty) Shares through subscription of new Shares by the Company's shareholders.
- On 30/2/1434H (corresponding to 12 January 2013G), it was resolved to increase the share capital of the Company to SAR 4,604,952,440 (four billion six hundred and four million nine hundred and fifty two thousand four hundred and forty) consisting of 460,495,244 (four hundred and sixty million four hundred and ninety five thousand two hundred and forty four) Shares in relation to the subscription for new Shares by the Public Pension Agency and Saudi Arabian Investment Company (Sanabil Investments) as new shareholders.
- On 23/7/1434H (corresponding to 2 June 2013G), the share capital of the Company was increased through capitalisation of shareholder loans by resolution of the Shareholders (pursuant to Article 138 of the Companies Law) to SAR 5,335,952,440 (five billion three hundred and thirty five million nine hundred and fifty two thousand four hundred and forty) consisting of 533,595,244 (five hundred and thirty three million five hundred and ninety five thousand two hundred and forty four) Shares.
- On 26/11/1434H (corresponding to 2 October 2013G), it was resolved to reduce the share capital of the Company by SAR 137,693,000 (one hundred and thirty seven million six hundred and ninety three thousand) to SAR 5,198,259,440 (five billion one hundred and ninety eight million two hundred and fifty nine thousand four hundred and forty) consisting of 519,825,944 (five hundred and nineteen million eight hundred and twenty five nine hundred and forty four) Shares as a result of the cancellation of the Company's treasury buy-back shares.
- On 14/1/1435H (corresponding to 17 November 2013G), the share capital of the Company was increased by resolution of the Shareholders to SAR 5,476,037,210 (five billion four hundred and seventy six million and thirty seven thousand two hundred and ten) consisting of 547,603,721 (five hundred and forty seven million six hundred and three thousand seven hundred and twenty one) Shares in relation to the subscription for

new Shares by IFC as a new shareholder.

- On 14/10/1439H (corresponding to 26 June 2018G), the share capital of the Company was increased by resolution of the Shareholders to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) Shares in relation to the subscription for new shares by the PIF as a new shareholder.

As of the date of this Prospectus, the Company's share capital amounts to SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred and twenty eight thousand seven hundred and eighty) consisting of 645,762,878 (six hundred and forty five million seven hundred and sixty two thousand eight hundred and seventy eight) ordinary cash Shares with a fully paid-up nominal value of SAR 10 per Share. The Company will increase its capital SAR (7,310,997,290) Seven billion three hundred and ten million nine hundred and ninety seven thousand two hundred and ninety by issuing (85,336,851) eighty five million three hundred thirty six thousand eight hundred and fifty one ordinary Shares with a fully paid nominal value of SAR 10 per Share for public subscription of which (81,199,299) eighty-one million one hundred and ninety-nine thousand two hundred and ninety-nine shares (representing 11.1% of the Company's share capital after the increase) for public subscription and the remaining new shares (4,137,552) four million one hundred thirty-seven thousand five hundred and fifty-two shares (representing 0.57% of the Company's share capital after the increase) are allocated to some of the employees of the Company and its subsidiaries and granted to those employees under the employee IPO grant plan (for further details about the employee IPO grant plan, please Refer to Section (5.11) (Employee Share Programmes)).

The following table provides information on the Company's ownership structure, as at the date of its foundation and at each stage of its Share capital evolution:

Table (4-12): The Company's Ownership Structure, as at the date of its foundation and at each stage of its Share capital evolution

No.	Date	Capital at the date of change (SAR)	Registered shareholders on the change date (number of shares owned)
1.	10/7/1429H (corresponding to 13/7/2008G) - the date of the Company incorporation	2,920,895,000 consisting of 292,089,500 Shares	1. Arabian Company for Water and Power Development 195,697,965 shares 2. MADA Group for Industrial & Commercial Investment 96,387,035 shares 3. Mr. Mohammad Abdullah Abunayyan 1,000 shares 4. Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib 1,000 shares 5. Mr. Ahmed Suleiman Al-Rajhi 1,000 shares

No.	Date	Capital at the date of change (SAR)	Registered shareholders on the change date (number of shares owned)
2.	1/12/1429H (corresponding to 29/11/2008G)	3,360,005,000 consisting of 336,000,500 Shares	1. Arabian Company for Water and Power Development **195,695,965 shares** 2. MADA Group for Industrial & Commercial Investment **96,387,035 Shares** 3. Mohammed & Abdullah Ibrahim Al-Subeaei Co. **9,535,480 Shares** 4. Al Fozan Holding **9,540,566 shares** 5. Omar Kassem Alesayi & Partners Marketing **9,541,826 shares** 6. Al Mutlaq Group Company **13,522,275 shares** 7. Al Mojel Trading & Contracting **1,769,853 shares** 8. Board members at a rate of 1,000 Shares per member as security shares, as follows: a- Mr. Mohammad Abdullah Abunayyan b- Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib c- Mr. Ahmed Suleiman Al-Rajhi d- Mr. Tariq Mutlaq Al Mutlaq e- Mr. Rasheed Abdulrahman Al-Rasheed f- Mr. Yousef bin Abdullah Al-Mutlaq g- Abdulrahman Mohammad AlKhamis
3.	2/7/1431H (corresponding to 14/6/2010G)	3,710,215,605 consisting of 371,021,560 Shares	1. Arabian Company for Water and Power Development **216,093,631 shares** 2. MADA Group for Industrial & Commercial Investment **106,434,026 shares** 3. Al Mutlaq Group Company **14,931,873 shares** 4. Omar Kassem Alesayi & Partners Marketing **10,536,424 shares** 5. Al Fozan Holding **9,551,922 shares** 6. Mohammed & Abdullah Ibrahim Al-Subeaei Co. **9,546,832 shares** 7. Mr. Mohammad Abdullah Abunayyan **2,148,891 shares** 8. Al Mojel Trading & Contracting **1,771,961 shares** 9. Board members at a rate of 1,000 Shares per member as security shares, as follows: a- Mr. Mohammad Abdullah Abunayyan b- Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib c- Mr. Ahmed Suleiman Al-Rajhi d- Mr. Tariq Mutlaq Al Mutlaq e- Mr. Rasheed Abdulrahman Al-Rasheed f- Mr. Yousef bin Abdullah Al-Mutlaq g- Mr. Saleh Sharif Brahimi

<table>
<tr><th>No.</th><th>Date</th><th>Capital at the date of change (SAR)</th><th>Registered shareholders on the change date (number of shares owned)</th></tr>
<tr><td>4.</td><td>30/2/1434H (corresponding to 12/1/2013G)</td><td>4,604,952,440 consisting of 460,495,244 Shares</td><td>1. Arabian Company for Water and Power Development
216,093,631 shares
2. MADA Group for Industrial & Commercial Investment
106,434,026 shares
3. Sanabil Direct Investment Company
63,156,895 shares
4. Public Pension Agency
26,314,789 shares
5. Al Mutlaq Group Company
16,703,834 shares
6. Multiple Shares Company
11,694,723 shares
7. Omar Kassem Alesayi & Partners Marketing
10,536,424 shares
8. Badad International Co. for Trading & Contracting
3,780,968 shares
9. Future Industrial Investment Ltd.
3,780,968 shares
10. Al Toukhi Commercial Group Company
1,989,986 shares
11. Board members at a rate of 1,000 Shares per member as security shares, as follows:
a- Mr. Mohammad Abdullah Abunayyan
b- Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib
c- Mr. Ahmed Suleiman Al-Rajhi
d- Mr. Tariq Mutlaq Al Mutlaq
e- Mr. Rasheed Abdulrahman Al-Rasheed
f- Mr. Ibrahim Mohammad AlRumaih
g- Mr. Muhammad Ezzedine Idris
h- Mr. Saleh Sharif Brahimi
i- Mr. Majid bin Abdullah AlShathri</td></tr>
</table>

No.	Date	Capital at the date of change (SAR)	Registered shareholders on the change date (number of shares owned)
5.	23/7/1434H (corresponding to 2/6/2013G)	5,335,952,440 consisting of 533,595,244 Shares	1. Arabian Company for Water and Power Development **258,669,995 shares** 2. MADA Group for Industrial & Commercial Investment **127,404,223 shares** 3. Sanabil Direct Investment **63,156,895 shares** 4. Public Pension Agency **26,314,789 shares** 5. Al Mutlaq Group Company **20,031,346 shares** 6. Multiple Shares Company **13,769,300 shares** 7. Omar Kassem Alesayi & Partners Marketing **12,612,464 shares** 8. Badad International Co. for Trading & Contracting **4,602,445 shares** 9. Future Industrial Investment Ltd. **4,602,445 shares** 10. Al Toukhi Commercial Group Company **2,422,342 shares** 11. Board members at a rate of 1,000 Shares per member as security shares, as follows: a- Mr. Ibrahim Mohammad AlRumaih b- Mr. Majid bin Abdullah AlShathri c- Mr. David Will Crane d- Mr. Mohammad Abdullah Abunayyan e- Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib f- Mr. Ahmed Suleiman Al-Rajhi g- Mr. Tariq Mutlaq Al Mutlaq h- Mr. Rasheed Abdulrahman Al-Rasheed i- Mr. Muhammad Ezzedine Idris j- Mr. Saleh Sharif Brahimi

No.	Date	Capital at the date of change (SAR)	Registered shareholders on the change date (number of shares owned)
6.	26/11/1434H (corresponding to 2/10/2013G)	5,198,259,440 consisting of 519,825,944 Shares	1. Arabian Company for Water and Power Development **258,669,995 shares** 2. MADA Group for Industrial & Commercial Investment **127,404,223 shares** 3. Sanabil Direct Investment **63,156,895 shares** 4. Public Pension Agency **26,314,789 shares** 5. Al Mutlaq Group Company **20,031,346 shares** 6. Omar Kassem Alesayi & Partners Marketing **12,612,464 shares** 7. Badad International Co. for Trading & Contracting. **4,602,445 shares** 8. Future Industrial Investment Ltd. **4,602,445 shares** 9. Al Toukhi Commercial Group Company **2,422,342 shares** 10. Board members at a rate of 1,000 Shares per member as security shares, as follows: a- Mr. Mohammad Abdullah Abunayyan b- Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib c- Mr. Ahmed Suleiman Al-Rajhi d- Mr. Tariq Mutlaq Al Mutlaq e- Mr. Rasheed Abdulrahman Al-Rasheed f- Mr. Ibrahim Mohammad AlRumaih g- Mr. Muhammad Ezzedine Idris h- Mr. Saleh Sharif Brahimi i- Mr. Majid bin Abdullah AlShathri

No.	Date	Capital at the date of change (SAR)	Registered shareholders on the change date (number of shares owned)
7.	14/1/1435H (corresponding to 17/11/2013G)	5,476,037,210 consisting of 547,603,721 shares	1. Arabian Company for Water and Power Development **258,669,995 shares** 2. MADA Group for Industrial & Commercial Investment **127,404,223 shares** 3. International Finance Corporation **27,777,777 shares** 4. Sanabil Direct Investment **63,156,895 shares** 5. Public Pension Agency **26,314,789 shares** 6. Al Mutlaq Group Company **20,031,346 shares** 7. Badad International Co. for Trading & Contracting **4,602,445 shares** 8. Future Industrial Investment Ltd **4,602,445 shares** 9. Al Toukhi Commercial Group Company **2,422,342 shares** 10. Board members at a rate of 1,000 Shares per member as security shares, as follows: a- Mr. Mohammad Abdullah Abunayyan b- Mr. Sulaiman A.K. Abdulmohsen Al-Muhaidib c- Mr. Ahmed Suleiman Al-Rajhi d- Mr. Tariq Mutlaq Al Mutlaq e- Mr. Rasheed Abdulrahman Al-Rasheed f- Mr. Ibrahim Mohammad AlRumaih g- Mr. Muhammad Ezzedine Idris h- Mr. Saleh Sharif Brahimi i- Mr. Majid bin Abdullah AlShathri
8.	14/10/1439H (corresponding to 26/6/2018G)	6,457,628,780 consisting of 645,762,878 shares	1. Vision International Investment Company (previously known as Arabian Company for Water and Power Development) **258,673,995 shares** 2. Al Rajhi Holding Group Co. **127,406,223 shares** 3. Public Investment Fund **98,159,157 shares** 4. Sanabil Direct Investments **63,157,895 shares** 5. Al Mutlaq Group Company **32,644,810 shares** 6. International Finance Corporation **27,777,777 shares** 7. Public Pension Agency **26,315,789 shares** 8. Badad International Co. for Trading & Contracting **4,602,445 shares** 9. AJDA Industrial and Technical Services Co. (previously known as Future Industrial Investments Company Ltd) **4,602,445 shares** 10. Al Toukhi Commercial Group Company Ltd **2,422,342 shares**

For further information on the shareholding structure of the Company, see Section (4-12) (**Ownership in the Company**) below.

4-12 Ownership in the Company

4-12-1 Shareholding Structure of the Company

The following table provides information on the Company's existing Shareholders, as of the date of this Prospectus:

Shareholders of the Company

Shareholder	Pre-Offering			Post-Offering		
	No. of Shares	Capital (SAR)	Shareholding %	No. of Shares	Capital (SAR)	Shareholding %
Public Investment Fund	322,881,439	3,228,814,390	50.00%	322,881,439	3,228,814,390	44.16%
Vision International Investment Co.	166,320,184	1,663,201,840	25.76%	166,320,184	1,663,201,840	22.75%
Al Rajhi Holding Group Company	81,918,658	819,186,580	12.69%	81,918,658	819,186,580	11.20%
Mohammed Abdullah Rashid Abunayyan	26,651,452	266,514,520	4.13%	26,651,452	266,514,520	3.65%
Al Mutlaq Group Co.	20,989,705	209,897,050	3.25%	20,989,705	209,897,050	2.87%
Abdullah Abunayyan Trading Company	19,525,453	195,254,530	3.02%	19,525,453	195,254,530	2.67%
Badad International Co. for Trading & Contracting	2,959,244	29,592,440	0.46%	2,959,244	29,592,440	0.40%
ADJA Industrial and Technical Services Co.	2,959,244	29,592,440	0.46%	2,959,244	29,592,440	0.40%
Al Toukhi Commercial Group Company Ltd.	1,557,499	15,574,990	0.24%	1,557,499	15,574,990	0.21%
Public	-	-	-	**81,199,299**	**811,992,990**	**11.1%**
Shares owned by the employees	-	-	-	**4,137,552**	**41,375,520**	**0.57%***
Total	**645,762,878**	**6,457,628,780**	**100%**	**731,099,729**	**7,310,997,290**	**100%**

Source: Company

* The employees will own such shares by way of a fund to be established for this purpose.

The following table shows the ownership details of the Substantial Shareholders in the Company (pre and post Offering).

Table (4-13): Ownership of the Substantial Shareholders in the Company

	Pre-Offering			Post-Offering		
Shareholder	No. of Shares	Capital (SAR)	Shareholding %	No. of Shares	Capital (SAR)	Shareholding %
Public Investment Fund	322,881,439	3,228,814,390	50.00%	322,881,439	3,228,814,390	44.16%
Vision International Investment Co.	166,320,184	1,663,201,840	25.76%	166,320,184	1,663,201,840	22.75%
Al Rajhi Holding Group Company	81,918,658	819,186,580	12.69%	81,918,658	819,186,580	11.20%
Total	**571,120,281**	**5,711,202,810**	**88.45%**	**571,120,281**	**5,711,202,810**	**78.11%**

4-12-2 Shareholding Structure of the Shareholders

The following summarizes the shareholding structure of the existing Shareholders of the Company.

4-12-2-1 The Public Investment Fund

The Public Investment Fund was established by Royal Decree No. (M/24) dated 25/06/1391H (corresponding to 17 August 1971G) and is a wholly owned fund by the Government of the Kingdom of Saudi Arabia, regulated by the Law of the Public Investment Fund issued pursuant to Royal Decree No. M/92 dated 12/8/1440H.

Shareholder	Shareholding Percentage
Government of the Kingdom of Saudi Arabia	100%

Source: Company

4-12-2-2 Vision International Investment Co.

Vision International Investment Co. (formerly Arabian Company for Power and Water Development or ACWA Holding) is a closed joint stock company registered in Riyadh, Saudi Arabia under commercial registration number 1010178941 dated 07/05/1423H (corresponding to 17 July 2002G) with an issued share capital of SAR 400,000,000.

The activities of the company include the entry into contracts for, amongst other things, electrical, water and sewerage works, mechanical works, road, maintenance and operation works, central air-conditioning layouts, gas industry (including filling and transmission by pipes), coal and all minerals extraction, mines and oil services, building and construction, retail and wholesale trading in electrical generators, turbines, water purification equipment and other industrial equipment and materials, environmental services, establishing, operating and maintaining solar power plants, purchasing land on which to construct buildings and investing in land for sales or rent for the Company, manage and develop real estate and purchase, acquire, and maintain real estate for the Company. The following table shows the ownership structure of Vision International Investment Co. as of the date of this Prospectus.

	Shareholder	Shareholding Percentage	
1.a	**Abdullah Abunayyan Trading Company**	**50%**	
	Mohammed Abdullah Rashid Abunayyan		7.95%
	Abdulaziz Abdullah Rashid Abunayyan		7.95%
	Ibrahim Abdullah Rashid Abunayyan		7.95%
	Khaled Abdullah Rashid Abunayyan		7.95%
	Saad Abdullah Rashid Abunayyan		7.95%
	Abdel Elah Abdullah Rashid Abunayyan		7.95%
	Riyadh Abdullah Rashid Abunayyan		7.95%
	Rakan Abdullah Rashid Abunayyan		7.95%
	Munira Ibrahim Mohamed Abunayyan		6.26%

	Shareholder	Shareholding Percentage	
	Noura Mohamed Abdulaziz AlMadhi		6.26%
	Maha Abdullah Rashid Abunayyan		3.98%
	Sara Abdullah Rashid Abunayyan		3.98%
	Salwa Abdullah Rashid Abunayyan		3.98%
	Nawal Abdullah Rashid Abunayyan		3.98%
	Raeda Abdullah Rashid Abunayyan		3.98%
	Ruba Abdullah Rashid Abunayyan		3.98%
1.b	**Abdulkadir Al Muhaidib & Sons Company**	**50%**	
	Amwal Al Ajial Holding Company	**100%**	
	Essam Abdulkadir Al Muhaidib		27%
	Sulaiman Abdulkadir AlMuhaidib		27%
	Emad Abdulkadir Al Muhaidib		27%
	Mariam Abdulkadir Al Muhaidib		3.5%
	Awatef Abdulkadir Al Muhaidib		3.5%
	Haiffa Abdulkadir Al Muhaidib		3.5%
	Tomader Abdulkadir Al Muhaidib		3.5%
	Lolwa Al Mudaiheem		5%

Source: Company

4-12-2-3 Al Rajhi Holding Group Company

Al Rajhi Holding Group Company is a Closed Joint Stock company registered in Riyadh, Saudi Arabia under commercial registered number 1010231598 dated 04/04/1428H (corresponding to 22 April 2007G) with an issued share capital of SAR 100,000,000.

The activities of the company include purchasing and Construction works, establishment, operation and maintenance of markets and malls, operation, maintenance and cleaning of public buildings, marketing, import and export services for third party, purchase of lands to construct buildings and invest them by sale or lease for the interest of the company, general contracting, electric works, electronic and mechanical works, computer and communication services. The following table shows the ownership structure of Al Rajhi Holding Group Company as of the date of this Prospectus.

Shareholder	Shareholding Percentage
Abdullah Sulaiman Abdulaziz Al Rajhi	54%
Ahmad Sulaiman Abdulaziz Al Rajhi	25%
Khalid Sulaiman Abdulaziz Al Rajhi	9%
Ali Sulaiman Abdulaziz Al Rajhi	4.0%
Ibrahim Sulaiman Abdulaziz Al Rajhi	4.0%
Faisal Sulaiman Abdulaziz Al Rajhi	4.0%

Source: Company

4-12-2-4 Mohammed Abdullah Rashid Abunayyan.

Mohammed Abdullah Rashid Abunayyan is a Director in the Company. For more details on his direct and indirect ownership in the Company, please refer to section 5-8-1 (Interests of Directors in the Company).

4-12-2-5 Al Mutlaq Group Company.

Al Mutlaq Group Co. is a closed joint stock company registered in Riyadh, Saudi Arabia under commercial registration number 1010072881 dated 22/12/1409H (corresponding to 26/07/1989G) with an issued share capital of SAR 300,000,000.

The activities of the company include industrial, commercial and real estate investments, For the interest of the company. The following table shows the ownership structure of Al Mutlaq Group Company as of the date of this Prospectus.

Shareholder	Shareholding Percentage	
Bandariah Holding Company	50%	
Bader Abdulmohsin Abdullah Al Mutlaq		35%
Sheikha Jassim Saud Al Kussair Al Mutlaq		12.5%
Khulud Abdulmohsin Abdullah Al Mutlaq		17.5%
Faten Abdulmohsin Abdullah Al Mutlaq		17.5%
Basma Abdulmohsin Abdullah Al Mutlaq		17.5%
Masarrah Investment Company	42.5%	
Tariq Mutlaq Abdullah Al Mutlaq		47.059%%
Ulfat Mutlaq Abdullah Al Mutlaq		17.647%
Hanan Mutlaq Abdullah Al Mutlaq		17.647%
Razan Abdullah Al Mutlaq		17.647%
Abdullah Mutlaq Abdullah Al Mutlaq	7.5%	

Source: Company

4-12-2-6 Abdullah Abunayyan Trading Company

Abdullah Abunayyan Trading Company is a limited liability company registered in Riyadh, Saudi Arabia under commercial registration number 1010077408 dated 17/11/1410H (corresponding to 11/06/1990G) with an issued share capital of SAR 20,000,000.

The activities of the company include general contracting for buildings, electronic, electrical, and mechanical works, water and sewage works, wholesale and retail trading in shelfs and its accessories, agricultural devices and equipment, and chemicals for industrial and water desalination technology, installation, operation and maintenance of water desalination and treatment projects and sewage projects, water pumping stations and power plants. The following table shows the ownership structure of Abdullah Abunayyan Trading Company as of the date of this Prospectus.

Shareholder	Shareholding Percentage	
Mohammed Abdullah Rashid Abunayyan		7.95%
The heirs of Abdulaziz Abdullah Rashid Abunayyan[119]		7.95%
Ibrahim Abdullah Rashid Abunayyan		7.95%
Khaled Abdullah Rashid Abunayyan		7.95%
Saad Abdullah Rashid Abunayyan		7.95%
Abdel Elah Abdullah Rashid Abunayyan		7.95%
Riyadh Abdullah Rashid Abunayyan		7.95%
Rakan Abdullah Rashid Abunayyan		7.95%
Munira Ibrahim Mohammed Abunayyan		6.26%
Noura Mohammed Abdulaziz AlMadhi		6.26%
Maha Abdullah Rashid Abunayyan		3.98%
Sara Abdullah Rashid Abunayyan		3.98%
Salwa Abdullah Rashid Abunayyan		3.98%
Nawal Abdullah Rashid Abunayyan		3.98%

119 Note: Abdulaziz Abdullah Rashid Abunayyan has passed away and the distribution of the inheritance to his heirs remains ongoing as at the date of this Prospectus.

Shareholder	Shareholding Percentage	
Raeda Abdullah Rashid Abunayyan		3.98%
Ruba Abdullah Rashid Abunayyan		3.98%

Source: Company

4-12-2-7 Badad International Co. for Trading & Contracting

Badad International Co. for Trading & Contracting is a limited liability company registered in Riyadh, Saudi Arabia under commercial registration number 1010141372 dated 21/11/1416H (corresponding to 10/04/1996G) with an issued share capital of SAR 86,200,000.

The activities of the company include import and export services for third-parties, commercial agencies, hospital maintenance, wholesale and retail trading in foods, building materials, decoration, sanitary ware, Contracting of buildings, maintenance work, air conditioning and technology stations. The following table shows the ownership structure of Badad International Co. for Trading & Contracting as of the date of this Prospectus.

	Shareholder	Shareholding Percentage		
1.a	**Mohammad Hussain Al Amoudi**	**72%**		
1.b	**Kamal Abdullah Bahamdan**	**10%**		
1.c	**Sara Development Co.**	**18%**		
1.c.1	**Sarah Holding**	**90%**		
	Abdullah Salim Saeed Bahamdan		26%	
	Kamal Abdullah Salim Bahamdan		26%	
1.c.1.1	Bahamdan Holding Group Co.		18%	
	Abdullah Salim Bahamdan			88.90%
	Mohanned Abdullah Bahamdan			11.10%
	Mohanned Abdullah Salim Bahamdan		8%	
	Nawal Mohammed Omar Babgi		6%	
1.c.1.2	Sedra Co. Ltd		16%	
	Lamia Abdullah Bahamdan			25%
	Hanan Abdullah Bahamdan			25%
	Rana Abdullah Bahamdan			25%
	Sarah Abdullah Bahamdan			25%
1.c.2	**Sara International**	**10%**		
	Sara Development Co.[120]	100%		

Source: Company

120 Please note that Sara Development Co. is the same entity that owns 18% of the share capital of the shareholder Badad International Co. for Trading & Contracting (and whose ownership structure is shown in the same table).

4-12-2-8 AJDA Industrial and Technical Services Co.

AJDA Industrial and Technical Services Co. (previously known as Future Industrial Investments Company Ltd) is a limited liability company registered in Dammam, Saudi Arabia under commercial registration number 2050043160 dated 02/05/1424H (corresponding to 02/04/2003G) with an issued share capital of SAR 500,000.

The activities of the company include integrated administrative services for offices. The following table shows the ownership structure of AJDA Industrial and Technical Services Co. as of the date of this Prospectus.

	Shareholder	Shareholding Percentage	
1.a	**Ali Zaid Al Quraishi & Brothers Co.**	**99.8%**	
1.a.1	**Sons of Ali Zaid Al Quraishi Co.**	**20%**	
	Yousef Bin Ali Bin Zaid Al Quraishi		40%
	Ahmed Bin Ali Bin Zaid Al Quraishi		40%
	Hala Bint Ali Bin Zaid Al Quraishi		10%
	Lamya Bint Ali Bin Zaid Al Quraishi		10%
1.a.2	**Saleh Zaid Al Quraishi & Sons Co.**	**20%**	
	Saleh Zaid Ali Al Quraishi		60%
	Faisal Saleh Zaid Al Quraishi		20%
	Fawaz Saleh Zaid Al Quraishi		20%
1.a.3	**Abdul Aziz Zaid Al Quraishi & Partners Co.**	**20%**	
	Abdul Aziz Bin Zaid Bin Ali Al Quraishi		50%
	Adel Bin Abdul Aziz Bin Zaid Al Quraishi		20%
	Amal Bint Abdul Aziz Bin Mansour Al Turki		10%
	Nada Bint Abdul Aziz Bin Zaid Al Quraishi		10%
	Sarah Bint Abdul Aziz Bin Zaid Al Quraishi		10%
1.a.4	**Abdul Razaq Zaid Al Quraishi & Partners Co.**	**20%**	
	Abdul Razaq Zaid Ali Al Quraishi		60%
	Sulaiman Abdul Razaq Zaid Al Quraishi		20%
	Nawaf Abdul Razaq Zaid Al Quraishi		20%
1.a.5	**Khalid Zaid Ali Al Quraishi & Partners Co.**	**20%**	
	Khaled Zaid Ali Al Quraishi		40%
	Majed Khaled Zaid Al Quraishi		40%
	Haifa Khaled Zaid Al Quraishi		20%
1.b	**Ali Zaid Al Quraishi & Partners Investment Company Ltd.**	**0. 2%**	
	Ali Zaid Al Quraishi & Brothers Co.[121]		100%

Source: Company

121 We note that Ali Zaid Al Quraishi & Brothers Co. is the same company that owns 99.8% of the share capital of the shareholder AJDA Industrial and Technical Services Co. (and whose ownership percentage is shown in the same table above).

4-12-2-9 Al Toukhi Commercial Group Company Ltd.

Al Toukhi Commercial Group Company Ltd. is a limited liability company registered in Riyadh, Saudi Arabia under commercial registration number 1010127687 dated 15/03/1415H (corresponding to 23/08/1994G) with an issued share capital of SAR 1,000,000.

The activities of the company include contracting of electrical activities, telecommunications networks, electronic installations, general construction contracting, trading of electrical and mechanical equipment, medical products, cosmetics, purchases of land to build on and invest in by sale or rent for the interest of the company. The following table shows the ownership structure of Al Toukhi Commercial Group Company Ltd. as of the date of this Prospectus.

Shareholder	Shareholding Percentage	
Mahmoud Mohammed Mahmoud Al Toukhi		21.80%
Mazen Mohammed Mahmoud Al Toukhi		21.80%
Mounir Mohammed Mahmoud Al Toukhi		21.80%
Mona Hassan Kamel Addam		12.80%
Majidah Mohammed Mahmoud Al Toukhi		10.90%
Manal Mohammed Mahmoud		10.90%

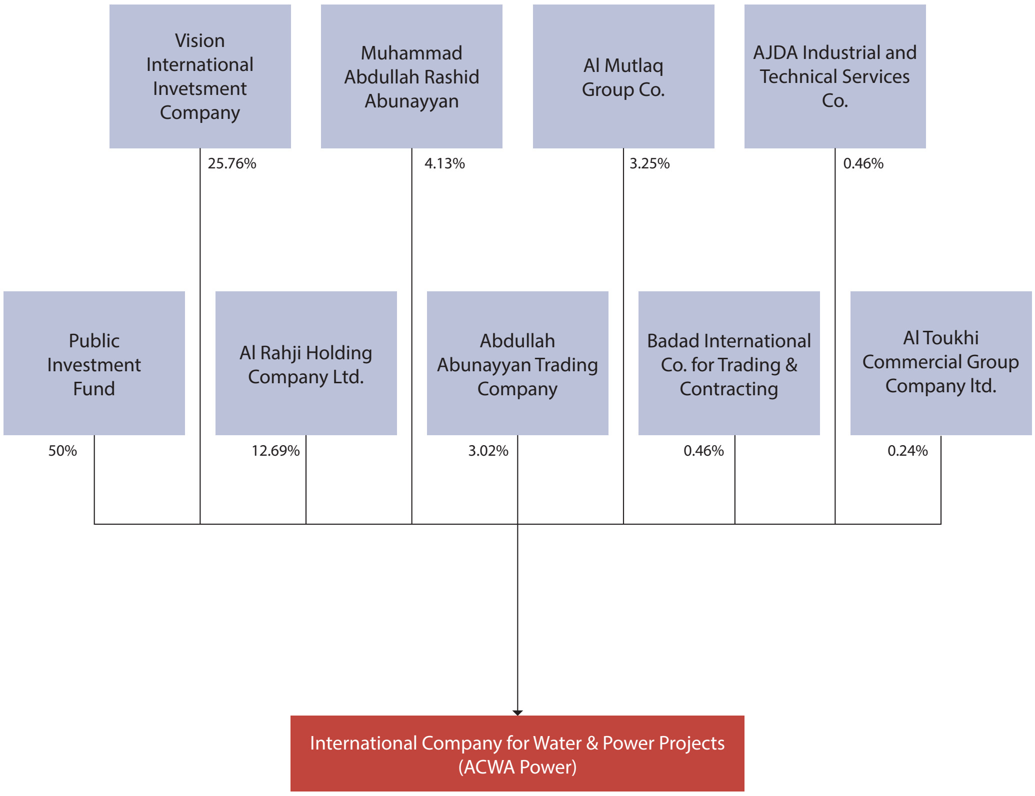
Source: Company

5- Ownership and Organisational Structure of the Company

5-1 Ownership Structure

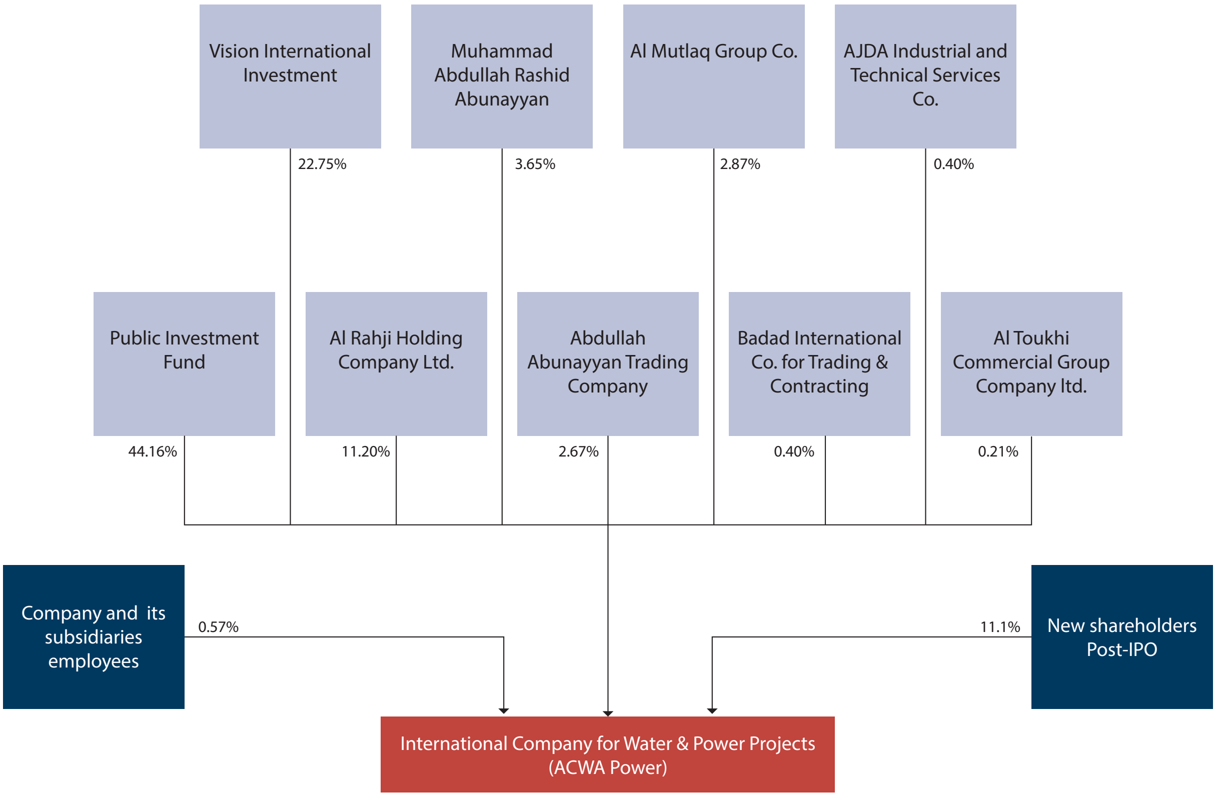
The following chart sets out the ownership structure of the Company prior to the Offering:

Figure (20): Pre-IPO Shareholding Structure



The following chart sets out the ownership structure of the Company after the Offering:

Figure (21): Post-IPO Shareholding Structure



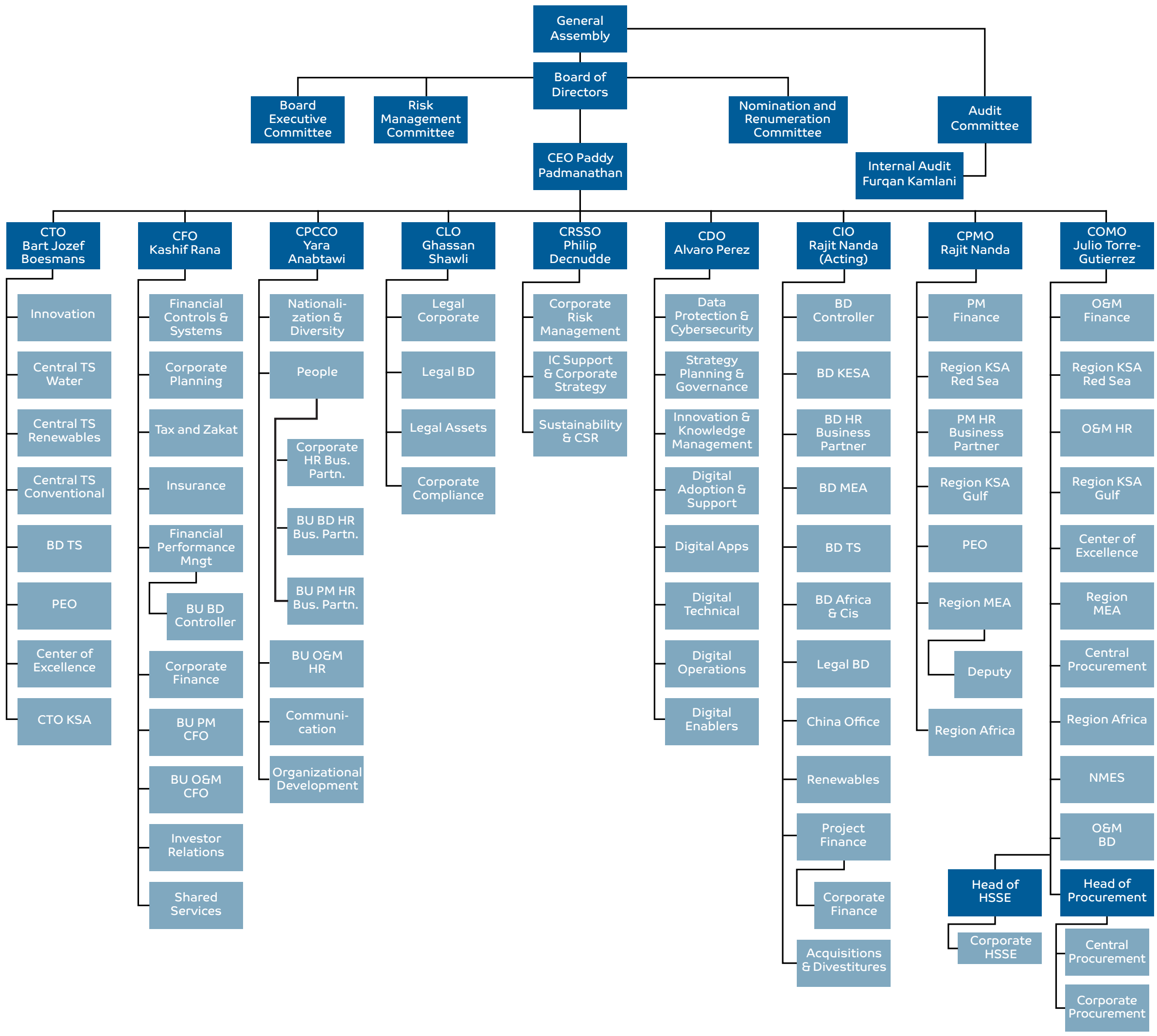
5-2 Management of the Company

Taking into consideration the competencies established for the General Assembly in the Companies Law and its Executive Regulations, the Articles of Association of the Company and the requirements of the Corporate Governance Regulations issued by the Capital Market Authority, in a manner that does not conflict with any laws or regulations applicable to the Company. The Shareholders delegate responsibility to the Board of Directors for the overall direction, governance and supervision of the Company. The Board of Directors delegates responsibility to the Senior Executives and, in particular, the Chief Executive Officer for the overall day to day management and operations of the Company.

5-2-1 Organisational Structure

The following charts set out the organisation structure of the Company:

Figure (22): The Organisation Structure of the Company



5-2-2 Board Members

The Company's Board of Directors consists of highly qualified and respected individuals in the regional and international business community.

Under the Bylaws, the Board of Directors shall be comprised of eleven (11) Directors appointed by the General Assembly. All members of the Board are non-executive Directors expect for one (1) member is Independent Director. The Companies Law, Corporate Governance Regulations, the Company's Bylaws and the Corporate Governance Manual determine the duties and responsibilities of the Board of Directors. The members of the current Board of Directors were appointed on 05 July 2019 (corresponding to 02 Dhu'l-Qi'dah 1440H) for a three-year tenure, except for two members who were appointed after such date (as shown in the below table) to complete the remaining tenure of the members they replaced, among them is the vice chairman Mr. Thamer Saud Esmail Al-Sharhan, who entered into a service agreement with the Company (For more information about this service agreement, refer to Section (5-4-1) (**"Services Agreements – Directors"**)).

We also refer to the share sale and purchase transaction, according to which a shareholders' agreement was entered into on November 19, 2020G, pursuant to which the ownership structure in the Company has changed. As a result, the nomination rights to appoint the members of the Board have also changed, in accordance with the Bylaws and the shareholders' agreement. However, the shareholders agreement shall be terminated by all shareholders as of the date of listing the Company's shares on Tadawul, pursuant to the termination agreement dated 29 May 2021G (for more information about this shareholders agreement, refer to Section (12-8-3) (**"Shareholders' Agreement in respect of the Company"**).

Mr. Mohammad Abdullah Rashid Abunayyan holds direct and indirect interest in the Company prior to the Offering, and Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib currently holds an indirect interest in the Company. The following table sets out the names of the Directors, and their ownership in the Company, as of the date of this Prospectus:

Table (5-1): Company's Board Members

Name	Position	Nationality	Age	Status and independence	Representation	Direct Share ownership before the Offering	Direct Share ownership after the Offering	Indirect Share ownership before the Offering	Indirect Share ownership after the Offering	Date of Appointment
Mohammad Abdullah Rashid Abunayyan	Chairman	Saudi	59	Non-executive / Non-independent	Vision Investment	4.13%*	3,65%	1,26405%*	1,116%	05 July 2019G
Thamer Esmail Al-Sharhan	Vice Chairman	Saudi	59	Non-executive / Non-independent	Al Rajhi Holding Group	-	-	-	-	30 July 2020G
Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib	Member	Saudi	66	Non-executive / Non-independent	Vision Investment	-	-	3,4776%**	3,071%	05 July 2019G
Rasheed Abdulrahman Nasser Al-Rasheed	Member	Saudi	55	Non-executive / Non-independent	Vision Investment	-	-	-	-	05 July 2019G
H.E. Mohammed Talal Mohammed Al-Nahas	Member	Saudi	58	Non-executive / Non-Independent	Does not represent any specific entity	-	-	-	-	05 July 2019G
Omar Muhammad Nabeel Mohammed Almidani	Member	Saudi	41	Non-executive / Non-independent	Vision Investment	-	-	-	-	05 July 2019G
Dr Mohsen Ahmad Hassan Khalil	Member	American	68	Non-executive / Independent	Does not represent any specific entity	-	-	-	-	05 July 2019G
Raid Abdullah Esmail Esmail	Member	Saudi	48	Non-executive / Non-independent	Public Investment Fund	-	-	-	-	05July 2019G
Esmail Mohammed Saleh Alsallom	Member	Saudi	39	Non-executive / Non-independent	Al Rajhi Holding Group	-	-	-	-	05 July 2019G
Abdullah Abdulrahman Sainain Al-Rowais	Member	Saudi	55	Non-executive / Non-independent	Does not represent any specific entity	-	-	-	-	05 July 2019G
Philippe Vincent Jacques Lyon de Rivas	Member	French	67	Non-executive / Non-independent	Public Investment Fund	-	-	-	-	05 December 2019G

Source: Company

* Mohammad Abdullah Rashid Abunayyan owns a total indirect interest in the Company's shares constituting 1.26405% of the share capital (before the Offering) through his 7.95% ownership in Abdullah Abunayyan Trading Company, which directly owns 3.02% of the share capital of the Company, and indirectly owns 12.88% of the share capital of the Company through its 50% ownership in the share capital of Vision Investment, which owns 25.76% of the share capital of the Company. Furthermore, Mohammad Abdullah Rashid Abunayyan owns a direct shareholding of 4.13% in the Company before the Offering.

** Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib owns a total indirect interest in the Company's shares constituting 3.4776% of the share capital (before the Offering) through his 27% ownership in Amwal Al Ajyal Company, which owns 100% of the share capital in Abdulkadir Al-Muhaidib and Sons Company, which in turn owns 50% in Vision Investment Company, which owns shares representing 25.76% of the Company's shares.

The current Secretary of the Board of Directors is Hager Al-Twegieri, who does not own any shares in the Company.

5-2-3 Summary of the Biographies of the Directors

Table (5-2): Summary Biography of Mohammad Abdullah Rashid Abunayyan

Name	Mohammad Abdullah Rashid Abunayyan
Age	59
Nationality	Saudi
Position	Chairman of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	High school diploma, Alyamamah High School, Saudi Arabia, 1979G
Current Positions	• Chairman, the Saudi – Emirati Coordination Council, a Non-Profit Organization, operating as a governmental entity, from 2020G to present. • Non-Executive director, King Abdulaziz Historical Center, a Non-Profit Organization, operating as a governmental entity, from 2020G to present. • Non-Executive director, Ministry of Finance Advisory Council, a governmental entity, operating in the governmental sector, from 2020 G to present. • Non-Executive director, Jizan Integrated Gas and Power Transformation Company, a mixed limited liability company in the KSA, operating in the field of gas and power, from 2020G to present. • Non-Executive director, Industrial Board, a Non-Profit Organization, operating in the field of Industrial, from 2019G to present. • Non-Executive Vice Chairman, Etihad Energy International Company, a Saudi Limited liability company, operating in the field of Energy Efficiency Services, from 2019G to present. • Non-Executive director, Local Content and Procurement Authority, a Non-Profit Organization, operating in the governmental sector, from 2019G to present. • Non-Executive founding board member, NEOM Industrial City, a Saudi Closed joint stock company, operating in the field of Industrial, from 2019G to present. • Non-Executive director, Higher Education Fund, a non-Profit organization, operating in the governmental sector, from 2019G to present. • Non-Executive director, Noor Energy 1 PSC, a closed Joint Stock company outside KSA, operating in the field of Power, from 2018 G to present. • Non-Executive chairman, Saudi Arabian Industrial Investments Company (DUSSUR), a Saudi Limited Liability company, operating in the field of investment, from 2017 G to present. • Non-Executive director, ACWA Power Laayoune, a Joint Stock company outside KSA, operating in the field of Water & Power, from 2017G to present. • Non-Executive director, ACWA Power Boudjour, a closed Joint Stock company outside KSA, operating in the field of Water & Power, from 2017G to present. • Non-Executive director, ACWA Power Ouarzazate IIII, a closed Joint Stock company outside KSA, operating in the field of Water & Power, from 2017G to present. • Non-Executive director, ACWA Power Ouarzazate II, a closed Joint Stock company outside KSA, operating in the field of Water & Power, from 2016G to present. • Non-Executive director, ACWA Power Ouarzazate III, a closed Joint Stock company outside KSA, operating in the field of Water & Power, from 2016G to present. • Non-Executive director, Hassyan Energy Phase 1 PSC, a closed Joint Stock company outside KSA, operating in the field of Power, from 2016 G to present. • Non-Executive Chairman, Jazan Gas Projects Company, a Saudi Limited liability company, operating in the field of Industrial Gases, from 2015 G to present. • Non-Executive director, Shuaa Energy 1 PSC, a closed Joint Stock company outside KSA, operating in the field of Power, from 2015 G to present. • Non-Executive Chairman, Arabian Qudra Energy Limited Company a Saudi Limited liability company, operating in the field of Industrial Gases, from 2014 G to present. • Non-Executive Chairman, Gas Industry Company for Industrial Services, a Saudi Limited liability company, operating in the field of Industrial Gases, from 2014 G to present. • Non-Executive Chairman, Yanbu Project Company for Electric Power, a Saudi Limited liability company, operating in the field of Contracting, from 2014 G to present.

Name	Mohammad Abdullah Rashid Abunayyan
Current Positions	• Non-Executive director, Saudi Arabian Industrial Investments Company (DUSSUR), a Saudi Limited Liability company, operating in the field of investments, from 2014G to present. • Non-Executive director, ACWA Power Ouarzazate, a closed Joint Stock company outside KSA, operating in the field of Water & Power, from 2013 G to present. • Non-Executive Chairman, Saudi Airlines Cargo Company a Saudi Closed joint stock company, operating in the field of logistics, from 2011 G to present. • Non-Executive director, Lafana Investment Company, a Saudi closed joint stock company, operating in the field of Investment, from 2011 G to present. • Non-Executive director, Rafal Real Estate Development Company, a Saudi Limited liability company, operating in the field of Real Estate, from 2011 G to present. • Non-Executive Vice Chairman, Tarabot Development and Investment Company, a Saudi Limited liability company, operating in the field of logistics, from 2006 G to present. • Non-Executive chairman, Saudi Tabreed Company, a Saudi closed Joint Stock company, operating in the field of district cooling, from 2005 G to present. • Non-Executive Chairman, Vision International Investment Company, a Saudi Closed joint stock company, operating in the field of Investment, 2002 G to present.
Past Professional Experience	• Non-Executive Vice Chairman, Global Ports and Rails, a Limited liability company, operating in the field of transportation and Logistics, from 2015 G to 2020 G. • Non-Executive Chairman, Qurayyah project limited Company, a Limited liability company, operating in the field of Power, from 2011 G to 2020 G. • Non-Exective director, Welspun Middle East Pipes Company, a Saudi limited liability company, operating in the field of Pipe Manufacture, from 2010 G to July 2020G. • Non-Executive Chairman, Qurayyah Investments Company, a Limited liability company, operating in the field of Power, from 2011 G to 2019 G. • Non-Executive Chairman, Hajr for Electricity Production Company, a closed Joint Stock Company, operating in the field of Power, from 2011 G to 2019 G. • Non-Executive director, ACWA Power Khalladi, a closed Joint Stock Company, operating in the field of Water & Power, from 2016 G to 2018 G. • Non-Executive director, Pohang Iron and Steel Company, a Limited liability company, operating in the field of Building Materials, from 2015G to 2018G. • Non-Executive Chairman, Al Mourjan for Electricity Production, a closed Joint Stock Company, operating in the field of Power, from 2013 G to 2018 G. • Non-Executive Chairman, Rabigh Investments Company, a Limited liability company, operating in the field of Power, from 2013 G to 2018 G. • Non-Executive Chairman;, ACWA Güç, a Joint Stock Company, operating in Turkey in the field of Power, from 2011 G to 2018 G. • Non-Executive Chairman;, ACWA Power Enerji Anonim Sirketi, a closed Joint Stock Company, operating in Turkey in the field of Power, from 2011 G to 2018 G. • Non-Executive Chairman;, KSB Arabia, a Limited liability company, operating in the field of Equipment, from 2010 G to 2018 G • Non-Executive director, Aziz European Pipe Factory for Trading and Contracting, a Limited liability company, operating in the field of Manufacture, from 2006 G to 2018 G. • Non-Executive director, Saudi Agricultural Development Co. (INMA), a Limited liability company, operating in the field of agriculture, from 2003 G to 2018 G. • Non-Executive Chairman, Abunayyan Group, a Limited Liability Company, operating in the field of Water & Power, from 2001 G to 2018 G. • Non-Executive director, Saudi Tumpane Company, a Limited liability company, operating in the field of Contracting, from 2005G to 2017G. • Non-Executive Chairman, ACWA Power SolAfrica Bokpoort, a Limited liability company in South Africa, operating in the field of Power, from 2013 G to 2017 G. • Non-Executive director, Sun and Life Company, a Limited Liability Company, operating in the field of Construction, from 2009 G to 2017 G. • Non-Executive director, Desert Aluminum Company Ltd, a Limited Liability Company, operating in the field of Construction, from 2015 G to 2016 G. • Non-Executive Chairman, Central Electricity Generating Company, a closed Joint Stock Company, operating in the field of Power, from 2011 G to 2016 G.

Name	Mohammad Abdullah Rashid Abunayyan
Past Professional Experience	• Non-Executive Chairman, ENARA Energy Investments PSC, a closed joint Stock Company, operating in the field of Power, from 2011 G to 2016 G. • Non-Executive Chairman, Floating Ships for Water Projects Company, a Limited liability company, operating in the field of Water, from 2011 G to 2016 G. • Non-Executive Chairman, Rabigh Expansion Company, a Limited liability company, operating in the field of Power, from 2013 G to 2015 G. • Non-Executive Chairman, Multiple Shares Company, a Limited liability company, operating in the field of Investment, from 2012 G to 2015 G. • Non-Executive Chairman, Al Raeda Energy, a Limited liability company, operating in the field of Power, from 2011 G to 2015 G. • Non-Executive Chairman, Higher Institute for Water and Power Technologies, a Non-Profit Organization, operating in the field of Education, from 2011 G to 2015 G. • Non-Executive Chairman, ACWA Power Barka SAOG (Barka 1), a closed Joint Stock Company, operating in the field of Water & Power, from 2010 G to 2015 G. • Non-Executive Chairman, Projects Acquisition Company, a Limited liability company, operating in the field of Power, from 2009 G to 2015 G. • Non-Executive Director, Rabigh Operations & Maintenance Company, a Limited liability company, operating in the field of Maintenance, from 2009 G to 2015 G. • Non-Executive Director, Industrial Cities Development and Operating Company, Trading and Contracting, a Limited liability company, operating in the field of Utilities Management, from 2008 G to 2015 G. • Non-Executive Chairman, Kahromaa Limited, a Limited liability company, operating in the field of Contracting, from 2008 G to 2015 G. • Non-Executive Vice Chairman, First National Operation & Maintenance Co, a Limited liability company, operating in the field of Maintenance, from 2007 G to 2015 G. • Non-Executive Director, Jubail Water & Power Company, a closed Joint Stock Company, operating in the field of Power & Water, from 2007G to 2015G. • Non-Executive Chairman, SGA Marafiq Holdings Company, a Limited liability company, operating in the field of Power, from 2006 G to 2015 G. • Non-Executive Chairman, Shuqaiq Arabian Company for Water & Electricity, a Limited liability company, operating in the field of Water & Power, from 2006 G to 2015 G. • Non-Executive Chairman, Saudi Malaysia Water & Electricity Company, a Limited liability company, operating in the field of Water & Power, from 2005 G to 2015 G. • Non-Executive Chairman, Shuaibah National Company for Water and Power, a Limited liability company, operating in the field of Water & Power, from 2005 G to 2015 G. • Non-Executive Chairman, Multiforms LLC, a Limited liability company in UAE, operating the field of Building Materials, from 2012 G to 2014 G • Non-Executive Chairman, International Barges Co. for Water Desalination, a Limited liability company, operating in the field of Water, from 2007 G to 2014 G. • Non-Executive Chairman, Alimtiaz Operation & Maintenance Company, a Limited liability company, operating in the field of Maintenance, from 2010 G to 2013 G. • Non-Executive Director, Altoukhi Company for Industry, Trading and Contracting, a Limited liability company, operating in the field of Contracting, from 2009G to 2013G. • Non-Executive Chairman, Beatona Company, a Limited liability company, operating in the field of Waste Management, from 2008 G to 2013 G. • Non-Executive Director, Saudi Research & Marketing Group, a Limited liability company, operating in the field of Research, from 2007G to 2013G. • Non-Executive Chairman, Shuqaiq International Water & Electricity Company, a Limited liability company, operating in the field of Water & Power, from 2007 G to 2013 G.

Name	Mohammad Abdullah Rashid Abunayyan
Past Professional Experience	• Non-Executive Director, Shuqaiq Water & Electricity Company, a Joint Stock company, operating in the field of Water and Power, from 2007G to 2013G. • Non-Executive Director, Tanmiah Transport Co, a limited liability company, operating in the field of logistics, from 2007G to 2013G. • Non-Executive Chairman, Saudi Malaysia Operation & Maintenance Services Company, a Limited liability company, operating in the field of Maintenance, from 2006 G to 2013 G. • Non-Executive Director, Saudi Agriculture Development Company, a limited liability company, operating in the field of Economic Development, from 2007G to 2012G. • Non-Executive Director, Saudi Deyaar, a Limited liability company, operating in the field of Contracting, from 2007 G to 2012 G • Non-Executive Director, Shuaibah Expansion Holding Company, a Limited Liability Company, operating in the field of Water, Power, from 2007 G to 2012 G. • Non-Executive Director, Shuaibah Expansion Project Company, a limited liability company, operating in the field of Water and Power, from 2007 G to 2012 G. • Non-Executive Director, Rabigh Arabian for Water & Electricity Company, a Limited liability company, operating in the field of Water and Power, from 2006 G to 2012 G. • Non-Executive Chairman, Shuaibah National Company for Water and Power, a joint stock company, operating in the field of Water & Power, from 2005 G to 2012 G. • Non-Executive Director, Riyadh Chamber of Commerce, a governmental entity, operating in the field of Business Development, from 2004G to 2012G. • Non-Executive Director, Grains Organisation, a non-profit organization, operating in the field of food material, from 2005 G to 2011 G. • Non-Executive Director, SAMBA Financial Group, a listed Joint Stock company, operating in the field of Banking, from 2004G to 2009G. • Non-Executive Director, National Agriculture Development Company (NADEC), a Listed Joint Stock Company, operating in the field of Foods, from 2001 G to 2009 G.

Table (5-3): Summary Biography of Thamer Saud Esmail Al-Sharhan

Name	Thamer Saud Esmail Al Sharhan
Age	59
Nationality	Saudi
Position	Vice Chairman of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	Bachelors Degree in Chemical Engineering, King Fahd University of Petroleum and Mineral, Saudi, 1983G.

Name	Thamer Saud Esmail Al Sharhan
Current Positions	• Chairman of the Executive Committee, Enara 2 Energy Investments PSC, a private company outside Saudi, operating in the field of investment, from 2020G to present. • Chairman, ACWA Power Jordan Holdings., a private company outside the Kingdom of Saudi Arabia, operating in the field of Investment, from 2020G to present. • Director, Jazan Integrated Gasification and Power Co., a Saudi closed joint stock company, operating in the field of investment, from 2020G to present. • Chairman, Enara Energy Investments PSC., a private company outside the Kingdom of Saudi Arabia, operating in the field of investment, from 2019G to present. • Chairman, Mahatat Al Zarqa Le Tawleed Al Takah Al Kahrabaieyah PSC., a private company outside KSA, operating in the field of investment, from 2018G to present. • Director, Map Coastal Holding Co., a limited liability company outside KSA, operating in the field of investment, from 2018G to present. • Director, ACWA Marafiq Water and Electricity Co., a limited liability company outside KSA, operating in the field of Investment, from 2017G to present. • Chairman, Floating Ships Water Projects Company Ltd., a Saudi limited liability company, operating in the field of water, from 2016G to present. • Chairman, Al Raeda Energy, a private company outside KSA, operating in the field of investment, from 2016G to present. • Director, MAP Inland Holdings Co., a limited liability company outside KSA, operating in the field of investment, from 2016G to present. • Director, APM Power Holding Co., a limited liability company outside KSA, operating in the field of investment, from 2015G to present. • Director, MAP Power Holding Co., a limited liability company outside KSA, operating in the field of investment, from 2015G to present. • Chairman, Central Electricity Generating Co., listed joint stock company outside KSA, operating in the field of power, from 2014G to present. • Chairman of the Board, Bowerage International Desalination Company Ltd., a Saudi limited liability company, operating in the field of water desalination, from 2013G to present. • Partner , Bisan Engineering Consulting, a professional limited liability company, operating in the field of engineering consultation, from 2013G to present. • Partner, Nevada Company for Development and Training, a limited liability company, operating in the field of training, from 2008G to present. • Member of the Charitable Society for People with Special Needs in Jubail Industrial City (Irada), a non-profit charitable association, from 2010 to present. • Chairman, the Higher Institute of Water and Electricity Technologies, a technical institute, operating in the field of training, from 2021G to present.
Past Professional Experience	• Chairman, Qara Solar Energy Company Ltd., a mixed limited liability company in the Kingdom of Saudi Arabia, operating in the field of energy, from 2018G to 2021G. • Chairman, Rabigh Arab Water and Electricity Co., a Saudi mixed limited liability company, operating in the field of energy and water, 2013G to present. • Chairman, Sakaka Solar Energy, a closed joint stock company in the Kingdom of Saudi Arabia, operating in the field of energy, from 2018G to 2021G. • Director, Al Taweelah Ro Desalination Company, a limited liability company outside the Kingdom of Saudi Arabia, operating in the FIELD OF water, from 2019G to 2021G. • Chairman, Qurayyah Project Co., a Saudi limited liability company, operating in the field of energy and water, from 2020G to 2021G.

Name	Thamer Saud Esmail Al Sharhan
Past Professional Experience	• General Manager, Al Waha Project Co., a Saudi mixed limited liability company, operating in the field of water desalination, from 2019G to 2021G. • General Manager, Rabigh Investments Company, a Limited liability company, operating in the field of Power, from 2019 G to 2019 G. • Chairman, Hajr Electricity Production Company., a Saudi closed joint stock company, operating in the field of energy, from 2019G to 2021G. • Chairman, Sudair One Holding Company, a mixed Saudi limited liability company, operating as a holding company, from 2019 G to 2021 G. • Chairman, KAF Holding Co., a Saudi mixed limited liability company, operating in the field of holding company, from 2019G to 2021G. • Chairman, Aliah Water Co., a Saudi mixed limited liability company, operating in the field of water desalination, from 2018G to 2021G. • Chairman, ACWA Power Project Management & Acquisition Co., a Saudi mixed joint stock company, operating in the field of water and power, from 2018G to 2021G. • Chairman, Shuaibah Two Water Desalination Holding Co., a Saudi mixed limited liability company, operating in the field of water, from 2017G to 2021G. • Chairman, ACWA Power Saudi Electricity and Water Development Co., a Saudi one-person closed Joint Stock company, operating in the field of investment, from 2017G to 2021G. • Chairman, Oasis Power One Conventional Energy and Water Co., a Saudi one-person limited liability company, operating in the field of power, from 2017G to 2021G. • Chairman, Oasis Power Two Renewable Energy Co., a Saudi one-person limited liability company, operating in the field of power, from 2017G to 2021G. • General Manager, Multi-Shareholding Company, a mixed Saudi limited liability company, operating in the field power, from 2016G to 2021G. • General Manager, Rabigh Expansion Company Ltd., a Saudi limited liability company, operating in the field of power, from 2015G to 2018G. • Chairman, KAHROMAA Co, a Saudi mixed limited liability company, operating in the field of water, from 2015G to 2021G. • Chairman, Al Imtiaz for Operation and Maintenance Co., a Saudi closed joint stock company, operating in the field of water and power, from 2013G to 2021G. • Chairman, Al-Mourjan for Electricity Production Co., a Saudi joint stock company, operating in the field of power, from 2013G to 2021G. • Director, Enterprise Ownership Limited Company, a Saudi limited liability company, operating in the field of power, from 2013G to 2021G. • Chairman, Qurayyah Investment Co., a Saudi mixed limited liability company, operating in the field of investment, from 2013G to 2021G. • Chairman of the Board, Rabigh Project Co., a Saudi limited liability company, operating in the field of power and water, from 2013G to 2021G. • Chairman of the Board, Saudi Malaysia Water and Electricity Co., a Saudi mixed limited liability company, operating in the field of energy, 2013G to 2021G. • Chairman of the Board, Saudi Malaysia Operation & Maintenance Services Co., a Saudi mixed limited liability company, operating in the field of power, from 2013G to 2021G. • Chairman of the Board, Shuqaiq Water and Electricity Co., a Saudi limited liability company, operating in the field of power and water, from 2013G to 2021G. • Director, Shuaibah Expansion Project Co., a Saudi limited liability company, operating in the field of water, from 2013G to 2021G.

Name	Thamer Saud Esmail Al Sharhan
Past Professional Experience	• Vice Chairman, Shuaibah Expansion Holding Co., a joint Saudi limited liability company, operating in the field of water, from 2013G to 2021G. • Chairman, Shuaibah National Company for Water and Power, a Saudi limited liability company, operating in the field of power and water, from 2013G to 2021G. • Vice Chairman, Shuaibah Water and Electricity Co., a Saudi joint stock company, operating in the field of power, from 2013G to 2021G. • Chief Operating Officer and President, Power and Water Utility Company for Jubail & Yanbu (MARAFIQ), a Saudi closed joint stock company, operating in the field of energy, from 2006G to 2013G. • President, Saudi Petrochemical Company (Sadaf), a Saudi limited liability company, operating in the field of power, from 2004G to 2006G. • Company President, Sabic Terminal Services Co. (SabTank) Jubail & Yanbu, a Saudi limited liability company, operating in the field of energy, from 1996G to 2004G. • Project Manager, Saudi Basic Industries Co., a Saudi listed joint stock company, operating in the field of materials, from 1994G to 1996G. • Utilities Department Manager, Arabian Petrochemical Co (Petrokemya), a Saudi limited liability company, operating in the field of power, from 1992G to 1994G. • Ethylene Department Manager, Arabian Petrochemical Co (Petrokemya), a Saudi limited liability company, operating in the field of power, from 1989G to 1992G. • Production Engineer, Arabian Petrochemical Co (Petrokemya), a Saudi limited liability company, operating in the field of power, from 1985G to 1989G.

Table (5-4): Summary Biography of Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib

Name	Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib
Age	66
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	High school diploma, Basra High School, Iraq, 1971G.
Current Positions	• Non-Executive Vice Chairman, Almarai Company, a listed joint stock company, operating in the field of food production, from 2019G to present. • Non-Executive Director, International Vision Investment Company, a closed joint stock company, operating in the field of Investment, from 2018 G to present. • Non-Executive Director, Mayar Logistics and Store Co. a Limited Liability Company, operating in the field of Transportation, from 2015 G to present. • Non-Executive Chairman of the Board, Savola Group, a listed Saudi joint stock company, operating in the field of consumer staples, from 2010G to present. • Non-Executive Director, Almarai Company, a listed joint stock company, operating in the field of food production, from 2010 to present. • Non-Executive Director, Savola Group, a listed Saudi joint stock company, operating in the field of consumer staples, from 2010G to present. • Executive Director, Essam Abdulkader Al Muhaidib & Partners Co., a Limited Liability Company, operating in the field of trade, from 2010 G to present. • Executive Director, Amwal Al Alajyal Trading Co., a Limited Liability Company, operating in the field of trade, from 2010 G to present. • Executive Director, Thaat Al Sawary Company, a Saudi limited liability company, operating in the field of trade, from 2010G to present. • Executive Director, Amwal AlKhaleej Investment, a Limited Liability Company, operating in the field of Investment, from 2009 G to present. • Executive Director, Taj AlAwfyaa, a Limited Liability Company, operating in the field of trade, from 2009 G to present. • Non-Executive director, Mayar Foods Co., a Limited Liability Company, operating in the field of foods, from 2009 G to present. • Chairman, Al Abdulkadir Muhaidib & His Sons Company, a Saudi closed joint stock company, operating in the field of investment, from 1996G to present. • Executive director, AlMuhaidib Holding, a Limited Liability Company, operating in the field of Investment, from 1996 G to present.

Name	Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib
Past Professional Experience	• Director, Saudi British Bank (SABB), a listed joint stock company, operating in the field of banking, from 2001G to 2019G. • Director, Thabat Constructions Company, a Saudi limited liability company, operating in the field of construction, from 1981G to 2018G. • Director, Al-Oula Real Estate Development Company, a Saudi closed joint stock company, operating in the field of real estate development, from 2002G to 2017G. • Director, Middle East Paper Company (MEPCO), a Saudi listed joint stock company, operating in the field of materials, from 2012G to 2016G. • Director, Arabian Pipes Company, a Listed Joint Stock Company, operating in the field of Basic Materials, from 1998 G to 2015 G. • Director, Saudi Cable Company, a Listed Joint Stock Company, operating in the field of industry, from 1998 G to 2013 G. • Director, Swicorp Joussour Company, a Closed Joint Stock Company, operating in the field of Management, Operating and Maintenance, from 2008 G to 2012 G. • Director, Al Yamamah Steel Industries Company, a Listed Joint Stock Company, operating in the field of Basic Materials, from 2000 G to 2011 G. • Director, Saudi Ports Authority, a government entity, from 1998 G to 2002 G.

Table (5-5): Summary Biography of Rasheed Abdulrahman Nasser AlRasheed

Name	Rasheed Abdulrahman Nasser AlRasheed
Age	55
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	Higher Diploma in Management Information Technology Systems, King Saud University, Saudi, 1988G.
Current Positions	• Chairman, Al Ramz Real Estate, a Saudi closed joint stock company, operating in the field of real estate, from 2020G to present. • Non-Executive Chairman, Communications Network Coverage Company, a limited liability company, operating in the field of telecommunications, from 2020G to present. • Non-Executive Director, Al-Abraj Integrated Telecommunications Company, a limited liability company, operating in field of telecommunications, from 2019G to present. • Non-Executive Director, Executive Committee Member and Chairman of the Nomination and Remuneration Committee, SAL Cargo Co., a Saudi closed joint stock Company, operating in the field of logistics, from 2019G to present. • Chairman, Saudi Dhahran Cooling Company, a Saudi limited liability company, operating in the field of district cooling, from 2019G to present. • Chairman of the Nomination and Remuneration Committee, Saudi Airlines Cargo Company, a Saudi closed joint stock company, operating in the field of transportation, from 2016G to present. • Chairman, Riyadh Water Production Company, a Saudi limited liability company, operating in the field of water, from 2015 G to present. • Chairman, Saudi Riyadh Cooling Company, a Saudi limited liability company, operating in the field of district cooling, from 2015 G to present. • Non-Executive Director, and Member of the Executive Committee, and Head of the Internal Audit Committee, Jazan Gas Projects Company, a Saudi limited liability company operating in the field of industrial gases, from 2015G to present. • Managing Director, Tarabot Investment and Development Company, a Saudi limited liability company, operating in the field of logistics, from 2014G to present. • Non-Executive Director, Tarabut Air Freight Service, a limited liability company, operating in the field of logistics, from 2014G to present. • Non-Executive Director, Al-Uzah Company, a limited liability company, operating in the field of logistics, from 2014G to present. • Non-Executive Director, Saudi Integrated Waste Treatment Company, a limited liability company, operating in the field of recycling, from 2013G to present. • Non-Executive Director, Tarabot Investment and Development Company, a Saudi limited liability company, operating in the field of logistics, from 2012G to present. • Non-Executive Director and Member of the Executive Committee, Saudi Airlines Cargo Company, a closed Saudi joint stock company, operating in the field of transportation, from 2012G to present.

Name	Rasheed Abdulrahman Nasser AlRasheed
Current Positions	• Managing Director, Saudi District Cooling Company, a closed joint stock company, operating in the field of district cooling, 2012 G to present. • Director, Central District Cooling Company, a Saudi limited liability company, operating in the field of district cooling, from 2011 G to present. • Chairman, Saudi Tabreed Operations & Maintenance Company, a Saudi limited liability company, operating in the field of district cooling, 2009 G to present. • Chairman, Saudi Dhahran Cooling Company, a Saudi limited liability company, operating in the field of district cooling, 2009 G to present. • Director, Saudi District Cooling Co, a Saudi closed joint stock company, operating in the field of district cooling, from 2008G to present. • Non-Executive Director and Member of the Executive Committee, Vision International Investment Co., a Saudi joint stock company, operating in the field of infrastructure, from 2007G to present. • Chairman, Zelan Arabia Co, a Saudi limited liability company, operating in the field of construction, from 2007G to present.
Past Professional Experience	• Director, Global Ports & Railways Co., a Saudi limited liability company, operating in the field of transport and logistics, from 2014G to 2019G. • Director, Arabian Japanese Membrane Co., a Saudi limited liability company, operating in the field of manufacturing, from 2008G to 2014G. • Director, Welspun Middle East Pipes Co., a Saudi limited liability company, operating the field of manufacturing, from 2008G to 2014G. • President and Chief Executive Officer, Arabian Company for Water and Power Development "ACWA Holding" (currently known as Vision International Investment Company "Vision Investment"), a Saudi joint stock company, operating in the field of power, from 2007G to 2014G. • Director, Zelan Arabia Co., a Saudi limited liability company, operating in the field of construction, from 2007G to 2014G. • Director, Shuibah Water and Electricity Co., a Saudi limited liability company, operating in the field of Water and Power, from 2006G to 2011G. • Director, Arab Water and Energy Business Company, a Saudi limited liability company, operating in the field water and electricity, from 2006G to 2011G. • Director, Rabigh Arabian for Water and Electricity, a Saudi limited liability company, operating in the field of Water and Power, from 2006G to 2009G. • Director, Shuqaiq Water and Electricity Co., a Saudi limited liability company, operating in the field of Water and Power, from 2006G to 2009G. • Director, Abdullah Abunayyan Group, a Saudi limited liability company, operating in the field of investment, from 2006G to 2009G. • Vice Chairman and CFO, Abdullah Abunayyan Group, a Saudi limited liability company, operating in the field of investment, from 2000G to 2007G.

Table (5-6): Summary Biography of Mohammed Talal Mohammed Al-Nahas

Name	Mohammed Talal Mohammed Al-Nahas
Age	58
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-independent Director
Academic and Professional Qualification	The Executive Program, University of Michigan Business School, United States of America, 1998G. Bachelor of Science in Accounting, King Saud University, KSA, 1984G.

Name	Mohammed Talal Mohammed Al-Nahas
Current Positions	• Chairman, Dammam Pharma, a Limited liability Company, operating in the field of Medicines, from 2020 G to present. • Director, Public Pension Agency, a public institution for civil and military retirement in the Kingdom of Saudi Arabia, a government entity, operating in the governmental sector, from July 2020G to present. • Director, the General Insurance Corporation, a public retirement corporation, operating in the private sector in the Kingdom of Saudi Arabia, and a government entity operating in the governmental sector, from 2020G to present. • Chairman, Saudi Pharmaceutical Industries and Medical Appliances Corp. (SPIMACO), a listed joint stock company, operating in the field of medicine, from 2019 G to present. • Member of the Executive Committee, Public Pension Agency, a public institution for civil and military retirement in the Kingdom of Saudi Arabia, a government entity, operating in the governmental sector, from 2019 to present. • Member of the Executive Committee, Saudi Pharmaceutical Industries and Medical Appliances Corp. (SPIMACO), a listed joint stock company, operating in the medicine field, from 2019 G to present. • Member of the Nomination and Remuneration Committee, Saudi Basic Industries Corporation (SABIC), a Saudi listed joint stock company, operating in the field of materials, from 2019 G to present. • Member of the Strategic Planning of Riyad Bank, a listed joint stock Company, operating in the field of Banks, from 2019 G to present. • Member of the Iskan Committee, the Ministry of Housing, a Saudi governmental entity in the Kingdom of Saudi Arabia, operating as a governmental entity, from 2019G to present. • Chairman, RAZA Company, Limited liability Company, operating in the field of real estate department, from 2018 G to present. • Member of the Investment Committee, Saudi Telecom Company (STC), a Saudi listed joint stock company, operating in the field of Telecom, from 2018 G to present. • Member of the Nomination and Remuneration Committee, AlRaidah Investment Company, Saudi closed joint stock company, operating in the field of investment, from 2017G to present. • Chairman, AlRaidah Investments Company, a Saudi joint stock company, operating in the field of investment, from 2016G to present. • Chairman, ASMA Capital, a joint Stock Company outside KSA, operating in the field of Finance, from 2016G to present. • Chairman, Al Tawoniya Real Estate Investment Company, Saudi joint stock company, operating in the field of real state, from 2016G to present. • Director, Riyad Bank, a Saudi joint stock company, operating in the field of investment, from 2016G to present. • Director, Saudi Telecom Company (STC), a Saudi listed joint stock company, operating in the field of telecommunication, from 2016G to present. • Director, Saudi Basic Industries Corporation (SABIC), a Saudi listed joint stock company, operating in the field of materials, from 2016G to present. • Governor, Public Pension Agency, a Saudi civil and military pension agency, operating in the field of pension insurance, from 2016G to present.

Name	Mohammed Talal Mohammed Al-Nahas
Past Professional Experience	• Member of the Risk Committee, Saudi Basic Industries Corporation (SABIC), a Saudi listed joint stock company, operating in the field of materials, from April 2016G to June 2020G. • Chairman of Nominations and Remuneration Committee, National Center for Privatization, a Saudi government entity, from June 2017G to May 2019G. • Director, National Center for Privatization, a Saudi government entity, from May 2017G to May 2019G. • Member of the Executive and Investment Committee, Public Pension Agency, a public institution for civil and military retirement in the Kingdom of Saudi Arabia, a government entity, operating in the field of pension insurance from November 2016G to September 2019G. • Member of the Nomination and Remuneration Committee, Public Pension Agency, a public institution for civil and military retirement in the Kingdom of Saudi Arabia, a government entity, operating in the field of pension insurance from November 2016G to September 2019G. • Member of the Executive Committee, AlRaidah Investment Company, Saudi joint stock company, operating in the field of investment, from 2016G to 2018G. • Director, AlRaidah Investment Company, Saudi joint stock company, operating in the field of investment, from April 2016G to November 2016G. • Member of the Audit and Risk Committee, AlRaidah Investment Company, Saudi joint stock company, operating in the field of investment, from April 2016G to November 2016G. • Member of the Audit Committee, Public Pension Agency, a public institution for civil and military retirement in the Kingdom of Saudi Arabia, a government entity, operating in the field of pension insurance, November 2015G to November 2016G. • Director, Saudi Travellers cheque company, a limited liability company, operating in the field of banking, from 2001G to 2005G. • Member of the Executive Committee, Saudi Travellers cheque company, a limited liability company, operating in the banking field, 2001G to 2005G.

Table (5-7): Summary Biography of Omar Muhammad Nabeel Mohammed Almidani

Name	Omar Mohammed Nabeel Mohammed Almidani
Age	41
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	Bachelor of Commerce in Finance with honour degree, John Molson School of Business, Montreal, Canada, 2002G

Name	Omar Mohammed Nabeel Mohammed Almidani
Current Positions	• Partner, Garage Company, a limited liability company, operating in the field of applications and technology, from 2020G to present. • Non-Executive Chairman, East Integrated Pipes Company for Industry, a closed joint stock company, operating in the field of industrials, from 2020G to present. • Non-Executive Chairman, Integrated Tower Company for Telecommunications, a limited liability company, operating in the field of telecom services, from 2020G to present. • Non-Executive Director, Telecom Network Coverage Co., a Saudi limited liability company operating in the field of telecommunications, from 2020G to present. • Non-Executive Director, Etihad Energy International Company, a Saudi limited liability company, operating in the field of power, from 2019G to present. • Non-Executive Director, Beatona Company, a limited liability company, operating in the field of waste treatment, from 2019G to present. • Chief Executive Officer and Member of Executive Committee, Vision International Investment Company, a Saudi closed joint stock company, operating in the field of Investment , from 2018G to present. • Non-Executive Chairman, Ajyad Knowledge Company for Education and Training, a limited liability company, operating in education field, from 2018G to present. • Non-Executive Chairman, Jeddah Water Services Co., a Saudi limited liability company, operating in the water treatment field, from 2018G to present. • Non-Executive General Manager, Estydama Development Projects Company, a Saudi limited liability company, operating in the investments field, from 2018G to present. • Non-Executive Director, and Chairman of the Nomination, Remuneration & Compensation Committee, Saudi District Cooling Company, a Saudi closed joint stock company, operating in the field of district cooling, from 2018 G to present. • Non-Executive Director, Sahara Aluminium Company, a limited liability company, operating in the field of building materials, from 2018G to present. • Non-Executive Director, Arabian Qudra Energy Ltd., a Saudi limited liability company, operating in the field of power and natural gases, from 2018G to present. • Non-Executive Director, Jazan Gas Projects Co., a Saudi limited liability company, operating in the field of power and industrial gases, from 2018G to present. • Non-Executive Director, Miahona Company, a Saudi limited liability company, operating in the water treatmeant field, from 2016G to present. • Non-Executive Director, Saudi Integrated Waste Management Co., a Saudi limited liability company, operating in the solid waste treatment field, from 2013G to present.
Past Professional Experience	• Chairman, Multiforms LLC (UAE), a limited liability company, operating in the field of building materials, from 2019G to 2020G. • Non-Executive Chairman, Industrial Cities Development and Operation Company, a limited liability company, operating in the water treatment field, from April 2019 G to October 2020G. • Non-Executive Chairman, Riyadh Water Production Company, a limited liability company, operating in the water treatment filed, from July 2018G to October 2020G. • Non-Executive Chairman, Jazzirah Environment Co., a Saudi limited liability company, operating in the water treatment field, from 2018G to October 2020G. • Non-Executive Director, Power Acquisition Company, a limited liability company, operating in the Power field, from 2014G to 2019G. • Non-Executive Director, Health Solutions Medial Company, a limited liability company, operating in Health Services field, from 2018G to 2019G. • Non-Executive Director, Arabian Japanese Membrane Company, a limited liability company, operating in industrial field, from 2017G to 2018G. • Chief Executive Officer, Beatona Company, a Saudi limited liability company operating in the waste treatment field, from 2011G to 2017G.

Table (5-8): Summary Biography of Mohsen Ahmad Hassan Khalil

Name	Mohsen Ahmad Hassan Khalil
Age	68
Nationality	American
Position	Member of the Board, Non-executive/ Independent Director
Academic and Professional Qualification	Master of Management, MIT Sloan School, USA, 1980G. Ph.D. in Electrical Engineering, University of Southern California, USA, 1976G. Master of Science in Electrical Engineering, University of Wisconsin-Madison, USA, 1973G. Bachelor of Science in Physics, American University of Beirut, Lebanon, 1972G.
Current Positions	• Founder and Chief Executive Officer, MAKVEST, an American limited liability company, operating in the field of financial advisory, from 2012 to present.
Past Professional Experience	• Director, ACWA Güç, joint stock company outside KSA, operating in the field of power, from 2016G to 2018G. • Director and Chairman of the Risk Committee, Lucid Investment Bank, a private financial company outside the Kingdom of Saudi Arabia, operating in the field of investment and banking, from 2014 G to 2017 G. • Director, Türknet, Private company outside the Kingdom of Saudi Arabia, operating in the field of telecommunications, from 2014 G to 2015 G. • International President in charge of the Climate Business Group, International Finance Corporation, an organization operating in the economic and social development and financing field, from 2010G to 2012G. • Executive Manager, International Finance Corporation an organization operating in the economic and social development and financing field, from 1986G to 2012G. • Director, the joint global information and communication technology division between World Bank and International Finance Corporation, an organization working in the economic and social development and finance field, from 2000G to 2010G. • Regional Director, International Finance Corporation, an organization operating in the field of economic and social development and financing, from 1998G to 2000G. • Chief Investment Officer, International Finance Corporation Infrastructure Department, an organization working in the economic and social development and finance field, from 1992 G to 1998G. • Professor of Business, American University of Beirut, Lebanon, from 1980G to 1986G. • Chief Advisor, Lebanon's Minister of Posts & Telecommunications, a Lebanese government entity, operating in the field of Telecommunication, from 1982G to 1985G. • Project Manager, MITRE Corporation, a non-profit organization in the USA, operating the field of Federally Funded Research and Development Centers (FFRDCs), from 1976G to 1979G. • Researcher, NASA Goddard Space Flight Center, in the USA, operating in the field of science, engineering and technology, from 1975 G to 1976G.

Table (5-9): Summary Biography of Raid Abdullah Esmail Esmail

Name	Raid Abdullah Esmail Esmail
Age	48
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	Master of Business Administration (MBA), London Business School, UK in 2008G. Bachelors Degree in Finance, George Mason University, United States in 2001G.

Name	Raid Abdullah Esmail Esmail
Current Positions	• Non-Executive Director, Elm Information Security. a closed joint stock company, operating in the field of technology, from 2019G to present. • Chairman of Nomination & Remuneration Committee & Member of the Executive Committee, The Helicopters Co., a Saudi closed joint stock company, operating in the field of public air transport, from 2019G to present. • Non-Executive Director & Member Nomination & Remuneration Committee Member, National Shipping Company of Saudi Arabia (Bahri), A listed joint stock company, operating in the field of power, from 2019G to present. • Chairman of Board & Executive Committee, GDC Middle East., a closed joint stock company, operating in the field of aircraft constructions & maintenance, from 2018G to present. • Head of direct local investments department, Public Investment Fund, a governmental entity, from 2018G to present. • Director, National Agriculture Development Company (NADEC), a listed joint stock company, operating in the field consumer staples, from 2018G to present. • Non-Executive Director, Technology Control Co. a closed joint stock company, operating in the field of technology & investment, from 2018G to present.
Past Professional Experience	• General Manager, Mawarid Food Company, a limited liability company, operating in the field of food & beverages, from 2017G to 2018G. • Independent Board Member, Credit Suisse Saudi, a limited liability company, operating in the field of financial services, from 2013G to 2018G. • Founder & General Manager, House of Retail, a limited liability company, operating in the field of food & beverages, from 2014G to 2017G. • Chief Executive Officer, Tadawi Health Care. a limited liability company, operating in the field of Medicine, from 2011G to 2013G. • General Manager, Olayan Food Services Co., a closed joint stock company, operating in the field of food & beverages, from 2010G to 2011G.

Table (5-10): Summary Biography of Esmail Mohammed Saleh Alsallom

Name	Esmail Mohammed Saleh Alsallom
Age	39
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-Independent Director
Academic and Professional Qualification	Leadership development certificate, Harvard university, USA, from 2017G to 2019G Bachelor of Science in Industrial Engineering, King Saud University, KSA, 2005G
Current Positions	• Chairman, Electroputere SA, a Listed Joint Stock Company in Romania, operating in the field of Manufacture of electrical generators, from 2020G to present. • Director, Havas Ground Holding Co., a Mixed Limited Liability Company, operating in the field of Ground Handling Services in Airports, from 2018G to present. • Director, Taibah Airports Development Company, a Joint Stock Company, operating in the field of Aviation, from 2018 G to present. • Director, BTA Food and Services Company, a Limited Liability Company, operating in the field of Food & Beverage, from 2018G to present. • Director, Saudi ATU Trading Limited Co., a Mixed limited liability Company, operating in the field of airports duty free, from 2018G to present. • Manager Director, MADA Infrastructure Holding Company, a Limited Liability Company, operating in the field of investment, from 2016G to present. • Chief Investment Officer, Al Rajhi Holding Group, a Joint Stock Company, operating in the field of investment, 2014G to present.

Name	Esmail Mohammed Saleh Alsallom
Past Professional Experience	• Chairman, Electroputere SA, a Listed Joint Stock Company in Romania, operating in the field of manufacture of electrical generators, from 2018G to 2019G. • Advisory Board Member, Al Arrab Contracting Company, a Single Person Limited Liability Company, operating in the field of Contracting and Constructions, from 2014 G to 2019. • Director, United Mining Investments Company, a Limited Liability Company, operating in the field of Mining, from 2016 G to 2018G. • Head of Corporate Finance, Banque Saudi Fransi, A Listed Joint Stock Company, operating in the field of Finance, from 2005 G to 2014 G.

Table (5-11): Summary Biography of Abdullah Abdulrahman Sainain Al-Rowais

Name	Abdullah Abdulrahman Sainain Al-Rowais
Age	55
Nationality	Saudi
Position	Member of the Board, Non-executive/ Non-independent Director
Academic and Professional Qualification	Master of Science in Computer and Information, University of Detroit Mercy, Michigan, USA. 1997. Advance Diploma in Accounting, The Economics Institute, University of Colorado, Boulder, USA ,1996 Bachelors in accounting, King Saud University, Riyadh, SA, 1992.
Current Positions	• Audit Committee Member, New Jeddah Downtown Company, a Closed Joint Stock Company, owned by the Public Investment Fund, operating in the field of real estate, from 2020G to present. • Independent Director, Saudi Tourism Authority, a government entity, operating in the field of travel and tourism, from 2019G to present. • Independent Director, Bawan Co., a Listed Joint Stock Company, operating in the field of industrials, from 2019 G to present. • Audit Committee Member, Roshn Company, a Closed Joint Stock Company, owned by the Public Investment Fund, operating in the field of real estate and construction, from 2019G to present. • Audit Committee Member, Alinma Tokio Marine, a Listed Joint Stock Company, operating in the financial sector, from 2014 G to present. • Chief Executive Officer of Internal Audit, Etihad Etisalat Company (Mobily), a Listed Joint Stock Company, operating in the field of communication services, from August 2007G to present.
Past Professional Experience	• Independent Director, Samba Financial Group, a Listed Joint Stock Company, operating in the field of finance, from 2016G to 2021G. • Audit Committee Member, Saudi Arabian General Investment Authority, a governmental entity operating to promoting investment in KSA, from 2017 G to 2020G. • Audit Committee Member, Deutsche Gulf Finance, a closed joint stock company, operating in the field of finance, from 2014 G to 2019G. • Director and Chairman of Executive Committee, Institute of Internal Auditors (IIA KSA), a non-profit organization, operating in the field of professional services, from 2011G to 2019G. • Director, Manafea Holding, a closed joint stock company, operating in the field of investment, from 2011G to 2016G. • Associate General Auditor, Saudi Aramco, a listed joint stock company, operating in the field of power, from May 2007G to August 2007G. • IT Audit Manager, Saudi Aramco, a listed joint stock company, operating in the field of power, from 2000G to 2007G. • Internal Auditor, Saudi Arabian Monetary Agency, a Saudi governmental entity, from 1992G to 2000G.

Table (5-12): Summary Biography of Philippe Vincent Jacques Lyon de Rivas

Name	Philippe Vincent Jacques Lyon de Rivas
Age	67
Nationality	French
Position	Member of the Board, Non-executive/ Non-Independent Director Representative of the Public Investment Fund, 2019G to present.
Academic and Professional Qualification	Bachelors in engineering, Ecole Nationale Supérieure d' Hydraulique de Grenoble, 1976G.
Current Positions	• Member, Franco British Council, a non-profit think tank organization, operating in convers the relationships between France and UK field, from 2019G to present. • Senior Advisor, Temasek Holding, the sovereign wealth fund institute of Singapore, operating in the field of investment, from 2018G to present.
Past Professional Experience	• Non- Executive Board Member representing Public Investment Fund, Electricity & Water Utility Company in Jubail and Yanbu (MARAFIQ), a joint stock company, operating in the Power and Water Utility field, from 2018G to 2020G. • Executive Committee Member, EDF Group, a French limited company, operating in power field, from 2010G to 2017G. • Director and CEO, EDF Energy, a British limited company EDF Energy is owned 100 % by EDF SA, registered in UK. Operating in power field, from 2003G to 2017G. • CEO, London Electricity Group, British limited company, operating in Power field, (this company no longer exists, since it was novated under the new name of EDF Energy in 2003G), from 2002 G to 2003 G. • Deputy CFO and Director of Financial Strategy and Operations, EDF in France, a French limited company, operating in power field, from 2000G to 2002G. • Vice-President of International Division, EDF, a French limited company, operating in power field, from 1995G to 1998G. • Managing Director of Hydro Power Department, EDF, a French limited company, operating in Power field, from 1991G to 1994G. • Director for Far East, EDF, a French limited company, operating in power field, 1985G to 1991G. • Hydro Power Engineer, EDF, a French limited company, operating in Power field, 1977G to 1985G.

The Board Secretary of the Company is Ms. Hager Al-Twegieri, who assumed the role in the year 2018G.

5-2-4 Summary Biography of the Secretary of the Board Hager Al-Twegieri

Table (5-13): Summary Biography of Hager Al-Twegieri

Name	Hager Al-Twegieri
Age	30
Nationality	Canadian
Position	Board Secretary
Academic and Professional Qualification	Bachelor of Commerce in Finance, Edwards School of Business, University of Saskatchewan, Canada, from 2008G to 2014G. Certified Board of Director, GCC Board Directors Institute, United Arab Emirates, from 2019G to 2020G. Certified Board Secretary, GCC Board Directors Institute, United Arab Emirates, from 2019G to 2020G.
Current Positions	• Board Secretary, International Water and Energy (ACWA Power), a Saudi closed joint stock company, operating in the field of power and water, from 2018G to present.

Name	Hager Al-Twegieri
Past Professional Experience	• Business Analyst, Corporate Alignment & Integration Department at the Company, from 2015G to 2018G. • Analyst Rotational Program, Project Finance & Corporate Finance at the Company, from 2014G to 2015G • Intern, Structured Finance Division, Banque Saudi Fransi, a listed joint stock company, operating in the field of banking, from June 2013G to July 2013G. • Accounts Payable/ Receivable Officer, Accounting Division, Biomed Recovery & Disposal, a limited liability company, operating in the field of biohazardous waste recovery and disposal services, from 2011G to 2014G

5-2-5 Senior Executives

The Company is managed by a highly experienced team of Senior Executives with the necessary knowledge and skills to manage the Company's daily operations. Set out below is a summary of the composition of the Senior Executive team:

Table (5-14): Senior Executives

Name	Position	Nationality	Age	No. of Shares held Pre-Offering	No. of Shares held Post-Offering	Appointment Date
Suntharesan Padmanathan	President & CEO	Sri Lankan	62	N/A	-	1 September 2005G
Guy Marie Richelle	Senior Advisor – Transformation Acting Chief Risk, Sustainability and Strategy Officer	Belgian	65	N/A	-	1 February 2020G
Rajit Nanda	Acting Chief Investment Officer and Chief Portfolio Management Officer	Indian	50	N/A	-	1 December 2008G
Kashif Mahboob Rana	Chief Financial Officer	British	45	N/A	-	12 January 2009G
Julio Torre-Gutierrez	NOMAC CEO & Chief O&M Officer	Spanish	56	N/A	-	15 July 2009G
Alvaro Perez Uz	Chief Digital Officer	Spanish	50	N/A	-	13 September 2020G
Yara Mohammad Taher Anabtawi	Chief People, Culture and Communications Officer	Saudi	50	N/A	-	19 November 2012G
Ghassan Hosni Shawli	Chief Legal Officer	Saudi	43	N/A	-	1 April 2021G
Bart Boesmans	Chief Technology Officer	Belgium	57	N/A	-	1 January 2021G
Furqan Ahmed Kamlani	Executive Vice President - Internal Audit	Pakistan	47	N/A	-	14 April 2019G

5-2-5-1 Summary Biographies of the Senior Executives

Table (5-15): Summary Biography of Suntharesan Padmanathan

Name	Suntharesan Padmanathan
Age	62
Nationality	Sri Lankan
Position	President & CEO

Name	Suntharesan Padmanathan
Academic and Professional Qualification	Bachelor's in civil engineering, University of Manchester, UK, 1979G. Post graduate Qualifications in Civil Engineering Production, University of Lancaster, UK, 1980G.
Current Positions	Non-Executive Director, BESIX, a private company incorporated in Belgium, from June 2017 to present. Suntharesan Padmanathan is holding a number of positions as a representative of the Company, including the following: • Director, ACWA Power Ouarzazte (Noor1), a Joint Stock Company, established in Morocco, operating in the field of Power (Renewable energy - solar), from 2020 G to present. • Director, ACWA Power Ouarzazate II, a Joint Stock Company established in Morocco, operating in the field of Power (Renewable energy - solar), from 2020 G to present. • Director, ACWA Power Ouarzazate III, a Joint Stock Company established in Morocco, operating in the field of Power (Renewable energy - solar), from 2020 G to present. • Director, ACWA Power Uzbekistan Project Holding Co. (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2020 G to present. • Director, ACWA Power Uzbekistan Wind Proj. Holding Co. (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2020 G to present. • Chairman, ACWA Industrial Investment Co. (AIICO), a Limited Liability Co. established in KSA, operating in the field of Manufacturing, from 2019 G to present. • Chairman, ACWA Power Ouarzazate IV, a Joint Stock Company established in Morocco, operating in the field of Power (Renewable energy - solar), from 2019 G to present. • Chairman, ACWA Power Khalladi, a Joint Stock Company established in Morocco, operating in the field of Power (Renewable energy - solar), from 2019 G to present. • Chairman, ACWA Power Boujdour, a Joint Stock Company established in Morocco, operating in the field of Power (Renewable energy - solar), from 2019 G to present. • Director, Arabian Co. for Water and Power Projects (APP), a Closed Joint Stock established in KSA, operating in the field of Energy & Water, from 2019 G to present. • Director, ACWA Power Salalah 2 IPP Project Holding Co Ltd (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2019 G to present. • Director, ACWA Power Ethiopia project Holding Co (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2019 G to present. • Director, ACWA Power Kom Ombo Project Holding Company Ltd (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2019 G to present. • Director, ACWA Power Water Projects Ltd (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as a holding company, from 2019 G to present. • Director, ACWA Power Global Services (DIFC), a Private Co/LTD.-(non-regulated), established in UAE, operating as a holding company, from 2019 G to present. • President, ACWA Power Laayoune, a Joint Stock Company established in Morocco, operating in the field of Power (Renewable energy - solar), from 2019 G to present. • Chairman, ACWA Güç IŞLETME VE YÖNETİM SANAYİ VE TİCARET ANONiM ŞİRKETİ, a Closed Joint Stock Company established in Turkey, operating in the field of Power, from 2018 G to present. • Chairman, ACWAPOWER ENERJİ ANONİM ŞİRKETİ, a Closed Joint Stock Company established in Turkey, operating in the field of Power, from 2018 G to present. • Director, ACWA Power AL Dur II Holding Co WLL, a Limited Liability Co. established in Bahrain, operating as a holding company, from 2018 G to present. • Director, ACWA Power FEWA Project Holding company Limited (DIFC) [formerly AP Sohar], a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2018 G to present.

Name	Suntharesan Padmanathan
Current Positions	• Director, ACWA Power IBRI Project Holding Company Limited (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2018 G to present. • Director, ACWA Power Luxor Project Holding Company Limited (DIFC) [formerly AP Barka], a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2018 G to present. • Director, ACWA Power Green Energy Company Limited (DIFC) [formerly AP Bahrain], a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2018 G to present. • Director, ACWA Power Salalah Project Holding Co Ltd (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2018 G to present. • Director, ACWA Power DGC Project Holding Co. Ltd. (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2018 G to present. • Director, ACWA Power Harbin Holdings Limited (JAFZA), an Offshore Co./ LLC established in the UAE, operating in the field of Investment, from 2018 G to present. • Director ACWA Power Management and Investments One, a Private Co/LTD. – (non-regulated), established in UAE, operating in the field of Investment, from 2017 G to present. • Director, ACWA Power Capital Management Ltd (DIFC), a Private Co/LTD. – (non-regulated), established in UAE, operating in the field of Investment, from 2017 G to present. • Director, ACWA Power Treasury Holding Co. Ltd. (formerly known as ACWA Power Geo Thermal Holding (DIFC), a Private Co/LTD. – (non-regulated), established in the UAE, operating as an intermediate holding co., from 2017 G to present. • Director, ACWA Power Conventional Energy (DIFC), a Private Co/LTD. – (non-regulated), established in UAE, operating as an intermediate holding co., from 2016 G to present. • Director, ACWA Power Oasis 1 Ltd (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2016 G to present. • Director, ACWA Power Oasis 2 Ltd. (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2016 G to present. • Director, ACWA Power Global Services Branch, a Branch Co. (APGS), established in UAE, from 2015 G to present. • Director, ACWA Power Solar Limited (JAFZA), an Offshore Co./LLC established in the UAE, operating in the field of Investment, from 2015 G to present. • Director, ACWA Power General Holdings 1 Ltd (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2015 G to present. • Director, ACWA Power Energy Holdings Ltd. (JAFZA), an Offshore Co./LLC established in the UAE, operating in the field of Investment, from 2015 G to present. • Chairman, ACWA Power CF Karad PV Park EAD, a Single Member Joint Stock Co. established in Bulgaria, operating in the field of Power (Generation & Production of energy), from 2012 G to present. • Director, ACWA Power Moatize Holdings Ltd (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2012 G to present. • Director, ACWA Power Plovdiv Holdings (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2012 G to present. • Director, ACF Renewable Energy, a Private Limited Liability Co. established in Malta, operating in the field of Investment, from 2012 G to present. • Director, ACWA Power Bahrain Holdings WLL, a Limited Liability Co. established in Bahrain, operating in the field of Investment, from 2012 G to present.

Name	Suntharesan Padmanathan
Current Positions	• Director, ACWA Power Kirikalle Holding WLL, a Limited Liability Co. established in Bahrain, operating in the field of Investment, from 2012 G to present. • Director, ACWA Power Coastal Holdings (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2011 G to present. • Director, ACWA Power Inland Holdings (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2011 G to present. • Director, ACWA Power Jordan Holding (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2011 G to present. • Director, APBP TSA Company, a Private Co. (limited by shares) established in Mauritius, operating in the field of Investment, from 2010 G to present. • Director, ACWA Power Barka Services 1, an Private Co. established in Mauritius, operating in the field of Investment, from 2010 G to present. • Director, ACWA Power Barka Services 2, an Private Co. established in Mauritius, operating in the field of Investment, from 2010 to present. • Director, ACWA Power Global Holdings (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2010 G to present. • Director, ACWA Power International Holding (JAFZA), an LLC established in the UAE, operating in the field of Investment, from 2010 G to present. • President & CEO, International Water and Power Company (ACWA Power), a closed joint stock company operating in the field of Power, from September from 2005 G to present.
Past Professional Experience	• Corporate Officer & Vice President, Black & Veatch Africa Limited, a global engineering, procurement and construction (EPC) leader providing energy, water, and telecommunications solutions, from 2001 G to 2006 G. • Chief Executive, Black & Veatch Africa Limited, an engineering, procurement and construction (EPC) leader providing energy, water, and telecommunications solutions, from 1995 G to 2001 G. • Executive Director, Burrow Binnie International Ltd., a company operating in engineering consulting practices, from 1992 G to 1995 G. • Engineer and Manager, John Burrow and Partners Overseas, operating in the field of engineer consulting practices, from 1981 G to 1992 G. • Researcher, IDC Group Limited and University of Lancaster, from 1980 G to 1981 G.

Table (5-16): Summary Biography of Guy Marie Richelle

Name	Guy Marie Richelle
Age	65
Nationality	Belgian
Position	Senior Advisor – Transformation, and Acting Chief Risk, Sustainability and Strategy Officer
Academic and Professional Qualification	Bachelors in Civil Physics Engineering, University of Liege, Belgium, 1978 G. Masters in Climate Change, King's College of London, UK, 2020 G.
Current Positions	• Senior Advisor in the Transformation Department, International Water and Power Company (ACWA Power), a closed joint stock company operating in the field of power, from February 2020 G to Present.

Name	Guy Marie Richelle
Past Professional Experience	• Head of Business Department Oversight & Acting CEO (SAMEA) & Operation Projects Manager, Engie Sa, a multinational company, operating in energy transition, from 2015G to 2017G. • Executive Director & COO, International Powers, a private limited liability company, operating as an independent power plant generator, from 2011G to 2015G. • Regional CEO, Middle East, Asia and Africa (from 2007 G to 2011 G), Head of Business Development and CEO of Middle East (from 2001 G to 2006 G), Senior Business Developer (from 2001 G to 2003 G) and CEO, United Power Company (from 1997 G to 2000 G) at GDF Suez Energy International, a private limited liability company, operating as an independent power plant generator. • Design Engineer in the Plant System Analysis Department, Westinghouse Nuclear, a limited liability company, operating as a supplier of safe and innovative nuclear technology, from 1991 G to 1997 G. • Classroom & Simulator Instruction in the Operation Department, ESKOM, a state-owned electricity utility company, from 1985 G to 1990 G. • Engineering Manager for Simulator and I&C Projects, Westinghouse Nuclear, a limited liability company operating as a supplier of safe and innovative nuclear technology, from 1981 G to 1985 G.

Table (5-17): Summary Biography of Rajit Nanda

Name	Rajit Nanda
Age	50
Nationality	Indian
Position	Chief Portfolio Management Officer and Acting Chief Investment Officer.
Academic and Professional Qualification	Bachelor of Commerce (Accounting & Economics), Utkal University, India, 1992G. MBA, Xavier Institute of Management, India, 1994G.
Current Positions	Rajit Nanda is holding a number of positions as a representative of the Company, including the following: • Vice Chairman, ACWA Power Jordon Holdings (Jordon), a private company, established in Jordon, operating in the field of Investments, from 2020 G to present. • Director, Water Consortium Holding Co, a closed joint stock company, established in the Kingdom of Saudi Arabia, operating as a holding company, from 2020 G to present. • Director, Jazallah Company for Water Desalination (project co. Jubail 3 project), a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Water Transmission and Distribution, from 2020 G to present. • Director, ACWA Power Uzbekistan Wind Project Holding Company (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2020 G to present. • Chairman, Sudair One Renewable Energy Project Company, a joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Power Generation, from 2019 G to present. • Chairman, KAF International Company, a joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Power Generation, from 2019 G to present. • Chairman, ACWA Power Green Energy Africa Pty Limited, established in South Africa, operating in the field of Energy and Power, from 2019 G to present. • Vice Chairman, Shams Ad-Dhahira Generating Company, a Ibri 2 Solar IPP company, established in Oman, from 2019 G to present. • Director, Sudair 1 Holding Company, a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating as a Holding Company, from 2019 G to present. • Director, KAF Holding Company, a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating as a Holding Company, from 2019 G to present. • Director, ACWA Power Global Service (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as a Holding Company, from 2019 G to present.

Name	Rajit Nanda
Current Positions	• Director, ACWA Power Salalah 2 IPP Project Holding company Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2019 G to present. • Director, ACWA Power Ethiopia Project Holding Co. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2019 G to present. • Director, ACWA Power Kom Ombo (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2019 G to present. • Director, ACWA Power Water Projects Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as a Holding Company, from 2019 G to present. • Director, Solar V Hod Co (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as a Holding Company, from 2019 G to present. • Director, ACWA Power Maroc LLC, a joint stock company, established in Morocco, operating in the field of Renewable Solar Energy, from 2019 G to present. • Chairman, ACWA Power Community, a private company, established in South Africa, operating in the field of Energy and Power, from 2018 G to present. • Director, Alia Water Co., a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of Water Collection and Treatment, from 2018 G to present. • Director, ACWA Power Al Dur II Holding Co WLL, a limited liability company, established in Bahrain, operating as a Holding Company, from 2018 to present. • Director, ACWA Power Enerji Anonim Şirketi, a closed joint stock company, established in Turkey, operating in the field of Power, from 2018 G to present. • Director, ACWA Power Vietnam Renewables Pte. Ltd., a private company (limited by shares), established in Singapore, operating in the field of Energy and Power, from 2018 G to present. • Director at the board in ACWA Power FEWA Project Holding company Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Ibri Project Holding Company limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Luxor Project Holding Company Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Green Energy Company Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Salalah Project Holding Company Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power DGC Project Holding Company Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Harbin Holdings Limited (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2018 G to present. • Chairman, ACWA Power Khanyisa Holding (Ply) Ltd, a private company, established in South Africa, operating in the field of Energy and Power, from 2017 G to present.

Name	Rajit Nanda
Current Positions	• Chairman, ACWA Power Khanyis Therma Power Station (RF) Pty Ltd, a private company, established in South Africa, specialises in energy and power, from 2017G to present. • Director, ACWA Power Management and Investments One, a private company Ltd. (nonregulated), established in the United Arab Emirates, operating in the field of Investment, from 2017 G to present. • Director, ACWA Power Capital Management Ltd (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating in the field of Investment, from 2017 G to present. • Director, ACWA Power Treasury Holding Co. Ltd, (formerly known as ACWA Power Geo Holding for Thermal Power), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2017 G to present. • Chairman, South Tafila Energy Holdings, a private company, established in Jordan, operating in the field of Investments, from 29 October 2017 G to present. • Director, ACWA Power Solar CSP Holding Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2017 G to present. • Chairman, ACWA Power Solarreserve Redstone Solar Thermal Power Plant (Pty) Ltd, a private company, established in South Africa, operating in the field of Energy and Power, from 2016 G to present. • Chairman, ACWA Power Energy Africa (Pty), a private company, established in South Africa, operating in the field of Energy and Power, from 2016 G to present. • Director, ACWA Power Asia Holding Pte. Ltd, a private company (limited by shares), established in Singapore, operating in the field of Energy and Power, from 2016 G to present. • Director, ACWA Power Vietnam Pte, Ltd., a private company (limited by shares), established in Singapore, operating in the field of Energy and Power, from 2016 G to present. • Director, ACWA Power Conventional Energy (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2016 G to present. • Director, ACWA Power Oasis 1 Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2016 G to present. • Director, ACWA Power Oasis 2 Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2016 G to present. • Vice Chairman, Al Raeda Energy, a private company, established in Jordon, operating in the field of Investments, from 2016 G to present. • Director, ACWA Power Egypt for Energy, a joint stock company, established in Egypt, operating in the field of Maintenance of Power Plants, from 2015 G to present. • Director, ACWA Gharib One for Energy, a joint stock company, established in Egypt, operating in the field of Construction of Power Plants, from 2015 G to present. • Director, ACWA Gharib Two for Energy, a joint stock company, established in Egypt, operating in the field of Construction of Power Plants, from 2015 G to present. • Director, ACWA Power Kom Ombo for Energy, a joint stock company, established in Egypt, operating in the field of Construction of Power Plants, from 2020 G to present. • Director, ACWA Power Solar Limited (JAFZA), an offshore company LLC, established in the United Arab Emirates, operating in the field of Investments, from 2015 G to present.

Name	Rajit Nanda
Current Positions	• Director, ACWA Power General Holdings 1 Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2015G to present. • Director, ACWA Power Energy Holding Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2015 G to present. • Chairman, ACWA Power Bokpoort Holding, a private company, established in South Africa, operating in the field of Energy and Power, from 2014 G to present. • Chairman, ACWA Power Dicheto Solar PV Share Company, a limited liability company, established in Ethiopia, operating in the field of Generation and Production of Energy, from 2013 G to present. • Chairman, ACWA Power Gad Solar PV Share Company, a limited liability company, established in Ethiopia, operating in the field of Generation and Production of Energy, from 2013 G to present. • Director, ACWA Power Solafrica Bokpoort CSP, a private company, established in South Africa, operating in the field of Energy and Power, from 2013 G to present. • Chairman, ACWA Power Africa Holding (APAH), a private company, established in South Africa, operating in the field of Energy and Power, from 2012 G to present. • Vice Chairman, ACWA Power CT Karad PV Park EAD, a single member joint stock company, established in Bulgaria, operating in the field of Generation and Production of Energy, from 2012 G to present. • Director, ACWA Power Moatize Holding Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2012 G to present. • Director, ACWA Power Plovdic Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2012 G to present. • Director, ACWA Renewable Energy, a private limited liability company, established in Malta, operating in the field of Investments, from 2012 G to present. • Director, ACWA Power Bahrain Holding WLL, a limited liability company, established in Bahrain, operating in the field of Investments, from 2012 G to present. • Director, ACWA Power Kirikalle Holding WLL, a limited liability company, established in Bahrain, specialises in investments, from 2012G to present. • Director, ACWA Power Reinsurance (DIFC), a private company Ltd. (regulated), established in the United Arab Emirates, operating in the field of Insurance, from 2011 G to present. • Director, ACWA Power Coastal Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2011 G to present. • Director, ACWA Power Inland Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2011 G to present. • Director, ACWA Power Jordon Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2011 G to present. • Director, APBP TSA company, a private company (limited by shares), established in Mauritius, operating in the field of Investments, from 2010 G to present. • Director, ACWA Power Barka Services 1, a private company, established in Mauritius, operating in the field of Investments, from 2010 G to present. • Director, ACWA Power Barka Services 2, a private company, established in Mauritius, operating in the field of Investments, from 2010 G to present. • Director, ACWA Power Global Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2010 G to present. • Director, ACWA Power International Holding (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2010 G to present.

Name	Rajit Nanda
Past Professional Experience	Rajit Nanda held a number of positions within ENGIE SA (formerly known as Suez Energy International (formerly Tractebel EGI), 1998 G to present, including the following: • Senior Vice President & Chief Financial Officer for Middle East, Asia & Africa region, Suez Energy International S.A., a limited liability company, operating in the field of Power & Utilities, from 2006 G to 2008 G. • Vice President & Senior Financial Advisor, Suez Energy Middle East LLC, a limited liability company in Dubai, operating in the field of Power & Utilities, from 2004 G to 2006 G. • Financial Advisor, Suez-Tractebel S.A., a company in Belgium, operating in the field of Power & Utilities, from 2001 G to 2003 G. • Financial Advisor, Tractebel Asia Pte, Ltd, company in Singapore, operating in the field of Power & Utilities, from 1999 G to 2001 G. • Financial Advisor, Tractebel Energy South Asia Ltd, a company in India, operating in the field of Power & Utilities, from 1998 G to 1999 G. • Manager, Industrial Finance Corporation of India (IFCI), a state owned Developmental Financial Institution in India, operating in the field of lending to industry and infrastructure, from 1994 G to1998 G.

Table (5-18): Summary Biography of Kashif Mahboob Rana

Name	Kashif Mahboob Rana
Age	45
Nationality	British
Position	Chief Financial Officer
Academic and Professional Qualification	High school diploma, Beaconhouse School, Pakistan, 1991G. Chartered Accountant, Institute of Chartered Accountants of Pakistan, Pakistan, 2001G.
Current Positions	Mr. Kashif Mahboob Rana holds a number of positions as a representative of the International Company for Water and Power Projects, including the following: • Director, ACWA Power Jordan Holdings (Jordan), a private company, established in Jordan, operating in the field of Investment, from 2020 G to present. • Director, ACWA Power Uzbekistan Wind Project Holding Company (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2020 G to present. • Director, Arabian Company for Water and Power Projects (APP), a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Energy and Water, from 2019 G to present. • Director, Sudair Holding Company (Sudair 1), a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating as a Holding Company, from 2019 G to present. • Director, ACWA Industrial Investment Company (AIICO), a limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of Manufacturing, from 2019 G to present. • Member at the audit committee, Hajr for Electricity Production company (HEPCO)-Qurayyah IPP, a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Power Generation, from 2019 G to present. • Director, KAF Holding Company, a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating as a Holding Company, from 2019 G to present. • Director, Ehyaa Renewable Company B.S.C (ASKAR Project), a closed joint stock company, established in Bahrain, operating in the field of Power and Energy, from 2019 G to present. • Director, ACWA Power Green Energy Africa Pty Limited, a private company, established in South Africa, operating in the field of Energy and Power, from 2019 G to present. • Director, ACWA Power Salalah 2 IPP Project Holding company Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2019 G to present. • Director, ACWA Power Ethiopia Project Holding Co. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2019 G to present.

Name	Kashif Mahboob Rana
Current Positions	• Director, ACWA Power Kom Ombo (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2019 G to present. • Director, ACWA Power Water Projects Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as a Holding Company, from 2019 G to present. • Chairman at the audit committee, Arabian Company for Water and Power Projects (APP), a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Energy and Water, from 2018 G to present. • Director, Alia Water Company, a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of Water Collection and Treatment, from 2018 G to present. • Director, ACWA Power Company for Power Project Management and Acquisition (APPAC), a mixed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Energy and Water, from 2018 G to present. • Director, ACWA Power Al Dur II Holding Company WLL, a limited liability company, established in Bahrain, operating as a Holding Company, from 2018 G to present. • Director, ACWA Power Community, a private company, established in South Africa, operating in the field of Energy and Power, from 2018 G to present. • Director, ACWA Power Vietnam Renewables Pte. Ltd., a private company (limited by shares), established in Singapore, operating in the field of Energy and Power, from 2018 G to present. • Director, ACWA Power FEWA Project Holding company Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Ibri Project Holding Company limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Luxor Project Holding Company Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Green Energy Company Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power Salalah Project Holding Company Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Director, ACWA Power DGC Project Holding Company Ltd. (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2018 G to present. • Chairman at the nomination and remuneration committee, ACWA Power Barka SAOG, a public joint stock company, established in Oman, operating in the field of Generation of Electricity, from 2017 G to present. • Director, ACWA Power Saudi Electricity and Dev, Company (APS), a single shareholder closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of Investment, from 2017 G to present. • Director, Oasis Power One Conventional Energy and Water Company (Oasis 1), a single shareholder mixed LLC, established in the Kingdom of Saudi Arabia, operating in the field of Repair of Power Plants, from 2017 G to present.

Name	Kashif Mahboob Rana • Director, Oasis Power Two Renewable Energy Company (Oasis 2), a single shareholder mixed LLC, established in the Kingdom of Saudi Arabia, operating in the field of Repair of Power Plants, from 2017 G to present. • Director, Shouaiba Expansion II Water Desalination Holding Company, a mixed limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of Water Distribution and Transmission, from 2017 G to present. • Director, ACWA Power Barka SAOG, a public joint stock company, established in Oman, operating in the field of Generation of Electricity, from 2017 G to present. • Member at the audit committee, ACWA Power Barka SAOG, a public joint stock company, established in Oman, operating in the field of Generation of Electricity, from 2017 G to present. • Director, ACWA Power Khanyisa Holding (Ply) Ltd, a private company, established in South Africa, operating in the field of Energy and Power, from 2017 G to present. • Director, ACWA Power Khanyis Thermal Power Station (RF) Pty Ltd, a private company, established in South Africa, operating in the field of Energy and Power, from 2017 G to present. • Director, in ACWA Power Management and Investments One, a private company Ltd. (nonregulated), established in the United Arab Emirates, operating in the field of Investment, from 2017 G to present. • Director, ACWA Power Capital Management Ltd (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating in the field of Investment, from 2017 G to present. • Director, Thermal Power Holding Company (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2017 G to present. • Director, ACWA Power Solar CSP Holding Limited (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2017 G to present. • Chairman, South Tafila Energy Holdings, a private company, established in Jordan, operating in the field of Investments, from 2017 G to present. • Director, ACWA Power Energy Africa (Pty), a private company, established in South Africa, operating in the field of Energy and Power, from 2016 G to present. • Director, ACWA Power Asia Holding Pte. Ltd, a private company (limited by shares), established in Singapore, operating in the field of Energy and Power, from 2016 G to present. • Director, ACWA Power Vietnam Pte, Ltd., a private company (limited by shares), established in Singapore, operating in the field of Energy and Power, from 2016 G to present. • Director, ACWA Power Conventional Energy (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as an Intermediate Holding Company, from 2016 G to present. • Director, ACWA Power Renewable Energy Holding (DIFC), a private company Ltd. (nonregulated), established in the United Arab Emirates, operating as a Holding Company, from 2016 G to present. • Member at the audit committee, Hassyan Energy Phase 1 P.S.C, a private closed joint stock company, established in the United Arab Emirates, operating in the field of Generation and Production of Energy, from 2016 G to present. • Director, ACWA Power Oasis 1 Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2016 G to present. • Director, ACWA Power Oasis 2 Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2016 G to present.

Name	Kashif Mahboob Rana
Current Positions	• Director, ACWA Oasis Three-FZ-LLC Ltd., a zone free LLC, established in the United Arab Emirates, operating in the field of Investments, from 2016 G to present. • Member at the audit committee, ACWA Güç Işletme Ve Yönetim Sanayi Ve Ticaret Anonim Şirketi, a closed joint stock company, established in Turkey, operating in the field of Power, from 2015 G to present. • Chairman, ACWA Power Egypt for Energy, a joint stock company, established in Egypt, operating in the field of Maintenance of Power Plants, from 2015G to present. • Chairman, ACWA Gharib One for Energy, a joint stock company, established in Egypt, operating in the field of Construction of Power Plants, from 2015G to present. • Chairman, ACWA Gharib Two for Energy, a joint stock company, established in Egypt, operating in the field of Construction of Power Plants, from 2015G to present. • Member at the Commercial Risk Management Committee (CRMC), ACWA Güç Işletme Ve Yönetim Sanayi Ve Ticaret Anonim Şirketi, a closed joint stock company, established in Turkey, operating in the field of Power, from 2015 G to present. • Director, ACWA Power General Holdings 1 Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2015 G to present. • Director, ACWA Power Energy Holding Ltd. (JAFZA), an LLC, established in the United Arab Emirates, operating in the feld of Investments, from 2015 G to present. • Director, ACWA Power Bokpoort Holding, a private company, established in South Africa, operating in the field of Energy and Power, from 2014 G to present. • Director, Projects Acquisition Company (PAC), a limited liability company, established in the Kingdom of Saudi Arabia, specialises in developing, etc of gen plants, from 2013 G to present.
Current Positions	• Director, Rabigh Project Company, a limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of power and water, from 2013 G to present. • Director, ACWA Power Global Service (DIFC), a private company Ltd. (non-regulated), established in the United Arab Emirates, operating as a holding company, from 2013 G to present. • Chief Financial Officer, International Company for Water and Power Projects, a closed joint stock company, operating in the field of Power, 2013 G to present. • Director, ACWA Power Africa Holding (APAH), a private company, established in South Africa, operating in the field of Energy and Power, from 2012 G to present. • Director, ACWA Power Moatize Holding Ltd. (JAFZA), an offshore company LLC, established in the United Arab Emirates, operating in the field of Investments, from 2012 G to present. • Director, ACWA Power Plovdic Holdings (JAFZA), an offshore company LLC, established in the United Arab Emirates, operating in the field of Investments, from 2012 G to present. • Director, ACWA Power Bahrain Holding WLL, a limited liability company, established in Bahrain, operating in the field of Investments, from 2012 G to present. • Director, ACWA Power Kirikalle Holding WLL, a limited liability company established in Bahrain, operating in the field of Investments, from 2012 G to present. • Chairman, ACWA Power Reinsurance (DIFC), a private company Ltd. (regulated), established in the United Arab Emirates, operating in the field of Insurance, from 2011 G to present. • Director, ACWA Power Coastal Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2011 G to present. • Director, ACWA Power Inland Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2011 G to present. • Director, ACWA Power Jordon Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2011 G to present. • Director, APBP TSA Company, a private company (limited by shares), established in Mauritius, operating in the field of Investment, from 2010 G to present. • Director, ACWA Power Barka Service 1, a private company, established in Mauritius, operating in the field of Investment, from 2010 G to present. • Director, ACWA Power Barka Service 2, a private company, established in Mauritius, operating in the field of Investment, from 2010 G to present. • Director, ACWA Power Global Holdings (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2010 G to present. • Director, ACWA Power International Holding (JAFZA), an LLC, established in the United Arab Emirates, operating in the field of Investments, from 2010 G to present. • Director Project Finance, Middle East and Asia, Aqualying Holdings Dubai, a Norwegian limited liability company, with headquarter in Norway, operating in the field of developing and operating desalination plants, from July 2008G to present.

Name	Kashif Mahboob Rana
Past Professional Experience	• Chief Financial Officer, Middle East South Asia (Dubai), AES Corporation, a publicly listed company, headquartered in the US, specialises in generating and distributing electrical power and serving over millions of people worldwide, from May 2007G to June 2008G. • Chief Financial Officer, AES Jordan (Jordan), a subsidiary of AES Corporation, a publicly listed company, headquartered in the US, specialises in generating and distributing electrical power and serving over millions of people worldwide, from May 2006G to April 2007G. • Regional Finance Manager, Europe Middle East Africa (Dubai), AES Corporation, a publicly listed company, headquartered in the US, specialises in generating and distributing electrical, from May 2005G to April 2006G. • Group Accounting Manager, Middle East (Dubai), AES Corporation, a publicly listed company, headquartered in the US, specialises in generating and distributing electrical power, from April 2001G to April 2005G. • Financial Accountant, in AES Pakistan (Pakistan), AES Corporation, a publicly listed company, headquartered in the US, specialises in generating and distributing electrical power, from January 2001G to May 2001G. • Audit Supervisor in Deloitte & Touche (formerly Deloitte), Pakistan, a private company limited by guarantee, specialises in providing audit and assurance, tax, consulting, and risk and financial advisory services to a broad cross-section of the largest corporations and governmental agencies, from June 1996G to May 2000G.

Table (5-19): Summary Biography of Julio Torre-Gutierrez

Name	Julio Torre Gutierrez
Age	56 years
Nationality	Spanish
Position	The Company's Chief Operation and Maintenance Officer, and CEO of NOMAC
Academic and Professional Qualification	Bachelor of Science in Nuclear Engineering, North Carolina State University, USA, 1985G.

Name	Julio Torre Gutierrez
Current Positions	• Chairman, NOMAC Saudi Arabia, a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of operation and maintenance of power plants and water desalination plants, from 2020G to present. • Chairman, Arabian Efficiency Company for Operation and Maintenance Company Ltd, a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of operation and maintenance of power plants and water desalination plants, from 2020G to present. • Chairman, First National Operation and Maintenance Company, a limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of operation and maintenance of power plants, from 2020G to present. • Director, First National Holding Company, Individual Limited Company Dubai Branch, a Branch of a single shareholder limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants, from 2020G to present. • Director, NOMAC Vietnam Company LLC, a limited liability stock company, established in Vietnam, operating in the field of operation and maintenance of power plants, from 2020G to present. • Director, NOMAC PV Phase V LLC, a limited liability stock company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants, from 2020G to present. • Director, NOMAC Energy Services, owned by NOMAC single shareholder Company, Abu Dhabi 1 branch, established in the United Arab Emirates, a representative office of First National Holding Company, from 2019G to present. • Director, NOMAC Taweelah Water Desalination Services LLC, a limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of water desalination plants, from 2019G to present. • Director, NOMAC Water Desalination Services LLC, a limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of water desalination plants, from 2019G to present. • Director, NOMAC Energy Services OPC LLC, a single shareholder limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants, from 2018G to present. • Director, NOMAC Al Dur Power and Water Services WLL, a limited liability company, established in Bahrain, operating in the field of operation and maintenance of power plants, from 2018G to present. • Director, Veolia First National Water Services Company, a limited liability company, established in Oman, operating in the field of operation and maintenance of power plants and water desalination plants, from 2017G to present. • Director, NOMAC Africa Solar Services, a limited company, established in South Africa, operating in the field of operation and maintenance of power plants, from 2017G to present. • Chairman, in NOMAC Ouarzazate IV SA, a joint stock company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2016G to present. • Chairman, NOMAC Laayoune SA, a joint stock company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2016G to present. • Chairman, NOMAC Boujdour SA, a joint stock company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2016G to present. • Chairman, Renewables Energies for Morocco, a joint stock company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2016G to present.

Name	Julio Torre Gutierrez
Current Positions	• Director, NOMAC Gulf Operation and Maintenance LLC, a limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants and water desalination plants, from 2016G to present. • Director, NOMAC Gulf CPS Tower Energy LLC, a limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants, from 2016G to present. • Director, NOMAC IAE Redstone Pty Ltd., a limited liability company, established in South Africa, operating in the field of operation and maintenance of power plants, from 2016G to present. • Director, NOMAC Benban Egypt For Solar Energy Sale, a joint stock company, established in Egypt, operating in the field of operation and maintenance of power plants, from 2016G to present. • Chairman of the Supervisory Board, NOMAC Ouarzazate II SA, a joint stock company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2015G to present. • Chairman of the Supervisory Board, NOMAC Ouarzazate III SA, a joint stock company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2015G to present. • Chairman and Senior Executive, NOMAC Ltd., a limited company, established in the United Arab Emirates, operating as a holding company, from 2015G to present. • Director, Rabigh Operation and Maintenance Company Ltd., a limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director at the board in Rabigh Power Company Ltd., a limited liability company, established in the Kingdom of Saudi Arabia, operating in the field of operation and maintenance of power plants and water desalination plants, from 2015G to present. • Director, NOMAC Gulf Solar Energy LLC, a limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, NOMAC Gulf Coal Energy LLC, a limited liability company, established in the United Arab Emirates, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, NOMAC Sahara, a limited liability company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, NOMAC Atlantic, a limited liability company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, NOMAC Solis Ltd., a limited company, established in the Republic of South Africa, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, ACWA Power Khanyisa, established in the Republic of South Africa, a limited company, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, NOMAC Egypt Energy Sae, a joint stock company, established in Egypt, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, NOMAC Nile Energy Sae, a joint stock company, established in Egypt, operating in the field of operation and maintenance of power plants, from 2015G to present. • Director, First National Company for Operation and Maintenance Services LLC, a limited liability company, established in Oman, operating in the field of operation and maintenance of power plants and water desalination plants, from 2014G to present. • Director, NOMAC Maroc, a limited liability company, established in Morocco, operating in the field of operation and maintenance of power plants, from 2013G to present.

Name	Julio Torre Gutierrez
Current Positions	• Director, NOMAC Africa Holding Ltd., a limited company, established in the Republic of South Africa, operating as a holding, from 2013G to present. • Director, NOMAC IAE Bokpoort, a limited company, established in South Africa, operating in the field of operation and maintenance of power plants, from 2013G to present. • Director, NOMAC Bulgaria EAD, a single owned joint stock company, established in Bulgaria, operating in the field of operation and maintenance of power plants, from 2012G to present. • Director, Nomac Enerji Üretim Işletme Ve Bakim Hizmetleri Limited Şirketi, a limited liability company, established in Turkey, operating in the field of operation and maintenance of power plants, from 2012G to present. • President and Chief Executive Officer, in NOMAC, a closed joint stock company, established in the Kingdom of Saudi Arabia, operating in the field of operation and maintenance, from June 2009 to present. • Chief Operations and Maintenance Officer, International Water and Power Company (ACWA Power), a closed joint stock company, operates in the field of energy, from June 2009 to Present.
Past Professional Experience	• Vice-president, Business Operations in Duke Energy International, United States, a limited liability company, operating in the field of energy services, from 2007G to 2009G. • Director, Power Marketing and Sales in Duke Energy International, United States, a limited liability company, operating in the field of energy services, from 2003G to 2007G. • Manager, Business Development in Duke Energy International, United States, a limited liability company, operating in the field of energy services, from 1999G to 2003G. • Senior Engineer, Duke Energy Engineering and Services, a corporation in the United States, operating in the field of energy services, from 1993G to 1999G. • Performance Engineer, Duke Energy Power, United States, a limited liability company, operating in the field of energy services, from 1988G to 1993G. • Licensing Engineer, Duke Energy Power, United States, a limited liability company, operating in the field of energy services, from 1985 G to 1988 G.

Table (5-20): Summary Biography of Alvaro Perez Uz

Name	Alvaro Perez Uz
Age	50
Nationality	Spanish
Position	Chief Digital Officer
Academic and Professional Qualification	Bachelor in Economic Science, Complutense University Madrid Spain, 1992G. Bachelor in Business Administration, Complutense University Madrid Spain, 1992G. Master econometrics, Complutense University Madrid Spain, 1992G. Senior Management Program, INALDE /IPADE, (IESE Business School associated), INALDE Business School Bogota Colombia, IPADE Business School Mexico DF Mexico, 2003 G. LEEP Executive Program, Harvard Business School, Cambridge Massachusetts, USA, 2011 G.
Current Positions	• Chief Digital Officer, International Water and Power Company (ACWA Power), a closed joint stock company operating in the power sector, from September 2020G to present.

Name	Alvaro Perez Uz
Past Professional Experience	• Chief Information Office, ENDESA X, a joint stock company, operating in value added energy services field, from 2018G to 2020G. • Senior Vice President, ENEL INTERNATIONAL, a joint stock company, operating in utilities, iberia & latam corporate solutions field, from 2012G to 2013G. • Senior Vice President, ENEL, a joint stock company, operating in utilities, iberia & latam corporate solutions, from 2012 G to 2013 G. • Senior Vice President, ENDESA, a joint stock company, operating in utilities, iberia & latam distribution & retail solutions field, from 2010G to 2012G. • Board Director, SADIEL, a joint stock company, operating in the Information Technology field, 2010G to 2011G. • CCO, EMGESA, a joint stock company, operating in utilities, iberia & latam corporate solutions, from 2006G to 2007G. • Board Director, ACOLGEN, a joint stock company, operating in power generation association field, from 2006G 2017G. • Board Director, CAM, a limited liability company operating in operation and maintenance energy services field, from 2003G 2006G. • Board Director, DIPREL, a limited liability company, operating in procurement services, logistics & supply chai management field, from 2003G to 2006G. • Chairman Board Director, ENERSIS Energy, a limited liability company operating in energy retail services field, 2003G to 2006G. • CEO, ENERSIS ENERGY IT SERVICES, a stock corporation, operating in Information Technology filed, 2001G to 2006G. • Board Director, TIVIT, a stock corporation, operating in the information technology field, 2000G to 2003G.

Table (5-21): Summary Biography of Yara Mohammad Taher Anabtawi

Name	Yara Mohammad Taher Anabtawi
Age	50
Nationality	Saudi
Position	Chief of People, Culture and Communications Officer.
Academic and Professional Qualification	Executive Certificate in International Management, Thunderbird University, Arizona, USA in 2010G. Masters' Degree in Business and Systems Management, The Florida Institute of Technology, Florida, USA in 2007G. Post Graduate Certificate of Education (PGCE), Sunderland University, Sunderland, UK in 2003G. B.S. Management Information Systems, Brigham Young University, Utah, USA in 1994G.
Current Positions	• Chief of Human Resource, Culture and Communications, International Water and Power Company (ACWA Power), a closed joint stock company operating in the power sector, from 2020G to present (and acting position in the same role since June 2019G).

Name	Yara Mohammad Taher Anabtawi
Past Professional Experience	• Chairman, ACWA Benban One for Energy, a joint stock company, operating in the field of Power (Construction of power plant), in Egypt, from 2019 G to August 2020 G. • Chairman, ACWA Shams for Energy, a Joint Stock Company, operating in the field of Power (Construction of power plant), in Egypt, from 2019 G to August 2020 G. • Chairman, Alcom Energy, a Joint Stock Company, operating in the field of Power (Construction of power plant), in Egypt, from 2019 G to August 2020. • Chairman, TSK for Solar and Renewable Energy Systems, a Joint Stock Company, operating in the field of Power (Construction of power plant), in Egypt, from 2019G to August 2020G. • Member of the Executive Committee, Central Electricity Generating Company (CEGCO), a Public Joint Stock Company, operating in the field of Power (Generation of electricity), in Jordan, from 2017G to October 2020G. • Member in the Corporate Social Responsibility (CSR) Committee, Central Electricity Generating Co. (CEGCO), a listed joint stock company, operating in the field of power (Generation of electricity), in Jordan, from 2017G to October 2020G. • Head of Transformation, International Water and Power Company (ACWA Power), a closed joint stock company operating in the power sector, from 2017G to 2020G. • Member of the Commercial Social Responsibility Committee, Hassyan Energy Phase 1 PSC, a private closed joint stock company in UAE, operating in the power generation and production sector, from 2016G to 2019G. • Executive Director, Operational Planning and Strategy Department, International Water and Power Company (ACWA Power), a closed joint stock company operating in the power sector, 2015 G to 2020G. • Board Member and Chaired the Executive Committee, Higher Institute for Water & Power Technologies, a non-profit organization in Saudi Arabia, operating to support companies in recruiting an efficient workforce, the fourth quarter of 2013G to 2019G. • Director of Business Development and Renewables, International Water and Power Company (ACWA Power), a closed joint stock company operating in the power sector, 2012G to 2015G. • Managing Director, WorldCare for Special Education, a limited liability company, operating in the field of Education, Saudi Arabia, 2011G to 2012G. • Executive Vice President, PARISii Holding LLC, a Limited Liability Company in Newport, Rhode Island, USA, operating in the field of private equity, 2009G to 2011G. • Managing Partner and COO, BMG Financial Group, a closed joint stock company, operating in the field of investment banking, in Jeddah, Saudi Arabia, 2006G to 2012G. • Head of IT, The British International School of Jeddah, Saudi Arabia, a private community school operating in the field of Education, 1999G to 2006G. • Systems Engineer, Electronic Data Systems Corp., a joint stock company, operating in the field of information technology and services in EDS, Michigan, USA, 1995G to 1998G.

Table (5-22): Summary Biography of Ghassan Hosni Shawli

Name	Ghassan Hosni Shawli
Age	43
Nationality	Saudi
Position	Chief Legal Officer
Academic and Professional Qualification	PhD in Law, Northwestern University, Lewis & Clark College, USA, 2006G. Bachelors in Chemical Engineering, University of Alabama, USA, 2000G.
Current Positions	• Holds no current positions
Past Professional Experience	• Chief legal officer, Diriyah Gate Development Authority, a governmental entity, operating in the filed of urban development, culture and tourism, from 2020G to 2021G. • Director and Member of the Audit Committee, Aircraft Accessories and Components Company, a limited liability company operating in the field of aircraft equipment maintenance and supply, from 2017G to 2020G. • General Manager for Legal Affairs Assistant, the General Organization for the Saudi Arabian Airlines, a public institution operating in the field of aviation industry and its subsidiaries, from 2017G to 2020G. • General legal advisor, Aramco, a listed joint stock company operating in the field of energy, from 2016G to 2017G. • General legal advisor and secretary of the board of directors, Aramco Asia Companies Group (China, Japan, Singapore, South Korea, India), international companies with different legal entities operating in the field marketing and logistics services, from 2014G to 2016G. • Secretary of the Board of Directors, Rabigh Refining and Petrochemical Company (Petro Rabigh), a listed joint stock company, operating in the field of energy, from 2011G to 2014G. • Legal advisor, Aramco, a listed joint stock company, operating in the field of energy, from 2007G to 2014G.

Table (5-23): Summary Biography of Bart Boesmans

Name	Bart Boesmans
Age	57
Nationality	Belgian
Position	Chief Technology Officer
Academic and Professional Qualification	PhD in Mechanical Engineering with Honors, Catholic University of Leuven, Belgium, 1994G. Master's Degree in Electro-mechanical Engineering (Energy Transformation), Catholic University of Leuven, Belgium, 1987G.
Current Positions	• A founding Member, World Energy Council, a non-profit organization in Belgium, operating in the field of energy, from 2014G to present. • Visiting Professor, Catholic University of Leuven, a university operating in the field of education, from 2014G to present.

Name	Bart Boesmans
Past Professional Experience	• Deputy Managing Director, Global Renewable Energy Business Unit at ENGI S.A., a multinational company operating in the field of energy, from 2019G to 2020G. • Non-executive Director in ENGIE Services Maroc, a limited liability company affiliated to the ENGIE group of companies, operating in the field of services and energy, from 2019G to 2019G. • Non-executive Director, Ras Gharib Wind Energy Company, a limited liability company affiliated to the ENGIE group of companies, operating in the field of energy, from 2018G to 2019G. • Non-Executive Director and Chairman, Tarfaya Energy Company, a limited liability company, operating in the field of energy, from 2016G to 2019G. • Non-Executive Director, Avon Baking Power comapny, a limited liability company, operating in the field of energy, from 2016G to 2019G. • Non-Executive Director, Didessa Baking Power Company, a limited liability company, operating in the field of energy, from 2016G to 2019G. • Non-Executive Director, Aurora company, a limited liability company, operating in the field of energy, from 2016G to 2019G. • Non-Executive Director, Lyrol company, a limited liability company operating in the field of energy sector, from 2016G to 2019G. • Head of Strategy, Technology and Performance, Africa Business Unit at Engie S. A., a multinational company. operating in the field of energy, from 2016G to 2019G. • Non-executive director, Engie Romania, a limited liability company affiliated to the ENGIE Group of companies, operating in the field energy and services, from 2015G to 2016G. • Member of the Supervisory Board, Engie Deutschland, a limited liability company affiliated with the ENGIE group of companies, operating in the field of energy and services, from 2015G to 2016G. • Non-executive director, Les Eolienne en Mer, a limited liability company operating in the field of energy, from 2015G to 2016G. • Senior Vice President of Operations and Senior Deputy, Benelux, Germany and Eastern Europe in the European Energy Branch of the Global Renewable Energy Business Unit at ENGIE S. A, a multinational company operating in the field of energy, from 2014G to 2015G. • Deputy Director of Research and Innovation, GDF Swiss, a limited liability company, operating in the field of energy sector, from 2013 G to 2014G. • Managing Director, Laborelec Company, a limited liability company affiliated to the ENGIE group of companies, operating in the field of energy, from 2008G to 2014G. • Deputy Director of Energy and Industrial Solutions, Tractebel Engineering, a limited liability company, operating in the filed of engineering, from 2007G to 2008G. • Director of Key Accounts and Strategies, Tractebel Engineering, a limited liability company, operating in the field of engineering, from 2006G to 2007G. • Director of Key Accounts, Tractebel Engineering, a limited liability company, operating in the field of engineering, from 2006G to 2007G. • Various positions in Operations Management, Tractebel Engineering, a limited liability company, operating in the field of engineering, from 2001G to 2006G. • Project Manager, Tractebel Engineering, a limited liability company, operating in the field of engineering, from 1999G to 2004G. • Director of Projects Development, Electrapel Company, a limited liability company, operating in the field of energy, from 1997G to 1999G. • Technical Expert, Tractebel Engineering, a limited liability company, operating in the filed of engineering, from 1995G to 1997G. • Research assistant, Catholic University of Leuven, a university operating in the field of education, from 1988G to 1994G.

Table (5-24): Summary Biography of Furqan Ahmed Kamlani

Name	Furqan Ahmed Kamlani
Age	47
Nationality	Pakistan
Position	Executive Vice President - Internal Audit
Academic and Professional Qualification	Bachelor's degree in commerce, University of Karachi, Pakistan, in 1994G. Fellowship of Chartered Accountants, Institute of Chartered Accountants, Pakistan, in 1998G. American Internal Auditors Fellowship, Institute of Certified Internal Auditors, the United States of America, in 2000G
Current Positions	• No other current positions
Past Professional Experience	• Auditor in the aviation management sector, Emirates, a holding company owned by the government of the United Arab Emirates, from 1998G to 1999G. • Accounts analyst in the aviation management sector, Emirates, a holding company owned by the government of the United Arab Emirates, from 1999G to 2000G. • Manger of General Administration and Financial Management in the aviation management sector, Pakistan branch of the Emirates, a holding company owned by the government of the United Arab Emirates, from 2001G to 2005G. • Regional Manager of Internal Audit in the Aviation Management Sector, Emirates, a holding company owned by the government of the United Arab Emirates, from 2005G to 2007G. • Audit Manager - Head of the audit department for audit activities in the aviation management sector, Emirates, a holding company owned by the government of the United Arab Emirates, from 2007G to 2016G. • Head of audit and risk in the aviation management engineering sector, Saudia Aerospace Engineering Industries, a closed joint stock company and one of the subsidiaries of Saudi Arabian Airlines, from 2016G to 2019G.

5-3 Responsibilities of the Board of Directors

The responsibilities of the Board members, Chairman and Secretary include the following:

5-3-1 Responsibilities of the Board of Directors

Subject to the powers reserved for the General Assembly, the Board shall have the widest authority in managing the affairs and businesses of the Company inside and outside the Kingdom of Saudi Arabia. In accordance with the Company's Bylaws, the Board of Directors is vested with the fullest powers to govern the company on a day-to-day basis. The responsibilities of the Board of Directors can be summarised as follows:

The Board may, among other things, represent the Company in its relations with third parties, governmental and private authorities, labour offices, civil rights offices, police centres, Chambers of Commerce and Industry, notary public, private bodies, companies and establishments of all kinds.

The Board of Directors shall determine the powers to be delegated to the Senior Executives and procedures for taking any action and the validity of such delegation. It shall also determine matters reserved for decision by the Board of Directors. The Senior Executives shall submit to the Board of Directors periodic reports on the exercise of the delegated powers.

The Board of Directors assume all the necessary powers for the Company's management. The ultimate responsibility for the Company rests with the Board even if it sets up committees or delegates some of its powers to a third party.

The Board is entitled to contract in the name and on behalf of the Company, bind the same, and enter into tenders, make agreements with third parties to form consortiums to apply for projects and to perform all works and actions and to sign all types of contracts, documents and instruments, including but not limited to, articles of association of companies in which the Company participates, with all its amendments, appendices, amendment resolutions, purchasing or selling its shares for the benefit of the Company, naming the company representatives in the assemblies of partners and shareholders of these companies and to sign agreements and deeds before the notary public and official authorities in addition to loan agreements, guarantees, securities, mortgages and releases thereof, collection of amounts accrued to the Company and to pay its obligations, to sign guarantees in the name of the Company to guarantee third parties or companies in which the

Company is a shareholder, and issue financial and performance bonds, issue powers of attorney on behalf of the Company, sale and purchase, receive and handover, lease and rent, collect and pay, open, manage and close accounts, open credits, withdraw and deposit at banks, issue guarantees to banks, funds and government supply institutions, to issue and sign all papers, documents, cheques, promissory notes and bills, all bank transactions, and financial derivatives contracts in favor of the Company or the companies in which the Company is a shareholder.

The Board may sell real estate and other properties owned by the Company, provided that the minutes of the Board resolution and the basis of its decision must consider the following conditions:

1. the Board shall determine the reasons and justifications for the decision to sell;
2. the sale shall be similar to the standard market price;
3. the sale shall not be deferred except in the cases determined by the Board with sufficient guarantees; and
4. the sale should not hinder the Company's activities to stop or burden the Company with other obligations.

The Board may also secure loans from governmental financial institutions and commercial and non-commercial entities and present the necessary security irrespective of the tenor of these loans provided that the tenor shall not exceed the Company's term.

The Board may provide financial support to any of the Company Subsidiaries, and may guarantee its obligations under any credit facilities which any such Subsidiary may obtain and waive the priority of loan payment.

The Board may, within the limits of its competence, delegate any of its powers to any of its members, to a third party or authorize one or more of its members or a third party to take an action or conduct certain work, to appoint and dismiss agents, to issue powers of attorney and to appoint and dismiss legal counsel.

The Board may, at its discretion, release the Company's debtors of their obligations towards the Company provided that it would be in the best interests of the Company.

Further, the By-Laws do not grant any Director or Senior Executive the right to borrow from the Company, noting that Article 73 of the Companies Law prohibits the Company from granting loans to its Directors.

5-3-2 Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board shall have the power to represent the Company in its relations with third parties, before judiciary, government authorities, notary public, courts, dispute settlement committees of different kinds, arbitration bodies, civil rights, police centers, chambers of commerce and industry, private bodies, companies and different kinds of institutions, issue powers of attorney before the notary public, appoint agents and lawyers and oust them, plead, dispute, reconcile, admission, arbitration, accept and challenge judgments on behalf of the Company.

The Chairman of the Board or whom he delegates from among the Board members or others shall have the power to jointly or severally to sign all kinds of contracts, documents and instruments including without limitation the articles of associations of companies where the Company is a partner together with all amendments and appendices and to sign agreements, before the notary public and official authorities, collection of Company accrued amounts and pay Company's obligations, receive and hand rent over, rent, lease, receive and pay, enter tenders upon the Board and/ or the Senior Executives Committee approval (as the case may be) where the Company enters individually or with other consortiums, open and manage accounts and credits, withdraw, deposit and close accounts, issue promissory notes, cheques, bonds and warranties, appoints employees, contract with them, determine their salaries and terminate their service, apply for visas and recruit employees and laborers from abroad. Issue residence permits, labor licenses, transfer sponsorship and surrender of sponsorship. Each of them may delegate and authorize others within the limits of their competence to take action or certain disposition or to do certain work or works.

The Board may also grant the Chairman other powers pursuant to an independent Board resolution. Pursuant to a Board resolution dated 26 August 2019G, the Board granted the Chairman wide authorities to represent the Company before public and private entities, including the authority to sign and issue indemnities, undertakings and guarantees on behalf of the Company and its subsidiaries, enter into tenders (including with consortiums), open bank accounts and appoint authorized signatories, enter into and sign loan/financing agreements, guarantees, suretyship and mortgages, sale and purchase of assets, appoint representatives of the Company at shareholder meetings of subsidiaries and sign on behalf of the Company on shareholder resolutions in subsidiaries and to prepare and approve internal regulations and policies.

5-3-3 Responsibilities of the Vice Chairman of the Board of Directors

The Vice Chairman shall replace the Chairman in the Chairman's absence. The Board may also grant the Vice Chairman other powers and responsibilities and determine his or her remuneration pursuant to a Board resolution.

5-3-4 Responsibilities of the Secretary of the Board of Directors

Pursuant to the Bylaws, the Secretary of the Board has the authority to record the minutes of the Board meetings, to record and retain the resolutions issued in these meetings, in addition to exercising the other functions assigned to him or her by the Board, and the Board shall determine the remuneration of the Secretary of the Board. The Corporate Governance Manual also specifies additional responsibilities for the Secretary of the Board in accordance with the Corporate Governance Regulation, which includes the following:

- Documenting Board meetings and preparing minutes therefor;
- Retaining the reports submitted to and prepared by the Board;
- Providing Board members with the agenda of the Board meeting and related worksheets, documents and any additional information, related to the topics included in the agenda items, requested by any Board member;
- Ensuring that the Board members comply with the procedures approved by the Board;
- Notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting;
- Presenting the draft minutes to the Board members to provide their opinions on them before signing the same;
- Ensuring that the Board members receive, fully and promptly, a copy of the minutes of the Board's meetings as well as the information and documents related to the Company; and
- Providing assistance and advice to the Board members.

5-3-5 Responsibilities of the Chief Executive Officer

The Chief Executive Officer is responsible for the financial and operational performance of the Company in general, the development and implementation of the Company's strategy, and the implementation of the Company's Board approved annual business plan. The Chief Executive Officer directly reports to the Company's Board of Directors. The Board may grant the Chief Executive Officer other powers and responsibilities and determine his remuneration pursuant to a Board resolution. Please refer to Section (5-4-2) (**"Senior Executives"**) for a summary of the Chief Executive Officer's employment agreement with the Company.

5-4 Service Agreements

5-4-1 Directors

None of the Directors have entered into service agreements with the Company other than Thamer Saud Esmail Al Sharhan. The principal terms of his service agreement are summarised in the table below:

Table (5-25): Summary of the Service Agreement with Thamer Saud Esmail Al Sharhan

Thamer Al Sharhan	
Date of execution	25/10/1441H (corresponding to 17 June 2020G).
Date of original appointment	Date of appointment as a member of the Board: 30 July 2020G Effective date of the service agreement: 01 September 2020G
Term	Two years as of 13/01/1442H (corresponding to 01 September 2020G), renewed for further period(s) subject to the approval of the Company's General Assembly and the consent of Mr. Thamer Saud Esmail Al Sharhan, unless the Company or Mr. Thamer Saud Esmail Al Sharhan elects to terminate the agreement.

Thamer Al Sharhan	
Duties and responsibilities	**The Services:** • to attend all scheduled Board of Directors meetings as notified from time to time; • to participate in the discussion of the Board of Directors agenda matters and to provide his professional opinion in the issues in question; • to prepare and to provide any required researches, opinions and/or reports upon the request of the Board of Directors, the President and CEO or the Chairman of the Board of Directors; • to serve as the Vice Chairman of the Board of Directors and support the Chairman as and when required; • to serve as the Chairman of the Nomination and Remuneration Committee and to be in charge of the succession planning, total reward, Saudization and culture within the scope of the Nomination and Remuneration Committee chairman role defined in Nomination and Remuneration Committee charter; and • KPIs for Vice Chairman role and performance to be determined and agreed with the Nomination and Remuneration Committee and the Chairman of the Board of Directors on a yearly basis. **The Additional Services:** • to act as a board member in Jizan project representing the Company, oversee successful launching of Jizan Project (in coordination with the Chairman and the CEO of the Company; • to put in place the relevant strategies in the Kingdom of Saudi Arabia in coordination with the Board, the Chairman or management; • to support the Chairman on government to government assignment in relation to the following stronghold countries (Saudi Arabia, Jordan, Oman, Bahrain, Kuwait and Egypt); • to coordinate with stakeholders in of the following stronghold countries (Saudi Arabia, Jordan, Oman, Bahrain, Kuwait and Egypt) in coordination with the Chairman and management upon request from the Company's regional directors or Management Committee, attend meetings with stakeholders in those countries; • to attend high level meetings for projects under execution when required by the Chairman or Management Committee; • to conduct visits as Vice Chairman to projects in support of project teams, and in coordination with Portfolio Management Head, upon invitation from the Company's Management Committee, attend Regional Business Review Meetings, Management Committee or Management Investment Committee meetings as an observer; • to be an ambassador of the Company at all relevant forums in coordination with the CEO and the relevant N-1 leadership (i.e. reports directly to the CEO); and • to undertake any other further additional assignments the Chairman, the Board and the Company management may assign to him from time to time.

Thamer Al Sharhan	
Remuneration	• First -Class round-trip ticket for all business related travel; • A weekly return (2 way) flight ticket from Dammam to Riyadh and vice versa; • Transportation expenses, communication (mobile) and other travel expenses shall be immediately reimbursed upon submission of supporting invoices; • Medical insurance coverage for him, his spouse and children under the age of 21 years shall be provided pursuant to the Company's medical insurance policy; • Life insurance coverage pursuant to the Company life insurance policy; • Accommodation will be provided by the Company in Riyadh, and a five Star hotel accommodation when meetings are held in other cities, and car and driver will be provided by the Company in Riyadh; • Monthly sum of SAR 333,731 against the Additional Services; • Annual sum of SAR 500,000 against his role at the Board and the Board committees, which shall be paid monthly on pro-rata basis; • A discretionary annual bonus, subject to the Nomination and Remuneration Committee recommendations and based on the achievement of the annual set KPIs, on the basis of the same multiple that CEO is eligible for (he is eligible to receive the discretionary bonus of the year 2020G in Q1 2021G); • A success fee with potential maximum of SAR 2,406,466, by the end of December 2021G, based on achievement of the agreed KPIs, and subject to the Nomination and Remuneration Committee and the Chairman's evaluation, and for any further periods beyond December 2021G, such success fees shall be calculated and paid in pro rata basis; and • An IPO Grant value, in cash, equivalent to the cash and shares entitled and received by the Company's CEO under the IPO Grant plan, upon successfully listing the Company's shares in Tadawul.

5-4-2 Senior Executives

Set out below is a summary of the principal terms of the employment agreements entered into with the Senior Executives:

Table (5-26): Summary of the Employment Agreement with Suntharesan Padmanathan

Suntharesan Padmanathan	
Title	President & Chief Executive Officer
Date of appointment	27/7/1426H (corresponding to 1 September 2005G)
Term	One year renewed automatically.

Suntharesan Padmanathan	
Duties and responsibilities	**Strategy Formulation:** As the leader of the executive team, the CEO directs and participates in the development and refinement of the vision and strategy for the Company and its projects in line with stipulations of the Board. The CEO guides the overall process of management and corporate decision-making to ensure the organization maximizes its short, medium and long-term returns to its shareholders. **Market Awareness:** Maintains a thorough awareness of economic and market conditions in Saudi Arabia and the region for water and power development to allow informed decision-making concerning the Company's overall business strategy. Lead efforts to recognize the commitments nations have made to decarbonize power generation, but also continue to respond to the need to reliably deliver power at the lowest possible cost by continuing to show leadership in challenging cost scenarios and steering towards renewable energy. **Organization Climate and Culture:** Creates a healthy and enabling organizational climate and culture, so that an environment exists where all Company employees are engaged and able to perform to their full potential and thus maximize overall business performance. **Organisation Structure:** Ensure the existing governance model and organisation structure is fit for purpose and is lean enough to adapt to changes that the company may face. **Board of Directors:** Maintains ongoing dialogue with the Board so that the Company's strategic direction is consistent with the expectations of the Board. **Stakeholders:** Promotes a favorable image to all external stakeholders so that the Company is viewed as a diligent, customer-focused, innovative and trusted institution. **Leadership:** Provides leadership, strategic direction and management expertise in order to achieve high performance standards and staff pride in performance and contribution. Liaises with internal and external parties - at the highest levels needed - to grow, support and bolster the flow of business. Champions and directs the process of effective manpower planning for all functions including recruiting, training, developing and enhancing capabilities of staff; adopting and implementing relevant HR best practices and ensuring a high level of employee engagement and motivated work environment. **Business Relationships:** Develops and maintains an extensive professional network with the management of EPC Contractor companies, technical advisers, consultants, banks, financial institutions, etc.... to keep abreast of developments and facilitate the execution of company business.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-27): Summary of the Service Agreement with Kashif Mahboob Rana

Kashif Rana	
Title	Chief Financial Officer
Date of appointment	15/1/1430H (corresponding to 12 January 2009G)
Term	One year renewed automatically.

Kashif Rana	
Duties and responsibilities	**Strategy Formulation:** As a member of the executive team, the CFO participates and contributes to the development and refinement of the vision and strategy for the Company and its projects, and contributes to the overall process of management and corporate decision making to ensure the organization maximizes its short, medium and long-term returns to its shareholders. **Accounting and Corporate Planning:** Finalizes and signs-off on short and long-term budgets for the Company and its subsidiaries. Regularly reviews and tracks financial performance, sets and monitors performance standards and KPIs for the Group. Regularly reviews and approves the Company's and Group's consolidated financial statements. **Treasury, Strategic Planning:** Creates long-term business plan and cash flow requirement identifying financing needs, leads equity raisings at the Company, optimizes cash management, identifies and leads interest rate/FX hedging, develops and identifies intrinsic valuation of the Company. Directs and manages the effective execution of investment activities. Manages FX and interest rate exposure. **Taxation, Insurance and Risk Management:** Ensures compliance with all relevant tax regulations and laws and that filings of all necessary tax/other statutory returns for Saudi/UAE and other foreign locations are as per requirements. Sign off on the tax assumptions underpinning the investment decisions of the Group. Ensures all insurances required to protect the Company's and Projects financial interests are procured, maintained and renewed. **Information Technology and ERP:** Oversee the IT & ERP department by ensuring the development and alignment of a strategy and master plan for the Company including infrastructure, security, support systems & ERP with the overall business requirements. **Function Management & Leadership:** Encourages development, approves and signs off on all internal processes, policies and procedures as well as standards and guidelines for the various teams within Finance covering accounting, insurance, planning and budgeting, portfolio and performance management, shared accounting, investor relations, risk management, taxation, etc.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-28): Summary of the Service Agreement with Rajit Nanda

Rajit Nanda	
Title	Chief Portfolio Management Officer and Acting Chief Investment Officer
Date of appointment	11/07/1433H (corresponding to 01 June 2012G)
Term	One year renewed automatically.

Rajit Nanda	
Duties and responsibilities	**Strategy Formulation:** As a member of the executive team, the Chief Portfolio Management Officer participates and contributes to the development and refinement of the vision and strategy for the Company, and contributes to the overall process of management and corporate decision making to ensure that the organization maximizes its short, medium and long-term returns to its shareholders. **Commercial Strategy:** Develop a commercial strategy for the firm based on the company's vision, mission, objectives & targets; Identify focus geographies, markets, projects and activities for the commercial team and identify company priorities and accordingly allocate resources for greenfield bids preparation, brownfield acquisitions etc… **Bid / Acquisitions Strategy & Team:** Identify bid / acquisition team comprising of team members across business development, legal projects, acquisition and project finance, and others and develop a Bid/Acquisition Plan, identifying the Company's differentiating factors, best suited methodologies and innovations that position the Company to win the project. Review and approve high-level business case for a proposed acquisition focusing on strategic fit, technical suitability, estimated financial benefits, operational & organizational considerations, etc. Oversee the development of independent financial structuring to ensure the Company secures competitive funding for green-field projects and acquisitions. **Financial Close & Project Handover:** Work closely with lawyers, bankers, third party consultants and other related parties to ensure that all requirements for financial close of the project have been met. Negotiate with bankers and other resources of financing to reach appropriate agreements for debt and equity financing for the project. **Function Management & Leadership:** Direct and manage the Investment function including the business development, acquisitions and project finance, corporate finance and the project legal teams, providing leadership, encouraging teamwork and facilitating related professional work processes in order to achieve high performance standards, and staff pride in performance and contribution.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-29): Summary of the Service Agreement with Julio Torre Gutierrez

Julio Torre Gutierrez	
Title	Chief O&M Officer at the Company / President and CEO of NOMAC
Date of appointment	15 July 2009G
Term	One year renewed automatically

Julio Torre Gutierrez	
Duties and responsi-bilities	**Job Purpose:** • To support the Company's CEO in establishing the Company's business plan for approval by the Board of Directors. • To assume responsibility for the performance of the O&M Business Unit within the Company, based on the Company's mission, vision, objectives & targets. • To assume responsibility for the performance of NOMAC as an arms-length entity serving the Project Companies that are fully or partly owned by the Company. • To serve as the Company's Head of Safety and represent those Enabling Functions within the Company's Management Committee. **Strategy:** • To participate and contribute to the development and refinement of the vision and strategy for the Company, and contribute to the overall process of management and corporate decision-making to ensure that the organization maximizes its short, medium and long-term profitability and returns to its shareholders (as a member of the Management Committee). • To develop and implement a business strategy for "NOMAC" as the mutually nearly-exclusive supplier of O&M services to assets controlled by the Company, both thermal, renewables and water. • To develop and implement a business strategy for the NMES business.
Duties and responsi-bilities	**HSSE and operational performance:** • To assume consolidated operational responsibility for the O&M business of the Company (safety in O&M, plant technical performance, customer satisfaction, training & competencies, contract management, …). • To ensure the proper management of HSSE on all sites in operation. • To ensure the safe and reliable operation, the operational excellence and the long-term integrity of all plants in the portfolio. • To define and implement continuous improvements in O&M's operating model and performance (flexibility, rapid deployment, standardization, learning) so as to make "NOMAC" the undisputed supplier of choice to the Company's partners in the Project Companies. **Financial performance:** To assume consolidated P&L responsibility for the O&M business of the Company. **Internal organization:** • To define the boundaries, set-up and organization of the O&M Regions (including the span of control of the Regional Heads), and adapt them as a function of the growth and spread of the Company portfolio, in alignment with Portfolio Management (PM). • To stimulate collaboration and sharing between O&M Regions as appropriate (support functions, systems, etc). • To supervise the O&M Regional Heads and the Head of NMES: nomination, objective setting, development, appraisal, etc… • To supervise the (matrixed) Heads of the Enabling Functions at BU level (in line with the matrix principles) and the Head of business development and O&M. • To supervise the Heads of Corporate Procurement and Corporate HSSE. **Interfaces with other BUs and EFs:** • To seek and establish synergies and economic efficiencies between O&M, PM and the Company's Corporate at various levels (BU, Region, asset) and in all relevant support functions (HR, Finance, Digital, Legal, etc …). including Technical (technical support, technology, innovation, etc…). • To ensure the deployment of approved corporate initiatives in the O&M Regions (talent management, etc…). • To define and implement the rules governing the operational and financial relationship between PM and O&M (allocation of costs between Project Company, Region and O&M; SLAs; etc…). **Governance:** • To serve as AP representative on the Board of PCs (while managing potential conflicts of interest). • To be a member of the Company's Management Committee (MC) acting in the company's global interest.

Julio Torre Gutierrez	
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-30): Summary of the Service Agreement with Guy Marie Richelle

Guy Richelle	
Title	Senior Advisor - Transformation, and Acting Chief Risk, Sustainability and Strategy Officer
Date of appointment	1 February 2020G
Term	2 years limited contract
Duties and responsi-bilities	**Job Purpose:** • To lead the areas of Risk, Strategy and Sustainability and CSR for the Company. • To provide support to the Investment Committee activities and ensure the effectiveness and integrity of the process. • Investment Committee Support: • To define and ensure compliance with the process, procedures and methodologies to be used for submitting a package to the IC at the defined gates. • To interface with the Board of Directors and Risk Management (and other functions as needed) to ensure the proper and timely flow and consolidation of information (sign-offs, flags, Risk Register updates, etc…) prior to a gate. • To review the completeness and proper form of the package submitted to the IC and/or Board at the defined gates, and ensure its timely submission to the IC and/or Board. • To liaise with the chairperson of the IC and/or Board about the agenda of gate approval meetings. • To make minutes of the meetings and maintain a record of decisions. • Document and ensure feedback to all parties concerned about decisions taken by the IC and/or Board. • To follow up notification of new Invitations to Tender by the business development unit and the updating of the pipeline view by the business development unit. • To maintain an oversight of the access rights to confidential/sensitive information for selected staff outside the business development unit as approved by the Management Committee. **Risk Management:** • To define the Company's risk policy (e.g. risk appetite and tolerance, "golden rules", etc…). • To establish methods, tools and procedures enabling risk owners to assess risks in con-formity with the Company's risk policy. • To support risk owners at the Company level (corporate and by BUs) in identifying and evaluating business risks, in taking initiatives to manage risks and in monitoring the impact thereof. • To support risk owners at Project Company level in identifying and evaluating project risks, in taking initiatives to manage risks and in monitoring the impact thereof. • To support the business development unit in submitting a bid proposal to the IC that is in conformity with the Company's risk policy. • To support the Company's Board Risk Management Committee in fulfilling its duties. **Corporate Strategy:** • To organize the periodic strategy development and planning process involving the different stakeholders within the Company. • To gather strategic intelligence (trends analysis and watch of competitors, regulations, technology, etc…). • To assess the opportunities and risks related to specific segments (countries, products, technologies, et…). • Sustainability and CSR: • To define Sustainability and CSR goals and objectives for the Company (including related to carbon footprint management). • To develop and deploy specific plans aligned with the Company's Sustainability and CSR goals.

Guy Richelle	
Duties and responsi-bilities	• To ensure the coordination and coherence of Sustainability and CSR actions deployed by the Company entities worldwide. • Management of the interfaces with BUs, PCs and other enabling functions within the Company: • To manage the matrix relationships with support people in the BUs and the Regions (50/50 co-nomination, co-objective setting, co-evaluation) when relevant. • To ensure that clear interfaces are established and minimize duplication of resources and ambiguity of responsibilities. • To push for the realization of synergies when feasible. • To play an arbitration role when a conflict between the RSS function and other BUs or functions, or PCs is escalated. • Leadership & Team management: • To deploy the resources in line with the strategy, priorities and needs of the Company. • To deliver effective services to the organization to ensure its performance, resilience and competitiveness. • To optimize the distribution of support tasks to the various hierarchical levels (centralization vs. decentralization) in view of realizing economies of scale, achieving critical mass, avoiding duplication, ensuring coordination yet without losing responsiveness to local needs. • To oversee and monitor costs and budget and assume performance responsibility as measured through KPIs (service levels, cost-to-serve, etc…). • To define and implement continuous improvement programs (through learning, benchmarking, staff development, etc…) in order to improve service quality, efficiency, and effectiveness. • To develop the organizational structure in line with the Company's guidelines clearly indicating reporting lines of the key staff and ensuring the structure is fit-for-purpose. • To lead and supervise the direct reports and functional department heads: nomination, objective setting, performance management, development and motivation, feedback and appraisal, etc… • To build an environment for coaching and mentoring. • To act as a role model for the Company culture and values. • To hire and direct staff, in case needed, to acquire the necessary resources to meet scheduled commitments. • To ensure developments and growth opportunities for the team i.e. vertical / horizontal career progression. • Member of the Management Committee: • To represent the Compliance and Risk function in the Company Management Committee. • To engage and participate fully in the management of the Company as a member of the Management Committee, thereby acting in the company's global interest. • To serve as the Company representative on the Board of PCs.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-31): Summary of the Service Agreement with Alvaro Perez Uz

<table>
<tr><th colspan="2">Alvaro Perez Uz</th></tr>
<tr><td>Title</td><td>Chief Digital Officer</td></tr>
<tr><td>Date of appointment</td><td>13th September 2020G</td></tr>
<tr><td>Term</td><td>1 year limited contract, automatically renewable</td></tr>
<tr><td>Duties and responsibilities</td><td>Job Purpose:
• To lead the Company’s digital transformation whilst concurrently managing all ICT functions. The digital transformation of the Company will result in a nimble, agile and highly effective data-smart organization that embraces technology both to improve efficiency in all operational and corporate areas and to grow the top line. The Chief Digital Officer will ensure, direct and manage world-class IT infrastructure, solutions and services towards meeting the organization’s strategic goals and objectives and key business needs in a reliable, secure, efficient and effective manner.
Digitization:
• To lead the digital transformation process, serving as an intermediary between all other executives and functions in the rollout of digital initiatives and capabilities, fully integrating business and technology, and closing digital performance gaps that exist in and between the various functions and business units of the organization. Drive and lead digital innovation and transformation across the Company.
• To lead industry benchmarking and new technology assessments to identify AI, Analytics, or technology solutions to drive measurable improvements.
• To build internal competency in next generation technology and assess current company operations for quick-hit programs to generate improvements in Projects and/or Services.
• To oversee disruptive innovations from discovery and early stage experiments all the way to production in collaboration with the various teams.
• To govern the pipeline of ideas from early stage concepts, all the way to ideas with the potential to be produced.
• To work with teams across the matrix business organization to generate innovative digital solutions for products, services, processes, customer experiences, marketing channels, and business models. The CDO should own and centrally monitor the digital innovation project portfolio, while deployment of the individual projects may rest with other executives and teams.
Strategy & Policy Development:
• To develop a clearly defined and compelling digital strategy for the Company’s future and ensure that all relevant digital initiatives are fully integrated into the strategic-planning process for leadership commitment, resource allocation and execution.
• To direct and ensure effective development of the IT Strategy and master plan for the company including infrastructure, security and support systems in line with business requirements.
• To ensure alignment of IT strategy with business requirements and the selection of technology platforms.
• To develop IT policies, procedures and standards to govern and always guide operations and ensure proper implementation in the matrix organization.
• To review and update IT policies and procedures regularly to ensure they continue to meet business requirements.</td></tr>
</table>

Alvaro Perez Uz	
Duties and responsibilities	**Leadership and team management:** To deploy the resources in line with the strategy, priorities and needs of the Company. • To deliver effective services to the organization to ensure its performance, resilience and competitiveness. • To optimize the distribution of support tasks to the various hierarchical levels (centralization vs. decentralization) in view of realizing economies of scale, achieving critical mass, avoiding duplication, ensuring coordination yet without losing responsiveness to local needs. • To oversee and monitor costs and budget and assume performance responsibility as measured through KPIs (service levels, cost-to-serve, etc…) • To define and implement continuous improvement programs (through learning, benchmarking, staff development, etc…) in order to improve service quality, efficiency, and effectiveness. • To develop the organizational structure in line with the Company's guidelines clearly indicating reporting lines of the key staff and ensuring the structure is fit-for-purpose. • To lead and supervise the direct reports and functional department heads: nomination, objective setting, performance management, development and motivation, feedback and appraisal. • To build an environment for coaching and mentoring. • To act as a role model for the Company culture and values. • To ensure developments and growth opportunities for the team i.e. vertical / horizontal career progression.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-32): Summary of the Service Agreement with Yara Mohammad Taher Anabtawi

Yara Mohammad Taher Anabtawi	
Title	Chief of People, Culture and Communications Officer
Date of appointment	2012G
Term	Indefinite term, as of November 19, 2012G
Duties and responsibilities	**Job Responsibilities:** Yara Muhammad Taher Anabtawi shall work with the Company in the agreed position, and while performing her duties, she shall comply to the following: • Dedicate the working hours for her work. • Do her utmost while performing her tasks. • Perform her work according to the requirements of her duties and related issues and obey the legal orders and directions of the Company. **Other Duties and Obligations:** • She shall not have the right to perform any task for the account of any other third party during the validity of this contract, or during her legally guaranteed vacation or during the time she is notified of termination of her contract, otherwise, the Company is permitted to dismiss her and terminate her contract. • She shall maintain the Company's information and business secrets that she may acquainted with during her service. And she shall be liable of any damages that may occur upon her deliberate bad faith divulgence of such information or business secrets during or after the termination or expiration of her business contract.

Yara Mohammad Taher Anabtawi	
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-33): Summary of the Service Agreement with Ghassan Hosni Shawli

Ghassan Hosni Shawli	
Title	Chief Legal Officer
Date of appointment	1 April 2021G
Term	Indefinite term, as of April 1, 2021G
Duties and responsi-bilities	**Job Responsibilities:** Ghassan Hosni Shawli shall work with the Company in the agreed position, and while per-forming his duties, he shall comply to the following: • Dedicate the working hours for his work. • Do his utmost while performing his tasks. • Perform his work according to the requirements of his duties and related issues and obey the legal orders and directions of the Company. **Other Duties and Obligations:** • He shall not have the right to perform any task for the account of any other third party during the validity of this contract, or during his legally guaranteed vacation or during the time he is notified of termination of his contract, otherwise, the Company is permit-ted to dismiss him and terminate his contract. • He shall maintain the Company's information and business secrets that he may acquaint-ed with during his service, and he shall be liable of any damages that may occur upon his deliberate bad faith divulgence of such information or business secrets during or after the termination or expiration of his business contract.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-34): Summary of the Service Agreement with Bart Boesmans

Bart Boesmans	
Title	Chief Technology Officer
Date of appointment	2021G
Term	1 year as of January 1, 2021G

Duties and responsibilities	**Job Responsibilities:** Bart Boesmans shall work with the Company in the agreed position, and while performing his duties, he shall comply to the following: • Dedicate the working hours for his work. • Do his utmost while performing his tasks. • Perform his work according to the requirements of his duties and related issues and obey the legal orders and directions of the Company. **Other Duties and Obligations:** • He shall not have the right to perform any task for the account of any other third party during the validity of this contract, or during his legally guaranteed vacation or during the time he is notified of termination of his contract, otherwise, the Company is permitted to dismiss him and terminate his contract. • He shall maintain the Company's information and business secrets that he may acquainted with during his service, and he shall be liable of any damages that may occur upon his deliberate bad faith divulgence of such information or business secrets during or after the termination or expiration of his business contract.
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance • Bonus

Table (5-35): Summary of the Service Agreement with Furqan Ahmed Kamlani

Furqan Ahmed Kamlani	
Title	Executive Vice President - Internal Audit
Date of appointment	14/08/1440H (corresponding to 14 April 2019G)
Term	1 year as of April 14, 2019G, automatically renewable
Duties and responsibilities	**Job Responsibilities:** • Dedicate the working hours for his work. • Do his utmost while performing his tasks. • Perform his work according to the requirements of his duties and related issues and obey the legal orders and directions of the Company. **Other Duties and Obligations:** • Submit reports to the Board of the Audit Committee and the CEO of the Company • Understand the scope of the internal audit of financial reports and obtain reports that include important findings, recommendations, management remarks and comments. • Study the internal audit reports and follow up on the implementation of corrective measures for the observations contained therein. • Control and supervise the performance and activities of the internal auditor and the Company's internal audit department to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned to it. • Approving the Company's internal audit regulations and reviewing the Company's internal audit procedures. • Study the annual review plan and all changes to the plan, and review the performance and activities of the internal audit compared to the plan set for it. • Work with the internal auditor to review the internal audit budget, resource plan, activities, and the organizational structure of the internal audit functions. • Holding independent meetings with the internal auditor periodically to discuss any issues that the committee or internal audit officials deem necessary to be discussed in private sessions. • Reviewing the appointment, removal and remuneration of the Company's internal auditor. • Reviewing the performance and activities of the internal auditor annually.

Furqan Ahmed Kamlani	
Remuneration	• Monthly basic salary • Housing allowance • Travel allowance • Transportation allowance

5-4-3 Remuneration of Directors and Senior Executives

Subject to the Company's Bylaws, remuneration of Board members shall be determined in accordance with the official decisions and instructions issued by the Ministry of Commerce and the CMA in this context and within the provisions of the Companies Law, the Corporate Governance Regulations, Regulatory Rules for Listed Companies and any other relevant supplementary laws and regulations. Non-Executive Directors and Independent Directors shall be paid a lump-sum annual remuneration amount of SAR 200,000 (excluding attendance fees) in consideration for their positions as Directors of the Company and their contribution to the Board's activities.

The attendance and transportation allowances shall be determined according to the applicable laws, decisions and directions identified by the competent entities in the Kingdom. Each Director is paid an amount of SAR 3,000 as an attendance fee per Board meeting, whether attended in person or through any remote channel.

In all cases, the total remuneration and financial or in-kind benefits and rewards received by Board member in the Company shall not exceed the amount of SAR 500,000 annually according to Article (76) of the Companies Law, with the exception of the Board member Thamer Al-Sharhan, who receives an additional amount exceeding SAR 500,000 per year, given that this amount is provided in exchange for the additional works and services provided to the Company under the services agreement in accordance with Article (3) of Regulatory Rules and Procedures issued by the CMA in implementation of the Companies Law for listed joint stock companies (for further information about this agreement, please refer to Section (5-4-1) (**"Service Agreements - Directors"**)).

The Board member, Thamer Al-Sharhan, is provided with accommodation in Riyadh and a car (each owned by the Company) as in kind benefits granted according to the service agreement entered into with the Company, as well as medical insurance coverage for him, his wife and children (who are under the age of 21 years) as well as life insurance according to the Company policies. The remaining members of the Board do not receive any in kind benefits from the Company.

For the Senior Executives, CEO Suntharesan Padmanathan is provided with a car (owned by the Company). Insurance coverage is granted to Senior Executives according to coverage granted to all Company employees.

The total remuneration granted to the Directors and the top five Senior Executives by the Company and any of its Affiliates, including salaries, benefits and allowances for the financial years ended 31 December 2018G, 2019G and 2020G are set out in the table below.

Table (5-36): Directors and Senior Executives Remuneration from the Company and any of its Affiliates

	2018G SAR	2019G SAR	2020G SAR
Directors	4,340,000	4,450,000	5,610,000*
Members of Company committees	1,120,000	1,110,000	1,270,000
Senior Executives**	25,889,538	25,287,199	19,948,648
Total	**31,349,538**	**30,847,199**	**26,828,648**

Source: Company

* Including the additional amount received by the Board Member Thamer Al Sharhan (which is more than SAR 500,000 per year) considering that this amount is provided in exchange for additional work and services that he provides to the Company under the services agreement.

** Including the Company's CEO and CFO.

The following table shows the total remuneration and compensation to Board members, boards of directors and key management personnel in the Company and other consolidated Group Companies according to the Company's consolidated financial statements for the financial years ending on December 31, 2018G, 2019G and 2020G.

Table (5-37): Remuneration and compensation for key management personnel, including remuneration for Board members in the Company and other consolidated Group Companies according to the consolidated financial statements of the Company for the financial years ending on December 31, 2018, 2019 and 2020

The Company and consolidated Subsidiaries	For the year ended 31 December		
	2018G SAR'000s	2019G SAR'000s	2020G SAR'000s
Key management personnel compensation including Director's remuneration	32,229	36,564	32,537

Table (5-36) only includes the total remunerations to members of the Board of Directors, members of the committees, and the five largest senior executives by the Company and any affiliate thereof. Table (5-37) includes the total remunerations and compensations to members of Board of Directors, boards of managers and key management personnel in the Company and other consolidated Group Companies according to the Company's consolidated financial statements.

The Directors and the Senior Executives are prohibited from voting on decisions relating to their own remuneration. The Directors and the Senior Executives are prohibited from borrowing from the Company or vote on a contract or arrangement in which they have an important interest.

5-5 Corporate Governance

5-5-1 Overview

The key sources of corporate governance for the Company are the Corporate Governance Regulations issued by the CMA, certain provisions of the Companies Law and corporate governance best practice in the Kingdom. The Company has adopted a Corporate Governance manual which is derived from the CMA's Corporate Governance Regulations and has been tailored to fit the size, operations and organizational structure of the Company. The framework under the Corporate Governance Regulations regulates the various relationships between the Board, Executive Directors, shareholders and other stakeholders, by establishing rules and procedures to facilitate decision making processes with the objective of protecting the rights of shareholders and other stakeholders and promoting the values of integrity, fairness, competitiveness and transparency in the Company's conduct on the Exchange and in the business environment.

These regulations, which entail the implementation of a clear and transparent disclosure process, ensure that the Board acts in the best interests of the Shareholders and presents a clear and fair view of the financial condition of the Company and the results of its operations.

The Company's policy is to adopt high standards of corporate governance. The Corporate Governance Regulations shall apply to the Company from the date of Listing. However, the Company is currently complying with the majority of the Corporate Governance Regulations and will fully comply with the Corporate Governance Regulations from the date of Listing. The Company considers ongoing compliance with these regulations to be an important factor in its continued success and it will continue to update its Corporate Governance Manual to reflect best industry practice.

5-5-2 Key Corporate Governance Requirements

The key corporate governance requirements that the Company complies with, and will comply with, are set out in the Corporate Governance Regulations. These cover the following broad areas:

- General shareholder rights (Articles 4 to 9);
- Rights relating to General Assembly Meetings (Articles 10 to 15);
- The Board of Directors: formation, responsibilities, competencies, procedures and training (Articles 16 to 41);
- Conflicts of interest (Articles 42 to 49);
- Company committees (Articles 50 to 72); and
- Internal controls, external auditors, company reports and policies, and various other matters (Articles 73 to 98).

5-5-3 Corporate Governance Guidelines and Internal Policies

The Company must comply with the provisions of the Corporate Governance Regulations. The Company has implemented several corporate governance guidelines and policies to provide guidance for the effective governance of the Company in an effort to enhance long-term shareholder value and to ensure compliance with the Corporate Governance Regulations and any other applicable rules and regulations issued by the CMA. These include the following:

- Corporate Governance Manual;
- Code of Business Conduct and Ethics Policy;
- Policies and Criteria for the Selection of Board Members, Committee Members and the Senior Executives;

- Audit Committee Charter;
- Nomination & Remuneration Committee Charter;
- Remuneration policy;
- Policy on Related Party Transactions and Conflict of Interest;
- Distribution of Dividends Policy;
- Administrative and Financial Policies;
- Whistle-blower Policy.
- Company Stakeholders Policy; and
- Disclosure and Transparency Policy and Procedures Manual.

The Company has implemented a corporate governance policy regulating, amongst other things, categories of directors, conflicts of interest and shareholder rights. The Company's Corporate Governance Manual has been approved by the Board of Directors on 7 April 2021G (corresponding with 25 Sha'aban 1442H).

5-5-4 Corporate Governance Compliance

With the exception of the points mentioned below, the Directors declare that the Company is currently complying with the majority of the provisions of the Corporate Governance Regulations and will fully comply with the Corporate Governance Regulations from the date of Listing.

Composition of the Board of Directors

All Company's Board of Directors, which currently consist of eleven (11) Directors, are non-executive members and amongst the Board members is, as at the date of this Prospectus, one (1) independent Director only, which is not in accordance with the requirements of Article 16(3) of the Corporate Governance Regulations that requires the number of independent Directors to be no less than two Directors or one third of Directors, whichever is greater. Given the number of the current Board of Directors, being eleven (11) Directors, and according to the requirements of the Corporate Governance Regulations, the Company, upon its listing, will be required to have at least four (4) independent Directors as per the criteria prescribed in the Corporate Governance Regulations. As indicated above, the Board does not meet the aforementioned requirement. The Company and its shareholders are keen to adhere to the requirements of independence, taking into account the stability of the composition of the Board during the stage of offering and listing the Company's shares. Therefore, the Company and its shareholders undertake to do the following:

1- To maintain the composition of the Board as is until the Company is listed in the Saudi Stock Exchange, to ensure the stability of the Board during this important stage and that the current Directors are familiar with the Company's business.

2- The Company and its shareholders shall commence the necessary procedures, within a maximum of thirty (30) days from the date of the Listing to elect a Board for its new term, in which the independence requirements are met, through a nomination process, and calling to convene a General Assembly thereafter in accordance with the standards and procedures followed in this regard, including the election by cumulative voting. None of the shareholders will have special appointment or nomination rights, and will only enjoy the rights granted by law to all shareholders in this respect.

For information on the Company's undertaking regarding the procedures for appointing the new Board, please refer to Section (17) (**"The Company's Undertakings after being Listed"**) of this Prospectus.

Based on the above, the cumulative voting method will allow each Shareholder, including subscribers in the offering shares – to participate in the process of electing the new Board of Directors of the Company. Each Shareholder has the right to use all of his/her voting rights for one nominee or to divide their voting rights between his/her selected nominees without any duplication of votes. This method increases the chances of minority Shareholders appointing their representatives to the Board by exercising their cumulative voting rights in favor of a single candidate. Noting that the elected Board of Directors will perform its duties for a full term that extends to three (3) years.

Appointing Independent Board members in the Company's Committees

As of the date of this Prospectus, the Audit Committee does not include any independent Directors. This is not in accordance with the provisions of Article 54(a) of the Corporate Governance Regulations, which require at least one independent member among the members of the Audit Committee. Given the insufficient number of independent members, the Company was not able to appoint the independent members in this committee prior to Listing. However, the Company will restructure the Audit Committee as soon as possible after the offering and listing and on the same date of electing the new Board of Directors, as mentioned above.

As at the date of this Prospectus, the Nomination and Remuneration Committee does not include any independent Directors, which is not in compliance with the provisions of Articles 60(a) and 64(a) of the Corporate Governance Regulations, which require at least one independent member from amongst the members of the Nomination and Remuneration Committee. Accordingly, the Company's Board of Directors issued a resolution dated 19 May 2021G appointing the current independent member of the Board as Chairman of the Nominations and Remunerations Committee, provided that the decision shall be effective from the date of Listing. Thereafter, the Nomination and Remunerations Committee will consist of five (5) members as of the date of Listing, including an independent member who will chair the committee in accordance with the requirements of the Corporate Governance Regulations.

Compliance with the other provisions of the Corporate Governance Regulations

Excluding the abovementioned provisions in relation to the independence of the members of the Board of Directors the Audit Committee and the Nomination and Remuneration Committee, the Company currently complies with the mandatory governance requirements that apply to Saudi public joint stock companies, other than the provisions mandatory only with respect to Listed companies, which the Company is not currently in compliance with as the Company's shares are not currently Listed on the Exchange, but will comply with the same as from the date of Listing. Namely, the following mandatory provisions stipulated in the Corporate Governance Regulations will need to be complied with at Listing:

- Paragraph (a) of Article (8) providing that upon calling for the General Assembly, the Company shall announce on the Exchange's website information about the nominees for the membership of the Board.
- Paragraph (c) of Article (8) providing that voting in the General Assembly shall be confined to the Board nominees whose information have been announced as per paragraph (a) of Article (8).
- Paragraph (d) of Article (13) providing that the invitation to the General Assembly shall be published on the Exchange's website, the Company's websites and in a daily newspaper published in the area where the Company's head office is located.
- Paragraph (c) of Article (14) providing that the shareholders shall be allowed through the Company's website and the Exchange's website to obtain the information related to the items of the General Assembly's agenda, and to obtain the information related to the items of the General Assembly's agenda, particularly the reports of the Board and the external auditor, the financial statements and the Audit Committee's Report.
- Paragraph (e) of Article (15) providing that the Company shall announce to the public and inform the Authority and the Exchange of the results of a General Assembly meeting immediately following its conclusion.
- Paragraph (d) of Article (17) providing that the Company shall notify the Authority of the names of the Board members and description of their memberships, as well as any changes that may affect their membership, within 5 working days from such changes.
- Paragraph (b) of Article (19) providing that upon the termination of the membership of a Board member, the Company shall promptly notify the Authority and the Exchange and shall specify the reasons for such termination.
- Article (68) providing that the Company shall publish the nomination announcement on the websites of the Company and the Exchange; to invite persons wishing to be nominated to the membership of the Board, provided that the nomination period shall remain open for at least a month from the date of the announcement.

The Company's internal control systems have been adopted in all its departments. The Company's Board comprises 11 Directors appointed by the General Assembly for a term not exceeding three years. The Board of Directors will ensure, among other things, that:

- all committees will have clear terms of reference/ charters that outline their respective roles and responsibilities;
- the Company's internal corporate governance policies and other internal rules and regulations are properly implemented; and
- minutes of all meetings are prepared, reviewed and approved by the Board of Directors.

5-6 Internal Committees

The Board Committees:

Other than the Audit Committee, the Board of Directors has established the committees to improve the management of the Company. A charter for each committee has been adopted, which sets out its role and responsibilities, powers and delegations and conduct meetings for the purposes of discharging the duties of each committee.

Currently, the Company has four key corporate governance committees being; the Nomination and Remuneration Committee, the Board Risk Management Committee, the Audit Committee, and the Board Executive Committee which are responsible for reviewing the Company's operations within their particular areas of expertise and presenting their findings and suggestions/endorsements to the Board and Shareholders (as the case may be).

The following is a summary of the structure, responsibilities and current members of each permanent Committee.

5-6-1 Audit Committee

Pursuant to Article 101 of the Companies Law, and in compliance with the Corporate Governance Regulations, the Audit Committee has been formed by a resolution of the General Assembly dated 1/12/1429H (corresponding to 29/11/2008G). The Company has also prepared its Audit Committee charter, which was approved by the Board in its session held on Sha'aban 25, 1442H (corresponding to 07 April 2021G), ratified by the Ordinary General Assembly during its session held on 03/11/1442H (corresponding to 13 June 2021G).

The Audit Committee is composed of five members, appointed by the General Assembly for a period not exceeding the term of the Board membership, consisting of two (2) non-executive Board members and three (3) non-Board members, one of whom is the chairman of the committee. None of the committee members are executive Board members, and the chairman of the committee will not be the chairman of any of the Company's other committees. The Audit Committee does not currently include any independent member as required under the Corporate Governance Regulations, but the Company acknowledges that the Audit Committee will be re-appointed after the Listing so that there is at least one independent member among the members of the Audit Committee. All the members have adequate knowledge and experience of accounting standards and commercial laws as required to perform their functions. The Audit Committee is responsible for, among other things:

- reviewing the interim and annual consolidated financial statements before submitting it to the Board and its approval at the Company's General Assembly in order to ensure that they have been prepared in accordance with generally accepted accounting principles adopted in the Kingdom;
- reviewing the accounting policies and authorities table adopted by the Company before its endorsement and recommending any change in these policies;
- ensuring that internal control regulations are effectively applied, and that sound accounting records are kept with appropriate supporting documents;
- supervising any investigations relating to fraud or other financial errors in the Company or any other financial issues that the committee deems important to investigate;
- monitoring and enforcing of the Company's code of conduct and ethics;
- reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
- ensuring the Company's compliance with the relevant laws, regulations, policies and instructions;
- reviewing the proposed Related Party transactions, and providing its recommendations to the Board in connection therewith;
- engaging or dismissing the external auditors and recommending their compensation to the Board;
- studying the reports prepared by the external auditors and acting as the liaison between the external auditors and the Board;
- reviewing the plan of the Company's external auditors and its activities, and ensuring that it does not provide any technical or administrative works that are beyond its scope of work, and provides its opinion thereon;
- verifying the independence of the Company's internal auditing department to verify its efficacy in discharging the tasks and duties assigned to it by the Board;
- reviewing the internal audit organisation;
- reviewing the internal audit reports, including their recommendations and pursuing their implementation;
- reviewing the Company's risk register, evaluating risk mitigation strategies for effectiveness and consistency with the Company's risk tolerance;
- providing guidance regarding risk management infrastructure, including systems, processes and organisational structure;
- procuring assistance, as required, of independent advisors and identifying their remuneration to conduct studies that help the committee in implementing its duties; and
- reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

The Audit Committee is comprised of the following members:

Table (5-38): Audit Committee Members

Name	Role
Mr. Khalid Ibrahim Saad Al Rabiah	Chairman, external member/ Non-Executive
Mr. Harold John Manasa	External Member/ Non-Executive
Mr. Rasheed Abdulrahman Nasser Al Rasheed	Member/ Non-Executive/ Non-independent Director
Mr. Abdulrahman Saleh Abdullah Al Khelaifi	External Member/ Non-Executive
Mr. Abdullah Abdulrahman Sainain Al Rowais	Member/ Non-Executive / Non-independent Director

Source: Company

Table (5-39): Summary Biography of the Audit Committee Chairman Khalid Al Rabiah

Name	Khalid I. Al-Rabiah
Age	58
Nationality	Saudi
Position	Board Audit Committee Chairman
Academic and Professional Qualification	• Bachelor degree in Accounting, University of Toledo, in 1991G
Current Positions	• Board Member, Arab Company for Drug Industries And Medical Appliances (ACDIMA), an Arab Nations Joint Stock Co., operating in the field of Drug Industries & Medical Appliances, from 2020 G to present. • Board Member & Chairman of The Board Risk Committee, Yanbu National Petrochemical Co. (Yansab), a Public Joint Stock Co., operating in the field of Petrochemical, from 2020 G to present. • Chairman of Board Audit Risk Committee, Saudi Tabreed District Cooling Co, a Closed joint stock company, operating in the field of District cooling, Infrastructure and energy, from 2019 G to present. • Board Member & Chairman of The Board Executive Committee, Al Dowyan Real Estate Group, a Closed joint stock company, operating in the field of Real estate, from 2017 G to Present. • Chairman of the Board Audit Committee, Al-Jazira Support Services "MEHAN", a Closed joint stock company, operating in the field of Manpower Supply, from 2017 G to Present. • Founder, Khalid Al Rabiah Financial Advisory, a sole proprietorship , operating in the field of Financial Advisory, from 2016 G to present.
Past Professional Experience	• Chairman, Tadawul, a Saudi Stock Exchange, operating in the field of Stock Exchange, 2014 G to 2017 G. • CEO, Methanol Chemical Co., a public listed joint stock company, operating in the field of petrochemicals, from 2008 G to 2016 G. • CFO, Saudi Arabian Amiantit Co., a public listed joint stock company, operating in the field of pipe technology, pipe manufacturing for water, sewage, and chemicals, 1993 G to 2008 G. • Accountant, Saudi Arabian Monetary Agency, SAMA, government owned entity, operating as the central bank of the government of Saudi Arabia, 1983 G to 1993 G.

Table (5-40): Summary Biography of the Audit Committee Member Harold Manasa

Name	Harold Manasa
Age	66
Nationality	America
Position	Board Audit Committee Member and Board Risk and Compliance Committee Member

Name	Harold Manasa
Academic and Professional Qualification	• Chartered Global Management Accountant, from 2011G to present. • Certified Fraud Examiner, from 2001G to present. • Certified Internal Auditor, from 1989G to present. • Certified Public Accountant, North Carolina, United States of America, from 1978G to present. • Bachelor's Degree in Accounting, University of West Florida, United States of America, from 1975G. • Master's Degree in Economics, University of Oklahoma, United States of America, from 1985G.
Current Positions	• Director, Association of Certified Fraud Examiners, Western Carolinas, an anti-fraud organization, operating in the field of training and education, from 2019 G to present • Arbitrator, Financial Industry Regulatory Authority (FINRA), a financial system under the supervision of the Securities and Exchange Commission, operating in the field of protect the investing public and support the integrity of the U.S. from 2019 G to present. • Chairman Audit and Risk Committee of Vision Invest International, Joint Stock Company, operating in the field of Industrial Investments, from 2018G to present. • Member, Board Audit Committee of the Company at the Company. A Closed Joint Stock Company, operating in the field of Power & Water, from 2017G to present. • Internal audit consultant, Indiana University and the University of North Carolina, multinational organizations based in Saudi Arabia, operating in the field of education, 2011G to present. • Consultant, Institute of Internal Auditors, a professional association, operating in the field of professional education, from 2005G to present.
Past Professional Experience	• Chair of the research committee, the Charlotte, North Carolina, IIA Chapter, a professional association company, operating in the field of education, from 2011G to 2014G. • Accounting Faculty, Winthrop University, Rock Hill, South Carolina, a public comprehensive university, operating in the field of education, from 2005G to 2008G, from 2011G to 2014G. • Leadership development in exploration and producing, Saudi Arabian Oil Company, a joint stock company, operating in the energy sector from 2008G to 2011G. • CFO of Medical, Saudi Arabian Oil Company, a joint stock company, operating in the energy sector, from 2008G to 2011G. • Audit division manager, Saudi Arabian Oil Company, a joint stock company, operating in the energy sector, from 2000G to 2005G. • Treasurer, the Aramco Employees Association, Dhahran, Saudi Arabia, a Saudi company, operating in the field of social services, from 2000G to 2005G. • Accounting Faculty, Clemson University, Clemson, South Carolina, an American company, operating in the field of education, from 1995G to 2000G. • Chief Financial Officer, Miami Parking System, an American company, operating in the field of automotive parking, from 1989G to 1995G. • President, the IIA Chapter, Dhahran, Saudi Arabia, a Saudi chapter of a professional association company, operating in the field of professional education, from 1985G to 1989G. • Senior Audit Manager, PWC, Miami, Florida, Al-Khobar, a multinational firm, operating in the field of audit assurance, from 1975G to 1983G.

Table (5-41): Summary Biography of the Audit Committee Member Rasheed Abdulrahman Nasser AlRasheed

Name	Rasheed Abdulrahman Nasser AlRasheed
Position	Board Audit Committee Member
Biography	For further details on the biography of Rasheed Abdulrahman Nasser AlRasheed, please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") of this Section.

Table (5-42): Summary Biography of the Audit Committee Member Abulrahman AlKhelaifi

Name	Abdulrahman Saleh Al Khelaifi
Age	59
Nationality	Saudi

Name	Abdulrahman Saleh Al Khelaifi
Position	Board Audit Committee Member
Academic and Professional Qualification	• Member of Institute of Internal Audit, 2006G to present. • Member of American Institute of Certified Public Accountants, 1990G to present. • Certification - Certified Public Accountant, Colorado State Board of Accountancy, United States, 1990G. • Diploma - English Language, Economics, and Accounting Courses, The Economics Institute Boulder, Colorado, United States, 1986G. • Bachelor's Degree in Accounting, King Saud University, Saudi, 1985G.
Current Positions	• Chairman, Communications Network Coverage Company, a limited liability company, operating in the field of telecommunications, from 2020G to present. • (Non-Executive) Director, Al-Abraj Integrated Telecommunications Company, a limited liability company, operating in the field of telecommunications, from 2019G to present. • Member of Audit Committee, Alrajhi Investment Co. A Limited Liability Company, operating in the field of Investment, from 2018 G to present. • Member of Audit Committee, Saudi Food & Drug Authority. A Regulatory Authority, operating in the field of Food & Drugs Regulation, from 2018 G to present. • Member of Audit Committee, Ekhaa Charitable for Orphans Care. A Charity Organization, operating in the field of Charity, from 2018 G to present. • Member of Audit Committee, Shuaibah Water and Electricity Company. A Closed Joint Stock Company, operating in the field of Power & Water Desalination, from 2018 G to present. • Member of Audit Committee, Shuaibah II Water Development Project Company. A Closed Joint Stock Company, operating in the field of Water Desalination, from 2018 G to present. • Member of Audit Committee, Shuaibah Expansion Project Company. A Closed Joint Stock Company, operating in the field of Power & Water, from 2018 G to present. • Member of Audit Committee at the Company. A Closed Joint Stock Company, operating in the field of Power & Water, from 2017 G to present. • Member of Audit Committee, Hajr Electricity Production Company. A Closed Joint Stock Company, operating in the field of Power, from 2017 G to present. • Member of Audit Committee, Al Murjan Electricity Production Company. A Closed Joint Stock Company, operating in the field of Power, from 2017 G to present. • Member of Audit Committee, Dallah Healthcare Company. A Joint Stock Company, operating in the field of Healthcare, from 2015 G to present. • (Non-Executive) Director, Tarabut Air Freight Service, a limited liability company, operating in the field of logistics, from 2014G to present. • (Non-Executive) Director, Al-Uzah Company, a limited liability company, operating in the field of logistics, from 2014G to present. • (Non-Executive) Director, Saudi Integrated Waste Treatment Company, a limited liability company, operating in the field of recycling, from 2013G to present.

Name	Abdulrahman Saleh Al Khelaifi
Past Professional Experience	• Owner, Al Ramz Real Estate, a Saudi closed joint stock company, operating in the field of real estate, from 2107G to 2019G. • GM Financial & Business Units Audit Group Internal Audit, Saudi Telecom Co., a Saudi company, operating in the field of telecommunications, from 2006G to 2016G. • (Non-Executive) Director, Arabian Company for Water and Power Projects (APP), a limited liability company, operating in the field of power and water, from 2014G to 2011G. • (Non-Executive) Director, SShuaibah Water and Electricity Company (**"SWEC"**), a limited liability company, operating in the field of power and water, from 2006G to 2009G. • Group Financial Controller, Saudi Medicare Co., a Saudi Limited company, operating in the field of healthcare, from 2004G to 2006G. • Finance and Administration Director, Oracle Systems Limited, an American company, operating in the field of computer software, from 1998G to 2004G. • Consultant, Al-Rashed Certified Accountants, a professional company, operating in field of accounting, from 1993G to 2000G. • General Manager, Dalmaza Snack Food Factory, a Saudi Limited company, operating in the field of food manufacturing, from 1996G to 1998G. • Finance Manager, Saudi Bakeries Company, a Saudi Limited company, operating in the field of food manufacturing, from 1993G to 1995G. • Audit staff, Arthur Andersen & Co., a multinational company, operating in the field of accounting and auditing, from 1988G to 1990G. • Auditor, Saudi Industrial Development Fund, a Saudi Organization, operating in the field of economic development, from 1985G to 1993G.

Table (5-43): Summary Biography of the Audit Committee Member Abdullah Abdulrahman Sainain Al Rowais

Name	Abdullah Abdulrahman Sainain Al Rowais
Position	Board Audit Committee Member
Biography	Please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") of this Section.

5-6-2 Nomination and Remuneration Committee

In compliance with the Corporate Governance Regulations, the Nomination and Remuneration Committee has been formed by a resolution of the Board dated 17/4/1433 H (corresponding to 10 March 2012 G). The Company has also prepared its Nomination and Remuneration Committee charter, which was approved by the Board in its session held on 25/08/1442H (corresponding to 07 April 2021G), ratified by the Ordinary General Assembly during its session held on 03/11/1442H (corresponding to 13 June 2021G).

As at the date of this Prospectus, the Nomination and Remuneration Committee is composed of four (4) members. Given that none of the Nomination and Remuneration Committee members is an independent Board member as required under Articles 60(a) and 64(a) of the Corporate Governance Regulations, the Board issued a resolution on May 19, 2021G appointing the current independent member of the Board as Chairman of the Nomination and Remuneration Committee, and such resolution shall be effective on the date of Listing. Accordingly, the Nomination and Remuneration Committee will consist of five (5) members as of the date of Listing, including one independent member in accordance with the requirements of the provisions of the Corporate Governance Regulations.

The Nomination and Remuneration Committee is responsible for:

- recommend to the Board the names of candidates nominated or re-nominated for the membership of the Board and/or Board Committees;
- reviewing the appropriate skills needed for Board membership each year and generating a description of the capabilities and qualifications required for the membership of the Board, including, amongst other things, the amount of time that a Director is required to dedicate to the Board's functions;
- reviewing the structure of the Board and submitting recommendations on potential changes;
- annually ensure the independence of Independent Directors and the absence of any Conflict of Interest if a Board member also acts as a member of the board of directors of another company; and
- preparing clear policies for the remuneration of the Board members including the Chairman of the Board and committee members.

- Provide recommendations to the Board in respect of the remunerations of its Directors, members of the Board Committees and Executive Management.
- Provide recommendations to the Board in respect of the Company's corporate governance rules and review any issues in relation to the applications of these corporate governance rules.
- Ensure compliance with the Corporate Governance Regulations.
- Review and update the Company's corporate governance rules in accordance with the regulatory requirements and best practices.
- Review and develop codes of professional conduct representing the Company's values, and other internal policies and procedures in accordance with applicable best practices.
- Keep the Board of Directors informed about the developments in respect to corporate governance and best practices, or delegate it to the Audit Committee or any other committee or department.

The following table shows the composition of the Nomination and Remuneration Committee as at the date of this Prospectus:

Table (5-44): Nomination and Remuneration Committee Members as at the date of this Prospectus

Name	Role
Mr. Thamer Saud Esmail Al Sharhan	Chairman/ Non-Executive Director
Dr. Fahad Mousa Abdulah Al Zahrani	External Member/ Non-Executive
Johan Henri Brand	External Member/ Non-Executive
Mr. Raid Abdullah Esmail Esmail	Member / Non-Executive Director

The following table shows the composition of the Nomination and Remuneration Committee as at the date of Listing:

Table (5-45): Nomination and Remuneration Committee Members as at the date of Listing

Name	Role
Dr Mohsen Ahmad Hassan Khalil	Chairman/ Non-Executive independent Director
Mr. Thamer Saud Esmail Al Sharhan	Member/ Non-Executive Non-independent Director
Dr. Fahad Mousa Abdulah Al Zahrani	External Member/ Non-Executive
Johan Henri Brand	External Member/ Non-Executive
Mr. Raid Abdullah Esmail Esmail	Member / Non-Executive Non-independent Director

Table (5-46): Summary Biography of the Nomination and Remuneration Committee Chairman Dr Mohsen Ahmad Hassan Khalil

Name	Dr Mohsen Ahmad Hassan Khalil
Position	Nomination and Remuneration Committee Chairman (as of the date of Listing).
Biography	Please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") of this Section.

Table (5-47): Summary Biography of the Nomination and Remuneration Committee Member Thamer Saud Esmail Al Sharhan

Name	Thamer Saud Esmail Al Sharhan
Position	Nomination and Remuneration Committee Member (as of the date of Listing).
Biography	Please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") of this Section.

Table (5-48): Summary Biography of the Nomination and Remuneration Committee Member Fahad Al-Zahrani

Name	Dr. Fahad AlZahrani
Age	59
Nationality	Saudi
Position	Nomination and Remuneration Committee Member

Name	Dr. Fahad AlZahrani
Academic and Professional Qualification	• Bachelor's Degree in Electrical Engineering, University of Tennessee at Knoxville (UTK). Knoxville, Tennessee, USA, 1990G. • Master's Degree in Electrical Engineering, Colorado State University (CSU), Fort Collins, Colorado, USA, 1996G. • Ph.D., Electrical Engineering, Colorado State University (CSU), Fort Collins, Colorado, USA, 1996G.
Current Positions	• Nomination and Remuneration Committee Membrr, AWQAF Rajhi, a Charity Firm, operating in the Charity field, from 2020 G to present. • Nomination and Remuneration Committee Member, Bin Laden Group, a Joint Stock company, operating in the Finance field, from 2020 G to present. • Nomination and Remuneration Committee Chairman, Saudi Proprieties General Authority, (GOV), a General Authority, operating in the state real estate field, from 2019 G to present. • Nomination and Remuneration Committee Chairman, Qasim Cement, a listed company, operating in the Materials field, from 2019 G to present. • Nomination and Remuneration Committee Member, Riyadh Valley, a Joint Stock company under KS University, operating in the Investment field, from 2018 G to present. • Nomination and Remuneration Committee member, Jabal Omar, a LISTED Real Estate Dev company, operating in the real estate development field, from 2016 G to present • Nomination and Remuneration Committee member, Albilad Capital, a Joint Stock company, operating in the investment field, from 2016 G to present • Nomination and Remuneration Committee member, AlYusr, a Joint Stock company, operating in Finance field, from 2015 G to present • Nomination and Remuneration Committee member, MASIC, a Joint Stock company, operating in the investment field, from 2013 G to present.
Past Professional Experience	• CEO Advisor, Bank AlBilad, a Saudi listed company, operating in the banking field, from 2013 G to 2017G • VP, HR & Admin, Rajhi Steel, a Joint Stock Company, operating in the steel manufacturing field, from 2013 G (3 months only) • Senior Executive VP, Etihad Etisalat Company (mobily), a Saudi listed company, operating in telecom field, from 2005 G to 2012G • Consultant, LM Ericsson, International Tele-Com Company, operating in the telecom field, from 2000 G to 2004G • Vice Dean, College of Technology, Abha, a Governmental Sector, from 1998 G to 2000G • Head, Computer Technology, Abha College of Technology, a Governmental Sector, from 1996 G to 1998G.

Table (5-49): Summary Biography of the Nomination and Remuneration Committee Member Johan Henri Brand

Name	Johan Henri Brand
Age	59
Nationality	Netherlands
Position	Nomination and Remuneration Committee Member
Academic and Professional Qualification	• MSc Business Economics, Erasmus University Rotterdam – NLD – 1986 • MA Business Law, Erasmus University Rotterdam – NLD – 1985 • MA Private Law, Erasmus University Rotterdam – NLD – 1985
Current Positions	• NRCG Member, Saudi Telecom Company, a Saudi publicly listed joint stock company, operating in the field of Telecom from 2018 G to present. • CNCG Member, Nesma Airlines, a Limited Liability company, operating in the field of Transportation, from 2018 G to present. • CNCG Member, Rabya Trading & Agriculture, a Limited Liability company, operating in the field of Contracting, from 2018 G to present. • RNCG Member, The Savola Group, a Saudi publicly listed joint stock company, operating in the field of Food and Retail from 2016 G to present. • Managing Director, Johan Brand Leadership Advisory, a Limited Liability company, operating in the field of Management and HR Consulting, from 2016 G to present.

Name	Johan Henri Brand
Past Professional Experience	• Senior Partner and Consultant, Executive Search, Egon Zehnder, a privately owned joint stock company, operating in the field of Management Consulting and Executive Search, from 2008 G to 2016 G. • Head of Marketing/Director of PCI Management Institute, Pepsi Cola International, a US publicly listed joint stock company, operating in the field of Fast Moving Consumer Goods, from 1991 G to 1995 G. • Brand Management, P&G Benelux, a US publicly listed joint stock company, operating in the field of Fast Moving Consumer Goods, from 1986 G to 1991 G.

Table (5-50): Summary Biography of the Nomination and Remuneration Committee Member Raid Abdullah Esmail Esmail

Name	Raid Abdullah Esmail Esmail
Position	Nomination and Remuneration Committee Chairman
Biography	Please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") of this Section.

5-6-3 Risk Management Committee

In compliance with the Corporate Governance Regulations, the Board of Directors formed the Risk Management Committee on 2/1/1438 H (corresponding to 3 October 2016 G), which was renamed as the Risk Management Committee pursuant to Board resolution dated Shaban 17, 1442H (corresponding to 30 March 2021G). The Company has also prepared its Risk Management Committee charter, which was approved by the Board in its session held on 17 Sha'aban 1442H (corresponding to 30 March 2021G).

The Risk Management Committee is composed of five members and is responsible, among other things, for:

- oversight and advice to the Board on the current risk exposures and future risk strategy of the Company, including strategy for capital and liquidity management;
- implementation and maintenance of a supportive culture in relation to the management of risk across the Company, alongside established prescriptive rules, processes and procedures, and compliance with the relevant laws and regulations;
- overseeing the Company's risk management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company and verify compliance with relevant laws and regulations;
- facilitation of continuous improvement of the Company's capabilities around managing its risks (current and emerging risks), controls and compliances including effective utilisation of risk management techniques in decision making; and
- support of Board efforts to monitor and evaluate, guidelines and policies to govern the process by which internal controls, risk assessment, risk management and compliances are undertaken.

The Risk Management Committee is comprised of the following members:

Table (5-51): Risk Management Committee Members

Name	Role
Dr. Khalid Dawood Yousif Al Faddagh	Chairman/ External member/ Non-Executive Director
H.E. Mohammed Talal Mohammad Al Nahas	Member / Non-Executive and Non-Independent Director
Mr. Ayman Marwan Yousif Elariss	External Member/ Non-Executive
Mr. Mohamed Hilmi El Roubi	External Member/ Non-Executive
Mr. Harold John Manasa	External Member/ Non-Executive

Table (5-52): Summary Biography of the Risk Management Committee Chairman Khalid Al Faddagh

Name	Dr. Khalid Al Faddagh
Age	64
Nationality	Saudi
Position	Risk Management Committee Chairman

Name	Dr. Khalid Al Faddagh
Academic and Professional Qualification	• Master's Degree in Mechanical Eng. Applied Mechanics, University of Manchester, Manchester, UK, 1979G. • PhD, DIC, Mechanical Eng., Applied Mechanics, Imperial College, London UK, 1983G. • Executive Program: Leadership and Strategy, Harvard Business School, Boston, USA, 2000G.
Current Positions	• Independent Board Risk Committee Member, Public Investment Fund (PIF), a KSA Sovereign Wealth Fund, operating in the field of Investment, from October 2019 to Present. • Chairman of the Risk Committee, BUPA Arabia, a Publicly Traded Company, operating in the field of medical insurance, from July 2019 to present. • Independent Board Audit Committee Member, SPIMACO (Pharmaceutical), a Publicly Traded Company, operating in the field of pharmaceutical industry, from May 2019 to present • Member of the Board of Advisors and Chairman of the Audit & Risk Committee, First Healthcare Cluster (Eastern Province), a Fully Owned Entity by KSA Ministry of Health, operating in the field of Delivery of Healthcare Services, from May 2018 to present. • Independent Board Member Vision Invest, a Joint Stock Company, operating in the field of Industrial Investments, from March 2018 to present. • Independent Board Audit Committee Member, SABIC, a Publicly Traded Company, operating in the field of Petrochemicals, Specialties, Agri-Nutrients, and Metals, from May 2017 to present
Past Professional Experience	• Chairman of the Audit & Risk Committee, Saudi Tabreed, from April 2017 to April 2019. • Independent Audit Committee Member, STC (Saudi Telecom), from January 2016 to August 2019. • Vice-Chairman of the Audit Oversight Committee, King Fahad University (KFUPM), from May 2015 to April 2019. • Chief Audit Executive (General Auditor), Saudi Aramco, a Saudi joint stock company, operating in the field of oil and gas, from 2009G to 2015G. • Shareholders Board Representative, Shawa Shell, a Japanese listed company, operating in the field of oil production, from 2008G to 2011G. • Board Member, Luberef, a Saudi limited liability company, operating in the field of base oil, from 2007G to 2010G. • Corporate Planning, Saudi Aramco, a Saudi joint stock company, operating in the field of oil and gas, from 2007G to 2009G. • President & CEO, Petron Corporation, a Philippines publicly traded company, operating in the field of refinery, from 2003G to 2007G. • Facilities Planning Manager, Saudi Aramco, a Saudi joint stock company, operating in the field of oil and gas, from 2002G to 2003G. • Board Member and CEO, Petron Corporation, a Philippines publicly traded company, operating in the field of oil refining, from 2001G to 2007G. • Central Engineering, Technical Leadership, Saudi Aramco, a Saudi joint stock company, operating in the field of oil and gas, from 2001G and 2003G.

Table (5-53): Summary Biography of the Risk Management Committee Member Mohammed Talal Mohammad Al-Nahas

Name	Mohammed Talal Al-Nahas
Position	Risk Management Committee Member
Biography	For further details on the biography of Mohammed Talal Mohammed Al-Nahas, please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") of this Section.

Table (5-54): Summary Biography of the Risk Management Committee Member Ayman Elariss

Name	Ayman El Ariss
Age	42
Nationality	French
Position	Risk Management Committee Member

Academic and Professional Qualification	• Bachelor's Engineering, Computer Eng, The American University of Beirut, 2001G. • Bachelor of Science, Electrical Eng, University of California , 2001G. • MBA, INSEAD, 2003G.
Current Positions	• Senior Vice President, Public Investment Fund (Riyadh, KSA)
Past Professional Experience	• Senior Manager, Masdar (part of Mubadala Investment Company), a joint stock company operating in the development, investment and management of renewable energy projects, from 2014 to 2020 • Manager, The Monitor Group, a global strategy consulting firm, from 2010 to 2014 G. • Software Engineer, Mobiclip (today Nintendo European R&D), a private stock company developing video and compression technologies, from 2006 to 2008 G. • Lead Software Engineer, LG Electronics, a publically listed company operating in the field of Telecom, technology and electronics, from 2004 G to 2006 G.

Table (5-55): Summary Biography of the Risk Management Committee Member Mohammed Al Roubi

Name	Mohamed el Roubi
Age	46
Nationality	British and Egyptian
Position	Risk Management Committee Member
Academic and Professional Qualification	• Bachelor of Arts Degree in Business Administration, The American University in Cairo, Egypt, 1994G. • Master of Arts Degree in Middle East Studies, The American University in Cairo, Egypt, 1996G. • Juris Doctor (Law), Northeastern University School of Law, Boston USA, 1999G. • Admitted to practice as an Attorney and Counsellor at Law in Massachusetts, 1999G and the District of Columbia 2000G, USA.
Current Positions	• Counsel, Adsero – Ragy Soliman and Partners, Cairo, Egypt, an Egyptian law firm operating in the field of legal advisory, from 2020G to present. • Fellow of the Governance Institute of Australia and Member of the Australian Institute of Company Directors, from 2020G to present. • Executive legal, governance and compliance advisor to boards and senior management (Independent), from 2016G to present.
Past Professional Experience	• General Counsel, Head of HR, Compliance, and Risk, Insurance and Welfare, GardaWorld International Protective Services, a Canadian company, and the world's largest privately owned private security company, from 2018 to 2019G • Assistant General Counsel, Operations and Oil, Gas, & Chemicals Division, Amec Foster Wheeler plc, a British company, operating in the fields of oil and gas, mining, power and process, and environment and infrastructure, from 2017G to 2017G. • Senior Vice-President Legal, Asia, Middle East, Africa, and Southern Europe, Amec Foster Wheeler plc, a British company, operating in the fields of oil and gas, mining, power and process, and environment and infrastructure, from 2014G to 2016G. • General Counsel, Growth Regions, AMEC plc, a British company, operating in the field of oil and gas, mining, clean energy, and environment and infrastructure, from 2013G to 2014G. • General Counsel, Middle East, North Africa, Turkey & Pakistan, The General Electric Company, a multinational company, operating in the fields of aviation, healthcare, power and water, energy, lighting, transportation, and oil and gas, from 2012G to 2013G. • General Counsel, Middle East, GE Energy, The General Electric Company, a multinational company, operating in the fields of aviation, healthcare, power and water, energy, lighting, transportation, and oil and gas field, from 2011G to 2012G. • Legal Affairs Director, Wind Telecom SpA, an Italian-Egyptian multinatinoal company operating in the field of telecommunication, from 2009G to 2011G. • Founder and Managing Partner, I&D Iraq Law Alliance, Iraq, a law firm operating in the field of legal advisory in Iraq, from 2003G to 2009G. • Partner, Ibrachy & Dermarkar, an Egyptian legal partnership, operating in the field of legal advisory, from 2001G to 2008G. • Associate, Corporate and Energy Practice Groups, LeBoeuf, Lamb, Greene & MacRae LLP a US law firm, operating in the field of legal advisory, from 2000G to 2001G. • Associate, International Border Dispute Practice Groups, LeBoeuf, Lamb, Greene & MacRae LLP a US law firm, operating in the field of legal advisory, from 1999G to 2000G.

Table (5-56): Summary Biography of the Risk Management Committee Member Harold Manasa

Name	Harold Manasa
Position	Risk Management Committee Member
Biography	Please refer to sub-section 5-6-1 ("Audit Committee") of this Section.

5-6-4 Board Executive Committee

The Board of Directors formed the Executive Committee on 02/06/1431H (corresponding to 15 May 2010G). The Company has also prepared its Executive Committee charter, which was approved by the Board in its session held on Ramadan 15, 1442H (corresponding to 27 April 2021G), as amended pursuant to the Board of Directors resolution dated 4/11/1442H (corresponding to 14 June 2021G).

The Board Executive Committee is composed of five (5) members who are all Board members. The primary purpose of the committee as delegated from the Board includes the following:

- review investments, acquisitions and/or submittal of binding bids in relation to any project, and/or further changes or revisions in such investment or bids submitted or to be submitted by the Company before recommending for approval to the Board of Directors and confirm all requisite authority to the Senior Executives to complete documentation to submit the respective offers or tenders and thereafter to conclude all agreements and contracts;
- review and recommend for approval to the Board of Directors the five year business plan, operating plans, capital expenditure plans and other studies or plans that will have a significant impact upon the operations of the Company;
- review and recommend for approval to the Board of Directors the Annual Business Development Plan, Strategic Business Development Plan and Strategic Risk Review proposed by the management which identifies various investments, acquisitions and bid opportunities;
- review and recommend to the Board of Directors any amendments to existing or any new corporate investment principles or guidelines of a general nature proposed by the Management for the financial assets
- review, approve the annual budget and recommend the same for approval by the Board of Directors ; and
- approve the Group's participation in ancillary activities in accordance which Article (28) of the Bylaws.

The Board Executive Committee is comprised of the following members:

Table (5-57): Board Executive Committee Members

Name	Role
Mr. Mohammed Abdullah Rashid Abunayyan	Chairman / Non-Executive Director
Mr. Raid Abdullah Esmail Esmail	Member / Non-Executive Director
Mr. Esmail Mohammed Saleh Al Sallom	Member / Non-Executive Director
Dr. Mohsen Ahmad Hassan Khalil	Member / Non-Executive and Independent Director
Mr. Omar Muhammad Nabeel Mohammed Almidani	Member / Non-Executive Director

Please refer to sub-section 5-2-3 ("Summary of the Biographies of the Directors") for the biographies of the committee members.

5-7 Conflicts of Interest and Competing Interests

The Company's Bylaws and its internal regulations and policies do not grant a member of the Board of Directors or CEO the power to vote on any contract or offer in which he has a direct or indirect interest. This is in accordance with Article 71 of the Companies Law, which provides that a Director may not have any direct or indirect interest in the transactions and contracts of the Company except with the permission of the General Assembly. Additionally, Article 72 of the Companies Law prohibits Directors from engaging in any activity that competes with the Company or its activities unless a General Assembly approval is obtained.

Furthermore, a member of the Board must disclose and notify the Board of Directors of any personal interest he/she may have in the transactions or contracts to be entered into by the Company or if he/she has an interest that competes with the Company. The Chairman of the Board of Directors is obliged to notify the General Assembly of the transactions and/or contracts in which a director has a personal interest, provided that such notification shall be accompanied by a special report from the Company's auditor. A conflicted member of the Board of Directors may not vote on any resolution approving the entry into the transaction and/or contract in which he or she has a direct or indirect interest. Also, the Board member engaging in any activity that competes with the Company or competing with the Company may not vote on any resolution approving such interest whether in Board meeting or General Assembly.

The CMA has issued certain rules for authorising businesses and contracts that are entered into for the account of the Company and in which a Board member has a direct or indirect interest. Such rules can be found in the Regulatory Rules and Procedures, issued on 16/1/1483H (corresponding to 17 October 2016) pursuant to the Companies Law relating to listed joint stock companies and amended on 03/04/1442H (corresponding to 18 November 2020G) (the "**Regulatory Rules**"), which include a list of examples in which an indirect interest will be established. One of these examples is where a corporate entity represented by a board member benefits from a transaction entered into by the company.

The Company has implemented a Related Party Transactions and Conflict of Interest Policy (the "**RPTC Policy**") which accounts for the nature of its size and operations, including those of its Shareholders, and to ensure that there is a clear mechanism to identify conflict of interest and competing interest cases and set out the cases in which the General Assembly approval will be sought. The RPTC Policy sets out a stringent process that aims to comply with the general principles under the Companies Law and the other requirements included in the Corporate Governance Regulations and the Regulatory Rules. The Board approved the RPTC Policy on 27 April 2021G, which was ratified by the General Assembly on its meeting held on 13 June 2021G. The RPTC Policy was amended, pursuant to the Board's approval dated 17 August 2021G and the General Assembly's approval dated 1 September 2021G, to add certain rules for Board members competing with the business of the Company or a branch of the activities it conducts, which will apply upon the General Assembly having granted such authorisation to a Board member. The following are the rules for such authorisation:

(i) Such authorisation shall be valid for the duration of the relevant Director's membership in the Board for the entire term during which the authorisation was issued and any consecutive terms thereafter if the Director is re-appointed.

(ii) The relevant Director does not participate in voting for any decisions taken by the Board or the General Assembly in respect of any activities he is competing with.

(iii) The Director updates the Company on an annual basis of the status of such competing business/activity and whether there are any changes to the scope or nature thereof.

(iv) The relevant Director shall not misuse or benefit (directly or indirectly) from any of the Company's assets, information or investment opportunities presented to the Company or to him/her in his/her capacity as a member of the Board. This includes investment opportunities which are within the activities of the Company, or which the Company wishes to make use of. Such prohibition shall extend to the Director who resigns to, directly or indirectly, use investment opportunities that the Company wishes to use, which came to his/her knowledge during his/her membership in the Board.

(v) The Director must comply with any other requirements imposed by applicable laws and regulations and any other instructions issued by the competent authorities, including the CMA.

It should be noted that there are currently some Subsidiaries in the Company's Group that engage in or wish to engage in activities that are considered ancillary to the main activities of the Company specified in its Bylaws, such as water treatment, district cooling, green hydrogen generation, and other ancillary activities. These activities do not constitute the core activities of the Company and its Group, which are the activities of power generation, water desalination and steam. In addition, it is expected that some Board members will participate in companies that engage in such ancillary activities. On 1 September 2021G, the Company's General Assembly approved the authorisation of five Board members (Mohammad Abdullah Rashid Abunayyan, Sulaiman A.K. Abdulmohsen Al-Muhaidib, Rasheed Abdulrahman Nasser Al-Rasheed, Omar MohammedNabil Mohammed Almidani and Esmail Mohammed Saleh Alsallom) to engage in businesses and activities that are considered ancillary to the core business of the Company, which are set out in Article 28 of the Company's Bylaws, and which if engaged in may compete with the Company and its Subsidiaries. Such authorisation is subject to the rules prescribed in the RPTC Policy and set out above.

Based on the foregoing, the Board of Directors confirms that each Director will:

- comply with Articles 71 and 72 of the Companies Law and Chapter 6 of the Corporate Governance Regulations;
- not participate in any business that competes with the business of the Company or a branch of the activities it conducts, unless such Director has authorization from the General Assembly;
- not vote on, or participate in deliberations relating to, Board or General Assembly resolutions in respect of businesses and contracts entered into for the account of the Company if he has a direct or indirect interest in such businesses and contracts;
- not vote, or participate in deliberations, in relation to any business that he is engaging in, which may compete with the Company or with a branch of the activities it conducts, at the level of the Board or the General Assembly; and
- ensure that all future businesses and contracts, including those in which a Director has a direct or indirect interest, will be concluded in accordance with the terms of the Corporate Governance Regulations, Companies Law and the Regulatory Rules and entered into similarly to all other ordinary course transactions with others without including any preferential provisions in favour of the relevant Board member.

5-8 Declaration of Interests of the Directors, Senior Executives and the Secretary of the Board in the Shares and debt instruments of the Company or its Subsidiaries

5-8-1 Interests of Directors in the Company or its Subsidiaries

The table below sets out the direct and indirect interests of each Director in the shares or debt instruments of the Company and/ or its Subsidiaries.

Table (5-58): Interests of Directors in the shares of the Company

Name	Share ownership	Description
Mr. Mohammed Abdullah Abunayyan	An indirect shareholding of 1.26405% and a direct shareholding of 4.13%	Mr. Mohammad Abdullah Rashid Abunayyan owns a total indirect interest in the Company's shares constituting 1,26405% of the share capital (before the Offering) through his 7,95% ownership in Abdullah Abunayyan Trading Company, which directly owns 3.02% of the share capital of the Company, and indirectly owns 12.88% of the share capital of the Company through its 50% ownership in the share capital of Vision Investment, which owns 25.76% of the share capital of the Company. Furthermore, Mohammad Abdullah Rashid Abunayyan owns a direct shareholding of 4.13% in the Company.
Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib	An indirect shareholding of 3,4776%	Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib owns a total indirect interest in the Company's shares constituting 3.4776% of the share capital (before the Offering) through his 27% ownership in Amwal Al Ajyal Company, which owns 100% of the share capital of Abdulkadir Al-Muhaidib and Sons Company, which in turn owns 50% in Vision Investment Company, which owns shares representing 25.76% of the Company's shares.

Table (5-59): Interests of Directors in the shares of the Subsidiaries of the Company

Name	Subsidiary	Share ownership	Description
Mr. Mohammed Abdullah Rashid Abunayyan	ACWA Güç	0,7296% (indirectly)	Mr. Mohammed Abdullah Rashid Abunayyan indirectly owns 0.7296% of the shares of ACWA Güç, through his ownership of 7.95% of Abdullah Abunayyan Trading Company, which owns 50% of the capital of Vision Investment Company, which owns 100% of Estidama for Projects Development, which owns 61.8% of the shares of ACWA Power DGC Holding, which in turn owns 99% of ACWA Power Kirikkale Holdings, which owns 30% of the shares of ACWA Güç.
	ACWA Power Kirikkale Holdings WLL Bahrain	0,02432% (indirectly)	Mr. Mohammed Abdullah Rashid Abunayyan indirectly owns 0.02432% of the shares of ACWA Power Kirikkale Holdings Bahrain, through his ownership of 7.95% of Abdullah Abunayyan Trading Company, which owns 50% of the capital of Vision Investment, which owns 100% of Estidama for Projects Development, which owns 61.8% of the shares of ACWA Power DGC Holding Company, which in turn owns 99% of Kirikkale Holding Company, which owns 1% of the shares of ACWA Power Kirikkale Holdings Bahrain.
Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib	ACWA Güç	2,4779% (indirectly)	Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib indirectly owns 2,4779% of the shares of ACWA Güç, through his ownership of 27% of the capital of Amwal Al Ajial Holding Company, which owns 100% of the capital of Abdulkadir Al Muhaidib and Sons Company, which in turn owns 50 % In Vision Investment, which owns 100% of Estidama for Projects Development, which owns 61.8% of the shares of ACWA Power DGC Holding Company, which in turn owns 99% of Kirikkale Holding Company, which owns 30% of the shares of ACWA Güç.

Name	Subsidiary	Share ownership	Description
	ACWA Power Kirikkale Holdings WLL Bahrain	0.0826% (indirectly)	Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib indirectly owns 0.0826% of the shares of ACWA Power Energy SA, through his ownership of 27% of the capital of Amwal Al Ajyal Company, which owns 100% of the capital of Abdulkadir Al Muhaidib and Sons Company, which in turn owns 50% in Vision Investment, which owns 100% of Estidama for Projects Development, which owns 61.8% of the shares of ACWA Power DGC Holding Company, which in turn owns 99% of Kirikkale Holding Company, which owns 1% of the shares of ACWA Power Kirikkale Holdings WLL Bahrain.

None of the Directors have any direct or indirect interests in the debt instruments of the Company or any of its Subsidiaries or any other matter that may have an impact on the Company's business. There are no direct or indirect interests held by the relatives of the Directors in the shares or debt instruments of the Company or its Subsidiaries or any other matter that may have an impact on the Company's business. For the purposes of this section 5.8 (**"Declaration of Interests of the Directors, Senior Executives and the Secretary of the Board in the Shares and debt instruments of the Company or its Subsidiaries"**), a relative shall be a person's spouse and minor children.

5-8-2 Interests of the Senior Executives and the Board Secretary and their respective Relatives in the Company and its Subsidiaries

With the exception of Rajit Nanda (Chief Portfolio Management Officer and Acting Chief Investment Officer), who owns one share in each of ACWA Power Dishito Solar PV and ACWA Power Jade Solar PV in Ethiopia (in which the Group owns 99.99% in each) for the purposes of meeting the incorporation requirements for these two companies according to the regulations in force in that country, neither the Board Secretary, any of the Senior Executives nor any of their respective Relatives have any direct or indirect interests in the shares or debt instruments of the Company or its Subsidiaries or any other matter that may have an impact on the Company's business.

5-9 Interests of Directors, Senior Executives and their Relatives in contracts entered into with the Company and its Subsidiaries

5-9-1 Agreements and Contracts entered into by the Company

Shareholders Side Letter in relation to the Deferred Payments of Dividends

On 16 November 2020G, the Extraordinary General Assembly of the Company passed a unanimous resolution to approve the declaration of dividends in an amount of two billion and seven hundred million and nine hundred and eighty thousand and seven hundred and seventy-four Saudi Arabian Riyals and twenty-two halalas (SAR 2,700,980,774.22). The Company has also issued a side letter to its shareholders on its commitments in relation to the second payment of dividends (For more information about the shareholder side letter, please refer to Section (12-8-1) (**"Shareholder Side Letter in relation to the Deferred Payments of Dividends"**) of this Prospectus. It should be noted that given that this letter was issued in favor of all shareholders registered as at the eligibility date in which the dividends shall be payable, all Directors representing these shareholders have an interest in the shareholders side letter in their capacity as representatives of such shareholders. Accordingly, the approval of the Company's General Assembly was unanimously obtained for this side letter at the same EGM held on 30/03/1442H (corresponding to 16 November 2020G).

The Loan Agreement Signed with the Public Investment Fund (PIF)

The Company has entered into a loan agreement with the PIF. (For more information about the loan agreement, please refer to section (12-8-2) (the "**PIF Loan Agreement**") of this Prospectus.) It is worth noting that the Board members Raid Abdullah Esmail Esmail and Philippe Vincent Jacques Lyon de Rivas both have indirect interest in the PIF Loan Agreement being representatives of the PIF. As such, the provisions of Article 71 of the Companies Law shall apply to this agreement that requires obtaining an approval from the Company's General Assembly, which was unanimously obtained for the PIF Loan Agreement in the EGM held on 30/3/1442H (corresponding to 16 November 2020G).

Agreements and Transactions with Riyad Bank

ACWA Power Projects Company (which is one of the Company's Subsidiaries) has entered into a facility agreement with Riyad Bank whereby Riyad Bank has granted a letter of guarantee to MEPCO (one of the Company's Subsidiaries) for the benefit of Saudi Electricity Company. The Company in turn granted on 21/01/1435H (corresponding to 25 November 2013G) a guarantee of SAR 150,000,000 for the benefit of Riyad Bank to guarantee the obligations of ACWA Power Projects Company. Mr. Mohammed Talal Mohammed Al-Nahas has an interest in the letter of guarantee issued by the Company, given that he is a board member at Riyadh Bank. As such, the provisions of Article 71 of the Companies Law apply in this case that requires obtaining an approval from the Company's General Assembly, which was unanimously obtained in the general assembly meeting held on 28/11/1439H (corresponding to 9 August 2018G).

Agreements and Transactions with Samba Financial Group

Rabigh Three Company (which is one of the Company's Subsidiaries) has entered into an equity bridge loan agreement with Samba Financial Group on 31 December 2018G pursuant to which Samba financial Group provided facilities for the benefit of Rabigh Three Company through an interest rate sawp agreement of SAR 856,492. Accordingly, the Company has provided a guarantee for the benefit of Samba Financial Group, on 14 July 2020G, (before it was dissolved by operation of law due to its merger with the Saudi National Bank) guaranteeing the obligations of Rabigh Three Company.

In addition, there are transactions between the Company and Samba Capital (a subsidiary of Samba Financial Group), as it is one of the organizers of the Company's sukuk issuance (for further information, please refer to section 6-3-9 (**"Capitalization and Indebtedness"**)), which also includes Samba Financial Group as one of the lead order providers for SAR 500 million. The Company also submitted a standby letter of credit issued by Samba Financial Group to support the loan facilities for Redstone CSP IPP from Standard Bank in South Africa, amounting to SAR 281.2 million.

Mr. Abdullah Abdulrahman Sainain Al Rowais has an interest in the abovementioned work and agreements, given that he is a member of the board of directors of Saudi National Bank to which all contracts and agreements of Samba Financial Group were transferred by the power of the law. As such, the provisions of Article 71 of the Companies Law apply in the guarantee provided by the Company, which requires obtaining an approval from the Company's General Assembly. It should be noted that such interest has been already disclosed. It should be noted that the approval of the Company's General Assembly for these work and agreements was obtained in accordance with the requirements of Article 71 of the Companies Law at its meeting held on 03/11/1442H (corresponding to 13 June 2021G).

Thabat Project

The Company has issued a letter of award on 12 April 2020G to Thabat Construction Company Ltd., a wholly owned subsidiary of Abdulkadir Al-Muhaidib and Sons Company, which in turn holds 50% of the capital of Vision Investment, for the purpose of purchasing, designing, supplying and construction of medical equipment, tools, and the facilities' support systems necessary for use by the Ministry of Health. The total value of the contract is in the amount of SAR 52,500,000. Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib, has an interest in this agreement given that he holds 27% of the capital of the Amwal Alajial Company, which holds 100% of the capital of Abdulkadir Al-Muhaidib and Sons Company. As such, the provisions of Article 71 of the Companies Law apply to this agreement, and thus, requires obtaining the approval of the Company's General Assembly. It should be noted that the approval of the Company's General Assembly for this agreement was obtained in accordance with the requirements of Article 71 of the Companies Law at its meeting held on 03/11/1442H (corresponding to 13 June 2021G).

Kite (Kirikkale) Project

The Company has entered into an agreement to sell 30% of its indirect share in the ACWA Güç, a Turkish company which owns the Kirikkale Gas Power Station in Turkey, where the Company remains a shareholder in ACWA Güç indirectly through ACWA Power Bahrain Holding Company, which is a subsidiary of the Company. Whereas, ACWA Power Bahrain Holding Company has entered into a partnership agreement with ACWA Power DGC Holding, a company indirectly owned by Vision Investment, Al-Mutlaq Group Company and Al-Rajhi Group Holding Company, which owns stakes in ACWA Güç. Mr. Mohammed Abdullah Rashid Abunayyan, Mr. Sulaiman Abdulkadir AbdulMohsen Al Muhaidib, Mr. Rasheed Abdulrahman Nasser Al Rasheed and Mr. Omar Muhammad Nabeel Mohammed Al Midani have an interest in this agreement, given that these Board members represent Vision Investment, which has interest in an agreement entered into by one of its subsidiaries to acquire 30% of the capital of ACWA Güç from the Company. Moreover, the Board members Mr. Mohammed Abdullah Rashid Abunayyan and Mr. Sulaiman Abdulkadir AbdulMohsen Al-Muhaidib have an interest in these agreements due to their indirect ownership in Vision Investment. As such the provisions of Article 71 of the Companies Law apply to these agreements and therefore require obtaining the approval of the Company's General Assembly. The approval has been obtained for these agreements in the General Assembly's meeting held on 28/03/1440H (corresponding to 6 December 2018G).

NEOM Green Hydrogen project

The Company has entered into a number of agreements with NEOM - a wholly owned subsidiary of the PIF - related to the development of a new green hydrogen project with a total value of approximately SAR 18.75 billion. The Director, Mohammed Abdullah Rashid Abunayyan, has interest in the agreements and dealings between the Company and NEOM for being a Director of the founding board of Neom Industrial City. Accordingly, the provisions of Article (71) of the Companies Law apply to these agreements, which requires obtaining the approval of the General Assembly. It should be noted that the approval of the Company's General Assembly for this agreement and transactions was obtained in accordance with the requirements of Article 71 of the Companies Law at its meeting held on 03/11/1442H (corresponding to 13 June 2021G).

Strategic Framework Agreement with the Public Investment Fund

The Company has entered into a framework agreement with the PIF dated 29/05/2021G, in relation to the renewable energy program of the PIF. This agreement is considered an agreement with a related party, in which Directors Raid Abdullah Esmail Esmail and Philippe Vincent Jacques Lyon de Rivas may have an indirect interest as they are representatives of the PIF. Accordingly, the provisions of Article 71 of the Companies Law apply which requires the approval of the General Assembly. It should be noted that the approval of the Company's General Assembly for this agreement was obtained in accordance with the requirements of Article 71 of the Companies Law at its meeting held on 03/11/1442H (corresponding to 13 June 2021G). (For more information about this agreement, refer to Section (12-8-4) (**"Strategic Framework Agreement"**) of this Prospectus.

Service Contract with Thamer Alsharhan

The Company entered into a service agreement with the Vice Chairman Thamer Saud Esmail Al Sharhan. (For more information about such agreement, refer to Section (5-4-1) (**"Service Agreements - Directors"**). This agreement is subject to the provisions of Article 71 of the Companies Law, which requires obtaining the approval of the General Assembly of the Company. It should be noted that the approval of the Company's General Assembly for this agreement was obtained in accordance with the requirements of Article 71 of the Companies Law at its meeting on 03/11/1442H (corresponding to 13 June 2021G).

Indirect interest of Board member Raid Ismail in transactions between the Company and SABB

The Board member Raid Ismail disclosed of his indirect interest in transactions entered into between the Company and SABB bank (which are ordinary course banking transactions), since his brother is a Senior Executive at the bank (Chief Credit Officer). Such transactions will be approved in the next ordinary general assembly meeting of the Company.

5-9-2 Agreements and Contracts entered into by the Company's Subsidiaries

For the purposes of this section, contracts and agreements in which a member of the Board of Directors or any of the Senior Executives or any of their Relatives has a personal interest (including through any controlled entity or company) which generate a financial/business benefit are included. Also for the purposes of this section, the definition of relative means husband, wife, and minor children.

The Company confirms that the decisions to enter into such transactions were made in accordance with the authority matrices adopted by the Company and the relevant Subsidiary at the relevant times and to the extent the provisions of Article 71 of the Companies Law apply at the level of the Subsidiary, its general assembly will be convened to obtain the necessary authorisations in line with the requirements of such Article.

Supply Agreement entered into between NOMAC and Abunayyan Trading Company

NOMAC entered into a supply agreement with the Egyptian Company, Purelife Systems, in 2019G (with a total value of SAR 3,800,000), which was novated by the Egyptian Company, Pure Life Systems, to Abunayyan Trading Company, which became a party to the agreement with NOMAC. The Board member Mr. Mohammed Abunayyan has an interest in this agreement given that he owns a stake in ATC, and given that the Company's management participated in NOMAC's decisions pertaining to this agreement. Mr. Mohammed Abunayyan disclosed his interest to the Company. Accordingly, Article 71 of the Companies Law applies to this agreement, which requires obtaining the approval of the General Assembly of the Company. It should be noted that the approval of the General Assembly of the Company on this agreement was obtained in accordance with the requirements of Article 71 of the Companies Law in its meeting held on 03/11/1442H (corresponding to 13 June 2021G).

Supply Agreements between NOMAC and Toray Membrane Middle East Limited

NOMAC entered into a number of supply agreements with Toray Membrane Middle East Ltd. amounting to SAR 20,221,543, for the purpose of supplying reverse osmosis membranes to serve various projects. Board member Mohammed Abdullah Rashid Abunayyan may have an interest in these agreements as he owns shares in Toray Membrane Middle East Limited.

Supply Agreements between NOMAC and Saudi Tabreed District Cooling Company

NOMAC entered into a number of supply agreements with Saudi Tabreed District Cooling Company amounting to SAR 23,681,670, for the purpose of supplying equipment and consumables to serve various projects. A member of the Board of Directors, Mohammed Abdullah Rashid Abunayyan, may have an interest in these agreements, as he holds a board of director member position and owns shares in Saudi Tabreed District Cooling Company.

Supply agreements between NOMAC and KSB Pumps Arabia

NOMAC has entered into a number of supply agreements with the KSB Pumps Arabia amounting to SAR 2,529,808, for the purpose of supplying pumps and spare parts to serve various projects. A member of the Board of Directors, Mohammed Abdullah Rashid Abunayyan, may have an interest in these agreements, as he owns shares in KSP Pumps Arabia.

Supply agreements between NOMAC and Water and Environment Technologies Company Ltd. (WETCO)

NOMAC has concluded a number of supply agreements with Water and Environment Technology Company Ltd., amounting to SAR 881,529, for the purpose of supplying equipment and consumables to serve various projects. A member of the Board of Directors, Mohammed Abdullah Rashid Abunayyan, may have an interest in these agreements, as he owns shares in the Water and Environment Technology Company Limited.

5-9-3 Interests of Senior Executives in contracts entered into with the Company and its Subsidiaries

The Company has entered on 23 May 2013G into a shareholders' agreement with Invest In Africa Energy Services Proprietary Limited (**"IA Energy Services"**) and three of the Company's Subsidiaries which are: (NOMAC Africa Holding (Proprietary) Limited, NOMAC IAE Bokpoort (Proprietary) Limited and ACWA Power Africa Holdings (Proprietary) Limited). The shareholders' agreement governs the relevant parties' relationship, including their rights and obligations, as shareholders in an O&M company for the Bokpoort project in South Africa. Mr Suntharesan Padmanathan (who is the CEO of the Company) has an indirect interest in this agreement. As he is a minority (10%) shareholder and a director in Invest In Africa Holdings (Proprietary) Limited (**"IAA Holdings**"), which owns IA Energy Services.

Furthermore, Mr. Padmanathan has an interest in a preference share subscription agreement, dated 23 July 2014G between IIA Holdings and two of the Company's Subsidiaries, ACWA Power Africa Holdings (Proprietary) Limited and ACWA Power Bokpoort Holdings Proprietary Limited. Pursuant to the agreement, IIA Holdings subscribed to a preference share in ACWA Power Bokpoort Holdings Proprietary Limited.

5-9-4 Memberships of Directors and Senior Executives in the boards of the Company's Subsidiaries

There are several Directors and Senior Executives of the Company who are also directors or managers of a number of the Company's Subsidiaries. There are a large number of contracts entered into between the Company and its Subsidiaries and between Subsidiaries themselves. (For more information about the nature and size of such agreements, refer to Section (12-6) (**"Overview of the Group's Contracts"**) of this prospectus). Pursuant to paragraph (5) of Article Fifty-eight of the Regulatory Rules and Procedures for listed companies, these contracts and agreements entered between the Company and its Affiliates do not create an indirect interest for the members of the Board simply because they are members of the board of directors or Senior Executives in these Subsidiaries. There are also four contracts concluded between the Company and other companies in which the Company owns a non-controlling stake (i.e. less than 30%). Although such companies are not considered Affiliates of the Company, the Board members and Senior Executives of the Company were appointed as directors and managers in these companies by the Company or the relevant Intermediate Holding Company, and therefore they do not hold these positions in their personal capacities. As such, these Directors and Senior Executives do not have any interests in these agreements.

The Company confirms that the decisions to enter into such transactions with the Group Companies were made in accordance with the authority matrices adopted by the Company and the relevant Group Company at the relevant times. Furthermore, the provisions of Article 71 of the Companies Law do not apply to all these companies given that some of them are either foreign entities or are limited liability companies. However, to the extent the provisions of Article 71 of the Companies Law apply at the level of any of these Group Companies, their respective general assemblies will be convened to obtain the necessary authorisations in line with the requirements of such Article.

The below table sets out the Directors and Senior Executives who are also directors or managers in the Company's Subsidiaries, and other companies that are not controlled by the Company, as at the date of this Prospectus:

Table (5-60): Memberships in the Company's Subsidiaries

Name	Position in Company	Nature of interest
Mr. Mohammed Abdullah Rashid Abunayyan	Chairman of the Board	Mr. Mohammed Abdullah Rashid Abunayyan has been appointed on the board of 12 of the Company's subsidiaries. There are numerous agreements entered into between the Company's subsidiaries and the Company itself. Such agreements are mainly operations and maintenance contracts between NOMAC and the project companies, insurance agreements between subsidiaries and the project companies, and construction management and other services agreements between the Company, NOMAC and project companies.
Thamer Saud Esmail Al Sharhan	Member of the Board	Mr. Thamer Saud Esmail Al Sharhan has been appointed on the board of 12 of the Company's Subsidiaries. There are numerous agreements entered into between the Company's subsidiaries and the Company itself. Such agreements are mainly operations and maintenance contracts between NOMAC and the project companies, insurance agreements between subsidiaries and the project companies, and construction management and other services agreements between the Company, NOMAC and project companies.
Suntharesan Padmanathan	President & CEO	Mr. Padmanathan has been appointed on the board of 51 of the Company's Subsidiaries. There are numerous agreements entered into between the Company's subsidiaries and the Company itself. Such agreements are mainly operations and maintenance contracts between NOMAC and the project companies, insurance agreements between subsidiaries and the project companies, and construction management and other services agreements between the Company, NOMAC and project companies.
Kashif Mahboob Rana	CFO	Mr. Rana has been appointed on the board of 67 of the Company's Subsidiaries. There are numerous agreements entered into between the Company's subsidiaries and the Company itself. Such agreements are mainly operations and maintenance contracts between NOMAC and the project companies, insurance agreements between subsidiaries and the project companies, and construction management and other services agreements between the Company, NOMAC and project companies.
Julio Torre Gutierrez	Chief O&M Officer	Mr. Julio has been appointed on the board of 44 of the Company's Subsidiaries. There are numerous agreements entered into between the Company's subsidiaries and the Company itself. Such agreements are mainly operations and maintenance contracts between NOMAC and the project companies, insurance agreements between subsidiaries and the project companies, and construction management and other services agreements between the Company, NOMAC and project companies.
Rajit Nanda	Acting Chief Investment Officer, Chief Portfolio Management Officer	Mr. Nanda has been appointed on the board of 77 of the Company's Subsidiaries. There are numerous agreements entered into between the Company's subsidiaries and the Company itself. Such agreements are mainly operations and maintenance contracts between NOMAC and the project companies, insurance agreements between subsidiaries and the project companies, and construction management and other services agreements between the Company, NOMAC and project companies.

5-10 Insolvency/Bankruptcy

None of the Directors, Senior Executives or the Secretary has at any time been declared bankrupt or been subject to bankruptcy proceedings.

None of the companies in which any of the Directors, Senior Executives or Secretary was employed in a managerial or supervisory capacity, was declared insolvent or bankrupt during the past 5 years preceding the date of this Prospectus.

5-11 Employee Share Programmes

On 13 June 2021G the Extraordinary General Assembly approved the establishment of the ACWA Power employee IPO grant plan and the issuance of 4,137,552 shares, representing 0.57% of the Company's Shares (after the capital increase), to recognize and reward employee commitment & contribution in the Company over the past 15 years. The plan will award a one-time grant of shares/units concurrently with the Offering to eligible employees.

The Nomination and Remuneration Committee will supervise the plan, and has the authority to grant and determine the terms of awards thereunder, which will consist of Shares granted to (34) of senior employees and executives in the Company, any of its branches and Subsidiaries inside and outside the Kingdom as determined by the Nomination and Remuneration Committee to participate in the program.

The Company entered into an agreement with Riyad Capital to manage a fund compliant with the relevant applicable laws and regulations established to manage and supervise the program and to pay the remuneration on behalf of the Company based on the conditions set by the Committee. The fund will purchase from the Company the shares allocated to the program at the final offer price.

5-12 Employee Cash Incentive Plan

a- One-time employee grant plan concurrent with the Offering: On 30 March 2021G, the Board of Directors agreed to develop a grant plan for employees, the cash part of which is SAR 111 million. Such amount will be granted to all employees of the Company and any of its branches and subsidiaries inside and outside the Kingdom in accordance with the conditions of the grant prescribed by the Nomination and Remuneration Committee.

b- Long-Term Cash Incentive Plan for Employees: On 30 March 2021G, the Board of Directors approved a long-term cash incentive plan which was granted to some key management personnel. Covering a nine-year period starting from 1 January 2020G, the plan includes three separate performance periods of three years each. The cash compensation becomes due according to the plan at the end of each performance period depending on the fulfilment of the approved performance conditions. An amount of SAR 34.6 million was approved in 2021G covering the period 2020 and the first quarter of 2021.

6- Management's Discussion and Analysis of Financial Position and Results of Operations

6-1 Introduction

This Section provides an analytical review of the financial condition and operational performance of ACWA Power in addition to supplementary analytical reviews of NOMAC and seven material subsidiaries for the financial years ended 24/04/1440H, 05/05/1441H and 16/05/1442H (corresponding to 31 December 2018G, 2019G and 2020G). It should be read in conjunction with the Company's audited consolidated financial statements for the financial years ended 31 December 2018G, 2019G and 2020G (the "**Audited Consolidated Financial Statements**"), which were audited by Ernst & Young & Co. (Certified Public Accountants) ("**EY**"). Neither EY, nor its employees (forming part of the team serving the Company), or any of their relatives own any shares or interest of any kind in the Company that would affect their independence. EY has furnished its written consent to the reference in this Prospectus of its role as the Company's external auditor for the financial years ended 31 December 2018G, 2019G and 2020G.

The financial statements of ACWA Power form an integral part of this Prospectus and should be read in conjunction with these statements and their accompanying notes. These financial statements are included in Section (19) (Auditor's Report) of this Prospectus, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").

All amounts are in SAR thousand (or SR thousand), unless stated herein otherwise. References to "**CAGR**" refer to Compound Annual Growth Rate over the period from the financial year ended 31 December 2018G to the financial year ended 31 December 2020G. Percentages have been rounded and therefore a calculation of the percentage increase/decrease based on amounts presented in tables within this section (shown in thousands) may not be exactly equivalent to the corresponding percentages as stated in tables. All references to "increase/(decrease)" in the following analysis corresponding to the variances for the financial years ended 31 December 2018G, 2019G and 2020G mean as follows: "increase/(decrease)" in 2019G is in comparison to 2018G and "increase/(decrease)" in 2020G is in comparison to 2019G.

The financial information of ACWA Power in this section has primarily been extracted from the audited financial statements for the financial years 2020G including financial information relating to the financial years ended 31 December 2019G and 31 December 2018G which has been extracted from comparatives included in the 2020G Financial Statements of ACWA Power.

This Section may contain data and statements of forward-looking nature that may entail risks and uncertainties. The Group's actual results could differ materially from those expressed or implied in such data and statements as a result of various factors, including those discussed within this Section and elsewhere in this Prospectus, particularly, in Section (2) Risk Factors.

6-1-1 Directors' Declaration on the Group's Audited Consolidated Financial Statements

As of the date of this Prospectus, the Directors declare that:

1. The financial information contained in this section has been extracted without material changes and presented in a form consistent with the audited consolidated financial statements for the financial years ended 31 December 2020G including comparative financial years 31 December 2018G and 2019G and their accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").
2. Other than what has been disclosed in Section (4-9) (Significant Disruptions to the Business) of this Prospectus, there has not been any interruption in the business of the Company or any of the Company's Subsidiaries which may have or has had a significant effect on the financial position in the last 12 months.
3. No commissions, discounts, brokerages or other non-cash compensation have been granted by the Company or any of the Company's Subsidiaries within the three years immediately preceding the application for registration and offer of securities that are the subject of this Prospectus in connection with the Company or the offer of any securities.
4. There has not been any material adverse change in the financial or trading position of the Company or its Subsidiaries in the three financial years directly preceding the application for registration and offer of securities

that are subject to this Prospectus and during the period from the end of the period covered in the external auditors' report up to and including the date of approval of this Prospectus.

5. The Company - individually or jointly with its Subsidiaries - has a working capital sufficient for a period of at least 12 months immediately following the date of publication of this Prospectus.
6. The Company and its Subsidiaries have not issued any debt instruments or term loans as at the date of this Prospectus except for as disclosed in this section or in Section (6) (Management's Discussion and Analysis) Section (12) (Legal Information) of this Prospectus.
7. There are no mortgages, rights or burdens on the Company's possessions as at the date of this prospectus other than what has been disclosed in the Prospectus in Section (6) (Management Discussion and Analysis) or in Section (12) (Legal Information) or any other sections of this Prospectus.
8. Other than as disclosed in Section (2) (Risk Factors), Section (4) (Company) and Section (6) (Management Discussion and Analysis), the Company does not own any securities (contractual or otherwise) or any assets the value of which is subject to fluctuations, which negatively and substantially affect the valuation of the financial position.
9. All material facts relating to the Company and is financial performance have been disclosed in this Prospectus, and that there exists no other information, document or facts whose omission would make any statements misleading.

The above declarations are made by the Board of Directors in addition to any other declarations expressly set out in this Prospectus.

6-1-2 Basis of Preparation and Consolidation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").

6-1-2-1 Basis of Preparation

The Group's Consolidated Financial Statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value. These consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

6-1-2-2 Basis of Consolidation

The Group's Audited Consolidated Financial Statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interest in subsidiaries

Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. Retained investment is recorded at fair value.

6-1-3 Significant Accounting Policies

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements except where policies were changed due to adoption of new accounting standard.

The significant accounting policies adopted are as follows:

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or

It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term bank deposits that have an original maturity of three months or less and excludes restricted cash deposit.

Financial instruments

Initial recognition

The Group records a financial asset or a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair values. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification

The Group classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures a financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group classifies all non-derivative financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Group designates a non-derivative financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When the Group has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, it continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss for the period.

Accounts receivables

After initial recognition, accounts receivables are stated at amortised cost less allowance for any impairment. The Group recognises an allowance for impairment for expected credit losses. Such impairment allowances are charged to profit or loss and reported under "General and administration expenses". When an account receivable is uncollectible, it is written-off against the impairment allowance. Any subsequent recoveries of amounts previously written-off are credited against "General and administration expenses" in the consolidated statement of profit or loss.

Deferred costs (Projects under development)

Costs incurred on projects under development, which are considered as feasible, are recognised as an asset in the consolidated statement of financial position to the extent they are assessed to be recoverable. If a project is no longer considered feasible, the accumulated costs relating to that project are expensed to the profit or loss in the period in which the determination is made. The Group makes provision against these projects based on expected project success rates.

Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in the consolidated statement of financial position. Proceeds received from successful projects in excess of development cost reimbursements are recognised during the year within revenue in the consolidated statement of income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Investments in associates and joint ventures – equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method of accounting from the date that the significant influence or joint-control commences until the date that such influence or joint-control ceases. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group's profit or loss reflects the Group's share of the profit or loss of the associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the associates and joint ventures, the Group recognises its share of such changes in its other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures ("upstream and downstream") are eliminated to the extent of the Group's interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and joint ventures is shown separately in profit or loss under operating income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date the Group determines whether there is an objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate or joint venture and its carrying value, then recognises the loss within 'Share in results of associates and joint ventures' in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in associates or joint ventures, the Group's carrying amount of investments in associate or joint venture is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investee companies.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group increases its ownership interest in an existing associate/ joint venture which remains an associate/ joint venture after that increase, the purchase price paid for the additional interest is added to the existing carrying amount of the associate/ joint venture and the existing share in net assets of the associate or joint venture is not re-measured. The cost of additional investment is allocated between the share of the fair value of net assets and goodwill. Any excess of the additional share in fair value of net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group's share of the associate's/ joint venture's profit or loss after additional acquisition in order to reflect the Group's share in fair value of net assets at the acquisition date, arising from the additional acquisition.

Property, plant and equipment

Property, plant and equipment, except for land and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work in progress are stated at cost less accumulated impairment loss, if any. Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under relevant category of property, plant and equipment upon completion.

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Business combination

Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from start of the comparative year.

Impairment

Financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss (FVPL):

- financial assets that are debt instruments;
- trade receivables and contract assets;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments. The Group measures impairment allowances using the general approach for all financial assets except for trade receivables including short term related party receivables which follows the simplified approach.

Under the general approach, the Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL. The Group applies the simplified approach to measure the ECL on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The Group categorizes its financial assets into following three stages in accordance with the IFRS 9 methodology:

- Stage 1 – financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months ECL.
- Stage 2 – financial assets that has significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on lifetime ECL. The impairment allowance is recorded based on lifetime PD.
- Stage 3 – for financial assets that are impaired, the Group recognizes the impairment allowance based on lifetime ECL.

The Group also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECLs.

The forward-looking information will include the elements such as macroeconomic factors (e.g., unemployment, GDP growth, inflation, profit rates and house prices) and economic forecasts obtained through internal and external sources.

ECL represent probability-weighted estimates of credit losses. These are measured as follows:

- financial assets that are not credit-impaired at the reporting date: 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);
- financial assets that are credit-impaired at the reporting date: as the difference between the net carrying amount and the present value of estimated future cash flows, which includes amounts recoverable from guarantees and collateral;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less cash flows that the Group expects to receive any.

Expected credit losses are discounted to the reporting date at the effective interest rate (EIR) determined at initial recognition or an approximation thereof and consistent with income recognition.

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently re-measured at amortised cost.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. In relation to insurance business, the provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance cost.

Employees' benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation

The Group operates a post-employment benefit plans driven by the labour laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in profit or loss as employee cost while the unwinding of the liability at discount rates used is recorded in profit or loss as finance charges. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Statutory reserve

In accordance with the Company's By-Laws and Saudi Arabian Regulations for Companies, the Company must set aside 10% of its income after zakat and tax in each year until it has built up a reserve equal to 30% of its capital. The reserve is not available for distribution.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold land and building	2-40 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Where the Group determines a long-term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease. A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset.

The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Asset retirement obligation

The Group records the present value of estimated costs of legal decommissioning obligations required to restore the site to its original condition in the period in which the obligation is incurred. The nature of these activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related property, plant and equipment to the extent that it was incurred as a result of the development/construction of the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. The estimated future costs of decommissioning, are reviewed annually and adjusted as appropriate. Changes if any, in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

Revenue recognition

Revenue from supply of desalinated water and power is recognised upon satisfaction of performance obligation which in general happens upon delivery of desalinated water and power to the customer. Capacity charge income (excluding receipts for services provided, such as insurance and maintenance) under Power and Water Purchase Agreements ("PWPA") or Power Purchase Agreements ("PPA") or Water Purchase Agreements ("WPA") for each hour during which the plant is available for power generation and/or water desalination is recognised over the lease term or upon actual billing period as appropriate considering the terms of each PWPA or PPA or WPA. The component of billed revenue related to goods or services not delivered or performed are recorded as deferred liability and reported in the consolidated statement of financial position as deferred revenue.

At the inception of the lease, the total unearned finance income i.e. the excess aggregate minimum lease payments plus residual value (guaranteed and unguaranteed), if any, over the cost of the leased assets, is amortised over the term of the lease, and finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding with respect to the lease.

Revenues from rendering technical, operation and maintenance services are recognised when contracted services are performed. Revenue from development is recognised when related services are rendered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Profit on fixed deposits is recognised as the profit accrues. Interest income on deposits is accrued on an effective yield basis.

Dividend income is recognised when the Group's right to receive the dividend is established.

Borrowing costs

Borrowing costs directly attributable to the construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalisation.

Front end fees, debt acquisition and arrangement fees, other than commitment fee in relation to undrawn facility, that relate to the origination of the long-term loans and funding facilities are amortised over the period of the loans using the effective interest rate ("EIR"). Loan commitment fee in relation to undrawn portion of loan is treated as service cost. The amortisation on the effective interest basis and the commitment fee on undrawn facility are capitalised as part of projects under construction up to the date of commencement of commercial production and subsequently it is charged to profit or loss.

Expenses

General and administration expenses include direct and indirect costs not specifically forming part of operating costs. Allocations between general and administration expenses and operating costs, when required, are made on a consistent basis.

Zakat and taxation

Zakat and taxation is provided in accordance with the Regulations of the General Authority of Zakat and Tax (the "GAZT") in the Kingdom of Saudi Arabia and on an accruals basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalisation.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with tax regulations of the respective countries.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Transactions in foreign currencies are recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in the functional currency at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are taken to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of income or expense are translated in Saudi Riyals at average exchange rates prevailing during the reporting period of related transactions. Exchange differences arising on translation for consolidation, if material, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income for exchange differences relating to that particular foreign operation is recognised in profit or loss.

Value added tax ("VAT")

VAT receivable represents input tax paid on purchases including purchase of property, plant and equipment. VAT receivable is presented on an undiscounted basis net of any output tax collected on revenue.

Dividends

Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Earnings per share

Earnings per share are calculated by dividing profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

New standards, amendments and interpretations adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business:

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform:

A fundamental review and reform of major profit rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") is engaged in a two-phase process of amending its guidance to assist in a smoother transition away from Interbank Offered Rates (IBOR).

Phase (1) - The first phase of amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures focused on hedge accounting issues. The final amendments, issued in September 2019, amended specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by IBOR reform. The amendments are effective from 1 January 2020 and are mandatory for all hedge relationships directly affected by IBOR reform. The requirements have no implication on the consolidated financial statements of the Company for the year ended 31 December 2020.

Phase (2) – The second phase relates to the replacement of benchmark rates (IBOR) with alternative risk-free rates (RFR). The Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021 and early application is permitted. Now that the Phase 2 Amendments have been finalised, the Group will complete its assessment of the accounting implications of the scenarios it expects to encounter as the transition from IBORs to RFRs in order to accelerate its programmes to implement the new requirements.

Management is running a project on the Group's overall transition activities and continues to engage with various stakeholders to support an orderly transition.

The table below shows the Group's exposure at the year-end to significant IBORs subject to reform that have yet to transition to RFRs. The table excludes exposures to IBOR that will expire before transition is required or that are related to equity accounted investees of the Group:

	SR (000)
Carrying amount of financial liabilities exposed to IBOR	4,958,755
Notional of hedges linked to IBOR	3,871,279

Equity accounted investees of the Group are also exposed to the IBOR reforms. The Group's share in notional of hedges (linked to IBOR) associated with equity accounted investees amounted to SR 17.5 billion.

Amendments to IAS 1 and IAS 8 Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018:

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions:

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts:

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current:

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3:

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16:

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments do not have any impact on the Group as the Group's accounting policy is already consistent with the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37:

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments do not have any impact on the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities:

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements:

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

This standard is not applicable to the Group.

6-1-4 Use of Estimates and Assumptions

The preparation of the Group's consolidated financial statements in conformity with IFRS as endorsed in KSA and IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

(i) Impairment of non-financial assets (including Goodwill)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the projects' useful lives and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(ii) Impairment of accounts receivable

An estimate of the collectible amount of accounts receivable is made using an expected credit loss model which involves evaluation of credit rating and days past due information.

(iii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

During the year, the Group performed a detailed exercise to re-assess the useful life of the plants owned by its subsidiaries and joint ventures. Management categorised and considered all socio-economic, operational, performance and other factors surrounding the technology of the particular asset belongs to.

Based on the analysis, it was concluded that certain plants' economic life was lower than the useful life due to advancement in technology which has resulted in the availability of more efficient new plants in the industry. As a result, the Group decided to align the plants existing useful life to its re-assessed economic life with effect from 1 January 2020 as follows:

Plant Technology	Previous useful life	Revised useful life	Financial impact for the year ended 31 Dec 2020G SR (000)
Photovoltaic	30 years	25 years	4,266
Concentrated Solar Power	30-35 years	30 years	1,320
Combined Cycle Gas Turbine	35-40 years	35 years	54,012
Seawater Reverse Osmosis	30-40 years	30 years	22,612

This change in accounting estimate has resulted in SR 82.2 million being expensed in the consolidated statement of profit or loss, which is reflected in the Group operating cost (SR 50.0 million) and through share in net results of equity accounted investees (SR 32.2 million).

Impacts on the profit or loss in future periods will be as follows:

Year (range)	2021	2022-43	2044-53	2054
Impacts in SR millions per annum (range)	79.6	66.2	64.3-16.6	4.1

(iv Fair value of unquoted financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and call options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

Pursuant to certain shareholder agreements, the Group has written put options on non-controlling interests in subsidiaries and on counterparty's ownership interest in an associate. The fair values of these put options are derived from discounted projected cash flow analysis of the respective entities and the redemption amount determined pursuant to contractual agreements. The fair value measurements are performed at each reporting date.

(v) Lease classification

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

The following are the critical assumptions that have been made in the process of applying the Group's accounting policies for determining whether an arrangement contains a lease and have a significant effect on the amounts recognised in the consolidated financial statements:

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the off-taker will pay for the output is neither contractually fixed per unit of output nor is equal to the current market price per unit of output at the time of delivery of the output and accordingly management believes that the arrangement contains a lease.
- If at the end of the term of the PPA or WPA or PWPA, the ownership of the Plant is transferred to the off-taker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of lease as a finance or operating lease.

6-2 Group Overview

The Group is a leading private developer, investor and operator of 64 power generation and water desalination projects (such projects of the Group, the "Projects") in operation, construction and advance development as of 1 June 2021G, with a mix of renewable and conventional fuel Projects in 13 countries including the Kingdom of Saudi Arabia. As of 1 June 2021G, the Group had a portfolio with a total estimated project cost of over SAR 248 billion including operating, under construction and in advanced development Projects, representing approximately 41.6 GW of gross electricity generation capacity and 6.4 million m3 per day of desalinated water production capacity. As of 1 June 2021G, approximately 33% of the gross power capacity of the Group's power-generation Projects (including operating, under construction and in advanced development Projects) utilize renewable technologies (solar and wind), and another 44% use natural gas, so that approximately 77% of the gross power capacity of the Group's power-generating Projects utilizes either renewable or low carbon sources. Approximately 23% of the gross power capacity of the Group's power-generation Projects utilize coal and oil. However, with the decision in 2020G to no longer pursue any new coal- fired project, the Group is committed to gradually reducing its greenhouse gas (GHG) emission intensity and ultimately achieving net zero-emissions by 2050G. Approximately 71% of the Group's gross power generation capacity is from plants that have an individual plant capacity of greater than 1 GW. Between 31 December 2006G and 31 December 2020G, the Group's gross power capacity and water capacity (including under construction and advanced development Projects) have grown at CAGRs of 28.4% (from 1.3 GW to 41.7 GW) and 13. 3% (from 1.0 million m3 to 5.8 million m3 per day), respectively.

In addition to targeting to become one of the largest IWPP players in the countries where it chooses to operate, the Group aims to be at the forefront of the global energy transition to clean/low CO2 technologies without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost. To this effect, while seeking to sustainably grow its power and desalinated water contracted capacities by focusing largely on sovereign offtake markets in the Kingdom of Saudi Arabia and other high-growth economies through the expansion of its existing facilities, the development of greenfield Projects and the acquisition of ownership interests in companies operating existing plants, the Group also aims to well-position itself as an early mover in Green Hydrogen technology by capturing global opportunities to produce and export Green Hydrogen (under all forms) for different sectors and industries.

In developing its Projects, the Group aims to take a fuel-agnostic and technology-neutral approach all the while ensuring an ESG-centric investment emphasis, and seeks to employ innovative technical, commercial and financial bidding strategies that focus on cost leadership in delivering turnkey solutions with leading original equipment manufacturers ("**OEMs**") and EPC Contractors. In these Projects, the Group, through its Project Companies, typically enters into a long-term offtake contract with creditworthy offtakers (which are usually government-related and/or predominantly investment grade) to sell the Project's electricity generation capacity and/or desalinated water production capacity at a pre-agreed tariff or to sell electricity generated and/or desalinated water produced at the relevant Project.

The Company co-invests in all its Projects with a view of obtaining and maintaining significant, long-term shareholding interests in these Projects, and seeks to play the role of the lead investor with de facto control over the investment (e.g. by obtaining and maintaining the ability to appoint senior managers (for example the CEO and the CFO) and operational management through its wholly owned subsidiary or its joint ventures acting as the operation and maintenance contractor on an arms-length basis). The Company aims to invest efficiently by bringing in equity partners in most of its Projects, by using limited recourse project finance debt and by targeting to raise funding using equity bridge loans. Furthermore, the Company seeks to maximise differential returns through the use of (i) development fees (which are fees typically paid to the developers or sponsors upon financial close as compensation for the risks taken and efforts made while developing the Project); (ii) project and construction management fees (which are fees typically paid to the Company for managing the construction of the Project); (iii) technical services fees (which are fees typically paid to the Company for providing technical advisory services for the Project during its operation); and (iv) O&M profitability (which is derived from the fees paid by the Project to the O&M entity, usually a Group company, which provides operational and maintenance services to the plant). The Company also generates revenue in the form of reinsurance commissions and/or by the difference in inward and outward reinsurance premiums through its wholly owned subsidiary ACWA Power Reinsurance, which is a fully-licensed captive reinsurance company incorporated and operating in the United Arab Emirates that only reinsures risks emanating from the Group companies; however generated revenue is immaterial and not a main source of income for the Group.

Typically, the Group does not operate third-party assets or own assets operated by third parties; instead it holds a significant equity interest in the assets it operates and largely a majority interest in the entities operating its assets. For the operation and maintenance of its own Projects, the Group generally leverages its wholly owned subsidiary—NOMAC and NOMAC's subsidiaries or joint ventures—that operate the majority of the Group's Projects with a standardised operational model that applies high standards of health, safety, security and environmental protection in line with global standards. In this manner, the Group aims to create value through ensuring superior control and understanding of the assets throughout their life cycle, incentivizing adoption of high operational standards, enhancing the use of digitalization to improve asset performance, capturing the benefits from economies of scale, creating operational synergies from replicable and transferable learnings, enhancing risk mitigation and delivering systematically optimized costs across the supply chain.

Additionally, the Group seeks to continuously implement financial and operational initiatives to further optimize the returns from its portfolio. It systematically targets to recycle its capital through sell-downs of minority stakes in its Projects (while retaining its operational and de-facto control), extending contracts beyond the original Offtake Agreement, and optimizing portfolio-level capital structure through (i) re-financing of equity bridge loans (by extending tenors for individual EBLs or re-financing the portfolio EBLs with long-term permanent capital) and/or (ii) bringing in strategic equity partner(s) on a portfolio of assets across multiple jurisdictions, both with the objective of generating incremental return on its investments.

The Group's business is capital intensive in nature and the Group utilizes diverse sources of financing including a combination of equity and debt financing from a variety of sources including institutional investors, international development banks and international and national (Saudi) commercial banks. Financing and funding facilities of the Group comprise recourse or non-recourse facilities.

Recourse facilities are (i) direct borrowings at parent level for liquidity support and other general corporate purposes; (ii) facilities of the Project Companies, including equity commitments that are normally in the form of Equity Bridge Loans (EBLs), guaranteed by the Company (see Section (6-3-9-3) Contingencies and Commitments); and (iii) other liabilities in relation to APREH's convertible loan and PIF's non-interest bearing converted loan (for further analysis on the net recourse debt of the Company, please refer to Section (6-3-9-2) Capitalization and indebtedness, Net Recourse debt of the Company).

Non-recourse facilities are borrowings by either the Project Companies or the Holding Companies, which are ring-fenced with no recourse to the Company. They comprise (i) non-recourse facilities that are secured by the Project Company with its own assets, cash flows and contractual rights over certain proceeds; and (ii) non-recourse facilities that are secured by the Holding Company with its investments and cash flows through the Project Company with no recourse to the Company, including the existing ACWA39 Bond issued by the Company's wholly owned subsidiary APMI One with no recourse to the Company and secured against the cash flows from a select portfolio of Projects in the Kingdom of Saudi Arabia (see Section (6-3-9-2) Capitalisation and indebtedness, APMI One's Bond and other funding instruments of the Company, The Bonds).

The Group believes that its develop, invest, operate and optimize business cycle model allows it to generate total returns substantially in excess of its cost of capital or hurdle rate across its portfolio of investments.

For the full Company overview please refer to Section (4) (The Company).

6-3 Management's Discussion and Analysis of Financial Position and Results of Operations of ACWA Power

The following management discussion and analysis of ACWA Power is based upon and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2020G including financial information relating to the financial years ended 31 December 2019G and 31 December 2018G which has been extracted from comparatives included in the 2020G Financial Statements, which were audited by Ernst & Young & Co. ("**Certified Public Accountants**"). Please refer to Section (6-1) (Introduction) for other relevant disclosures related to the financial statements.

6-3-1 Operating Segments

The Group has determined that the Management Committee, chaired by the Chief Executive Officer, is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'.

During the year, the Group amended its reportable operating segments. In line with its continued focus on environment and sustainability, the Group continues to see increasing growth in the renewables part of its business. This has resulted in a change in the information provided regularly to the chief operating decision maker, to include discrete information on results from renewable power activities, as well as thermal and water desalination activities combined. This information is used to make decisions about resources to be allocated to each segment and to assess segmental performance. Revenue is attributed to each operating segment based on the type of plant or equipment from which the revenue is derived.

The Group's measure of segment profit or loss is based on profit or loss for the year from continuing operations adjusted for non-recurring or non-operational items, per operating segment. The Group also monitors operating income before impairment and other expenses per operating segment. Segment liabilities are not reported to the chief operating decision maker on a segmental basis and are therefore not disclosed.

The Group's operating and reportable segments are as follows:

1. **Thermal and Water Desalination:** The term Thermal refers to the power and water desalination plants which use fossil fuel (oil, coal, gas) as the main source of fuel for the generation of electricity and production of water whereas water desalination refers to the stand-alone reverse osmosis desalination plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize). These plants include IPPs (Independent Power Plants), IWPPs (Independent Water and Power Plants) and IWPs (Independent Water Plants).

2. **Renewables:** This includes the Group's business line which comprises of PV (Photovoltaic), CSP (Concentrated Solar Power) and Wind plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize).
3. **Others:** This segment comprises certain activities of corporate functions and other items that are not allocated to the reportable operating segments and the results of the ACWA Power reinsurance business.

6-3-2 Principal Factors Affecting the Results of Operations

Certain principal factors affect the Group's operating results. Described below are those principal factors that the Management believes have an impact on the (i) Revenues from operations; (ii) Cost of operations; (iii) Financial charges; (iv) Cash flow from operations; and (v) One-off event of Covid-19. These factors are based on the information currently available to Management and may not represent all the factors and/or events that are relevant to an understanding of the Group's current or future results of operations. See Section (2) (Risk Factors) of this Prospectus for a discussion of the key risks affecting the Group's results of operations.

6-3-2-1 Principal Factors Affecting Revenues from Operations

The Group believes that the principal factors that affect the revenues may differ depending on the source of revenue in addition to other factors that may have impact on the overall revenues from operations.

Sources of Revenues

The Group has two sources of revenue. These are:

(i) Generation (sale of electricity, water and steam) revenues: Revenues through selling the Project's electricity generation capacity and/or desalinated water and steam production capacity at a pre-agreed tariff (capacity revenues) and by selling the actual electricity generated and/or desalinated water and steam produced at the relevant Project, mostly on long-term contracts. The Group's certain renewable contracts are accounted under finance lease accounting as per the requirement of IFRS 16 – Leases; accordingly revenues from these contracts have been accounted for as finance lease income.

(ii) Services rendered revenues: Revenues from O&M activities and Development and construction management services.

1- Operation and maintenance revenues: As operator of Projects, through payments from the Project Companies for fixed and variable operation and maintenance services provided

2- Development and construction management services revenues: As the lead developer of Projects, a) through payments of development fees and reimbursement of development costs (incurred during advanced development stage) by the Project Companies, settled upon reaching Financial Close ("FC") or as per the provisions of the respective procurement process; b) through payments from the Project Companies for project and construction management and other services provided by the Group.

(i) Generation revenues

Revenue based on available capacity

Most of the Group's base-load conventional power generation and water desalination projects conduct business under long-term sales contracts, with offtakers usually contractually obligated to purchase electricity, water or steam for the duration of, and at rates that are contractually determined at the outset of such contracts, once the Project makes minimum required capacity available to the Offtaker, thereby mitigating the risk associated with market demand volatility, except for one of the Group's conventional power projects (Kirikkale) that are not on contractual Capacity Payment schemes and therefore are exposed to market demand risk. As of 31 December, 2020G, Kirikkale represented 2.3% of the 41.7GW total gross power capacity of the Group.

For the Group's base-load conventional Projects, Capacity Payments by the Offtaker for the plant's available capacity represent a majority of the overall revenue of each Project. Subject to the plant's availability as per respective P(W)PAs, such Capacity Payments are fixed in nature and separate from payments for electricity actually generated or desalinated water actually produced at such base-load conventional plants. These revenues are therefore stable from one period to another for the Project except for a) incentives that would arise due to better than projected availability, and/or b) any penalties that would arise due to unplanned outages in the course of operations. Capacity payments are typically structured to cover the Project's capital costs, i.e. debt servicing, return on equity and taxes.

Revenue based on actual dispatch (renewable electricity delivered)

For renewables projects, there is no separate Capacity Payments to the Project Company based on the plant's availability but relevant Project Company receives a single energy payment for the electricity delivered (or deemed to be delivered) to the Offtaker. The Offtaker is generally required to take all of the power that the Project Company is actually capable of delivering, failing which the Project Company is generally compensated for the power it would have delivered but for the Offtaker's failure to take the relevant plant.

The renewable tariff per unit is structured in the form of a single unit of revenue that covers all the Project costs (fixed and variable) and return on equity.

Both the capacity and actual payments of most of the Projects are received in the local currency of the respective market (functional currency) except for the Projects where the contracts are fully dollarized. For those Projects, except where the local currency is pegged to USD, the Group seeks to contractually index its revenue to the exchange rate movement of the USD either fully or in large part, to mitigate the risk of and protect against the volatility of the functional currency versus USD.

(ii) Services rendered revenues

Operation and maintenance revenues

Once the Project makes capacity available to the Offtaker, the Project earns fixed operation and maintenance revenues as part of the Capacity Payments from the Offtaker. In addition, the Project earns variable revenue to cover variable operation and maintenance costs per unit of power or water dispatched to the Offtaker.

All the Projects, operation and maintenance is contracted under long-term operation and maintenance contracts to either NOMAC, a wholly owned subsidiary of the Company, or CEGCO, a controlled subsidiary of the Company (collectively called "Operators"). As a result, the Projects make fixed and variable operation and maintenance payments to Operators under the respective operation and maintenance contracts. The fixed revenues are stable from one period to another for the Project except for a) incentives that would arise due to better than projected availability, and/or b) any penalties that would arise due to unplanned outages.

The fixed and variable revenues of most Projects (and thus NOMAC) is received in the local currency of the respective market (functional currency) except for the Projects where the contracts are fully dollarized. For those Projects, except where the local currency is pegged to USD, the Group seeks to contractually index its revenue to the exchange rate movement of the USD either fully or in large part, to mitigate the risk of and protect against the volatility of the functional currency versus USD. Countries where local currency is pegged to USD, there is automatic protection against currency fluctuations. Furthermore, fixed and variable revenues of NOMAC are indexed to domestic and international inflation rates based on the agreed split in the respective contracts.

Services revenues

In accordance with its business model, the Group pursues and bids for commercially viable and attractive opportunities and is entitled to development fees once the Project achieves financial close or to project and construction management services fees during the construction period till reaching commercial operation date. While construction management services are for the length of the construction period. Additionally, the Group recovers its bidding costs (internal people and other costs asso ciated with the bid) on achievement of financial close of a Project.

Due to the nature of revenue recognition only at the time of financial close of a Project or achievement of specific Project milestones, the Group's services revenue may show variations on a quarter on quarter basis (and therefore the Group's Operating Income and Net Income as well), depending on the length of time from the bidding to a financial close (or achievement of specific milestones) of a Project.

Other Factors Affecting Revenues from Operations

Fuel conversion and fuel pass-through

Fuel costs of the Group (see Impact of Fuel Costs below) are generally structured in the contracts on a pass-through basis to the Offtaker (unless the relevant Offtaker provides the fuel supply), which results in realisation of a corresponding Fuel revenues amount.

Although fluctuations in Fuel costs may affect each of the revenue and operating costs line items with typically a neutral aggregate effect (other than efficiency related adjustments, which normally happen to be a relatively small component of the overall operating income), the Group considers fuel pass-through to have no impact on the results of operations.

Seasonal factors

The Group's projects are mostly based in countries where the demand for water and power is higher during the summer period, so most of the planned outages that the Projects undertake are usually scheduled during the winter season. As a result, the availability and the Capacity Payments show seasonal variation such that the Group experiences higher revenue and profits during the second and third quarters of the year (Northern Hemisphere summer) than in the first and fourth quarters (Northern Hemisphere winter). Planned outages are incorporated into the Offtake Agreements.

Production levels for the Group's solar and wind projects are also subject to seasonal variations against a backdrop of solar, climatic and micro-climatic conditions. For example, winds exceeding certain speeds may require the Group to halt its wind turbines, or the PV assets only operate when the sun is out and the MWs produced vary depending on the position of the sun. CSP assets, on the other hand, can operate for majority of the night using the heat (converted from sunlight and stored) to create steam to drive a turbine for generation. Although the Group undertakes research during the development phase of a Project to assess such conditions, they are nevertheless beyond the Group's control and can vary significantly from period to period, are subject to seasonal variations and are difficult to predict.

Unplanned interruptions (unplanned outages)

A plant's available capacity is affected due to unplanned interruptions (outages) as a result of critical equipment failure or other factors. When and if this happens, the plant becomes unavailable and the Group's revenues may be exposed to potential revenue variations as per the relevant P(W)PA in place.

For the year ending 31 December 2020G, the Group incurred loss of revenues on account of extended unavailability as a result of outages at Mourjan, SWEC, SqWEC, IBRI, Sohar, Barka, Bokpoort, NOOR II and NOOR III Projects. Related business interruption claims were filed under the terms and conditions of the respective insurance policies for the period over and above the minimum deductible periods.

In the three years ending 31 December 2018G, 2019G and 2020G, the Group had average unplanned outage levels of 6.7%, 8.6% and 2.6% for Power, respectively, and 3.2%, 4.0% and 3.2% for Water, respectively.

For the event of a decrease in availability or complete unavailability outside the contractual limits because of an unplanned outage as defined above, the Projects have adequately obtained insurance policies from reputable international insurance companies to protect against property damage and/or business interruptions (with certain amount of risk retained with the Project Company as per the deductible terms and conditions) in line with the market practices. Additionally, in certain instances the Projects are able to allocate the risk of unplanned outages and hence pass the impact on to the respective EPC contractors as per the contractual warranties under the respective EPC contracts.

At the Group level, the diversified nature of the portfolio significantly mitigates the risk of significant revenue loss due to potential unplanned outages at one or more of the Group's plants. Moreover, the Group's Offtake Agreements include Force Majeure ("FM") clauses that provide protection against any catastrophic event such as fire, floods, earthquakes, tsunami, sandstorms, explosions, acts of terrorism or sabotage or any other events outside of the Group's control.

The Group uses its wholly owned entities (NOMAC and CEGCO) for the O&M services of its Projects. To predict potential component failures and prevent and/or reduce unplanned outages, NOMAC uses big data analytics and predictive pattern recognition platforms that gather data through tens of thousands of sensors from the equipment in the plants, which are then processed and monitored through two dedicated monitoring and prediction centers ("MPC") in Dubai and Jeddah. This helps in maintaining high performance standards and reduces the chances of any unplanned outages or long-term unavailability.

6-3-2-2 Principal factors affecting cost of operations

The Group believes that there are four principal factors that affect cost of operations. These are:

Maintenance costs

Project development costs

Fuel costs (which are mostly pass-through to the Offtakers)

Staff costs (O&M)

Maintenance Costs

The Group's maintenance costs are those that relate to planned and unplanned maintenances. As part of planned maintenances, the Group incurs annual and major maintenance parts and related service costs required to operate and maintain the plants. The major maintenance costs are periodic in nature and normally arise at intervals of 3-6 years, whereas there are also routine maintenance costs. Fixed portion of such costs are invoiced to the Projects on a monthly basis as part of the respective O&M contracts between the Operators and the Project Companies. Such invoiced amounts include advances for major maintenance of plants, which are recorded as deferred revenues. These deferred revenues are recorded in the statement of profit and loss as and when the major maintenance expense arises.

The fact that maintenance activities take place at different times during the year may cause volatility in costs incurred and creates variances on a quarter-on-quarter or year-on-year basis. However, given the prevalent demand pattern as explained above in the Principal Factors Affecting Revenues from Operations, the annual and major maintenance activities normally take place in the first and fourth quarters of the calendar year to ensure uninterrupted availability during the higher-demand summer months.

Project Development Costs

During the development of a project, the Group incurs development costs such as employee remuneration, consultancy and other administrative expenses, which are generally recovered through reimbursement upon achieving financial close of successful projects (see Services Revenues above).

Project development costs represent costs incurred on Projects under development, which are considered feasible as of the reporting date. A provision is made against the project development costs based on an average project success rate and management's best estimates. Development costs reimbursed by successful Projects are recognized as a deduction from deferred costs in the consolidated statement of financial position, and any excess of the actual development costs are recognized on the consolidated statement of profit and loss.

The Management reviews the development status of such Projects at least on a quarterly basis and makes prudent adjustments in its provisions, including reversal of these provisions when a Project turns feasible again. For the years ending corresponding to 31 December 2018G, 2019G and 2020G, the Group's provisions for development costs were reversal of SAR 16.4 million, provision of SAR 50.8 million and provision of SAR 142.9 million, respectively.

Fuel Costs

As regards to the electricity actually generated and sold and/or desalinated water actually produced and sold using conventional fuel, the Group's oil and natural gas (together "Fuel") costs are reflected as operating costs. However, as these costs are generally structured in the contracts on a pass-through basis to the Offtaker (unless the relevant Offtaker provides the fuel supply, for which no corresponding cost is reflected), a corresponding amount for Fuel revenues is reflected in the revenues. As a result, fluctuations in Fuel costs, either as a result of changes in demand or in price or in both, affect each of the revenue and operating costs line items but tend to have a neutral aggregate effect (other than efficiency related adjustments, which is a relatively small component of the overall operating income) on the Group's results of operations.

Staff Costs (O&M)

These are staff costs operating and maintaining the plants including operations support and management. O&M contracts stipulate the number of people to be employed in the plants. Employment contracts are agreed with the Projects and subject to annual review. Staff costs generally include basic salary, housing allowance and other contractually entitled benefits, depending on the employment position.

6-3-2-3 Principal factors affecting financial charges

The Group believes that there are two principal factors that affect financial charges. These are:

Financing charges

Foreign exchange

Financing Charges

The Group's business is capital intensive in nature and the Group utilizes debt and equity financing in order to support the capital expenditure requirements of its Projects (see Section (6-2) (Group Overview)).

A significant portion of the Group's debt is non-recourse (see Section (6-3-9) (Liquidity and Capital Resources)) debt that are raised at the Project level, which are generally hedged for interest costs (see Section (6-3-10) (Financial and Market Risks)) during construction and for a significant part of the operating life of the Project. Generally, at financial close, the interest rate is hedged and the changes in interest rate from the bidding date to financial close are passed through to the Offtake Agreement tariff. The Group continuously monitors if there is any remaining interest rate exposure at Project level, and, if any, the respective Project Company hedges these open exposures as and when deemed appropriate in line with its risk management framework.

Interest rate swaps (IRS) are required by lenders under the loan agreements to hedge the floating interest rate risk on loans by swapping the floating rate for a fixed rate. During the period of 2018G to 2020G, the IRSs were consistently out of the money as a result of a drop in market interest rates. The economies across most countries are still experiencing a slowdown as a result of the COVID-19 pandemic, and as such, interest rates are expected to stay low, and thus leading to further unfavourable outcome from the IRSs. However, the interest rate hedges are accounted for as a cash flow hedge resulting in the mark-to-market changes occurring on the balance sheet. Furthermore, we note that the drop in interest rates has resulted in interest expense savings on the loans with floating interest rates.

Major transactions that affected the Group's financing costs in the years ending 31 December 2018G, 2019G and 2020G were as follows:

- SAR 3,052.5 million (USD 814 million) 22-year non-recourse bond (the "Bond") issued in 2017G by the Company's wholly owned special purpose vehicle subsidiary (see Section (6-3-9) (Liquidity and Capital Resources)), which replaced then existing short-term debt with long-term debt at an interest rate of 5.95% p.a., and provided financing for the new projects under development over the three-year period.
- During 2018G, ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Company, entered into a convertible loan agreement (the "Loan") with the CVXF Inc. (Silk Road Fund ("SRF")) of China. Under the subject agreement, APREH borrowed a sum of SAR 1,361.3 million, which was advanced to ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement. The Loan provides the SRF an option to convert all or a portion of the Loan's principal amount into the shares of APREH at an agreed conversion price and carries a fixed interest rate of 4.3% for the first 18 months and 3.4% for the rest of the outstanding period. Upon successful closure of the transaction, SAR 580.6 million was converted to investment, SRF acquired a 49% stake in APREH and remaining outstanding balance of SAR 773.1 million was disclosed as due to a related party as at 31 December 2020G (see Section (6-3-7-4) (Non-current Liabilities)). The total outstanding loan balance is repayable within 60 months from first utilization in the event of non-conversion. (see Section (6-3-5) (Comparability of Operations)).

Foreign Exchange

Although most of the Group's transactions are denominated in respective local currencies, the currency risk is limited as these local currencies are either pegged to the USD or subject to indexation to USD in case of devaluation as per the contracts in place. Generally, at financial close, changes in the foreign exchange rate from bidding date to financial close are passed through to the Offtake Agreement tariff. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), United States Dollar (USD) and Japanese Yen (JPY), where the functional currency is different to the currency of the financial instrument. For further discussion, see Section (2) (Risk Factors).

The Group hedges certain foreign currency exposures through hedge strategies, including the use of derivative financial instruments. Additionally, the Group contractually seeks to index its revenues either fully or in large part to the exchange rate movement of the USD, to protect against volatility in the functional currency of the country of the Project's operation versus the USD. The Group continuously ensures that all the hedges in place are effective and there are limited inefficiencies in the existing hedge contracts.

6-3-2-4 Principal factors affecting Cash flow from Operations

The Company's parent-level cash inflows mainly arise:

as an investor in Projects, from the dividends, shareholder loan repayments (including interest), and other distributions from Projects (subsidiaries, joint ventures and associates) (collectively "Distributions");

- as the operator through NOMAC, from the distributions from NOMAC. These cash flows are senior cash flows at each Project and are not subject to debt covenants in the debt of the Project Company;
- as a lead developer of Projects, from development fees and cost recovery reimbursements by Project Companies (for costs incurred during Project development) upon reaching financial close or as per the provisions of the respective Offtake Agreement/procurement process; and
- as a service provider, from services fees for Technical, Project and Construction Management and Other Services provided for the Project Companies.

Through the above avenues, the Company is able to generate a steady flow of cash that is then deployed for various uses as explained below in Parent-level Liquidity and Leverage.

Additionally, the Company is generally able to capitalize on its initial equity interest in a Project, and to generate further cash, income and fees throughout the life of a Project, by seeking to optimize its portfolio through re-leveraging (including extending equity bridge loans and therefore further deferring equity investment requirements), capital recycling (i.e. partial sell downs of the Group's ownership in a project), refinancing (which includes replacement, enhancement, re-profiling and renegotiation of the project finance debt terms) and other similar opportunities.

While the Company's ability to generate cash from Projects is dependent in a large part on Distributions, the non-distribution risk is sought to be mitigated by negotiating and instituting shareholder agreements with equity partners (see Section (11-6) (Overview of Company Contracts)) in a manner that the shareholders agree to a dividend policy to maximize shareholder returns through distribution of available profits after servicing debt, required legal reserves and other required retentions that the respective Board of Directors would withhold.

Overall, the Group believes that there is adequate natural risk mitigation in place against the risk of Offtakers experiencing financial difficulties and delaying or defaulting their payment obligations, as (i) majority of the Offtakers are either governments or quasi-government entities, mostly backed by government credit support pertaining to the relevant Project; and (ii) any delay in collection from the Offtaker may trigger termination clauses of the respective contracts with severe implications for the Offtaker.

6-3-2-5 One-off Event Affecting Overall Results of Operations

COVID-19 has affected the world from the beginning of 2020G in an unprecedented manner, setting in motion border closures and changes in both personal and business lifestyles.

The Group's priority and immediate response has been to focus on the health and safety of its people, and, given the criticality of the services provided, safely keeping the power generation and desalinated water production plants in operation, always strictly adhering to the instructions and guidance of national and local authorities. Thanks to the measures the Group decisively and quickly put in place, combined with the contractual nature of the Group's business with mostly take-or-pay arrangements (i.e. the Offtaker purchases all the energy produced or pays the deemed energy payments), the impact of the pandemic on the results of operations of the Group, as disclosed in below and also under Sections 2-1-3, 2-2-1, 2-2-4, 2-2-6, 2-3-1 and 2-4-1 covering Covid-19-related risks pertaining to delays, O&M operations, remote working conditions, force majeure event, debt servicing and market, industry, legal and regulatory environment, respectively, has remained limited as of the date of this Prospectus.

Key measures the Group has implemented, risk mitigants that are in place and the limited impact on the Group's operations are summarized below:

- At corporate level, a COVID-19 steering committee was formed to oversee safety and business continuity, monitor the financial situation closely and regularly, and to take precautionary measures minimizing the potential impacts. The Group conducts stress-testing under various scenarios and monitors its financial position and corporate commitments on a regular basis. The Group's strong liquidity that is reinforced by access to unutilised corporate revolver facilities of SAR 1,642 million as at 31 December 2020G at parent company level provides additional room to manoeuvre in case any Project temporarily requires funding. Notwithstanding, it is prudent to note that the extent and duration of business and economic impact of the COVID-19 remains uncertain and is dependent on future developments that cannot be accurately predicted at this time.
- Projects in operation:
  - Most operating projects have long-term take-or-pay contracts with mostly government-related offtakers, resulting in limited impact. Due to its contracts with private customers, only the Khalladi project in Morocco was affected initially in the early days of COVID-19 as a result of lower demand, which was immaterial at the Group level, and the situation has improved together with the gradual and relative normalization of the Moroccan economy.
  - Uninterrupted supply of power, water and steam has been ensured on account of various measures ranging from maintaining spares and consumable supplies and stock for up to six months to stand-by availability of a redundancy shift of staff at each site and other precautionary measures. As a result, the Group's Projects in operation did not face or experience any major impact from COVID-19.
  - NEPCO in Jordan has partially withheld the revenue payments owed with respect to the Zarqa IPP, Mafraq PV IPP and Risha IPP Projects since February 2020G as well as instituting two months delay in payment for CEGCO Projects' revenue payments since December 2019G, citing financial difficulties. As per the subsequent agreements signed with NEPCO, the total withheld amount of SAR 103.0 million have already been collected in 2021G. During the period when payments were withheld, there has been no shortfall in debt servicing or any other commitments by the Project Companies other than distribution to their shareholders. Total receivables from NEPCO (including COVID19 related) amounted to SAR 639.0 million as at 31 December 2020G of which SAR 416.9 million have been due for more than 180 days.
  - SWEC, a Project of the Group in Saudi Arabia, experienced an extended forced outage due to Covid-19 for 23 days and impact of such outage was SAR 19.0 million, Project has filed for forced majeure under the contract.

    While no other Project has experienced any material delays or collection issues to date, the Group has reasonable working capital facilities in place in each of its Projects that are readily accessible in case of any temporary receivable delays or collection issues from the Offtakers.

- Projects under construction
  - All Projects under construction have access to sufficient funding to continue their construction activities and are able to absorb some level of reasonable delays.
  - However, Covid-19-related nationwide lockdowns in several countries have caused certain delays to the supply chain affecting the construction timelines of the Projects such as Salalah IWP, Hassyan and DEWA CSP. The Projects have certain contractual rights against such force majeure events and the Group has served several force majeure notices to all its Offtakers to ensure protection of these rights and interests due to disruptions caused by Covid-19. The Group has also received force majeure notices from certain of its suppliers due to Covid-19. As of the date of this Prospectus, no Projects have been refused relief by their respective offtaker as a result of the aforementioned delays.
- Projects in advanced development
  - The Group has projects where it is preferred bidder, the delays caused by Covid-19 has affected the financial close timeline of these Projects.
- Projects under bid
  - Although there is a delay in some bid awards, the Group's growth plans have not been materially affected due to a large and diversified pipeline of growth Projects in multiple markets.

6-3-3 Key Performance Indicators

The Management uses several key performance metrics internally to review the Group's financial and operational performance. These metrics are called Key Performance Indicators (KPI) and they are analysed below. These KPI and the analysis below should be read in conjunction with Section (6-3-5) (Comparability of Operations).

6-3-3-1 Operating income before impairment loss and other expenses

Operating Income before impairment loss and other expenses reflects the profit before impairment loss and other expenses from the continuing operations of the Group including the Company's share in the equity accounted investees.

Operating income before impairment loss and other expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Operating income before impairment loss and other expenses	1,818,347	1,842,097	1,948,990	1.3%	5.8%	3.5%

Source: Audited consolidated financial statements

Operating income before impairment loss and other expenses increased by 1.3%, or SAR 23.8 million, from SAR 1,818.3 million in 2018G to SAR 1,842.1 million in 2019G, and further increased by 5.8%, or SAR 106.9 million, to SAR 1,949.0 million in 2020G.

Major performance drivers of the increase in 2019G were the new projects that were operational in 2019G compared to partial or no operation in 2018G, realisation of development & construction management fees from Projects that achieved financial close during 2019G, and the first-time consolidation of RAWEC upon conversion into a subsidiary following the Group's acquisition of a controlling stake in October 2019G (RAWEC used to be an equity accounted investee before October 2019G. Accordingly, one-time gain of SAR 387.0 million, pertaining to the acquisition of an additional 37% share in RAWEC in 2018G, was reported as Share in Equity Accounted Investees, which is part of Operating income before impairment loss and other expenses in 2018G. Had we excluded this amount from 2018G Operating income before impairment loss and other expenses, then the implied growth rate would be a noteworthy 29%).

The increase in 2020G was driven by full year consolidation of RAWEC as it became subsidiary with effect from October 2019G; and new projects that were operational in 2020G compared to partial or no operation in 2019G. These were partially offset by: i) higher lease deficit and plant shutdown specially in Moroccan assets resulting in an impact of SAR 142 million; ii) higher provision and write-off for project development costs on Nam Dinh Project in Vietnam in 2020G by SAR 80.9 million; iii) provision for doubtful debts from Kirikkale O&M- related receivables due to uncertainties on recovery timelines (SAR 28.5 million); and iv) impairment loss of SAR 30.0 million recorded in one of the equity accounted investees.

6-3-3-2 Profit/(Loss) attributable to equity holders of the parent

Profit/(Loss) attributable to equity holders of the parent represents the net profit/(loss) for the year for all operations of the Group including discontinued operations. It is the portion of the total net profit/(loss) of the Group attributable to the equity holders of the parent and excludes the profit/(loss) attributable to non-controlling interests. This metric is also applied to earnings per share (EPS) calculation attributable to equity holders of the parent.

Profit/(loss) attributable to equity holders of the parent	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Profit/(Loss) attributable to equity holders of the parent	(773,842)	1,173,865	882,568	-251.7%	-24.8%	-

Source: Audited consolidated financial statements

Profit attributable to equity holders of the parent increased by 251.7%, or SAR 1,947.7 million, from a loss of SAR (773.8) million in 2018G to profit of SAR 1,173.9 million in 2019G, and then decreased by 24.8%, or SAR 291.3 million, to profit of SAR 882.6 million in 2020G.

In addition to the impact of new projects and development fees as mentioned above, following events have resulted in the increase in profit attributable to equity holders of the parent 2019G from a loss in 2018G:

- Recognition in 2018G of SAR 1,510.4 million of losses in Kirikkale CCGT IPP, then a subsidiary of the Group, on account of operating and foreign exchange losses and loss of control (entire amount reported as part of discontinued operations on the statement of profit and loss and other comprehensive income); As a result of this, the full investment of the Company in Kirikkale CCGT was provisioned and the fluctuations of foreign exchange or merchant business does not an impact in the Company's financial statements.
- Recognition in 2019G of SAR 554.4 million of capital recycling gain on divestment and deconsolidation of 49% of ACWA Power Renewable Co's portfolio due to partial conversion of loan from CVXF Inc. (SRF), as part of the Groups optimisation strategy (entire amount reported as part of discontinued operations on the statement of profit and loss and other comprehensive income);

However, the above impact was negated to some extent by:

- Recognition in 2019G of higher impairment losses of SAR 880.2 million vs. SAR 556.4 million in 2018G (ACWA Power's share of increase was SAR 122 million) , on account of Barka IWPP and Bowarege IWP, subsidiaries of the Group in Oman and Saudi Arabia, respectively;
- Lower one-time acquisition gain on additional 25% stake acquisition in RAWEC in 2019G (SAR 210.7 million) versus gain of SAR 387.0 million in 2018G on acquisition of 37%; and
- Higher financial charges (SAR 299.2 million) mainly due to new projects which became operational in 2019G versus partial or no operation in 2018G, the full-year financial charges on the convertible loan from CVXF Inc. (Silk Road Fund (SRF)) that was obtained in late December 2018G together with RAWEC's conversion from being an equity accounted investee to a subsidiary during the last quarter of 2019G have contributed to higher financing cost in 2019G.

The decrease in profit attributable to equity holders of the parent in 2020G compared to 2019G is mainly on account of the following reasons:

- Acquisition gain in 2019G on additional stake in RAWEC of SAR 210.7 million;
- Recognition in 2019G of SAR 554.4 million of capital recycling gain on divestment and deconsolidation of 49% of ACWA Power Renewable Co's portfolio due to partial conversion of loan from CVXF Inc. (SRF), (entire amount reported as part of discontinued operations on the statement of profit and loss and other comprehensive income);
- Provision and write off for project development costs on Nam Dinh in Vietnam (SAR 80.9 million); and
- Higher financial charges by SAR 198.6 million mainly due to RAWEC as it became a subsidiary; unwinding of discounting impact on dividend which was converted to long term loan from subsidiary of shareholder (PIF); projects fully operational in 2020G versus partial or no operation in 2019G.

These were partially offset by:

- Recognition in 2020G of lower impairment losses of SAR 137.4 million vs. SAR 880.2 million in 2019G (ACWA Power's share of decrease was SAR 424 million), on account of Barka IWPP and Bowarege IWP, subsidiaries of the Group in Oman and Saudi Arabia, respectively; however in 2020G there is an additional recognition of impairment loss amounting to SAR 30.0 million in SWEC (an equity accounted investee);
- Recognition of deferred tax asset in 2020G for Moroccan assets on unused tax losses on account of undisputed depreciation related losses (which has indefinite life) for an amount of SAR 208.8 million; and
- Full year consolidation of RAWEC results in 2020G upon its recognition as a subsidiary in last quarter of 2019G. In corresponding year, RAWEC was accounted under the equity method for 9 months.

6-3-3-3 Adjusted profit/(loss) attributable to equity holders of the parent

The Group considers certain transactions as non-routine and non-operational and adjusts the impact of these transactions on the financial performance to arrive at adjusted net profit/(loss) attributable to equity holders of the parent as a key performance indicator of business performance. These transactions are listed as "Adjustments" in below table and analyzed in detail in Section (6-3-5) Comparability of Operations.

Acquisitions and sell-downs of the Group's stakes in its subsidiaries or affiliates, although they may be non-recurring by their nature of frequency, are important parts of the Group's business strategy as well as the "Optimize" cycle of the Group's business model; hence these are considered by the Management as part of the Group's normal course of business activity. This type of transactions does not constitute a part of the following adjustments hence the financial impact of these transactions is still included in the adjusted net profit/(loss) attributable to equity holders of the parent. For further discussion on these two transactions, please refer to Section (6-3-5) (Comparability of Operations) below.

Non-controlling interest adjustments line represents in aggregate the minority portion of all the adjustments to arrive at the share in profit/(loss) of equity holders of the parent.

Adjusted profit/(loss) attributable to equity holders of the parent	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Profit/(Loss) attributable to equity holders of the parent	(773,842)	1,173,865	882,568	-251.7%	-24.8%	-
Adjustments:						
Impairments (subsidiaries)	556,437	880,203	137,485	58.2%	-84.4%	-50.3%
Impairments (equity accounted investees)	-	-	30,000	-	-	-
Provision for zakat and tax on prior year assessments	(28,077)	32,791	100,511	-216.8%	206.5%	-
Corporate social responsibility contribution	-	-	52,500	-	-	-
Extraordinary provision / (reversal) on project development cost	(21,000)	-	80,867	-100.0%	-	-
Provision / discounting on due from related party (Kirikkale)	-	24,456	28,500	-	16.5%	-
Gain on remeasurement of [call] options the Group has on projects	-	-	(24,651)	-	-	-
Discounting impact on loan from shareholder subsidiary (Loan from PIF)	-	-	9,734	-	-	-
Accelerated depreciation on revision of PPE useful life	-	-	82,210	-	-	-
Restructuring costs	-	1,875	9,403	-	401.5%	-
Gain on disposal of Bowarege IWP	-	-	(9,603)	-	-	-
Losses recognized on loss of control in Kirikkale	671,954	-	-	-100.0%	-	-100.0%
Results of discontinued operations of Kirikkale	838,485	-	-	-100.0%	-	-100.0%
Non-controlling interest adjustments	(217,644)	(419,326)	(115,043)	92.7%	-72.6%	-27.3%
Net profit/(loss) adjustments	**1,800,155**	**519,999**	**381,913**	**-71.1%**	**-26.6%**	**-53.9%**
Adjusted net profit attributable to equity holders of the parent with capital recycling gain	**1,026,313**	**1,693,864**	**1,264,481**	**65.0%**	**-25.3%**	**11.0%**

Adjusted profit/(loss) attributable to equity holders of the parent	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Hajr additional acquisition gain	-	-	(16,750)	-	-	-
RAWEC stake acquisition gain	(386,950)	(210,673)	-	-45.6%	-100.0%	-100.0%
APREH stake gain	-	(554,358)	(12,776)	-	-97.7%	-
Karad	-	-	21,939	-	-	-
NCI on capital gains	-	-	(12,725)	-	-	-
Adjusted net income attributable to equity holders of the parent before capital recycling gain *	**639,363**	**928,833**	**1,244,169**	**45.3%**	**33.9%**	**39.5%**

Source: Management information

* This represents adjusted net income before capital recycling gain which is non-recurring in nature.

6-3-3-4 Parent-level liquidity and leverage

The Group's consolidated financial statements include non-recourse debt of ring-fenced Projects, who service their debt from their own cash flows with no guarantees from ACWA Power. This situation results in artificially higher leverage ratios from the parent company financial position perspective. Accordingly, the Management uses internal metrics to review the Company's Parent-level cash and Parent-level leverage, which exclude such non-recourse liabilities in addition to certain other commitments and guarantees, as explained in detail below.

Parent-level cash

Parent Operating Cash Flow and Total Discretionary Cash:

On the sources of cash side, Parent Operating Cash Flow ("**POCF**") comprises (i) distributions from the project companies and NOMAC ("Distributions"); (ii) technical and other management fees and development revenues; and (iii) cash generated by sell-downs and/or disposals of the Company's investments. These cash inflows are then reduced by parent-level general, administrative and Zakat expenses as well as the financial payments relating to the Non-Recourse Bond (see Section (6-3-9) Liquidity and Capital Resources) to arrive at the POCF.

Total Discretionary Cash ("**TDC**") comprises the (i) POCF; (ii) opening cash of the year (including NOMAC cash movement, net); and (iii) proceeds from any new capital or debt issuance. TDC is the total amount of cash at parent level that is available for the Company to use.

Unplanned outages and covenant breaches in any projects may impact the ability of the project to distribute funds on timely basis; however, the diversified nature of the Group's Projects provides an additional level of security when it comes to the predictability and reliability of the Company's sources of cash. For the risks related to unplanned outages and covenant breaches refer to Section (2-1-1) Section (2-3-3) and 2-4-1. The Group has also strong and longstanding relationships with reputable local and international financial institutions that provides access to corporate revolving facilities to ensure sufficient liquidity remains accessible to the Group.

On the uses of cash side, the Company allocates its available cash (TDC) to (i) servicing its parent-level and/or recourse debt; (ii) investing in its Projects; and (iii) distributing dividends to its shareholders. Parent-level debt service consists of cash used in servicing the principal, interest and other financial charges related to the borrowings of the Company including any that has recourse to the Company. Cash used for investments consists of the Company's investment mainly in its own affiliated companies in the form of settlement of EBL commitments or direct equity injections. Finally, the Company distributes dividends to its shareholders in accordance with its Dividend Policy as described in Section (11-13) (Summary of Company Bylaws).

Parent-level cash	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G 2020G
Distributions	768,396	687,295	719,498	-10.6%	4.7%	-3.2%
Development and construction management services	424,301	908,220	709,300	114.1%	-21.9%	29.3%
Fees and other services	176,774	278,486	426,309	57.5%	53.1%	55.3%
Total cash inflows	**1,369,471**	**1,874,001**	**1,855,107**	**36.8%**	**-1.0%**	**16.4%**
G&A, zakat expenses and capital expenditure	(311,413)	(357,915)	(607,971)	14.9%	69.9%	39.7%
Financial expenses of the Non-Recourse Bond)	(181,624)	(181,624)	(183,185)	0.0%	0.9%	0.4%
Parent Operating Cash Flow (POCF)	**876,434**	**1,334,462**	**1,063,951**	**52.3%**	**-20.3%**	**10.2%**
Opening cash (including NOMAC cash movement, net)	2,196,852	4,669,877	1,911,443	112.6%	-59.1%	-6.7%
New capital	2,042,938	-	-	0.0%	0.0%	-100.0%
New debt	1,361,339	-	112,875	0.0%	0.0%	-71.2%
Total Discretionary Cash	**6,477,563**	**6,004,339**	**3,088,269**	**-7.3%**	**-48.6%**	**-31.0%**
Uses of cash:						
Debt service	(575,376)	(297,111)	(119,733)	-48.4%	-59.7%	-54.4%
Investments	(1,028,633)	(3,355,921)	(1,762,440)	226.3%	-47.5%	30.9%
Dividends	(245,777)	(330,081)	(1,000,000)	34.3%	203.0%	101.7%
Total uses of cash	(1,849,786)	(3,983,113)	(2,882,173)	115.3%	-27.6%	24.8%
Period end cash balance	**4,627,777**	**2,021,226**	**206,096**	**-56.3%**	**-89.8%**	**-78.9%**

Source: Management information

Parent Operating Cash Flow (POCF)

POCF increased by 52.3%, or SAR 458.0 million, from SAR 876.4 million in 2018G to SAR 1,334.5 million in 2019G, and then decreased by 20.3%, or SAR 270.5 million, to SAR 1,064.0 million in 2020G.

The increase in POCF in 2019G is mainly driven by an increase in development fees due to financial close of Projects and certain construction related fees from projects under construction.

The decrease in POCF in 2020G is mainly driven by an increase G&A, Capex and Zakat expenses mainly due to contribution towards corporate social responsibility amounting to SAR 52.5 million (COVID-19), settlement of Zakat and tax assessment including prior years (SAR 56 million) and purchase of land in Riyadh Corporate office amounting to SAR 49.9 million.

Total Discretionary Cash (TDC)

TDC decreased by 7.3%, or SAR 473.2 million, from SAR 6,477.6 million as of 31 December 2018G to SAR 6,004.3 million as of 31 December 2019G, and then further decreased by 48.6%, or SAR 2,916.0 million, to SAR 3,088.3 million as of 31 December 2020G.

Although POCF was higher in 2019G, TDC as of 31 December 2019G was lower than as of 31 December 2018G mainly due to the additional cash inflows in 2018G through

- issuance of new shares to the PIF, a majority shareholder of the Company, with total proceeds net of transaction cost amounting to SAR 2,042.9 million (New capital); and
- convertible loan (the "Loan") agreement of SAR 1,361.3 million with CVXF Inc. (Silk Road Fund (SRF)) ("Lender") of China, through APREH, one of its wholly owned subsidiaries (New debt). (For further discussion on these, please refer to Section (6-3-5) (Comparability of Operations)).

Further, the TDC in 2020G is lower mainly due to lower POCF in 2020G (as explained in above paragraphs), and lower opening cash balance for 2020G due to higher uses of cash in 2019G. Higher uses of cash in 2019G was mainly driven by

- higher Investments in 2019G on account of the payment for acquisition of RAWEC (for further discussion on these, please refer to Section (6-3-5) (Comparability of Operations));
- settlement of EBLs for Ibri, Sohar and Bokpoort Projects in addition to settlement of Kirikkale obligation and payment for the exercise of call option on Mourjan in 2019G; and
- distribution of higher dividends on higher number of shares and an increase in dividend distribution rate to 5% of share capital from 4%.

During 2020G, a drawdown from the Company's corporate revolver facilities added a net amount of SAR 112.9 million to TDC available for the Company in 2020G. On the other hand, the Company's use of cash in 2020G was 27.6%, or SAR 1,100.9 million, less than in 2019G mainly on account of lower Investments by 47.5%, or SAR 1,593.5 million, as significant investments and EBL settlements were completed during 2019G, which was partially offset by higher Dividends by 203.0%, or SAR 669.9 million (which arose due to a declared and recorded one-off dividend of SAR 2.7 billion in the year 2020G, out of which SAR 1.0 billion was paid in 2020G). For further discussion on these, please refer to Section (6-3-5) (Comparability of Operations).

Parent-level leverage

Total Parent Net Leverage and Net Leverage Ratio:

The Company looks to optimize its financial structure at all times by targeting an optimal balance between its net borrowing and parent-level cash position with the aim to maximize value for shareholders by reducing the cost of capital while at the same time ensuring that the Group has the financial flexibility required to continue its growth.

In measuring its parent-level net leverage, the Company takes into consideration its off-balance sheet equity commitments in addition to its on-balance sheet recourse debt, net of cash on hand at the end of the respective period (for further discussion, refer to Section (6-3-9) (Liquidity and Capital Resources)). For this purpose, the Company's off-balance sheet equity commitments mainly consist of the guarantees in relation to the Company's EBLs and equity LCs in addition to the equity-related guarantees on behalf of its JVs and subsidiaries (for its portion of the equity commitment).

Most of the Company's consolidated debt consists of project finance instruments, which are non-recourse to the Company at the parent level. Further, the Company excludes other commitments, such as guarantees in the form of DSRA LCs, performance guarantees, development security, etc., as the management doesn't expect that the Company will reach a situation where these guarantees will be called by the counterparty and thus doesn't expect a cash outflow due to these. As such the management considers only the EBLs, equity LC and equity commitment-related guarantees as those with recourse to the parent as a more representative measure of the Company's leverage profile given all these will convert to cash outflows in due course.

Accordingly, the Company measures its parent-level leverage by tracking its total parent net leverage amount and total parent net leverage as a percentage of its net tangible equity attributable to owners of the Company (Parent net leverage ratio (leverage/net tangible equity)). The Group's net tangible equity attributable to owners of the Company is its equity attributable to owners of the Company before other reserves, net of intangible assets such as Goodwill and project development costs (see Section (6-3-7-3) (Net tangible equity attributable to owners of the Company)). As an additional performance ratio, the Group monitors its total parent net leverage as a percentage of the POCF (Total parent net leverage/ POCF ratio).

Parent-level leverage	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Recourse borrowings-Non-current	2,772,848	624,283	866,944	-77.5%	38.9%	-44.1%
Recourse borrowings-Current	424,502	1,202,729	-	183.3%	-100.0%	-100.0%
Other liabilities – related party	-	781,035	1,451,026	0.0%	85.8%	-
Total on-balance sheet leverage	**3,197,350**	**2,608,047**	**2,317,970**	**-18.4%**	**-11.1%**	**-14.9%**
Off balance sheet equity commitments (see Section (6-3-9-3) Contingencies and commitments)	2,238,659	3,930,162	4,939,573	75.6%	25.7%	48.5%
Total parent leverage	**5,436,009**	**6,538,209**	**7,257,543**	**20.3%**	**11.0%**	**15.5%**
Total parent cash and bank at year-end	(4,627,777)	(2,021,226)	(206,096)	-56.3%	-89.8%	-78.9%
Total parent net leverage	**808,232**	**4,516,983**	**7,051,447**	**458.9%**	**56.1%**	**195.4%**
Total net tangible equity attributable to owners of the Company (see Section (6-3-7-3) Net tangible equity attributable to owners of the Company)	8,141,152	8,963,335	7,295,668	10.1%	-18.6%	-5.3%
Parent net leverage ratio (leverage/ net tangible equity)	**0.10**	**0.50**	**0.97**	**-**	**-**	**-**
Total parent net leverage/POCF ratio	**0.92**	**3.38**	**6.63**	**-**	**-**	**-**

Source: Management information

Total Group On-balance sheet Debt	As of 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Recourse borrowings	3,197,350	1,827,012	866,944	-42.9%	-52.5%	-47.9%
Non-recourse borrowings	15,555,969	17,925,161	18,752,956	15.2%	4.6%	9.8%
Total borrowings	18,753,319	19,752,173	19,619,900	5.3%	-0.7%	2.3%
Total borrowings to total equity ratio	1.69	1.86	2.65	-	-	-

Source: Audited consolidated financial statements

Total Parent Net Leverage stood at SAR 7,051.4 million as of 31 December 2020G increasing from SAR 808.2 million and SAR 4,517.0 million as of 31 December 2018G and 2019G, respectively, mostly driven by increase in the Company's off-balance sheet commitments and recourse loan (Rabigh III), however impact was negated due to APREH deconsolidation together with gradual reduction in period end cash balances over the course of these three years. For discussion on the Company's off-balance sheet liabilities and related variances, refer to Section (6-3-9) (Liquidity and Capital Resources). Mainly due to higher total parent net leverage and lower net tangible equity attributable to owners of the Company in 2020G due to declared dividend in that year, parent net leverage ratio gradually increased to 0.97 times as of 31 December 2020G from 0.50 times and 0.10 times as of 31 December 2019G and 2018G, respectively. Similarly, driven by lower POCF and higher total parent net leverage, both as explained above, Total parent net leverage to POCF ratio increased to 6.63 times in 2020G from 0.92 times in 2018G.

6-3-4 Overview of the Group's Subsidiaries, Associates and Joint Ventures

As at 31 December 2020G, the Group had a portfolio with a total project cost of SAR 244.6 billion, comprising 62 power and/or desalinated water assets that are either in operation, under construction or advanced development in 13 countries, with a mix of renewable and conventional fuel projects. These 62 assets have a total contracted power capacity of 41.7 GW (including Kirikkale CCGT IPP, which operates in a merchant market) and a total contracted water desalination capacity of 5.8 million m^3 per day. Based on project cost, approximately 31.2% of the total portfolio (30 assets) as of that date is in renewable energy.

The following table provides an overview of each of the Group's Projects in operation as of 31 December 2020G.

Project	Location	Contracted Power Capacity (MW)	Contracted Water Capacity (thousand m3/ day)	The Group's Effective Ownership Interest(1)	Offtaker	Original Term of the Offtake Agreement (Y=Years; M=Months; E=Extension)	Commercial Operation Date	Contract Type (BOO, BOOT)(2)	Account-ing Treat-ment	Finance / operating lease
Conventional										
Marafiq IWPP	Saudi Arabia	2,744	800	20%	Tawreed	20 YY	Q4 2010G	BOOT	Equity	Finance
Petro-Rabigh IWSPP	Saudi Arabia	360	133.9	99%	Pet-ro-Rabigh	25 YY	Q2 2008G	BOO	Subsidiary	Operating
Petro-Rabigh (phase 2) IWSPP	Saudi Arabia	160	54.5	99%	Pet-ro-Rabigh	25 YY	Q1 2018G	BOO	Subsidiary	Operating
Hajr IPP	Saudi Arabia	3,927	N/A	22.49%[(3)]	SEC	20 YY	Q2 2016G	BOO	Equity	Operating
Rabigh IPP	Saudi Arabia	1,204	N/A	40%	SEC	20 YY	Q2 2013G	BOO	Equity	Operating
Mourjan IPP	Saudi Arabia	2,060	N/A	50%	SEC	20 YY	Q1 2018G	BOO	Equity	Operating
Shuaibah IWPP	Saudi Arabia	900	880	30%	SWPC	20 YY	Q1 2010G	BOO	Equity	Operating
Shuaibah Expansion IWP	Saudi Arabia	N/A	150	30%	SWPC	20 YY	Q4 2009G	BOO	Equity	Operating
Shuqaiq IWPP	Saudi Arabia	850	212	32%	SWPC	20 YY	Q2 2011G	BOO	Equity	Operating
Shuaibah Expansion II IWP	Saudi Arabia	N/A	250	100%	SWPC	25 YY	Q2 2019G	BOO	Subsidiary	Operating
CEGCO Assets(4)	Jordan	692	N/A	40.93%	NEPCO	14-18 YY	Q3 2007G(5)	BOO	Subsidiary	Operating
Zarqa IPP	Jordan	485	N/A	60%	NEPCO	25 YY	Q3 2018G	BOO	Subsidiary	Operating
Barka 1 IWPP (9)	Oman	427	91.2	41.91%	OPWP	18.7 YY	Q2 2003G(6)	BOO	Subsidiary	Operating

Project	Location	Contracted Power Capacity (MW)	Contracted Water Capacity (thousand m3/ day)	The Group's Effective Ownership Interest(1)	Offtaker	Original Term of the Offtake Agreement (Y=Years; M=Months; E=Extension)	Commercial Operation Date	Contract Type (BOO, BOOT)(2)	Account-ing Treat-ment	Finance / operating lease
Barka 1 Expansion IWP (10)	Oman	N/A	45.5	41.91%	OPWP	4 Y + E of 3 Y and 8 MM	Q2 2014G	BOO	Subsidiary	Operating
Barka 1 Phase II Expansion IWP	Oman	N/A	56.8	41.91%	OPWP	2 Y and 2 M + E of 3 Y and 8 MM	Q1 2016G	BOO	Subsidiary	Operating
Ibri IPP	Oman	1,509	N/A	44.90%	OPWP	15 YY	Q2 2019G	BOO	Equity	Operating
Salalah 2 IPP - Existing(	Oman	273	N/A	27%	OPWP	15 YY	Q2 2015G(7)	BOO	Equity	Finance
Salalah 2 IPP - Greenfield()	Oman	445	N/A	27%	OPWP	15 YY	Q1 2018G	BOO	Equity	Operating
Sohar 3 IPP	Oman	1,710	N/A	44.9%	OPWP	15 YY	Q2 2019G	BOO	Equity	Operating
Kirikkale CCGT IPP (10)	Turkey	950	N/A	69.6%	Merchant market	N/A	Q3 2017G	BOO	Equity	Operating
Renewable										
Sakaka PV IPP	Saudi Arabia	300	N/A	70%	SPPC	25 YY	Q2 2020G(8)	BOO	Subsidiary	Finance
Ben Ban PV IPP (three power plants)	Egypt	120	N/A	32.81%, 32.81% and 18.05%	EETC	25 YY	Q3 2019G	BOO	Equity	Operating
Mafraq PV IPP	Jordan	50	N/A	51%	NEPCO	20 YY	Q4 2018G	BOO	Equity	Operating
Risha PV IPP	Jordan	50	N/A	51%	NEPCO	20 YY	Q4 2019G	BOO	Equity	Operating
Khalladi Wind IPP	Morocco	120	N/A	26.01%	Industrial companies (captive PPAs)	25 YY	Q2 2018G	BOOT	Equity	Operating
Noor I CSP IPP *	Morocco	160	N/A	73.125%	MASEN	25 YY	Q1 2016G	BOOT	Subsidiary	Finance
Noor II CSP IPP *	Morocco	200	N/A	75%	MASEN	25 YY	Q2 2018G	BOOT	Subsidiary	Finance
Noor III CSP IPP *	Morocco	150	N/A	75%	MASEN	25 YY	Q4 2018G	BOOT	Subsidiary	Finance

Project	Location	Contracted Power Capacity (MW)	Contracted Water Capacity (thousand m3/ day)	The Group's Effective Ownership Interest(1)	Offtaker	Original Term of the Offtake Agreement (Y=Years; M=Months; E=Extension)	Commercial Operation Date	Contract Type (BOO, BOOT)(2)	Account-ing Treat-ment	Finance / operating lease
NOOR PV1 IPP (three power plants) *	Morocco	135	N/A	75%	MASEN	20 YY	Q4 2018G	BOOT	Subsidiary	Finance
Bokpoort CSP IPP	South Africa	50	N/A	20.40%	Eskom	20 YY	Q1 2016G	BOO	Equity	Operating
Shuaa Energy PV IPP	UAE	200	N/A	24.99%	DEWA	25 YY	Q1 2017G	BOO	Equity	Finance
Vinh Hao 6 PV IPP	Vietnam	41	N/A	60%	EVN	20 YY	Q2 2019G	BOO	Equity	Finance

Source: Management information

Notes:

* These projects may collectively be referred to as "Moroccan assets" or "Moroccan projects" in this management discussion and analysis, when and if necessary.

1- The Group's effective ownership interest is as of 31 December 2020G.

2- BOO (Build, Own, Operate) envisages the construction or development of a power generation and/or water desalination asset, followed by its ownership and operation. This model does not include a right for the counterparty to purchase or have transferred to it the asset at the end of the term of the agreement. BOOT (Build, Own, Operate, Transfer) envisages the construction or development and then ownership and operation of a power generation and/or water desalination asset for a specified period of time during which certain contractual arrangements and regulatory or tariff treatment remain in place. At the end of this period, the asset is transferred to the purchaser of services for an amount of compensation determined in accordance with a pre-agreed formula or pursuant to a valuation process or other similar exercise. This contractual framework is typical for energy projects in developing countries, as it ultimately allows for a transfer of assets, know-how and technology to the counterparty of the relevant asset at the end of the asset's useful life. It also prevents the power generator and/or desalinated water producer from selling the asset to a third-party investor while allowing it to achieve a return on its investment.

3- (The Group's effective ownership interest in HEPCO, the project company for the Qurayyah IPP, was 17.5% as of 31 December 2019G.

4- ncludes three conventional power plants, which are described in "– Operational Conventional Projects – Jordan – Aqaba IPP, Rehab IPP and Risha IPP" and two small renewable projects owned by CEGCO, which are described in "– Operational Renewable Projects – Jordan – Rehab Hofa Wind and Rehab Ibrahimyah Wind". Subsequent to year-end 2019G, overall contracted capacity of CEGCO assets reduced due to PPA expiries at the end of 2020G as well as a full shut down of Hofa wind.

5- Operational when acquired. Acquisition completed in the third quarter of 2011G.

6- (Operational when acquired. Acquisition completed in the third quarter of 2010G.

7- Operational when acquired. Acquisition completed in the second quarter of 2015G.

8- (The initial commercial operation date for this project was achieved in the fourth quarter of 2019G. Project (final) commercial operation date for the Sakaka PV IPP was achieved on 30 June 2020G.

9- Booked impairments in 2018G and 2019G on account of uncertainties around contract renewal (see Section (6-3-5) Comparability of Operations).

10- Kirikkale was deconsolidated in 2018G and all associated losses were booked in 2018G, no additional losses are expected in future (see Section (6-3-5) Comparability of Operations).

The following table provides an overview of each of the Group's Projects under construction as at 31 December 2020G.

Project	Location	Contracted Power Capacity (MW)	Contracted Water Capacity (thousand m3/day)	The Group's Effective Ownership Interest(1)	Offtaker	Offtake Agreement Expiration (Y=Years)	Commercial Operation Date (expected)	Contract Type (BOO, BOOT)	Accounting Treatment
Conventional									
Rabigh 3 IWP	Saudi Arabia	N/A	600	70%	SWPC	25 YY	Q1 2022G	BOO	Subsidiary
Al Dur Phase II IWPP	Bahrain	1,500	227	60%	EWA	20 YY	Q2 2022G	BOO	Equity
Salalah IWP(2)	Oman	N/A	114	50.10%	OPWP	20 YY	Q1 2021G	BOO	Equity
Hassyan IPP(3)	UAE	2,400	N/A	26.95%	DEWA	25 YY	Q1 2023G	BOO	Equity
Taweelah IWP	UAE	N/A	909	40%	EWEC	30 YY	Q4 2022G	BOO	Equity
UAQ IWP	UAE	N/A	682	40.00%	FEWA	35 Y	Q3 2022G	BOOT	Equity
Jubail 3A IWP	Saudi Arabia	N/A	600	40.20%	SWPC	25 Y	Q4 2022G	BOO	Equity
Renewable									
Noor Energy 1	UAE	950	N/A	24.99%	DEWA	35 YY	Q4 2022G	BOOT	Equity
Ibri 2 PV IPP	Oman	500	N/A	50.00%	OPWP	15 YY	30-Jun-21	BOO	Equity
DEWA V PV	UAE	900	N/A	24.00%	DEWA	25 YY	Q1 2023G	BOO	Equity

Source: Management information

Notes:

(1) The Group's effective ownership interest is as of 31 December 2020G.

(2) Salalah IWP, COD was achieved on 12 March 2021G.

(3) Hassyan's Unit 1 achieved Initial commercial operation date as of 19 November 2020G.

The following table provides an overview of each of the Group's Projects in advanced development as at 31 December 2020G.

Project	Location	Contracted Power Capacity (MW)	Contracted Water Capacity (thousand m3/day)	The Group's Effective Ownership Interest(1)	Offtaker	Offtake Agreement Expiration (Y=Years)	Status/COD (expected)	Contract Type (BOO, BOOT)	Expected Accounting Treatment
Conventional									
Dairut-Luxor IPP 4	Egypt	2,300	N/A	40%	EETC	25 YY	Q3 2025	BOOT	Equity
Renewable									
Al Askar PV IPP 5	Bahrain	125	N/A	60.00%	EWA	20 YY	Q2 2021G	BOO	Equity
Kom Ombo	Egypt	200	N/A	100%	EETC	25 YY	Q4 2022G	BOO	Subsidiary
Ethiopia PPP Phase 1(2)	Ethiopia	250	N/A	100%	EEP	20 YY	Q4 2021G	BOOT	Subsidiary
Redstone CSP IPP	South Africa	100	N/A	49%	Eskom	20 YY	Q4 2023G	BOO	Equity
Sudair PV IPP	Saudi Arabia	1500	N/A	35.00%	SPPC	25 YY	Q4 2022G	BOO	Equity
Sirdarya CCGT IPP	Uzbekistan	1500	N/A	100.00%	NEGU	25 YY	Q3 2023G	BOOT	Subsidiary
Jazan IGCC	Saudi Arabia	3800	N/A	25.00%	Saudi Aramco	25 YY	Q3 2021G	OOT	Equity
The Red Sea Project	Saudi Arabia	210	32.5	35.00%	TRSDC	25 YY	Q4 2023G	BOOT	Equity
Bash Wind IPP	Uzbekistan	500	N/A	100.00%	NEGU	25 YY	Q4 2023G	BOOT	Subsidiary
Dzhankeldy Wind IPP	Uzbekistan	500	N/A	100.00%	NEGU	25 YY	Q4 2023G	BOOT	Subsidiary
Azerbaijan Wind IPP	Azerbaijan	240	N/A	100.00%(3)	Azerenerji OJSC	20 YY	Q2 2023G	BOO	Subsidiary
Neo Green Hydrogen	Saudi Arabia	4,000	N/A	33.33%	Air Products	30 YY	2025	BOO	Equity

Source: Management information

Notes:

(1) The Group's effective ownership interest is as of 31 December 2020G.

(2) Consists of two separate 125MW each Projects

(3) Government of Azerbaijan has an option to increase its stake in the project to 29.9% prior to execution of EPC contract and 49.9% by financial close.

(4) The Company decided in 1H2021 to no longer pursue this project.

(5) The Company decided in 1H2021 to no longer pursue this project.

For a discussion of the Group's basis of consolidation, see Section (6-1-2-2) Basis of Consolidation and Note 2 of the Group's consolidated financial statements for the year ended 31 December 2020G. For a discussion of the Group's operational approach to maintaining de-facto control over its Projects, see Section (6-2) Group Overview.

6-3-5 Comparability of Operations

During the course of the three years ended 31 December 2020G, the Group has entered into certain transactions that did not exist or repeat in all of these three years hence making the periods non-comparable in terms of variance analysis without identifying such material transactions and their impact on the Group's results of operations and financial position. Some of these transactions are considered as non-routine and non-operational therefore the impact of such transactions on the financial performance are adjusted to arrive at adjusted profit/(loss) attributable to equity holders of the parent, which is separately covered in Section (6-3-3) (Key Performance Indicators).

The Management classified below as transactions that did not exist or repeat in all these three years hence making the periods non-comparable in terms of variance analysis:

- Capital recycling
- Impairments
- Change in useful life of plants
- Projects achieving either Initial or Project Commercial Operation Dates (ICOD/PCOD)
- Projects achieving Financial Close (FC)
- One-off dividend and discounting impact on loan from shareholder's subsidiary
- Issuance of new shares
- Provision for Zakat and tax related to prior year assessments
- Corporate social responsibility contribution
- Extraordinary provision/(reversal) on project development cost
- Provision/discounting on due from related party
- Gain on re-measurement of options
- Restructuring costs

6-3-5-1 Capital recycling

Capital recycling, via acquisitions and/or sell-downs and divestments, is one of the four pillars of the [business model] and is part of the Group's strategy to optimize and accelerate value creation. Such transactions that the Group has engaged in during 2018G, 2019G and 2020G are summarized below.

Acquisitions

Increasing the Group's ownership in Hajr for Electricity Production Company ("HAJR"):

On 31st May 2020G, the Group entered into sale and purchase agreement with Samsung C&T in relation to the purchase of 9.98% of the share capital of Samsung C&T in Qurayyah Investment Company ("QIC"), through its fully owned subsidiary Qurayyah Project Company ("QPC") for a consideration of SAR 93.8 million and recognised a gain of SAR 16.8 million. The Group consequently owns 44.98% of interest in QIC and effectively owns 22.49% interest in Hajr for Electricity Production Company. The shareholders of QIC will continue to share the control and the Group has continued to account for its investment in QIC using equity method.

Below table summarises the transaction and its impact on the Group's consolidated financial statements:

	2018G	2019G	2020G
ACWA Power effective shareholding (as at 31 December)	17.5%	17.5%	22.5%
Method of consolidation (as at 31 December)	Equity	Equity	Equity
Gain on additional acquisition (SAR million)	-	-	16.8
Additional acquisition gain is reflected as	NA	NA	Share of equity accounted investees

This transaction was not a part of the adjustment to arrive at adjusted net profit attributable to equity holders of the parent with capital recycling gain (see Section (6-3-3) (Key Performance Indicators)) as the Management considers it as normal course of business.

Increasing the Group's ownership in Rabigh Arabian Water and Electricity Company ("RAWEC") via gradual acquisition of shares:

As at 31 December 2019G, the Group's effective ownership in RAWEC, previously an equity accounted investee of the Group, reached 99% from 74% in 2018G, such that:

- On 24 May 2018G, the Group exercised a call option granted through a Call and Put Option Agreement and acquired a further 37% interest in RAWEC, increasing its effective ownership to 74% and resulting in a non-recurring gain of SAR 387.0 million. In accordance with the requirements of IFRS as endorsed in KSA, this gain is accounted for and reported within the share in net results of equity accounted investees. The Group continued to share control with other shareholders after this transaction hence continued to account for RAWEC using equity method of accounting.
- On 10 October 2019G, the Group acquired a further 25% shareholding in RAWEC at an agreed consideration of SAR 560.2 million. Consequently, the Group's effective ownership in RAWEC increased to 99% and the Group acquired control of RAWEC, which became a subsidiary of the Group (from being equity accounted in 2018G and 2017G). A non-recurring gain on business combination amounting to SAR 210.7 million was disclosed in other income in the consolidated profit or loss statement for the year ended 31 December 2019G.

Below table summarises above transactions and their impact on the Group's consolidated financial statements:

	2018G	2019G	2020G
ACWA Power effective shareholding (as at 31 December)	74%	99%	99%
Method of consolidation (as at 31 December)	Equity	Subsidiary	Subsidiary
Gain on additional acquisition (SAR million)	387.0	210.7	
Additional acquisition gain is reflected as	Share of equity accounted investees	Other Income	

Difference in the accounting method between 2018G and 2019G resulted in reporting the gain on additional acquisition as part of operating income before impairment loss and other expenses in 2018G but as Other Income in 2019G, which is not a part of the operating income before impairment loss and other expenses, leading into non-comparability of the variance between two years (see Section (6-3-3) (Key Performance Indicators)).

This transaction was not a part of the adjustment to arrive at adjusted net profit attributable to equity holders of the parent with capital recycling gain (see Section (6-3-3) (Key Performance Indicators)) as the Management considers it as normal course of business.

Sell-downs and Divestments

Below table summarises the sell-down and divestment transactions and their impact on the Group's consolidated financial statements:

Project	Year	Divestment/Sell-down Portion	Impact SAR Million	Reported as
Kirikkale	2018G	30%	(1,510.4)	Discontinued operations
APREH	2019G	49%	550.2	Discontinued operations
Karad	2019G	42%	4.1	Discontinued operations
Karad	2020G		7.0	Discontinued operations

Divestment of ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S ("Kirikkale")

The Group developed and constructed Kirikkale, a CCGT IPP Project in Turkey, which achieved PCOD in 2017G. This was the Group's only exposure to a merchant-market and due to prevalent market expectations as to the immediate future of the Turkish economy in addition to the substantial operating and foreign currency translation losses on foreign currency denominated loans, the Group decided in 2018G to divest Kirikkale to prevent further exposure on the results of its operations and the financial position. The Group was able to divest 30% of its stake and wrote-off the value of its remaining 70% shareholding interest in Kirikkale upfront in 2018G together with all its future associated obligations. Consequently, the Group deconsolidated (as control is now shared with the purchasers) and reported Kirikkale as a discontinued operation. Accordingly, Kirikkale's results of operations and financial position did not have any impact in 2019G, and will not have any material impact going forward since then, on the Group's results of operations and financial position except the accounting impact of unwinding of discounted liabilities (2020: SAR 13.6 million and 2019: SAR 13 million) and for the cash outlays in

2019G and 2020G of SAR 351.9 million and SAR 95.4 million, respectively associated with the recognized obligations in 2018G. Impact of this transaction on the results of operations in 2018G amounted to SAR 1,510.4 million of losses, included in losses from discontinued operation, which consisted of SAR 672.0 million loss for loss of control and SAR 838.5 million loss pertaining to the results of operations (see Section (6-3-3) (Key Performance Indicators).

Sell-down of a stake in ACWA Power Renewable Energy Holding Limited ("APREH"):

During 2018G, the Group entered into a convertible loan (the "Loan") agreement of SAR 1,361.3 million with the CVXF Inc. (Silk Road Fund (SRF)) ("Lender") of China, through APREH, one of its wholly owned subsidiaries, provided the Lender an option to convert all or a portion of the loan's principal amount into the shares of APREH at an agreed conversion price. The loan carries a fixed interest rate of 4.3% for the first 18 months and 3.4% for all the later outstanding periods and is repayable within 60 months from first utilisation in the event of non-conversion.

During 2019G, the Lender partially exercised the option and acquired a 49% stake in APREH (renewable portfolio projects that were included in this transaction are Ben Ban PV IPP [three projects], Mafraq PV IPP, Risha PV IPP, Khalladi Wind IPP, Shuaa Energy PV IPP, Bokpoort CSP IPP). As control is now shared with the purchaser, the Group lost control of APREH, which ceased to be a subsidiary of the Group and started to be accounted as an equity accounted investee in 2019G. The non-recurring gain on loss of control of SAR 550.2 million together with full-year results of operations of APREH were separately disclosed, as per IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations, under Profit / (loss) from discontinued operations including gain /(loss) recognised on loss of control in a subsidiary, net of tax on the Group's consolidated financial statements.

This transaction had associated financing costs, which are summarized below:

Financing Transaction	Financing Amount SAR Mn	Interest Rate	Financial charges – SAR Million		
			2018G	2019G	2020G
APREH Convertible Loan	1,361.3 *	4.3% **	-	59	38

* Outstanding balance amounts of SAR 781.0 million in 2019G and SAR 773.1 million in 2020G are represented under due to related parties.

** Interest rate will reduce to 3.4% after the first 18 months.

During 2019G, the Lender partially exercised the option and acquired a 49% stake in APREH (see above) and an amount of SAR 580.6 million was adjusted against the total convertible financing. As the outstanding loan balance fluctuates during the years presented, the associated annual interest expense also varies for the years presented hence making the periods non-comparable in terms of variance analysis.

This transaction was not a part of the adjustment to arrive at adjusted net profit attributable to equity holders of the parent with capital recycling gain (see Section (6-3-3) (Key Performance Indicators)) as the Management considers it as normal course of business.

Divestment of ACWA Power CF Karad PV Park EAD ("KARAD"):

On 14 December 2019G, in a move in accordance with its strategy, the Group signed a binding agreement to sell its entire stake in ACWA Power CF Karad PV Park EAD in Bulgaria (to an investor and project developer in the renewable energy sector) through ACF Renewable Energy Limited, one of the Group's subsidiaries where it owns a 42% stake. The transaction was not completed as of the end of 2019G hence the results of SAR 4.1 million and assets and liabilities of Karad were presented as 'discontinued operations' and 'held for sale' on the respective consolidated financial statements of ACWA Power. The transaction was subsequently completed on 10 September 2020G. The Group recorded a profit of SAR 7.0 million as discontinued operations in the consolidated statement of profit or loss in 2020G, which includes loss on disposal of SAR 21.9 million.

This transaction was not a part of the adjustment to arrive at adjusted net profit attributable to equity holders of the parent with capital recycling gain (see Section (6-3-3) (Key Performance Indicators)) as the Management considers it as normal course of business.

6-3-5-2 Impairments

The Group assesses at each reporting date whether there is an indication that a plant may be subject to partial or full impairment, using potential impairment indicators such as delay in contract extension, no offtake agreements for a long period of time following the expiry of current agreements, frequent or continuous lower operational performance than minimum required level, a long-term shutdown without any expectation to revive the plant in the short-term, etc. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount, compares it with the asset's net book value and charges any excess book value over the asset's recoverable amount as impairment expense.

The Group additionally tests goodwill for impairment at least on an annual basis to ensure there are no impairments (headroom of SAR 3.7 Billion, which represents difference between the carrying amount of goodwill and recoverable amount, in relation to APP goodwill as at 31 December 2020G), and wherever there is any impairment, the Group charges it to the current year's profit or loss statement.

Below table summarizes such impairment charges for the three years ended 31 December 2020G:

SAR million	Subsidiaries				Equity Accounted investee	Total
Year	Barka*	CEGCO	Bowarege	Sub total	SWEC	
2018G	422.2	63.9	70.4	556.5	-	556.5
2019G	792.5	-	87.7	880.2	-	880.2
2020G	137.5	-	-	137.5	30.0	167.5
	1,352.2	**63.9**	**158.1**	**1,574.2**	**30.0**	**1,604.2**

Source: Audited consolidated financial statements

*including goodwill

Above impairment of subsidiaries are inclusive of non-controlling interest. ACWA Power total impairment share attributable to equity holders for each year is SAR 339 million (2018G), SAR 461 million (2019G) and SAR 67 million (2020G), respectively.

Impairment related to subsidiaries is disclosed in the Group's consolidated financial statements as "Impairment loss and other expenses, net", whereas impairment related to equity accounted investees is part of "Share in net results of equity accounted investees, net of tax".

ACWA Power Barka SAOG ("Barka")

Barka is a subsidiary of the Group, and comprises one conventional power generation plant, one Multi-stage Flash (MSF) water desalination plant and two RO water desalination plants.

In 2018G, the Group recognized an impairment charge of SAR 309.7 million on the MSF water desalination plant following the offtaker's official notice that the MSF technology will no longer be required for water production in Oman beyond 2021G. Additionally, the Group also recognized an impairment charge of SAR 112.5 million on goodwill related to the acquisition of Barka.

In 2019G, the Group booked an additional impairment charge of SAR 789.5 million as a result of a re-assessment of post-PWPA revenues of ACWA Power Barka SAOG in Oman in the light of Oman's Power 2022 Procurement Process launched in 2018G. Following the launch of this process, rejection of our reverse osmosis (RO) tariff at the pre-qualification stage, and new uncertainties related to the renewal value of the power side of the contract that is expiring at the end of 2021G, have led the Group to this prudent impairment decision. Additionally, the Group also recognized an impairment charge of SAR 3.0 million on goodwill related to the acquisition of Barka.

In 2020G the Group booked an additional impairment charge of SAR 130.0 million and additional goodwill impairment charge of SAR 7.5 million on goodwill related to acquisition of Barka, as a result of a further re-assessment and uncertainty around contract renewal post expiry of existing contract. Management assumed conventional plant contract life to be extended till 2038 while performing impairment testing. As for the other two RO plants, their lifetime have been reduced to 2021G. For further discussion, refer to Section (2) (Risk Factors).

Central Electricity Generating Company ("CEGCO")

In 2018G, the Group recorded an impairment charge of SAR 63.9 million pertaining to the 97MW Rehab Power Plant (steam) Unit 14 on account of the uncertainty around the renewal of its contract post-expiry.

International Barges Company for Water Desalination Limited ("Bowarege")

Bowarege was a dedicated water production company that owned and operated the world's largest floating water desalination RO plants. Bowarege's offtake agreement expired in 2017G and the WPA was not renewed since then. With failed negotiations to bring in new contracts and no certainty with respect to further operations, a decision was made to fully impair Bowarege assets in 2019G, at a charge of SAR 87.7 million and SAR 70.4 million in 2018G. During 2020G, the Group entered into a sale purchase agreement whereby the barges were sold for SAR 9.6 million and gain on disposal of barges amounting to SAR 9.6 million is recorded under other income.

Shuaibah Water & Electricity Co. (SWEC)

SWEC, an oil-fired facility, has a Power and Water Purchase Agreement with SWPC (Saudi Water Partnership Company) for a period of 20 years from the Project Commercial Operation Date ("PCOD"). The PCOD was achieved on 14 January 2010G and the Project is an equity accounted investment of the Group. In 2020G, the Group has booked an impairment charge of SAR 30.0 million as a result of a recent re-assessment and uncertainty around contract renewal post expiry of existing contract.

6-3-5-3 Change in useful life of plants:

During 2020G, the Group performed a detailed exercise to re-assess the useful lives of the plants in its portfolio. Management categorized and considered all socio-economic, operational, performance and other factors surrounding the technology of the particular asset. As a result, the Group decided to revise the existing useful lives for each technology class asset with effect from 1st January 2020G as follows:

Technology	Existing useful life	Revised useful life	Financial Impact for the year ended 31 Dec 2020G SAR Thousand
Photovoltaic	30 years	25 years	4,266
Concentrated Solar Power	30-35 years	30 years	1,320
Combined Cycle Gas Turbine	35-40 years	35 years	54,012
Seawater Reverse Osmosis	30-40 years	30 years	22,612
Total Financial Impact			**82,210**

Source: Audited consolidated financial statements

The revision in useful lives also resulted in an increase in depreciation for the year ended 2020G by SAR 82.2 million, of which SAR 50.0 million is reflected in the Group's operating costs and remaining SAR 32.2 million in share in net results of equity accounted investees.

6-3-5-4 Projects achieving Initial or Project Commercial Operation Dates (ICOD/PCOD)

A Project starts recognizing its revenue and charging its costs in the profit or loss statement, including depreciation on its fixed assets as it ceases capitalisation, in the year the Project achieves its Initial or Project Commercial Operation Date (ICOD/PCOD) and starts providing power and water under the Offtake Agreement to the Offtaker.

Projects achieving initial or project operation dates was not part of the adjustment to arrive at adjusted net profit (see Section 6-3-3-3) as the Management considers them as normal course of business.

The following table lists all the Projects that achieved their respective ICODs or PCODs and affected the comparability of any of the periods during the three years ended 31 December 2020G:

Project	Location	ICOD	Gross capacity (MW/'000s M3/day)
Hassyan IPP[a]	UAE	Q4 2020G	2400
Project	**Location**	**PCOD**	**Gross capacity (MW/'000s M3/day)**
Shuaibah Expansion II IWP	Saudi Arabia	Q2 2019G	250 M3/day
Sohar	Oman	Q2 2019G	1710 MW
Ibri IPP	Oman	Q2 2019G	1509 MW
Vinh Hao 6 PV IPP	Vietnam	Q2 2019G	41 MW
Ben Ban One	Egypt	Q3 2019G	50 MW
Ben Ban Two (Alcom)	Egypt	Q3 2019G	50 MW
Ben Ban Three (TK Solar)	Egypt	Q3 2019G	20 MW
Risha PV	Jordan	Q4 2019G	50 MW
Sakaka PV IPP[b]	Saudi Arabia	Q4 2019Gb	300 MW
Petro-Rabigh (Phase 2) IWSPP	Saudi Arabia	Q1 2018G	160 MW / 54.5 M3/day
Rabigh 2 IPP	Saudi Arabia	Q1 2018G	2060 MW
Salalah 2 IPP – Greenfield	Oman	Q1 2018G	445 MWMW
Khalladi Wind IPP	Morocco	Q2 2018G	120 MW

Noor II CSP IPP	Morocco	Q2 2018G	200 MW
Zarqa IPP	Jordan	Q3 2018G	485 MW
NOOR PV1 IPP	Morocco	Q4 2018G	135 MW
Mafraq PV IPP	Jordan	Q4 2018G	50 MW
Noor III CSP IPP	Morocco	Q4 2018G	150 MW

Notes:

a Only Unit 1 out of four Units of Hassyan IWP achieved ICOD on this date.

b This is Sakaka's ICOD, which subsequently achieved PCOD on 30 June 2020G.

6-3-5-5 Projects achieving financial close (FC)

When a Project has access to funding from lenders, it achieves its financial close and the Group becomes entitled to recognize development fees as revenue, to recover its Project development and bidding costs and to reverse any related provisions, it further triggers additional services such as project and construction management which are recognised during the construction period till reaching commercial operation date (see Section (6-3-2) (Principal Factors Affecting the Results of Operations)).

Projects achieving financial close was not part of the adjustment to arrive at adjusted net profit (see Section (6-3-3) (Key Performance Indicators)) as the Management considers them as normal course of business.

The following table lists all the Projects that achieved their respective FC and affected the comparability of any of the periods during the three years ended 31 December 2020G:

Project	Location	Project Cost – SAR Million	Gross capacity ((MW)/ '000s M3/day)
		2020G	
UAQ – IWP	UAE	2,988	682 M3/day
Jubail 3A – IWP	Saudi Arabia	2,438	650 M3/day
Ibri 2 PV IPP	Oman	1,481	500 MW
DEWA V PV IPP	UAE	2,106	900 MW
		2019G	
Vinh Hao 6 PV IPP	Vietnam	203	41 MW
Noor Energy 1	UAE	16,233	950 MW
Rabigh 3 – IWP	Saudi Arabia	2,813	600 M3/day
Taweelah – IWP	UAE	3,278	909 M3/day
		2018G	
Ben Ban PV IPP	Egypt	694	120 MW
Salalah IWP	Oman	600	114 M3/day
Al Dur 2 – IWPP	Bahrain	4,125	1500 MW / 227 M3/day
Sakaka PV IPP	Saudi Arabia	1,133	300 MW

6-3-5-6 One-off dividend and discounting impact on loan from shareholder's subsidiary

During 2020G, the Company declared dividends of SAR 2.7 billion at SR 4.18 per share to its shareholders, out of which SAR 1,000.0 million is paid during the year 2020G, SAR 800.0 million was shown as payable to shareholders which will be paid in 2021G and SAR 901.0 million pertaining to Public Investment Fund of Saudi Arabia (PIF, a shareholder) was converted into a long-term non-interest-bearing loan through the same shareholder's fully owned subsidiary. This loan will be subject to future investment adjustments on behalf of the shareholder's subsidiary based on certain conditions and can be settled at any time post-November 2023G with initial long-stop date of 31 December 2030G. The Group has recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term advances of a similar nature. The difference between the nominal and discounted value, amounting SAR 233.4 million, has been recognised as other contribution from shareholder within share premium, whereas SAR 9.7 million of unwinding of discounting has been booked in 2020G as financing cost.

6-3-5-7 Issuance of new shares

During 2018G, the Company issued 98,159,157 shares to the Public Investment Fund ("PIF"), then and an existing shareholder of the Company, at a premium amounting to SR 1,079.8 million. Total proceeds received against the shares issued net of transaction cost amounted to SR 2,042.9 million. As a result, the Company's authorized and fully paid up share capital net of transaction costs increased to SAR 6,429,344 thousand as at 31 December 2018G from SAR 5,466,215 thousand as at 31 December 2017G with number of outstanding shares increasing to 645,762,878 shares as at 31 December 2018G from 547,603,721 shares as at 31 December 2017G.

6-3-5-8 Provision for Zakat and tax related to prior year assessments

During 2020G the Company made non-recurring one-off provisions against Zakat assessments for previous years from 2009G-2018G. An additional Zakat provision of SAR 87.0 million, over and above SAR 29.0 million that was booked in 2019G, was made as part of the settlement of the 2009G-2018G GAZT assessment of an aggregate of SAR 116 million. This assessment is now finalised, and accordingly, Zakat audits for year 2009G-2018G have been concluded.

Additional provisions made in 2020G of SAR 13.5 million by the Group Subsidiaries, which are also non-recurring and relate to previous years, include;

- SAR 2 million provision by APP against the GAZT assessment for year 2018G and SAR 2 million provision against the assessment for year 2014G. A settlement of SAR 2.1 million was reached and the 2014G assessment is now closed.
- SAR 4.1 million provision by NOMAC KSA for GAZT assessments for years 2008G-2012G and 2013G-2016G. NOMAC KSA also made an additional SAR 3.0 million provision for open years 2017G-2018G. Additionally, NOMAC Oman booked SAR 0.8 million (2019G SAR 3.7 million) provision against tax assessment for the years 2012G-2016G.
- SAR 1.6 million provision by RAWEC (2019G SAR 2.4 million for 2017G assessment) for open years 2015G-2019G for the difference between GAZT's calculation of Zakat liability on the higher of adjusted net profit or Zakat base; this amount is not against any ongoing assessment. For further discussion, refer to Section (6-3-6-12) (Zakat and tax).

6-3-5-9 Corporate social responsibility contribution

During 2020G, the Group decided to support national health efforts in the Kingdom of Saudi Arabia to contain the impact of the Covid-19 pandemic and accordingly contributed SAR 52.5 million (2019G: nil, 2018G: nil) to build an integrated mobile hospital with a 100-bed capacity in cooperation with THABAT, a local construction company and a wholly owned subsidiary of a shareholder. The new mobile hospital was fully resourced with the medical equipment and supplies required to treat Covid-19 cases.

6-3-5-10 Extraordinary provision/(reversal) on project development cost

In 2020G, the Group has decided not to pursue any new coal projects in line with its commitment and focus towards decarbonization and has fully written-off the incurred project development and related costs of Nam Dinh 1 IPP project in Vietnam amounting to SAR 80.9 million. The amount so written off is disclosed in the Group's consolidated statement of profit and loss as "Development cost, provision and write offs, net of reversals."

6-3-5-11 Provision/discounting on due from related party

Kirikkale is the Group's Project in Turkey, for which O&M operator is NOMAC. In 2019G, a financial restructuring (Standstill Agreement) was completed in Kirikkale, where lenders agreed that Project Company to pay 90% of the monthly O&M invoices going forward and previously due, to be collected in future subject to expected level of operations. The Group estimated the recovery of pre-standstill agreement receivable by 2023G and accordingly a discount of SAR 24.5 million on pre-standstill receivable was recognized in 2019G as financial charges due to discounting the receivables to a lower net present value of the receivable as a result of deferment of collection till December 2023G. Further in 2020G, an additional provision of SAR 28.5 million was made against the remaining receivable balance due to lower expected operations in the Project due to lesser electricity demand in the country.

6-3-5-12 Gain on re-measurement of options

The Company has written put options in respect of shares held by non-controlling interests in CEGCO, a consolidated subsidiary of the Group, which is likely to be exercised or expire by 2021G. The contractual obligation with respect to the put options was initially recognised as a financial liability with a corresponding amount in equity in the consolidated statement of financial position at the present value of the redemption amount of SAR 27.2 million. During 2020G, fair value of the liability was re-measured, which resulted in a gain of SAR 24.7 million with a corresponding reduction in financial liabilities.

6-3-5-13 Restructuring costs

During 2020G, the Group has undertaken an organizational restructuring and implemented a new matrix organizational design under a new regional structure. Costs incurred for such activity represent professional consultancy fees amounted to SAR 9.4 million. This restructuring event and associated costs are considered as non-recurring.

6-3-6 Results of operations–Consolidated Statement of profit or loss and other comprehensive income

The following table presents the Group's consolidated statement of profit or loss and other comprehensive income for the financial years ended 31 December 2018G, 2019G and 2020G.

Consolidated Statement of profit or loss and comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Continuing operations						
Revenue	**3,227,833**	**4,114,999**	**4,829,111**	**27.5%**	**17.4%**	**22.3%**
Operating costs	(1,965,965)	(2,028,804)	(2,301,362)	3.2%	13.4%	8.2%
Gross profit	**1,261,868**	**2,086,195**	**2,527,749**	**65.3%**	**21.2%**	**41.5%**
Development cost, provision and write offs, net of reversals	16,368	(50,790)	(142,856)	-410.3%	181.3%	-
General and administration expenses	(562,930)	(617,747)	(818,882)	9.7%	32.6%	20.6%
Share in net results of equity accounted investees, net of tax	942,716	283,794	231,107	-69.9%	-18.6%	-50.5%
Other operating income	160,325	140,645	151,872	-12.3%	8.0%	-2.7%
OPERATING INCOME BEFORE IMPAIRMENT LOSSAND OTHER EXPENSES	**1,818,347**	**1,842,097**	**1,948,990**	**1.3%**	**5.8%**	**3.5%**
Impairment loss and other expenses, net	(623,748)	(880,203)	(181,051)	41.1%	-79.4%	-46.1%
OPERATING INCOME AFTER IMPAIRMENT LOSSAND OTHER EXPENSES	**1,194,599**	**961,894**	**1,767,939**	**-19.5%**	**83.8%**	**21.7%**
Other income	64,948	336,820	155,608	418.6%	-53.8%	54.8%
Exchange loss, net	(8,576)	(29,106)	(23,460)	239.4%	-19.4%	65.4%
Financial charges	(570,655)	(869,862)	(1,068,448)	52.4%	22.8%	36.8%
Profit before zakat and income tax	**680,316**	**399,746**	**831,639**	**-41.2%**	**108.0%**	**10.6%**
Zakat and tax credit / (charge)	(39,942)	(74,008)	50,950	85.3%	-168.8%	-
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**640,374**	**325,738**	**882,589**	**-49.1%**	**171.0%**	**17.4%**
DISCONTINUED OPERATIONS						
Profit / (loss) from discontinued operation including gain / (loss) recognized on loss of control in a subsidiary, net of tax	(1,539,288)	554,345	19,798	-136.0%	-96.4%	-
PROFIT / (LOSS) FOR THE YEAR	**(898,914)**	**880,083**	**902,387**	**-197.9%**	**2.5%**	**-**
Profit attributable to:						
Equity holders of the parent	(773,842)	1,173,865	882,568	-251.7%	-24.8%	-
Non-controlling interests	(125,072)	(293,782)	19,819	134.9%	-106.7%	-
	(898,914)	880,083	902,387	-197.9%	2.5%	-
Basic and diluted earnings / (loss) per share (SAR)	**(1.30)**	**1.82**	**1.37**	**-240.0%**	**-24.7%**	**-**
Basic and diluted earnings per share for continuing operations (SAR)	**1.27**	**0.98**	**1.34**	**-22.8%**	**36.7%**	**2.7%**
PROFIT / (LOSS) FOR THE YEAR	**(898,914)**	**880,083**	**902,387**	**-197.9%**	**2.5%**	**-**
Other comprehensive (loss) / income (OCI)						
Items that are or may be reclassified subsequently to profit or loss						-

Consolidated Statement of profit or loss and comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Foreign operations – foreign currency translation differences	(198,257)	268,481	23,585	-235.4%	-91.2%	-
Equity accounted investees – share of OCI	315,667	(729,442)	(1,191,366)	-331.1%	63.3%	-
Net change in fair value of cash flow hedge reserve	111,014	(294,596)	(400,330)	-365.4%	35.9%	-
Items that will not be reclassified to profit or loss						
Re-measurement of defined benefit liability	12,960	(18,244)	11,506	-240.8%	-163.1%	-5.8%
Total other comprehensive (loss) / income	**241,384**	**(773,801)**	**(1,556,605)**	**-420.6%**	**101.2%**	**-**
Total comprehensive (loss) / income	**(657,530)**	**106,282**	**(654,218)**	**-116.2%**	**-715.5%**	**-0.3%**
Total comprehensive (loss) / income attributable to:						
Equity holders of the parent	(557,650)	530,529	(554,615)	-195.1%	-204.5%	-0.3%
Non-controlling interests	(99,880)	(424,247)	(99,603)	324.8%	-76.5%	-0.1%
	(657,530)	**106,282**	**(654,218)**	**-116.2%**	**-715.5%**	**-0.3%**

Source: Audited consolidated financial statements

6-3-6-1 Revenue

The following table presents the Group's consolidated revenue for the financial years ended 31 December 2018G, 2019G and 2020G.

Revenue	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Services rendered:						
Operation and maintenance	1,361,139	1,483,690	1,505,206	9.0%	1.5%	5.2%
Development and construction management services	312,429	537,826	460,779	72.1%	-14.3%	21.4%
Others	19,302	24,123	26,169	25.0%	8.5%	16.4%
	1,692,870	2,045,639	1,992,154	20.8%	-2.6%	8.5%
Sale of electricity:						
Capacity	637,709	891,329	1,219,489	39.8%	36.8%	38.3%
Energy	553,780	425,705	286,725	-23.1%	-32.6%	-28.0%
Finance lease income	145,169	319,955	258,870	120.4%	-19.1%	33.5%
	1,336,658	1,636,989	1,765,084	22.5%	7.8%	14.9%
Sale of water *:						
Capacity	152,151	389,156	969,958	155.8%	149.2%	152.5%
Output	46,154	43,215	101,915	-6.4%	135.8%	48.6%
	198,305	432,371	1,071,873	118.0%	147.9%	132.5%
Total Revenue	**3,227,833**	**4,114,999**	**4,829,111**	**27.5%**	**17.4%**	**22.3%**

Source: Audited consolidated financial statements						
Less: pass through fuel and gas revenue	512,089	255,333	224,582	-50.1%	-12.0%	-33.8%
Revenue - without fuel and gas costs	**2,715,744**	**3,859,666**	**4,604,529**	**42.1%**	**19.3%**	**30.2%**

Source: Management information

*Includes revenue from sale of steam of SAR 389.4 million, SAR 95.9 million and nil for 2020G, 2019G and 2018G, respectively.

The Group's consolidated total revenue increased by 27.5%, or SAR 887.2 million, from SAR 3,227.8 million in 2018G to SAR 4,115.0 million in 2019G, and further increased by 17.4%, or SAR 714.1 million, to SAR 4,829.1 million in 2020G.

The increase in 2019G is mainly on account of the following:

- an increase in Services rendered revenue (corporate) by SAR 225.4 million mainly due to financial close of Projects (see Section (6-3-5) (Comparability of Operations)) and certain construction related fees from DEWA CSP and heat rate optimization fees by SAR 67.2 million for Ibri and Sohar Projects;
- higher Sale of electricity and water revenues by SAR 413.2 million with new projects becoming operational in 2019G compared to partial or no operation in 2018G, such as Zarqa, APO II (finance lease income), APO III (finance lease income) and STPC together with further higher NOMAC revenues (Services rendered) by SAR 122.6 million from new projects such as Ibri, Sohar, Ben Ban; and
- higher revenues by SAR 290.1 million due to conversion of RAWEC into subsidiary with effect from October 2019G, which resulted in consolidation of RAWEC's results versus equity accounted in earlier years (see Section (6-3-5) (Comparability of Operations)).

These were partially offset by lower Energy revenue at CEGCO and Barka by SAR 249.3 million mainly due to lower fuel and gas revenues due to the fuel mix used for production in CEGCO, reduced demand from the Offtaker in Barka and global decline in fuel prices (see Section (6-3-2) (Principal Factors Affecting Results of Operations)).

Further increase in 2020G is mainly on account of following:

- RAWEC became subsidiary with effect from October 2019G while it was equity accounted for 9 months of 2019G, by SAR 864.8 million;
- STPC and Sakaka are subsidiaries of the Group and they became full/partial operational in 2020G vs. partial or no operation in 2019G, by SAR 123.1 million; and
- NOMAC – higher Services rendered revenue by SAR 21.5 million mainly due to Hassyan as one of the units has started its operation; full year operations for IBRI and Sohar (commenced in mid 2019G); and increase in revenue from Al Dur Project (pre-mobilization fees), which were offset by Rabigh Power Company (RPC, the O&M contractor for RAWEC), revenue of which was eliminated as RAWEC become a subsidiary.

These were partially offset by:

- Lower Services rendered revenue (corporate) by SAR 77.0 million mainly due to lower construction management and services agreement (CMSA) fees from DEWA CSP and fees accrued in 2019G related to heat rate optimization for Ibri and Sohar Projects;
- Lower Finance lease income (lease deficit) by SAR 138.3 million due to plant shutdown in Moroccan assets of APO II and APO III;
- Lower Sale of electricity revenues at Barka by SAR 48.6 million due to lower demand from the offtaker and higher planned outages; and
- Lower Sale of electricity revenue at CEGCO by SAR 40.9 million due to lower capacity charges on account of the decommissioning of three units.

6-3-6-1-1 Revenue by operating segment

The following table presents the Group's segmental revenue for the financial years ended 31 December 2018G, 2019G and 2020G.

Segmental Revenue	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Thermal and Water Desalination	2,821,521	3,267,423	3,986,292	15.8%	22.0%	18.9%
Renewables	387,010	823,453	816,650	112.8%	-0.8%	45.3%
Others	19,302	24,123	26,169	25.0%	8.5%	16.4%
Total revenue	**3,227,833**	**4,114,999**	**4,829,111**	**27.5%**	**17.4%**	**22.3%**

Source: Audited consolidated financial statements

Thermal and Water Desalination revenue increased by 15.8%, or SAR 445.9 million, from SAR 2,821.5 million in 2018G to SAR 3,267.4 million in 2019G and further increased by 22.0%, or SAR 718.9 million to SAR 3,986.3 million in 2020G.

Increase in 2019G was mainly due to: conversion of RAWEC into subsidiary with effect from October 2019G, which resulted in higher revenues by SAR 290.1 million as a result of the consolidation of RAWEC's results unlike in earlier years when it was equity accounted (see Section (6-3-5) (Comparability of Operations)); higher revenues by SAR 353.8 million with new projects becoming operational in 2019G compared to partial or no operation in 2018G such as Zarqa, STPC together with higher NOMAC revenues from new projects; an increase in corporate revenues by SAR 89.2 million mainly due to financial close of Projects (see Section (6-3-5) (Comparability of Operations)) and heat optimization fees. These were partially offset by lower revenue at CEGCO and Barka by SAR 249.3 million mainly due to: lower fuel and gas revenues due to the fuel mix used for production at CEGCO; reduced demand from the Offtaker at Barka; and global decline in fuel prices (note that being 100% pass-through, corresponding impact is reflected in the operating costs of the Group).

Increase in 2020G was mainly due to: RAWEC by SAR 849.3 million, which became subsidiary from October 2019G whereas it was equity accounted for 9 months of 2019G; STPC by SAR 71.0 million, on account of full-year of operations in 2020G versus partial operation in 2019G; and higher revenue at NOMAC on full-year of operations for IBRI and Sohar (commenced in mid 2019G) and increase in revenue from Al Dur Project (pre-mobilization fees). This was partially offset by: lower corporate revenue by SAR 109.8 million as there was one-off heat optimization fees, amounting to SAR 67.2 million, recognized during 2019G; lower revenue at NOMAC by SAR 11.4 million mainly due to Rabigh Power Company (RPC, the O&M contractor for RAWEC), revenue of which was eliminated as RAWEC become a subsidiary and partially offset by increase in revenue pertaining to Hassyan as one of the unit has started its operation; lower revenue at Barka by SAR 48.6 million due to lower demand from the offtaker, in addition to lower capacity revenues on account of higher planned outages for the year; and lower revenue at CEGCO by SAR 40.9 million due to lower capacity charges on account of decommissioning of three units.

Renewables revenue increased by 112.8%, or SAR 436.4 million, from SAR 387.0 million in 2018G to SAR 823.4 million in 2019G and then marginally decreased by 0.8%, or SAR 6.8 million, to SAR 816.6 million in 2020G.

The increase in 2019G was mainly due to new projects becoming operational in 2019G compared to partial or no operation in 2018G such as APO II, APO III and Sakaka, together with higher NOMAC revenues from new projects by SAR 254.1 million; and higher corporate revenue by SAR 136.2 million mainly due to financial close of Projects (see Section (6-3-5) (Comparability of Operations)) and construction management fees from DEWA CSP.

The decrease in 2020G was mainly due to lease deficit on account of plant shutdown of Moroccan Projects, APO II and APO III, by SAR 138.3 million, which was partially offset by higher revenue in Sakaka on full-year of operation versus partial operation 2019G amounting to SAR 51.7 million; higher corporate revenue by SAR 32.8 million due to financial close of Projects (see Section (6-3-5) (Comparability of Operations)) and higher NOMAC revenue by SAR 34.9 million on account of full-year of operations of certain projects.

Captured as "Others" above, the Company also generates revenue in the form of reinsurance commissions and/or by the difference in inward and outward reinsurance premiums through its wholly owned subsidiary ACWA Power Reinsurance, which is a fully-licensed captive reinsurance company incorporated and operating in the United Arab Emirates that only reinsures risks emanating from the Group companies; however generated revenue is immaterial and not a main source of income for the Group.

6-3-6-1-2 Revenues by major subsidiaries

Revenue by major subsidiaries of ACWA Power is based on audited financial statements of each subsidiary (except APO I, II and III) and is before any elimination or Group-level adjustments.

Revenue	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
NOMAC	1,744,417	1,924,149	2,121,253	10.3%	10.2%	10.3%
RAWEC*	1,138,756	1,151,032	1,154,863	1.1%	0.3%	0.7%
Barka	603,113	546,180	497,605	-9.4%	-8.9%	-9.2%
CEGCO	581,564	402,550	326,848	-30.8%	-18.8%	-25.0%
Zarqa	101,598	247,978	249,249	144.1%	0.5%	56.6%
APO I	148,564	158,664	199,785	6.8%	25.9%	16.0%
APO II	85,259	235,603	132,969	176.3%	-43.6%	24.9%
APO III	23,461	45,886	9,703	95.6%	-78.9%	-35.7%
Others**	(1,198,899)	(597,043)	136,836	-50.2%	-122.9%	-
Total	**3,227,833**	**4,114,999**	**4,829,111**	**27.5%**	**17.4%**	**22.3%**

Source: Management Information

*RAWEC became subsidiary from October 2019G before when it was accounted as equity accounted investment and net result of operations of RAWEC was reported in the Group's consolidated results as Share in net results of equity accounted investees, net of tax. Accordingly, the Group's consolidated financial statements do not include RAWEC's full-year revenue in 2018G and the revenue pertaining to before October 2019G in the Group's reported Revenues. For meaningful comparison, above table presents RAWEC's full-year revenues in all three years.

**Others represents immaterial subsidiaries, other holding companies, elimination, accounting and change in scope of consolidation adjustments.

For further discussion on each subsidiary, kindly refer to Section (4-6-3-2) (Selected Significant Projects) of this document.

6-3-6-2 Operating Costs

The following table presents the Group's consolidated operating costs for the financial years ended 31 December 2018G, 2019G and 2020G.

Operating costs	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Natural gas and fuel cost	534,082	261,327	229,487	-51.1%	-12.2%	-34.4%
Direct material cost	514,694	503,666	493,528	-2.1%	-2.0%	-2.1%
Staff costs	403,394	467,751	515,306	16.0%	10.2%	13.0%
Depreciation	205,563	279,683	533,182	36.1%	90.6%	61.1%
Operating and technical fee	206,727	352,473	363,566	70.5%	3.1%	32.6%
Direct insurance cost	28,523	59,395	82,318	108.2%	38.6%	69.9%
Peak liquidated damages	-	39,268	5,610	0.0%	-85.7%	-
Other direct overheads	72,982	65,241	78,365	-10.6%	20.1%	3.6%
Total operating costs	**1,965,965**	**2,028,804**	**2,301,362**	**3.2%**	**13.4%**	**8.2%**
Source: Audited consolidated financial statement						
Less: pass through fuel and gas cost	512,089	255,333	224,582	-50.1%	-12.0%	-33.8%
Operating costs without fuel and gas cost	**1,453,876**	**1,773,471**	**2,076,780**	**22.0%**	**17.1%**	**19.5%**

Source: Management information

Total operating costs marginally increased by 3.2%, or SAR 62.8 million, from SAR 1,966.0 million in 2018G to SAR 2,028.8 million in 2019G and further increased by 13.4%, or SAR 272.6 million, to SAR 2,301.4 million in 2020G.

The increase in 2019G is mainly on account of the following:

- higher operating costs in NOMAC Group amounting to SAR 175.2 million mainly due to LTSA and manpower related to commissioning of new projects such as Sohar, Ibri and Ben Ban;
- full-year of operations of Zarqa (Jordan) and APO II, APO III and NOOR PV1 IPP (Morocco) in addition to STPC Project becoming operational in 2019G, by SAR 94.6 million; and
- RAWEC's conversion from equity accounted investee to a subsidiary with effect from October 2019G, by SAR 52.9 million.

These were offset by decrease in pass-through fuel and gas cost amounting to SAR 256.8 million at CEGCO and Barka, driven by fuel consumption mix, decrease in oil prices and lower energy demand from the Offtaker.

Further increase in 2020G was mainly on account of the following:

- RAWEC, due to its conversion into subsidiary (converted into subsidiary with effect from October 2019G, while it was equity accounted for 9 months of 2019G), by SAR 138.9 million;
- NOMAC, due to higher maintenance cost (higher spare parts cost and maintenance activities) and higher manpower cost, operating and technical fees on account of increased operations, by SAR 57.0 million;
- Increase in insurance costs by SAR 22.9 million mainly in Moroccan projects; and
- Accelerated depreciation in CEGCO, Zarqa and Barka, by SAR 50.0 million.

6-3-6-2-1 Operating Costs By Type

Natural gas and fuel cost

Natural gas and fuel costs are key components of the Group's operating costs. In 2018G, 2019G and 2020G, they accounted for 27.2%, 12.9% and 10.0% of total operating costs, respectively. The fuel (oil) costs were incurred by CEGCO, which represents the purchase cost of fuel acquired from the Jordanian Petroleum Refinery Company ("JPRC") and is 100% pass-through to the Offtaker. The natural gas costs were incurred by Barka, which represents the cost of natural gas from the Ministry of Oil and Gas of the Sultanate of Oman and is pass-through to the Offtaker subject to certain consumption parameters as per the fuel purchase agreement, which is valid throughout the life of the PWPA and subject to renewal upon the renewal of the PWPA.

Natural gas and fuel cost decreased by 51.1%, or SAR 272.8 million, from SAR 534.1 million in 2018G to SAR 261.3 million in 2019G and further decreased by 12.2%, or SAR 31.8 million, to SAR 229.5 million in 2020G. The decrease in 2019G was mainly due to decrease in fuel costs of CEGCO and Barka. The fuel cost at CEGCO is 100% pass-through to the Offtaker and variance is due to a combination of fuel mix used for generation, impact of market oil prices and lower demand from the Offtaker (CEGCO only utilizes fuel (oil) when primary gas is not available for generation). Barka's fuel cost decreased due to a reduction in natural gas consumption, which was mainly due to lower energy demand from the Offtaker, and due to lower market prices. Further decrease in 2020G is mainly due to decrease in fuel consumption in Barka by SAR 46.6 million due to lower demand from offtaker, which is partially offset by higher consumption in CEGCO for Risha plant by SAR 15.8 million.

Direct material cost

Direct material cost mainly includes third-party maintenance costs (74.9% in 2020G) and chemicals (20.8% in 2020G) in addition to costs of spares, tools and consumables; health and safety; membranes and cartridges; and lease rental and station operating costs. Direct material cost accounted for 26.2%, 24.8% and 21.4% of the total operating costs in 2018G, 2019G and 2020G, respectively.

Direct material costs insignificantly decreased by 2.1%, or SAR 11.0 million, from SAR 514.7 million in 2018G to SAR 503.7 million in 2019G and further insignificantly decreased by 2.0%, or SAR 10.1 million, to SAR 493.5 million in 2020G. The decrease in 2019G was driven by NOMAC (SAR 63.2 million), which was due to higher cost in 2018G as a result of initial supply of spare parts for construction of Zarqa. The decrease in 2020G was driven by lower CEGCO costs by SAR 15.5 million due to lower planned outages in 2020G and lower Bowarege costs by SAR 4.8 million due to expiry of contract, which were partially offset by SAR 12.0 million higher costs in Moroccan assets due to outages during the period.

Staff costs

Staff costs represent the compensation paid to the personnel engaged in the operations, maintenance and administrative services performed by the Group. The significant portion of the staff costs is concentrated in NOMAC Group, CEGCO and the Group's corporate office. Staff cost accounted for 20.5%, 23.1% and 22.4% of the total operating costs in 2018G, 2019G and 2020G, respectively.

The staff costs increased by 16.0%, or SAR 64.4 million, from SAR 403.4 million in 2018G to SAR 467.8 million in 2019G and further increased by 10.2%, or SAR 47.6 million, to SAR 515.3 million in 2020G. The increase in 2019G was mainly driven by higher salaries and benefits incurred by NOMAC Group by SAR 66.1 million on account of additional operating staff hired for new projects such as Hassyan and STPC, and full-year operation of IBRI, Sohar, NMES and APO II in 2019G as compared to partial or no operation in 2018. The increase in 2020G was also mainly driven by higher salaries and benefits incurred by NOMAC Group by SAR 52.5 million on account of hiring of employees due to projects coming into operations and in case of Al Dur into pre-mobilization stage, and COVID allowance.

Depreciation expense

Depreciation expense relates to the annual depreciation charge of the plant, machinery, and equipment owned by the Group entities. Depreciation cost accounted for 10.5%, 13.8% and 23.2% of the total operating costs in 2018G, 2019G and 2020G, respectively.

Depreciation expense increased by 36.1%, or SAR 74.1 million, from SAR 205.6 million in 2018G to SAR 279.7 million in 2019G and further increased by 90.6%, or SAR 253.5 million, to SAR 533.2 million in 2020G. The increase in 2019G was mainly driven by RAWEC by SAR 50.4 million, which became a subsidiary with effect from October 2019G, and partial operations of Zarqa and STPC in 2019G by SAR 41.3 million. The increase in 2020G is mainly driven by higher depreciation costs in RAWEC by SAR 151.9 million (full-year impact of conversion into subsidiary with effect from October 2019G); additional depreciation in CEGCO, Zarqa and Barka by SAR 63.5 million mainly due to change in useful lives; and on account of full-year operations in 2020G of STPC by SAR 18.8 million.

Operating and technical fee

Operating and technical fee includes costs of operating and technical services during the operation of the Projects. These costs accounted for 10.5%,17.4% and 15.8% of total operating costs in 2018G, 2019G and 2020G, respectively, and they were largely concentrated in NOMAC, which accounted for 100%, 91.8% and 87.6% of the total operating and technical fee costs in 2018G, 2019G and 2020G, respectively.

Operating and technical fee costs increased by 70.5%, or SAR 145.7 million, from SAR 206.7 million in 2018G to SAR 352.5 million in 2019G, and further increased insignificantly by 3.1%, or SAR 11.1 million, to SAR 363.6 million in 2020G. The increased in 2019G was mainly driven by full year of operations of projects in Oman (mainly IBRI and Sohar) and in Morocco (APO II, APO III and Noor PV1 IPP). The marginal increase in 2020G is mainly due to higher costs in NOMAC Maintenance Energy Services (NMES) and Moroccan assets due to outages during the year.

Direct insurance cost

Direct insurance cost are the premiums paid by the Project Company for insurance cover taken for the plant. Direct insurance cost accounted for 1.5%, 2.9% and 3.6% of total operating costs in 2018G, 2019G and 2020G, respectively

Direct insurance costs increased by 108.2%, or SAR 30.9 million, from SAR 28.5 million in 2018G to SAR 59.4 million in 2019G, and further increased by 38.6%, or SAR 22.9 million, to SAR 82.3 million in 2020G. The increase in both years is mainly attributable to Moroccan projects on account of higher insurance premiums owing to outages in the plants.

Peak liquidated damages expense

Peak Liquidated Damages (LD), due to or paid to Offtaker, is recognized in accordance with the terms of the Offtake Agreements mostly on account of generating lower than the required output during peak hours. In 2019G and 2020G, Group has recorded a provision for APO II in Morocco amounting to SAR 39.3 million and SAR 5.6 million, respectively, due to lower generation in peak hours.

Other direct overheads

Other direct overheads consist of a broad range of costs that include, but are not limited to, tools and equipment, indirect material costs, grid access fees and other direct overheads.

Other direct overheads increased at an insignificant CAGR of 3.6% from SAR 73.0 million in 2018G to SAR 78.4 million in 2020G in parallel with the increase in number of assets in portfolio.

6-3-6-2-2 Operating costs by major subsidiaries

Operating cost by major subsidiaries of ACWA Power is based on audited financial statements of each subsidiary (except APO I, II and III) and is before any elimination or Group-level adjustments.

Operating cost	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
NOMAC	1,302,869	1,450,216	1,559,330	11.3%	7.5%	9.4%
RAWEC*	465,872	483,790	485,954	3.8%	0.4%	2.1%
Barka	429,005	373,391	348,045	-13.0%	-6.8%	-9.9%
CEGCO	416,451	262,882	289,977	-36.9%	10.3%	-16.6%
Zarqa	39,271	99,806	107,039	154.1%	7.2%	65.1%
APO I	69,349	68,282	75,913	-1.5%	11.2%	4.6%
APO II	40,414	82,138	106,698	103.2%	29.9%	62.5%
APO III	15,154	56,965	82,212	275.9%	44.3%	132.9%
Others**	(812,420)	(848,666)	(753,806)	4.5%	-11.2%	-3.7%
Total	**1,965,965**	**2,028,804**	**2,301,362**	**3.2%**	**13.4%**	**8.2%**

Source: Management Information

*RAWEC became subsidiary from October 2019G before when it was accounted as equity accounted investment and net result of operations of RAWEC was reported in the Group's consolidated results as Share in net results of equity accounted investees, net of tax. Accordingly, the Group's consolidated financial statements do not include RAWEC's full-year operating costs in 2018G and the operating costs pertaining to before October 2019G in the Group's reported Operating costs. For meaningful comparison, above table presents RAWEC's full-year operating costs in all three years.

**Others represents immaterial subsidiaries, other holding companies, elimination, accounting and change in scope of consolidation adjustments.

For further discussion on each subsidiary, kindly refer to Section (4-6-3-2) (Selected Significant Projects) of this document.

6-3-6-3 Development cost, provision and write-offs, net of reversals

Development costs directly attributable to Projects are recognized as an asset on the consolidated statement of financial position, along with a portion of allocated Company operating expenses. Every quarter, the Group performs an assessment on the likelihood of success in developing projects, and in case there is a deterioration in the likelihood of success based on an average project success rate and management's best estimates, the development asset is either provided for or written-off through the consolidated statement of profit or loss. Any such provision is recorded against the Project costs and is reversed when the Group succeeds in achieving the preferred bidder (within the shortlisted bidders) status and/or at financial close of the project.

Development cost, provision and write-offs, net of reversals	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Development cost, provision and write-offs, net of (reversals)	(16,368)	50,790	142,856	-410.3%	181.3%	-

Source: Audited consolidated financial statement

Development cost, provision and write-offs, net of reversals increased by 410.3%, or SAR 67.1 million, from an income as a result of a net reversal of SAR 16.4 million in 2018G to a provision of SAR 50.8 million in 2019G, and then further increased by 181.3%, or SAR 92.1 million, to a provision expense of SAR 142.9 million in 2020G. The development cost expense in 2019G was mainly due to write-off of costs related to Kirikkale restructuring, Al Dur, DEWA CSP, NOOR PV on account of excess cost over recoverable amount in addition to delays in certain internal projects. The increase in 2020G is mainly due to write-off for Nam Dinh Project in Vietnam by SAR 80.9 million (see Section (6-3-5) (Comparability of Operations)) and STPC re-financing-related internal costs by SAR 17.5 million, together with provision of excess cost over recoverable amount for Project Redstone in South Africa by SAR 11.4 million.

6-3-6-4 General and administration expenses

The following table presents the Company's consolidated general and administration expenses for the financial years ended 31 December 2018G, 2019G and 2020G).

General and administration expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Salaries and other employee benefits	333,742	361,107	438,399	8.2%	21.4%	14.6%
Provisions	22,853	22,350	97,142	-2.2%	334.6%	106.2%
Professional and legal fees	58,078	71,102	127,137	22.4%	78.8%	48.0%
Rent and utilities expenses	40,829	18,768	18,975	-54.0%	1.1%	-31.8%
Travel expenses	26,693	29,882	14,732	11.9%	-50.7%	-25.7%
Depreciation expense	7,489	19,426	23,732	159.4%	22.2%	78.0%
Amortisation of intangible assets	8,408	14,368	10,461	70.9%	-27.2%	11.5%
Communication and subscription costs	20,722	16,757	18,824	-19.1%	12.3%	-4.7%
Public relations cost	2,045	8,475	10,084	314.4%	19.0%	122.1%
Repairs and maintenance expenses	8,899	3,778	4,128	-57.5%	9.3%	-31.9%
Directors' remuneration	8,577	8,836	7,847	3.0%	-11.2%	-4.4%
Others	24,595	42,898	47,421	74.4%	10.5%	38.9%
Total general and administration expenses	**562,930**	**617,747**	**818,882**	**9.7%**	**32.6%**	**20.6%**

Source: Audited consolidated financial statements

Salaries and other employee benefits

Salaries and other employee benefits (staff costs) represent the compensation paid to the personnel engaged in the administrative services performed by the Group. These costs accounted for 59.3%, 58.5% and 53.5% of total general and administration expenses in 2018G, 2019G and 2020G, respectively.

Staff costs increased by 8.2%, or SAR 27.4 million, from SAR 333.7 million in 2018G to SAR 361.1 million in 2019G, and further increased by 21.4%, or SAR 77.3 million, to SAR 438.4 million in 2020G. The increase in 2019G was mainly driven by Projects that came into operation in 2019G or were fully operational in 2019G unlike partially in operation in 2018G by SAR 24.1 million in addition to higher corporate expenses by SAR 11.7 million due to new country offices, which has also contributed to the increased staff cost. The increase in 2020G mainly on account of RAWEC by SAR 13.1 million (converted into subsidiary with effect from October 2019G), Corporate by SAR 35.7 million due to increase in business and governance, organization wise various initiative along with internal restructuring and in NOMAC by SAR 16.4 million mainly due to new projects coming in operation (Hassyan Unit I) and in NMES due to increase in scope of business.

Provisions

Provisions represent the charge against trade and other receivable balances that are deemed by the Company to be doubtful. These also include provisions to account for slow-moving or obsolete inventories or damaged stock items.

The provision for impaired receivables is assessed using the expected credit loss approach as per IFRS 9 – Financial Instruments. To measure any expected credit loss, the recoverability of trade receivables is evaluated based on the customer credit rating and days past due information.

There was no major change in provisions from 2018G to 2019G.

Provisions increased by 334.6%, or SAR 74.8 million, from SAR 22.4 million in 2019G to SAR 97.1 million in 2020G, mainly driven by Kirikkale receivable provision by SAR 28.5 million due to further delays in recoveries than earlier expectation; provision in relation to Redstone project by SAR 34.1 million for an advance which was paid to a contractor who is no more associated with the Project; and provision in relation to Sohar Calciner by SAR 9.5 million as the Project is not pursued anymore.

Professional and Legal fees

Professional and legal fees comprise a range of consultancy expenses such as audit fees; financial, IT, human resources, legal, public relations, tax and Zakat, etc. consultancy expenses and annual report production and agency costs.

Professional and legal fees increased by 22.4%, or SAR 13.0 million, from SAR 58.1 million in 2018G to SAR 71.1 million in 2019G, and further increased by 78.8%, or SAR 56.0 million, to SAR 127.1 million in 2020G. The increase in 2019G was mainly driven by an increase in the technical consultancy expenses by SAR 22.8 million in the Moroccan projects as they started operation in 2019G but faced outages and other initial operational challenges. The increase in 2020G is mainly on account of higher corporate expenses by SAR 37.9 million due to consultancy fees in relation to internal organization restructuring and general human capital, increase in Zakat and tax related consultancy due to prior year assessments, hydrogen-related consultancy, IT relating to ERP consultancy services and increase in technical consultancy expense in Moroccan projects by SAR 5.6 million related to the outages.

Rent and utilities

Rent and utilities include utility costs and office supplies.

Rent and utilities expenses decreased by 54.0%, or SAR 22.1 million, from SAR 40.8 million in 2018G to SAR18.8 million in 2019G, mainly due to implementation of IFRS 16—Leases, where assets are classified as right of use assets and lease depreciation is charged instead of rental expenses. There was no major change in Rent and Utilities from 2019G to 2020G.

Travel expenses

There was no major change in Travel expenses from 2018G to 2019G.

Travel expenses decreased by 50.7%, or SAR 15.1 million, from SAR 29.9 million in 2019G to SAR 14.7 million in 2020G mainly due to travel restrictions against the backdrop of the COVID19 pandemic across the globe (see Section (6-3-2) (Principle Factors Affecting the Results of Operations)).

Depreciation expense

Depreciation expense relates to the annual depreciation charges of furniture, fixtures and computer equipment and right of use assets.

Depreciation expense increased by 159.4%, or SAR 11.9 million, from SAR 7.5 million in 2018G to SAR 19.4 million in 2019G and further increased by 22.2%, or SAR 4.3 million, to SAR 23.7 million in 2020G. The increase in 2019G is mainly a result of implementation of IFRS 16—Leases, resulting in assets being classified as right of use assets and corresponding lease depreciation being charged instead of rental expenses. Further increase in 2020G is mainly on account of conversion of RAWEC into subsidiary with effect from October 2019G by SAR 4.3 million.

Amortisation of intangible assets

Amortisation of intangible assets relates to the annual amortization charges on computer software, and the Limestone supply contract.

Amortisation of intangible assets increased by 70.9%, or SAR 6.0 million, from SAR 8.4 million in 2018G to SAR 14.4 million in 2019G and then decreased by 27.2%, or SAR 3.9 million, to SAR 10.5 million in 2020G. The increase in 2019G was mainly due to the conversion of RAWEC into subsidiary with effect from October 2019G, which resulted in the Limestone supply contract being amortized over contract terms.

Communication and subscription costs

Communication and subscription costs comprise telephone and internet expenses in addition to other communication and subscription expenses. These costs remain relatively stable without material fluctuation from period to period.

Public relations cost

Public relations cost represents costs associated with the Group's corporate public relations activities and are immaterial within total general and administrative expenses.

Repairs and maintenance expenses

Repairs and maintenance expenses relate to the administrative repairs and maintenance and their related charges and are immaterial within total general and administrative expenses.

Directors' remuneration

Directors' remuneration represents the compensation paid to the members of the Board of Directors of the Company. For further discussion, please see Section (5) (Ownership and Organisational Structure of the Company)

Others

Other costs are mainly comprised of the insurance costs, license costs, low value items, management fees, printing and stationery and others.

Corporate general and administrative expenses (net)

The Group's general and administrative expenses include general and administrative expenses of Corporate Entities, including NOMAC and Project Companies that are subsidiaries of the Group.

The Group defines Corporate Entity as one, which satisfies all of the below conditions:

- It is a wholly owned subsidiary of the Company either directly or indirectly through another corporate entity;
- The Group is allowed to freely use any cash and bank balance carried by these entities without any restriction;
- Cash flows associated with investments carried by these entities are not pledged against any external debt with no-recourse to the Company; and
- It is engaged by the Group, or will be engaged in future, to provide technical, operating or development services to Project Companies.

The Corporate general and administrative expenses (net) includes employee cost, legal and professional consultancies, rent, utilities, travel, provisions and other general and administrative expenses netted off against its recoveries, for the years ended 2018G, 2019G and 2020G, and are as follows:

Corporate general and administrative expenses (net)	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Corporate general and administrative expenses	224,741	259,899	327,647	15.6%	26.1%	20.7%
Service fees	(139,249)	(130,599)	(167,873)	-6.2%	28.5%	9.8%
Corporate general and administrative expenses (net)	**85,492**	**129,300**	**159,774**	**51.2%**	**23.6%**	**36.7%**

Source: Management Information

Corporate general and administrative expenses for 2020G includes provision in relation to Redstone project by SAR 34.1 million for an advance which was paid to a contractor who is no more associated with the project; and provision in relation to Sohar Calciner by SAR 9.5 million as the project is not pursued anymore.

6-3-6-5 Share in net results of equity accounted investees, net of tax

The following table presents the Group's share in net results of equity accounted investees, net of tax, for the financial years ended 31 December 2018G, 2019G and 2020G.

Share in net results of equity accounted investees, net of tax	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
RAWEC	633,111	209,183	-	-67.0%	-100.0%	-100.0%
SGA Marafiq Holding (JWAP)	43,489	17,023	44,402	-60.9%	160.8%	1.0%
Shuqaiq	46,416	32,515	40,233	-29.9%	23.7%	-6.9%
SAMAWEC (SWEC & SEPCO)	112,196	81,382	51,066	-27.5%	-37.3%	-32.5%
SNOMACOMH (O&M)	17,338	9,832	12,098	-43.3%	23.0%	-16.5%
JOHC (O&M)	17,341	9,829	12,098	-43.3%	23.1%	-16.5%
Qurayyah Investment (Hajr)	4,083	5,579	19,007	36.6%	240.7%	115.8%
RABEC	62,657	(48,750)	126,908	-177.8%	-360.3%	42.3%
Mourjan	4,069	(40,335	(8,442)	-1091.3%	-79.1%	-
MAP Coastal Holdings (Sohar)	(16)	5,106	(30,809)	-32012.5%	-703.4%	4288.1%
ACWA Power Oasis 3 (Benban entities)	(13,742)	(5,330)	-	-61.2%	-100.0%	-100.0%

Share in net results of equity accounted investees, net of tax	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ACWA Power Renewable Energy Holding	-	-	(35,701)	-	-	-
Hassyan	(83)	(89)	(10,159)	7.2%	11314.6%	1006.3%
Others	8,808	8,508	10,406	-3.4%	22.3%	8.7%
Total	**935,667**	**284,453**	**231,107**	**-69.6%**	**-18.8%**	**-50.3%**

Source: Audited consolidated financial statements

As the Company follows the equity method of accounting for its associate and joint venture interests, its consolidated statement of profit or loss reflects its share in the net results of operations of its associates and joint ventures, net of tax. Any unrealized gain or losses resulting from transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's effective ownership interests in them.

Share in net results of equity accounted investees, net of tax, declined by 69.6%, or SAR 651.2 million, from SAR 935.7 million in 2018G to SAR 284.5 million in 2019G and further decreased by 18.8%, or SAR 53.3 million, to SAR 231.1 million in 2020G.

The decrease in 2019G was mainly on account of RAWEC owing to: i) a one-time gain of SAR 387.0 million on account of the Group exercising a call option and acquiring additional 37% interest in RAWEC on 24 May 2018G (in accordance with the requirements of IFRS as endorsed in Saudi Arabia, the gain was included within share in net results of RAWEC for the year ended 31 December 2018G); and ii) the conversion of RAWEC into a subsidiary from being an equity accounted investee following the Group's acquisition of a controlling interest (see Section (6-3-5) (Comparability of Operations)) and therefore full consolidation of RAWEC in the Group's financial results with effect from 10 October 2019G, prior to which date RAWEC's results were reported as the Group's share in net results of RAWEC, amounting to SAR 37 million. Moreover, lower net results due to plant performance issues at RABEC by SAR 111.4 million, Shuqaiq by SAR 13.9 million, Mourjan by SAR 44.4 million and SWEC & SEPCO by SAR 30.8 million; lower share of profit in JWAP by SAR 26.5 million mainly due to the one-time gain recognized in 2018G on settlement of liability for O&M demobilization; and tax-related payment and higher finance cost at SGA Marafiq in 2019G have also contributed in the variance.

Further decrease in 2020G was mainly on account of RAWEC by SAR 209.2 million due to its conversion into subsidiary with effect from October 2019G; accelerated depreciation by SAR 32.2 million) due to plant useful life reassessment in Projects such as Hajr, Mourjan, Salalah, IBRI/ Sohar (see Section (6-3-5) (Comparability of Operations)); APREH consolidated loss of SAR 35.7 million, which was previously reported under profit from discontinued operations; and impairment loss by SAR 30 million recognized in SWEC (see Section (6-3-5) (Comparability of Operations)). These were offset by an insurance claim income by SAR 175.7 million in RABEC that was claimed in 2019G against the major shutdown; higher results of Mourjan by SAR 31.9 million due to higher availability and recovery of insurance claim; higher results of JWAP by SAR 27 million due to deferral of planned outages to 2021G and lower financial charges and maturity of higher-rate swaps; and higher results of Hajr by SAR 16.8 million on account of the gain in relation to additional acquisition of shares (see Section (6-3-5) (Comparability of Operations)).

6-3-6-6 Other operating income

Other operating income relates to various management advisory services and ancillary support services (shared services such as legal, tax, IT and HR services) provided by the Company, NOMAC and other subsidiaries to various Project Companies. Other operating income of SAR 160.3 million, SAR 140.6 million and SAR 151.9 million earned in 2018G, 2019G and 2020G, respectively, and the movement in both years is attributable to discontinuation of staffing services due to commissioning of projects and other services performed for operating and under construction plants.

Other operating income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Service Fees	107,989	67,588	84,930	-37.4%	25.7%	-11.3%
Management Fees	46,287	68,369	66,942	47.7%	(0.02)	20.3%
Limestone fees	4,688	3,516	-	-25.0%	-100.0%	-100.0%
Others	1,361	1,172	-	-13.9%	-100.0%	-100.0%
Total	**160,325**	**140,645**	**151,872**	**-12.3%**	**8.0%**	**-2.7%**

Source: Management Information

6-3-6-7 Operating income before impairment and other expenses

Operating income before impairment and other expenses reflects the profit before impairment loss and other expenses from the continuing operations of the Group including the Company's share in the equity accounted investees.

Operating income before impairment loss and other expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Operating income before impairment loss and other expenses	1,818,347	1,842,097	1,948,990	1.3%	5.8%	3.5%

Source: Audited consolidated financial statements

For further details on operating income before impairment loss and other expenses, refer to Section (6-3-3) (Key Performance Indicators).

6-3-6-7-1 Operating income before impairment and other expenses by operating segment

Operating income before impairment and other expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Thermal and Water Desalination	1,894,190	1,698,038	1,947,480	-10.4%	14.7%	1.4%
Renewables	208,966	464,788	348,163	122.4%	-25.1%	29.1%
Others	19,173	23,500	25,625	22.6%	9.0%	15.6%
Total	**2,122,329**	**2,186,326**	**2,321,268**	**3.0%**	**6.2%**	**4.6%**
Unallocated operating income / (expenses)	(303,982)	(344,229)	(372,278)	13.2%	8.1%	10.7%
Total operating income before impairment and other expenses	**1,818,347**	**1,842,097**	**1,948,990**	**1.3%**	**5.8%**	**3.5%**

Source: Audited consolidated financial statements

Thermal and Water Desalination operating income before impairment and other expenses decreased by 10.4%, or SAR 196.2 million, from SAR 1,894.2 million in 2018G to SAR 1,698.0 million in 2019G and then increased by 14.7%, or SAR 249.4 million, to SAR 1,947.5 million in 2020G.

Decrease in 2019G relates to RAWEC by SAR 280.8 million as one-time gain of SAR 387 million pertaining to additional 37% stake acquisition was recognised in 2018G which is offset by higher contribution in operating income in 2019G due to increased shareholding and change in method of consolidation; and lower net results due to plant performance issues at RABEC, Shuqaiq, Mourjan and SWEC amounting to SAR 200.5 million, which were partially offset by higher operating income by SAR 183.0 million owing to new projects becoming operational in 2019G compared to partial or no operation in 2018G such as Zarqa and STPC in addition to further increase in Corporate revenue by SAR 89.2 million on recognition of one-time heat rate optimization fees. The increase in 2020G is mainly related to RAWEC by SAR 284.6 million due to its conversion into subsidiary with effect from October 2019G (see Section (6-3-5) (Comparability of Operations)); increase in RABEC by SAR 175.7 million due to insurance claim income booked in 2020G whereas in 2019G there was a major shutdown that resulted in lower net income; increase in STPC by SAR 48.7 million due to full-year of operations, which are partially offset by increase in development cost on Nam Dinh and STPC refinancing by SAR 98.4 million, provision for Redstone LNTP by SAR 34.1 million; and accelerated depreciation by SAR 82.2 million.

Renewables operating income before impairment and other expense increased by 122.4%, or SAR 255.8 million, from SAR 209.0 million in 2018G to SAR 464.8 million in 2019G decreased by 25.1%, or SAR 116.7 million, to SAR 348.2 million in 2020G.

Increase in 2019G was mainly related to new projects becoming operational in 2019G compared to partial or no operation in 2018G such as the Moroccan Projects and Vin Hao in Vietnam by SAR 124.3 million; and higher Corporate revenues by SAR 136.2 million mainly due to financial close of Projects (see Section (6-3-5) (Comparability of Operations)) and construction management fees from DEWA CSP. The decrease in 2020G is mainly due to outages at Moroccan plants by SAR 142.6 million; APREH consolidated loss of SAR 35.7 million, which was previously reported under profit from discontinued operation); provision for excess development cost and advance to supplier in Redstone amounting to SAR 45.5 million, which were partially offset by higher contribution by Sakaka SAR 47.6 million and higher Corporate revenue of SAR 32.8 million due to financial close of Projects (see Section (6-3-5) (Comparability of Operations)).

6-3-6-7-2 Operating income before impairment and other expenses by major subsidiaries

Operating income before impairment and other expenses by major subsidiaries of ACWA Power is based on audited financial statements of each subsidiary (except APO I, II and III) and is before any elimination or Group-level adjustments.

Operating income before impairment and other expense	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
NOMAC	245,298	274,271	319,708	11.8%	16.6%	14.2%
RAWEC *	640,301	636,248	636,873	-0.6%	0.1%	-0.3%
Barka	153,333	156,226	128,443	1.9%	-17.8%	-8.5%
CEGCO	113,558	121,487	18,937	7.0%	-84.4%	-59.2%
Zarqa	58,637	138,804	131,543	136.7%	-5.2%	49.8%
APO I	60,529	79,755	102,051	31.8%	28.0%	29.8%
APO II	(21,373)	141,086	(39,350)	-760.1%	-127.9%	35.7%
APO III	9,399	(25,518)	(92,666)	-371.5%	263.1%	-
Others **	558,664	319,738	743,451	-42.8%	132.5%	15.4%
Total	**1,818,347**	**1,842,097**	**1,948,990**	**1.3%**	**5.8%**	**3.5%**

Source: Management information

*RAWEC became subsidiary with effect from October 2019G, before which it was accounted as equity accounted investment. Operating income before impairment and other expenses numbers in 2018G and 2019G (9 months) are disclosed for comparability purposes only. For further details refer to Section (6-3-5) Comparability of Operations

**Others represent immaterial subsidiaries, other holding companies, elimination, accounting and change in scope of consolidation adjustments.

For further discussion on each subsidiary, kindly refer to Section (4-6-3-2) (Selected Significant Projects) of this document.

6-3-6-7-3 Operating income before impairment and other expenses as per previously reported segments

Operating income before impairment and other expenses as per previously reported segments

	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Generation	1,508,643	1,368,983	1,937,169	-9.3%	41.5%	13.3%
Services	613,686	817,343	384,099	33.2%	-53.0%	-20.9%
Unallocated operating income / (expenses)	(303,982)	(344,229)	(372,278)	13.2%	8.1%	10.7%
Total operating income before impairment and other expenses	**1,818,347**	**1,842,097**	**1,948,990**	**1.3%**	**5.8%**	**3.5%**

Source: Management information

6-3-6-8 Impairment loss and other expense, net

Impairment loss and other expense	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Impairment loss	556,437	880,203	137,485	58.2%	-84.4%	-50.3%
Liquidated damages, net of recoveries	67,311	-	(8,934)	-100.0%	-	-

Impairment loss and other expense	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Corporate social responsibility	-	-	52,500	-	-	-
	623,748	**880,203**	**181,051**	**41.1%**	**-79.4%**	**-46.1%**
Impairment loss on property, plant and equipment	443,937	877,203	129,985	97.6%	-85.2%	-45.9%
Impairment loss on goodwill	112,500	3,000	7,500	-97.3%	150.0%	-74.2%
	556,437	**880,203**	**137,485**	**58.2%**	**-84.4%**	**-50.3%**
Liquidated damages expense	146,364	68,992	-	-52.9%	-100.0%	-100.0%
Liquidated damages recovery	(79,053)	(68,992)	(8,934)	-12.7%	-87.1%	-66.4%
	67,311	**-**	**(8,934)**	**-100.0%**	**-**	**-**

Source: Audited consolidated financial statements

Impairment loss and other expenses, net	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Barka	422,200	792,493	137,485	87.7%	-82.7%	-42.9%
Bowerage	70,400	87,710	-	24.6%	-100.0%	-100.0%
CEGCO	63,837	-	-	-100.0%	-	-100.0%
Impairment loss	**556,437**	**880,203**	**137,485**	**58.2%**	**-84.4%**	**-50.3%**
APO II	146,364	-	-	-100.0%	-	-100.0%
Zarqa	(79,053)	-	(8,934)	-100.0%	-	-66.4%
Liquidated damages, net	**67,311**	**-**	**(8,934)**	**-100.0%**	**-**	**-**
Corporate social responsibility	-	-	52,500	-	-	-
Total	**623,748**	**880,203**	**181,051**	**41.1%**	**-79.4%**	**-46.1%**

Source: Management information

Impairment loss

Please refer to Section (6-3-5) (Comparability of Operations).

Liquidated damages (LD), net of recoveries

Liquidated damages (LD), due to or paid to Offtaker, is recognized in accordance with the terms of the Offtake Agreements mostly on account of delay in achievement of commercial operation. LD presented in profit or loss are net of any LD negotiated with the EPC contractor by the Group's subsidiaries. All EPC contracts provide a right to the Project Company to reject the plant from the EPC contractor and claim LD for any delays in achieving scheduled commercial operation date. In all circumstances, except those where LDs are not recovered in full from the EPC contractor based on finalisation of settlement agreements, the Group (through Project Companies) imposes contractual LD on the EPC contractor at much higher amounts than the contractual LD imposed by the Offtakers on the Project Companies. Furthermore, Project Companies normally withhold the last milestone payment to the EPC contractor as a protection against any potential case of delay in the collection of any such LD claims from the EPC contractor.

During 2018G, the LD charge of SAR 67.3 million were related to APO II in Morocco. The income in 2020G represents the final settlement of delayed LDs with EPC contractor for Zarqa plant.

Corporate social responsibility (CSR)

CSR spending in 2020G represents the Group's contribution amounting to SAR 52.5 million (2019G: nil, 2018G: nil) to support national health efforts in Saudi Arabia to contain the impact of the COVID19 pandemic. Funds were utilized to build an integrated mobile hospital with a 100-bed capacity in cooperation with THABAT, a local construction company and a wholly owned subsidiary of a shareholder. The new mobile hospital was fully resourced with the medical equipment and supplies required to treat COVID19 cases (also see Section (6-3-6-14 Transactions with related parties)).

6-3-6-9 Other income

The following table presents the Group's other income for the financial years ended 31 December 2018G, 2019G and 2020G).

Other income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Income earned on deposits	64,948	113,668	55,146	75.0%	-51.5%	-7.9%
Gain on remeasurement of options	-	-	24,651	-	-	-
Insurance recoveries	-	11,649	59,193	-	408.1%	-
Net gain on business combination achieved in stages	-	210,673	-	-	-	-
Others	-	830	16,618	-	1902.2%	-
Total	**64,948**	**336,820**	**155,608**	**418.6%**	**-53.8%**	**54.8%**

Source: Audited consolidated financial statements

Other income, pertains to various streams of income that are not strictly in connection with the daily business activities of the Group hence is considered to be non-recurrent sources of income (i.e. not expected to be recorded consistently on a yearly basis), except the interest earned on deposits.

Other income increased by 418.6%, or SAR 271.9 million, from SAR 64.9 million in 2018G to SAR 336.8 million in 2019G, and then decreased by 53.8%, or SAR 181.2 million, to SAR 155.6 million in 2020G. The increase in 2019G was mainly due to net gain on business combination achieved in stages owing to the gain on additional acquisition of RAWEC in 2019G by SAR 210.7 million (see Section (6-3-5) (Comparability of Operations)) and higher income earned on deposits by SAR 48.7 million due to higher cash and bank balances. In addition to the net gain on business combination achieved in stages owing to RAWEC in 2018G, the decrease in 2020G is due to lower income earned on lower deposits in 2020G by SAR 58.5 million on account of lower cash and bank balances, which are partially offset by CEGCO's option-related liability reversal on remeasurement by SAR 24.7 million, insurance claim recoveries mainly in Moroccan assets and Sakaka by SAR 59.2 million, and gain on disposal of (Bowarege) barges by SAR 9.6 million and gain on disposal of subsidiary in Bulgaria in NOMAC by SAR 7.0 million.

6-3-6-10 Exchange loss, net

The following table presents the Group's exchange loss, net, for the financial years ended 31 December 2018G, 2019G and 2020G).

Exchange loss, net	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Realized exchange gain	164	11,464	9,153	6890.2%	-20.2%	647.1%
Unrealized exchange loss	(8,740)	(40,570)	(32,613)	364.2%	-19.6%	93.2%
Total	**(8,576)**	**(29,106)**	**(23,460)**	**239.4%**	**-19.4%**	**65.4%**

Source: Audited consolidated financial statements

Exchange loss, net mainly relates to finance lease receivable, payables and borrowing balances denominated in foreign currencies. Losses incurred over the period were mainly driven by the devaluation of the Moroccan currency against the USD. The Moroccan entities' finance lease receivables and revenues have been denominated in three different currencies (MAD, USD and EUR) while borrowings were obtained in MAD. This has created a net asset exposure to MAD (borrowing less than finance lease receivable), resulting in exchange losses from the currency devaluation.

Exchange loss, net, increased by 239.4%, or SAR 20.5 million, from loss of SAR 8.6 million in 2018G to loss of SAR 29.1 million in 2019G, and then decreased by 19.4%, or SAR 5.6 million, to a net loss of SAR 23.5 million in 2020G. The increase in 2019G was mainly due to unfavourable movement by SAR 17.3 million in foreign exchange rates at Corporate in relation to foreign currency-denominated balances. The decrease in 2020G was mainly due to unfavourable movement in foreign exchange rates on foreign currency-denominated balances in Morocco by SAR 8.6 million and NOMAC by SAR 5.8 million, which were partially offset by foreign exchange gain at Corporate by SAR 6.5 million. In Morocco, foreign exchange gain and losses mainly relate to finance lease receivables, payables and long-term borrowings, which are denominated in foreign currencies. Losses incurred over the period were mainly driven by the devaluation of the Moroccan currency.

6-3-6-11 Financial Charges

The following table presents the Group's financial charges for the financial years ended 31 December 2018G, 2019G and 2020G.

Financial charges	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Financial charges on borrowings	498,995	790,514	968,047	58.4%	22.5%	39.3%
Financial charges on letters of guarantee	65,209	29,160	35,866	-55.3%	23.0%	-25.8%
Financial charges on loans from a related party	4,688	4,552	3,471	-2.9%	-23.7%	-14.0%
Other financial charges	1,763	45,636	61,064	2488.5%	33.8%	488.5%
Total	**570,655**	**869,862**	**1,068,448**	**52.4%**	**22.8%**	**36.8%**

Source: Audited consolidated financial statements

Financial charges are in connection with the various loans and funding facilities acquired by the Group. These funding facilities are associated with financial liabilities that are either with a fixed or a floating margin above the relevant reference rates of the funding facilities. Based on the terms of the facilities agreements signed with the banks for different types of loans acquired during the normal course of business, the subsidiaries are required to hedge the interest rate risk on the loans acquired by them. These subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate and/or foreign currency risk, which qualify to be designated as cash flow hedges. Interest rate swaps (IRS) are required by lenders under the loan agreements to hedge the floating interest rate risk on loans by swapping the floating rate for a fixed rate. Prevailing lower interest rate in the market has no material impact on the Group's financial charges due to its existing interest rate swap arrangements, given any differential in interest rate would impact the statement of financial position, and not the statement of income.

Total financial charges increased by 52.4%, or SAR 299.2 million, from SAR 570.7 million in 2018G to SAR 869.9 million in 2019G, and further increased by 22.8%, or SAR 198.6 million, to SAR 1,068.4 million in 2020G.

The increase in 2019G was mainly driven by higher financial expense on long-term loans and facilities (Financial charges on borrowings) by SAR 291.5 million on account of several projects that became operational in the current period versus partial or no operation in comparable past year period (STPC, Zarqa and Moroccan Projects by SAR 238.3 million) (see Section (6-3-5) (Comparability of Operations)), as during construction any finance cost incurred is capitalised as capital work in progress. Additionally, the full-year financial charges of SAR 58.5 million on the convertible loan from CVXF Inc. (Silk Road Fund (SRF)) (see Section (6-3-5) (Comparability of Operations)) that was obtained in late December 2018G and those charges by SAR 54.6 million in relation to RAWEC's conversion from being an equity accounted investee to a subsidiary (see Section (6-3-5) (Comparability of Operations)) during the last quarter of 2019G have contributed to higher financing cost in 2019G.

The increase in 2020G is mainly due to RAWEC by SAR 146.5 million as it became a subsidiary (see Section (6-3-5) (Comparability of Operations)); unwinding of discounting impact on dividend which was converted to long term loan from subsidiary of shareholder (PIF) SAR 9.7 million (see Section (6-3-5) (Comparability of Operations)); projects fully operational in 2020G versus partial or no operation in 2019G (Sakaka by SAR 47.2 million and STPC by SAR 14.6 million) (see Section (6-3-5) (Comparability of Operations)) as during construction any finance cost incurred is capitalised as capital work in progress.

Corporate financial charges

The Group's financial charges include financial charges of Corporate Entities, including NOMAC and Project Companies, that are subsidiaries of the Group. For definition of corporate entity refer section Corporate general and administrative expenses.

The Corporate financial charges mainly include finance charges on APMI One Bond and APREH convertible loan. For further details refer to Section (6-3-2-3) (Principal factors affecting financial charges).

Corporate financial charges	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Corporate financial charges	259,836	256,029	325,654	-1.5%	27.2%	12.0%

Source: Management information

Corporate financial charges also include unwinding of discounting (interest amortization) on long term liabilities amounting to SAR 22.4 million, SAR 11.7 million in 2020G and 2019G, respectively.

6-3-6-12 Zakat and tax

The following table presents the Group's Zakat and tax for the financial years ended 31 December 2018G, 2019G, and 2020G).

Zakat and tax	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Zakat and current tax	50,142	105,160	178,568	109.7%	69.8%	88.7%
Deferred tax	(248,372)	(26,418)	(233,701)	-89.4%	784.6%	-3.0%
Zakat and tax (credit) / charge	**(198,230)**	**78,742**	**(55,133)**	**-139.7%**	**-170.0%**	**-47.3%**
Less: Tax credit / (charge) from discontinued operation	238,172	(4,734)	4,183	-102.0%	-188.4%	-86.7%
Zakat and tax (credit) / charge reflected in profit or loss	**39,942**	**74,008**	**(50,950)**	**85.3%**	**-168.8%**	-

Source: Audited consolidated financial statements

In relation to taxation, each subsidiary of the Company is subject to tax or Zakat in its respective jurisdiction.

Pursuant to the 4.3% investment of the International Finance Corporation (IFC) in the Company in 2014G, the Company has been assessed as a mixed entity in Saudi Arabia since then, where the shares owned by the non-Saudi shareholders and the Saudi shareholders represented 4.3% and 95.7% of the Company's total shares, respectively. Following a private transaction between the PIF, one of the Company's Saudi shareholders, and the IFC that resulted in the former taking over the entire shares of the latter, the Company is a 100% Saudi entity from 11 May 2020G. Prior to 2014G, the Company was subject to a consolidated Zakat assessment. However, for the purpose of Zakat and tax filing, the Company will continue to comply with its obligation under Zakat law as a mixed entity for the year 2020G.

The Company has filed Zakat returns for all the years up to 2020G. In July 2020G, the Company received an assessment from the Zakat Tax and Customs Authority (the "ZATCA") in relation to years 2009G to 2018G with an additional claim. The Company reached settlement for SAR 116 million (Provision of SAR 29 million and SAR 87 million recognised in 2019G and 2020G respectively) during 2020G and the amount has been paid.

Significant movement in tax credit from 2018G to 2019G was mainly on account of write-down of Kirikkale project (see Section (6-3-5) (Comparability of Operations)). Introduction of national contribution tax of 3% in addition to the current tax rate in Jordan in 2019G has also contributed to movement in Effective Tax Rate (ETR) on international projects.

The Group has protection clauses in all of its offtake agreements (except one merchant market) against changes in law, under which the offtaker is obligated to reimburse any adverse impact on the Project of any change in law such as new taxes, increase in tax rates, etc. inter alia.

Zakat and tax expense increased by 85.3%, or SAR 34.1 million, from SAR 39.9 million in 2018G to SAR 74.0 million in 2019G, and then decreased by 168.8%, or SAR 125.0 million, to credit of SAR 51.0 million in 2020G. The increase in 2019G was mainly due to higher tax expense in Barka and CEGCO, and a corporate Zakat provision, which were partially offset by the deferred tax credit on RAWEC due to the Company having foreign shareholders. ETR for 2019G on consolidation for continued operations is 18.51% (2018G: 5.87%). Change in 2020G was mainly due to recognition of deferred tax asset resulting into tax benefit/credit in Morocco on operating tax losses (undisputed depreciation-related losses which has indefinite life), which is partially offset by Zakat assessment provision in Corporate as set out above. Effective tax rate (ETR) for 2020G on consolidation for continued operations is not applicable (0%) as the Company is in a tax benefit position due to the offsetting of tax credits on the carried forward tax losses.

6-3-6-13 Profit / (loss) on Discontinued Operations

Profit / (loss) on Discontinued operations	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
APREH	(42,719)	550,196	12,776	-1387.9%	-97.7%	-
KARAD	13,870	4,149	7,022	-70.1%	69.2%	-28.8%
ACWA GUC ("Kirikkale")	(1,510,439)	-	-	-100.0%	0.0%	-100.0%
	(1,539,288)	**554,345**	**19,798**	**-136.0%**	**-96.4%**	**-**

Source: Audited consolidated financial statements

For a detailed analysis of the Company's discontinued operations, see Section (6-3-5) (Comparability of Operations).

6-3-6-14 Transactions with related parties

The following table summarizes the transactions between the Group and its related parties (affiliates, joint ventures and associates and none of these are with its shareholders) during 2018G, 2019G and 2020G.

Transactions with related parties	Relation-ship	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's		2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Transactions							
Revenue	Affiliates	1,692,870	2,045,639	1,992,154	20.8%	-2.6%	8.5%
Service fees	Joint ventures	160,325	140,645	151,872	-12.3%	8.0%	-2.7%
Finance income	Joint venture	16,942	2,763	35,287	-83.7%	1177.1%	44.3%
Financial charges on loan from related party	Affiliates	4,668	4,552	3,471	-2.5%	-23.7%	-13.8%
Corporate social responsi-bility cost		-	-	52,500	-	-	-
Key management personnel compensation including director's remuneration	-	32,229	36,564	32,537	13.5%	-11.0%	0.5%

Source: Audited consolidated financial statements

Most of the transactions are carried out between the Company and its Project Companies and are in connection with the O&M services provided by NOMAC. Revenue and Service fees make up most of such transactions. Revenue transactions with related parties increased from SAR 1,692.9 million in 2018G to SAR 1,992.2 million in 2020G, with a CAGR of 8.5%. The increase, mostly driven by higher O&M costs, is in line with the increase in the scale of operations of the Group mainly due to new projects coming into operations (see Section (6-3-5) (Comparability of Operations)). However, there was a reduction of 2.6% in 2020G mainly due to RAWEC becoming a subsidiary during the last quarter of 2019G, resulting in elimination of relevant O&M cost and revenue. Service fee transactions with related parties are related to the administrative, accounting and secretarial services provided by the Company to the Projects, governed by service level agreements (SLAs) signed between the Company and the Project.

6-3-6-15 Statement of other comprehensive income data

Statement of other comprehensive income

	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Other comprehensive income (OCI)						
Items that are or may be reclassified subsequently to profit or loss						-
Operations – foreign currency translation differences	(198,257)	268,481	23,585	-235.4%	-91.2%	-
Equity accounted investees – share of OCI	315,667	(729,442)	(1,191,366)	-331.1%	63.3%	-
Net change in fair value of cash flow hedge reserve	111,014	(294,596)	(400,330)	-365.4%	35.9%	-
Items that will not be reclassified to profit or loss						
Re-measurement of defined benefit liability	12,960	(18,244)	11,506	-240.8%	-163.1%	-5.8%
Total other comprehensive income / (loss)	**241,384**	**(773,801)**	**(1,556,605)**	**-420.6%**	**101.2%**	**-**

Source: Audited consolidated financial statements

Operations – foreign currency translation differences

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognized as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss. Foreign currency translation differences mainly arose from the Group' operations in South Africa, Turkey, Bulgaria and Egypt. In the years 2018G and 2019G, these translation differences were mainly driven by Bokpoort (S. Africa) and ACWA GUC, or Kirikkale (Turkey)—ACWA GUC was deconsolidated in 2018G and Bokpoort was deconsolidated in 2019G. In 2020G, these differences were mainly driven by Karad (Bulgaria) and certain NOMAC entities.

Equity Accounted Investees – Share in OCI

Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees, which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

Equity accounted investees - share of OCI	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
SGA Marafiq (JWAP)	48,356	(29,506)	(41,457)	-161.0%	40.5%	-
Shuqaiq	49,098	(2,506)	(40,911)	-105.1%	1532.5%	-
SAMAWEC (SWEC & SEPCO)	41,983	(4,135)	(10,804)	-109.8%	161.3%	-
Qurayyah Investment (Hajr)	15,246	(18,558)	(33,282)	-221.7%	79.3%	-
RABEC	41,577	(19,117)	(39,037)	-146.0%	104.2%	-
Mourjan	21,751	(47,261)	(114,470)	-317.3%	142.2%	-
MAP Inland Holdings Limited (Ibri)	9,959	(58,563)	(52,090)	-688.0%	-11.1%	-

Equity accounted investees - share of OCI	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
MAP Coastal Holdings (Sohar)	9,852	(60,889)	(52,210)	-718.0%	-14.3%	-
Hassyan	55,302	(180,711)	(204,963)	-426.8%	13.4%	-
Haya Power	-	(30,147)	(79,239)	-	162.8%	-
Noor Energy 1 (DEWA CSP)	-	(244,845)	(254,464)	-	3.9%	-
Taweelah	-	-	(49,595)	-	-	-
Naqa	-	-	(66,416)	-	-	-
IBRI2	-	-	(30,587)	-	-	-
Shuaa 3	-	-	(42,140)	-	-	-
APREH	-	-	(55,268)	-	-	-
others	22,543	(33,204)	(24,433)	-247.3%	-26.4%	-
Equity accounted investees - share of OCI	**315,667**	**(729,442)**	**(1,191,366)**	**-331.1%**	**63.3%**	**-**

Source: Audited consolidated financial statements

For further details on the financial impact of equity-accounted investees, please see "Equity-accounted investees in the consolidated balance sheet in this section").

Net change in fair value of cash flow hedge reserve

The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long-term loan and funding facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Net change in fair value of cash flow hedge reserve	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Rabigh 3	-	(130,817)	(202,154)	-	54.5%	-
Sakaka	-	(64,944)	(62,275)	-	-4.1%	-
Zarqa	15,397	(44,520)	(72,609)	-389.1%	63.1%	-
STPC	11,497	(41,848)	(36,776)	-464.0%	-12.1%	-
Bokpoort	85,463	-	-	-100.0%	-	-100.0%
Others	(1,343)	(12,467)	(26,516)	828.3%	112.7%	344.3%
Total	**111,014**	**(294,596)**	**(400,330)**	**-365.4%**	**35.9%**	**-**

Source: Management information

Re-measurement of defined benefit liability

Re-measurement gains and losses arising from seniority adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

6-3-7 Consolidated Statement of Financial Position

The following table presents the Group's consolidated financial position as at 31 December 2018G, 2019G and 2020G.

Statement Of Financial Position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	8,713,473	11,982,377	12,732,340	37.5%	6.3%	20.9%
Intangible assets	2,052,931	2,059,205	2,058,678	0.3%	0.0%	0.1%
Equity accounted investees	6,576,574	5,293,867	5,062,848	-19.5%	-4.4%	-12.3%
Non-current portion of net investment in finance lease	9,114,728	10,364,334	10,605,337	13.7%	2.3%	7.9%
Due from related parties	71,984	111,258	86,658	54.6%	-22.1%	9.7%
Deferred tax asset	34,029	23,460	135,498	-31.1%	477.6%	99.5%
Fair value of derivatives	13,273	-	-	-100.0%	-	-100.0%
Strategic fuel inventories	77,631	70,771	70,760	-8.8%	0.0%	-4.5%
Other assets	205,778	206,110	197,510	0.2%	-4.2%	-2.0%
TOTAL NON-CURRENT ASSETS	**26,860,401**	**30,111,382**	**30,949,629**	**12.1%**	**2.8%**	**7.3%**
CURRENT ASSETS						
Inventories	302,409	438,324	450,835	44.9%	2.9%	22.1%
Current portion of net investment in finance lease	216,891	209,902	323,571	-3.2%	54.2%	22.1%
Due from related parties	756,516	734,156	745,661	-3.0%	1.6%	-0.7%
Accounts receivable, prepayments and other receivables	2,532,680	2,953,802	3,020,235	16.6%	2.2%	9.2%
Cash and cash equivalents	5,498,265	2,798,315	832,668	-49.1%	-70.2%	-61.1%
	9,306,761	**7,134,499**	**5,372,970**	**-23.3%**	**-24.7%**	**-24.0%**
Assets held for sale	-	475,402	-	-	-100.0%	-
TOTAL CURRENT ASSETS	**9,306,761**	**7,609,901**	**5,372,970**	**-18.2%**	**-29.4%**	**-24.0%**
TOTAL ASSETS	**36,167,162**	**37,721,283**	**36,322,599**	**4.3%**	**-3.7%**	**0.2%**
EQUITY AND LIABILITIES						
EQUITY						
Shareholders' equity						
Share capital	6,429,344	6,429,344	6,429,344	-	-	-
Share premium	1,177,031	1,177,031	1,410,398	-	19.8%	9.5%
Statutory reserve	437,239	554,626	642,883	26.8%	15.9%	21.3%
Retained earnings	2,363,259	3,102,108	1,184,908	31.3%	-61.8%	-29.2%
Equity attributable to owners of the Company before other reserves	**10,406,873**	**11,263,109**	**9,667,533**	**8.2%**	**-14.2%**	**-3.6%**
Other reserves	(717,900)	(1,361,236)	(2,798,419)	89.6%	105.6%	97.4%

Statement Of Financial Position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Equity attributable to owners of the Company	**9,688,973**	**9,901,873**	**6,869,114**	**2.2%**	**-30.6%**	**-15.8%**
Non-controlling interests	1,385,184	703,504	531,041	-49.2%	-24.5%	-38.1%
TOTAL EQUITY	**11,074,157**	**10,605,377**	**7,400,155**	**-4.2%**	**-30.2%**	**-18.3%**
LIABILITIES *						
NON-CURRENT LIABILITIES						
Long-term financing and funding facilities	17,734,682	17,480,944	17,286,744	-1.4%	-1.1%	-1.3%
Due to related parties	81,176	860,202	1,577,839	959.7%	83.4%	340.9%
Equity accounted investees	60,546	516,982	1,244,571	753.9%	140.7%	353.4%
Fair value of derivatives	132,598	286,442	650,789	116.0%	127.2%	121.5%
Deferred tax liability	245,776	250,552	125,711	1.9%	-49.8%	-28.5%
Deferred revenue	67,108	129,827	63,304	93.5%	-51.2%	-2.9%
Other financial liabilities	924,195	395,724	290,990	-57.2%	-26.5%	-43.9%
Employee end of service benefits' liabilities	123,148	159,598	178,964	29.6%	12.1%	20.6%
Other liabilities	201,532	252,117	309,422	25.1%	22.7%	23.9%
TOTAL NON-CURRENT LIABILITIES	**19,570,761**	**20,332,388**	**21,728,334**	**3.9%**	**6.9%**	**5.4%**
CURRENT LIABILITIES						
Accounts payable and accruals	3,760,288	3,439,786	4,116,726	-8.5%	19.7%	4.6%
Short-term financing facilities	618,942	444,218	364,847	-28.2%	-17.9%	-23.2%
Current portion of long-term financing and funding facilities	1,018,637	2,271,229	1,178,360	123.0%	-48.1%	7.6%
Due to related parties	-	19,964	43,280	-	116.8%	-
Fair value of derivatives	10,613	51,883	59,584	388.9%	14.8%	136.9%
Zakat and taxation	113,764	183,411	276,517	61.2%	50.8%	55.9%
	5,522,244	**6,410,491**	**6,039,314**	**16.1%**	**-5.8%**	**4.6%**
Financing and funding facilities classified as current	-	-	1,154,796	-	-	-
Liabilities associated with assets held for sale	-	373,027	-	-	-100.0%	-
TOTAL CURRENT LIABILITIES	**5,522,244**	**6,783,518**	**7,194,110**	**22.8%**	**6.1%**	**14.1%**
TOTAL LIABILITIES	**25,093,005**	**27,115,906**	**28,922,444**	**8.1%**	**6.7%**	**7.4%**
TOTAL EQUITY AND LIABILITIES	**36,167,162**	**37,721,283**	**36,322,599**	**4.3%**	**-3.7%**	**0.2%**

Source: Audited consolidated financial statements

* For contingencies and commitment refer section 6-3-7-6 Contingencies and commitments (off-balance sheet)

The key components of the Group's consolidated total assets are Property, plant and equipment, Net investment in finance lease, Investment in equity accounted investees, Intangible assets and cash and cash equivalent which, combined, represented 89.0%, 86.7% and 87.0% of the Group's total assets as at 31 December 2018G, 2019G and 2020G, respectively.

The key component of the Group's consolidated total liabilities are the long-term financing and funding facilities, which represented 74.7%, 72.8% and 67.8% of total liabilities as at 31 December 2018G, 2019G and 2020G, respectively. Long-term financing and funding facilities consist of the different types of loans that the Group have acquired both at parent company level and Project level.

The Group's consolidated total equity comprises the Company's share capital, share premium, retained earnings, statutory and other reserves and non-controlling interests. The Company's authorised and fully paid-up share capital as at 31 December 2020G consists of 645.8 million shares of SAR 10 each.

The Group's total assets increased by 4.3%, or SAR 1,554.1 million, from SAR 36,167.2 million as at December 2018G to SAR 37,721.3 million as at 31 December 2019G and then decreased by 3.7%, or SAR 1,398.7 million, to SAR 36,322.6 million as at 31 December 2020G.

The increase in 2019G was mainly on account of consolidation of RAWEC as a subsidiary in the Group's 2019G financial position (31 December 2019G) and results (from October 2019G) as opposed to being an equity accounted investee in 2018G (see Section (6-3-5) (Comparability of Operations)). This was partly offset by the deconsolidation of APREH (see Section (6-3-5) (Comparability of Operations)) as well as a reduction in cash balance due to settlement of EBLs and payment for additional share acquisition in RAWEC. The decrease in 2020G was mainly on decrease in investment in equity accounted investees, completion of Karad (Bulgaria) sale transaction (Asset held for sale) (see Section (6-3-5) (Comparability of Operations)) and reduction in cash and cash equivalents, which were partially offset by increase in property, plant and equipment (Rabigh 3 and purchase of land in parent company) and increase in deferred tax asset in the Moroccan Projects.

The Group's total liabilities increased by 8.1%, or SAR 2,022.9 million, from SAR 25,093.0 million as at 31 December 2018G to SAR 27,115.9 million as at 31 December 2019G and further increased by 6.7%, or SAR 1,806.5 million, to SAR 28,922.4 million as at 31 December 2020G.

The increase in 2019G was primarily driven by the addition of RAWEC's borrowings upon consolidation, as referred to in the above paragraph, which was partly offset by the deconsolidation of APREH (as referred to in the above paragraph). The increase in 2020G was mainly due to the increase in equity accounted investees' net share of liabilities; loan from wholly owned subsidiary of a shareholder as conversion of declared dividend to long-term loan (see Section (6-3-5) (Comparability of Operations)); increase in fair value of derivatives liabilities (Rabigh 3, Sakaka and Zarqa); and dividend payable to shareholders, which were partially offset by closure of Karad (Bulgaria) transaction (see Section (6-3-5) (Comparability of Operations)) and lower deferred tax liability (Moroccan Projects).

6-3-7-1 Non-current assets

The following table presents a summary of the Group's non-current assets as at 31 December 2018G, 2019G and 2020G.

Non-current assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Property, plant and equipment	8,713,473	11,982,377	12,732,340	37.5%	6.3%	20.9%
Intangible assets	2,052,931	2,059,205	2,058,678	0.3%	0.0%	0.1%
Equity accounted investees	6,576,574	5,293,867	5,062,848	-19.5%	-4.4%	-12.3%
Non-current portion of net investment in finance lease	9,114,728	10,364,334	10,605,337	13.7%	2.3%	7.9%
Due from related parties	71,984	111,258	86,658	54.6%	-22.1%	9.7%
Deferred tax assets	34,029	23,460	135,498	-31.1%	477.6%	99.5%
Fair value of derivatives	13,273	-	-	-100.0%	-	-
Strategic fuel inventories	77,631	70,771	70,760	-8.8%	-	-4.5%
Other assets	205,778	206,110	197,510	0.2%	-4.2%	-2.0%
Total non-current assets	**26,860,401**	**30,111,382**	**30,949,629**	**12.1%**	**2.8%**	**7.3%**

Source: Audited consolidated financial statements

The Group's non-current assets are largely comprised of Property, plant and equipment, Intangible assets, Equity accounted investees and Non-current portion of net investment in finance lease. Combined, these accounted for 98.5%, 98.6% and 98.4% of total consolidated non-current assets as at 31 December 2018G, 2019G and 2020G, respectively.

Majority of the Group's PPE were pledged as at 31 December 2020G, in line with the Group's policy of obtaining non-recourse loans to finance the construction of its facilities.

Property, plant and equipment

The following tables present a summary of the Group's Property, plant and equipment as at 31 December 2018G, 2019G and 2020G).

	As at 31 December			As at 31 December		
Property, plant and equipment	Gross			Accumulated depreciation		
SAR in 000's	2018G	2019G	2020G	2018G	2019G	2020G
Lands and buildings	861,883	1,068,794	977,969	582,084	598,640	487,362
Plant, machinery and equipment	10,928,021	15,871,129	15,329,959	4,393,234	5,168,261	5,121,961
Barges and onshore equipment	255,443	255,443	-	200,231	255,443	-
Furniture, fixtures and office equipment	119,564	113,903	118,044	80,812	92,208	104,925
Capital spares	50,901	35,218	59,293	21,218	23,164	26,510
Motor vehicles	36,471	39,086	38,856	30,323	33,152	34,123
Capital work in progress	1,769,092	769,672	1,983,100	-	-	-
Total PPE	**14,021,375**	**18,153,245**	**18,507,221**	**5,307,902**	**6,170,868**	**5,774,881**

Source: Audited consolidated financial statements

Property, plant and equipment, net	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Lands and buildings	279,799	470,154	490,607	68.0%	4.4%	32.4%
Plant, machinery and equipment	6,534,787	10,702,868	10,207,998	63.8%	-4.6%	25.0%
Barges and onshore equipment	55,212	-	-	-100.0%	-	-100.0%
Furniture, fixtures and office equipment	38,752	21,695	13,119	-44.0%	-39.5%	-41.8%
Capital spares	29,683	12,054	32,783	-59.4%	172.0%	5.1%
Motor vehicles	6,148	5,934	4,733	-3.5%	-20.2%	-12.3%
Capital work in progress	1,769,092	769,672	1,983,100	-56.5%	157.7%	5.9%
Total PPE, net	**8,713,473**	**11,982,377**	**12,732,340**	**37.5%**	**6.3%**	**20.9%**

Source: Audited consolidated financial statements

Key and material variances are summarised as follows:

Except as disclosed in property, plant and equipment and net investment in finance lease in this section, the Group does not own any major fixed current assets, including leased assets.

Lands and buildings

Lands and buildings mainly relate to CEGCO, STPC, Kirikkale and the Corporate offices, with the rest of the operating facilities of the Group constructed over lease-hold land. The increase in 2019G is due to STPC commencing operation on 27 May 2019G resulting in the transfer of balances from Capital work-in-progress (CWIP) to Lands and buildings amounting to SAR 243.0 million and further increase in 2020G is due to purchase of land for corporate office in Riyadh offset by depreciation charge for the year.

Plant, machinery and equipment

Plant, machinery and equipment is the key component of the Group's overall fixed assets base, accounting for 75.0%, 89.3% and 80.2% of the total fixed assets' net book value as at 31 December 2018G, 31 December 2019G and 31 December 2020G, respectively.

Plant, machinery and equipment increased by 63.8%, or SAR 4,168.1 million, from SAR 6,534.8 million as at 31 December 2018G to SAR 10,702.9 million as at 31 December 2019G and then decreased by 4.6%, or SAR 494.9 million, to SAR 10,208.0 million at 31 December 2020G.

The increase in 2019G was mainly due to following reasons:

- RAWEC, by SAR 6.9 billion, which became a subsidiary in 2019G (see Section (6-3-5) (Comparability of Operations));
- Transfer of balances from CWIP to Plant, machinery and equipment, by SAR 1.1 billion, of the Projects that commenced operations in 2019G (see Section (6-3-5) (Comparability of Operations));

which was partially offset by following,

- Deconsolidation of APREH, by SAR 2.4 billion, (see Section (6-3-5) (Comparability of Operations));
- Impairment of Barka and Bowarage, by SAR 830.8 million, (see Section (6-3-5) (Comparability of Operations));
- Karad (Bulgaria), by SAR 407.3 million, which was classified as asset held for sale (see Section (6-3-5) (Comparability of Operations)); and
- Depreciation charge of SAR 337.4 million for year ended 2019G.

The decrease in 2020G was mainly due to following reasons:

- Impairment of Barka, by SAR 130.0 million, (see Section (6-3-5) (Comparability of Operations)); and
- Depreciation charge of SAR 497.8 million for year ended 2020G.

Barges and onshore equipment

Barges relate to the International Barges Company for Water Desalination Limited ("Bowarege"), which comprise two water desalination plants mounted on floating barges. The net book value of Barges was reduced to zero as at 31 December 2019G on account of the impairment booked during both in 2018G and 2019G (see Section (6-3-5) (Comparability of Operations)).

Capital work in progress (CWIP):

All costs during the construction phase that are attributable to the Projects are capitalized as CWIP until the Projects achieve their respective Initial or Project Commercial Operation Dates (ICOD/PCODs), subsequent to which these costs are accounted for under the relevant category of Property, plant and equipment (operating lease) or Finance lease receivable (in case of finance lease), depending on the nature (BOO/BOOT/BOT) and terms (contract life vs. useful life) of the contract accounting classification as required by the IFRS. Movement in CWIP between 31 December 2018G and 2020G relates to the completion and start of several under construction plants of the Group's subsidiaries in Saudi Arabia and Morocco (see Section (6-3-5) (Comparability of Operations)).

Depreciation rates

The following table presents the annual depreciation rates applicable to each category of Property, plant and equipment of the Group.

Assets category	Annual depreciation rate
Buildings	2% - 7%
Plant, machinery and equipment	2.5% - 25%
Barges and onshore equipment	5%-40%
Furniture, fixtures and office equipment	10% - 33.3%
Capital spares	3.3% - 12.5%
Motor vehicles	14% - 25%

Source: Audited consolidated financial statements

Property, plant and equipment by subsidiary

Below table shows the Group's Property, plant and equipment broken down by subsidiary:

	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
RAWEC	-	6,868,895	6,703,413	-	-2.4%	-
Rabigh 3	-	722,422	1,936,295	-	168.0%	-
Zarqa	1,803,080	1,763,236	1,710,812	-2.2%	-3.0%	-2.6%
STPC	1,067,287	1,134,621	1,097,224	6.3%	-3.3%	1.4%
BARKA	1,110,167	708,115	559,239	-36.2%	-12.6%	-25.3%
CEGCO	602,263	536,930	418,639	-10.8%	-22.0	-16.6%
Bokpoort	1,229,222	-	-	-100.0%	-	-100.0%
Khalladi	655,191	-	-	-100.0%	-	-100.0%
Karad	494,788	-	-	-100.0%	-	-100.0%
Laayoune	341,645	248	-	-99.9%	-100.0%	-100.0%
Mafraq	281,573	-	-	-100.0%	-	-100.0%
Sakaka	273,590	2,932	-	-98.9%	-100.0%	-100.0%
Bowarege	109,957	-	-	-100.0%	-	-100.0%
Boujdour	107,619	112	-	-99.9%	-100.0%	-100.0%
Others	637,092	244,866	306,719	-61.6%	25.3 %	30.6 %
Total	**8,713,473**	**11,982,377**	**12,732,340**	**37.5%**	**6.3%**	**20.9%**

Source: Management information

Key and material variances are summarised as follows:

- Deconsolidation of APREH (see Section (6-3-5) Comparability of Operations), which in 2019G resulted in Khalladi, Mafraq and Bokpoort becoming equity accounted investees;
- Impairments booked in Bowerage, Barka & CEGCO (see Section (6-3-5) (Comparability of Operations));
- RAWEC ceasing to be an equity accounted investee upon conversion into subsidiary on acquisition of controlling stake in 2019G (see Section (6-3-5) (Comparability of Operations)) and;
- Karad's (Bulgaria) transfer to Asset held for sale in 2019G (see Section (6-3-5) (Comparability of Operations)).

Intangible assets

The following table presents a summary of the Group's Intangible assets as at 31 December 2018G, 2019G and 2020G).

Intangible assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Goodwill	2,014,320	2,004,811	1,997,311	-0.5%	-0.4%	-0.4%
Other intangible assets	38,611	54,394	61,367	40.9%	12.8%	26.1%
Total	**2,052,931**	**2,059,205**	**2,058,678**	**0.3%**	**0.0%**	**0.1%**

Goodwill

Goodwill represents the excess consideration transferred and the amount recognized for minority interests over the fair value of the identifiable assets acquired and liabilities assumed by the Group at the time of acquisition of new subsidiaries. Goodwill is subjected to impairment test when there is an indicator for impairment or at least annually based on existing and future growth potential of the portfolio.

The following table presents a breakdown of the Group's Intangible assets as at 31 December 2018G, 2019G and 2020G).

Goodwill	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Arabian Company for Water and Power Projects ("APP")	1,937,287	1,937,287	1,937,287	-	-	-
ACWA Power Barka Services	70,524	67,524	60,024	-4.3%	-11.1%	-7.7%
UPC Renewables ("Khalladi")	6,509	-	-	-100.0%	-	-100.0%
Total	**2,014,320**	**2,004,811**	**1,997,311**	**-0.5%**	**-0.4%**	**-0.4%**

Source: Audited consolidated financial statements

APP

Goodwill recognized in connection with the Company's acquisition of 100% equity stake in APP. At the reporting date, management has determined that the recoverable amount of goodwill related to APP is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of value in use ("VIU") calculations. These calculations use cash flow projections based on financial models approved by management. Cash flows are estimated over the expected period of the relevant projects' lives and discounted using a pre-tax discount rate. The discount rate used represents the current market assessment of the risks specific to the cash generating unit, regarding the time value of money and individual risks of the underlying assets, which have not been incorporated in the cash flow estimates. The VIU calculation is sensitive to the success rate in securing new projects and the Internal Rate of Return ("IRR") achieved on new projects. However, a reasonably possible change in success rate and IRR will not cause the carrying amount of goodwill to exceed its recoverable amount due to availability of significant headroom.

Barka

During prior years, ACWA Power Global Holdings Limited ("APGH") (one of the Group's subsidiaries), indirectly acquired a 50% equity stake in the share capital of ACWA Power Barka SAOG ("Barka") and 86.19% each in ACWA Power Barka Services 1 and ACWA Power Barka Services 2. In accordance with the terms of the financing structure for the acquisition, the Group has an effective interest of 41.91% in ACWA Barka and 72.25% indirect equity stake in the two technical service companies, collectively "services companies". Such acquisition resulted in the recognition of goodwill amounting to SR 183 million. The Group performed impairment testing for the Entities, considering the Entities (ACWA Power Barka Services 1 and ACWA Power Barka Services 2) as a single cash generating unit to arrive at the value in use ("VIU"). The Group used discounted cash flows ("DCF") to calculate the recoverable amount to which goodwill is allocated. As a result, the Group concluded that the recoverable amount is less than the carrying amount and accordingly an impairment loss of SAR 7.5 million (2019G: SAR 3.0 million; 2018G: SAR 112.5 million) was recognised in the consolidated financial statements.

Khalladi

Goodwill recognized in connection with the Company's acquisition of a 70% equity stake in Khalladi. On 31 December 2019G, the Group lost control in APREH (a Parent Company of Khalladi) and derecognised the Goodwill associated with it (see Section (6-3-5) (Comparability of Operations)).

Other Intangible Assets

Other Intangible Assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cost of other intangible asset	59,587	89,738	107,172	50.6%	19.4%	34.1%
Less: accumulated amortization	(20,976)	(35,344)	(45,805)	68.5%	29.6%	47.8%
Total	**38,611**	**54,394**	**61,367**	**40.9%**	**12.8%**	**26.1%**

Source: Audited consolidated financial statements

Other intangible assets represent computer software, which is amortised at a rate between 25%-33.33% per annum, and the amount paid by one of the Group's subsidiaries to secure contracts in respect of the delivery of limestone, are amortised over the period of the respective contracts.

Equity accounted investees

The following table presents a summary of the Group's Equity accounted investees as at 31 December 2018G, 2019G and 2020G).

Equity accounted investees	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
RAWEC	2,440,300	-	-	-100.0%	-	-100.0%
SGA Marafiq (JWAP)	513,634	479,219	440,105	-6.7%	-8.2%	-7.4%
Shuqaiq	466,199	476,148	461,866	2.1%	-3.0%	-0.5%
SAMAWEC (SWEC & SEPCO)	1,208,698	1,135,620	1,123,991	-6.0%	-1.0%	-3.6%
SNOMACOMH (O&M)	27,523	26,667	28,119	-3.1%	5.4%	1.1%
JOHC (O&M)	27,530	26,671	28,123	-3.1%	5.4%	1.1%
Jordan Biogas	2,552	2,498	-	-2.1%	-100.0%	-100.0%
Qurayyah Investment (Hajr)	458,420	420,017	482,258	-8.4%	14.8%	2.6%
RABEC	662,633	597,578	637,284	-9.8%	6.6%	-1.9%
Shuaa	96,671	-	-	-100.0%	-	-100.0%
Mourjan	548,313	462,956	342,283	-15.6%	-26.1%	-21.0%
DGC (Salalah)	93,474	74,163	57,487	-20.7%	-22.5%	-21.6%
MAP Inland Holdings Limited (Ibri)	1,933	497,770	484,035	25651.2%	-2.8%	1482.4%
MAP Coastal Holdings (Sohar)	(2,522)	421,320	378,964	-16805.8%	-10.1%	-
ACWA Power Oasis 3 (Ben Ban)	(13,024)	-	-	-100.0%	-	-100.0%
Vinh Hao	-	68,890	74,587	-	8.3%	-
APREH	-	604,350	513,381	-	-15.1%	-
Dhofar O&M Company LLC	-	-	10,365	-		
Hassyan	28,694	(152,106)	(367,228)	-630.1%	141.4%	-
Haya Power	(45,000)	(75,147)	(154,386)	67.0%	105.4%	85.2%
Noor Energy 1 (DEWA CSP)	-	(265,057)	(473,868)	-	78.8%	-
Salalah IWP	-	(9,072)	(21,869)	-	141.1%	-
Taweelah	-	(12,000)	(61,595)	-	413.3%	-
UAQ	-	(3,600)	(70,016)	-	1844.9%	-
IBRI 2	-	-	(38,739)	-	-	-
Shuaa 3	-	-	(43,748)	-	-	-
Water consortium Holding Company	-	-	(13,122)	-	-	-
Kirikkale	-	-	-	-	-	-
Total	**6,516,028**	**4,776,885**	**3,818,277**	**-26.7%**	**-20.1%**	**-23.5%**

Source: Audited consolidated financial statements

The balance of the Equity accounted investees represents the cost of investment and the post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group had a negative investment in certain entities that are in the construction phase; according to IAS 28 the recognition of losses is appropriate since the shareholders have guaranteed the investees' obligations and are committed to provide further financial support if needed.

Equity accounted investees decreased by 26.7%, or SAR 1,739.1 million, from SAR 6,516.0 million as at 31 December 2018G to SAR 4,776.9 million as 31 December 2019G and further decreased by 20.1%, or SAR 958.6 million, to SAR 3,818.3 million as at 31 December 2020G.

The decrease in 2019G was mainly on account of fair value of cash flow hedge reserve in entities such as Noor Energy 1, Hassyan, Haya Power, IBRI, Sohar amounting to SAR 772.2 million; RAWEC becoming a subsidiary leading to decrease of SAR 2.5 billion (see Section (6-3-5) (Comparability of Operations)); dividend received amounting to SAR 259.0 million. The impact was partially offset by share of profit of SAR 284.5 million; and additional investment net of disposal and other adjustments amounting to SAR 1.6 billion.

Further decrease in 2020G was mainly on account of fair value of cash flow hedge reserve in entities such as Noor Energy 1, Hassyan, Haya Power, Naqa Desalination, IBRI, Sohar, Mourjan amounting to SAR 1,191.4 million and dividend received amounting to SAR 166.2 million. The impact was partially offset by share of profit of SAR 231.1 million and additional 4.99% investment in Hajr during 2020G (see Section (6-3-5) (Comparability of Operations)), amounting to SAR 93.8 million.

As at 31 December 2020G, the Group had a negative investment in certain under construction projects amounting to SAR 1245 million such as Noor Energy 1 (SAR 473.9 million), Hassyan (SAR 367.2 million), Haya Power (SAR 154.4 million) and UAQ (SAR 70.0 million). The negative investment is recognised as shareholders have guaranteed the investees' obligations.

Net investment in finance lease

Net investment in finance lease is in relation to the PPAs signed between some of the Group's subsidiaries and their Offtakers. Where the Group determines a long-term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease.

A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset. The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Since the lease cash flows are denominated in multiple currencies, the minimum lease payments are determined separately for each currency involved, using the expected incremental borrowing rate for lease in each currency category using the interest rate implicit in the lease for each respective currency. The total finance lease income in respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency with respect to the lease.

The following table presents a summary of the Group's net investment in finance lease as at 31 December 2018G, 2019G and 2020G. Please note that both current and non-current portions are analysed in this section to maintain unity of the topic.

Net investment in finance lease	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Net investment in finance leases						
Gross investment in finance leases	15,195,883	17,010,748	17,099,678	11.9%	0.5%	6.1%
Less: Unearned finance income	(5,864,264)	(6,436,512)	(6,170,770)	9.8%	-4.1%	2.6%
	9,331,619	**10,574,236**	**10,928,908**	**13.3%**	**3.4%**	**8.2%**
Analyzed as:						
Current portion of net investment in finance lease	216,891	209,902	323,571	-3.2%	54.2%	22.1%
Non-current portion of net investment in finance lease	9,114,728	10,364,334	10,605,337	13.7%	2.3%	7.9%
Future minimum lease payments to be received						
Within one year	617,615	673,337	792,955	9.0%	17.8%	13.3%
After one year but not more than five years	2,570,015	3,726,464	3,950,823	45.0%	6.0%	24.0%
Five years onwards	12,008,253	12,610,947	12,355,900	5.0%	-2.0%	1.4%
	15,195,883	**17,010,748**	**17,099,678**	**11.9%**	**0.5%**	**6.1%**

Net investment in finance lease	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Maturity of unearned finance income						
Within one year	400,724	463,435	469,384	15.6%	1.3%	8.2%
After one year but not more than five years	1,519,103	2,103,960	2,140,611	38.5%	1.7%	18.7%
Five years onwards	3,944,437	3,869,117	3,560,775	-1.9%	-8.0%	-5.0%
	5,864,264	**6,436,512**	**6,170,770**	**9.8%**	**-4.1%**	**2.6%**

Source: Audited consolidated financial statements

The periodic rate of return used by the Group ranges from 2.04% to 10.21% (2019G: 2.04% to 10.21%, 2018G: 2.04% to 9.45%) per annum.

Net investment in finance lease by subsidiary	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
APO I	2,646,969	2,526,833	2,606,851	-4.5%	3.2%	-0.8%
APO II	3,579,420	3,483,728	3,582,900	-2.7%	2.8%	0.0%
APO III	2,844,464	2,769,583	2,917,421	-2.6%	5.3%	1.3%
Sakaka	-	1,099,542	1,112,355	0.0%	1.2%	-
Others (APO IV, Laayoune, Boujdour)	260,766	694,550	709,381	166.3%	2.1%	64.9%
Total	**9,331,619**	**10,574,236**	**10,928,908**	**13.3%**	**3.4%**	**8.2%**

Source: Management information

Total Net investment in finance leases increased by 13.3%, or SAR 1,242.6 million, from SAR 9,331.6 million as at 31 December 2018G to SAR 10,574.2 million as 31 December 2019G and further increased by 3.4%, or SAR 354.7 million, to SAR 10,928.9 million as at 31 December 2020G. The increase in 2019G was mainly on account of new projects which came into operations in 2019G (see Section (6-3-5) (Comparability of Operations)). The increase in 2020G was mainly due to the Moroccan Projects' finance income and change in forex rates, which was partially offset by lease amortization.

Due from related parties (non-current portion)

The following table presents a summary of the Group's Due from related parties (non-current portion) as at 31 December 2018G, 2019G and 2020G.

Due from related parties – non-current portion	Relationship	As at 31 December			Increase / (Decrease)		
SAR in 000's		2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Hassyan	Joint venture	61,612	61,612	61,612	-	-	-
Kirikkale	Joint venture	-	49,646	25,046	-	-49.6%	-
Qurayyah Investment	Joint venture	10,372	-	-	-100.0%	-	-
Total		**71,984**	**111,258**	**86,658**	**54.6%**	**-22.1%**	**9.7%**

Source: Audited consolidated financial statements

Hassyan

The balance is in relation to a subordinated advance payment that was provided by the Company to the Project, with no fixed repayment date and interest. As per the terms of the agreement between the Company and the Project, the advance repayment will not occur for at least a period of one year. Accordingly, the balance was recognized as a non-current asset.

Kirikkale

The balance represents amounts payable to NOMAC for O&M services provided under the O&M contracts. The amount is expected to be recovered in 2023G, hence classified as non-current. The Group has booked a discounting impact amounting to SAR 24.5 million in 2019G and additional provision of SAR 28.5 million against this balance in 2020G. For further detail please refer to Section (6-3-5-11) (Provision/discounting on due from related party).

Qurayyah Investment

The balance in 2018G was in relation to an advance payment that was provided by the Company, with no fixed repayment date or interest, which was settled in 2019G.

Deferred tax asset

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.

The following table presents a summary of the Group's Deferred tax asset as at 31 December 2018G, 2019G and 2020G.

Deferred tax asset	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Property, plant and equipment	(337,022)	-	(51,521)	-100.0%	-	-60.9%
Unused tax losses	338,907	-	159,354	-100.0%	-	-31.4%
Fair value of derivatives	19,149	-	(585)	-100.0%	-	-
End-of-service benefit liability	6,262	5,768	3,747	-7.9%	-35.0%	-22.6%
Accruals, provisions and others	6,733	17,692	24,503	162.8%	38.5%	90.8%
Total	**34,029**	**23,460**	**135,498**	**-31.1%**	**477.6%**	**99.5%**

Source: Audited consolidated financial statements

Deferred tax asset decreased by 31.1%, or SAR 10.6 million, from SAR 34.0 million as at 31 December 2018G to SAR 23.5 million as at 31 December 2019G and then increased by 477.6%, or SAR 112.0 million, to SAR 135.5 million at 31 December 2020G.

The decrease in 2019G was mainly driven by deconsolidation of APREH in 2019G by SAR 16.4 million (see Section (6-3-5) (Comparability of Operations)) and subsequent increase in deferred tax assets in 2020G relates to Moroccan assets on unused tax losses by SAR 102.0 million (undisputed depreciation related losses, which has indefinite life).

Strategic fuel inventories

Strategic fuel inventories include heavy fuel and diesel, which are held by CEGCO. In adherence to the PPA, CEGCO is required to maintain sufficient quantities of fuel (procured from JPRC) to ensure the continuity of operations in case procurement of natural gas (used to generate electricity) is hindered. CEGCO has agreed with NEPCO on the fuel thresholds, which should be maintained at the power generating stations.

Strategic fuel inventories	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Strategic fuel inventories	77,631	70,771	70,760	-8.8%	0.0%	-4.5%

The drop witnessed between 2018G and 2019G was mainly driven by heavy fuel inventory by SAR 6.8 million on the back of (i) ATPS fuel by SAR 5.2 million consumption between the months of June and July 2019 and (ii) sale and write-off of HTPS fuel by SAR 1.6 million. The movement between 2019G and 2020G is immaterial.

Other (non-current) assets

The following tables present a summary of the Group's Other (non-current) assets as at 31 December 2018G, 2019G and 2020G and broken down by subsidiary.

Other Assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Value Added Tax ("VAT") receivable	160,638	124,815	129,443	-22.3%	3.7%	-10.2%
Right of use assets	-	47934	52,526	0.0%	9.6%	-
Others	45,140	33,361	15,541	-26.1%	-53.4%	-41.3%
	205,778	**206,110**	**197,510**	**0.2%**	**-4.2%**	**-2.0%**

Source: Audited consolidated financial statements

Other Assets by entities	As at31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
APO III	46,066	52,738	70,404	14.5%	33.5%	23.6%
APO II	39,576	41,022	38,758	3.7%	-5.5%	-1.0%
APO I	64,848	26,654	17,854	-58.9%	-33.0%	-47.5%
NOMAC Oman	-	4,397	14,452	0.0%	228.7%	-
Rabigh 3	-	-	12,086	0.0%	0.0%	-
Others	55,288	81,298	43,955	47.0%	-45.9%	-10.8%
	205,778	**206,110**	**197,510**	**0.2%**	**-4.2%**	**-2.0%**

Source: management information

Other assets include the non-current portion of the value added tax (VAT) receivables, Right of use assets and other receivables from tax authorities as well as advances to suppliers. VAT receivables are related to the purchase of goods and services in subsidiaries located in Morocco and will be utilised against VAT liabilities for future periods. Reduction in VAT is mainly on account of utilisation. Right of use assets was recognised as a result of the adoption by the Group of the latest standard on leases (IFRS 16) in 2019G.

Value added tax (VAT) and other receivables from authorities are mainly VAT on goods and services purchased.

Value added tax and other receivables from authorities, Net	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Value added tax ("VAT") receivable – Non-Current	160,638	124,815	129,443	-22.3%	3.7%	-10.2%
Value added tax and other receivables from authorities – Current	32,440	41,750	80,943	28.7%	93.9%	58.0%
Value added tax payable	(42,158)	(49,708)	(75,599)	17.9%	52.1%	33.9%
Total Value added tax and other receivables from authorities, Net	**150,920**	**116,857**	**134,787**	**-22.6%**	**15.3%**	**-5.5%**

Source: Audited consolidated financial statements

Value added tax and other receivables from authorities decreased by CAGR of 5.5% mainly on account of the VAT receivables on purchases of goods and services, which will be utilised against VAT liabilities for future periods.

6-3-7-2 Current assets

The following table presents a summary of the Group's consolidated Current assets as at 31 December 2018G, 2019G and 2020G.

Current assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Inventories	302,409	438,324	450,835	44.9%	2.9%	22.1%
Current portion of net investment in finance lease	216,891	209,902	323,571	-3.2%	54.2%	22.1%

Current assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Due from related parties	756,516	734,156	745,661	-3.0%	1.6%	-0.7%
Accounts receivable, prepayments and other receivables	2,532,680	2,953,802	3,020,235	16.6%	2.2%	9.2%
Cash and cash equivalents	5,498,265	2,798,315	832,668	-49.1%	-70.2%	-61.1%
	9,306,761	**7,134,499**	**5,372,970**	**-23.3%**	**-24.7%**	**-24.0%**
Assets held for sale	-	475,402	-	-	-100.0%	-
Total current assets	**9,306,761**	**7,609,901**	**5,372,970**	**-18.2%**	**-29.4%**	**-24.0%**

Source: Audited consolidated financial statements

Assets held for sale in 2019G refers to the total assets of Karad (see Section (6-3-5) (Comparability of Operations)). Excluding Assets held for sale, the key components of the Group's consolidated total current assets are cash and cash equivalents and accounts receivable, prepayments and other receivables, which, collectively, accounted for 86.3%, 80.6% and 71.7%, of total current assets as at 31 December 2018G, 2019G and 2020G, respectively.

Total current assets (excluding Assets held for sale) decreased by 23.3%, or SAR 2,172.3 million, from SAR 9,306.8 million as at 31 December 2018G to SAR 7,134.5 million as at 31 December 2019G and further decreased by 24.7%, or SAR 1,761.5 million, to SAR 5,373.0 million at 31 December 2020G.

The decrease in 2019G was mainly driven by higher Cash and cash equivalents as at 31 December 2018G on account of the proceeds from the borrowing of the convertible loan from CVXF Inc. (Silk Road Fund (SRF)) that was received on the last day of 2018G as part of the APREH transaction (see Section (6-3-5) (Comparability of Operations)) and further utilization of funds for settlement of EBLs IBRI, Sohar, Bokpoort and RAWEC acquisition. The decrease in 2020G was mainly driven by lower Cash and cash equivalents at parent level due to dividend payment to shareholders, CSR-related spend for Covid-19, land purchase in Riyadh and other investments during the year.

Inventories

The following tables present a summary of the Group's Inventories by line item and by major subsidiary as at 31 December 2018G, 2019G and 2020G.

Inventories	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Spare parts and consumables	281,815	410,413	421,156	45.6%	2.6%	22.2%
Chemicals	9,382	16,864	21,982	79.7%	30.3%	53.1%
Diesel	10,540	10,409	7,308	-1.2%	-29.8%	-16.7%
Goods in transit	672	638	389	-5.1%	-39.0%	-23.9%
Total inventory, net	**302,409**	**438,324**	**450,835**	**44.9%**	**2.9%**	**22.1%**

Source: Audited consolidated financial statements

Inventories held by the Group, mainly comprised Spare parts and consumables used in the maintenance and operations of plants and concentrated in NOMAC, RAWEC, CEGCO and Barka, accounted for 93.2%, 93.6% and 93.4% of total inventories as at 31 December 2018G, 2019G and 2020G, respectively. Chemicals, diesel and goods in transit represent other components that are used during the regular operations of the plants. As per industry practices, the turnover of inventory is not a key indicator as most of inventories are in the form of spare parts for which consumption cycle is longer than that of normal inventories

The consolidated inventory balance increased by 44.9%, or SAR 135.9 million, from SAR 302.4 million as at 31 December 2018G to SAR 438.3 million as at 31 December 2019G, and further increased by 2.9%, or SAR 12.5 million, to SAR 450.8 million as at 31 December 2020G. The increase in 2019G was mainly on account of consolidation of RAWEC by SAR 154.6 million due to the acquisition of a controlling interest in 2019G (see Section (6-3-5) (Comparability of Operations)). The increase in 2020G was mainly driven by NOMAC on account of new Projects, which came into operations in 2020G (see Section (6-3-5) Comparability of Operations) and additional inventory build-up in parallel with the entities' business continuity responses to COVID-19; however these were partially offset by a decrease in inventory balance at CEGCO due to utilisation and provision for slow moving or obsolete inventories.

Chemicals, which accounted for c.5%, on average, of total inventory levels over the historical period related to substances utilised predominantly in desalination and RO plants for the treatment of sea water into potable water. The increase by SAR 5.1 million between 2019G and 2020G came mainly on the back of NOMAC by SAR 7.2 million and RAWEC by SAR 1.2 million in line with the entities' business continuity response to COVID-19. Diesel inventory related mainly to fuel oil stored in Barka. The increase in chemical inventory in 2019G by SAR 7.5 million was mainly due to NOMAC by SAR 3.9 million on account of purchasing for Outages and addition of new Projects such as Shuaibah II and RAWEC by SAR 3.7 million, as they became subsidiaries from the last quarter of 2019G.

Total Inventory by major subsidiaries	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
NOMAC	148,040	152,754	188,333	3.2%	23.3%	12.8%
RAWEC	-	154,551	150,452	-	-2.7%	-
Barka	49,300	48,136	46,888	-2.4%	-2.6%	-2.5
CEGCO	105,069	82,883	65,162	-21.1%	-21.4%	-21.2%
Total	**302,409**	**438,324**	**450,835**	**44.9%**	**2.9%**	**22.1%**

Spare parts and consumables by major subsidiaries	As at 31 December					
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
RAWEC	-	150,853	147,510	0.0%	-2.2%	-
CEGCO	115,554	103,837	82,585	-10.1%	-20.5%	-15.5%
Barka	41,315	39,877	38,757	-3.5%	-2.8%	-3.1%
NOMAC	155,483	155,554	176,398	0.0%	13.4%	6.5%
other entities	2,589	6,035	20,133	133.1%	233.6%	178.9%
Provision for slow-moving inventories	(14,752)	(26,984)	(29,555)	82.9%	9.5%	41.5%
Provision for inventory reserve	(18,374)	(18,759)	(14,672)	2.1%	-21.8%	-10.6%
Total	**281,815**	**410,413**	**421,156**	**45.6%**	**2.6%**	**22.2%**

Source: Management information

Provision for slow moving inventories by major subsidiaries	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
RAWEC	-	1,913	1,913	0.0%	0.0%	-
CEGCO	11,232	21,590	17,813	92.2%	-17.5%	25.9%
NOMAC	3,520	3,481	9,829	-1.1%	182.4%	67.1%
Total	**14,752**	**26,984**	**29,555**	**82.9%**	**9.5%**	**41.5%**

Source: Management information

Provision for inventory reserve by major subsidiary	As at 31 December			Increase / (Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
NOMAC	15,784	10,778	3,575	-31.7%	-66.8%	-52.4%
Seqayah O&M	-	4,308	4,308	0.0%	0.0%	-
ROMCO	1,925	2,433	2,951	26.4%	21.3%	23.8%
NOMAC Oman	665	1,240	3,838	86.5%	209.5%	140.2%
Total	**18,374**	**18,759**	**14,672**	**2.1%**	**-21.8%**	**-10.6%**

Source: Management information

Net investment in finance lease

Both current and non-current portions of Net investment in finance lease are is covered and analysed in Section (6-3-7-1) Non-current assets, Non-current portion of net investment in finance lease to maintain unity of the topic.

Due from related parties (current portion)

The following table presents a summary of the Group's Due from related parties (current portion) as at December 2018G, 2019G and 2020G.

Due from related parties (current portion)	Relationship	Note	As at 31 December			Increase / (Decrease)		
SAR in 000's			2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
MEPCO	Joint venture	(a)	67,084	110,980	144,910	65.4%	30.6%	47.0%
RABEC	Joint venture	(a)	24,239	52,081	41,557	114.9%	-20.2%	30.9%
RAWEC	Joint venture	(a)	120,355	-	-	-100.0%	-	-
SQWEC	Joint venture	(a)	27,226	43,817	47,181	60.9%	7.7%	31.6%
SWEC	Joint venture	(a)	27,758	31,429	43,462	13.2%	38.3%	25.1%
SEPCO	Joint venture	(a)	8,361	10,086	12,482	20.6%	23.8%	22.2%
HAJR	Joint venture	(a)	71,415	122,751	113,883	71.9%	-7.2%	26.3%
Kirikkale (ACWA GUC)	Joint venture	(a)	85,846	1,013	-	-98.8%	-	-
Dhofar O&M	Joint venture	(b)	10,733	34,495	27,607	221.4%	-20.0%	60.4%
Hassyan	Joint venture	(a)	11,241	30,094	149,158	167.7%	395.6%	264.3%
ACWA Power Oasis 3	Joint venture	(b)	52,530	7,355	7,810	-86.0%	6.2%	-61.4%
Noor Energy 1	Joint venture	(a)	82,503	14,617	13,653	-82.3%	-6.6%	-59.3%
Taweelah	Joint venture	(c)	-	89,548	223	-	-99.8%	-
Naqa	Joint venture	(c)	-	50,468	9,761	-	-80.7%	-
Khalladi	Joint venture	(a)	-	27,431	37,061	-	35.1%	-
Risha	Joint venture	(a)	-	5,619	889	-	-84.2%	-
Bokpoort	Joint venture	(a)	-	6,624	15,344	-	131.6%	-
Haya Power	Joint venture	(c)	120,263	2,046	2,450	-98.3%	19.7%	-85.7%
AGC	Joint venture	(b)	718	10,849	21,780	1411.0%	100.8%	450.8%
SOHAR	Joint venture	(b)	705	7,124	16,872	910.5%	136.8%	389.2%
IBRI 2	Joint venture	(b)	-	-	315	-	-	-
SAMAWEC	Joint venture	(b)	51	4,272	1,197	8276.5%	-72.0%	384.5%
Other related parties	Affiliates		45,488	71,457	38,066	57.1%	-46.7%	-8.5%
Total			**756,516**	**734,156**	**745,661**	**-3.0%**	**1.6%**	**-0.7%**

Source: Audited consolidated financial statements

Due from related parties (current portion)	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Due to NOMAC [(a)]	526,028	456,542	619,580	-13.2%	35.7%	8.5%
Advance provided to related parties [(b)]	64,737	64,095	75,581	-1.0%	17.9%	8.1%
Development fees & cost reimbursement [(c)]	120,263	142,062	12,434	18.1%	-91.2%	-67.8%
Others	45,488	71,457	38,066	57.1%	-46.7%	-8.5%

Source: management information

(a) Mainly include amounts due from related parties to First National Holding Company ("NOMAC") (and its subsidiaries) for O&M services provided to the related parties under O&M contracts. In certain cases, the balance also includes advances provided to related parties that has no specific repayment date.

(b) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate

(c) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the Joint Venture.

Due from related parties (current portion) between 31 December 2018G and 31 December 2020G mainly relates to the O&M services provided by NOMAC to the Projects under an O&M Contract, which accounted for 69.5%, 62.2% and 83.1% of total Due from related party balances (current portion) as at 31 December 2018G, 2019G and 2020G, respectively.

Due from related parties (current portion) decreased by 3.0%, or SAR 22.3 million, from SAR 756.5 million as at 31 December 2018G to SAR 734.2 million as at 31 December 2019G, and then increased by 1.6%, or SAR 11.5 million, to SAR 745.7 million as 31 December 2020G.

The decrease in 2019G was mainly due to RAWEC becoming a subsidiary on acquisition of controlling interest by SAR 120.4 million (see Section (6-3-5) (Comparability of Operations)); collection of development and cost reimbursement fee from Haya Power (Al Dur) amounting to SAR 120.3 million; and decrease in receivable from ACWA Power Oasis 3 by SAR 45.2 million as SHL was converted to investment in Equity accounted investees and further decrease in balance due from Kirikkale by SAR 84.8 million and Noor Energy 1 by SAR 67.9 million following the settlement of part of the receivable. These were partially offset by receivable of development and cost reimbursement fees from Taweelah and Naqa (UAQ) amounting to SAR 140 million; other O&M related receivables by SAR 163.9 million in MEPCO, RABEC, SWEC, SQWEC, SEPCO, HAJR, Hassyan; and advances to Dhofar O&M by SAR 23.8 million. The increase in 2020G was mainly in relation to mobilization services provided by NOMAC for Hassyan by SAR 119.1 million and other O&M related receivables by SAR 43.9 million, which were partially offset by collection of development fees and cost reimbursement from Taweelah and Naqa amounting to SAR 130.0 million.

Accounts receivable, prepayments and other receivables

The following table presents summary of the Company's Accounts receivable, prepayments and other receivables as at 31 December 2018G, 2019G and 2020G.

Accounts receivable, prepayments and other receivables	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Trade accounts receivable	1,265,963	1,242,492	1,333,872	-1.9%	7.4%	2.6%
Less: allowance for impaired receivables	(64,334)	(31,657)	(28,795)	-50.8%	-9.0%	-33.1%
Net trade accounts receivable	**1,201,629**	**1,210,835**	**1,305,077**	**0.8%**	**7.8%**	**4.2%**
Prepayments, insurance and other receivables	1,004,339	1,298,422	957,218	29.3%	-26.3%	-2.4%
Project development cost	212,790	240,569	313,187	13.1%	30.2%	21.3%
Advances to suppliers	39,735	121,096	310,219	204.8%	156.2%	179.4%
Dividend receivable	-	-	17,618	-	-	-
Value added tax and other receivables from authorities	32,440	41,750	80,943	28.7%	93.9%	58.0%
Advances to employees	22,021	28,777	29,102	30.7%	1.1%	15.0%
Others	19,726	12,353	6,871	-37.4%	-44.4%	-41.0%
Total	**2,532,680**	**2,953,802**	**3,020,235**	**16.6%**	**2.2%**	**9.2%**

Source: Audited consolidated financial statements

Key and material variances are summarised as follows:

Net trade accounts receivable

The significant portion of the consolidated Net trade accounts receivable was mainly contributed by CEGCO, Zarqa, Barka, RAWEC, STPC, NOMAC and the Company. Trade receivables recorded by CEGCO mainly include receivable from the Offtaker (NEPCO) in relation to the capacity and fuel pass-through revenues. The payments of NEPCO are guaranteed by the Government of the Hashemite Kingdom of Jordan, who has ownership interests in CEGCO, NEPCO and JPRC (fuel supplier).

Net trade accounts receivable increased by 0.8%, or SAR 9.2 million, from SAR 1,201.6 million as at 31 December 2018G to SAR 1,210.8 million as at 31 December 2019G and further increased by 7.8%, or SAR 94.2 million, to SAR 1,305.1 million as at 31 December 2020G.

The increase in 2019G was mainly due to the consolidation of RAWEC by SAR 47.8 million (see Section (6-3-5) Comparability of Operations); STPC commencing operation in 2019G by SAR 57.1 million; increase in Barka by SAR 141.7 million mainly due to delays in the receipt of payment from OPWPC following the power sector restructuring in Oman; increase in receivable for heat rate optimization from IBRI and Sohar by SAR 67.2 million, which were partially offset by the deconsolidation of APREH by SAR 76.5 million in 2019G (see Section (6-3-5) (Comparability of Operations)) and the decrease in receivables in NOMAC by SAR 144.9 million mainly relating to NOMAC Gulf O&M LLC amounting to SAR 83.9 million, CEGCO by SAR 39.3 million and Moroccan assets by SAR 39.7 million on account of collection of corresponding receivables.

The increase in 2020G is mainly due to higher receivables:

- in Jordan Projects (CEGCO and Zarqa) by SAR 109.3 million as the payments were delayed by the Offtaker due to Covid-19 situation (for further discussion, see Section (6-3-2) (Principle Factors Affecting the Results of Operations)). The management decided that the overdue amount in CEGCO does not require any provision as the receivables are guaranteed by the Government of the Hashemite Kingdom of Jordan, and at Zarqa, the withheld amount were agreed to be paid in 4 equal instalments starting from January 2021G; and
- in RAWEC by SAR 66.8 million, due to one pending invoice from the Offtaker, which was subsequently settled in January 2021G.

Above increases were partially offset by lower receivable at Barka by SAR 15.4 million mainly due to lower revenue in December 2020G due to lower demand.

Account receivable by major subsidiaries, net	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
CEGCO	427,963	388,692	455,547	-9.2%	17.2%	3.2%
Barka	50,867	192,583	177,038	278.6%	-8.1%	86.6%
Zarqa	101,420	129,068	171,540	27.3%	32.9%	30.1%
RAWEC	-	47,760	114,562	0.0%	139.9%	-
APO II	143,649	118,720	59,878	-17.4%	-49.6%	-35.4%
APO III	19,841	6,792	67,411	-65.8%	892.5%	84.3%
NOMAC	213,225	68,328	34,289	-68.0%	-49.8%	-59.9%
Others	244,664	258,892	224,812	5.8%	-13.2%	-4.1%
Total	**1,201,629**	**1,210,835**	**1,305,077**	**0.8%**	**7.8%**	**4.2%**

Source: Management information

Below is the ageing of trade and other receivables broken down by major entities as at 31 December 2020G

SAR'000	Neither past due nor impaired	1-90 days	91 -365 days	More than 365 days	Total
CEGCO	68,249	82,315	3,054	313,647	467,265
Barka	36,348	23,146	117,489	55	177,038
Zarqa	41,480	11,412	31,118	87,754	171,764
ACWA Power Global Services Limited	-	12,566	46,550	72,831	131,947
RAWEC	114,562	-	-	-	114,562
Total	260,639	129,439	198,211	474,287	1,062,576

Source: Management information

Ageing of group trade receivables			
SAR in 000's	**2018G**	**2019G**	**2020G**
Neither past due nor impaired	836,752	747,094	597,309
Past due 1-90 Days	35,392	75,154	135,774
More than 90 Days	329,485	388,587	571,994
Total	**1,201,629**	**1,210,835**	**1,305,077**

Source: Audited consolidated financial statement

Management believes that receivables due by more than 90 days that are unimpaired are still collectible in full, based on past performance and expected credit loss model, which involves extensive analysis of credit risk, including customers' credit ratings, if it is available.

The movement in allowance for impairment, including both specific and collective, in respect of trade receivables during the three years ended 31 December 2020G was as follows:

Movement in allowance for impairment			
SAR in 000's	**2018G**	**2019G**	**2020G**
Opening balance as on 1 January	71,402	64,334	31,657
Impairment loss reversal / recognized	13,656	(15,464)	(2,862)
Amount written off	(20,724)	(9,248)	-
Derecognized on loss of control	-	(7,965)	-
Closing balance as at 31 December	**64,334**	**31,657**	**28,795**

Source: Audited consolidated financial statement

Prepayments, insurance, and other receivables

Prepayments, insurance, and other receivables mainly include receivables of reinsurance premiums from ACWA Re (a Group captive insurance company), refundable deposits, interest receivable and other receivables.

Prepayments and other receivables breakdown by major entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	**2018G**	**2019G**	**2020G**	**2019G**	**2020G**	**CAGR 2018G-2020G**
ACWA Power reinsurance	328,534	886,497	516,748	169.8%	-41.7%	25.4%
APGS - Insurance prepayment	-	122,606	122,606	0.0%	0.0%	-
Zarqa - Liquidated damages	79,053	79,053	-	0.0%	-100.0%	-100.0%
Other entities	596,752	210,266	317,864	-64.8%	51.2%	-27.0%
Total	**1,004,339**	**1,298,422**	**957,218**	**29.3%**	**-26.3%**	**-2.4%**

Source: Management information

Prepayments, insurance and other receivables increased by 29.3%, or SAR 294.1 million, from SAR 1,004.3 million as at 31 December 2018G to SAR 1,298.4 million as at 31 December 2019G and then decreased by 26.3%, or SAR 341.2 million, to SAR 957.2 million as at 31 December 2020G. The increase in 2019G was mainly due to an increase in receivables of reinsurance premiums by SAR 558.0 million as a result of renewal of group insurance programme (with a corresponding reinsurance premium payable recorded in payables), insurance prepayment made to China Export & Credit Insurance Corporation for Nam Dinh 1 IPP amounting to SAR 122.6 million, which were partially offset by settlement of receivable for Luxor project by SAR 206.3 million and transfer and settlement of other receivable amounting to SAR 170.4 million in 2019G. The decrease in 2020G was mainly due to a decrease in receivables of reinsurance premiums by SAR 369.8 million with a corresponding reinsurance premium payable recorded in payables, which was partially offset by settlement of Liquidated damages at Zarqa by SAR 79.1 million.

Project development costs

Project development costs represent costs incurred on Projects under development that are considered feasible as at the date of the consolidated financial statements. A provision is made against the project development costs based on an average project success rate and management's best estimates (see Section (6-3-6) (Results of Operations—Income Statement).

Project development costs	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance at beginning of the year	100,178	212,790	240,569	112.4%	13.1%	55.0%
Development cost, provision and write offs, net of reversals during the year	(16,368)	50,790	142,856	-410.3%	181.3%	-
Additions, net of recoveries	128,980	(23,011)	(70,238)	-117.8%	205.2%	-
Balance at end of the year	**212,790**	**240,569**	**313,187**	**13.1%**	**30.2%**	**21.3%**

Source: Management information

Project development costs by entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ACWA Power Dubai	80,746	99,959	146,048	23.8%	46.1%	34.5%
ACWA Power Riyadh	50,139	43,908	62,999	-12.4%	43.5%	12.1%
ACWA Power Global services	44,856	51,246	67,164	14.2%	31.1%	22.4%
Other corporate entities	37,049	45,456	36,976	22.7%	-18.7%	-0.1%
Balance at end of the year	**212,790**	**240,569**	**313,187**	**13.1%**	**30.2%**	**21.3%**

Source: Management information

Project development costs increased by 13.1%, or SAR 27.8 million, from SAR 212.8 million as at 31 December 2018G to SAR 240.6 million as at 31 December 2019G and further increased 30.2%, or SAR 72.6 million, to SAR 313.2 million as at 31 December 2020G. The increase in 2019G was mainly due to an increase in existing feasible bids and longer development cycles in Luxor, Nam-Dinh, Sudair, Jizan, Redstone Projects. Further increase in 2020G was mainly due to longer development cycle on existing and new feasible bids in Projects such as Luxor, Sudair, Jizan, Redstone.

Advances to suppliers

Advances to suppliers represent the advance payments made to different suppliers of the Group in addition to the Limited Notice to Proceed (LNTP) payments that are reimbursed by the Projects upon achieving Financial Close.

Advance to suppliers by major entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Sirdarya	-	-	112,500	-	-	-
NOMAC	31,380	81,233	120,018	158.9%	47.7%	95.6%
Corporate	5,309	14,535	26,207	173.8%	80.3%	122.2%
Others	3,046	25,328	51,494	731.5%	103.3%	311.2%
Total	**39,735**	**121,096**	**310,219**	**204.8%**	**156.2%**	**179.4%**

Source: Management information

Advances to suppliers increased by 204.8%, or SAR 81.4 million, from SAR 39.7 million as at 31 December 2018G to SAR 121.1 million as at 31 December 2019G and further increased by 156.2%, or SAR 189.1 million, to SAR 310.2 million as at 31 December 2020G.

The increase in 2019G was mainly due to an increase in NOMAC and its subsidiaries owing to procurement of spare parts and inventories by SAR 49.9 million, Moroccan projects by SAR 5.0 million and consolidation of RAWEC by SAR 17.4 million (see Section (6-3-5) (Comparability of Operations)). The increase in 2020G was mainly due to payment made for LNTP for Project Sirdarya amounting to SAR 112.5 million; payment in NOMAC by SAR 38.8 million mainly related to Hassyan transhipment in addition to Al Dur and Barka on account of advance payments against purchase of initial spare parts and increase in Moroccan assets by SAR 33.0 million owing to certain outages in the portfolio of assets.

Value added tax and other receivables from authorities

Refer to Other (non-current) assets above.

Cash and cash equivalents

Cash and cash equivalents	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash in hand and at bank	3,221,133	1,433,286	798,263	-55.5%	-44.3%	-50.2%
Short-term deposits with original maturities of three months or less	2,277,132	1,365,029	34,405	-40.1%	-97.5%	-87.7%
Total	**5,498,265**	**2,798,315**	**832,668**	**-49.1%**	**-70.2%**	**-61.1%**

Source: Audited Consolidated Financial Statements

Cash and cash equivalents by major entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Barka	44,593	77,487	85,099	73.8%	9.8%	38.1%
Zarqa	16,977	104,526	75,861	515.7%	-27.4%	111.4%
RAWEC	-	168,212	126,226	0.0%	-25.0%	-
APOI	125,161	114,501	124,335	-8.5%	8.6%	-0.3%
APOII	70,436	66,035	20,432	-6.2%	-69.1%	-46.1%
NOMAC	194,976	237,076	127,419	21.6%	-46.3%	-19.2%
Corporate	4,432,801	1,784,150	78,803	-59.8%	-95.6%	-86.7%
Others	613,321	246,328	194,493	-59.8%	-21.0%	-43.7%
Total	**5,498,265**	**2,798,315**	**832,668**	**-49.1%**	**-70.2%**	**-61.1%**

Source: Management information

Cash and cash equivalents include cash in hand and at bank as well as short-term deposits with original maturities of three months or less.

Cash and cash equivalents decreased by 49.1%, or SAR 2,700.0 million, from SAR 5,498.3 million as at 31 December 2018G to SAR 2,798.3 million as at 31 December 2019G and further decreased by 70.2%, or SAR 1-965-6 million, to SAR 832.7 million as at 31 December 2020G.

The decrease in 2019G was mainly due to the payment of SAR 1,300.7 million for acquisition of RAWEC (see Section (6-3-5) (Comparability of Operations)); settlement of EBLs for Ibri, Sohar and Bokpoort Projects amounting to SAR 1.1 billion; settlement of other commitments to various other Project Companies; and payment for the exercise of Mourjan option by SAR 175.4 million. The decrease in 2020G was mainly due to utilization of funds at parent level for payment of dividend to shareholders by SAR 1.0 billion, contributions for Covid-19 CSR by SAR 52.5 million, purchase of land in Riyadh corporate office by SAR 49.9 million and EBL and SHL infusions in various Projects by SAR 1.7 billion, which were partially offset by collection in the form of distribution (Dividend, Shareholder loan, Interest on shareholder loan), fees and others from Projects by SAR 1.8 billion.

6-3-7-3 Equity

The following table summarizes the Group's consolidated Total equity as at 31 December 2018G, 2019G and 2020G.

Equity	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Shareholders' equity						
Share capital	6,429,344	6,429,344	6,429,344	-	-	-
Share premium	1,177,031	1,177,031	1,410,398	-	19.8%	9.5%
Statutory reserve	437,239	554,626	642,883	26.8%	15.9%	21.3%
Retained earnings	2,363,259	3,102,108	1,184,908	31.3%	-61.8%	-29.2%
Equity attributable to owners of the Company before other reserves	**10,406,873**	**11,263,109**	**9,667,533**	**8.2%**	**-14.2%**	**-3.6%**
Other reserves	(717,900)	(1,361,236)	(2,798,419)	89.6%	105.6%	97.4%
Equity attributable to owners of the Company	**9,688,973**	**9,901,873**	**6,869,114**	**2.2%**	**-30.6%**	**-15.8%**
Non-controlling interest	1,385,184	703,504	531,041	-49.2%	-24.5%	-38.1%
Total equity	**11,074,157**	**10,605,377**	**7,400,155**	**-4.2%**	**-30.2%**	**-18.3%**

Source: Audited consolidated financial statements

Shareholders' equity

Share capital

As at 31 December 2020G, the Company's authorized and fully paid share capital consists of 645,762,878 shares of SAR 10 each.

Share premium

During 2018G, the Company issued 98,159,157 shares to the Public Investment Fund ("PIF"), an existing shareholder of the Company, at a premium amounting to SAR 1,079.8 million. Total proceeds of SAR 2,061.4 million received against the shares issued, net of transaction costs of SAR 18.5 million amounted to SAR 2,042.9 million. During 2020G, SAR 233.4 million, which is the difference between the nominal value of the loan from a shareholder's (PIF) fully owned subsidiary and its discounted value, has been recognised as other contribution from shareholder within share premium (see Section (6-3-5) (Comparability of Operations)).

Statutory reserve

In accordance with the Saudi Arabian Regulations for Companies and the Company's by-laws, 10% of the net profit for the year has been transferred to statutory reserves. The statutory reserve is not available for distribution.

Retained earnings

Retained earnings represent distributable profit of the Group, accumulated over the period of time. Increase in retained earnings by 31.3% or SAR 738.9 million in 2019G was mainly due to profit for the year attributable to shareholders amounting to SAR 1,173.9 million which was partially offset by declaration of dividend of SAR 322.9 million in 2019G and transferring of SAR 117.4 million to statutory reserve. Decrease in retained earnings by 61.8% or SAR 1,917.2 million in 2020G was mainly due to profit for the year attributable to shareholders amounting to SAR 882.6 million which was partially offset by declaration of dividend of SAR 2,701.0 million in 2020G and transferring of SAR 88.3 million to statutory reserve.

Other reserves

Other reserves include cash flow hedge reserve, currency translation reserve, share in other comprehensive income of equity accounted investees and actuarial losses. The corresponding liability pertaining to the cash flow hedge reserve has been recognized as part of long-term liabilities. The cash flow hedge reserve pertaining to equity accounted investees has been recognised as part of investments.

Cash flow hedge reserve

Cash flow hedge reserve	As at 31 December			Increase / (Decrease)		
SAR '000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance as at 1 January	(191,688)	(115,377)	(313,175)	-39.8%	171.4%	27.8%
Changes during the year	28,600	(243,780)	(258,464)	-952.4%	6.0%	-
Recycled to profit or loss on loss of control	47,711	45,982	(19,477)	-3.6%	-142.4%	-
Balance as at 31 December	**(115,377)**	**(313,175)**	**(591,116)**	**171.4%**	**88.7%**	**126.3%**

Source: Audited consolidated financial statements

The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long-term loan and funding facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Currency translation reserve

Currency translation reserve	As at 31 December			Increase / (Decrease)		
SAR '000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance as at 1 January	(149,220)	(331,876)	(29,721)	122.4%	-91.0%	-55.4%
Changes during the year	(323,986)	228,294	2,192	-170.5%	-99.0%	-
Recycled to profit or loss on loss of control	141,330	73,861	21,358	-47.7%	-71.1%	-61.1%
Balance as at 31 December	**(331,876)**	**(29,721)**	**(6,171)**	**-91.0%**	**-79.2%**	**-86.4%**

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Share in other comprehensive income of equity accounted investees

Share in OCI of equity accounted investee	As at 31 December	Increase / (Decrease)	2020G	2019G	2020G	CAGR 2018G-2020G
SR in 000s	2018G	2019G				
Balance as at 1 January	(558,200)	(242,533)	(971,975)	-56.6%	300.8%	32.0%
Changes during the year	315,667	(772,217)	(1,191,366)	-344.6%	54.3%	-
Recycled to profit or loss on loss of control	-	42,775	-	-	-100.0%	-
Balance as at 31 December	**(242,533)**	**(971,975)**	**(2,163,341)**	**300.8%**	**122.6%**	**198.7%**

Source: Audited consolidated financial statements

Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees, which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end-of-service benefit obligation of equity accounted investees.

Remeasurement of defined benefit liability

Re-measurement of defined benefit liability	As at			Increase / (Decrease)		
SAR '000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance as at 1st January	(7,804)	(934)	(19,185)	-88.0%	1954.1%	56.8%
Changes during the year	6,870	(18,251)	8,574	-365.7%	-147.0%	11.7%
Recycled to profit or loss on loss of control	-	-	-	-	-	-
Balance as at 31st December	**(934)**	**(19,185)**	**(10,611)**	**1954.1%**	**-44.7%**	**237.1%**

Source: Audited consolidated financial statements

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income. Re-measurement gains and losses arising from experience (seniority) adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Other

Other	As at			Increase / (Decrease)		
SAR '000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance as at 1 January	27,180	27180	27180	-	-	-
Changes during the year	-	-	-	-	-	-
Recycled to profit or loss on loss of control	-	-	-	-	-	-
Balance as at 31 December	**27180**	**27180**	**27180**	**-**	**-**	**-**

Source: Audited consolidated financial statements

Other represents amounts initially recognised for the put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary.

Derivatives and cash flow hedges

The following table summarizes the Group's Derivatives and cash flow hedges as at 31 December 2018G, 2019G and 2020G.

	Positive Fair Value			Negative Fair Value		
Derivatives and cash flow hedges	As at 31 December			As at 31 December		
SAR in 000's	2018G	2019G	2020G	2018G	2019G	2020G
Derivatives held as hedges						
Interest rate swaps	12,817	-	-	(125,587)	(325,351)	(707,047)
Forward foreign exchange contracts	-	-	-	(17,624)	(12,974)	(3,326)
Cross-currency interest rate swap	456	-	-	-	-	-
Total	**13,273**	**-**	**-**	**(143,211)**	**(338,325)**	**(710,373)**
Less: Current portion	-	-	-	(10,613)	(51,883)	(59,584)
Non-current portion	13,273	-	-	(132,598)	(286,442)	(650,789)

Source: Audited consolidated financial statements

Fair value of derivatives by nature	As at 31 December			Increase / (Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Interest rate swaps	(112,770)	(325,351)	(707,047)	188.5%	117.3%	150.4%
Forward foreign exchange contracts	(17,624)	(12,974)	(3,326)	-26.4%	-74.4%	-56.6%
Cross-currency interest rate swap	456	-	-	-100.0%	-	-100.0%
Total	**(129,938)**	**(338,325)**	**(710,373)**	**160.4%**	**110.0%**	**133.8%**

Source: Audited consolidated financial statements

Fair value of derivatives by major subsidiaries	As at 31 December			Increase / (Decrease)		
SR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Rabigh 3	-	(130,817)	(332,971)	-	154.5%	-
Sakaka	(41,142)	(106,086)	(168,361)	157.9%	58.7%	102.3%
Zarqa	(5,553)	(50,073)	(122,682)	801.7%	145.0%	370.0%
STPC	5,506	(36,342)	(73,118)	-760.0%	101.2%	-
Others	(88,749)	(15,007)	(13,241)	-83.1%	-11.8%	-61.4%
Total	**(129,938)**	**(338,325)**	**(710,373)**	**160.4%**	**110.0%**	**133.8%**

Source: Management information

Based on the terms of the facilities agreements signed with the banks for different types of loans acquired during the normal course of business, the subsidiaries are required to hedge the interest rate risk on the loans acquired by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

Trading derivatives also relate to equity options since the Company holds put and call options on the equity ownership of another shareholder in an associate. Any change in fair value in connection with the trading derivatives is recognized in the consolidated statement of profit or loss.

Fair value of derivative liabilities increased by 160.4%, or SAR 208.4 million, from SAR 129.9 million as at 31 December 2018G to SAR 338.3 million as at 31 December 2019G and further increased by 110.0%, or SAR 372.0 million, to SAR 710.4 million as at 31 December 2020G. The increase in 2019G mainly relates to Rabigh 3 construction commencement and fair value of derivative measuring at mark to market (reduced market interest rates). Further increase in 2020G is mainly related to fair value of derivative measuring at mark to market (reduced market interest rates).

Net tangible equity attributable to owners of the Company

The Group uses Net tangible equity attributable to owners of the Company as a measure of performance in monitoring its parent-level leverage. The Group's Net tangible equity attributable to owners of the Company is its Equity attributable to owners of the Company before other reserves, net of intangible assets such as Goodwill and project development costs. For further discussion and analysis, see Section (6-3-3) (Key Performance Indicators).

Net tangible equity attributable to owners of the Company	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Equity attributable to owners of the Company before other reserves	**10,406,873**	**11,263,109**	**9,667,533**	**8.2%**	**-14.2%**	**-3.6%**
Goodwill	(2,014,320)	(2,004,811)	(1,997,311)	-0.5%	-0.4%	-0.4%
Other intangible assets	(38,611)	(54,394)	(61,367)	40.9%	12.8%	26.1%
Project development costs	(212,790)	(240,569)	(313,187)	13.1%	30.2%	21.3%
Net tangible equity attributable to owners of the Company	**8,141,152**	**8,963,335**	**7,295,668**	**10.1%**	**-18.6%**	**-5.3%**

Source: Management information

6-3-7-4 Non-current liabilities

The following table presents a summary of the Group's consolidated Non-current liabilities as at 31 December 2018G, 2019G and 2020G.

Non-current liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Long-term financing and funding facilities	17,734,682	17,480,944	17,286,744	-1.4%	-1.1%	-1.3%
Due to related parties	81,176	860,202	1,577,839	959.7%	83.4%	340.9%
Equity accounted investees	60,546	516,982	1,244,571	753.9%	140.7%	353.4%
Fair value of derivatives	132,598	286,442	650,789	116.0%	127.2%	121.5%
Deferred tax liability	245,776	250,552	125,711	1.9%	-49.8%	-28.5%
Deferred revenue	67,108	129,827	63,304	93.5%	-51.2%	-2.9%
Other financial liabilities	924,195	395,724	290,990	-57.2%	-26.5%	-43.9%
Employee end of service benefits' liabilities	123,148	159,598	178,964	29.6%	12.1%	20.6%
Other liabilities	201,532	252,117	309,422	25.1%	22.7%	23.9%
Total	**19,570,761**	**20,332,388**	**21,728,334**	**3.9%**	**6.9%**	**5.4%**

Source: Audited consolidated financial statements

Long-term financing and funding facilities are the major component of non-current liabilities, accounting for 90.6%, 86.0% and 79.6% of the total non-current liabilities as at 31 December 2018G, 2019G and 2020G, respectively.

Long-term financing and funding facilities

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows without any recourse to the Company, whereas with-recourse facilities are direct borrowings or those guaranteed by the Company. The Group's funding facilities are either at fixed financial rate or at a margin above the relevant reference rates. The Group seeks to hedge long-term floating exposures using derivatives.

The following table presents a summary of the Group's long-term financing and funding facilities as at 31 December 2018G, 2019G and 2020G.

Long-term financing and funding facilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Recourse Debt:						
Financing facilities in relation to projects	3,185,113	1,825,887	753,314	-42.7%	-58.7%	-51.4%
Corporate facilities	12,237	1,125	113,630	-90.8%	10000.4%	204.7%
Non-Recourse debt:						
Financing facilities in relation to projects	12,369,340	14,922,544	15,746,631	20.6%	5.5%	12.8%
APMI One bond	2,999,129	3,002,617	3,006,325	0.1%	0.1%	0.1%
Corporate facilities	187,500	-	-	-100.0%	-	-100.0%

Long-term financing and funding facilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Total financing and funding facilities	**18,753,319**	**19,752,173**	**19,619,900**	**5.3%**	**-0.7%**	**2.3%**
Less: current portion shown under current liabilities	(1,018,637)	(2,271,229)	(1,178,360)	123.0%	-48.1%	7.6%
Less: non-current portion classified as current (a)	-	-	(1,154,796)	-	-	-
Non-current portion shown under non-current liabilities	**17,734,682**	**17,480,944**	**17,286,744**	**-1.4%**	**-1.1%**	**-1.3%**

Source: Audited consolidated financial statements

(a) Due to Covid-19-related issues, the delay in contractual payments from the Offtaker in one of the Group's subsidiary (Zarqa) has resulted in a technical breach under the PPA leading to a cross default under the financing documents. Cumulative amount withheld during the year amounted to SAR 42.4 million. While the project enjoys a Government Guarantee on the receivables from the off-taker, the project company has not called on the Guarantee to cover these partially withheld payments as the off-taker has reached a settlement agreement to clear the overdue amounts in 4 equal monthly instalments starting from 31 January 2021G. The breach under the financing documents, has resulted in reclassification of the long-term loan amount of SAR 1,155 million to current liabilities in accordance with the requirements of International Financial Reporting Standards. Subsequent to the year end, the management of the Subsidiary has received a waiver from the lenders to this technical breach and accordingly the loan balance has already been transferred back to non-current liabilities.

Total financing and funding facilities increased by 5.3%, or SAR 998.9 million, from SAR 18,753.3 million in 2018G to SAR 19,752.2 million in 2019G and then marginally decreased by 0.7%, or SAR 132.3 million, to SAR 19,619.9 million in 2020G.

The increase in 2019G was mainly on account of RAWEC becoming a subsidiary in 2019G by SAR 3.7 billion (see Section (6-3-5) (Comparability of Operations)); drawdowns at Rabigh 3 by SAR 726.7 million, at Zarqa by SAR 88.0 million and at STPC by SAR 163.6 million; which is partially offset by deconsolidation of eight renewable assets as a result of the APREH transaction by SAR 3.0 billion (see Section (6-3-5) (Comparability of Operations)). The decrease in 2020G was mainly due to repayment of loans in RAWEC by SAR 442.0 million, Barka by SAR 140.5 million, Zarqa by SAR 63.6 million, APO II by SAR 439.9 million and APO III by SAR 200.0 million, which was partially offset by drawdown in under construction Rabigh 3 by SAR 1,162.3 million.

Types of loans and funding facilities

The following table presents a comprehensive summary of the Group's different types of loans and funding facilities as at 31 December 2018G, 2019G and 2020G.

Types of loans and funding facilities	Interest rate Fixed/ Variable	Maturity	Non-current portion - 31December			Current portion - 31December		
			2018G	2019G	2020G	2018G	2019G	2020G
Recourse Debt								
Financing facilities in relation to projects:								
ACWA Power Africa Holdings	Variable	-	-	-	-	188,051	-	-
APO II	Fixed	2020	581,159	-	-	-	581,159	-
APO III	Fixed	2020	452,607	-	130,156	-	500,701	-
APO IV	Fixed	2020	43,594	-	-	-	43,594	-
Khalladi	Fixed	-	59,582	-	-	-	-	-
ACWA Power Morocco	Fixed	-	-	-	-	58,805	-	-
STPC	Variable	-	-	-	-	176,896	-	-
Rabigh 3	Variable	2021	-	424,261	424,261	-	-	-
Sakaka	Variable	2025	185,805	198,897	198,897	-	-	-
APREH	Fixed	2023	1,361,339	-	-	-	-	-
Laayoune	Fixed	2020	56,160	-	-	-	56,160	-
Boujdour	Fixed	2020	21,115	-	-	-	21,115	-
Total - Financing facilities in relation to projects			**2,761,361**	**623,158**	**753,314**	**423,752**	**1,202,729**	
Corporate facilities:								
Revolving Corporate Murabaha Facility and others	Variable	2021-22	11,487	1,125	113,630	750	-	-
Total - Recourse Debt			**2,772,848**	**624,283**	**866,944**	**424,502**	**1,202,729**	**-**
Non-Recourse Debt:								
Financing facilities in relation to projects:								
Acwa Barka	Both	2020-24	471,580	346,816	232,389	122,356	129,527	116,630
APBEC	Fixed	2020	13,208	-	-	13,208	13,208	-
CEGCO	Both	2018-24	158,909	134,023	113,135	132,207	26,719	28,182
Karad	Both	-	341,015	-		12,346	-	-

Types of loans and funding facilities	Interest rate Fixed/ Variable	Maturity	Non-current portion - 31December			Current portion - 31December		
			2018G	2019G	2020G	2018G	2019G	2020G
APO I	Fixed	2038	1,951,602	1,869,516	1,849,781	93,791	101,585	135,348
APO II	Fixed	2040	2,661,794	2,580,586	2,717,596	58,338	100,783	105,011
APO III	Fixed	2040	2,093,386	1,987,113	2,075,387	36,604	73,009	155,591
APO IV	Fixed	2035	217,142	210,563	171,894	12,320	10,153	38,201
Bokpoort	Variable	-	869,496	-		-	-	-
UPC Re-newables (Khalladi)	Variable	-	471,666	-		22,073	-	-
STPC	Both	2040	790,131	938,039	914,316	9,906	25,640	27,274
Laayoune	Fixed	2035	218,863	264,890	263,499	16,037	13,293	847
Boujdour	Fixed	2035	78,255	84,157	79,983	4,590	3,671	4,777
MAFRAQ	Variable	-	177,888	-	-	7,838	-	-
ZARQA	Variable	2035	1,161,208	1,241,932	1,154,796	47,521	54,814	78,332
Sakaka	Variable	2044	92,086	656,315	779,914	-	96,651	23,930
Rabigh 3	Variable	2045	-	302,430	1,464,683	-	-	-
Rawec	Fixed	2023-31	-	3,237,664	2,756,698	-	419,447	458,437
Others	Both	-	6,976	-	-	5,000	-	-
Total - Financing facilities in relation to projects			**11,775,205**	**13,854,044**	**14,574,071**	**594,135**	**1,068,500**	**1,172,560**
APMI One bond	Fixed	2,039	2,999,129	3,002,617	3,000,525	-	-	5,800
Corporate facilities:								
ACWA Power Global Holding	Interest free	-	187,500	-	-	-	-	-
Total - Non-Recourse Debt			**14,961,834**	**16,856,661**	**17,574,596**	**594,135**	**1,068,500**	**1,178,360**
Total financing and funding facilities			**17,734,682**	**17,480,944**	**18,441,540**	**1,018,637**	**2,271,229**	**1,178,360**
Less: Financing and funding facilities classified as current			-	-	(1,154,796)	-	-	-
			17,734,682	**17,480,944**	**17,286,744**	**1,018,637**	**2,271,229**	**1,178,360**

Source: Audited consolidated financial statements

Total debt by major subsidiaries:

SAR '000s	Recourse Debt			Non-Recourse Debt			Total Debt			Collateral
	2018G	2019G	2020G	2018G	2019G	2020G	2018G	2019G	2020G	
RAWEC	-	-	-	-	3,657,111	3,215,135	-	3,657,111	3,215,135	Note 1
APO I	-	-	-	2,045,393	1,971,101	1,985,129	2,045,393	1,971,101	1,985,129	Note 1
APO II	581,159	581,159	-	2,720,132	2,681,369	2,822,607	3,301,291	3,262,528	2,822,607	Note 1
APO III	452,607	500,701	130,156	2,129,990	2,060,122	2,230,978	2,582,597	2,560,823	2,361,134	Note 1
APMI Bond	-	-	-	2,999,129	3,002,617	3,006,325	2,999,129	3,002,617	3,006,325	Note 2
Rabigh 3	-	424,261	424,261	-	302,430	1,464,683	-	726,691	1,888,944	Note 1
ZARQA	-	-	-	1,208,729	1,296,746	1,233,128	1,208,729	1,296,746	1,233,128	Note 1
STPC	176,896	-	-	800,037	963,679	941,590	976,933	963,679	941,590	Note 1
APREH	1,361,339	-	-	-	-	-	1,361,339	-	-	Note 1
Others	625,349	320,891	312,527	3,652,559	1,989,986	1,853,381	4,277,908	2,310,877	2,165,908	
Total Debt	**3,197,350**	**1,827,012**	**866,944**	**15,555,969**	**17,925,161**	**18,752,956**	**18,753,319**	**19,752,173**	**19,619,900**	

Source: Management information

Note 1: Non-recourse debt of entities are collateral against Project Property, Plant and Equipment, and Project Company Shares.

Note 2: Please refer to APMI Bond 6-3-9-2 Capitalization and indebtedness

In line with the Group's policy of obtaining non-recourse loans to finance the construction of its facilities, all of the Group's PPE were pledged as at 31 December 2020G amounting to SAR 12.7 billion.

The financial covenants under the finance documents of the Projects include a requirement that the Project must maintain a certain debt service coverage ratio (DSCR) and/or loan life coverage ratio with an additional covenant threshold to be met to be eligible for distribution of dividends.

For the year ended 2020G, all projects were in compliance with the minimum DSCR and waivers were received in case of certain other non-compliance, except in case of Zarqa, RABEC, SWEC and SEPCO. In case of RABEC, SWEC and SEPCO, the waivers were received subsequent to the year end. Zarqa's loan was classified as Current in the Group Consolidated financial statements as it is the only subsidiary in above four entities.

The Group has set up a process where, on quarterly basis, an internal certification of compliance is received from all Projects to ensure complete compliance with all the underlying material agreements, licenses, leasehold land renewals and permits including minimum DSCR requirements inter alia. Waivers are obtained where there are breaches, if any. Additionally, the Group establishes and successfully maintains strong relationship with all its lenders based on a strong track record of reliability, transparency and commitment for compliance, which facilitates the Group's handling of breaches, if any.

Due to related parties (non-current portion)

The following table presents a summary of the Group's Due to related parties (non-current portion) as at 31 December 2018G, 2019G and 2020G.

Due to related parties (non-current portion)		As at 31 December			Increase / (Decrease)		
SAR in 000's	Relation-ship	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ACWA Power Renewable Energy Holding (a)	Joint venture	-	781,035	773,060	-	-1.0%	-
Water and Electricity Holding Company CJSC (b)	Shareholder's subsidiary	-	-	677,966	-	-	-
Loans from minority share-holders of subsidiary (c)	-	81,176	79,167	126,813	-2.5%	60.2%	25.0%
Total		**81,176**	**860,202**	**1,577,839**	**959.7%**	**83.4%**	**340.9%**

Source: Audited consolidated financial statements

a- ACWA Power Renewable Energy Holdings Limited ("**APREH**") entered into a convertible loan agreement whereby amounts drawn down under such agreement was advanced to the ACWA Power Global Services ("**APGS**"), a fully owned subsidiary of the Company. An amount of SAR 1,361.2 million was advanced to APGS and bears a commission rate of 4.3% per annum for the first 18 months and 3.4% per annum thereafter on the capital amount outstanding. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power). During 2019G, an amount of SAR 580.6 million was converted against the advance, representing the consideration for sale of 49% of shares of the Group in APREH (see Section (6-3-5) (Comparability of Operations)). The amount is repayable within 60 months from first utilisation in the event of non-conversion (see Section (6-3-5) (Comparability of Operations)).

b- During 2020G, the Group declared a one-off dividend of SAR 2,701 million. A portion of such declared dividend, payable to the Public Investment Fund of Saudi Arabia (the "Shareholder"), was converted into a long-term non-interest-bearing loan amounting to SAR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030G unless the repayment or settlement period is mutually extended by both parties. The Group has recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term loans of a similar nature. The difference between the nominal value of the loan and its discounted value has been recognised as other contribution from shareholder within share premium (see Section (6-3-5) (Comparability of Operations) and Section 11-8-2—PIF loan agreement)).

c- These payables include:

- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SAR 41.6 million (2019G: SAR 79.2 million, 2018G: SAR 81.2 million). The loans are due for repayment on 31 August 2024G and carry profit rate at 5.75% per annum; and
- Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SAR 85.2 million. The loans are due for repayment in 2024G and carry profit rate at Libor plus 1.3% per annum.

Equity accounted investees

For details pertaining to equity accounted investees, refer to Section (6-3-7-1) Non-current assets.

Fair value of derivatives

For details pertaining to fair value of derivatives, refer to Section (6-3-7-3) Equity, Derivatives and cash flow hedges.

Deferred tax liability

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the date of the consolidated financial statements.

The following table presents a summary of the Group's Deferred tax liabilities as at 31 December 2018G, 2019G and 2020G.

Deferred tax liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Property, plant and equipment	(240,768)	(250,552)	(181,422)	4.1%	-27.6%	-13.2%
Unused tax losses	-	-	38,948	-	-	-
Fair value of derivatives	-	-	8,508	-	-	-
End-of-service employee benefit liability	-	-	2,241	-	-	-
Accruals, provisions and others	(5,008)	-	6,014	-100%	-	-
Total	**(245,776)**	**(250,552)**	**(125,711)**	**1.9%**	**-49.8%**	**-28.5%**

Source: Audited consolidated financial statements

Significant portion of deferred tax liabilities are attributable to Property, plant and equipment.

Deferred tax liabilities marginally increased by 1.9%, or SAR 4.8 million, from SAR 245.8 million as at 31 December 2018G to SAR 250.6 million at 31 December 2019G and then decreased by 49.8%, or SAR 124.8 million, to SAR 125.7 million as at 31 December 2020G. The decrease in 2020G was mainly attributable to Moroccan Projects on unused tax losses (undisputed depreciation related losses which has indefinite life) and in Barka on account of impairment.

Deferred revenue

The following table presents a summary of the Group's Deferred revenue as at 31 December 2018G, 2019G and 2020G.

Deferred revenue	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance at beginning of the year	83,560	68,071	192,546	-18.5%	182.9%	51.8%
Deferred during the year	52,744	164,036	272,985	211.0%	66.4%	127.5%
Recognized during the year	(68,233)	(39,561)	(176,378)	-42.0%	345.8%	60.8%
Balance at end of the year	**68,071**	**192,546**	**289,153**	**182.9%**	**50.2%**	**106.1%**
Less: current portion	(963)	(62,719)	(225,849)	64.13	260.1%	1431.4%
Non-current portion at end of the year	67,108	129,827	63,304	93.5%	-51.2%	-2.9%

Source: Audited consolidated financial statements

Deferred Revenue related to projects	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ALDur	-	48,879	129,262	-	164.5%	-
Barka	1,378	9,167	6,551	565.2%	-28.5%	118.0%
DGC	3,105	7,000	9,420	125.4%	34.6%	74.2%
Hajr	9,524	8,697	14,335	-8.7%	64.8%	22.7%
IBRI	-	5,225	7,755	0.0%	48.4%	-
RABEC	14,414	33,154	45,116	130.0%	36.1%	76.9%
Kirikkale	163	1,000	10,966	513.5%	996.6%	720.2%
SOHAR	456	2,000	6,109	338.6%	205.5%	266.0%
SQWEC	16,703	20,678	10,224	23.8%	-50.6%	-21.8%
SWEC	13,822	8,797	7,476	-36.4%	-15.0%	-26.5%
Zarqa	-	32,910	26,606	0.0%	-19.2%	-
Others	8,506	15,039	15,333	76.8%	2.0%	34.3%
Total	**68,071**	**192,546**	**289,153**	**182.9%**	**50.2%**	**106.1%**

Source: Management information

Deferred revenue recorded between 31 December 2018G and 2020G was mainly related to O&M revenues at NOMAC Group, which invoices to the Projects its revenues on a fixed basis as part of the O&M services. A portion of these revenues represents advances for major maintenance of plants and are recorded as deferred revenues. These deferred revenues are recognized on the statement of profit or loss as and when the major maintenance expense arises.

The increase in 2019G in Balance at end of year, from SAR 68.1 million as at 31 December 2018G to SAR 192.5 million as at 31 December 2019G is mainly due to invoicing for Zarqa by SAR 32.9 million and Al Dur by SAR 48.9 million, and the increase to SAR 289.2 million as at 31 December 2020G is due to invoicing for Al Dur by SAR 80.1 million.

Other financial liabilities

The following table presents a summary of the Group's Other financial liabilities as at 31 December 2018G, 2019G and 2020G.

Other Financial Liabilities		As at 31 December			Increase / (Decrease)		
SAR in million	Entity	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Call/put option on shares held by the Group over equity interests of non-controlling shareholders in a subsidiary (a)	Rabigh Expansion	175.4	-	-	-	-	-100.0%
On account of financial liabilities assumed on loss of control in a subsidiary (b)	ACWA Power Bahrain Holding	711.7	359.8	291.0	-49.4%	-19.1%	-36.1%
Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary (c)	ACWA Power	37.1	35.9	-	-3.2%	-100.0%	-100.0%
		924.2	**395.7**	**291.0**	**-57.1%**	**-26.5%**	**-43.9%**

Source: Audited consolidated financial statements and management

Other financial liabilities are related to the put options written by the Company in respect of shares held by non-controlling interests in a consolidated subsidiary.

a- Mourjan: In 2018G, one of the minority shareholder resolved to convert the loan to equity and a call and put options were written by Rabigh Expansion Company in relation to the c.25% shares held in Rabigh Investment Company. The option was exercised at a value of SAR 175.4 million during 2019G and the subsidiary is now fully owned by Rabigh Expansion Company.

b- Kirikkale: SAR 291.0 million as at 31 December 2020G (2019G: SAR 359.8 million, 2018G: SAR 711.7 million) on account of financial liabilities assumed on loss of control, representing the balance in relation to the sponsor support deed provided under the finance documents along with the put options against the shares of the remaining shareholders. Decrease in liabilities over the years was mainly due to cash outlays in 2019G and 2020G by SAR 351.9 million and SAR 95.4 million, respectively, associated with the recognized obligations in 2018G (see Section (6-3-5) (Comparability of Operations)) which was partially offset by the accounting impact of unwinding of discounted liabilities (2020G: SAR 13.6 million, 2019G: SAR 13 million and 2018G: SAR nil million).

c- CEGCO: Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The option is likely to be exercised/expired by 2021G. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount of SAR 27.2 million. Subsequent changes in fair value are recognised in profit or loss with a corresponding increase/decrease in financial liabilities. If the contract expires without delivery, the carrying amount of the financial liability will be adjusted against equity, and balance will be reclassified to profit or loss. The related accreted financial liability as at 31 December 2020G is SAR 11.25 million (2019G: SAR 35.9 million, 2018G: SAR 37.1 million). The liability as of 31 December 2020G is presented under other current liabilities as it will be exercised/expired by 2021G.

d- Hajr: During 2020G, the Group entered into a put and call option agreement on 5.02% (SAR 46.8 million) and 20.00% (SAR 187.5 million) of ordinary shares and shareholders' loan, respectively, (the "Options") of one of the shareholders of the holding company of an equity accounted investment Hajr Electricity Production Company. The options are exercisable anytime between 13 May 2023G to 31st December 2023G and 31 December 2023G to 31 December 2030G, respectively. The fair value of the Option is close to (zero) hence not recorded in the Company's consolidated financial statements.

Table (6-1): Option summary:-

Project	Counter party	Equity stake**	Instruments	options	consider-ation	option pe-riod	Accounting
CEGCO	International Finance Corporation	10.80%	Put option	Ordinary shares and shareholder loans	Based on discounted free cash-flows	01 July 2020 to 30 June 2021	Recorded in Company financials as a financial liability
Hajr	Samsung C&T Corporation	5.02%	Put & call option	Ordinary shares	Adjusted actual investment	13 May 2023 to 31 Dec 2023	Symmetrical terms of the option constitute a forward hence will be recorded once the option is exercisable
Hajr	Samsung C&T Corporation	20%	Put & call option	Ordinary shares	Adjusted actual investment	31 Dec 2023 to 31 Dec 2030	The fair value of the Option is zero hence not recorded in the Company's financial statements
Kirikkale	A financial institution	Nil	Put & call option	Financing Facility (Mezzanine)	Compounded value of actual investment	22 Sep 2025 to 22 Mar 2026	Deemed exercised and recorded in Company financials as financial liability
Hassyan	Commercial Bank International and a financial institution	Nil	Put & call option	Financing Facility (Mezzanine)	Outstanding Mezzanine Facility Amount	1st December 2025 till later of a) 30 December 2025 or b) 30 days after the notice was served	The fair value of the Option is zero hence not recorded in the Company's financial statements as a derivative.
Noor Energy 1	Commercial Bank International, Commercial Bank of Dubai and a financial institution	Nil	Put & call option	Financing Facility (Mezzanine)	Outstanding Mezzanine Facility Amount	22nd December 2026 till later of a) 22 January 2027 or b) 60 days after the notice was served	The fair value of the Option is zero hence not recorded in the Company's financial statements as a derivative.

Source: Management information

** at respective holding or Project company level

Employee end of service benefits' liabilities

The following table represents a summary of the Group's Employee end of service benefits' liabilities as at 31 December 2018G, 2019G and 2020G.

Employee end of service benefits' liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Balance at beginning of the year	123,980	123,148	159,598	-0.7%	29.6%	13.5%
Charge for the year recorded in profit or loss	27,336	32,023	39,379	17.1%	23.0%	20.0%
Loss / (gain) on re-measurement of defined benefit liability (OCI)	(12,960)	18,244	(11,506)	-240.8%	-163.1%	-5.8%

Employee end of service benefits' liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Paid during the year	(14,998)	(15,312)	(8,507)	2.1%	-44.4%	-24.7%
Impact of acquiring control / loss of control in a subsidiary	(57)	826	-	-1,549.1	-	-
Currency translation differences	(153)	669	-	-537.3%	-	-
Balance at end of the year	**123,148**	**159,598**	**178,964**	**29.6%**	**12.1%**	**20.6%**

Source: Audited consolidated financial statements

The increase in Employee end of service benefits' liabilities was mainly on account of headcount increase in NOMAC, the Company's head office and regional offices in line with business growth between 2018G and 2020G. Additionally, increase in the number of service years of the existing employees, following an actuarial reassessment of the long-term employee's liability accounting for the number of employees, service period, pay scales, resulted in higher end of service provision. The actuarial reassessment was carried out by an independent actuary based on the projected unit credit method in compliance with IAS 19.

End of service benefits by major entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
NOMAC	51,865	74,181	82,827	43.0%	11.7%	26.4%
Corporate	34,163	51,620	58,897	51.1%	14.1%	31.3%
CEGCO	35,182	30,276	32,442	-13.9%	7.2%	-4.0%
Others	1,938	3,521	4,798	81.7%	36.3%	57.3%
Total	**123,148**	**159,598**	**178,964**	**29.6%**	**12.1%**	**20.6%**

Source: Management information

Other liabilities

Other liabilities include various charges and payables related to non-current lease liabilities and obligations in relation to long-term spares agreements entered by NOMAC Group and provision for decommissioning cost.

Other liabilities - Non-current	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Liabilities in relation to long term spares agreement	137,736	139,742	130,339	1.5%	-6.7%	-2.7%
Asset retirement obligations	63,796	81,231	130,464	27.3%	60.6%	43.0%
Lease liabilities	-	31,144	48,619	0.0%	56.1%	-
	201,532	**252,117**	**309,422**	**25.1%**	**22.7%**	**23.9%**

Source: Audited consolidated financial statements

Liabilities in relation to long-term spares agreements relates to a restructuring agreement of outstanding balances for long-term service agreements ("LTSA") between NOMAC and two contractors.

Asset retirement obligation comprised the asset retirement obligation for Project Companies with a BOO contract, as stipulated under the PPA or WPA or both, whereby the increase in 2020G is mainly on account of Sakaka by SAR 41.9 million.

Lease liabilities relate to the estimated payments for operating leases (mostly in connection with land lease) following the adoption of IFRS 16 in 2019G. The balance was mainly related to NOMAC, CEGCO, Barka, Zarqa and Corporate, among others.

6-3-7-5 Current liabilities

The following table presents a summary of the Group's Current liabilities as at 31 December 2018G, 2019G and 2020G.

Current liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Accounts payable and accruals	3,760,288	3,439,786	4,116,726	-8.5%	19.7%	4.6%
Short-term financing facilities	618,942	444,218	364,847	-28.2%	-17.9%	-23.2%
Current portion of long-term financing and funding facilities	1,018,637	2,271,229	1,178,360	123.0%	-48.1%	7.6%
Due to related parties	-	19,964	43,280	-	116.8%	-
Fair value of derivatives	10,613	51,883	59,584	388.9%	14.8%	136.9%
Zakat and taxation	113,764	183,411	276,517	61.2%	50.8%	55.9%
	5,522,244	**6,410,491**	**6,039,314**	**16.1%**	**-5.8%**	**4.6%**
Long-term financing and funding facilities classified as current (a)	-	-	1,154,796	-	-	-
Liabilities associated with assets held for sale (b)	-	373,027	-	-	-100.0%	-
Total Current liabilities	**5,522,244**	**6,783,518**	**7,194,110**	**22.8%**	**6.1%**	**14.1%**

Source: Audited consolidated financial statements

The Group's consolidated current liabilities are mainly comprised of Accounts payables and accruals, Short-term financing facilities and the Current portion of long-term financing and funding facilities. Combined, these accounted for 97.7%, 90.7% and 94.7% of the total current liabilities as at 31 December 2018G, 2019G and 2020G, respectively.

a- For details on Long-term financing and funding facilities classified as current, refer to Section (6-3-7-4) (Non-current liabilities).

b- Liabilities associated with assets held for sale in 2019G refers to the total liabilities of Karad (see Section (6-3-5) (Comparability of Operations)).

Accounts payables and accruals

The following table presents a summary of the Group's Accounts payables and accruals as at 31 December 2018G, 2019G and 2020G.

Payables and accruals	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Accounts payable	1,668,280	1,759,527	1,700,028	5.5%	-3.4%	0.9%
Accrued expenses and other liabilities	843,786	1,279,101	976,798	51.6%	-23.6%	7.6%
Dividend payable	-	-	800,881	-	-	-
Payable to a shareholder of equity accounted investee	819,197	-	93,750	-	-	-66.2%
Salaries and benefits payable	172,799	170,247	194,317	-1.5%	14.1%	6.0%
Financial charges on letters of guarantee and loans	190,911	65,784	46,731	-65.5%	-29.0%	-50.5%
Value added tax payable	42,158	49,708	75,599	17.9%	52.1%	33.9%
Deferred revenues	963	62,719	225,849	6412.9%	260.1%	1431.4%
Lease liabilities	-	4,233	2,513	-	-40.6%	-
Others	22,194	48,467	260	118.4%	-99.5%	-89.2%
	3,760,288	**3,439,786**	**4,116,726**	**-8.5%**	**19.7%**	**4.6%**

Source: Audited consolidated financial statements

Accounts payable

Account payable by major entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
APO III	334,702	327,136	359,592	-2.3%	9.9%	3.7%
CEGCO	328,141	323,747	338,062	-1.3%	4.4%	1.5%
APO II	429,716	406,242	297,464	-5.5%	-26.8%	-16.8%
Barka	16,517	156,217	153,853	845.8%	-1.5%	205.2%
Zarqa	103,081	108,177	95,337	4.9%	-11.9%	-3.8%
Sakaka	10,071	121,185	8,682	1103.3%	-92.8%	-7.2%
NOMAC	55,902	115,954	134,736	107.4%	16.2%	55.2%
Others	390,150	200,869	312,302	-48.5%	55.5%	10.5%
Total	**1,668,280**	**1,759,527**	**1,700,028**	**5.5%**	**-3.4%**	**0.9%**

Source: Management information

Accounts payable aging analysis by entity as at 31 December 2020					
SAR in 000s	1-90 days	91-180 days	181-365 days	More than 1 year	Total
APO III	181,744	6,807	25,158	145,922	359,631
CEGCO	18,340	12,851	-	306,871	338,062
APO II	256,232	1,149	1,062	39,021	297,464
Barka	53,634	73,955	23,795	2,469	153,853
Zarqa	6,283	-	-	89,054	95,337
NOMAC	58,622	11,337	4,916	59,861	134,736
Material subsidiaries	**574,854**	**106,099**	**54,932**	**641,484**	**1,379,083**
Others	-	-	-	-	320,944
Total	**574,854**	**106,099**	**54,932**	**641,484**	**1,700,028**

Source: Management information

Accounts payable increased by 5.5%, or SAR 91.2 million, from SAR 1,668.3 million as at 31 December 2018G to SAR 1,759.5 million at 31 December 2019G and then decreased by 3.4%, or SAR 59.5 million, to SAR 1,700.0 million as at 31 December 2020G. Large portion of the accounts (trade) payables is concentrated with CEGCO, Sakaka, NOMAC Group, the Moroccan Projects and the Company. Trade payables recorded by CEGCO mainly include payables to JPRC in relation to pass-through fuel supplies, which have a corresponding receivable from NEPCO (the Offtaker) and are guaranteed by the Government of Jordan, who has ownership interests in CEGCO, NEPCO and JPRC.

The increase in 2019G was mainly on account of Sakaka's construction-related outstanding payments to the EPC contractor by SAR 111.1 million and Barka's pass-through gas cost payables to the Ministry of Gas, against which Barka has a corresponding receivable from the Offtaker by SAR 139.7 million. This payable and contra receivable are on the account of the power sector restructuring in Oman which has resulted in the delay in collections from OPWP (Offtaker) for invoices issued since May 2019G, which subsequently hindered Barka's ability to settle its payables with the Ministry of Oil and Gas. This was partially offset by settlement of a payable by SAR 148.8 million in Moroccan Projects as it started operations. The decrease in 2020G was mainly on account of settlement of due to the EPC contractor by SAR 112.5 million in Sakaka, owed to; and the Moroccan assets by SAR 34.0 million, mainly due to payment made to MASEN; which was slightly offset by increase in Rabigh 3's construction related outstanding payments to the EPC contractor by SAR 41.6 million; in NOMAC by SAR 69.6 million mainly due to supplemental O&M fees for APO III, LTSA fees payable to Siemens and Barka LTE parts refurbishment.

Accrued expenses and other liabilities

Accrued expenses and other liabilities mainly include the reinsurance premium payables related to ACWA Re. The corresponding insurance receivable balances have been recorded as part of Prepayments, insurance and other receivables. Accrued expenses and other liabilities also include financial charges as well as other operating expenses.

Accrued expenses and other liabilities breakdown by major entities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR2018G-2020G
ACWA Power reinsurance	323,900	862,397	501,820	166.3%	-41.8%	24.5%
NOMAC	93,337	76,032	65,848	-18.5%	-13.4%	-16.0%
APO II	55,936	3,966	49,875	-92.9%	1157.6%	-5.6%
other entities	370,613	336,706	359,255	-9.1%	6.7%	-1.5%
Total	**843,786**	**1,279,101**	**976,798**	**51.6%**	**-23.6%**	**7.6%**

Source: Management information

Accrued expenses and other liabilities increased by 51.6%, or SAR 435.3 million, from SAR 843.8 million as at 31 December 2018G to SAR 1,279.1 million as at 31 December 2019G, and then decreased by 23.6%, or SAR 302.3 million, to SAR 976.8 million as at 31 December 2020G.

The increase in 2019G was mainly due to the increase in accrued insurance at ACWA Power Re-insurance Company by SAR 535.5 million mainly on the back of new claims filed for losses experienced during 2019G and in line with the upward revision of premiums as part of the policy renewal that took place during 2019G, which is partially offset by settlement of payable to the EPC contractor in STPC by SAR 99.7 million as it came into operation during 2019G. The decrease in 2020G was mainly due to a decrease in payables of reinsurance premiums by SAR 360.6 million (the amount is offset by a corresponding reinsurance premium receivables recorded in receivables), which was partially offset by accrual for additional costs in Nam Dinh by SAR 16.7 million and increase in other accruals and payables by SAR 18.9 million mainly in relation to NOMAC Al Dur for future services to be provided to projects.

Dividend payable

During 2020G, the Company declared dividends of SAR 2.7 billion at SR 4.18 per share to its shareholders, out of which SAR 1,000.0 million is paid during the year, and SAR 901.0 million pertaining to the Public Investment Fund of Saudi Arabia (the "Shareholder") was converted into long-term non-interest bearing loan under a loan agreement dated 16 November 2020G and SAR 800.0 million is payable to shareholders in the third quarter of 2021G (see Section (6-3-5) (Comparability of Operations) and Section (6-3-7-4) Non-current liabilities)).

Payable to a shareholder of equity accounted investee

Payable to a shareholder of equity accounted investee balance as at 31 December 2018G of SAR 819.2 million represents payable to a minority shareholder in respect of the Group's purchase of additional shares in RAWEC (see Section (6-3-5) (Comparability of Operations)). This amount was paid in 2019G.

Payable to a shareholder of equity accounted investee balance as at 31 December 2020G of SAR 93.8 million represents payable on account of acquisition of additional stake in Hajr (see Section (6-3-5) (Comparability of Operations)).

Salaries and benefits payable

Salaries and benefits payable consist of the salaries and benefits payable to the staff.

There was no material movement in Salaries and benefits payable between 2018G and 2019G.

Salaries and benefits payable increased by 14.1%, or SAR 24.1 million, from SAR 170.2 million as at 31 December 2019G to SAR 194.3 million as at 31 December 2020G mainly due to increase in NOMAC by SAR 20.8 million on salary increments, increase in bonus, leave salary and air ticket accruals (not utilized due to Covid-19) and new hirings.

Financial charges on letters of guarantee and loans

Financial charges are interest payable against letters of guarantee and loans.

Financial charges-related liabilities have decreased by 65.5%, or SAR 125.1 million, from SAR 190.9 million as at 31 December 2018G to SAR 65.8 million at 31 December 2019G, and then further decreased by 29.0%, or SAR 19.1 million, to SAR 46.7

million at 31 December 2020G. The decrease in 2019G was mainly on account of the higher interest settlement by SAR 110.5 million in Moroccan projects post achieving commercial operations, and further decrease in 2020G was mainly on settlements in Moroccan projects by SAR 8.6 million, ACF Renewables by SAR 7.0 million and NOMAC by SAR 2.3 million.

Value added tax payable

Value added tax payable is the VAT payable to the authorities on the goods and services invoiced.

Deferred revenue

Deferred revenue refers to payments received in advance, for services which have not yet been performed or goods which have not yet been delivered. For further information, see Section (6-3-7-4) Non-current liabilities).

Others

Other payables mainly represent certain payables to customs accrued by CEGCO for the purchase of decommissioning units (such as documentation fees, customs duty charges, and handling charges) and LTA payable accounted by NOMAC.

Other payables increased by 118.4%, or SAR 26.3 million, from SAR 22.2 million as at 31 December 2018G to SAR 48.5 million at 31 December 2019G, and then decreased by 99.5%, or SAR 48.2 million, to SAR 0.3 million at 31 December 2020G. The increase in 2019G was mainly due to the payment received by CEGCO as refundable deposits from Al Risha Company, which was not there in 2018G and also accrual for the customs payable. These amounts were settled during 2020G, which resulted in decrease in other payable balance as at 2020G.

Short-term financing facilities

The following table presents a summary of the Group's Short-term financing facilities as at 31 December 2018G, 2019G and 2020G.

Short-term financing facilities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Short-term financing facilities	618,942	444,218	364,847	-28.2%	-17.9%	-23.2%
Total	**618,942**	**444,218**	**364,847**	**-28.2%**	**-17.9%**	**-23.2%**

Source: Audited consolidated financial statements

Short term financing facilities by entities		As at 31 December			Increase / (Decrease)		
SR in 000s	Type	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
CEGCO	Overdraft	273,285	187,557	176,829	-31.4%	-5.7%	-19.6%
APO III	Overdraft	55,621	100,494	72,857	80.7%	-27.5%	14.5%
APO II	Overdraft	87,879	31,397	68,211	-64.3%	117.3%	-11.9%
APO I	Overdraft	46,120	23,454	40,451	-49.1%	72.5%	-6.3%
Red Sea Energy PSC	Loan	75,528	75,528	-	-	-100.0%	-100.0%
Others		80,509	25,788	6,499	-68.0%	-74.8%	-71.6%
Total		**618,942**	**444,218**	**364,847**	**-28.2%**	**-17.9%**	**-23.2%**

Source: Management information

The short-term financing facilities mainly include working capital loans drawn by subsidiaries and Project Companies to support routine operational activities.

Short-term financing facilities have decreased by 28.2%, or SAR 174.7 million, from SAR 618.9 million as at 31 December 2018G to SAR 444.2 million at 31 December 2019G and further decreased by 17.9%, or SAR 79.4 million, to SAR 364.8 million at 31 December 2020G. The decrease in 2019G was mainly on account of deconsolidation of Bokpoort by SAR 59.0 million in addition to the repayment of facilities in Moroccan Projects by SAR 35.7 million and CEGCO by SAR 85.7 million. Further decrease in 2020G was mainly due to repayment of short-term loan in Bowarege by SAR 19.5 million and CEGCO by SAR 10.7 million, settlement of loan in Red Sea Energy PSC against LD receivable from EPC contractor (SEPCO III) SAR 75.5 million, which was partially offset by drawdown of working capital facility in Moroccan Projects by SAR 27.1 million.

Current portion of long-term financing and funding facilities

These represent the current portion of the different types of loans acquired by the Company and its subsidiaries and are due to be settled within a period of one year as at each balance sheet date. A large part of the loans is non-recourse in nature and to be repaid by the subsidiaries from the cash flows generated from operations. For further information in relation to the funding structure of the Group, refer to Section (6-3-9) (Liquidity and Capital Resources).

Due to related parties (current portion)

Due to related parties (current portion)		As at 31 December			Increase / (Decrease)		
SAR in 000's	Relation-ship	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
ACWA Power Africa Holdings (Pty) Ltd	Joint venture	-	19,964	21,306	-	6.7%	-
Others	Affiliates	-	-	21,974	-	-	-
Total		**-**	**19,964**	**43,280**	**-**	**116.8%**	**-**

Source: Audited consolidated financial statements

This represents the amounts payable to an equity accounted investee for transfer of project development cost and payable to equity accounted holding companies for various management services.

Fair value of derivatives

The current liability related to the fair value of derivatives is in connection with the hedging derivatives contracted by the Company and its subsidiaries. For further discussion, please refer to Section (6-3-7-3) Equity, Derivatives and cash flow hedges.

Zakat and taxation

The following table presents a summary of the Group's Zakat and taxation as at 31 December 2018G, 2019G and 2020G.

Zakat and taxation	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
At the beginning of the year	110,045	113,764	183,411	3.4%	61.2%	29.1%
Charge - for the current year	50,142	72,369	78,057	44.3%	7.9%	24.8%
Charge - for previous year assessments	-	32,791	100,511	-	206.5%	-
Payments	(46,423)	(30,427)	(85,462)	-34.5%	180.9%	35.7%
Derecognized on loss of control	-	(5,086)	-	-	-	-
At the end of the year	**113,764**	**183,411**	**276,517**	**61.2%**	**50.8%**	**55.9%**

Source: Audited consolidated financial statements

Zakat and taxation are provided on an accrual basis in accordance with the Regulations of the GAZT in the Kingdom of Saudi Arabia. Zakat and income tax related to the Company and its subsidiaries are charged to the statement of profit or loss. Differences, if any, resulting from final assessments are adjusted in the year of their finalisation. For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with the tax regulations of the respective countries. For further details pertaining to the Zakat and tax, refer to Section (6-3-6-12) (Zakat and tax).

6-3-7-6 Contingencies and commitments (off-balance sheet)

Please refer to Section (6-3-9 Liquidity and Capital Resources).

6-3-8 Consolidated Statement of Cash Flows

The following table summarizes the Group's Consolidated Cash flows data for the years ended 31 December 2018G, 2019G and 2020G.

Consolidated Cash flow statement data	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Net cash generated from operating activities	1,877,934	1,595,616	1,910,323	-15.0%	19.7%	0.9%
Net cash used in investing activities	(3,483,487)	(2,867,275)	(1,384,488)	-17.7%	-51.7%	-37.0%
Net cash (used in) / from financing activities	3,864,589	(1,428,291)	(2,491,482)	-137.0%	74.4%	-
Net increase / (decrease) in cash and cash equivalents	**2,259,036**	**(2,699,950)**	**(1,965,647)**	**-219.5%**	**-27.2%**	**-**
Beginning cash and cash equivalents balance	3,239,229	5,498,265	2,798,315	69.7%	-49.1%	-7.1%
Ending cash and cash equivalents balance	**5,498,265**	**2,798,315**	**832,668**	**-49.1%**	**-70.2%**	**-61.1%**

Source: Audited consolidated financial statement

The Group's consolidated cash flow between 2018G and 2020G was mainly influenced by the proceeds from the issuance of new shares to PIF in 2019G, a convertible loan from SRF in 2018G and the utilization of the generated funds mainly in acquisition of additional stake in RAWEC, dividend payment to shareholders, settlement of various EBL, and purchase of property, plant and equipment by the Group. For further discussion on these items see Section (6-3-5) (Comparability of Operations)).

The Group's ending cash and cash equivalents balance decreased at a 61.1% CAGR, or by SAR 4,665.6 million, from SAR 5,498.3 million as at 31 December 2018G to SAR 832.7 million as at 31 December 2020G.

Key and material variances are analysed below.

6-3-8-1 Net cash generated from operating activities

The following table summarizes the Group's net cash flow generated from operating activities during 2018G, 2019G and 2020G.

Net cash generated from operating activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Profit before zakat and tax from continuing operations	680,316	399,746	831,639	-41.2%	108.0%	10.6%
Profit/(loss) before zakat and tax from discontinued operation including gain /(loss) recognised on loss of control in a subsidiary	(1,777,460)	559,079	15,615	-131.5%	-97.2%	-
Adjustments:						
Depreciation and amortisation	365,675	418,516	567,375	14.5%	35.6%	24.6%
Financial charges	1,014,960	1,135,151	1,089,384	11.8%	-4.0%	3.6%
(Gain)/loss recognised on loss of control in a subsidiary including related unrealized exchange loss	1,559,009	(554,358)	9,163	-135.6%	-101.7%	-92.3%
Unrealised exchange loss / (gain)	8,740	40,570	32,613	364.2%	-19.6%	93.2%
Share in net results of equity accounted investees, net of Zakat and Tax	(935,667)	(284,453)	(231,107)	-69.6%	-18.8%	-50.3%
Charge for employees' end of service benefits	27,336	32,023	39,379	17.1%	23.0%	20.0%

Net cash generated from operating activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	**2018G**	**2019G**	**2020G**	**2019G**	**2020G**	**CAGR 2018G-2020G**
Fair value of cash flows hedges recycled to profit or loss	37,110	(43,826)	(16,166)	-218.1%	-63.1%	-
Provisions	30,596	25,475	97,142	-16.7%	281.3%	78.2%
Unwinding of discount on financial liabilities	1,109	12,993	21,807	1071.6%	67.8%	343.4%
Impairment loss / (reversal) in relation to property, plant and equipment and goodwill	556,437	880,203	137,485	58.2%	-84.4%	-50.3%
Net gain on business combination achieved in stages	-	(210,673)	-	-	-	-
(Gain) / loss on disposal of property, plant and equipment	4,039	(829)	(9,588)	-120.5%	1056.6%	-
Development cost, provision and write offs, net of reversals	(4,415)	50,790	142,856	-1250.4%	181.3%	-
Changes in operating assets and liabilities						
Accounts receivable, prepayments and other receivables	(1,314,643)	(544,806)	(288,813)	-58.6%	-47.0%	-53.1%
Inventories	43,937	14,485	(12,511)	-67.0%	-186.4%	-
Payables and accruals	745,001	(1,087,739)	(219,574)	-246.0%	-79.8%	-
Due from related parties	184,229	73,116	13,095	-60.3%	-82.1%	-73.3%
Strategic fuel inventories	424	6,860	11	1517.9%	-99.8%	-83.9%
Net investment in finance lease	302,279	306,862	(354,672)	1.5%	-215.6%	-
Other assets	219,681	(43,834)	(826)	-120.0%	-98.1%	-
Other liabilities	1,227	77,192	57,305	6191.1%	-25.8%	583.4%
Deferred revenue	(16,452)	119,785	(66,523)	-828.1%	-155.5%	101.1%
Net cash from operations	**1,733,468**	**1,382,328**	**1,855,089**	**-20.3%**	**34.2%**	**3.4%**
Employees' terminal benefits paid	(14,998)	(15,312)	(8,507)	2.1%	-44.4%	-24.7%
Zakat and tax paid	(46,423)	(30,427)	(85,462)	-34.5%	180.9%	35.7%
Dividends received from equity-accounted investees	205,887	259,027	149,203	25.8%	-42.4%	-14.9%
Net cash generated from operating activities	**1,877,934**	**1,595,616**	**1,910,323**	**-15.0%**	**19.7%**	**0.9%**

Source: Audited consolidated financial statements

Net cash generated from operating activities decreased by 15.0%, or SAR 282.3 million, from SAR 1,877.9 million in 2018G to SAR 1,595.6 million in 2019G and then increased by 19.7%, or SAR 314.7 million, to SAR 1,910.3 million in 2020G. The decrease in 2019G was mainly driven by payment for the 2018G acquisition of 37% of RAWEC by SAR 819 million (see Section (6-3-5) (Comparability of Operations)), which was partially offset by account receivable, prepayments and other receivables. The increase in 2020G was mainly driven by movements in net operating assets and higher operating profits, which was partially offset by lower collection of dividend from equity accounted investees SAR 109.8 million and higher Zakat payment SAR 55.0 million in 2020G.

6-3-8-2 Net cash used in investing activities

The following table summarizes the Group's net cash flow used in investing activities during 2018G, 2019G and 2020G.

Net cash used in investing activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Purchase of property, plant and equipment and intangible assets	(3,186,281)	(2,045,876)	(1,457,633)	-35.8%	-28.8%	-32.4%
Proceeds on disposal of property, plant, and equipment	-	3,434	21,996	-	540.5%	-
Investments in associates and joint ventures	(209,794)	(147,967)	(74,722)	-29.5%	-49.5%	-40.3%
Disposals and acquisition of NCI, net	(70,725)	11,547	-	-116.3%	-	-
Net cash outflow on business acquisition	-	(481,695)	-	-	-	-
Proceeds on disposal of net assets held for sale	-	-	125,871	-	-	-
Cash de-recognised on loss of control in a subsidiary or classification as held for sale	(16,687)	(206,718)	-	1138.8%	-	-
Net cash used in investing activities	**(3,483,487)**	**(2,867,275)**	**(1,384,488)**	**-17.7%**	**-51.7%**	**-37.0%**

Source: Audited consolidated financial statements

Net cash used in investing activities decreased by 17.7%, or SAR 616.2 million, from SAR 3,483.5 million in 2018G to SAR 2,867.3 million in 2019G and further decreased by 51.7%, or SAR 1,482.8 million, to SAR 1,384.5 million in 2020G. The decrease in 2019G was mainly due to lower expenditure in property, plant and equipment in 2019G versus that in 2018G, when many projects had commenced operations, which was partially offset by net cash outflow on acquisition of RAWEC by SAR 481.7 million; by de-recognised cash on loss of control of some of the renewable assets in relation to the APREH transaction and by Karad, which is classified as held for sale amounting to SAR 190.0 million; (see Section (6-3-5) (Comparability of Operations)). The decrease in 2020G was mainly due to lower expenditure in property, plant and equipment as many projects commenced operations during 2019G; proceeds from sale of asset held for sale during 2020G of SAR 125.8 million; and higher cash outflow in 2019G on account of RAWEC's acquisition of SAR 481.7 million.

6-3-8-3 Net cash (used in) / from financing activities

The following table summarizes the Group's net cash flow (used in) / from financing activities during 2018G, 2019G and 2020G.

Net cash (used in) /from financing activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Proceeds from issue of share capital	2,042,938	-	-	-100.0%	-	-100.0%
Financing and funding facilities, net of transaction costs	3,150,772	703,310	(252,085)	-77.7%	-135.8%	-
Due to related parties	(61,202)	(4,944)	47,420	-91.9%	-1059.1%	-
Other financial liabilities	-	(541,464)	(116,807)	-	-78.4%	-
Financial charges paid	(973,369)	(1,231,446)	(1,087,501)	26.5%	-11.7%	5.7%
Dividends paid	(294,550)	(338,584)	(1,082,509)	14.9%	219.7%	91.7%
Capital contributions from and other adjustments to non-controlling interest	-	(15,163)	-	-	-100.0%	-
Net cash (used in) / from financing activities	**3,864,589**	**(1,428,291)**	**(2,491,482)**	**-137.0%**	**74.4%**	**-**

Source: Audited consolidated financial statements

Net cash from financing activities decreased by 137.0%, or SAR 5,292.9 million, from SAR 3,864.6 million in 2018G to SAR (1,428.3) million in 2019G. Net cash used then increased by 74.4%, or SAR 1,063.2 million, to SAR (2,491.5) million in 2020G.

The decrease in 2019G was primarily driven by the higher cash in 2018G owing to the proceeds received i) against share capital on account of the issuance of new equity shares to PIF by SAR 2,042.9 million; and ii) the convertible loan from SRF by SAR 1,361.4 million in 2018G (see Section (6-3-5) (Comparability of Operations)) in addition to cash outflow in relation to settlement of other financial liabilities by SAR 541.5 million during 2019G (see Section (6-3-7-4) (Non-current liabilities)). The increase in net cash used in 2020G was mainly due to higher dividend payment in 2020G of SAR 1082 million in 2020G, compared to SAR 338.6 million in 2019G to shareholders (see Section (6-3-5) (Comparability of Operations) and settlement of financing and funding (see Section (6-3-7-4) (Non-current liabilities)).

6-3-9 Liquidity and Capital Resources

6-3-9-1 Overview

The Company utilizes diverse sources of financing including a combination of equity and debt financing from a variety of sources including institutional investors, international development banks and international and national (Saudi) commercial banks. Debt financing raised by the Group may be:

On a non-recourse basis, where the financing is secured entirely by the Project Companies' assets or cash flows;

On a recourse basis, where the Company provides a form of security for its equity commitments in the form of Equity Bridge Loans (EBLs); and

Corporate facilities, for liquidity support and other general corporate purposes.

Under the Shareholder Agreements with other shareholders of the Group's joint ventures and associates, dividend policies have been agreed to maximise shareholder returns by the distribution of all available profits. As at 31 December 2020G, the Group's Cash and cash equivalents totalled SAR 832.7 million, of which 90.6%, or SAR 755.4 million, was held by its subsidiaries.

6-3-9-2 Capitalisation and indebtedness

The following table sets forth the Group's borrowings, current and non-current, as well as its equity as extracted from the Company's audited consolidated statement of financial position as at 31 December 2020G.

	As at 31 December		
SAR in 000's	**2018G**	**2019G**	**2020G**
Recourse debt	3,185,113	1,825,887	753,314
Non-recourse debt	12,369,340	14,922,544	15,746,631
Total Borrowings in relation to projects *	**15,554,453**	**16,748,431**	**16,499,945**
Recourse debt	12,237	1,125	113,630
Non-recourse debt	187,500	-	-
Total Corporate facilities	**199,737**	**1,125**	**113,630**
APMI One bond Non-recourse	**2,999,129**	**3,002,617**	**3,006,325**
Recourse debt	3,197,350	1,827,012	866,944
Non-recourse debt	15,555,969	17,925,161	18,752,956
Group Consolidated debt	**18,753,319**	**19,752,173**	**19,619,900**
Share capital	6,429,344	6,429,344	6,429,344
Share premium	1,177,031	1,177,031	1,410,398
Statutory reserve	437,239	554,626	642,883
Retained earnings	2,363,259	3,102,108	1,184,908
Equity attributable to owners of the Company before other reserves	**10,406,873**	**11,263,109**	**9,667,533**
Other reserves	(717,900)	(1,361,236)	(2,798,419)
Equity attributable to owners of the Company	**9,688,973**	**9,901,873**	**6,869,114**
Non-controlling interest	1,385,184	703,504	531,041
Total equity	**11,074,157**	**10,605,377**	**7,400,155**

Source: Audited consolidated financial statement

*Including projects under constructions

The Group's Projects are typically funded through (i) non-recourse finance facilities that are generally secured by the borrower (i.e. the subsidiary or Project Company) with its own assets, cash flows and contractual rights over certain proceeds with no recourse to the shareholders of the project companies (including the Company) and (ii) equity commitments by the shareholders for their respective portion of equity (recourse to ACWA Power). The recourse facilities are direct borrowing by the Company or borrowings secured by the Company through corporate guarantees.

Net Recourse debt of the Company

The following table sets forth the Group's net recourse borrowing as at 31 December 2018G, 2019G and 2020G).

Net Recourse debt	As at 31 Dec		
SAR in 000's	2018G	2019G	2020G
Recourse			
Recourse debt in relation to projects	3,185,113	1,825,887	753,314
Recourse debt at Company level	12,237	1,125	113,630
Other liabilities (a) & (b)	-	781,035	1,451,026
Total recourse debt	**3,197,350**	**2,608,047**	**2,317,970**
Less: Free cash and cash equivalents	4,469,875	1,829,206	78,803
Net recourse debt	**(1,272,525)**	**778,841**	**2,239,167**

Source: Audited consolidated financial statement

The reduction in Net recourse borrowing was driven by the utilization of 62% of the non-recourse Bond proceeds to prepay SAR 1,894 million of short- to medium-term recourse equity bridge loans during 2019G and 2020G (see below "APMI Bond and other funding instruments of the Company."

a- During 2018G, ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Company, entered into a convertible loan agreement (the "Loan") with the CVXF Inc. (Silk Road Fund ("SRF")) of China. Under the subject agreement, APREH borrowed a sum of SAR 1,361.3 million, which was advanced to ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement, bearing a commission rate of 4.3% per annum for the first 18 months and 3.4% per annum thereafter on the capital outstanding. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power). During 2019G, an amount of SAR 580.6 million was converted against the advance, representing the consideration for sale of 49% of shares of the Group in APREH. For further discussion, see Section (6-3-2-3) (Principal Factors Affecting Financial Charges) and Section (6-3-5) (Comparability of Operations).

b- During 2020G, the Company declared dividends of SAR 2.7 billion at SR 4.18 per share to its shareholders, out of which SAR 1,000.0 million was paid during the year, SAR 800.0 million was shown as payable to shareholders and SAR 901.0 million pertaining to the Public Investment Fund (PIF) of Saudi Arabia (the "Shareholder") was converted into a long-term non-interest-bearing loan through the same shareholder's fully owned subsidiary. This loan will be subject to future investment adjustments on behalf of the shareholder's subsidiary based on certain conditions and can be settled at any time post-November 2023G with initial long-stop date of 31 December 2030G. The Group has recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term advances of a similar nature (see Section (6-3-5) (Comparability of Operations) and Section [11-8-2] for further details on PIF loan agreement).

APMI One's Bond and other funding instruments of the Company

The Bonds

In May 2017G, the Group's wholly owned special purpose vehicle subsidiary, ACWA Power Management and Investments One Ltd. ("APMI One") issued ACWA39 (the Bonds) due 2039G with an aggregate principal of USD 814 million (SAR 3,052.5 million), payable semi-annually in instalments on 15 June and 15 December of each year till and through the maturity date of the Bonds, with principal payments commencing 15 June 2021G.

Principal on the bonds will be repayable in accordance with the following amortization schedule:

Payment Date	Percentage of original principal amount payable
June 15, 2021	0.107%
December 15, 2021	0.083%
June 15, 2022	0.010%
December 15, 2022	0.000%
June 15, 2023	0.029%
December 15, 2023	0.681%
June 15, 2024	2.484%
December 15, 2024	2.377%
June 15, 2025	1.929%
December 15, 2025	1.711%
June 15, 2026	1.888%
December 15, 2026	4.438%
June 15, 2027	4.953%
December 15, 2027	4.152%
June 15, 2028	5.306%
December 15, 2028	5.304%
June 15, 2029	5.269%
December 15, 2029	8.595%
June 15, 2030	8.410%
December 15, 2030	7.165%
June 15, 2031	4.928%
December 15, 2031	3.464%
June 15, 2032	3.452%
December 15, 2032	3.184%
June 15, 2033	4.224%
December 15, 2033	4.399%
June 15, 2034	1.980%
December 15, 2034	2.630%
June 15, 2035	2.358%
December 15, 2035	1.669%
June 15, 2036	1.186%
December 15, 2036	0.257%
June 15, 2037	0.238%
December 15, 2037	0.257%
June 15, 2038	0.261%
December 15, 2038	0.158%
June 15, 2039	0.225%
December 15, 2039	0.238%

ACWA39 is structured as a project bond and has been serviced at time of issuance by dividend and fee payments from eight power and water projects in Saudi Arabia and an operations and maintenance company, NOMAC KSA except Shuaibah IWPP O&M. Since January 2018G, one of the projects, Bowarege IWP, has not been contributing in debt servicing following the expiry of its contract. ACWA39 is currently serviced by dividend and fee payments from seven power and water projects in Saudi Arabia and NOMAC, following the disposal in 2020G of Bowarege IWP (see Section (6-3-5) (Comparability of Operations)). In addition to NOMAC, the remaining seven projects continue to generate stable cash flows from long-term, availability-based agreements with government-owned/related off-takers, collecting majority of their cash flows on capacity-based payments and the O&M subsidiary of the Group, NOMAC, receiving super senior cash flows from the underlying projects.

Funds from the issuance were advanced to ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, who then utilised these funds to settle EBL commitments pertaining to some of the Group entities (SWEC, SQWEC, RAWEC, MEPCO, JWAP) under the "Use of Proceeds" as stipulated in the Offering Memorandum (OM, or Prospectus) and remaining funds were utilized for general corporate purposes as permitted under the bond indenture. During 2017G, approximately 62.0% of the Bond's proceeds (SAR 1,894 million) were used to prepay a short- to medium-term Equity Bridge Loan, and 9.5% were used to settle an outstanding Murabaha Facility. 28.5% of the remaining proceeds, post-netting off the Bond's transaction related cost, was available for equity infusion in new projects as well as for general corporate purposes. With the issuance of the Bonds, the Group was able to replace short- to medium-term borrowings with a 22-year amortizing facility.

ACWA39 as of the date of this Prospectus has two investment grade ("IG") ratings—Moody's Baa3 with Stable outlook and Fitch BBB- with Stable outlook—reflecting the stable, predictable and diversified revenue streams underpinned by long-term availability-based offtake contracts with government-related entities. Historically since its issuance, APMI One has been consistently maintaining cash inflows well above the covenant requirement of 1.35x mainly thanks to the diversified nature of the cash generating portfolio.

As part of their security package, the Bondholders benefit from the minimum debt service coverage ratio (DSCR) of 1.35x as well as the debt service reserve account (DSRA) standby letter of credit in favour of the Bondholders equivalent to immediate next 12-month debt service, and a the pledge over the Issuer's collection account into which distributions and cash flows from the eight Saudi Arabian assets are deposited. Additionally, the Bondholders have a share pledge on the Issuer besides ACWA Power's shares in the eight Saudi Arabian assets of the Group through its directly or indirectly wholly owned subsidiaries of APP and NOMAC.

The table below sets forth certain selected information about the asset portfolio:

Project	Project Cash flows secured for Bond	O&M Cash flows secured for Bond
Shuaibah Expansion IWP	Yes	Yes
Shuaibah IWPP	Yes	No
Marafiq IWPP	Yes	Yes
Shuqaiq IWPP	Yes	Yes
Rabigh IPP	Yes	Yes
Qurayyah IPP	Yes	Yes
Bowarege IWP *	Yes	Yes
RAWEC IWSPP	Yes	Yes
Rabigh 2 IPP	No	Yes

Source: Management information

*Since January 2018G, Bowarege IWP has not been contributing in debt servicing following the expiry of its contract. ACWA39 is currently serviced by dividend and fee payments from seven power and water projects in Saudi Arabia and NOMAC, following the disposal in 2020G of Bowarege IWP

Revolving Murabaha Facility

The Company has raised and is maintaining various revolving facilities for liquidity support and other general corporate purposes. Total commitment under these facilities is USD 343 million (SAR 1,286.25 million). The Company has kept these facilities unutilized and drew down only a mere USD 30.3 million (SAR 113.6 million) as at December 31, 2020G; these facilities are presently available for different maturities between April 2022G and August 2023G. The Company has the right to prepay any outstanding amounts under the Murabaha Facility or cancel the available facility amount by giving the participants notice of its intention to do so.

Sukuk Issuance Programme

On 10 May 2021, ACWA Power as the "Issuer" launched its inaugural SAR 5 billion, 7-year Sukuk programme (shariah compliant Mudaraba-Murabaha structure) in Saudi Arabia in the form of a CMA-approved privately placed unlisted unrated Sukuk issuance earmarked for sophisticated investors. The initial tranche under the programme was sized at SAR 2.8 billion. The final pricing and book building were completed in early June 2021 with a pricing of 6-month SAIBOR+100 bps per annum. The remaining amount of SAR 2.2 billion under the Sukuk program will be issued at the discretion of ACWA Power based on its funding requirements.

The Sukuk was issued only in the Kingdom of Saudi Arabia under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia ("CMA") as a privately placed, unlisted issuance. The Sukuk Programme was approved by the CMA in November 2020G.

The payment obligations in respect of each Sukuk will each constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu with all other outstanding unsecured, unsubordinated obligations of the Issuer.

The Sukuk's proceeds will primarily be used for funding phase 1 of ACWA Power's equity commitment in the Jazan Integrated Gasification Combined Cycle (Jazan IGCC) complex, with respect to which ACWA Power is a joint venture partner with Air Products and Saudi Aramco, or else for its general corporate purposes.

6-3-9-3 Contingencies and Commitments (Contingent liabilities)

Off-balance sheet commitments include bid bonds, letters of credit, guarantees in relation to equity bridge loans or equity letters of credit and other corporate guarantees and performance guarantees including those issued in relation to bank facilities for Project Companies. The following table provides an analysis of off-balance sheet commitments for the three years ended 31 December 2020G.

Contingencies and commitments (Contingent liabilities)	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Guarantees in relation to equity bridge loans or equity letters of credits	1,666,704	2,923,679	3,803,049	75.4%	30.1%	51.1%
Bonds, letter of credits and other contingencies and commitments	7,339,355	7,647,665	7,541,811	4.2%	-1.4%	1.4%
Total	**9,006,059**	**10,571,344**	**11,344,860**	**17.4%**	**7.3%**	**12.2%**

Source: Audited consolidated financial statement

As at 31 December 2020G, the Group had outstanding contingent liabilities in the form of letters of guarantee, amounting to SAR 11,344.9 million (2019G: SAR 10,571.3 million; 2018G: SAR 9,006.1 million). The amount also includes the Group's share of equity accounted investees' commitments.

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SAR 582.4 million (2019G: SAR 554.7 million, 2018G: SAR 527.0 million) as interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the Offtaker ("NEPCO"). Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence, the CEGCO management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these consolidated financial statements.

Further, certain of the Group's subsidiaries and joint ventures are in dispute with contractors in relation to performance liquidated damages. The matters have been referred to arbitration and a favourable outcome is probable for Project Companies. Accordingly, no provision or asset is recognized in these consolidated financial statements.

The following table breaks down the Company's contingent liabilities as at 31 December 2018G, 2019G and 2020G).

	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Performance / development securities and completion support LCs	5,572,960	5,411,258	5,104,362	-2.9%	-5.7%	-4.3%
DSRA standby letter of credits	944,036	1,034,649	1,146,903	9.6%	10.8%	10.2%
Bid bonds for projects under development stage	250,404	195,275	154,022	-22.0%	-21.1%	-21.6%
Guarantees in relation to EBLs and Equity LCs	1,666,703	2,923,679	3,803,049	75.4%	30.1%	51.1%
Guarantees on behalf of ACWA Power JVs and subsidiaries	571,956	926,483	1,082,764	62.0%	16.9%	37.6%
Guarantees to funded facilities of JVs	-	80,000	53,760	-	-32.8%	-
Total	**9,006,059**	**10,571,344**	**11,344,860**	**17.4%**	**7.3%**	**12.2%**
ACWA Power commitment	2,238,659	3,930,162	4,939,573	75.6%	25.7%	48.5%
Other Commitment*	6,767,400	6,641,182	6,405,287	-1.9%	-3.6%	-2.7%
Total	**9,006,059**	**10,571,344**	**11,344,860**	**17.4%**	**7.3%**	**12.2%**

Source: Audited consolidated financial statement & management information

*Other commitment represents performance/development securities, completion support LCs, DSRA standby letter of credits and bid bonds for projects under development stage

ACWA Power has contractual commitments and contingent liabilities on account of:

i. **Performance/development securities and completing support LCs** of SAR 5,104 million, in the form of performance bonds, development securities and completion support and cost overrun letters of credit, are provided to the Offtakers or to the Project Companies to cover various obligations related to timely completion of construction, as follows:

- Performance Bonds are provided to the Offtaker against obligations related to timely completion of construction and payment of any liquidated damages due to delays. In return, the Project mostly receives back-to-back performance bond from respective Project's EPC contracts;
- Cost over-run letters of credit are provided to the Project to cover additional equity obligations in case of cost overruns in the Projects. Usually in all Projects, budgeted contingencies are included in project cost to address cost overruns. Hence the cost overrun LC is triggered, subject to satisfaction of other conditions in the contract, if the overrun exceeds the contingencies amount in the Project cost; and
- Completion support letters of credit are issued to the Offtaker and serve as an additional backstop to performance guarantees.

ii. **DSRA standby letters of credit** of SAR 1,146.9 million, in the form of standby letter of credit provided to by ACWA Power in favour of the facility agent of senior lenders for specific projects. The standby letter of credit covers ACWA Power's pro-rata obligation for the next loan instalment (debt service reserve) to be held in a reserve account either as cash or an acceptable SBLC.

iii. **Bid bonds for projects under development stage** of SAR 154 million, in the form of bid bonds provided by ACWA Power in favour of the Offtaker along with its submitted bids.

iv. **Guarantees in relation to EBLs and Equity LCs** of SAR 3,803 million, availed by the Project Companies that have been secured by a shareholder guarantee from the Company (proportionate to its share of equity in the Project) and thus have recourse to the Company. The amount of SAR 2,894.7 million as at 31 December 2020G relates to EBLs and SAR 908.4 million relates to equity LCs. The SAR 3,803 million commitments represent future equity commitments of the Company.

v. **Guarantees on behalf of ACWA Power JVs and subsidiaries** of SAR 1,082.7 million, in guarantees provided by ACWA Power to cover non-funded obligations of its subsidiaries and associates, including NOMAC's, as the O&M service providers (SAR 214 million as of December 31 2020G).

vi. **Guarantees to funded facilities** of JVs of SAR 53.8 million, in guarantees provided by ACWA Power to cover funded obligations of its joint ventures.

Equity Bridge Loans commitments

The Group utilizes Equity Bridge Loans (EBL) to finance equity commitments of the Company in its Projects. Such EBL are structured as direct borrowing by subsidiaries, joint ventures and associates against security provided by the Company. As at 31 December 2020G, the Group has EBL commitments of SAR 3,517.8 million, out of which SAR 2,894.7 million is reported under contingencies and commitments (refer note (iv) above), whereas remaining amount is on the statement of financial position (SAR 623.1 million disclosed in non-current recourse borrowing (see Section (6-3-7-4) Non-current liabilities, Long-Term financing and funding).

The following table summarizes the contractual maturities of the EBL, which will be converted into equity from the Company to the Projects as at 31 December 2020G.

Contractual maturities of the Equity Bridge Loans ("EBL") commitments	Equity injection commitment					
SAR in 000's	Within 12 months	1-2 years	2-3 years	3-4 years	4-5 years	5 years
Total EBL Commitment	64,272	159,585	772,373	178,449	2,079,598	263,583

Source: [Management Information]

6-3-10 Financial and Market Risks

The Group's activities expose it to a variety of financial risks, namely, market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group is committed to implement risk management best practices by means of adopting sound Enterprise Risk Management (ERM) principles, which has been formalised in the Group's ERM Policy, as endorsed by its Management and approved by its Board of Directors.

6-3-10-1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables from these them.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position as at 31 December.

Credit risk			
SAR in 000's	2018G	2019G	2020G
Bank balances	5,497,422	2,797,648	832,000
Finance lease receivable	9,331,619	10,574,236	10,928,908
Trade receivables	1,201,629	1,210,835	1,305,077
Fair value of derivatives	13,273	-	-
Due from related parties	828,500	845,414	832,319
Insurance receivables	328,514	886,497	516,748
Other financial assets	41,748	41,508	46,720
TOTAL	**17,242,705**	**16,356,138**	**14,461,772**

Source: Audited consolidated financial statement

Bank balances

Credit risk on bank balances is limited as these are held with banks with sound credit ratings.

Finance lease receivable

Finance lease receivable represents the receivables of the Group's subsidiaries in Morocco and Saudi Arabia from the respective Offtakers in accordance with the respective PPAs. Credit risk attached to the finance lease receivable is limited on account of the strength of the government letter of support or sound credit rating of the Offtakers.

Trade receivables

The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Below is the concentration of credit risk by different geographies:

Credit risk on trade receivables	As at 31 December		
SAR in 000's	2018G	2019G	2020G
Government and Quasi Government			
Hashemite Kingdom of Jordan (covered by government guarantee)	531,430	517,760	627,087
Sultanate of Oman (covered by government guarantee)	56,978	193,526	178,064
Morocco (covered by government letter of support)	227,644	173,665	165,958
South Africa (covered by government guarantee)	54,077	-	-
Kingdom of Saudi Arabia ("KSA")	96,580	155,028	196,371
United Arab Emirates ("UAE")	229,578	168,989	137,469
Others*	5,342	1,867	128
Total	**1,201,629**	**1,210,835**	**1,305,077**

Source: Audited consolidated financial statement

*Others mainly represent receivable balances from customers in Turkey and Bulgaria.

The customers in Saudi Arabia and the UAE have been transacting with the Group for a few years, and, historically, the Group has not encountered any case that required any material impairment with respect to these customers. Accordingly, the balances due from these customers are assessed to have a strong credit quality and limited credit risk.

As at 31 December 2018G, 2019G and 2020G, the ageing of trade and other receivables that were not impaired was as follows:

Ageing of trade receivables			
SAR in 000's	2018G	2019G	2020G
Neither past due nor impaired	836,752	747,094	597,309
Past due 1-90 Days	35,392	75,154	135,774
More than 90 Days	329,485	388,587	571,994
Total	**1,201,629**	**1,210,835**	**1,305,077**

Source: [Audited consolidated financial statement]

Management believes that receivables due by more than 90 days that are unimpaired are still collectible in full, based on past performance and expected credit loss model, which involves extensive analysis of credit risk, including customers' credit ratings, if it is available.

The movement in allowance for impairment, including both specific and collective, in respect of trade receivables during the year was as follows:

Movement in allowance for impairment			
SAR in 000's	2018G	2019G	2020G
Opening balance 1 January	71,402	64,334	31,657
Impairment loss reversal / recognized	13,656	(15,464)	(2,862)
Amount written off	(20,724)	(9,248)	-
Derecognized on loss of control	-	(7,965)	-
Closing balance 31 December	**64,334**	**31,657**	**28,795**

Source: [Audited consolidated financial statement]

Fair value of Derivatives

Derivatives are mainly designated as hedging instruments and reflect positive change in fair value of foreign exchange forward ("Forward") and interest rate swap ("IRS") contracts. These Forwards and IRSs are entered into with banks or financial institutions with sound credit ratings.

Due from related party and other financial assets

Other financial assets include dividend receivable, advances for investments, advances to employees and other receivables. Credit risk attached to related party balances is limited due to sound financial position of the related parties. There is no credit risk attached to advances for investments and advances to employees. Credit risk attached to other financial instruments is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Insurance receivables

Insurance receivables represent amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contracts.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, ACWA Reinsurance, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. The reinsurance is affected under facultative arrangements. Between 31 July 2019G and 30 July 2020G, ACWA Power retained an element of risk within its property reinsurance program with a maximum cap of USD 1.5 million per project for each and every event and in the aggregate for the relevant policy period for certain projects.

To minimise its exposure to significant losses from reinsurer insolvencies, ACWA Reinsurance evaluates the financial condition of its reinsurers. ACWA Reinsurance only deals with A-rated reinsurers approved by the Board of Directors of the company.

Credit Concentration

Except as disclosed, no significant concentration of credit risk was identified by the Management as at 31 December 2020G.

6-3-10-2 Liquidity risk

Liquidity risk is the risk of the Group encountering difficulty in raising funds to meet its commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

The following are the remaining contractual maturities of financial liabilities as at 31 December 2018G to 2020G. The amounts are gross and undiscounted and include contractual interest payments:

			Contractual cash flows			
Contractual maturities of financial liabilities	**Carrying Amount**	**Total**	**No fixed maturity**	**0-12 months**	**1-5 years**	**More than 5 years**
SAR'000						
31 December 2020G						
Non-derivative financial liabilities						
Short term facilities	364,847	375,792	-	375,792	-	-
Term financing and funding facilities	18,465,104	27,860,037	-	2,017,828	9,047,860	16,794,349
Due to related parties	1,621,119	1,675,713	823,667	34,832	139,866	677,348
Other financial liabilities	4,506,133	4,506,133	4,506,133	-	-	-
	24,957,203	**34,417,675**	**5,329,800**	**2,428,452**	**9,187,726**	**17,471,697**
Derivative financial liabilities						

Contractual maturities of financial liabilities	Carrying Amount	Total	Contractual cash flows			
			No fixed maturity	0-12 months	1-5 years	More than 5 years
SAR'000						
31 December 2020G						
Interest rate swaps and currency forwards used for hedging	710,373	938,709	-	104,387	394,943	439,379
31 December 2019G						
Non-derivative financial liabilities						
Short term facilities	444,218	457,545	-	457,545	-	-
Term financing and funding facilities	19,752,173	27,439,750	-	3,371,576	8,049,260	16,018,914
Due to related parties	880,166	907,478	781,035	4,552	18,208	103,683
Other financial liabilities	4,037,919	4,037,919	4,037,919	-	-	-
	25,114,476	**32,842,692**	**4,818,954**	**3,833,673**	**8,067,468**	**16,122,597**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	338,325	446,207	-	52,720	245,663	147,824
31 December 2018G						
Non-derivative financial liabilities						
Short term facilities	618,942	637,510	-	637,510	-	-
Term financing and funding facilities	18,753,319	26,666,492	-	1,857,532	8,322,077	16,486,883
Due to related parties	81,176	109,182	-	4,668	18,670	85,844
Other financial liabilities	4,843,857	4,843,857	4,843,857	-	-	-
	24,297,294	**32,257,041**	**4,843,857**	**2,499,710**	**8,340,747**	**16,572,727**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	143,211	272,591	-	4,058	148,375	120,158

Source: Audited consolidated financial statement

6-3-10-3 Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk or future cash flow on its interest-bearing assets and liabilities, including bank deposits, finance lease receivables, bank overdrafts, term loans and amounts due from/to related parties. The Group hedges long-term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest-bearing financial liabilities as reported by the Management of the Group is as follows:

Interest rate risk	As at 31 December		
SAR in 000's	**2018G**	**2019G**	**2020G**
Financial liabilities			
Fixed rate including interest free	14,639,088	16,098,134	14,661,145
Floating rate	4,114,231	3,654,039	4,958,755

Source: Audited consolidated financial statement

Sensitivity analysis

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the Group's statement of profit or loss.

In case of variable interest rate financial instruments, a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Sensitivity analysis	Profit or loss		Equity	
SAR in 000's	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
For the year ended 31 Dec 2020G				
Variable rate financial liabilities	(49,588)	49,588	(49,588)	49,588
Interest rate swaps	38,713	(38,713)	38,713	(38,713)
Net sensitivity	**(10,875)**	**10,875**	**(10,875)**	**10,875**
For the year ended 31 Dec 2019G				
Variable rate financial liabilities	(39,565)	39,565	(39,565)	39,565
Interest rate swaps	35,567	(35,567)	35,567	(35,567)
Net sensitivity	**(3,998)**	**3,998**	**(3,998)**	**3,998**
For the year ended 31 Dec 2018G				
Variable rate financial liabilities	(41,142)	41,142	(41,142)	41,142
Interest rate swaps	29,517	(29,517)	29,517	(29,517)
Net sensitivity	**(11,625)**	**11,625**	**(11,625)**	**11,625**

Source: Audited consolidated financial statement

6-3-10-4 Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the companies within the Group. As most of the Group's transactions are denominated in US Dollars (USD) or are denominated in currencies that are pegged to the USD, exposure to the currency risk by the Group is limited. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Foreign currency risk				
SAR in 000's	EUR	MAD	USD	JPY
31 December 2020G				
Borrowings and other financial liabilities	3,826,870	2,591,525	-	141,318
Finance lease receivables	(3,874,007)	(3,001,992)	-	-
Net position	(47,137)	(410,467)	-	141,318
Impact of currency forwards	-	-		(53,898)
Net exposure	**(47,137)**	**(410,467)**	**-**	**87,420**
31 December 2019G				
Borrowings and other financial liabilities	3,619,095	2,419,965	-	157,698
Finance lease receivables	(3,643,128)	(2,944,294)	-	-
Net position	(24,033)	(524,329)	-	157,698
Impact of currency forwards	-	-	-	(87,610)
Net exposure	**(24,033)**	**(524,329)**	**-**	**70,088**

Foreign currency risk				
SAR in 000's	EUR	MAD	USD	JPY
31 December 2018G				
Borrowings and other financial liabilities	3,759,543	1,962,260	118,430	181,531
Finance lease receivables	(3,795,309)	(2,537,564)	-	-
Net position	(35,766)	(575,304)	118,430	181,531
Impact of currency forwards	-	-	-	(29,776)
Net exposure	**(35,766)**	**(575,304)**	**118,430**	**151,755**

Source: Audited consolidated financial statement

Sensitivity analysis

A reasonably possible strengthening (or weakening) of respective currencies against Saudi Riyal at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss as shown below. The analysis assumes that all other variables, in particular the interest rates, remain constant and ignores any impact of forecast sales and purchases.

Sensitivity analysis	Profit or loss	
SAR in 000's	Strengthening	Weakening
31 December 2020G		
EUR (5% movement)	(2,357)	2,357
MAD (5% movement)	(20,523)	20,523
JPY (5% movement)	4,371	(4,371)
31 December 2019G		
EUR (5% movement)	(1,202)	1,202
MAD (5% movement)	(26,216)	26,216
JPY (5% movement)	3,504	(3,504)
31 December 2018G		
EUR (5% movement)	(1,788)	1,788
MAD (5% movement)	(28,765)	28,765
USD (5% movement against TRY and EUR)	5,922	(5,922)
JPY (5% movement)	7,588	(7,588)

Source: Audited consolidated financial statement

6-4 Management Discussion and Analysis of Financial Position and Results of Operations of NOMAC

The following management discussion and analysis provides a consolidated analytical review of the First National Holding Company (hereinafter referred to as "**NOMAC**") and its subsidiaries and joint ventures (collectively known as "**NOMAC Group**") financial condition and operational performance for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section is derived from the audited consolidated financial statements of NOMAC as of and for the years ended 31 December 2020G and 2019G (which include the restated comparative financial information as of and for the year ended 31 December 2018G) ("**NOMAC Audited Financial Statements**"). The financial statements have been prepared in accordance with international financial reporting standards that are endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS" as endorsed in KSA). These financial statements are not included in this Prospectus.

The audit report in relation to the financial statements as of and for the year ended 31 December 2019G includes an emphasis of matter paragraph which describes that the consolidated financial statements have been reissued by management. The management has amended its accounting policy in relation to accounting for a business combination under common control, to reflect the combination as if it had occurred from the beginning of the earliest period presented (1 January 2017G) in the reissued consolidated financial statements, regardless of the actual date of the combination. Consequently, the consolidated financial statements as of and for the year ended 31 December 2019G were reissued to reflect the accounting policy whereby it has restated the financial information for periods prior to the combination under common control. The restructuring of NOMAC group was planned to align, match and orient the rapid and progressive growth of NOMAC, which mirrors the growth of its Parent, ACWA Power. In the last few years, ACWA Power's portfolio grew significantly year on year, spanning 13 countries in the Middle East and North Africa, in Southern Africa and in South East Asia. NOMAC or its subsidiaries accompany ACWA Power and its subsidiaries in this global expansion in their capacity as Operators, wherein NOMAC or its subsidiaries being the O&M Operator or a key member of the O&M Contracting Consortium in these Projects.

- As part of the restructuring of NOMAC Group, a New Company, First National Holding Company LLC (**FNHC**), was incorporated as a Limited Liability Company under the laws of the Kingdom of Saudi Arabia with the ultimate shareholder of FNHC being ACWA Power;
- All shares of **NOMAC KSA**, the erstwhile and first parent entity of NOMAC group, which were held by Arabian Company for Water and Power Projects (ACWA Power Projects, APP), were transferred to FNHC;
- All shares of **NOMAC LLC**, a Limited Liability Company, incorporated under the laws of the Dubai International Financial Centre (**NOMAC DIFC**) were transferred from NOMAC KSA to FNHC;
- All shares that **NOMAC KSA** either directly or indirectly held in NOMAC's Non Saudi Arabian subsidiaries were transferred to NOMAC DIFC, which will act as the Holding Company for NOMAC's International Businesses (NOMAC's Non Saudi Arabian Business).

NOMAC is a company registered in Jeddah, Kingdom of Saudi Arabia under commercial registration number 4030291553 dated 26 Muharram 1438H (corresponding to 27 October 2016G). NOMAC is a wholly owned subsidiary of ACWA Power and acts as a holding company through which the Group owns the O&M service providers for its Project Companies. For further discussion on NOMAC's company and business review, please refer to Section [4-6-2-2 NOMAC]. The audited financial statements of NOMAC are presented in Saudi Riyal ("SAR").

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-4-1 Principal Factors Affecting the Results of Operations

Certain principal factors affect NOMAC Group's operating results. Described below are those principal factors that the Management believes have an impact on the (i) Revenues from operations; (ii) Cost of operations; (iii) Cash flow from operations; and (iv) One-off event of Covid-19. These factors are based on the information currently available to Management and may not represent all the factors and/or events that are relevant to an understanding of NOMAC Group's current or future results of operations. See Section [2.2] ("**Risks related to the Group's Operations**") of this Prospectus for a discussion of the key risks affecting the Group's results of operations.

6-4-1-1 Principal Factors Affecting Revenues from Operations

NOMAC or its subsidiaries or joint ventures enter into O&M agreements/O&M subcontract agreements with Project Companies, pursuant to which NOMAC (or its relevant subsidiary or joint venture) is appointed as the contractor/subcontractor to provide operation and maintenance services in respect of the plant of the Project Company. The term of the O&M agreement is usually equivalent to the term of the offtake agreement of the Project Company, with the exception of Kirikkale project in Turkey.

NOMAC is generally remunerated through a combination of fixed and variable fees during the lifecycle of a Project. NOMAC is remunerated during the pre-operating period by way of a fixed fee, and during the operating period, in most cases, by way of a mixture of fixed and variable fees. In addition, there are incentive payments and liquidated damages payable to and by NOMAC depending on the availability of the plant's capacity based on each contract.

Post-Project Commercial Operation Date (PCOD), a typical O&M agreement includes the following revenue streams for the operating period:

a- **Fixed Payment:** An annual payment, commencing from PCOD and payable in arrears in monthly instalments, subject to annual indexation. This payment covers the fixed cost of operations and cost of planned maintenance, and includes the margins on the contract. A part of these payments is treated as deferred revenue, attributable to medium or major outages and taken to revenue in the year that the corresponding O&M expense is incurred.

b- **Variable Payment:** A variable payment, based on dispatch and calculated as per the relevant Offtake Agreement.

c- **Energy Availability Incentive Payment:** If a plant's availability is more than its contracted commercial availability specified in the Offtake Agreement, the Project Company receives additional revenue, which is shared with the O&M provider as an incentive under the terms of the O&M contract. In contrast, if unavailability is more than what is specified in the Offtake Agreement, the Project Company is levied liquidated damages, in which case the O&M provider is charged against revenue in line with the O&M contract. The liquidated damages that NOMAC is liable to pay to the Project Company under the agreement are typically equal to 30% of the reduction in revenue (Capacity payments) resulting from a decrease in the plant's availability. These liquidated damages are typically capped at a specified maximum of 1-year annual fixed fee for the term of the contract per annum (normally not exceeding 25% of Annual Fixed fees that NOMAC receives under each respective O&M agreement or O&M subcontract agreement).

d- **Fuel Demand Incentive Payment or Electricity Demand Incentive Payment:** These are incentive payments and/or liquidated damages in relation to the consumption of fuel to ensure that NOMAC shares in some of the upside and downside of the plant's efficiency. These liquidated damages are capped at a specified maximum of one year annual fixed fee for the term of the contract per annum (typically not exceeding approximately 25% of annual compensation that NOMAC receives under each respective O&M agreement or O&M subcontract agreement).

e- **Cost Plus Revenues:** Revenues earned as a percentage of the costs incurred, based on pre-agreed budgets with the Project Companies. NOMAC provides services under "Cost Plus" arrangement for two projects.

Additionally, NOMAC generates revenue through:

- NMES (its wholly owned subsidiary) by way of (i) Contracted revenues by way of fees received for providing field services under long-term maintenance agreements entered into with O&M companies (ii) Transactional revenues by way of fees for services rendered during unplanned outages (iii) Fees for services rendered under Long-term Service Agreements entered into; and
- Service fees during the construction phase of projects by providing non-O&M services.

Revenues earned via fixed payment constitutes a significant portion of the O&M revenues earned by NOMAC and provides NOMAC with a high degree of visibility on cash flow coupled with a significant degree of stability and predictability.

Revenues earned via availability-based criteria are subject to certain variation based on the availability of the plants as per the offtake agreements. The actual performance of the power and water plants across the portfolio is generally well above contractual threshold limits.

6-4-1-2 Principal Factors Affecting Cost of operations

NOMAC costs primarily include the following:

a- **Variable costs:** Chemicals, Spares and Consumables that are used for operating and maintaining the plants. NOMAC maintains adequate safety stock of materials depending upon the delivery lead times and a robust Supply Chain. These costs vary depending on the technology of the plant as well as age of the equipment.

b- **Fixed costs:** NOMAC gets support from ACWA Power and other service providers for services such as construction management, design review & general, support legal and tax services, skilled and unskilled services, for outages and maintenance activities.

c- **Maintenance costs:** These are costs incurred regularly or during the outages at the plant, depending on the condition of the equipment, Best Industry Practice, Original Equipment Manufacturer (OEM) recommendations and the agreement between the Project Company and the offtaker. The maintenance activity is divided into Regular and Minor, Medium and Major.

Regular Maintenance: Conducted by NOMAC as Preventive, Predictive & Corrective based on a schedule. The scope of the Regular maintenance tasks is typically limited and routine;

Minor, Medium and Major Maintenance are done for Major equipment: NOMAC uses OEM and/or NMES (100% owned field service business unit of NOMAC) through Long-Term Maintenance Service Agreements between the relevant O&M Legal entity and NMES and/or directly with the OEM or a combination of these. The unit undergoing the maintenance is typically shut down for a period of 7 to 35 days depending on the type of maintenance and servicing. The scope of the services depends on the nature of the service and the equipment's operating hours and can include replacement of the parts and related services.

d- **Outage costs:** Materials and services costs incurred during outages, scope of which would depend on the equipment and plant technology.

e- **Manpower costs:** These are costs related to staff engaged with operating and maintaining the plant as well as the support and management staff.

6-4-1-3 Principal Factors Affecting Cash flow from Operations

NOMAC's cash flows mainly arise from payment received from Project Companies in relation to operating and maintenance services and other technical services provided. NOMAC has a wide portfolio of contracts, which are diversified between power and water, using different technologies across different geographies. These contracts generate stable and predictive cash flows, particularly as a substantial portion of the payments comprises Fixed Payment as explained above. Moreover, O&M payments are senior cash flows hence payment of the O&M fees are not subject to debt covenants of the Project Company. NOMAC's relevant subsidiaries and joint ventures subsequently remit dividends to NOMAC after meeting their costs.

As NOMAC Group's cash flow largely depends on the O&M payments from the Project Companies, NOMAC believes that there is adequate natural risk mitigation in place against the risk of an interruption in this flow that may potentially arise due to Offtakers experiencing financial difficulties and delaying or defaulting on their payment obligations, as (i) the majority of the Offtakers are either governments or quasi-government entities, mostly backed by government credit support pertaining to the relevant Project; and (ii) any delay in collection from the Offtaker may trigger termination clauses of the respective contracts with severe implications for the Offtaker.

6-4-1-4 One-off Event Affecting Overall Results of Operations

COVID-19 has affected the world from the beginning of 2020G in an unprecedented manner, setting in motion border closures and changes in both personal and business lifestyles.

For further discussion on the impact and response of the Group. Please refer to Section (6-3-2-5) "**One-off Event Affecting Overall Results of Operations**."

6-4-2 Key Performance Indicators

The following are the key performance metrics that management uses internally to review the financial performance of NOMAC Group:

6-4-2-1 Net Profit

Net Profit	Financial Year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Net profit for the year	222,305	227,356	309,419	2.3%	36.1%	18.0%

Source: NOMAC Audited Financial Statements

Net profit for the year increased by 2.3%, or by SAR 5.1 million, to SAR 227.4 million in 2019G from SAR 222.3 million in 2018G, and further increased by 36.1%, or by SAR 82.1 million, to SAR 309.4 million in 2020G.

The increase in 2019G was mainly driven by the growth in underlying operations on account of commencement of new plant operations such as Shuaibah II, Sohar, Ibri, Ben Ban, Vinh Hao 6 and Sakaka (please refer to Section (6-4-4) **"Comparability of Operations"**) by SAR 43.1 million, largely offset by:

- financial charges by SAR 24.5 million, recognised on account of discounting the receivables in NOMAC Enerji Turkey, arising from a lower net present value of the receivable as a result of deferment of collection till December 2023G; and
- lower share in net results of equity accounted Jubail Operation and Maintenance Co. LLC by SAR 13.9 million, as there was a gain recognised in 2018G on account of an early settlement of a one-off demobilization fee for a steam turbine.

The increase in 2020G was mainly driven by the growth in underlying operations mainly on account of extended mobilization period of Hassyan by SAR 73.8 million, and on full-year operation of Ibri and Sohar by SAR 73.3 million and RPC (RAWEC) by SAR 10.7 million, which were partially offset by reduction in net income from NMES by SAR 50.7 million and lower construction management fees by SAR 30.9 million as Benban projects reached completion.

6-4-2-2 Operating cash flows

	Financial Year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Net cash flows from operating activities	19,304	235,153	128,858	1118.2%	(45.2)%	158.4%

Source – NOMAC Audited Financial Statements

Net cash flows from operating activities (Operating cash flows) is defined as net cash flows arising to NOMAC on account of cash received from the Project Companies for the O&M services rendered less cash outlay on the costs to operate and maintain these plants.

Operating cash flows increased by 1,118.2%, or SAR 215.8 million, from SAR 19.3 million in 2018G to SAR 235.2 million in 2019G, and then decreased by 45.2%, or SAR 106.3 million, to SAR 128.9 million in 2020G.

The increase in 2019G is mainly attributable to cash received against invoicing for Al Dur Project for Long-Term Spares from the Project Company, for which procurement was to happen in the subsequent years and costs to be incurred in future by SAR 119.3 million, in addition to the increase in payables and accruals by SAR 123.1 million mainly in NOMAC KSA and NOMAC Maroc.

The decrease in 2020G is mainly attributable to higher Trade receivables, prepayments and other receivables by SAR 242.3 million and increase in Inventories by SAR 27 million, partially offset by increase in net income including non-cash items by SAR 80.9 million and higher due to related party by SAR 84.1 million.

6-4-2-3 Dividends paid to Owner

	Financial Year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Dividends paid to Owner	170,795	166,371	217,593	(2.6)%	30.8%	13%

Source – NOMAC Audited Financial Statements

Dividends paid to Owner decreased by 2.6%, or SAR 4.4 million, from SAR 170.8 million in 2018G to SAR 166.4 million in 2019G, and then increased by 30.8%, or SAR 51.2 million in 2020G. Higher dividends paid in 2018G was due to excess dividend of SAR 13.9 million received from associate JOML due to compensation for an early settlement of demobilization fee, partially offset by increase in dividend from NOMAC KSA, ROMCO and RPC in 2019G.

Higher dividends paid in 2020G is largely attributable to the increase in dividends from RPC by SAR 30.7 million, ROMCO by SAR 15.8 million and balance from NOMAC KSA.

6-4-3 Comparability of Operations

During the course of the three years ended 31 December 2020G, NOMAC Group's results were affected by certain events, which did not exist or repeat in all of these three years hence making the periods non-comparable in terms of variance analysis without identifying such material transactions and their impact on the results of operations and financial position. These are summarized below.

6-4-3-1 Projects achieving Initial or Project commercial operation dates (ICOD/PCOD)

Projects going through different stages of their lifecycle impact the revenue and cost mix of NOMAC. NOMAC earns its revenues during pre-PCOD and post-PCOD. While pre-PCOD revenues include Design Review, Construction Support, Mobilization and Early Power, post-PCOD revenues typically include fixed and variable O&M revenues apart from incentives.

The following table lists all the Projects that achieved their respective ICOD/PCOD during the three years ended 31 December 2020G and affected the comparability of any of these periods.

Project	Location	ICOD	Capacity ((MW)/'000s M3/day)
Hassyan IPP[a]	UAE	Q4 2020G	2400
Project	**Location**	**PCOD**	**Capacity ((MW)/'000s M3/day)**
Shuaibah Expansion I & II IWPs	Saudi Arabia	Q2 2019G	250 M3/day
Sohar III IPP	Oman	Q2 2019G	1710 MW
Ibri IPP	Oman	Q2 2019G	1509 MW
Vinh Hao 6 PV IPP	Vietnam	Q2 2019G	41 MW
Ben Ban One	Egypt	Q3 2019G	50 MW
Alcom	Egypt	Q3 2019G	50 MW
TK Solar	Egypt	Q3 2019G	20 MW

Project	Location	ICOD	Capacity ((MW)/ '000s M3/day)
Sakaka PV IPP	Saudi Arabia	Q4 2019G	300 MW
Petro-Rabigh (Phase 2) IWSPP	Saudi Arabia	Q1 2018G	160 MW / 54 M3/day
Mourjan	Saudi Arabia	Q1 2018G	2060 MW
Salalah 2 IPP – Greenfield	Oman	Q1 2018G	445 MW
Khalladi Wind IPP	Morocco	Q2 2018G	120 MW
Noor II CSP IPP	Morocco	Q2 2018G	200 MW
NOOR PV1 IPP	Morocco	Q4 2018G	135 MW
Noor III CSP IPP	Morocco	Q4 2018G	150 MW

a Only Unit 1 out of four Units of Hassyan IWP achieved ICOD on this date.

6-4-3-2 Acquisition of Subsidiary

During 2020G NOMAC has acquired 49% shares of Rabigh Power Company (RPC), in addition to the existing 51%, with effective date of acquisition from 1 January 2020G. This has affected the financial results and the retained earnings of 2020G, and the comparability of 2020G to 2018G and 2019G.

6-4-3-3 Provision/discounting on due from related party

During 2019G, SAR 24.5 million was booked as financial charges, arising from discounting receivables in NOMAC Enerji Turkey. This had arisen on account of a lower net present value of the receivables, as a result of deferment of collection till December 2023G, under a Standstill Agreement between ACWA Guc, the Project Company, NOMAC Enerji Turkey as the O&M Company and the Project Company Lenders. During 2020G, a provision of SAR 28.5 million was made against the remaining receivables balance, necessitated by lower operations on lesser demand, resulting in further delay in recovery of receivables than earlier anticipated. Further there was provision made for receivables from for ACWA Energy Turkey, for SAR 6.2 million. This resulted in increase in provision for doubtful debts resulting in net income decrease.

6-4-3-4 New shares issuance

In line with NOMAC Group's restructuring (see Section [4-6-2-2 NOMAC]), all O&M entities that were earlier owned by other ACWA Group entities were brought into the ownership of NOMAC. These acquisitions created a payable to ACWA Power, the ultimate parent company, of SAR 228.8 million. Pursuant to the shareholders' proposal for the capitalization of this related party payable and following the approval to increase the share capital of the Company in the Board meeting dated 31 December 2019G, this payable is in process of transfer to share capital pending completion of legal formalities. In addition to this, the shareholders resolved to increase share capital in 2020G by SAR 22.9 million.

6-4-3-5 Gain on disposal Bulgaria operations

During the year 2020G, the gain on disposal of Bulgaria operations amounting to SAR 8.2 million was recognised under other income.

6-4-4 Results of Operations—Income Statement

The following table presents certain data from NOMAC's consolidated statement of profit and loss and other comprehensive income for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial Year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Revenue	1,744,417	1,924,149	2,121,253	10.3%	10.2%	10.3%
Direct costs	(1,302,870)	(1,450,216)	(1,559,330)	11.3%	7.5%	9.4%
GROSS PROFIT	**441,547**	**473,933**	**561,923**	**7.3%**	**18.6 %**	**12.8%**
General and administrative expenses	(231,520)	(220,967)	(262,992)	(4.6)%	19.0%	6.6%
OPERATING PROFIT	**210,027**	**252,966**	**298,931**	**20.4%**	**18.2%**	**19.3%**

SAR in 000s	Financial Year ended at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Share in net results of equity-accounted investees, net of tax	35,271	21,305	20,777	(39.6)%	(2.5)%	(23.2)%
OPERATING PROFIT AFTER SHARE IN NET RESULTS OF EQUITY-ACCOUNTED INVESTEES	**245,298**	**274,271**	**319,708**	**11.8%**	**16.6%**	**14.2%**
Other income	4,066	11,579	8,893	184.8%	(23.2)%	47.9%
Financial charges	(4,538)	(31,287)	(3,691)	589.3%	(88.2)%	(9.8)%
Exchange gain	4,123	1,781	8,269	(56.8)%	364.3%	41.6%
PROFIT BEFORE ZAKAT AND INCOME TAX	**248,949**	**256,344**	**333,179**	**3.0%**	**30.0%**	**15.7%**
Zakat and income tax	(26,644)	(28,988)	(23,760)	8.8%	(18.0)%	(5.6)%
NET PROFIT FOR THE YEAR	**222,305**	**227,356**	**309,419**	**2.3%**	**36.1%**	**18.0%**
Profit attributable to:						
Owner of the company	203,412	207,401	301,071	2.0%	45.2%	21.7%
Non-controlling interests	18,893	19,955	8,348	5.6%	-58.2%	-33.5%
	222,305	**227,356**	**309,419**	**2.3%**	**36.1%**	**18.0%**
Basic and diluted earnings per share attributable to equity holder of the owner	40.7	41.5	60.2	2.0%	45.1%	21.6%

Source: NOMAC Audited Financial Statements

6-4-4-1 Revenue

The following table presents NOMAC's Revenue for the financial years ended 31 December 2018G, 2019G and 2020G:

SAR in 000s	Financial year ended at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
O&M revenue from projects	1,556,307	1,800,233	2,069,309	15.7%	14.9%	15.3%
NMES	49,464	39,629	29,202	(19.9)%	(26.3)%	(23.2)%
Corporate	16,776	28,478	22,742	69.8%	(20.1)%	(16.4)%
O&M revenue	**1,622,547**	**1,868,340**	**2,121,253**	**15.1%**	**13.5%**	**14.3%**
Other revenue	121,870	55,809	-	(54.2)%	(100)%	(100)%
Total Revenue	**1,744,417**	**1,924,149**	**2,121,253**	**10.3%**	**10.2%**	**10.3%**

Source: NOMAC Management report

Total Revenue increased by 10.3%, or SAR 179.7 million, from SAR 1,744.4 million in 2018G to SAR 1,924.1 million in 2019G, and further increased by 10.2%, or SAR 197.1 million to SAR 2,121.2 million in 2020G.

The increase in 2019G Total Revenue is attributable to (a) higher O&M revenues from projects that came into operations such as STPC, Sohar, Ibri, and Hassyan by SAR 243.9 million (b) reduction in NMES Revenue in 2019G compared to 2018G by SAR 9.8 million, which had included initial spare part revenue related to Zarqa project. (c) Increase by SAR 11.7 million mainly due to implementation revenue attributable to Monitoring and Prediction Centre (MPC) included as part of Corporate revenue and (d) decrease in other revenues mainly due to decrease in revenue from construction-related services by SAR 66.1 million on projects such as Noor I, Noor II, Noor III, Salalah and Rabigh 2 on account of completion of construction work.

The increase in 2020G Total Revenue is attributable to higher O & M revenue from projects attributable to Mobilization revenues from Projects Hassyan by SAR 81.4 million, Barka (Oman) Lifetime Extension by SAR 73.9 million, Pre-Mobilization revenues from Al Dur by SAR 60.4 million and RAWEC by SAR 30.1 million.

These were partially offset by (a) decrease in revenue from NMES by SAR 10.4 million due to project plan milestones (b) decrease in Corporate revenue by SAR 5.7 million, as 2019G had exceptional Monitoring and Prediction Centre (MPC) implementation revenues and 2020G MPC implementation got delayed and (c) decrease in Other revenue by SAR 55.8 million attributable to cessation of construction-related services contracts from projects in Egypt on account of completion of construction work.

6-4-4-2 Direct costs

The following table presents NOMAC's direct costs for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
DIRECT COSTS						
Employee related costs	343,946	397,324	441,059	15.5%	11.0%	13.2%
Service fees	253,306	216,030	173,330	(14.7)%	(19.8)%	(17.3)%
Long-term parts and services agreement (LTSA) costs	233,292	278,357	341,197	19.3%	22.6%	20.9%
Material consumed	272,761	246,845	307,413	(9.5)%	24.5%	6.2%
Outsource service cost	92,864	145,867	173,072	57.1%	18.7%	36.5%
Overhead costs	95,159	152,217	108,224	60.0%	(28.9)%	6.6%
Depreciation of property and equipment	7,255	10,831	12,775	49.3%	17.9%	32.7%
Provision for inventory reserve and slow-moving inventories	4,287	2,745	2,260	(36.0)%	(17.7)%	(27.4)%
Total Direct Costs	**1,302,870**	**1,450,216**	**1,559,330**	**11.3%**	**7.5%**	**9.4%**

Source: NOMAC Audited Financial Statements

Direct costs increased by 11.3%, or SAR 147.4 million, from SAR 1,302.9 million in 2018G to SAR 1,450.2 million in 2019G, and further increased by 7.5%, or SAR 109.1 million, to SAR 1,559.3 million in 2020G.

The increase in Total Direct Costs in 2019G is mainly due to (a) increase in Employee related costs of SAR 53.4 million on account of increase in headcount attributable to New Projects and full-year impact in 2019G on account of New Projects which commenced in 2018G (b) increase in LTSA Costs by SAR 45.1 million attributable to initial LTSA spares cost for Sohar and Ibri (c) increase in Outsource service cost and Overhead costs due to Ben Ban and the full-year impact of projects commissioned in the latter half of 2018G, such as Noor I (Sener Cost) and Overhead costs related to NMES. These were partly offset by (a) reduction in Service fees amounting to SAR 37.3 million attributable to completion of Construction-related Technical Services Contracts in 2018G and (b) reduction in Material consumed, as 2018G had included initial spare parts related to Zarqa project for NMES.

The increase in Total Direct Costs in 2020G is mainly due to (a) increase in Employee related costs by SAR 43.7 million on account of increase in headcount attributable to New Projects and full-year impact in 2020G on account of New Projects which commenced in 2019G & COVID related allowances in 2020 (b) increase in LTSA costs by SAR 62.8 million mainly attributable to Barka Lifetime Extension by SAR 66.9 million and offset by decrease in Sohar LTSA spares (c) increase in Material consumed, attributable to Al Dur by SAR 43.3 million, pertaining to initial service and procurement costs and RPC SAR 21.2 million, attributable to outages. These were partially offset by a (a) net decrease in Outsource service cost and Overhead costs, some of which had been re-classified in 2020G, amounting to SAR 16.8 million, on account of additional outages in 2019G compared to 2020G and (b) a reduction in Service fees in Benban projects by SAR 54.2 million, as most of the construction related support contracts were concluded in 2019G.

6-4-4-3 General and administrative expenses

The following table presents NOMAC's general and administrative expenses for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
GENERAL AND ADMINISTRATIVE EXPENSES						
Employee related costs	141,122	138,933	159,986	(1.6)%	15.2%	6.5%
Professional fees	17,745	17,605	21,270	(0.8)%	20.8%	9.5%
Communication and utilities expense	11,112	11,801	9,866	6.2%	(16.4)%	(5.8)%
Business travel expense	10,135	10,208	4,177	0.7%	(59.1)%	(35.8)%
Depreciation	8,336	8,396	8,502	0.7%	1.3%	1.0%
Depreciation on right of use asset	-	7,366	4,273	-	(42.0)%	-
Office expense	5,572	5,049	4,402	(9.4)%	(12.8)%	(11.1)%
Transportation and conveyance expense	5,475	2,093	1,517	(61.8)%	(27.5)%	(47.4)%
Repairs and maintenance expense	4,409	1,418	765	(67.8)%	(46.1)%	(58.4)%
Provision for doubtful debts	8,834	10,102	39,468	14.4%	290.7%	111.4%
Others	18,780	7,996	8,766	(57.4)%	9.6%	(31.7)%
	231,520	**220,967**	**262,992**	**(4.6)%**	**19.0%**	**6.6%**

Source: NOMAC Audited Financial Statements

General and administrative expenses decreased by 4.6%, or SAR 10.6 million, from SAR 231.5 million in 2018G to SAR 221.0 million in 2019G, and then increased by 19.0%, or SAR 42.0 million, to SAR 263.0 million in 2020G.

The decrease in 2019G is attributable to (a) decrease in Employee related costs, as 2018G includes costs incurred for certain separations and movement from KSA to UAE (b) decrease in Others as 2018G includes rent expense, which forms part of Depreciation on right of use asset in 2019G offset by increase in (i) Depreciation on right of use asset which is mainly due to leases which were capitalized and depreciated after the adoption of IFRS 16 and (ii) Provision for doubtful debts in Morocco pertaining to interest on delayed payments charged to the Project company as part of a settlement.

The increase in 2020G is mainly due to (a) increase in Employee related costs due to annualization impact of new Senior positions came into existence in the latter part of 2019G and some positions which came in 2020G, (b) increase in Professional fees incurred on training and payroll management (c) increase on Provision for doubtful debts attributable to NOMAC Enerji Turkey, which includes amounts receivable from ACWA Guc and ACWA Enerji amounting to SAR 28.5 million and SAR 6.2 million respectively, explained in Section (6-4-5-6) Financial Charges. These were offset by decrease in (i) Communication and utilities expense in 2020G attributable to COVID and work from home for large part of the year, (ii) Business travel expense, due to COVID in 2020G and (iii) Depreciation on right of use asset attributable to cessation of lease agreement in 2019G in NOMAC KSA.

The following table presents the NOMAC's Share in net results of equity accounted investees, net of tax for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR -2018G-2020G
Share in net results of equity-accounted investees, net of tax	35,271	21,305	20,777	(39.6)%	(2.5)%	(23.2)%

Source – NOMAC Audited Financial Statements

Share in net results of equity accounted investees, net of tax, refers to NOMAC's share in net results of its equity accounted investees.

Share in net results of equity accounted investees, net of tax decreased by 39.6%, or by SAR 14.0 million, from SAR 35.3 million in 2018G to SAR 21.3 million in 2019G, and further decreased by 2.5%, or by SAR 0.5 million, to SAR 20.8 million in 2020G. The decrease in 2019G is attributable to decrease in net income of Jubail Operation & Maintenance Co LLC (JOML), which in 2018G recognized an early settlement of a demobilization fee for a Steam Turbine.

6-4-4-4 Other income

The following table presents the NOMAC's Other Income for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Other income	4,066	11,579	8,893	184.8%	(23.2)%	47.9%
Exchange gain	4,123	1,781	8,269	(56.8)%	364.3%	41.6%
Total Other income	**8,189**	**13,360**	**17,162**	**63.1%**	**28.5%**	**44.8%**

Source – NOMAC Audited Financial Statements

Other income increased by 63.1%, or by SAR 5.2 million, from SAR 8.2 million in 2018G to SAR 13.4 million in 2019G, and then further increased by 28.5%, or by SAR 3.8 million, to SAR 17.2 million in 2020G.

The increase in 2019G is attributable to income recorded in 2019G arising out of a reversal of a related party payable, which pertained to the termination of Construction-related Technical service booked in previous years of SAR 6.3 million.

The increase in 2020G is mainly on account of the gain recorded on sale of Bulgaria entity amounting to SAR 8.1 million and exchange gain amounting to SAR 6.7 million in Turkey.

6-4-4-5 Financial charges

The following table presents the NOMAC's financial charges for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Financial charges	4,538	31,287	3,691	589.4%	(88.2)%	(9.8)%

Source – NOMAC Audited Financial Statements

Financial charges increased by 589.4%, or by SAR 26.7 million, from SAR 4.5 million in 2018G to SAR 31.3 million in 2019G, and then decreased by 88.2%, or by SAR 27.6 million, to SAR 3.7 million in 2020G. The increase in 2019G is mainly attributable to the discounting of receivables in NOMAC Enerji Turkey arising out of a lower net present value of the receivables as a result of deferment of collection till December 2023G of SAR 24.5 million. The decrease in 2020G is due to higher discounting of receivable charge in 2019G, which did not occur in 2020G.

6-4-4-6 Zakat and income tax

The following table represents the NOMAC's Zakat and income tax for the financial years ended 31 December 2018G, 2019G and 2020G:

	Financial year ended at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Tax and Zakat						
Zakat charge for NOMAC	142	1,242	4,227	774.6%	240.3%	445.6%
Charge for NOMAC subsidiaries:						

SAR in 000s	Financial year ended at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Zakat expense	5,337	8,682	13,192	62.7%	51.9%	57.2%
Tax expense - current tax	22,008	23,155	23,284	5.2%	0.6%	2.9%
Tax credit - deferred tax	(843)	(4,091)	(16,943)	385.3%	314.2%	348.3%
Zakat and income tax	**26,644**	**28,988**	**23,760**	**8.8%**	**(18.0)%**	**(5.6)%**

Source: NOMAC Audited Financial Statements

Zakat and income tax increased by 8.8%, or by SAR 2.3 million, from SAR 26.6 million in 2018G to SAR 29.0 million in 2019G, and then decreased by 18.0%, or by SAR 5.2 million, to SAR 23.8 million in 2020G.

The increase in 2019G is mainly due to the change in Zakat Law applicable from 2019G, requiring the settlement amounting to SAR 1.6 million of Zakat in directly held foreign investments to be eligible to claim a Zakat base deduction for the said investment. Additionally, a provision of SAR 1.5 million was recorded by NOMAC Oman pursuant to a tax assessment by Oman tax authorities for the years 2012G-2016G and the matter is currently under appeal. NOMAC Oman also made an additional SAR 2.2 million provision for open years 2017G-2019G, which have not yet been assessed by the Oman tax authorities.

The decrease in 2020G is mainly due to recognition of deferred tax income in NOMAC Maroc to the tune of SAR 8.7 million mainly on account of deferred tax asset created on unabsorbed tax losses which the company expects to set off against future taxable income. Additionally, the Zakat and tax charge at RPC decreased by SAR 2.6 million due to the decrease in foreign shareholding in RPC from 51.19% to 4.3%, resulting into RPC being primarily a Zakat Payer. On the contrary, during 2020G NOMAC KSA recorded a total SAR 4.1 million provision for potential GAZT assessments for years 2008G – 2016G. NOMAC KSA also made an additional SAR 3 million provision for open years 2017G - 2018G, these periods have not yet been assessed by the GAZT.

6-4-5 Consolidated Statement of Financial Position

The following table presents a summary of NOMAC's consolidated statement of financial position data as of 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
ASSETS						
NON-CURRENT ASSETS						
Property and equipment	38,557	49,665	46,942	28.8%	(5.5)%	10.3%
Intangible assets	17,336	20,193	23,024	16.5%	14.0%	15.2%
Right-of-use assets	-	11,890	20,287	-	70.6%	-
Equity-accounted investees	57,382	56,893	55,902	(0.9)%	(1.7)%	(1.3)%
Deferred tax assets	3,074	8,445	24,028	174.7%	184.5%	179.6%
Due from related parties	-	68,976	35,067	-	(49.2)%	-
TOTAL NON-CURRENT ASSETS	**116,349**	**216,062**	**205,250**	**85.7%**	**(5.0)%**	**32.8%**
CURRENT ASSETS						
Due from related parties	594,297	694,116	916,482	16.8%	32.0%	24.2%
Inventories	145,546	152,670	187,261	4.9%	22.7%	13.4%
Trade receivables, prepayments and other receivables	301,550	234,461	364,162	(22.2)%	55.3%	9.9%
Cash and cash equivalents	194,976	236,452	127,293	21.3%	(46.2)%	(19.2)%

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
TOTAL CURRENT ASSETS	**1,236,369**	**1,317,699**	**1,595,198**	**6.6%**	**21.1%**	**13.6%**
TOTAL ASSETS	**1,352,718**	**1,533,761**	**1,800,448**	**13.4%**	**17.4%**	**15.4%**
EQUITY AND LIABILITIES						
EQUITY						
Capital	5,000	5,000	5,000	-	-	-
Proposed additional capital	-	228,895	251,813	-	10.0%	-
Statutory reserve	240	1,500	1,500	525.0%	-	150.0%
Retained earnings	2,904	66,491	151,055	2189.6%	127.2%	621.2%
Other reserves	27,340	(10,376)	(3,115)	(138.0)%	(70.0)%	-
Equity attributable to owner of the Company	**35,484**	**291,510**	**406,253**	**721.5%**	**39.4%**	**238.4%**
Non-controlling interests	43,281	45,255	13,784	4.6%	(69.5)%	(43.6)%
TOTAL EQUITY	**78,765**	**336,765**	**420,037**	**327.6%**	**24.7%**	**130.9%**
NON-CURRENT LIABILITIES						
Employees' end-of-service benefits	51,784	73,386	83,361	41.7%	13.6%	26.9%
Deferred revenue	13,184	83,713	66,020	535.0%	(21.1)%	123.8%
Due to related parties	-	31,589	108,148	-	242.4%	-
Other long-term liabilities	149,221	140,395	136,669	(5.9)%	(2.7)%	(4.3)%
TOTAL NON-CURRENT LIABILITIES	**214,189**	**329,083**	**394,198**	**53.6%**	**19.8%**	**35.7%**
CURRENT LIABILITIES						
Deferred revenue	52,805	101,232	208,510	91.7%	106.0%	98.7%
Payables and accruals	338,782	471,661	600,775	39.2%	27.4%	33.2%
Zakat and tax payable	14,796	23,078	37,644	56.0%	63.1%	59.5%
Due to related parties	653,381	271,942	139,284	(58.4)%	(48.8)%	(53.8)%
TOTAL CURRENT LIABILITIES	**1,059,764**	**867,913**	**986,213**	**(18.1)%**	**13.6%**	**(3.5)%**
TOTAL LIABILITIES	**1,273,953**	**1,196,996**	**1,380,411**	**(6.0)%**	**15.3%**	**4.1%**
TOTAL EQUITY AND LIABILITIES	**1,352,718**	**1,533,761**	**1,800,448**	**13.4%**	**17.4%**	**15.4%**

Source: NOMAC Audited Financial Statements

Total assets increased by 13.4%, or SAR 181.0 million, from SAR 1,352.7 million as of 31 December 2018G to SAR 1,533.8 million as of 31 December 2019G, and the further increased by 17.4%, or SAR 266.7 million, to SAR 1,800.4 million as of 31 December 2020G. Current assets constituted 91.4%, 85.9% and 88.6% of total assets as of 31 December 2018G, 2019G and 2020G, respectively. Key components of NOMAC's current assets are due from related parties; Trade receivables, prepayments and other receivables; cash and cash equivalents; and Inventories.

Total liabilities decreased by 6.0%, or SAR 77.0 million, from SAR 1,274.0 million as of 31 December 2018G to SAR 1,197.0 million as of 31 December 2019G, and then increased by 15.3%, or SAR 183.4 million, to SAR 1,380.4 million as of 31 December 2020G. Current liabilities constitute 83.2%, 72.5% and 71.4% of Total liabilities as of 31 December 2018G, 2019G and 2020G, respectively. Key components of NOMAC's current liabilities are Payables and Accruals, Due to Related Parties and Deferred Revenue.

NOMAC's Equity increased by 327.6%, or SAR 258.0 million, from SAR 78.8 million as of 31 December 2018G to SAR 336.8 million as of 31 December 2019G, and then further increased by 24.7%, or SAR 83.3 million, to SAR 420.0 million as of 31 December 2020G. NOMAC's Equity comprises NOMAC's Share Capital, Proposed Additional Capital, Retained Earnings and Statutory reserves and Other Reserves.

6-4-5-1 Non-current assets

The following table presents a summary of NOMAC's non-current assets as of 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Property and equipment	38,557	49,665	46,942	28.8%	(5.5)%	10.3%
Intangible assets	17,336	20,193	23,024	16.5%	14.0%	15.2%
Right-of-use assets	-	11,890	20,287	-	70.6%	-
Equity-accounted investees	57,382	56,893	55,902	(0.9)%	(1.7)%	(1.3)%
Deferred tax assets	3,074	8,445	24,028	174.7%	184.5%	179.6%
Due from related parties	-	68,976	35,067	-	(49.2)%	-
Total Non-Current Assets	**116,349**	**216,062**	**205,250**	**85.7%**	**(5.0)%**	**32.8%**

Source: NOMAC Audited Financial Statements

NOMAC's total non-current assets increased by 85.7%, or SAR 99.7 million, from SAR 116.3 million as of 31 December 2018G to SAR 216.1 million as of 31 December 2019G, and then decreased by 5.0%, or SAR 10.8 million, to SAR 205.3 million as of 31 December 2020G.

The increase in 2019G is mainly driven by increase in Property and equipment due to additions in Plant and machinery in NMES. Due from Related Parties on account of deferment of receivables amounting to SAR 68.9 million from the Kirikkale Project, which are expected to be received in 2023G, in addition to SAR 11.9 million recorded relating to Right-of-use Assets as a result of implementation of IFRS 16 that came into effect from January 2019G.

The decrease in 2020G is mainly due to a provision of SAR 28.5 million against the receivable from related party, Kirikkale, however this impact was partially offset by increase in deferred tax assets in Morocco and Turkey.

Property and equipment

The following table presents a summary of the NOMAC's Property and equipment as of 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Leasehold improvements	2,535	4,582	3,382	80.7%	(26.2)%	15.5%
Motor vehicles	3,267	4,118	3,002	26.0%	(27.1)%	(4.1)%
Furniture and fixtures	11,291	9,751	7,253	(13.6)%	(25.6)%	(19.9)%
Tools and office equipment	5,688	8,769	10,455	54.2%	19.2%	35.6%
Computer hardware	6,307	6,491	4,533	3.0%	(30.2)%	(15.2)%
Machinery and equipment	9,469	15,954	17,362	68.5%	8.8%	35.4%
Capital work in progress	-	-	955	-	-	-
Total	**38,557**	**49,665**	**46,942**	**28.8%**	**(5.5)%**	**10.3%**

Source: NOMAC Audited Financial Statements

SAR in 000s	Cost			Accumulated Depreciation		
	2018G	2019G	2020G	2018G	2019G	2020G
Leasehold improvements	3,188	6,086	6,055	(653)	(1,504)	(2,673)
Motor vehicles	16,402	18,928	18,998	(13,135)	(14,810)	(15,996)
Furniture and fixtures	30,688	33,175	34,270	(19,397)	(23,424)	(27,017)
Tools and office equipment	17,272	23,454	27,500	(11,584)	(14,685)	(17,045)
Computer hardware	19,025	20,536	23,028	(12,718)	(14,045)	(18,495)
Machinery and equipment	16,530	25,359	30,238	(7,061)	(9,405)	(12,876)
Capital work in progress	-	-	955	-	-	-
Total	**103,105**	**127,538**	**141,044**	**(64,548)**	**(77,873)**	**(94,102)**

Source: NOMAC Audited Financial Statements

Property and equipment increased by 28.8%, or SAR 11.1 million, from SAR 38.6 million as of 31 December 2018G to SAR 49.7 million as of 31 December 2019G, and then decreased by 5.5%, or SAR 2.7 million, to SAR 46.9 million as of 31 December 2020G. The increase of SAR 25 million in 2019G is mainly due to procurement of machinery and equipment of SAR 9 million, such as Tool Container, in NMES which was offset by depreciation for the year of SAR 13.5 million. The decrease in 2020G is mainly due to depreciation during the year amounting to SAR 16.8 million which was offset by new additions amounting to SAR 14.3 million.

Depreciation rates

The following table presents the annual depreciation rate for each category of Property and equipment.

Class of asset	Years of Depreciation
Leasehold improvement	5 years
Furniture and fixtures	5 years
Computer hardware	4-7 years
Motor vehicles	4 years
Tools and office equipment	2-4 years
Machinery and equipment	5 years

Intangible assets

The following table presents a summary of the NOMAC's intangible assets as of 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Software	10,136	10,550	16,785	4.1%	59.1%	28.7%
Capital work-in-progress	7,200	9,643	6,239	33.9%	(35.3%)	(6.9%)
Total	**17,336**	**20,193**	**23,024**	**16.5%**	**14.0%**	**15.3%**

Source: NOMAC Audited Financial Statements

Intangible Assets	Cost			Accumulated Amortization		
SAR in 000s	2018G	2019G	2020G	2018G	2019G	2020G
Software	25,019	31,063	41,770	(14,883)	(20,513)	(24,985)
Capital work-in-progress	7,200	9,643	6,239	-	-	-
Total	**32,219**	**40,706**	**48,009**	**(14,883)**	**(20,513)**	**(24,985)**

Source: NOMAC Audited Financial Statements

Intangible assets increased by 16.5%, or SAR 2.9 million, from SAR 17.3 million as at 31 December 2018G to SAR 20.2 million as at 31 December 2019G, and then increased by 14.0%, or SAR 2.8 million, to SAR 23.0 million as at 31 December 2020G. The increase in 2019G is due to increase in CWIP by SAR 2.4 million in Engica and partial capitalisation of Engica and other computer software. The increase in 2020G was mainly on account of balance portion of Engica being capitalised.

Amortisation rate

The depreciation on intangible assets (computer software) is calculated considering useful life of 4-7 years.

Right-of-use Assets

The following table summarizes NOMAC's right-of-use assets as of 31 December 2018G, 2019G, and 2020G:

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Right-of-use assets	-	11,890	20,287	-	70.6%	-

Source: NOMAC Audited Financial Statements

There was no Right-of-use assets balance as at 31 December 2018G as IFRS 16 was adopted as of 1 January 2019G. Right-of-use assets increased by 70.6%, or SAR 8.4 million, from SAR 11.9 million as at 31 December 2019G to SAR 20.3 million as at 31 December 2020G. Comprising mainly the office leases in KSA, UAE and Morocco, the increase in 2020G pertains to the renewal of the rental agreement in KSA and additional office lease for NMES.

Equity-accounted Investees

The following table summarizes the NOMAC's equity accounted investees as of 31 December 2018G, 2019G, and 2020G:

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Jubail Operations Holdings Company W.L.L.	28,404	28,192	26,989	(0.7)%	(4.3)%	(2.5)%
Suez Nomac O&M Holdings Company W.L.L.	28,398	28,188	26,985	(0.7)%	(4.3)%	(2.5)%
Veolia First National Water Service Company	518	456	867	(12.0)%	90.1%	29.4%
Renewable Energy for Morocco	62	57	1,061	(8.1)%	1,761.4%	313.7%
Total	**57,382**	**56,893**	**55,902**	**(0.9)%**	**(1.7)%**	**(1.3)%**

Source: NOMAC Audited Financial Statements

Deferred Tax Assets

The following table summarizes NOMAC's Deferred Tax Asset as at 31 December 2018G, 2019G, and 2020G:

Deferred Tax Assets	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Depreciation on property and equipment	(322)	(458)	(105)	42.2%	(77.1)%	(42.9)%
Inventories reserves and provision	259	386	159	49.0%	(58.8)%	(21.6)%
Employees' end-of-service benefits	(943)	700	970	(174.2)%	38.6%	-
Others	4,080	7,817	23,004	91.6%	194.3%	137.4%
Total	**3,074**	**8,445**	**24,028**	**174.7%**	**184.5%**	**179.6%**

Source: NOMAC Audited Financial Statements

Deferred Tax Assets increased by 174.7%, or SAR 5.4 million, from SAR 3.1 million as at 31 December in 2018G to SAR 8.4 million as at 31 December 2019G, and further increased by 184.5%, or SAR 15.6 million, to SAR 24.0 million as at 31 December 2020G. The increase in 2019G is mainly on account of deferred tax asset recognized in NOMAC Enerji Turkey towards discounts on trade receivables and related party loans, which are recognized in IFRS books but not recognized as per local Turkish GAAP. The increase in 2020G is mainly on account of SAR 8.7 million of deferred tax income recognized in NOMAC Maroc (Morocco) due to unabsorbed tax losses, which the company expects to set off against future taxable income, and SAR 7.8 million of deferred tax income recognized in NOMAC Enerji Turkey (similar to the previous year).

Due from related parties

The following table summarizes NOMAC's non-current due from related parties as at 31 December 2018G, 2019G, and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Due from related parties	-	68,976	35,067	-	(49.2)%	-

Source: NOMAC Audited Financial Statements

Due from related parties as at 31 December 2019G relates to the net present value of the amount due from Kirikkale Project Company in Turkey, which is classified as long-term as it is expected to be recovered by 2023G. Due from related parties decreased by 49.2%, or SAR 33.9 million, from SAR 69.0 million as at 31 December 2019G to SAR 35.1 million as at 31 December 2020G, mainly due to SAR 28.5 million provision booked against receivable from related party in Kirikkale Project in Turkey.

6-4-5-2 Current Assets

The following table presents a summary of the Company's Current Assets as at 31 December 2018G, 2019G, and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Current Assets						
Due from related parties	594,297	694,116	916,482	16.8%	32.0%	24.2%
Inventories	145,546	152,670	187,261	4.9%	22.7%	13.4%
Trade receivables, prepayments and other receivables	301,550	234,461	364,162	(22.2) %	55.3%	9.9%
Cash and cash equivalents	194,976	236,452	127,293	21.3%	(46.2)%	(19.2)%
Total Current Assets	**1,236,369**	**1,317,699**	**1,595,198**	**6.6%**	**21.1%**	**13.6%**

Source: NOMAC Audited Financial Statements

Total Current Assets increased by 6.6%, or SAR 81.3 million, from SAR 1,236.4 million as at 31 December 2018G to SAR 1,317.7 million as at 31 December 2019G, and further increased by 21.1%, or SAR 277.5 million, to SAR 1,595.2 million as at 31 December 2020G.

The increase in 2019G is mainly driven by increase in Due from Related Parties: HAJR (HEPCO), APO II caused by delay in payments. Cash and Cash Equivalents increase is attributable to an advance received in the Al Dur Project towards the end of the Year, which was partially offset by reduction in Trade receivables, prepayments and other receivables attributable to the collection of amounts under the Construction Management Technical Services Agreements pertaining to Zarqa, Ibri, and Sohar Projects.

The increase in 2020G is mainly due to increase in Due from Related Parties mainly Hassyan, Noor II, Al Mourjan caused by delay in payments and a temporary advance to ACWA Power Global Services Ltd (APGS), partially offset by an increase in provision relating to Turkey; increase in inventories on account of new projects and safety stock for Covid-19; increase in Trade receivables, prepayments and other receivables mainly due to Deferred cost in Al Dur; and decrease in Cash and cash equivalents on account of advance payment to APGS.

Due from related parties

The following table presents a summary of NOMAC's Due From Related Parties as at 31 December 2018G, 2019G and 2020G:

	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Hajr for Electricity Production Company ("HEPCO")	71,399	121,203	113,883	69.8%	(6.0)%	26.3%
ACWA Power Ouarzazate II S.A. ("APO II")	14,549	105,666	145,436	626.3%	37.6%	216.2%
Rabigh Arabian Water and Electricity Company ("RAWEC")	118,382	95,525	90,622	(19.3)%	(5.1)%	(12.5)%
ACWA Guc Elektrik Isletme ve Yonetim Sanayi ve Ticaret A.S. (ACWA GUC")	85,893	50,876	51,680	(40.8)%	1.6%	(22.4)%
Al-Mourjan for Electricity Production Company ("MEPCO")	35,936	50,758	80,816	41.2%	59.2%	50.0%
Rabigh Electricity Company ("RABEC")	24,980	48,635	36,970	94.7%	(24.0)%	21.7%
Shuqaiq Water and Electricity Company ("SqWEC")	26,740	40,960	47,049	53.2%	14.9%	32.6%
Al Zarqa Plant for Power Generation Company	39,379	38,558	2,972	(2.1)%	(92.3)%	(72.5)%
ACWA Power Barka SAOG ("Barka")	30,361	35,033	28,157	15.4%	(19.6)%	(3.7)%
Dhofar Operation & Maintenance Company LLC	9,466	33,795	26,544	257.0%	(21.5)%	67.5%
Shuaibah Water and Electricity Company ("SWEC")	24,983	30,753	30,380	23.1%	(1.2)%	10.3%
Shuaibah Two Water Development Project Company ("SEPCO II")	25,164	20,419	10,731	(18.9)%	(47.4)%	(34.7)%
ACWA Power Enerji A.S	-	19,964	17,826	-	(10.7)%	-
ACWA Power Ouarzazate I S.A. ("APO I")	32,432	14,133	32,805	(56.4)%	132.1%	0.6%
Hassyan Energy Phase 1 P.S.C	3,380	12,016	133,962	255.5%	1014.9%	529.6%
Shuaibah Expansion Project Company Limited ("SEPCO")	7,737	9,615	12,158	24.3%	26.4%	25.4%
ACWA Power Solafrica Bokpoort CSP Power Plant (Pty) Ltd.	10,685	7,395	6,780	(30.8)%	(8.3)%	(20.3)%
ACWA Power Ouarzazate 3 ("APO III")	-	-	14,320	-	-	-
ACWA Power Global Services Ltd	-	-	78,782	-	-	-
Other related parties	33,809	28,766	25,052	(14.9)%	(12.9)%	(13.9)%
	595,275	**764,070**	**986,925**	**28.4%**	**29.2%**	**28.8%**
Less: provision for bad and doubtful debts	(978)	(978)	(35,376)	0.0%	3517.2%	501.4%
	594,297	**763,092**	**951,549**	**28.4%**	**24.7%**	**26.5%**
Less: current portion	(594,297)	(694,116)	(916,482)	16.8%	32.0%	24.2%
Non-current portion	**-**	**68,976**	**35,067**	**-**	**(49.2)%**	**-**

Source: NOMAC Audited Financial Statements

Due From Related Parties increased by 28.4%, or SAR 168.8 million, from SAR 594.3 million as at 31 December 2018G to SAR 763.1 million as at 31 December 2019G, and further increased by 24.7%, or SAR 188.5 million, to SAR 951.5 million as at 31 December 2020G.

NOMAC Group is a captive O&M operator for ACWA Power; accordingly, all NOMAC Group O&M customers are Related Parties. The increase in 2019G is mostly driven by higher receivables from APO II by SAR 91.1 million, HEPCO by SAR 49.8 million and Dhofar (Salalah Projects) by SAR 24.3 million on account of delay in payments. The increase in 2020G is mostly driven by higher receivables from Hassyan by SAR 121.9 million on account of extended mobilization; from APGS by SAR 78.8 million on account of advances; from APO II by SAR 39.8 million; and from Al-Mourjan (MEPCO) by SAR 30.1 million. The increase in Provision for Bad and Doubtful Debts represents the provision made during the year against receivable from Project Kirikkale in Turkey (as explained above).

Inventories

The following table presents a summary of NOMAC's Inventories as at 31 December 2018G, 2019G and 2020G:

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2019G
Stores and Spares Inventory						
Spare parts	142,730	147,799	159,634	3.6%	8.0%	5.8%
Chemicals	5,490	9,345	16,304	70.2%	74.5%	72.3%
Other consumables	19,220	17,775	35,824	(7.5)%	101.5%	36.5%
	167,440	**174,919**	**211,762**	**4.5%**	**21.1%**	**12.5%**
Less:						
Provision for inventory reserve, net of reversal	(18,374)	(18,769)	(21,021)	2.1%	12.0%	7.0%
Provision for slow-moving inventories, net	(3,520)	(3,480)	(3,480)	(1.1)%	0.0%	(0.6)%
Total	**145,546**	**152,670**	**187,261**	**4.9%**	**22.7%**	**13.4%**

Source: NOMAC Audited Financial Statements

Inventories increased by 4.9%, or SAR 7.1 million, from SAR 145.5 million as at 31 December 2018G to SAR 152.7 million as at 31 December 2019G, and further increased by 22.7%, or SAR 34.6 million, to SAR 187.3 million as at 31 December 2020G.

Inventories held by NOMAC mainly comprise Spare Parts, Chemicals and Other Consumables used in the operations and maintenance of the plants. Spare Parts accounted for 98.1%, 96.8% and 85.2% of total inventories as at 31 December 2018G, 2019G and 2020G, respectively. As per O&M agreements in place, NOMAC Group is required to hand over certain spare parts to the Project Companies at the end of the contract period. Accordingly, NOMAC estimates an inventory reserve every year based on the remaining life of the Project and records a provision accordingly. This is in addition to the provision for slow-moving inventory, which is accounted by NOMAC with respect to the expiry of chemicals, materials and other inventory, which are not in a position to be used in operations anymore.

The increase in 2019G is due to the increase in NOMAC KSA by SAR 2.7 million , Noor 1 by SAR 1.5 million and New Project (Shuaibah II) by SAR 1.3 million and several other projects by small amounts, which is attributable to purchasing for outages, and addition of a New Project (Shuaibah II).

The increase in 2020G is mainly attributable to the increase in RABEC (ROMCO) SAR 5.5 million, NOMAC KSA (SqWEC and Hajr) SAR 11.1 million, Shuaibah Water and Electricity (Seqaya) SAR 6.5 million, Morroco Projects SAR 6.1 million, ,Oman Projects SAR 4.1 million. This is on account of new projects commencing commercial operation and inventory stocking to manage the COVID situation.

Trade receivables, prepayments and other receivables

The following table presents a summary of NOMAC's Trade receivables, prepayments and other receivables as at 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018 G	2019 G	2020 G	2019 G	2020 G	CAGR-2018G-2020G
Advances to suppliers	32,208	83,308	187,534	158.7%	125.1%	141.3%
Trade receivables	199,308	66,718	65,064	(66.5)%	(2.5)%	(42.9)%
Margin on letter of guarantees	3,377	18,893	7,094	459.5%	(62.5)%	44.9%
Advances to employees	14,545	16,548	15,874	13.8%	(4.1)%	4.5%
VAT receivable	5,053	15,188	20,255	200.6%	33.4%	100.2%
Prepaid expenses	17,055	13,245	13,047	(22.3)%	(1.5)%	(12.5)%
Insurance claim receivable	1,957	6,672	13,507	240.9%	102.4%	162.7%
Long-term service agreement revenue accruals	6,598	4,408	5,464	(33.2)%	24.0%	(9.0)%
Advance income tax	-	3,479	-	-	(100.0)%	-
Security deposit	2,760	1,308	1,178	(52.6)%	(9.9)%	(34.7)%
Other receivables	18,689	4,694	35,145	(74.9)%	648.7%	37.1%
	301,550	**234,461**	**364,162**	**(22.2) %**	**55.3%**	**9.9%**

Source: NOMAC Audited Financial Statements

Total Trade receivables, prepayments and other receivables decreased by 22.2%, or SAR 67.1 million, from SAR 301.6 million as at 31 December 2018G to SAR 234.5 million as at 31 December 2019G, and then increased by 55.3%, or SAR129.7 million, to SAR 364.2 million as at 31 December 2020G.

The decrease in 2019G is mainly due to the collection of Trade Receivables for Technical Services fees related to Zarqa, Ibri and Sohar Projects. The increase in 2020G is mainly due to increase in Advances to Suppliers primarily for Gulf Trading by SAR 45.0 million for Zarqa Project (NMES), Advance in Al Dur by SAR 60.1 million and increase in receivables towards Barka Project for Life Time Extension from the project company by SAR 32 million under Other Receivables.

Cash and Cash Equivalents

SAR in 000s	As at 31 December			As at 31 December		
	2018 G	2019 G	2020 G	2019 G	2020 G	CAGR-2018G-2020G
Bank balances	179,237	236,165	127,097	31.8%	(46.2)%	(15.8)%
Cash on hand	514	287	196	(44.2)%	(31.7)%	(38.2)%
Short term deposit	15,225	-	-	(100.0)%	-	(100.0)%
	194,976	**236,452**	**127,293**	**21.3%**	**(46.2)%**	**(19.2)%**

Source: NOMAC Audited Financial Statements

Cash and Cash Equivalents increased by 21.3%, or SAR 41.5 million, from SAR 195.0 million as at 31 December 2018G to SAR 236.5 million as at 31 December 2019G, then decreased by 46.2%, or SAR 109.2 million, to SAR 127.3 million as at 31 December 2020G.

The increase in 2019G is mainly due to higher Bank balances on account of SAR 59.0 million received by NOMAC Al Dur just prior to the year end for Initial Spare Parts (ISP). This is partially offset by the decrease in Short term deposit on account of NMES's maturing deposit in Jan 2019G.

Cash and cash equivalents decreased from SAR 236.5 million as of 31 December 2019G to SAR 127.3 million as of 31 December 2020G, driven by payment of advances to APGS in the amount of (SAR 78.8 million), in addition to dividend payment to shareholders in the amount of (SAR 15.2 million).

6-4-5-3 Equity

The following table summarizes NOMAC's equity as at 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Equity						
Share capital	5,000	5,000	5,000	-	-	-
Proposed additional capital	-	228,895	251,813	-	10.0%	-
Statutory reserve	240	1,500	1,500	525.0%	-	150.0%
Retained earnings	2,904	66,491	151,055	2189.6%	127.2%	621.2%
Other reserves	27,340	(10,376)	(3,115)	(138.0)%	(70.0)%	-
TOTAL EQUITY	**35,484**	**291,510**	**406,253**	**721.5%**	**39.4%**	**238.4%**
Non-controlling interests	43,281	45,255	13,784	4.6%	(69.5)%	(43.6)%
TOTAL EQUITY TO OWNER	**78,765**	**336,765**	**420,037**	**327.6%**	**24.7%**	**130.9%**

Source: NOMAC Audited Financial Statements

Share Capital

As at 31 December 2018G, 2019G and 2020G, NOMAC's authorized and fully paid up Share Capital stood at SAR 5.0 million, consists of 5,000 shares of SAR 1,000 each.

Proposed Additional Share Capital

During 2019G, the Owner proposed to increase NOMAC's share capital by transferring an amount of SAR 228.9 million owed to the Owner, as approved by the Owner of NOMAC in the meeting dated 31 December 2019G (corresponding to 5 Jumada I 1441H).

Furthermore, during 2020G, the Owner proposed to increase NOMAC's share capital by transferring an amount of SAR 22.918 million owed to the Owner, as approved by the Owner of NOMAC in the meeting dated 31 December 2020G (corresponding to 16 Jumada I 1441H). As of 31 December 2020G, legal formalities to increase the capital have not yet completed.

Statutory Reserve

In accordance with the Companies Law and NOMAC's Articles of Association, NOMAC transfers 10% of the net profit for the year (after Zakat and income tax) to Statutory Reserves. NOMAC may resolve to discontinue such transfers when the reserve reaches 30% of capital. This statutory reserve is not available for distribution as dividends.

Retained earnings

Retained earnings increased by 2,189.6%, or SAR 63.6 million, from SAR 2.9 million as at 31 December 2018G to SAR 66.5 million as at 31 December 2019G, then increased by 127.2%, or SAR 84.6 million, to SAR 151.1 million as at 31 December 2020G.

The increase in 2019G is mainly attributed to restructuring of NOMAC entities whereby certain entities were acquired by NOMAC. The increase in 2020G is mainly due to full year impact of acquisition made during 2019G.

Other reserves

Other Reserves comprises other comprehensive income, mainly pertaining to actuarial gain or loss on employee benefits and foreign currency translation reserves.

Other Reserves decreased by 138.0%, or SAR 37.7 million, from SAR 27.3 million as at 31 December 2018G to SAR (10.4) million as at 31 December 2019G, then increased by 70.0%, or SAR 7.3 million, to SAR (3.1) million as at 31 December 2020G.

2018G included merger reserve amounting to SAR 30.2 million related to reorganisation of Group business activities. NOMAC had chosen to account for this acquisition under the pooling of interest method. In 2019G, SAR 30.2 million in other reserves was utilised for proposed increase in share capital along with and actuarial loss amounting to SAR 9.7 million mainly contributed to decrease in other reserve.

In 2020G, increase is mainly attributable to an actuarial gain amounting to SAR 5.6 million.

6-4-5-4 Non-current Liabilities

The following table presents a summary of NOMAC's Non-current Liabilities as at 31 December 2018G, 2019G and 2020G:

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Non- Current Liabilities						
Employees' end-of-service benefits	51,784	73,386	83,361	41.7%	13.6%	26.9%
Deferred revenue	13,184	83,713	66,020	535.0%	(21.1)%	123.8%
Other long-term liabilities	149,221	140,395	136,669	(5.9)%	(2.7)%	(4.3)%
Due to related party	-	31,589	108,148	-	242.4%	-
TOTAL NON-CURRENT LIABILITIES	**214,189**	**329,083**	**394,198**	**53.6%**	**19.8%**	**35.7%**

Source: NOMAC Audited Financial Statements

Total Non-Current Liabilities increased by 53.6%, or SAR 114.9 million, from SAR 214.2 million as at 31 December 2018G to SAR 329.1 million as at 31 December 2019G, and further increased by 19.8%, or SAR 65.1 million, to SAR 394.2 million as at 31 December 2020G. Variances in each line item are covered below.

Employees' End of Service Benefits

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Employees' end-of-service benefits	51,784	73,386	83,361	41.7%	13.6%	26.9%

Source: NOMAC Audited Financial Statements

Employees' End of Service Benefits increased by 41.7%, or SAR 21.6 million, from SAR 51.8 million as of 31 December 2018G to SAR 73.4 million as of 31 December 2019G, and further increased by 13.6%, or SAR 10.0 million, to SAR 83.4 million as of 31 December 2020G. The increase in both 2019G and 2020G is due to the actuarial reassessment of long-term employees' liability accounting for the number of employees, service period and pay scales. The valuation was carried out by an independent actuary based on the projected unit credit method in compliance with IAS 19 and has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation.

Deferred revenue

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Deferred revenue	13,184	83,713	66,020	535.0%	(21.1)%	123.8%

Source: NOMAC Audited Financial Statements

Deferred Revenue represents fixed element of billing to the project companies as part of the operation and maintenance agreement that are billed in advance, which represent revenue in respect of future medium and major maintenance and major overhaul of plants. The amount on the balance sheet represents the unearned portion of the revenues attributable to Major and Medium maintenance. The deferred revenue is recorded as Revenue as and when the Medium/Major maintenance services are delivered i.e. Revenue deferred during the year is added to the opening balance and adjusted for revenue recognised during the year and foreign currency exchange translation.

Deferred Revenue increased by 535.0%, or SAR 70.5 million, from SAR 13.2 million as at 31 December 2018G to SAR 83.7 million as at 31 December 2019G, and then decreased by 21.1%, or by SAR 17.7 million, to SAR 66.0 million as at 31 December 2020G.

The increase in 2019G is attributable to postponement of outages in NMES and Rabigh Electricity Company amounting to SAR 55.2 million and SAR 14.1 million, respectively. The decrease in 2020G is mainly attributable to NMES by SAR 20.0 million and balance increase attributable to other projects.

Other Long-term Liabilities

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Other long-term liabilities	149,221	140,395	136,669	(5.9)%	(2.7)%	(4.3)%

Source: NOMAC Audited Financial Statements

Other Long-term Liabilities include lease liabilities accounted for under IFRS 16, which was effective from 1 January 2019G. It also includes LTPA/LTS A payable to LTSA contractors and reflects amounts due after one year. This is based on an agreement between NOMAC KSA and its LTSA contractors to restructure the outstanding balances owed by NOMAC to the contractors. The restructured payable is non-interest bearing and due in 13 annual instalments on 31 May of each year. However, to comply with the requirements of IFRS, the liability is recorded at the present value with the discounting impact charged in 'finance charges' in the income statement.

Other Long-term Liabilities decreased by 5.9%, or SAR 8.8 million, from SAR 149.2 million as at 31 December 2018G to SAR 140.4 million as at 31 December 2019G, then decreased by 2.7%, or SAR 3.7 million, to SAR 136.7 million as at 31 December 2020G.

In 2019G the decrease of SAR 12.1 million in other long-term liability is mainly due to yearly instalment repayment of LTA payable to Siemens offset by increase of SAR 3.3 million in lease liabilities accounted for the first time in 2019G under IFRS 16.

In 2020G the decrease of SAR 12.4 million in other long-term liability is mainly due to yearly instalment repayment of LTA payable to Siemens offset by increase of SAR 8.7 million in lease liabilities due to renewal of agreement in NOMAC KSA and NMES.

Due to related parties

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Due to related parties	-	31,589	108,149	-	242.4%	-

The increase in 2020G is mainly on account of loan from ACWA Power Global Services Ltd (APGS) for effecting payments to APO III (Sener) and Noor 2 Warranty Deposit in Morocco, which is classified as Payables and accruals in 2019G.

6-4-5-5 Current Liabilities

The following table presents a summary of the Company's Current Liabilities as at 31 December 2018G, 2019G and 2020G:

	As at 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Current Liabilities						
Deferred revenue	52,805	101,232	208,510	91.7%	106.0%	98.7%
Payables and accruals	338,782	471,661	600,775	39.2%	27.4%	33.2%
Zakat and tax payable	14,796	23,078	37,644	56.0%	63.1%	59.5%
Due to related parties	653,381	271,942	139,284	(58.4)%	(48.8)%	(53.8)%
TOTAL CURRENT LIABILITIES	**1,059,764**	**867,913**	**986,213**	**(18.1)%**	**13.6%**	**(3.5)%**

Source: NOMAC Audited Financial Statements

Deferred Revenue

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Deferred revenue	52,805	101,232	208,510	91.7%	106.0%	98.7%

Source: NOMAC Audited Financial Statements

Deferred Revenue classified as Current Liability represents fixed element of billing to the Project Companies, as part of the Operation and Maintenance agreement, which are billed in advance. This represents revenue which is expected to be earned in respect of future medium and major maintenance and overhaul of the plants within a period of 12 months from end of financial year.

Deferred Revenue increased by 91.7%, or SAR 48.4 million, from SAR 52.8 million as at 31 December 2018G to SAR 101.2 million as at 31 December 2019G, and further increased by 106.0%, or SAR 107.3 million, to SAR 208.5 million as at 31 December 2020G. The increase in 2019G is attributable to an amount of SAR 48.5 million received from the project company for Al Dur LTSA for initial spare parts. The increase in 2020G is attributable to an amount of SAR 80.1 million received from the project company for Al Dur LTSA for initial spare parts and Rabigh Electricity Company by SAR 24.1 million for the planned outages in 2021G and balance from other projects.

Payables and accruals

The following table presents a summary of the NOMAC's Payables and Accruals as at 31 December 2018G, 2019G and 2020G:

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Payables and accruals						
Accounts payable	89,642	213,809	255,649	138.5%	19.6%	68.9%
Accrued expenses	119,434	108,634	126,147	(9.0)%	16.1%	2.8%
Salary and benefits payable	81,350	88,028	105,887	8.2%	20.3%	14.1%
Restructured LTSA payable	13,945	14,054	14,162	0.8%	0.8%	0.8%
VAT payable	19,378	19,070	39,982	(1.6)%	109.7%	43.6%
Lease liability	-	7,524	4,896	-	(34.9)%	-
Other payables	15,033	20,542	54,052	36.6%	163.1%	89.6%
Total	**338,782**	**471,661**	**600,775**	**39.2%**	**27.4%**	**33.2%**

Source: NOMAC Audited Financial Statements

Total Payables and Accruals increased by 39.2%, or SAR 132.9 million, from SAR 338.8 million as at 31 December 2018G to SAR 471.7 million as at 31 December 2019G, then further increased by 27.4%, or SAR 129.1 million, to SAR 600.8 million as at 31 December 2020G.

The increase in 2019G is mainly due to the:

- Increase in Accounts Payable, on account of an increase in LTSA payable in NOMAC KSA of SAR 96.2 million and increase in Trade Creditors at NOMAC Maroc of SAR 29.3 million;
- Increase in Salary and benefits payable of SAR 6.7 million attributable to Oman due to bonus provision for new recruits in Ibri & Sohar Projects;
- Increase in Other payables by SAR 5.5 million mainly due to increase in payable to other creditors in Shuaibah expansion II amounting to SAR 2.7 million and in corporate by SAR 2.5 million;
- SAR 7.5 million first-time charge of lease liability, accounted for the first time in 2019G under IFRS 16; and
- Decrease in accruals, mainly attributed to by SAR 3.1 million in Rabigh Electricity Company (ROMCO) and reduction in TSA accruals in NOMAC KSA by SAR 4.5 million.

The increase in 2020G is mainly due to the:

- Increase in Accounts Payable, on account of an increase in LTSA payable in NOMAC KSA of SAR 18.0 million and increase in Trade Creditors at NOMAC Maroc of SAR 29.0 million offset by a reduction in ROMCO by SAR 3.0 million as vendors were paid in advance;
- Increase in Salary and benefits payable, due annual increase in salary and its components and Leave and air ticket accruals not being utilised on account of COVID-19 situation in NOMAC KSA by SAR 5.1 million and increase in Hassyan Project, Corporate and NMES by SAR 11.8 million attributable to new hiring in 2020G;
- Increase in VAT payable, attributable to APO1 (NOMAC Maroc) Project amounting to SAR 14.1 million on account of higher APO III O&M (Sener) invoices and outstanding invoices of APO II O&M, with the balance pertaining to the increase in NOMAC Enerji Turkey and NOMAC KSA by SAR 1.6 million and SAR 1.0 million, respectively, and in other Projects; and
- Increase in Other payables, mainly attributable to advance received from Haya Project Company to procure initial spare parts in Al Dur amounting to SAR 23.2 million and in Ibri, Sohar, Barka and Salalah projects in Oman amounting to SAR 5.0 million and in Shuaibah expansion II amounting to SAR 3 million.

Zakat and tax payable

	As of 31 December			Increase/(Decrease)		
SAR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
At the beginning of the year	10,734	14,796	23,078	37.8%	56.0%	46.6%
Charge for the year	25,296	30,077	40,703	18.9%	35.3%	26.8%
Adjustments for prior years	2,191	3,002	-	37.0%	-100%	-100%
Payments during the year	(23,425)	(24,797)	(26,133)	5.9%	5.4%	5.6%
Foreign currency translation difference	-	-	(4)	-	-	-
Zakat and tax payable	**14,796**	**23,078**	**37,644**	**56.0%**	**63.1%**	**59.5%**

Source: NOMAC Audited Financial Statements

Due to IFC's investment in ACWA Power on 17 September 2014, ACWA Power is accounted for zakat as a mixed entity in Saudi Arabia as of 2014. During the year, IFC sold its stake to a Saudi shareholder. Consequently, the Saudi shareholder's stake in the ultimate parent company increased to 100%.

Zakat and tax charge for the year is added to the opening liability which is then adjusted for payments made during the year and foreign currency exchange differences to arrive at the closing liability.

Zakat and Tax Payable increased by 56.0%, or SAR 8.3 million, from SAR 14.8 million as at 31 December 2018G to SAR 23.1 million as at 31 December 2019G, then increased by 64.0%, or SAR 14.6 million, to SAR 37.6 million as at 31 December 2020G.

The increase in 2019G is mainly due to increase in tax by SAR 7.2 million in Oman which included additional provision of SAR 1.5 million booked by NOMAC Oman pursuant to a tax assessment by Oman tax authorities for the years 2012G-2016G and the matter is currently under appeal. NOMAC Oman also made an additional SAR 2.2 million provision for open years 2017G-2019G; these periods have not yet been assessed by the Oman tax authorities.

The increase for SAR 14.6 million in 2020G is mainly due increase in zakat and tax in NOMAC KSA by SAR 7.0 million and SAR 3.5 million and SAR 3.2 million in NOMAC Oman and First National Holding respectively.

NOMAC has submitted zakat/tax returns for FY17 to FY19. ZATCA issued an assessment for FY18, which does not include material zakat liabilities; however, no assessment has been carried out by ZATCA for FY19.

Due to related parties

SAR in 000s	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
DUE TO RELATED PARTIES						
ACWA Power Global Services LLC ("APGS")	170,961	148,262	78,655	(13.3)%	(46.9)%	(32.2)%
International Company for Water and Power Projects	14,713	139,953	157,112	851.2%	12.3%	226.8%
Kahromaa Company Limited	55,977	7,666	7,666	(86.3)%	-	(63.0)%
API - Dubai Branch	90	3,740	3,440	4055.6%	(8.0)%	518.2%
ACWA Power Global Holdings Limited ("APGH")	3,375	3,375	-	-	(100.0%)	(100.0)%
Al Zarqa Plant for Power Generation Co	37,776	535	-	(98.6)%	(100.0)%	(100.0)%
ACWA Power Projects	344,291	-	46	(100.0)%	-	(98.8)%
Other related parties	26,198	-	513	(100.0)%	-	(86.0)%
Total	**653,381**	**303,531**	**247,432**	**(53.5)%**	**(18.5)%**	**(38.5)%**
Non-current	-	(31,589)	(108,148)	-	242.4%	-
Current	**653,381**	**271,942**	**139,284**	**-58.4%**	**-48.8%**	**-53.8%**

Source: NOMAC Audited Financial Statements

Due To Related Parties decreased by 53.5%, or SAR 349.9 million, from SAR 653.4 million as at 31 December 2018G to SAR 303.5 million as at 31 December 2019G, then further decreased by 18.5%, or SAR 56.1 million, to SAR 247.4 million as at 31 December 2020G. The decrease in 2019G is due to the settlement of dues to APGS SAR 22.7 million, Kahromaa Company Limited SAR 48.3 million and Al Zarqa Plant for Power Generation Co SAR 37.2 million, partially offset by an increase in payables to International Company for Water and Power Projects (ACWA Power) SAR 125.2 million. The decrease in 2020G is attributable to the settlement of dues to ACWA Power Global Services LLC (APGS) SAR 69.6 million.

In line with the NOMAC Group's restructuring, all O&M entities that were earlier owned by other ACWA Group entities were brought into the ownership of NOMAC Group. These acquisitions created a payable to the ultimate parent company (ACWA Power) amounting to SAR 228.9 million. Pursuant to the shareholder proposal for the capitalization of the said related party payable, and following the approval to increase the capital of the Company in the Board meeting dated 31 December 2019G, this payable was transferred as proposed capital.

6-4-5-6 Contingencies and Commitments

SAR in million	As at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Letters of guarantee	17.4	29.3	32.6	68.4%	11.3%	36.9%
Letter of credits	29.6	27.4	36.1	(7.4)%	31.8%	10.4%
Capital Commitments	7.2	9.6	3.0	33.3%	(68.8) %	(35.5) %

Source: NOMAC Audited Financial Statements

Letters of guarantee increased by 68.4%, or SAR 11.9 million, from SAR 17.4 million as at 31 December 2018G to SAR 29.3 million as at 31 December 2019G, then further increased by 11.3%, or SAR 3.3 million, to SAR 32.6 million as at 31 December 2020G.

Letter of credits decreased by (7.4)%, or SAR (2.2) million, from SAR 29.6 million as at 31 December 2018G to SAR 27.4 million as at 31 December 2019G, then increased by 31.8%, or SAR 8.7 million, to SAR 36.1 million as at 31 December 2020G.

Capital commitment increased by 33.3%, or SAR 2.4 million, from SAR 7.2 million as of 31 December 2018G to SAR 9.6 million as of 31 December 2019G, then decreased by 68.8%, or SAR 6.6 million, to SAR 3.0 million as of 31 December 2020G. Capital commitment is mainly attributable to Membrane Test bench for RO plants and obligations under procurement of software (under implementation) contract. Reduction in capital commitment is mainly attributable to capitalisation of these assets under Property and equipment and Intangible assets each year.

6-4-6 Consolidated statement of cash flows

The following table summarizes certain data from NOMAC's consolidated statement of cash flows for the year ended 2018G, 2019G and 2020G:

SR in 000s	Financial Year ended at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Net cash flows from operating activities	19,304	235,153	128,858	1118.2%	(45.2)%	158.4%
Net cash flows (used in) from investing activities	8,714	(12,043)	419	(238.2%)	(103.5)%	(78.1)%
Net cash flows used in financing activities	(180,603)	(182,116)	(239,829)	0.8%	31.7%	15.2%
Net change in cash and cash equivalents	**(152,585)**	**40,994**	**(110,552)**	**(126.9)%**	**(369.7)%**	**(14.9)%**
Net foreign exchange difference	(5,799)	482	1,393	(108.3)%	189.0%	-
Beginning cash and cash equivalents balance	353,360	194,976	236,452	(44.8%)	21.3%	(18.2%)
Ending cash and cash equivalents	**194,976**	**236,452**	**127,293**	**21.3%**	**(46.2%)**	**(19.2%)**

Source: NOMAC Audited Financial Statements

6-4-6-1 Cash flow From Operating Activities

The following table summarizes NOMAC's cash flows from operating activities in 2018G, 2019G and 2020G.

SR in 000s	Financial Year ended at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Profit before zakat and income tax	248,949	256,344	333,179	3.0%	30.0%	15.7%
Adjustment to reconcile profit before zakat and income tax to net cash flows:						
Deferred revenue	(4,159)	119,306	90,967	(2968.6)%	(23.8)%	
Depreciation/amortisation on property and equipment and intangible assets	15,591	19,227	21,277	23.3%	10.7%	16.8%
Depreciation on right of use assets	-	7,366	4,273	-	(42.0)%	-
Provision for expected credit loss	8,834	10,102	39,468	14.4%	290.7%	111.4%
Provision for employees' end-of-service benefits	14,442	17,264	21,414	19.5%	24%	21.8%

SR in 000s	Financial Year ended at 31 December			Increase/(Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
Provision for inventory reserve and slow-moving inventories	4,286	2,745	2,260	(36.0)%	(17.7)%	(27.4)%
Gain on disposal of property and equipment	(1,384)	(58)	(205)	(95.8)%	253.4%	(61.5)%
Share in net results of equity-accounted investees, net of tax	(35,271)	(21,305)	(20,777)	(39.6)%	(2.5)%	(23.2)%
	251,288	**410,991**	**491,856**	**63.6%**	**19.7%**	**39.9%**
Working capital adjustments:						
Payables and accruals and other long-term liabilities	(68,904)	108,390	119,341	(257.3)%	10.1%	
Trade receivables, prepayments and other receivables	(37,905)	53,394	(129,701)	(240.9)%	(342.9)%	85.0%
Inventories	22,098	(9,869)	(36,851)	(144.7)%	273.4%	
Due from related parties	(133,235)	(168,795)	(227,925)	26.7%	35.0%	30.8%
Due to related parties	16,107	(129,210)	(56,099)	(902.2)%	(56.6)%	
Net cash flows from operations	**49,449**	**264,901**	**160,621**	**435.7%**	**(39.4)%**	**80.2%**
Zakat and income tax paid	(23,425)	(24,797)	(26,133)	5.9%	5.4%	5.6%
Employees' end-of-service benefits paid	(6,720)	(4,951)	(5,630)	(26.3)%	13.7%	(8.5)%
Net cash flows from operating activities	**19,304**	**235,153**	**128,858**	**1118.2%**	**(45.2)%**	**158.4%**

Source: NOMAC Audited Financial Statements

Net cash flow from operating activities increased by 1,118.2%, or SAR 215.8 million, from SAR 19.3 million in 2018G to SAR 235.2 million in 2019G, then decreased by 45.2%, or SAR 106.3 million, to SAR 128.9 million in 2020G.

Net cash flows from operating activities in 2019G is mainly attributable to cash received against invoicing, which includes costs to be incurred in future by SAR 119.3 million consisting mainly of Hassyan by SAR 72.1 million, RPC by SAR 28.0 million and Ibri by SAR 16.1 million. Moreover, SAR 85.9 million increase in payables and accruals in NOMAC KSA and NOMAC Maroc contributed to the positive cash flow in addition to the improvement in working capital by virtue of reduction in advances, pre-payments and other receivables.

Net cash flows from operating activities in 2020G are mainly attributable to the increase in the following:

a- Due from related parties by SAR 227.9 million which mainly includes increase in receivable balances of Hassyan by SAR 121.9 million, ACWA Power Ouarzazate II S.A. by SAR 39.8 million, Al-Mourjan for Electricity Production Company by SAR 30.1 million, ACWA Power Ouarzazate 3 by SAR 14.3 million; and

b- Trade receivables, Prepayments and Other Receivables, which increased by SAR 129.7 million mainly due to increase in Deferred Cost in Al Dur project amounting to SAR 60.1 million and Advance to Supplier increased by SAR 44.1 million in NMES and Hassyan project. The above is partially offset by non-cash adjustments and increase in Payables and accruals and other long-term liabilities which increased by SAR 106.6 million which is mainly attributed to an increase of LTSA payable in NOMAC KSA and vendor payment in NOMAC Maroc.

6-4-6-2 Cash flow (used in) / from Investing Activities

The following table summarizes NOMAC's cash flow (used in) / from investing activities in 2018G, 2019G and 2020G:

	Financial Year ended at 31 December			Increase/(Decrease)		
SR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
INVESTING ACTIVITIES						
Dividends received from equity-accounted investees	33,900	21,374	21,374	(36.9)%	0.0%	(20.6)%
Proceeds from sale of property and equipment	5,933	193	661	(96.7)%	242.5%	(66.6)%
Acquisition of property and equipment and intangible assets	(31,119)	(33,610)	(21,616)	8.0%	(35.7)%	(16.7)%
Net cash flows (used in) from investing activities	**8,714**	**(12,043)**	**419**	**(238.2)%**	**(103.5)%**	**(78.1)%**

Source: NOMAC Audited Financial Statements

Net cash used in investing activities in 2019G was SAR 12.0 million compared to net cash from investing activities amounting to SAR 8.7 million in 2018G, with less cash generation in 2019G being due to decline in dividend receipts from Jubail Operations Holdings Company W.L.L. and Suez Nomac O&M Holdings Company W.L.L. by SAR 12.5 million which was further decreased by proceeds from sale of property and equipment and intangible assets by SAR 5.7 million. Net cash from investing activities in 2020G was SAR 0.4 million compared to SAR 12.0 million cash used in 2019G, mainly due to decrease in acquisition of property and equipment.

6-4-6-3 Cash flow used in Financing Activities

The following table summarizes the NOMAC's cash flow used in financing activities in 2018G, 2019G and 2020G:

	Financial Year ended at 31 December			Increase/(Decrease)		
SR in 000s	2018G	2019G	2020G	2019G	2020G	CAGR-2018G-2020G
FINANCING ACTIVITIES						
Acquisition of subsidiaries	10	-	-	(100.0)%	-	(100.0)%
Dividends paid to non-controlling interests	(9,817)	(15,745)	(15,263)	60.4%	(3.1)%	24.7%
Payment of principal portion of lease liability	-	-	(6,973)	-	-	-
Dividends paid to Owner	(170,795)	(166,371)	(217,593)	(2.6)%	30.8%	12.9%
Net cash flows used in financing activities	**(180,602)**	**(182,116)**	**(239,829)**	**0.8%**	**31.7%**	**15.2%**

Source: NOMAC Audited Financial Statements

Net cash flow used in financing activities in 2019G marginally decreased to SAR 182.1 million compared to SAR 180.6 million in 2018G due to dividend payments. Net cash flow used in financing activities in 2020G decreased to SAR 239.8 million compared to SAR 182.1 million in 2019G due to dividend payments.

6-5 Management's Discussion and Analysis of Financial Position and Results of Operations of RAWEC

The following management discussion and analysis provides an analytical review of the financial position and operational performance of Rabigh Arabian Water and Electricity Company ("RAWEC") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section has been derived from the audited financial statements of RAWEC as of and for the years ended 31 December 2018G, 2019G and 2020G. The financial statements of RAWEC are prepared in accordance with international financial reporting standards that are endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS" endorsed in KSA). These financial statements are not included in this Prospectus. RAWEC was incorporated on 7/8/1426H (corresponding to 10 September 2005G), in which the Group has an effective shareholding of 99%. For more information on RAWEC, refer to Section [4-6-3 (Project Descriptions).] The audited financial statements of RAWEC are presented in Saudi Riyal ("SAR").

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-5-1 Results of Operations—Income statement

The following table shows certain data from the income statement for the financial years ended 31 December 2018G, 2019G and 2020G.

	For the year ended 31 December			Increase/(Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	1,138,756	1,151,032	1,154,863	1.1%	0.3%	0.7%
Direct cost	(465,872)	(483,789)	(485,954)	3.8%	0.4%	2.1%
Other expense	(32,583)	(30,995)	(32,036)	-4.9%	3.4%	-0.8%
Operating profit	**640,301**	**636,248**	**636,873**	**-0.6%**	**0.1%**	**-0.3%**
Finance cost	(253,385)	(227,270)	(201,031)	-10.3%	-11.5%	-10.9%
Other income/(expense) incl tax expense	(55,258)	66,706	(13,264)	-220.7%	-119.9%	-51.0%
Net profit	**331,658**	**475,684**	**422,578**	**43.4%**	**-11.2%**	**12.9%**

Source: Audited IFRS financial statements

6-5-1-1 Revenue

Revenue increased by 1.1%, or SAR 12.3 million, from SAR 1,138.8 million in 2018G to SAR 1,151.0 million in 2019G, with additional increase by 0.3%, or SAR 3.8 million, to SAR 1,154.9 million in 2020G. The increase in 2019G was mainly due to higher revenue generated from steam by SAR 2.5 million, power by SAR 5.4 million and water by SAR 4.3 million on account of new phase II tariff rates which came into effect from March 2018G and had a full-year effect in 2019G, pursuant to the WECA agreement between RAWEC and Petro-Rabigh. Moreover, in the year 2018G a provision of SAR 7.5 million was made for anticipated loss of revenue due to the extended outage related to an incident with a glass fiber reinforced plastic pipe. The remaining change includes lower indexation adjustments by SAR 5.3 million and increased generation due to offtaker demand. Further increase of revenue in 2020G was mainly due to increase in revenue generated from power by SAR 13.1 million and a decrease in steam by SAR 3.5 million, and extra output charges received on additional dispatch of utilities to the offtaker, which was partially offset by lower revenue of water by SAR 5.8 million due to a variation in the demand from the offtaker, in addition to annual index adjustments to the charge rates.

6-5-1-2 Direct cost

Direct cost increased by 3.8%, or SAR 17.9 million, from SAR 465.9 million in 2018G to SAR 483.8 million in 2019G, with a marginal additional increase of 0.4%, or SAR 2.2 million to SAR 486.0 million in 2020G. The increase in 2019G was mainly due to higher O&M cost based on revised tariff, which came into effect from September 2018G and had a full-year effect in 2019G, in addition to higher testing and inspection expenses in 2019G, which is carried out every fourth year.

6-5-1-3 Operating profit

Operating profit decreased by 0.6%, or SAR 4.1 million, from SAR 640.3 million in 2018G to SAR 636.2 million in 2019G and marginally increased by 0.1%, or SAR 0.6 million, to SAR 636.9 million in 2020G. The variance in both years was largely due to the revenue and direct cost variances explained above, which in 2019G was partly offset by lower general and administration expense (included in Other expense) resulting from a decrease in headcount.

6-5-1-4 Finance cost

Finance cost decreased by 10.3%, or SAR 26.1 million, from SAR 253.4 million in 2018G to SAR 227.3 million in 2019G, with an additional decrease of 11.5%, or SAR 26.2 million, to SAR 201.0 million in 2020G. The decreases were mainly due to reduction in interest cost resulting from the lower principal amount outstanding on account of regular annual repayments the loans.

6-5-1-5 Net profit

Net profit increased by 43.4%, or SAR 144.0 million, from SAR 331.7 million in 2018G to SAR 475.7 million in 2019G and then decreased by 11.2%, or SAR 53.1 million, to SAR 422.6 million in 2020G. The increase in 2019G was the result of increased revenues due to higher dispatch, as well as a reversal of a deferred tax liability amounting to SAR 76.9 million (included in Other income/(expense) including tax expense). This reversal was recorded in 2019G on account of the exit of a foreign shareholder. Furthermore, financing costs were lower as the outstanding debt reduced by repayment of long-term loan, settlement of a subordinated loan and conversion of a shareholder short-term advance to share capital. The reduction in 2020G was mainly due to the impact of lower finance cost and reversal of deferred tax liability in 2019G, as mentioned above.

6-5-2 Statement of Financial Position

The following table shows certain data from the statement of financial position as of 31 December 2018G, 2019G and 2020G.

Statement of Financial Position	As at 31 December			Increase/(Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	6,434,675	6,285,364	6,128,099	-2.3%	-2.5%	-2.4%
Current assets	457,899	378,775	402,435	-17.3%	6.2%	-6.3%
Total assets	**6,892,574**	**6,664,139**	**6,530,534**	**-3.3%**	**-2.0%**	**-2.7%**
Non-current liabilities	3,853,723	3,216,397	2,758,425	-16.5%	-14.2%	-15.4%
Current liabilities	617,834	649,761	688,459	5.2%	6.0%	5.6%
Total liabilities	**4,471,557**	**3,866,158**	**3,446,884**	**-13.5%**	**-10.8%**	**-12.2%**
Net Assets	**2,421,017**	**2,797,981**	**3,083,650**	**15.6%**	**10.2%**	**12.9%**

Source: Audited IFRS financial statements

RAWEC's Total assets, Non-current assets, mainly consisting of Property, plant and equipment, accounted for 93.4%, 94.3% and 93.8% as of 31 December 2018G, 2019G and 2020G, respectively. Similarly, in RAWEC's Total liabilities, the Non-current liabilities—mainly project finance debt— accounted for 86.2%, 83.2% and 80.0% of Total Liabilities as of 31 December 2018G, 2019G and 2020G, respectively.

Net assets of RAWEC gradually increased by 15.6%, or SAR 377.0 million, from SAR 2,421.0 million as of 31 December 2018G to SAR 2,798.0 million as of 31 December 2019G, with an additional increase of 10.2%, or SAR 285.7 million, to SAR 3,083.7 million as of 31 December 2020G. This increase was mainly driven by decrease in Total liabilities due to the scheduled repayment of project loans, which more than offset the decrease in Total assets.

6-5-2-1 Total assets

Total assets gradually decreased by 3.3%, or SAR 228.4 million, from SAR 6,892.6 million as of 31 December 2018G to SAR 6,664.1 million as of 31 December 2019G, with an additional decrease of 2.0%, or SAR 133.6 million, to SAR 6,530.5 million as of 31 December 2020G.

Non-current assets gradually decreased by 2.3%, or SAR 149.3 million, from SAR 6,434.7 million as of 31 December 2018G to SAR 6,285.4 million as of 31 December 2019G, with an additional decrease of 2.5%, or SAR 157.3 million, to SAR 6,128.1 million as of 31 December 2020G, driven by depreciation charges for Property, plant and equipment, which were partially offset by the capital expenditures during both years. Depreciation charge and additional capital expenditures for 2019G were SAR 203.1 million and SAR 50.0 million, respectively. Depreciation expenses and additional capital expenditures for 2020G were SAR 207.0 million and SAR 55.2 million, respectively.

Current assets decreased by 17.3%, or SAR 79.1 million, from SAR 457.9 million as of 31 December 2018G to SAR 378.8 million as of 31 December 2019G and then increased by 6.2%, or SAR 23.7 million, to SAR 402.4 million as of 31 December 2020G. The decrease in 2019G was driven by a reduction in Cash and cash equivalents by SAR 60.5 million, mainly because of the payment of the final dividend in 2019G that was declared in 2018G, and a further reduction in account receivables by SAR 53.8 million; these were partially offset by an increase in Inventories by SAR 35.2 million in 2019G due to purchase of overhauling spare parts. The increase in 2020G was mainly driven by Account receivables due from the offtaker.

6-5-2-2 Total liabilities

Total liabilities decreased by 13.5%, or SAR 605.4 million, from SAR 4,471.6 million as of 31 December 2018G to SAR 3,866.2 million as of 31 December 2019G, with an additional decrease of 10.8%, or SAR 419.3 million, to SAR 3,446.9 million as of 31 December 2020G.

Non-current liabilities decreased by 16.5%, or SAR 637.3 million, from SAR 3,853.7 million as of 31 December 2018G to SAR 3,216.4 million as of 31 December 2019G, with an additional decrease of 14.2%, or SAR 458.0 million, to SAR 2,758.4 million as of 31 December 2020G. The decrease in 2019G was mainly due to the repayment of annual long-term loans by SAR 410.7 million, settlement of a Subordinate Loan of SAR 123.8 million and reversal of deferred tax Liabilities of SAR 72.0 million. The decrease in 2020G was mainly due to the repayment of annual long-term project finance debt instalment of SAR 442.0 million.

Current liabilities increased by 5.2%, or SAR 31.9 million, from SAR 617.8 million as of 31 December 2018G to SAR 649.8 million as of 31 December 2019G, with an additional increase of 6.0%, or SAR 38.7 million, to SAR 688.5 million as of 31 December 2020G. The increase in 2019G was due to the recording of Dividend payable to shareholders of SAR 38.6 million (as approved by the board of directors) and an increase in the current portion of Long-term loans, which were partially offset by the reduction in Other payables mostly related to the affiliated company Rabigh Power Company (RPC) (O&M contractor) amounting to SAR 97.2 million and a reduction in Short-term loan. Further increase in 2020G was mainly due to the recording of Dividend payable to shareholders of SAR 88.1million, partially offset by the reduction in other payables mainly related to the O&M contractor.

6-5-3 Statement of Cash Flows

The following table shows certain data from the statement of Cash Flows for the year ended 31 December 2018G, 2019G and 2020G.

Statement of Cash Flows	For the year ended 31 December			Increase/(Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Net cash from operating activities	833,486	831,514	742,685	-0.2%	-10.7%	-5.6%
Net cash used in investing activities	(296,035)	(46,457)	(54,287)	-84.3%	16.9%	-57.2%
Net cash used in financing activities	(636,877)	(845,575)	(730,384)	32.8%	-13.6%	7.1%
(Decrease)/Increase in Cash & cash equivalents	**(99,426)**	**(60,518)**	**(41,986)**	**-39.1%**	**-30.6%**	**-35.0%**
Cash & Cash equivalents at the beginning of the year	328,156	228,730	168,212	-30.3%	-26.5%	-28.4%
Cash & Cash equivalents at the end of the year	228,730	168,212	126,226	-26.5%	-25.0%	-25.7%

Source: Audited IFRS financial statements

The cash and cash equivalents balance decreased by 26.5%, or SAR 60.5 million, from SAR 228.7 million as at 31 December 2018G to SAR 168.2 million as at 31 December 2019G and further decreased by 25.0% or SAR 41.9 million to SAR 126.2 million as at 31 December 2020G.

6-5-3-1 Cash flow from operating activities

Net cash from operating activities marginally decreased by 0.2% or SAR 1.9 million, from SAR 833.4 million in 2018G to SAR 831.5 million in 2019G and further decreased by 10.7% or SAR 88.8 million, to SAR 742.7 million in 2020G.

The decrease in 2019G was mainly driven by working capital adjustments i.e., change in inventory balance from prior year (SAR 35.2 million in 2019G; SAR 7.9 million in 2018G) partly offset by changes in payable to vendors (SAR 12.4 million in 2019G; SAR 54.3 million in 2018G). Further decrease in 2020G was also due to working capital adjustments i.e. change in accounts receivable (SAR 65.9 million in 2020G; SAR 53.8 million in 2019G) , change in inventory balance from prior year (SAR 4.1 million in 2020G; SAR 35.2 million in 2019G) which was partly offset change in payable to vendors (SAR 33.9 million in 2020G; SAR 12.4 million in 2019G) and zakat & tax liability (SAR 7.9 million paid in 2020G; SAR 15.8 million in 2019G).

6-5-3-2 Cash used in investing activities

Net cash used in investing activities decreased by 84.3% or SAR 249.6 million, from SAR 296.0 million in 2018 to SAR 46.5 million in 2019 and then increased by 16.9% or SAR 7.8 million, to SAR 54.3 million in 2020G.

The decrease in 2019G mainly due to less cash used for Phase II facility capital work in progress SAR 28.1 million in 2019G as compared to SAR 281.4 million used in 2018G. The increase in 2020G was mainly driven by cash invested on capital additions to property, plant and equipment in the year 2020G, SAR 47.4 million as compared to amount SAR 21.9 million invested in 2019G.

6-5-3-3 Cash used in financing activities

Net cash used in financing activities increased by 32.8% or SAR 208.7 million, from SAR 636.9 million in 2018G to SAR 845.6 million in 2019G and then decreased by 13.6% or SAR 115.2 million, to SAR 730.3 million in 2020G.

Increase in 2019G was mainly driven by repayment of short-term loan SAR 23 million, dividend payment of SAR 60 million in the year 2019G as compared to nil payment in year 2018G. However, there was no term loan drawn in 2019G compared to SAR 199 million drawn in 2018G. The decrease in 2020G was mainly driven by the repayment of subordinated loan of SAR 123.8 million and short-term loan of SAR 23.9 million in the year 2019G as compared to nil payment in the year 2020G which was partly offset against dividend payment of SAR 87.4 million paid in 2020G as against SAR 60 million paid in 2019G.

6-6 Management's Discussion and Analysis of Financial Position and Results of Operations of BARKA

The following management discussion and analysis provides an analytical review of the financial position and operational performance of ACWA Power Barka SAOG ("BARKA") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section has been derived from the audited financial statements of BARKA as of and for the years ended 31 December 2018G, 2019G and 2020G. The financial statements of BARKA are prepared in accordance with international financial reporting standards. These financial statements are not included in this Prospectus. BARKA is an Omani public joint stock company, incorporated as a closely held joint stock company in the Sultanate of Oman on 21/8/1421H (corresponding to 19 November 2000G). Based on the terms of the Project Founders Agreement, the Company in an Initial Public Offering (IPO) offered 35% of its existing shares to the public when the Company was transformed from a closely held joint stock company to a public joint stock company and the shares were listed on the Muscat Securities Market (MSM) on 12 January 2005G. The Group currently has an effective shareholding of 41.9% in BARKA. For more information on BARKA, refer to Section (4-6-3-2-15) (Project Descriptions, Selected Significant Projects, BARKA). The audited financial statements of BARKA are presented in Omani Riyal ("OMR"). The conversion rate used to translate the financial information in OMR into SAR is OMR 1 = SAR 9.8016.

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-6-1 Results of Operations—Income statement

The following table shows certain data from the income statement for the financial years ended 31 December 2018G, 2019G and 2020G.

	For the year ended 31 December			Increase/(Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	603,113	546,180	497,605	-9.4%	-8.9%	-9.2%
Direct cost	(429,005)	(373,391)	(348,045)	-13.0%	-6.8%	-9.9%
Other expenses	(20,775)	(16,563)	(21,117)	-20.3%	27.5%	0.8%
Operating profit	**153,333**	**156,226**	**128,443**	**1.9%**	**-17.8%**	**-8.5%**
Finance cost	(40,134)	(36,431)	(28,888)	-9.2%	-20.7%	-15.2%
Other income/(expense) inc. tax	(279,475)	(114,313)	(202,989)	-59.1%	77.6%	-14.8%
Net profit	**(166,276)**	**5,482**	**(103,434)**	**-103.3%**	**-1986.8%**	**-21.1%**

Source: Audited IFRS financial statements

Exchange rate: 1 OMR = 9.8016 SAR

6-6-1-1 Revenue

Revenue decreased by 9.4%, or SAR 56.9 million, from SAR 603.1 million in 2018G to SAR 546.2 million in 2019G, with a further decrease of 8.9%, or SAR 48.6 million, to SAR 497.6 million in 2020G . The decrease in 2019G was mainly due to:

- lower water revenues of SAR 51.2 million from MSFE water plant which was mainly on call-off mode (standby) during the year 2019G;
- lower power revenues by SAR 6.6 million, due to reduced demand from the offtaker partially offset by higher power capacity revenue due to lower forced and scheduled outages; and
- offset by higher water revenues from SWRO plants by SAR 0.9 million which was net of higher capacity revenue and lower production due to poor sea water quality.

The decrease in 2020G was mainly due to lower power revenue by SAR 48.6 million on account of lower demand from the offtaker, and lower capacity revenues on account of higher planned outages for the year.

6-6-1-2 Direct cost

Direct cost decreased by 13.0%, or SAR 55.6 million, from SAR 429.0 million in 2018G to SAR 373.4 million in 2019G with an additional decrease of 6.8%, or SAR 25.3 million, to SAR 348.0 million in 2020G. The decrease in 2019G was mainly due to lower consumption of natural gas on account of lower offtaker demand by SAR 68.4 million and lower technical and other repair and maintenance fee by SAR 4.8 million, which were partially offset by:

- higher depreciation charges, because of a) new asset additions by SAR 0.33 million; b) revision of remaining lifetime of the MSFE plant following impairment recognition in 2018G by SAR 9.0 million;
- higher insurance expense due to reclassification from indirect expense into direct expense for SAR 5.4 million; and
- higher O&M fee to the Operator, resulting from a higher fixed fee and incentives, offset by a lower variable fee due to lower dispatch by the offtaker by SAR 2.9 million.

The decrease in 2020G was mainly due to lower consumption of natural gas because of lower demand from the offtaker by SAR 43.11 million, which was partially offset by:

- higher depreciation of Property, plant and equipment by SAR 9.6 million due to change of remaining asset life of the Power and MSFE water plant from 40 years to 35 years;
- higher O&M and technical services fees by SAR 6.7 million; and
- increase in insurance expenses by SAR 1.5 million.

6-6-1-3 Other expenses

Other expenses decreased by 20.3%, or SAR 4.2 million, from SAR 20.8 million in 2018G to SAR 16.6 million in 2019G however, increased by 27.5%, or SAR 4.6 million, to SAR 21.1 million in 2020G. The decrease in 2019G was mainly due to:

- reclassification of insurance expense from indirect expense into direct expense by SAR 4.4 million;
- lower legal and professional charges by SAR 3.0 million;
- lower other G&A expenses by SAR 2.0 million; and
- Offset by SAR 5.2 million additional income tax levy.

The increase in 2020G was mainly due to write-off of property, plant and equipment by SAR 8.6 million, higher other G&A expenses by SAR 1.2 million, partially offset by the absence of SAR 5.2 million additional income tax levy in 2020G.

6-6-1-4 Operating profit

As a result of the above, Operating profit marginally increased by 1.9%, or SAR 2.9 million, from SAR 153.3 million in 2018G to SAR 156.2 million in 2019G, but decreased by 17.8%, or SAR 27.8 million, to SAR 128.4 million in 2020G.

6-6-1-5 Finance cost

Finance cost decreased by 9.2%, or SAR 3.7 million, from SAR 40.1 million in 2018G to SAR 36.4 million in 2019G, with an additional decrease of 20.7%, or SAR 7.5 million, to SAR 28.9 million in 2020G. The decrease in 2019G was mainly due to lower interest cost resulting from lower outstanding loan on account of repayments of SAR 5.9 million offset by higher amortization of deferred finance costs and accretion / finance cost for site restoration and right to use assets by SAR 2.2 million.

The decrease in 2020G was mainly due to lower interest cost resulting from lower outstanding loan on account of repayments of SAR 5.1 million and lower amortization deferred finance costs offset by higher accretion / finance cost for site restoration and right to use assets amounting to SAR 2.4 million.

6-6-1-6 Other income/(expense) inc. tax

Other income/(expense) including tax decreased by 59.1%, or SAR 165.2 million, from SAR 279.5 million in 2018G to SAR 114.3 million in 2019G with an increase of 77.6%, or SAR 88.7 million, to SAR 203.0 million in 2020G. The decrease in 2019G was mainly due to lower impairment by SAR 190.9 million and higher other income by SAR 5.6 million due to receipt of insurance claim, which was partially offset by SAR 31.3 million higher taxation.

The increase in 2020G was mainly due to higher impairment by SAR 103.1 million and lower other income due to receipt of insurance claim by SAR 5.6 million in 2019G, which was not there in 2020G. This was partially offset by lower tax by SAR 20.0 million in 2020G due to a deferred tax reversal.

6-6-1-7 Net profit or loss

Net loss of SAR 166.3 million in 2018G decreased by 103.3%, or SAR 171.8 million, to a net profit of SAR 5.5 million in 2019G, which then declined by SAR 108.9 million and turned into a net loss of SAR 103.4 million in 2020G, driven by above-explained variances in Operating profit, Finance cost and Other income/(expense) including tax.

6-6-2 Statement of Financial Position

The following table shows certain data from the statement of financial position as of 31 December 2018G, 2019G and 2020G:

Statement of Financial Position	As at 31 December			Increase/(Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	1,111,582	947,529	696,877	-14.8%	-26.5%	-20.8%
Current assets	156,148	334,858	332,696	114.4%	-0.6%	46.0%
Total assets	**1,267,730**	**1,282,387**	**1,029,573**	**1.2%**	**-19.7%**	**-9.9%**
Non-current liabilities	614,341	477,809	330,944	-22.2%	-30.7%	-26.6%
Current liabilities	281,992	427,699	425,184	51.7%	-0.6%	22.8%
Total liabilities	**896,332**	**905,507**	**756,128**	**1.0%**	**-16.5%**	**-8.2%**
Net Assets	**371,398**	**376,880**	**273,446**	**1.5%**	**-27.4%**	**-14.2%**

Source: Audited IFRS financial statements

Exchange rate: 1 OMR = 9.8016 SAR

In BARKA's Total assets, Non-current assets—mainly Property, plant and equipment—accounted for 87.7%, 73.9% and 67.7% as of 31 December 2018G, 2019G and 2020G, respectively. Similarly, in Barka's Total liabilities, Non-current liabilities—mainly long-term loan—accounted for 68.5%, 52.8% and 43.8% as of 31 December 2018G, 2019G and 2020G, respectively.

Net Assets increased by 1.5%, or SAR 5.5 million, from SAR 371.4 million as of 31 December 2018G to SAR 376.9 million as of 31 December 2019G, which then decreased by 27.4%, or SAR 103.4 million, to SAR 273.4 million as of 31 December 2020G.

6-6-2-1 Total assets

Total assets increased by 1.2%, or SAR 14.7 million, from SAR 1,267.7 million as of 31 December 2018G to SAR 1,282.4 million as of 31 December 2019G, then decreased by 19.7%, or SAR 252.8 million, to SAR 1,029.6 million as of 31 December 2020G, driven by non-current assets.

Non-current assets decreased by 14.8%, or SAR 164.0 million, from SAR 1,111.6 million as of 31 December 2018G to SAR 947.5 million as of 31 December 2019G, with an additional decrease of 26.5%, or SAR 250.7 million, to SAR 696.9 million as of 31 December 2020G. The decrease in 2019G was mainly due to:

- impairment of two SWRO water plants amounting to SAR 118.7 million; and
- depreciation and amortization of property, plant and equipment and intangible assets by SAR 65.6 million,

which were partially offset by additions to Property, plant and equipment of SAR 12.9 million and recognition of Right-of-use assets by SAR 7.1 million. Non-current assets further decreased in 2020G due to:

- impairment of Power and two SWRO Water plants amounting to SAR 221.8 million;
- annual depreciation and amortization of property, plant and equipment & intangible assets amounting to SAR 75.2 million; and
- write-off of replaced parts amounting to SAR 8.6 million in Gas Turbine 1,

which were partially offset by addition of SAR 56.6 million in Property, plant and equipment on account of replacement of key component during lifetime extension activity carried out for Gas Turbine 1 during the year.

Current assets increased by 114.4%, or SAR 178.7 million, from SAR 156.1 million as of 31 December 2018G to SAR 334.9 million as of 31 December 2019G, and then decreased slightly by 0.6%, or SAR 2.2 million, to SAR 332.7 million as of 31 December 2020G. The increase in 2019G was mainly due to:

- increase in trade receivables as a result of the offtaker withholding fuel and gas component of revenue amounting to SAR 141.7 million similar to what was being done in the entire power generation industry in Oman;
- increase in cash balance due to retention of cash generated from operating activities in view of forthcoming business requirements amounting to SAR 32.9 Million; and
- increase in other current assets mainly as a result of a Material Adverse Change (MAC) claim amounting to SAR 6.3 million submitted to the offtaker under the PWPA following tax regime change in Oman.

The decrease in 2020G was mainly due to lower trade receivables as a result of lower revenue in December 2020G compared to the month of December 2019 by SAR 8.5 million. The revenue in December 2020G was lower due to lower demand from the offtaker. This decrease was partially offset by higher cash accumulated by SAR 7.6 million to fund debt service and lifetime extension activity on gas turbine. In addition, higher utilization of inventory spares during maintenance activities by SAR 1.3 million.

6-6-2-2 Total liabilities

Total liabilities increased by 1.0%, or SAR 9.2 million, from SAR 896.3 million as of 31 December 2018G to SAR 905.5 million as of 31 December 2019G, and then decreased by 16.5%, or SAR 149.4 million, to SAR 756.1 million as of 31 December 2020G.

Non-current liabilities decreased by 22.2%, or SAR 136.5 million, from SAR 614.3 million as of 31 December 2018G to SAR 477.8 million as of 31 December 2019G, with an additional decrease of 30.7%, or SAR 146.9 million, to SAR 330.9 million as of 31 December 2020G. The decrease in 2019G was due to repayment of long-term loans amounting to SAR 122.4 million and reversal of deferred tax liabilities amounting to SAR 21.0 million on account of recognition of impairment and reversal of temporary differences between the accounting and tax base for the year. This was partially offset by increase in lease liabilities by SAR 7.7 million and Asset retirement obligations (ARO) by SAR 1.6 million. The decrease in 2020G was mainly due to repayment of long-term loans amounting to SAR 129.5 million and reversal of deferred tax liabilities amounting to SAR 39.0 million on account of recognition of impairment and reversal of other temporary differences between the accounting and tax base for the year. This was partially offset by lower current portion of the long-term loan in 2020G by SAR 12.9 million and net increase in Asset retirement obligations (ARO) and Lease liabilities by SAR 6.5 million.

Current liabilities increased by 51.7%, or SAR 145.7 million, from SAR 282.0 million as of 31 December 2018G to SAR 427.7 million as of 31 December 2019G, and then decreased by 0.6%, or SAR 2.5 million, to SAR 425.2 million as of 31 December 2020G. The increase in 2019G was mainly due to:

- increase in Trade payables by SAR 141.7 million as BARKA withheld payments to the supplier of natural gas (Ministry of Oil and Gas of the Sultanate of Oman) in the absence of receipt of fuel and gas component of revenue from the offtaker under the back-to-back arrangement in the gas supply agreement (refer to Current assets above);
- higher current portion of Long-term loans by SAR 7.2 million;
- higher O&M fees outstanding for NOMAC Oman by SAR 4.7 million; and

- increase in Income tax payables by SAR 1.3 million.

The above is partially offset by decrease in Other payables and accruals by SAR 9.2 million.

The decrease in 2020G was mainly due to:

- lower current portion of Long-term loans by SAR 12.9 million;
- lower O&M fees outstanding for NOMAC Oman by SAR 6.9 million; and
- decrease in gas payable on account of lower dispatch of power by SAR 2.4 million.

The above is offset by increase in Income tax payables by SAR 17.1 million and Other payables and accruals by SAR 2.6 million.

6-6-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows for the year ended 31 December 2018G, 2019G and 2020G:

Statement of cash flows	For the year ended 31 December			Increase/(Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow from Operating activities	199,629	198,517	213,115	-0.6%	7.4%	3.3%
Cash flow used in investing activities	(37,465)	(12,904)	(50,157)	-65.6%	288.7%	15.7%
Cash flow used in financing activities	(147,390)	(152,719)	(155,346)	3.6%	1.7%	2.7%
Cash & cash equivalent at beginning	**29,819**	**44,593**	**77,487**	**49.5%**	**73.8%**	**61.2%**
Closing cash & cash equivalent	44,593	77,487	85,099	73.8%	9.8%	38.1%

Source: Audited IFRS financial statements

Exchange rate: 1 OMR = 9.8016 SAR

6-6-3-1 Cash flow from Operating activities

Cash flows from operating activities decreased by 0.6% or SAR 1.1 million, from SAR 199.6 million in 2018G to SAR 198.5 million in 2019G, then increased by 7.4% or SAR 14.6 million, to SAR 213.1 million in 2020G.

The decrease in 2019G was mainly due to:

- higher income tax payment by SAR 10.9 million as income tax for the FYs 2011-2012 was also paid in 2019G;
- lower net income by SAR 3.7 million after adjustments for non-cash items mainly due to the impact of site restoration by SAR 24.2 million which partially offset with better operational performance related to lower outages during 2019G

which were partially offset with favourable impact of working capital movement by SAR 13.5 million mainly due to the difference of withheld amount of fuel and gas payables against the receivable amount from the off-taker and slightly positive impact of inventory movement

The increase in 2020G was mainly attributable to:

- lower income tax payment by SAR 18.0 million as income tax for the FY 2013 was paid in 2020G relatively lower than the payment for FYs 2011-2012 which was paid in 2019G;
- lower operating income by SAR 15.6 million after adjustments for non-cash items mainly due to lower power capacity revenue as a result of higher scheduled outages, lower power output revenue on account of lower demand from the grid and absence of business interruption insurance proceeds recovered in 2019G

which were partially offset with favourable impact of working capital movement by SAR 12.2 million due to the difference of withheld amount of fuel and gas payables against the receivable amount from the off-taker.

6-6-3-2 Cash flow used in investing activities

Cash outflows from investing activities show a significant decrease by 65.6% or SAR 24.6 million, from SAR 37.5 million as of 2018G to SAR 12.9 million as of 2019G, then increased by 288.7% or SAR 37.3 million, to SAR 50.2 million as of 2020G. The decrease in 2019G mainly due to initial recognition of asset retirement obligation (non cash) of SAR 24.2 million as cash outflow in 2018G. Other assets addition during the year 2019G also recorded a decrease by SAR 0.4 million. The increase of SAR 37.3 million in cash outflow of 2020G represents the cost related to Gas Turbine 1 Lifetime Extension activity carried out in early part of the year.

6-6-3-3 Cash flow used in financing activities

Cash outflows from financing activities increased by 3.6% or SAR 5.3 million, from SAR 147.4 million in 2018G to SAR 152.8 million in 2019G with a further increase of 1.7% or SAR 2.6 million, to SAR 155.3 million in 2020G. The increase in 2019G was mainly due to higher loan repayment of SAR 11.3 million partially offset by lower interest payment of SAR 6.0 million due to lower principal outstanding. Similarly, in 2020G the increase is mainly related to higher loan repayment of SAR 7.2 million partially offset by lower interest payment of SAR 4.6 million on account of reduced outstanding principal.

6-7 Management's Discussion and Analysis of Financial Position and Results of Operations of CEGCO

The following management discussion and analysis provides an analytical review of the financial position and operational performance of Central Electricity Generating Company ("CEGCO") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section is derived from the audited financial statements of CEGCO as of and for the years ended 31 December 2018G, 2019G and 2020G. The financial statements of CEGCO are prepared in accordance with international financial reporting standards as issued by international accounting standards board. These financial statements are not included in this Prospectus. CEGCO was registered with the Ministry of Industry and Trade on 12 February 1998G as a public shareholding company, and commenced its industrial and commercial activities on 1 January 1999, in which the Group has an effective shareholding of 40.93%. For more information on CEGCO, refer to Section (4-6-3-2-16) (Project Descriptions, Selected Significant Projects, CEGCO). The audited financial statements of CEGCO are presented in Jordanian Dinar ("JOD"). The conversion rate used to translate the financial information in JOD into SAR is JOD 1 = SAR 5.3305

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-7-1 Results of Operations—Income statement

The following table shows the certain data from the income statement for the financial years ended 31 December 2018G, 2019G and 2020G.

SAR in 000's	For the year ended 31 December			Increase / (Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	581,564	402,550	326,848	-30.8%	-18.8%	-25.0%
Direct cost	(416,451)	(262,882)	(289,977)	-36.9%	10.3%	-16.6%
Other expense	(51,555)	(18,182)	(17,934)	-64.7%	-1.4%	-41.0%
Operating profit	**113,558**	**121,486**	**18,937**	**7.0%**	**-84.4%**	**-59.2%**
Finance cost	(36,052)	(27,221)	(16,263)	-24.5%	-40.3%	-32.8%
Other income/(expense) incl. Tax	(60,638)	19,369	50,893	-131.9%	162.8%	-
Net profit	**16,868**	**113,634**	**53,567**	**573.6%**	**-52.9%**	**78.2%**

Source: Audited IFRS financial statements

Exchange rate: 1 JOD = 5.3305 SAR

6-7-1-1 Revenue

Revenue decreased by 30.8%, or SAR 179.0 million, from SAR 581.6 million in 2018G to SAR 402.6 million in 2019G, with an additional decrease of 18.8%, or SAR 75.7 million, to SAR 326.8 million in 2020G. The decrease in 2019G was mainly caused by a decrease in fuel pass through revenues by SAR 189.0 million, resulting from lower power generation, as well as from a shift from heavy and light fuel to lower cost natural gas as per the off-taker's request. This decrease was partially offset by an increase in capacity revenue of SAR 12.8 million, on account of an increased availability and indexation of the tariff in 2019G. The decrease in 2020G pertains to a decrease in capacity charge by SAR 101.0 million as a result of decommissioning of three units that year. This was partially offset by an increase in fuel revenue by SAR 15.2 million due to the increase in quantities consumed in 2020G in the Risha plant and a decrease in imported energy (from the national grid; when used, cost of this item is offset against revenue) cost of SAR 9.6 million due to quantity and tariff mix (for further discussion on fuel pass through revenue and cost, please refer to Section (6-3-2-1) Principal Factors Affecting Revenues from Operations, Other Factors Affecting Revenues from Operations, Fuel conversion and fuel pass-through.

6-7-1-2 Direct cost

Direct cost decreased by 36.9%, or SAR 153.6 million, from SAR 416.5 million in 2018G to SAR 262.9 million in 2019G, and then increased by 10.3%, or SAR 27.1 million, to SAR 290.0 million in 2020G. The decrease in 2019G was mainly the result of the decrease in the fuel cost by SAR 189.0 million, as described above in Revenue, and lower maintenance cost by SAR 15.9 million due to shorter planned outages. This was partially offset by an increase in slow moving inventory expense by SAR 10.4 million related to the write-off of all spare parts for units which were retired by the end of 2019G, an increase in employees termination benefit provision by SAR 5.4 million and an increase in salary cost by SAR 33.0 million due to reclassification of administrative salaries in 2019G from General and admin expense to direct cost. The increase in 2020G mainly pertains to an increase in depreciation of Property Plant & Equipment by SAR 46.0 million due to a change in useful life of the plants, an increase in the fuel cost by SAR 15.2 million due to a higher volume consumed in 2020G in Risha plant, offset by a decrease in employees' termination benefits provision and salaries by SAR 24.6 million due to a reduction in headcount and decrease in maintenance cost by SAR 5.2 million on account of lower planned outages in 2020G.

6-7-1-3 Operating profit

Operating profit increased by 7.0%, or SAR 7.9 million, from SAR 113.6 million in 2018G to SAR 121.5 million in 2019G, and then decreased by 84.4%, or SAR 102.5 million, to SAR 18.9 million in 2020G. The increase in 2019G mainly pertains to the reasons explained in Revenue and Direct cost. The decrease in 2020G is mainly the result of the impact of lower revenues and higher one-off expenses related to retiring of production units.

6-7-1-4 Finance cost

Finance cost decreased by 24.5%, or SAR 8.8 million, from SAR 36.1 million in 2018G to SAR 27.2 million in 2019G with an additional decrease of 40.3%, or SAR 11.0 million, to SAR 16.3 million in 2020G. The decrease in 2019G is mainly the result of lower interest charges on long-term loans by SAR 14.3 million, partially offset by an increase in interest charges on bank overdrafts by SAR 5.0 million. The decrease in 2020G is mainly a result of a decrease in interest charges on long-term loans by SAR 2.4 million, and on bank overdrafts by SAR 8.5 million, owing to lower interest rates and a decrease of withdrawn overdraft balances.

6-7-1-5 Net profit

Net profit increased by 573.6%, or SAR 96.8 million, from SAR 16.9 million in 2018G to SAR 113.6 million in 2019G and then decreased by 52.9%, or SAR 60.1 million, to SAR 53.6 million in 2020G. In addition to the variances in Operating Income and Finance cost as explained above, the main variance in 2019G is caused by the impairment loss on Property, plant & equipment of SAR 63.9 million, which was recognised in 2018G under Other income/(expense) incl. Tax. Additionally, Other Income was higher by SAR 27.9 million in 2019G on account of sale of decommissioned units for HTPS by SAR 5.9 million and higher O&M contract revenue by SAR 8.2 million. In 2020G, Other Income was higher by SAR 21.4 million mainly due to the sale of decommissioned units for HTPS, and a lower income tax provision by SAR 18.6 million, partially offset by lower Operating profit as well as currency exchange losses of SAR 4.4 million and a provision for expected credit losses of SAR 4.1 million.

6-7-2 Statement of Financial Position

The following table shows certain data from the statement of financial position as of 31 December 2018G, 2019G and 2020G:

	As at 31 December			Increase / (Decrease)		
SAR in 000's	**2018G**	**2019G**	**2020G**	**2019G**	**2020G**	**CAGR 2018G-2020G**
Non-current assets	690,526	626,945	511,654	-9.2%	-18.4%	-13.9%
Current assets	542,715	525,243	553,395	-3.2%	5.4%	1.0%
Total assets	**1,233,241**	**1,152,188**	**1,065,049**	**-6.6%**	**-7.6%**	**-7.1%**
Non-current liabilities	216,508	188,396	169,791	-13.0%	-9.9%	-11.4%
Current liabilities	756,740	590,289	573,204	-22.0%	-2.9%	-13.0%
Total liabilities	**973,248**	**778,685**	**742,995**	**-20.0%**	**-4.6%**	**-12.6%**
Net Assets	**259,993**	**373,503**	**322,054**	**43.7%**	**-13.8%**	**11.3%**

Source: Audited IFRS financial statements

Exchange rate: 1 JOD = 5.3305 SAR

CEGCO's Non-current assets, mainly consisting of Property, plant and equipment, accounted for 56.0%, 54.4% and 48.0% of

Total assets as of 31 December 2018G, 2019G and 2020G, respectively. CEGCO's Current assets mainly consist of Accounts receivable. CEGCO's Current liabilities, mainly consisting of Accounts payable and Due to banks, accounted for 77.8%, 75.8% and 77.1% of Total liabilities as of 31 December 2018G, 2019G and 2020G, respectively.

Net assets increased by 43.7%, or SAR 113.5 million, from SAR 260.0 million as of 31 December 2018G to SAR 373.5 million as of 31 December 2019G, and then decreased by 13.8%, or SAR 51.4 million, to SAR 322.1 million as of 31 December 2020G.

6-7-2-1 Total Assets

Total assets decreased by 6.6%, or SAR 81.1 million, from SAR 1,233.2 million as of 31 December 2018G to SAR 1,152.2 million as of 31 December 2019G, with a further decrease of 7.6%, or SAR 87.1 million, to SAR 1,065.1 million as of 31 December 2020G, driven mainly by the movement in the Non-current assets.

Non-current assets decreased by 9.2%, or SAR 63.6 million, from SAR 690.5 million as of 31 December 2018G to SAR 626.9 million as of 31 December 2019G, with a further decrease of 18.4%, or SAR 115.3 million, to SAR 511.7 million as of 31 December 2020G, mainly due to annual Depreciation expenses of Property, plant & equipment, amounting to SAR 67.3 million and SAR 113.3 million, respectively. In 2020G, the Depreciation cost included the impact of accelerated depreciation as a result of revision in the useful life assumption of the plant.

Current assets decreased by 3.2%, or SAR 17.5 million, from SAR 542.7 million as of 31 December 2018G to SAR 525.2 million as of 31 December 2019G, and then increased by 5.4%, or SAR 28.2 million, to SAR 553.4 million as of 31 December 2020G. The decrease in 2019G mainly pertains to a decrease in Inventory on account of an addition to the provision of slow-moving inventory, amounting to SAR 22.2 million, as well as a decrease in Account receivable by SAR 30.4 million, which was partially offset by an increase in Cash on hand in 2019G by SAR 37.4 million.

The increase in 2020G mainly pertains to an increase in Account receivable by SAR 67.5 million, as the off-taker temporary delayed payment of energy invoices, purportedly on account of the impact of COVID-19. This increase was partially offset by a decrease in Inventory by additional provision for slow moving Inventory, amounting to SAR 17.7 million.

6-7-2-2 Total Liabilities

Total liabilities decreased by 20.0%, or SAR 194.6 million, from SAR 973.2 million as of 31 December 2018G to SAR 778.7 million as of 31 December 2019G, with a further reduction of 4.6%, or SAR 35.7 million, to SAR 743.0 million as of 31 December 2020G, driven by both Current and Non-current liabilities.

Non-current liabilities decreased by 13.0%, or SAR 28.1 million from SAR 216.5 million as of 31 December 2018G to SAR 188.4 million as of 31 December 2019G, with a further reduction of 9.9%, or SAR 18.6 million, to SAR 169.8 million as of 31 December 2020G. The decrease in both years was mainly due to the reduction in Long-term loans balance of SAR 24.9 million and SAR 20.9 million, respectively, by virtue of annual repayments.

Current liabilities decreased by 22.0%, or SAR 166.5 million, from SAR 756.7 million as of 31 December 2018G to SAR 590.3 million as of 31 December 2019G, with an additional decrease of 2.9%, or SAR 17.1 million, to SAR 573.2 million as of 31 December 2020G. The decrease in 2019G mainly pertains to the settlement of the last instalment related to a commercial bank loan, amounting to SAR 105.5 million and a decrease in the bank overdraft balance by SAR 58.9 million on account of payment from the offtaker. Further decrease in 2020G mainly pertains to reduction in Other current liabilities due to the reversal of a SAR 14.5 million payable to the Jordanian Customs Department that was no longer a liability, a decrease in banks overdraft balances by SAR 10.7 million and a decrease in derivative financial liability by SAR 7.1 million, offset by an increase of Accounts payable by SAR 14.2 million.

6-7-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows for the year ended 31 December 2018G, 2019G and 2020G:

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow from Operating activities	177,055	258,719	120,041	46.1%	-53.6%	-17.7%
Cash flow (used in)/ from investing activities	(2,065)	6,097	12,317	395.3%	102.0%	
Cash flow used in financing activities	(277,886)	(168,637)	(158,382)	-39.3%	-6.1%	-24.5%
Effect of exchange rate changes on cash and cash equivalents	4	94	12	2250.00%	-87.23%	73.21%

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash and cash equivalent at beginning	**(143,264)**	**(246,156)**	**(149,883)**	**71.8%**	**-39.11%**	**2.28%**
Closing cash & cash equivalent	**(246,156)**	**(149,883)**	**(175,895)**	**-39.11%**	**17.36%**	**-15.47%**

Source: Audited IFRS financial statements

Exchange rate: 1 JOD = 5.3305 SAR

6-7-3-1 Cash flow from operating activities

Cash inflows from operating activities increased by 46.1% or SAR 81.7 million, from SAR 177.0 million in 2018G to SAR 258.7 million in 2019G and then decreased by 53.6% or SAR 138.7 million, to SAR 120.0 million in 2020G.

The increase in 2019G was mainly due to:

- higher net income by SAR 47.5 million, after adjustments for non-cash items, mainly due to lower imported energy cost and maintenance cost related to planned outages in addition to increasing in O&M revenue.
- Favourable working capital by SAR 60.2 million, mainly due to net change in account receivables and payables by SAR 47.8 million, and slightly positive impact of inventory and other receivable and payable movement by SAR 12.4 million.

which were partially offset with the payment of employees' termination benefits and vacation liabilities amounting to SAR 23.8 million and higher tax payment by SAR 2.2 million.

The decrease in 2020 was mainly due to:

- lower net income by SAR 67.2 million after adjustments for non-cash items mainly due to decrease in capacity charge because of decommissioning 2 units in Aqaba and 1 unit in Rehab as of 2019G.
- Movement in working capital by SAR 95.7 million, mainly due to negative impact of account receivable movement by SAR 101.3 million related to unpaid energy invoices by the off-taker in 2020G, positive impact of accounts payable by SAR 18.3 million related to NPC (Gas supplier) and slightly negative impact of inventory , other receivable and payable movement by SAR 12.7 million .

which were partially offset with lower payment of employees' termination benefits and vacation liabilities by SAR 24.9 million .

6-7-3-2 Cash flow used in / from investing activities

Cash flows from investing activities increased by 395.3% or SAR 8.2 million, from SAR 2.1 million cash outflow in 2018G to SAR 6.1 million cash inflow in 2019G and then increased by 102.0% or SAR 6.1 million, to SAR 12.3 million cash inflow in 2020G.

The increase in 2019G was mainly due to:

- lower cash outflows from assets capitalization in 2019G by SAR 11.5 million which was partially offset by the decrease in the cash proceed from sale of property, plant and equipment in 2019G by SAR 3.7 million

The increase in 2020G was mainly due to:

- higher cash proceeds from sale of property, plant and equipment and the fuel of decommissioned by SAR 3.8 million and the impact from sale of CEGCO's share in its associate (Bio Gas) by SAR 2.3 million in 2020G.

6-7-3-3 Cash flow used in financing activities

Cash flow used in financing activities decreased by 39.3% or SAR 109.3 million, from SAR 277.9 million in 2018G to SAR 168.6 million in 2019G and then decreased by 6.1% or SAR 10.3 million, to SAR 158.4 million in 2020G.

The decrease in 2019G was mainly due to:

- the lower loan repayment of SAR 22.5 million, lower loan interest payment of SAR 7.7 million due to remaining lower principal outstanding and offset with higher lease payment by SAR 0.9 million .
- lower amount of dividends by SAR 80.0 million since no dividend has been distribution in 2019G.

The decrease in 2020G was mainly due to:

- the lower loan repayment of SAR 105.2 million and lower loan interest payment of SAR 11.7 million due to remaining lower principal outstanding and the expiry of Standard Bank loans in 2019G which were mostly offset with the higher dividend payment in 2020 by SAR 106.6 million.

6-8 Management's Discussion and Analysis of Financial Position and Results of Operations of ZARQA

The following management discussion and analysis provides an analytical review of the financial position and operational performance of Al Zarqa Power Plant For Energy Generation ("ZARQA") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section has been derived from the audited financial statements of ZARQA as of and for the years ended 31 December 2018G, 2019G and 2020G. The financial statements of ZARQA are prepared in accordance with international financial reporting standards as issued by international accounting standards board. These financial statements are not included in this Prospectus. ZARQA was incorporated on 5/6/1436H (corresponding to 16/03/2015G), in which the Group has an effective shareholding of 60%. For more information on ZARQA, refer to Section (4-6-3-2-11) (Project Descriptions, Selected Significant Projects, Zarqa). The audited financial statements of ZARQA are presented in Jordanian Dinar ("JOD"). The conversion rate used to translate the financial information in JOD into SAR is JOD 1 = SAR 5.3305.

6-8-1 Results of Operations—Income statement

The following table shows certain data from the income statement for the financial years ended 31 December 2018G, 2019G and 2020G.

SAR in 000's	For the year ended 31 December			Increase / (Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	101,598	247,978	249,249	144.1%	0.5%	56.6%
Direct cost	(38,971)	(99,806)	(107,039)	156.1%	7.2%	65.7%
Other expense	(3,990)	(9,369)	(10,668)	134.8%	13.9%	63.5%
Operating profit	**58,637**	**138,803**	**131,542**	**136.7%**	**(5.2%)**	**49.8%**
Finance cost	(37,288)	(99,522)	(92,839)	166.9%	(6.7%)	57.8%
Other income/(expense) inc. Tax	(8,030)	(11,599)	275	44.4%	(102.4%)	-
Net profit	**13,319**	**27,682**	**38,978**	**107.8%**	**40.8%**	**71.1%**

Source: Audited IFRS financial statements

Exchange rate: 1 JOD = 5.3305 SAR

6-8-1-1 Revenue

Revenue increased by 144.1%, or SAR 146.4 million, from SAR 101.6 million in 2018G to SAR 248.0 million in 2019G, with an additional marginal increase of 0.5%, or SAR 1.3 million, to SAR 249.2 million in 2020G. The increase in 2019G was mainly driven by the plant's first twelve-month consecutive year of full capacity operation (485MW) in 2019G. In 2018G, from Phase 1 COD the plant operated for three months from July 2018G to September 2018G in simple cycle operations (315MW), followed by combined cycle operations (485MW) from Phase 2 COD in September 2018G for the rest of the year. The increase in 2020G was mainly because of higher capacity charges due to indexation by SAR 1.1 million and fuel efficiency revenue by SAR 0.4 million, partially offset by reduction in energy revenue by SAR 0.3 million.

6-8-1-2 Direct cost

Direct cost increased by 156.1%, or SAR 60.8 million, from SAR 39.0 million in 2018G to SAR 99.8 million in 2019G, with an additional increase of 7.2%, or SAR 7.2 million, to SAR 107.0 million in 2020G. The increase in 2019G mainly relates to the full year of operational costs and depreciation of the plant in 2019G, compared to six months of operations in 2018G under a combination of simple cycle and combined cycle operations (as explained above). The increase in 2020G was mainly driven by higher depreciation charge in 2020G of SAR 7.7 million, as the useful life of the plant was revised from 40 years to 35 years. This impact was marginally offset by reduction in expenses for asset retirement obligation, office expenses by SAR 0.2 million and direct cost by SAR 0.5 million.

6-8-1-3 Operating profit

Operating profit increased by 136.7%, or SAR 80.2 million, from SAR 58.6 million in 2018G to SAR 138.8 million in 2019G, and then decreased by 5.2%, or SAR 7.3 million, to SAR 131.5 million in 2020G. The increase in 2019G was mainly due to full year of operations for the plant in 2019G, whereas the decrease in 2020G was mainly due to higher depreciation charge, as explained above.

6-8-1-4 Finance cost

Finance cost increased by 166.9%, or SAR 62.2 million, from SAR 37.3 million in 2018G to SAR 99.5 million in 2019G, and then decreased by 6.7%, or SAR 6.7 million, to SAR 92.8 million in 2020G. The increase in 2019G was mainly due to full-year finance cost being charged to income statement during 2019G, whereas in 2018G, when the plant was still under construction, finance costs were partly capitalized up to the dates of commissioning. The decrease in 2020G was mainly due to lower finance cost on account of lower outstanding loan balances after repayment of regular instalments and no accrual booked in 2020G for interest on short-term shareholder loan, as it was later agreed that no interest will be charged on this loan; interest accrued in 2019G for SAR 3.1 million was reversed and booked as other income.

6-8-1-5 Net profit

Net profit increased by 107.8%, or SAR 14.4 million, from SAR 13.3 million in 2018G to SAR 27.7 million in 2019G, and additionally increased by 40.8%, or SAR 11.3 million, to SAR 39.0 million in 2020G, mainly driven by higher Operating profit, partly offset by higher Finance cost in 2019G, as explained above. The Net profit further increased in 2020G due to lower Finance cost for the reasons highlighted above under Finance cost. Other income from liquidated damages of SAR 8.9 million in 2020G, following settlement with the EPC contractor, also contributed to the higher Net profit in 2020G.

6-8-2 Statement of Financial Position

The following table shows certain data from the statement of financial position as of 31 December 2018G, 2019G and 2020G:

SAR in 000's	As at 31 December			Increase / (Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	1,803,543	1,767,630	1,715,549	-2.0%	-2.9%	-2.5%
Current assets	240,559	316,510	252,797	31.6%	-20.1%	2.5%
Total assets	**2,044,103**	**2,084,141**	**1,968,346**	**2.0%**	**-5.6%**	**-1.9%**
Non-current liabilities	1,194,618	1,305,247	162,652	9.3%	-87.5%	-63.1%
Current liabilities	385,214	331,574	1,384,644	-13.9%	317.6%	89.6%
Total liabilities	**1,579,832**	**1,636,821**	**1,547,296**	**3.6%**	**-5.5%**	**-1.0%**
Net Assets	**464,270**	**447,320**	**421,050**	**-3.7%**	**-5.9%**	**-4.8%**

Source: Audited IFRS financial statements

Exchange rate: 1 JOD = 5.3305 SAR

ZARQA's assets mainly consist of Non-current assets—88.2%, 84.8% and 87.2% of Total assets as of 31 December 2018G, 2019G and 2020G—of which Property, plant and equipment constitute more than 99% (100% as of 31 December 2018G). ZARQA's liabilities mainly consisted of Non-current liabilities in 2018G and 2019G, mainly comprising long-term loans, which, in 2020G were mostly reclassified as Current liabilities following a technical cross-default situation arising from delay in payment from the offtaker (see below in Non-current and Current liabilities).

Net Assets gradually decreased by 3.7%, or SAR 17.0 million, from SAR 464.3 million as of 31 December 2018G to SAR 447.3 million as of 31 December 2019G, with an additional decrease of 5.9%, or SAR 26.3 million, to SAR 421.1 million as of 31 December 2020G.

6-8-2-1 Total Assets

Total assets increased by 2.0%, or SAR 40.0 million, from SAR 2,044.1 million as of 31 December 2018G to SAR 2,084.1 million as of 31 December 2019G, and then decreased by 5.6%, or SAR 115.8 million, to SAR 1,968.3 million as of 31 December 2020G driven by both Non-current assets and Current assets.

Non-current assets decreased by 2.0%, or SAR 35.9 million, from SAR 1,803.5 million as of 31 December 2018G to SAR 1,767.6 million as of 31 December 2019G, with an additional decrease of 2.9%, or SAR 52.1 million, to SAR 1,715.5 million as of 31 December 2020G. The decrease in 2019G was mainly due to Depreciation charge for the year on Property, plant and equipment, amounting to SAR 42.4 million, which was partially offset by additions in fixed assets for spares amounting to SAR 2.2 million, and Right-of-use asset of SAR 3.4 million recorded at the time of adoption of IFRS 16. The decrease in 2020G was due to Depreciation charge for the year amounting to SAR 50.5 million on Property, plant and equipment, which was higher by SAR 7.7 million than in 2019G due to change in useful life of plant from 40 years to 35 years.

Current assets increased by 31.6%, or SAR 76.0 million, from SAR 240.6 million as of 31 December 2018G to SAR 316.5 million as of 31 December 2019G, and thereafter decreased by 20.1%, or SAR 63.7 million, to SAR 252.8 million as of 31 December 2020G. The increase in 2019G was mainly due to a) the increase in Cash and cash equivalents by SAR 87.8 million due to drawdown of final instalment of senior loans in June 2019G; and b) higher Account receivable by SAR 27.6 million, as the offtaker withheld payments of invoices on account of liquidated damages from delayed commissioning of the plant, which were partially offset by settlement of spare parts related liability amounting to SAR 37.8 million against advance to supplier. The decrease in 2020G was mainly due to a) settlement of liquidated damages receivable from EPC contractor of SAR 79.1 million; and b) reduction in Cash and cash equivalents by SAR 28.7 million on account of settlement of supplier dues, which were partially offset by increase in Account receivable from the offtaker by SAR 42.5 million. This temporary situation occurred as a result of the offtaker's liquidity issues due to COVID-19, whereby the offtaker paid 75% of invoices between April and October 2020G, 85% of invoices in the months of November and December 2020G, and subsequently resumed 100% of payments.

6-8-2-2 Total Liabilities

Total liabilities increased by 3.6%, or SAR 57.0 million, from SAR 1,579.8 million as of 31 December 2018G to SAR 1,636.8 million as of 31 December 2019G, and then decreased by 5.5%, or SAR 89.5 million, to SAR 1,547.3 million as of 31 December 2020G.

Non-current liabilities increased by 9.3%, or SAR 110.6 million from SAR 1,194.6 million as of 31 December 2018G to SAR 1,305.2 million as of 31 December 2019G, and then decreased by 87.5%, or SAR 1,142.6 million, to SAR 162.7 million as of 31 December 2020G. Increase in 2019G was mainly due to a) increase in senior loan by SAR 50.8 million on account of drawdown of final instalment in June 2019G; b) increase in derivatives by SAR 42.6 million for interest rate swap agreement signed during November 2019G; c) increase in Deferred tax liability amounting to SAR 12.6 million on account of temporary differences; and d) increase in Lease liabilities by SAR 3.4 million for liability for land lease recorded at the time of adoption of IFRS 16.

The decrease of the Non-current liabilities in 2020G was mainly due to a temporary reclassification of long term loan of SAR 1,178.0 million to Current liabilities, as the off-taker did not pay full amounts of invoices raised for the month of February to October 2020G (as covered above in Current assets), which resulted in a technical covenant breach under the PPA and led to a cross-default under the financing documents. Waiver was received from the lenders on 9thFebruary 2021 which was effective from 31 December 2020G, but could not result in change of loan classification back to non-current due to the strict requirements under the relevant IFRS standard. The whole amount has already been reclassified back as non-current in January 2021G. Other than loan reclassification, derivatives liabilities increased by SAR 68.7 million due to significantly lower LIBOR rates.

Current liabilities decreased by 13.9%, or SAR 53.6 million, from SAR 385.2 million as of 31 December 2018G to SAR 331.6 million as of 31 December 2019G, and then increased by 317.6%, or SAR 1,053.1 million, to SAR 1,384.6 million as of 31 December 2020G as. The decrease in 2019G was mainly due to the payment of SAR 32.2 million to EPC contractor for achievement of certain construction milestones, settlement of accrued expenses by SAR 6.1 million, and construction related costs and certain related party liabilities. The increase in 2020G is mainly due to SAR 1,178.0 million increase in current portion of loan balance as long-term portion was reclassified to current liabilities due to event of default, as explained above in non-current liabilities, which is partially offset by:

- reduction of SAR 75.5 million for short-term shareholder's loan as its balance was net off with the liquidated damages receivable balance of EPC contractor based on settlement agreement between Zarqa and the EPC contractor;
- reduction in related parties payable balance by SAR 37.9 million as LTSA and O&M Contractors payable balances being carried from 2019G were paid off in 2020G;
- reduction in accounts payable and other current liabilities by SAR 2.1 million; and
- reduction in balance payable to contractor by SAR 13.3 million.

6-8-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows as of 31 December 2018G, 2019G and 2020G:

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow from/ (used in) Operating activities	(98,356)	121,823	190,966	223.9%	56.8%	
Cash flow used in investing activities	(297,933)	(2,237)	(1,425)	99.2%	36.3%	93.1%

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash from/ (used in) financing activities	393,536	(31,824)	(218,206)	-108.1%	-585.7%	
Cash at beginning	**19,517**	**16,764**	**104,526**	**-14.1%**	**523.5%**	**100.0%**
Closing cash & cash equivalent	**16,764**	**104,526**	**75,861**	**523.5%**	**-27.4%**	**100.0%**

Source: Audited IFRS financial statements

Exchange rate: 1 JOD = 5.3305 SAR

6-8-3-1 Cash flow from / used in operating activities

Cash flows from operating activities increased by 223.9% or SAR 220.2 million, from SAR 98.4 million cash outflows in 2018G to SAR 121.8 million cash inflows in 2019G and then increased by 56.8% or SAR 69.2 million, to SAR 191.0 million cash inflows in 2020G.

The movement in 2019G was mainly driven by the plant's first twelve-month consecutive year of full capacity operation (485MW) whereas in 2018G, from Phase 1 COD the plant operated for three months from July 2018G to September 2018G in simple cycle operations (315MW), followed by combined cycle operations (485MW) from Phase 2 COD in September 2018G for the rest of the year and favourable impact from the change in trade receivables as the offtaker withheld payments of invoices on account of liquidated damages from delayed commissioning of the plant in 2018G and started to pay full amount of revenue invoices in 2019G which were partially offset with higher payments for accounts payables and related parties in 2019G related to cash availability with drawdown of final instalment of senior loans.

The increase in 2020G was mainly due to the settlement of liquidated damages receivable from EPC contractor and favourable impact from trade payable changes which were partially offset with

- Reduction in receipts from off taker as in 2020 from April onwards off taker started to pay 75% of due invoices due to Covid 19 till October 2020 and then paid 85% for November and December.
- Payment of accumulated payables to related parties in 2020G

6-8-3-2 Cash flow used in investing activities

Cash flows used in investing activities decreased by 99.2% or SAR 295.7 million, from SAR 298.0 million cash outflow in 2018G to SAR 2.2 million cash outflow in 2019G and then decreased by 36% or SAR 0.8 million, to SAR 1.4 million cash outflow in 2020G. The decrease in 2019G was mainly due to the payment of construction costs by SAR 297.4 million until COD achieved in 2018G. The decrease in 2020G was mainly due to lower capital expenditures by SAR 0.8 million in 2020G.

6-8-3-3 Cash flow from / used in financing activities

Cash inflows from financing activities decreased by 108 % or SAR 425.4 million, from SAR 394 million cash inflow in 2018G to SAR 31.8 million cash outflows in 2019G and with an additional decrease by 586% or SAR 186.3 million, to SAR 218.2 million cash outflows in 2020G.

The movement in 2019G was mainly due to higher drawdowns of senior and subordinated loans in 2018G by SAR 223 million and SAR 76 million respectively and higher principal repayments for senior loans by SAR 56.0 million, higher interest payments by SAR 68.7 million and SAR 32.2 million payment to EPC contractor in 2019G which were partially offset with favourable impact of change in payables to related parties by SAR 28.1 million. The increase in cash outflow in 2020G was mainly due to lower loan drawdown by SAR 119.6 million and repayment of subordinated loan by SAR 76 million which were partially offset with lower principal repayments for senior loans by SAR 22.9 million and favourable impact from lower payment to EPC contractor by SAR 18.9 million.

6-9 Management's Discussion and Analysis of Financial Position and Results of Operations of APO I

The following management discussion and analysis provides an analytical review of the financial position and operational performance of ACWA Power Ouarzazate Limited ("APO I") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section is derived from the group reporting pack prepared by the management of APO I and used for the purpose of Group's consolidation for the years ended 31 December 2018G, 2019G and 2020G. APO I was incorporated on 13/12/1433H (corresponding to 29 October 2012G), in which the Group has an effective shareholding of 73.125%. For more information on APO I, refer to Section (4-6-3-2-12) (Project Descriptions—Noor I CSP IPP).

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-9-1 Results of Operations—Income statement

The following table shows the certain data from the Income statement for the financial years ended 31 December 2018G, 2019G and 2020G:

	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	148,564	158,664	199,785	6.8%	25.9%	16.0%
Direct cost	(69,349)	(68,282)	(75,913)	-1.5%	11.2%	4.6%
Other expense	(18,686)	(10,627)	(21,820)	-43.1%	105.3%	8.1%
Operating profit	**60,529**	**79,755**	**102,052**	**31.8%**	**28.0%**	**29.8%**
Finance cost	(76,134)	(75,287)	(71,592)	-1.1%	-4.9%	-3.0%
Other income/(expense) incl. Tax	(9,820)	(4,275)	83,619	-56.5%	-2056%	-
Net (loss)/profit	**(25,425)**	**193**	**114,079**	**100.8%**	**59157.4%**	**-**

Source: Group Consolidation Reporting pack

Exchange rate: 1 USD = 3.75 SAR

6-9-1-1 Revenue

Revenue increased by 6.8% or SAR 10.1 million from SAR 148.6 million in 2018G to SAR 158.7 million in 2019G, with an additional increase by 25.9% or SAR 41.1 million to SAR 199.8 million in 2020G. Increase in 2019G mainly pertains to the impact of indexation on tariffs, which was partially offset by a marginal drop in net generation in 2019G by SAR 2 million (from 398,764 MWH in 2018G to 395,295 MWH) and the impact of foreign exchange rate fluctuations on finance lease income recorded in 2019G by SAR 8 million. Further increase in 2020G is due to higher generation by SAR 19.9 million during the year 2020G (493,982 MWH) as well as the impact of foreign exchange rate fluctuations on finance lease income recorded in 2020G by SAR 21.2 million.

6-9-1-2 Direct cost

Direct cost decreased by 1.5 % or SAR 1.1 million from SAR 69.3 million in 2018G to SAR 68.3 million in 2019G, with an increase by 11.2% or SAR 7.6 million to SAR 75.9 million in 2020G. There is no material change witnessed in 2019G in comparison with 2018G however the increase in 2020G mainly is the result of higher insurance cost by SAR 4.2 million and operating and technical fees by SAR 3.2 million.

6-9-1-3 Operating profit

Operating profit increased by 31.8% or SAR 19.2 million from SAR 60.5 million in 2018G to SAR 79.8 million in 2019G, and further increased by 28.0% or SAR 22.3 million to SAR 102.1 million in 2020G. The increase in 2019G mainly pertains to higher revenue compared to 2018G (SAR10.1 million), and decrease in Other expense on account of higher other operating income (SAR 13.1 million) due to the reversal of a long outstanding accrual for spare parts, which was partially offset by higher G&A costs by SAR 5.1 million. The increase in 2020G mainly pertains to higher revenue compared to 2019G by SAR 41.1 million, which is partially offset by i) an increase in direct cost by SAR 7.6 million, and ii) higher Other expense mainly due to the one-off other operating income in 2019G.

6-9-1-4 Finance cost

Finance cost decreased slightly by 1.1% or SAR 0.8 million from SAR 76.1 million in 2018G to SAR 75.3 million in 2019G, and further decreased by 4.9% or SAR 3.7 million to SAR 71.6 million in 2020G. The decrease in 2019G and 2020G was mainly due to annual repayments of senior facility loans during the year.

6-9-1-5 Net (loss)/profit

Net loss was SAR 25.4 million in 2018G as compared to a net profit of SAR 0.2 million in 2019G. Net profit increased by SAR 113.9 million to SAR 114.1 million in 2020G as compared to SAR 0.2 million in 2019G. The increase in 2020G pertains to:

- higher operating profit by SAR 22.3 million;
- lower Finance cost by SAR 3.7 million on account of annual loan repayments; and

- higher other income including tax due to other income by SAR 11.6 million, booked in relation with business interruption insurance claim and deferred tax income recognized in 2020G on undisputed tax losses in relation with depreciation amounting to SAR 43 million together with foreign exchange gain booked on finance lease amounting to SAR 33.3 million.

6-9-2 Statement of Financial Position

The following table shows certain data from the Statement of Financial Position as of 31 December 2018G, 2019G and 2020G.

	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	2,548,180	2,504,063	2,547,632	-1.7%	1.7%	0.0%
Current assets	313,991	209,423	276,747	-33.3%	32.1%	-6.1%
Total assets	**2,862,171**	**2,713,486**	**2,824,379**	**-5.2%**	**4.1%**	**-0.7%**
Non-current liabilities	2,353,502	1,963,174	1,887,785	-16.6%	-3.8%	-10.4%
Current liabilities	604,441	231,577	303,298	-61.7%	31.0%	-29.2%
Total liabilities	**2,957,943**	**2,194,751**	**2,191,083**	**-25.8%**	**-0.2%**	**-13.9%**
Net Assets/(liabilities)	**(95,772)**	**518,735**	**633,296**	**641.6%**	**22.1%**	**-**

Source: Group Consolidation Reporting pack

Exchange rate: 1 USD = 3.75 SAR

APO I's total assets mainly consist of non-current assets, which accounted for 89.0%, 92.3% and 90.2% of total assets as of 31 December 2018G, 2019G and 2020G, respectively. APO I's total liabilities mainly consist of non-current liabilities, which accounted for 79.6%, 89.4% and 86.2% of total liabilities as of 31 December 2018G, 2019G and 2020G, respectively.

Non-current assets mainly consist of a finance lease receivable. The project (Noor I CSP IPP) is based on a Build-Own-Operate-Transfer (BOOT) arrangement, whereby the ownership of the plant will be transferred to the offtaker at the end of the contract period. Accordingly, capital assets (Non-current assets) are classified as a financial lease. Non-current liabilities mainly consist of senior loan facilities obtained for the construction costs of the project.

Net assets increased by 641.6%or SAR 614.5 million, from SAR (95.8) million as of 31 December 2018G to SAR 518.7million as of 31 December 2019G, and further increased by 22.1%, or SAR 114.6 million, to SAR 633.3 million as of 31 December 2020G.

6-9-2-1 Total assets

Total assets decreased by 5.2%, or SAR 148.7 million, from SAR 2,862.2 million as of 31 December 2018G to SAR 2,713.5 million as of 31 December 2019G, then increased by 4.1%, or SAR 110.9 million, to SAR 2,824.4 million as of 31 December 2020G, driven mainly by reduction in Non-current current assets during the three-year period.

Non-current assets decreased by 1.7%, or SAR 44.1 million, from SAR 2,548.2 million as of 31 December 2018G to SAR 2,504.1 million as of 31 December 2019G, then increased by 1.7%, or SAR 43.6 million, to SAR 2,547.6 million as of 31 December 2020G. The decrease in 2019G mainly pertains to the decrease in finance lease receivable by SAR 70 million, on the recognition of finance lease income and lease repayments including the related foreign exchange impact on the outstanding lease receivable balance. This was partially offset by an increase in the VAT receivable by SAR 27 million (non-current portion), which was reclassified from Current assets. The increase in 2020G mainly pertains to an increase in finance lease receivable by SAR 52.9 million on the recognition of finance lease income and lease repayments including the related foreign exchange impact on the outstanding lease receivable balance. These were partially offset by a decrease in the VAT receivable by SAR 9 million on account of VAT collection.

Current assets decreased by 33.3%, or SAR 104.6 million from SAR 314.0 million as of 31 December 2018G to SAR 209.4 million as of 31 December 2019G and then increased by 32.1%, or SAR 67.3 million, to SAR 276.7 million as of 31 December 2020G.The decrease in 2019G mainly pertains to:

- lower finance lease receivable by SAR 49.7 million on account of recognition of finance income and lease repayments;
- lower VAT receivable by SAR 35 million, which includes reclassification of SAR 27 Million to non-current assets (as explained above);

- lower prepayments by SAR 10.3 million; and
- a reduction in cash and cash equivalents by SAR 10.7 million.

The increase in 2020G mainly pertains to:

- higher finance lease receivable by SAR 27.1 million mainly due to foreign exchange;
- increase in cash balance by SAR 9.8 million;
- increase in account receivable by SAR 3.4 million as well as an increase in advances to suppliers by SAR 27.0 million on account for a rotor that is planned to be replaced in 2021G; and
- increase in prepaid expenses by SAR 9.6 million, which is offset by the same amount of decrease in trade receivable.

6-9-2-2 Total liabilities

Total liabilities decreased by 25.8%, or SAR 763.2 million, from SAR 2,957.9 million as of 31 December 2018G to SAR 2,194.8 million as of 31 December 2019G, with further decrease of 0.2%, or SAR 3.7 million, to SAR 2,191.1 million as of 31 December 2020G.

Non-current liabilities decreased by 16.6%, or SAR 390.3 million, from SAR 2,353.5 million as of 31 December 2018G to SAR 1,963.2million as of 31 December 2019G, and then decreased by 3.8%, or SAR 75.4 million, to SAR 1,887.8 million as of 31 December 2020G. The decrease in 2019G mainly pertains to the conversion of Subordinated Loan (SBL), which was classified as a non-current liability in 2018G, into a shareholder loan classified under equity by SAR 430.3 million as well as a lower deferred tax liabilities of SAR 8.6 million. Those were partially offset by higher long-term loan balance by SAR 48.6 million.

The decrease in 2020G mainly pertains a decrease in the long-term loan by SAR 23.4 million due to repayment of senior loan, and lower deferred tax balance by SAR 51.9 million due to deferred tax assets recognized in 2020G.

Current liabilities decreased by 61.7%, or SAR 372.9million, from SAR 604.4 million as of 31 December 2018G to SAR 231.6million as of 31 December 2019G, then increased by 31.0%, or SAR 71.7million, to SAR 303.3 million as at 31 December 2020G. The decrease in 2019G mainly pertains to:

- partial repayment of long-term loans by SAR 122.9 million and a repayment of overdraft facilities by SAR 22.7 million; and
- reduction in payables by SAR 227.3 million, which includes the payment of SAR 141 million to NOMAC and EPC contractor, a decrease in interest accrued by SAR 50.2 million and a decrease in VAT payable by SAR 24.6 million, and other items such as foreign exchange impacts.

The increase in 2020G pertains to:

- increase in long-term loans by SAR 37.5 million mainly due to impact of foreign exchange;
- Increase in overdraft facilities by SAR 17 million;
- increase in payables by SAR 16.4 million, which includes SAR 7 million payable to a related party (NOMAC) and SAR 4 million increase in the accrued interest; and
- Increase in income tax payable by SAR 0.8 million.

6-9-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows for the year ended 2018G, 2019G and 2020G:

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow from/ (used in) Operating activities	149,066	(98,043)	(21,969)	-165.8%	-77.6%	-
Cash flow from investing activities	157	330	543	110.2%	64.5%	86.0%
Cash (used in)/ from financing activities	(104,414)	87,053	31,263	-183.4%	-64.1%	-
Opening cash & cash equivalent	**80,351**	**125,161**	**114,501**	**55.8%**	**-8.5%**	**19.4%**
Closing cash & cash equivalent	**125,161**	**114,501**	**124,337**	**-8.5%**	**8.6%**	**-0.3%**

Source: Management information

Exchange rate: 1 USD = 3.75SAR

6-9-3-1 Cash flow from / used in operating activities

Cash inflows from operating activities decreased by 165.8% or SAR 247.1 million, from SAR 149.1 million in 2018G to SAR 98.0 million cash outflows in 2019G, then cash outflows decreased by 77.6% or 76.0 million, from SAR 98.0 to SAR 22.0 million in 2020G.

The movement in operating cash flows between 2018G and 2019G was mainly due to a decrease in payables and other liabilities by SAR 264.3 million mainly on account of payments to NOMAC and EPC contractor and slightly due to an increase in finance lease receivable by SAR 19.1 million which were partially offset with a decrease in of trade and other receivables by SAR 36.3 million.

The decrease in cash outflows in 2020G was mainly due to an increase net income by SAR 114.1 million and an increase of payables and other liabilities by SAR 200.2 million which were partially offset with an increase lease receivables and trade receivables by SAR 239.3 million.

6-9-3-2 Cash flow from investing activities

Cash inflows from investing activities increased by 110.2% or SAR 172.9 thousands, from SAR 157.3 thousands in 2018G to SAR 330.3 thousands in 2019G, with an additional increase by 64.5% or SAR 212.2 thousands, from SAR 330.3 thousand in 2019G to SAR 543.2 thousand in 2020G, mainly due to capital additions to property, plant and equipment in previous years.

6-9-3-3 Cash flow used in / from financing activities

Cash flows from financing activities increased by 183.4% or SAR 191.4 million, from SAR 104.4million cash outflows in 2018G to SAR 87.0 million cash inflows in 2019G, which was mainly driven by increase in long term loan by SAR 260.2 million and repayment of working capital facility by SAR 68.7 million. Then decreased by 64.1% or SAR 55.7 million to SAR 31.2 million cash inflow in 2020G, due to the repayment of long term loan of SAR 95.4 million which offset partially with increase in working capital facility by SAR 39.6 million

6-10 Management's Discussion and Analysis of Financial Position and Results of Operations of APO II

The following management discussion and analysis provides an analytical review of the financial position and operational performance of ACWA Power Ouarzazate Limited II ("APO II") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section is derived from [the group reporting pack prepared by the management of APO II and used for the purpose of Group's consolidation for the years ended 31 December 2018G, 2019G and 2020G. APO II was incorporated on 12/5/1436H (corresponding to 3 March 2015G), in which the Group has an effective shareholding of 75%. For more information on APO II, refer to Section (4-6-3-2-13) (Project Descriptions—Noor II CSP IPP).

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-10-1 Results of Operations—Income statement

The following table shows the certain data from the Income statement for the financial years ended 31 December 2018G, 2019G and 2020G:

	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	85,259	235,603	132,969	176.3%	-43.6%	24.9%
Direct cost	(40,414)	(82,138)	(106,698)	103.2%	29.9%	62.5%
Other expense	(66,218)	(12,379)	(65,612)	-81.3%	430%	-0.5%
Operating profit/(loss)	**(21,373)**	**141,086**	**(39,341)**	**-760.1%**	**-127.9%**	**35.7%**
Finance cost	(91,360)	(133,112)	(128,439)	45.7%	-3.5%	18.6%
Other income/(expense) incl. tax	(20,449)	(13,473)	98,080	-34.1%	-828.0%	-
Net loss	**(133,182)**	**(5,498)**	**(69,700)**	**-95.9%**	**1167.7%**	**-27.7%**

Source: Group Consolidation Reporting pack

Exchange rate: 1 USD = 3.75 SAR

6-10-1-1 Revenue

Revenue increased by 176.3%, or SAR 150.3 million, from SAR 85.3 million in 2018G to SAR 235.6 million in 2019G, and then decreased by 43.6%, or SAR 102.6 million, to SAR 133.0 million in 2020G. The increase in 2019G mainly pertains to full year operations in 2019G, as the plant achieved commercial operation in April 2018G and operated for 8 months. Decrease 2020G was mainly due to plant outages during year 2020G, which includes forced outages during February, June/July and November/December.

6-10-1-2 Direct cost

Direct cost increased by 103.2 %, or SAR 41.7 million, from SAR 40.4 million in 2018G to SAR 82.1 million in 2019G, with further increase of 29.9%, or SAR 24.6 million, to SAR 106.7 million in 2020G. The increase in 2019G mainly pertains to full year operations in 2019G, compared to eight months of operations in 2018G as the plant achieved commercial operations in April 2018G, in addition to an increase in insurance cost by SAR 17.9 million on account of increased insurance premium for CSP Plants. The increase in 2020G was mainly caused by a higher insurance costs by SAR 7.1 million and maintenance costs of SAR 16 million incurred in relation to the forced outages covered above in Revenue.

6-10-1-3 Operating profit/(loss)

Operating profit/(loss) increased by SAR 162.5 million from a loss of SAR 21.4 million in 2018G to an operating profit SAR 141.1 million in 2019G, and then decreased by SAR 180.4 million to an operating loss of SAR 39.3 million in 2020G. The increase in 2019G mainly pertains to the full year of operations in 2019G (as explained above) in addition to SAR 67.3 million liquidated damage charge in 2018G (included in Other expense) by the off taker on account of the plant commencing operations later than the contracted date as per the PPA. The decrease in 2020G is mainly caused by i) lower revenue and higher maintenance costs SAR 102.6 million and SAR 16 million, respectively, on account of the outages during 2020G; ii) higher insurance premium by SAR 7.1 million; and iii) provision for liquidated damages (peak LD representing lower generation in peak hours as per PPA) expense amounting to SAR 44.9 million in 2020G on account of failure to comply with the minimum generation requirement during peak hours, as per the PPA.

6-10-1-4 Finance cost

Finance cost increased by 45.7%, or SAR 41.8 million, from SAR 91.4 million in 2018G to SAR 133.1 million in 2019G, then decreased by 3.5%, or SAR 4.7 million, to SAR 128.4 million in 2020G. The increase in 2019G was due to full year charging of the finance costs through the profit and loss statement on account of full year operations in 2019G, whereas in 2018G all finance cost was capitalised until the commissioning date of the plant. The decrease in 2020G mainly pertains to the repayment of senior facility loan during the year in addition to the replacement of EBL with an interest rate of 5.45% with shareholder loan at a lower interest rate of 3.5%, resulting in lower interest incurred during the year.

6-10-1-5 Net loss

Net loss decreased by 95.9%, or SAR 127.7 million, from a loss of SAR 133.2 million in 2018G to a loss of SAR 5.5 million in 2019G, then increased by 1167.5%, or SAR 64.2 million, to a loss of SAR 69.7 million in 2020G. The decrease in loss in 2019G was mainly due to the liquidated damages charged by the off taker, included in other expenses in 2018G, partially offset by higher Finance cost. The increase in loss in 2020G mainly pertains to lower revenue and provision for peak LD expense. However, this impact was negated to some extent by an insurance claim of SAR 27.2 million and recovery of SAR 14.2 million from EPC contractor that were received during the year.

6-10-2 Statement of Financial Position

The following table shows certain data from the Statement of Financial Position as of 31 December 2018G, 2019G and 2020G:

SAR in 000's	As at 31 December			Increase / (Decrease)		
	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	3,506,550	3,429,867	3,585,994	-2.2%	4.6%	1.1%
Current assets	365,744	301,169	242,683	-17.7%	-19.4%	-18.5%
Total assets	**3,872,295**	**3,731,037**	**3,828,677**	**-3.6%**	**2.6%**	**-0.6%**
Non-current liabilities	3,259,874	2,605,459	3,282,988	-20.1%	26.0%	0.4%
Current liabilities	721,193	1,239,848	730,761	71.9%	-41.1%	0.7%
Total liabilities	**3,981,067**	**3,845,307**	**4,013,749**	**-3.4%**	**4.4%**	**0.4%**
Net liabilities	**(108,772)**	**(114,270)**	**(185,072)**	**5.1%**	**62.0%**	**30.4%**

Source: Group Consolidation Reporting pack

Exchange rate: 1 USD = 3.75 SAR

APO II's total assets mainly consist of non-current assets, which accounted for 90.6%, 91.9% and 93.7% of total assets as of 31 December 2018G, 2019G and 2020G, respectively. APO II's total liabilities mainly consist of non-current liabilities, which accounted for 81.9%, 67.8% and 81.8% of total liabilities as of 31 December 2018G, 2019G and 2020G, respectively. Non-current asset mainly consists of a finance lease receivable. The project (Noor II CSP IPP) is based on a Build-Own-Operate-Transfer (BOOT) arrangement, whereby the ownership of the plant will be transferred to the off taker at the end of the contract period. Accordingly, capital assets (non-current assets) are classified as a financial lease. Non-current liabilities mainly consist of senior loan facilities obtained for the construction costs of the project.

Net liabilities increased by 5.1%, or SAR 5.5 million, from SAR 108.8 million as of 31 December 2018G to SAR 114.3 million as of 31 December 2019G, with an additional increase of 62.0%, or SAR 70.8 million, to SAR 185.1 million as of 31 December 2020G. This decrease was mainly driven by the movement in both Total liabilities and Total assets.

6-10-2-1 Total assets

Total assets decreased by 3.6%, or SAR 141.3 million, from SAR 3,872.3 million as of 31 December 2018G to SAR 3,731.0 million as of 31 December 2019G, then increased by 2.6%, or SAR 97.6 million, to SAR 3,828.7 million as of 31 December 2020G.

Non-current assets decreased by 2.2%, or SAR 76.7 million, from SAR 3,506.6 million as of 31 December 2018G to SAR 3,429.9 million as of 31 December 2019G, then increased by 4.6%, or SAR 156.1 million, to SAR 3,586.0 million as of 31 December 2020G.

The decrease in 2019G mainly pertains to a decrease in finance lease receivable by SAR 132.6 million, which was partially offset by an increase in VAT receivables, reclassified from current assets, by SAR 41 million.

The increase in 2020G was mainly due to:

- an increase in finance lease receivable by SAR 96.1 million on recognition of finance lease income of SAR 129 million, less amortization of lease by SAR 228 million, offset by foreign exchange of SAR 195 million;
- in addition to an increase in deferred tax asset recognized in 2020G by SAR 48.6 million, as well as an increase in Power, Plant & equipment (PPE) by SAR 27.3 million, related to the capitalization of commitment fees paid on the undrawn portion of the senior loan; and
- partially offset by a decrease in VAT receivables by SAR 2 million.

Current assets decreased by 17.7%, or SAR 64.6 million, from SAR 365.7 million as of 31 December 2018G to SAR 301.2 million as of 31 December 2019G, with a further decrease by 19.4%, or SAR 58.8 million, to SAR 242.7 million as of 31 December 2020G. The decrease in 2019G mainly relates to:

- decrease in accounts receivable by SAR 24.9 million on account of collections from the off taker (Masen);
- reduction of prepaid expenses by SAR 10.8 million due to realization of related expenses;
- decrease in VAT receivable balance by SAR 46.1 million, mainly due to re-classification to non-current assets by SAR 41 million; and
- reduction in cash and cash equivalent by SAR 4.4 million

which are partially offset by an increase in the current portion of the finance lease receivable by SAR 22 million.

The decrease in 2020G was mainly due to:

- decrease in the accounts receivable by SAR 58.8 million on account of collection from Masen;
- reduction in cash and cash equivalents by SAR 45.6 million;

which were partially offset by increase in current portion of finance lease receivable by SAR 3.1 million, an increase of prepaid expenses by SAR 16.9 million, increase in VAT receivable balance by SAR 5.4 million and an increase of SAR 7.9 million in advances to suppliers.

6-10-2-2 Total Liabilities

Total liabilities decreased by 3.4%, or SAR 135.8 million, from SAR 3,981.1 million as of 31 December 2018G to SAR 3,845.3 million as of 31 December 2019G, and then increased by 4.4%, or SAR 168.4 million, to SAR 4,013.7 million as of 31 December 2020G.

Non-current liabilities decreased by 20.1%, or SAR 654.4 million, from SAR 3,259.9 million as of 31 December 2018G to SAR 2,605.5 million as of 31 December 2019G, with an increase of 26.0%, or SAR 677.5 million, to SAR 3,283.0 million as of 31 December 2020G. The decrease in 2019G mainly pertains to a SAR 662 million of reclassification of the ICBC Equity Bridge Loan and MASEN Equity Bridge Loan from non-current liabilities to current liabilities as the loan approached maturity (SAR 623 million), as well as a repayment of senior facilities and the impact of fluctuations in foreign exchange during the year. The impact of these was partially offset by an additional deferred tax liability of SAR 9.7 million, recorded for temporary timing differences in connection with differences in depreciation between accounting records and tax filings. The increase in 2020G mainly pertains to a shareholder loan injection from APBH of SAR 542.4 million recognized in 2020G, together with SAR 135 million net change in senior loan facilities resulting from drawdowns and repayments, after taking into the account the impact of fluctuations in the foreign exchange rates during the year.

Current liabilities increased by 71.9%, or SAR 518.7 million, from SAR 721.2 million as of 31 December 2018G to SAR 1,239.8 million as of 31 December 2019G, then decreased by 41.1%, or SAR 509.1 million, to SAR 730.8 million as of 31 December 2020G. The increase in 2019G mainly pertains to reclassification of ICBC EBL and MASEN EBL from non-current liabilities to current liabilities amounting to SAR 623 million. This was offset by the repayment of the overdraft facility for SAR 56.5 million, and decrease in payables and accruals and provision balances by SAR 47 million. The decrease in 2020G mainly pertains to the reclassification of the EBL from current liability to non-current liability of the shareholder loans amounting to SAR 542.4 million. This was partially offset by an increase in the overdraft facility by SAR 36.8 million, accompanied by an increase in payables and accruals balances by SAR 31 million on account of increase in supplier balances as well as an increase in provisions and accrued expenses.

6-10-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows for the year ended 2018G, 2019G and 2020G:

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow from/ (used in) Operating activities	(3,486,885)	(116,477)	29,866	-96.7%	-125.6%	-
Cash flow from/ (used in) investing activities	3,285,605	(551)	(28,094)	-100.0%	4998.7%	-
Cash from/ (used in) financing activities	169,603	112,627	(47,376)	-33.6%	-142.1%	-
Opening cash & cash equivalent	**102,113**	**70,436**	**66,035**	**-31.0%**	**-6.2%**	**-19.6%**
Closing cash & cash equivalent	**70,436**	**66,035**	**20,432**	**-6.2%**	**-69.1%**	**-46.1%**

Source: Management information

Exchange rate: 1 USD = 3.75SAR

6-10-3-1 Cash flow from / used in operating activities

Net cash used in operating activities decreased by 96.7% or SAR 3,370.4 million, from SAR 3,486.9 million cash outflows in 2018G to SAR 116.4 million in 2019G and then moved by 125.6% or SAR 146.3 million, to cash inflows of SAR 29.9 million in 2020G..

The decrease in 2019G was mainly due to the classification of project costs as finance lease receivables of SAR 3,675.1 million in 2018G and the positive change in accounts receivable and other receivables by SAR 202.3 million. This was partially offset with higher supplier payables and the withholding tax payments by SAR 507.0 million.

The movement in 2020G versus 2019G was due to the positive impact of trade payables and other liabilities by SAR 350.3 million which was partially offset with increase in trade and other receivables by SAR 9.1 million and in finance lease receivable by SAR 194.9 million.

6-10-3-2 Cash flow from / used in investing activities

Cash flow from investing activities decreased by 100.0% or SAR 3,286.1 million, from SAR 3,285.6 million cash inflow in 2018G to SAR 0.5 million cash outflows in 2019G which was mainly due to the classification of projects costs as finance lease receivables and then cash outflows increased by 4,998.7% or SAR 27.5 million, from SAR 0.5 million cash outflow in 2019G to SAR 28.0 million cash outflow in 2020G, mainly due to capitalization of commitments fees.

6-10-3-3 Cash flow from / used in financing activities

Cash flow from financing activities decreased by 33.6% or SAR 56.9 million, from SAR 169.6 million in 2018G to SAR 112.6 million in 2019G which was mainly driven by repayment of working capital facility SAR 144.3 million, partially offset against long term loan SAR 87.3 million. Whilst cash flow from financing activities decreased by 142.1% or SAR 160.0 million, from SAR 112.6 million cash inflows in 2019G to SAR 47.3 million cash outflows in 2020G and this was mainly driven by the repayment of long term loan of SAR 253.2 million which was partially offset against increase in working capital facility by SAR 93.2 million.

6-11 Management's Discussion and Analysis of Financial Position and Results of Operations of APO III

The following management discussion and analysis provides an analytical review of the financial position and operational performance of ACWA Power Ouarzazate Limited ("APO III") for the financial years ended 31 December 2018G, 2019G and 2020G. Financial information included in this section is derived from the group reporting pack prepared by the management of APO III and used for the purpose of Group's consolidation for the years ended 31 December 2018G, 2019G and 2020G. APO III was incorporated on 12/5/1436H (corresponding to 3 March 2015G), in which the Group has an effective shareholding of 75%. For more information on APO III, refer to Section (4-6-3-2-14) (Project Descriptions—Noor III CSP IPP).

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2019G in comparison to 2018G and for 2020G in comparison to 2019G.

6-11-1 Results of Operations—Income statement

The following table shows the certain data from the Income statement for the financial years ended 31 December 2018G, 2019G and 2020G.

	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	23,461	45,886	9,703	95.6%	-78.9%	-35.7%
Direct cost	(15,154)	(56,965)	(82,212)	275.9%	44.3%	132.9%
Other income/(expense)	1,092	(14,439)	(20,157)	-1442.3%	39.6%	-
Operating profit/(loss)	**9,399**	**(25,518)**	**(92,666)**	**-371.5%**	**263.1%**	**-**
Finance cost	(18,780)	(107,236)	(109,599)	471.0%	2.2%	141.6%
Other income/(expense) incl. Tax	(21,969)	(16,142)	46,465	-26.5%	-387.8%	-
Net loss	**(31,350)**	**(148,896)**	**(155,800)**	**374.9%**	**4.6%**	**122.9%**

Source: Group Consolidation Reporting pack

Exchange rate: 1 USD = 3.75 SAR

6-11-1-1 Revenue

Revenue increased by 95.6%, or SAR 22.4 million, from SAR 23.5 million in 2018G to SAR 45.9 million in 31 December 2019G, and then decreased by 78.9%, or SAR 36.2 million, to SAR 9.7 million in 2020G. The increase in 2019G mainly pertains to six months of operation in 2019G versus three months of operation in 2018G following the initial commercial operation date of the project in October 2018G. However, in 2019G the plant's performance was impacted due to forced outages, as a result of which the plant was not operational for almost half of the year. The decrease in 2020G is also linked to the plant outages due to turbine and other mechanical failures of salts' valve and the turbine control valve.

6-11-1-2 Direct costs

Direct cost increased by 275.9 %, or SAR 41.8 million, from SAR 15.2 million in 2018G to SAR 57.0 million in 2019G, with further increase by 44.3%, or SAR 25.2 million, to SAR 82.2 million in 2020G. The increase in 2019G mainly reflects the full year of operations in 2019G (note the situation pertaining to the forced outages above in Revenue regarding the period under operation) in comparison to 2018G where plant was operational for only three months. Increase in insurance premium for CSP Plants further resulted in higher insurance cost by SAR 7.6 million. The increase in 2020G is driven by higher insurance cost by SAR 9.3 million and maintenance costs by SAR 3.8 million due to outages.

6-11-1-3 Operating profit/(loss)

Operating profit decreased by 371.5%, or SAR 34.9 million, from SAR 9.4 million in 2018G to an Operating loss of SAR 25.5 million in 2019G, and further decreased by 263.1%, or SAR 67.1 million, to an Operating loss of SAR 92.7 million in 2020G. The decrease in 2019G mainly pertains to the forced outages in 2019G, as a result of which the plant was not operational for almost half of the year. Accordingly, no revenue was earned during the outage period however relevant costs in terms of operations and maintenance costs, higher insurance cost due to general increase in premium of CSP plants and other overheads such as salaries were incurred. Further increase in losses in 2020G was driven by the continued outages resulting in lower revenue and higher insurance premium and maintenance costs.

6-11-1-4 Finance cost

Finance cost increased by 471.0%, or SAR 88.5 million, from SAR 18.8 million in 2018G to SAR 107.2 million in 2019G, with additional increase of 2.2%, or SAR 2.4 million, to SAR 109.6 million in 2020G. The increase in 2019G mainly pertains to the full year impact of finance cost as against three months in 2018G (as explained above) when the finance cost prior to this date (i.e. during construction period) was capitalized. The increase in 2020G mainly pertains to the increase in interest by SAR 2.4 million on higher balance of working capital facility.

6-11-1-5 Net loss

Net loss increased by 374.9 %, or SAR 117.5 million, from SAR 31.4 million in 2018G to SAR 148.9 million in 2019G, and then further increased by 4.6%, or SAR 6.9 million, to SAR 155.8 million in 2020G. Increase in loss in 2019G and 2020G were mainly due to extended forced outages and higher finance costs (as explained above). In 2020G, Net loss was partially offset by deferred tax income recognized for an amount of SAR 80.6 million.

6-11-2 Statement of Financial Position

The following table shows certain data from the Statement of Financial Position as of 31 December 2018G, 2019G and 2020G.

	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	2,808,678	2,808,136	2,967,581	-0.02%	5.7%	2.8%
Current assets	173,103	74,622	187,120	-56.9%	150.8%	4.0%
Total assets	**2,981,781**	**2,882,758**	**3,154,701**	**-3.3%**	**9.4%**	**2.9%**
Non-current liabilities	2,561,428	2,003,205	2,665,814	-21.8%	33.1%	2.0%
Current liabilities	433,020	1,041,116	808,431	140.4%	-22.3%	36.6%
Total liabilities	**2,994,448**	**3,044,321**	**3,474,246**	**1.7%**	**14.1%**	**7.7%**
Net liabilities	**(12,667)**	**(161,563)**	**(319,545)**	**1175.4%**	**97.8%**	**402.3%**

Source: Group Consolidation Reporting pack

Exchange rate: 1 USD = 3.75 SAR

APO III's Total assets mainly consist of non-current assets, which accounted for 94.2%, 97.4% and 94.1% of total assets as of 31 December 2018G, 2019G and 2020G, respectively. APO III's total liabilities mainly consist of non-current liabilities, which accounted for 85.5%, 65.8% and 76.7% of total liabilities as of 31 December 2018G, 2019G and 2020G, respectively. Non-current asset mainly consists of a finance lease receivable. The project (Noor III CSP IPP) is based on a Build-Own-Operate-Transfer (BOOT) arrangement, whereby the ownership of the plant will be transferred to the offtaker at the end of the contract period. Accordingly, capital assets (non-current assets) are classified as a financial lease. Non-current liabilities mainly consist of senior loan facilities obtained for the construction costs of the project.

Net liabilities increased by 1175.4%, or SAR 148.9 million, from SAR 12.7 million as of 31 December 2018G to SAR 161.6 million as of 31 December 2019G, with an additional increase of 97.8%, or SAR 158.0 million, to SAR 319.5 million as at 31 December 2020G.

6-11-2-1 Total assets

Total assets decreased by 3.3%, or SAR 99.0 million, from SAR 2,981.8 million as of 31 December 2018G to SAR 2,882.8 million as of 31 December 2019G, then increased by 9.4%, or SAR 271.9 million, to SAR 3,154.7 million as of 31 December 2020G, driven by both non-current and current assets.

Non-current assets decreased by SAR 0.5 million, from SAR 2,808.7 million as of 31 December 2018G to SAR 2,808.1 million as of 31 December 2019G, then increased by 5.7%, or SAR 159.4 million, to SAR 2,967.6 million as of 31 December 2020G. The Increase in 2020G was mainly due to:

- increase in finance lease receivable by SAR 78.5 million, on recognition of finance lease income of SAR 121.4 million and a foreign exchange gain of SAR 117 million partially offset by the amortization of lease by SAR 160.5 million; and
- an increase in VAT receivables non-current portion by SAR 17.8 million as well as an increase in deferred tax assets amounting to SAR 51.9 million recognized in 2020G; and SAR 10.3 million due to the recognition of commitment fees on senior loan.

Current assets decreased by 56.9%, or SAR 98.5 million, from SAR 173.1 million as of 31 December 2018G to SAR 74.6 million as of 31 December 2019G, then increased by 150.8%, or SAR 112.5 million, to SAR 187.1 million as of 31 December 2020G. The decrease in 2019G was mainly driven by:

- decrease in accounts receivable by SAR 62.9 million comprising mainly of a decrease in VAT receivable by SAR 40.2 million;
- reduction in cash and cash equivalent by SAR 14.1 million mainly due to payment to construction suppliers; Masen on account of delay liquidated damages and debt repayment;
- decrease in finance lease receivable by SAR 21.5 million mainly due to amortization.

The increase in 2020G was mainly due to:

- increase in accounts receivable by SAR 83.2 million, on account of receivable balance due from EPC by SAR 62.6 million, and an increase in prepaid expenses by SAR 10.2 million, and an increase in the VAT receivable balance by SAR 10.4 million;
- increase in the current portion of finance lease receivable by SAR 69.3 million; and
- Offset by reduction in cash and cash equivalent by SAR 40.0 million.

6-11-2-2 Total Liabilities

Total liabilities increased by 1.7%, or SAR 49.9 million, from SAR 2,994.4 million as of 31 December 2018G to SAR 3,044.3 million as of 31 December 2019G, with an additional increase of 14.1%, or SAR 429.9 million, to SAR 3,474.2 million as of 31 December 2020G.

Non-current liabilities decreased by 21.8%, or SAR 558.2 million from SAR 2,561.4 million as of 31 December 2018G to SAR 2,003.2 million as of 31 December 2019G, then increased by 33.1%, or SAR 662.6 million, to SAR 2,665.8 million as of 31 December 2020G. The decrease in 2019G mainly pertains to classification of loans from APICORP (SAR 452.6 million) and Arab bank (SAR 39 million) from non-current to current liabilities on account of maturity, in addition to SAR 82 million of senior debt that was moved to the current liabilities as the current portion. These amounts were partially offset by an increase in deferred tax liabilities of SAR 14.7 million due to taxable temporary differences between the carrying amount of PPE in accounting and tax records on account of depreciation. Increase in 2020G pertains to the shareholder loan from APBH of SAR 452.6 million recognized as non-current together with the last draw down of senior debt by SAR 218.4 million, however the impact was negated to some extent by the repayment of senior facilities and impact of fluctuations in foreign exchange during the year. Deferred tax liabilities also increased by SAR 16.1 million on account of temporary timing differences related to depreciation between accounting and tax records.

Current liabilities increased by 140.4%, or SAR 608.1 million, from SAR 433.0 million as of 31 December 2018G to SAR 1,041.1 million as of 31 December 2019G, then decreased by 22.3%, or SAR 232.7 million, to SAR 808.4 million as of 31 December 2020G.

The increase in 2019G mainly pertains to the classification of long-term loans from APICORP and Arab Bank (as explained above) in addition to an increase in the overdraft facility balance for an amount of SAR 44.9 million availed during the year 2019G.

Decrease in 2020G is mainly due to the replacement of Equity Bridge Loan (EBL) with a long-term shareholder loan amounting to SAR 418.1 million and repayment of overdraft facility by SAR 27.5 million These amounts are partially offset by an increase in amount due to related party by SAR 160.1 million, an increase in payables and accruals balances by SAR 32.5 million and increase in provisions and accrued expenses by SAR 17.6 million.

6-11-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows for the year ended 2018G, 2019G and 2020G:

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow used in Operating activities	(2,758,052)	(36,142)	(261,674)	-98.7%	624.0%	-69.2%
Cash flow from/ (used in) investing activities	2,420,792	(120)	(11,368)	-100.0%	9373.3%	-
Cash from financing activities	340,860	22,204	233,047	-93.5%	949.6%	-17.3%
cash & cash equivalent at beginning	**52,353**	**55,952**	**41,894**	**6.9%**	**-25.1%**	**-10.5%**
Closing cash & cash equivalent	**55,952**	**41,894**	**1,899**	**-25.1%**	**-95.5%**	**-81.6%**

Source: Management information

Exchange rate: 1 USD = 3.75SAR

6-11-3-1 Cash flow used in operating activities

Cash flows used in operating activities decreased by 98.7% or SAR 2,721.9 million, from SAR 2,758.0 million in 2018G to SAR 36.1 million in 2019G and then increased in 2020G by 624.0% or 225.5 million, to SAR 261.6 million in 2020G.

The decrease in 2019G was mainly driven by the classification of project costs as finance lease receivables of SAR 2,919.3 million in 2018G, and a change in accounts receivable and other receivables by SAR 47.8 million. This was partially offset by lower supplier payables and the withholding of tax payments by SAR 128 million and a decrease in net profits by SAR 117.2 million.

The increases in 2020G were also due to the negative impact of the trade and other receivables by SAR 111.0 million and lease receivables by SAR 222.8 million, which were partially offset by favourable impact from payables and other liabilities by SAR 108.3 million.

6-11-3-2 Cash flow from / used in investing activities

Cash flow from investing activities decreased by 100.0% or SAR 2,420.9 million, from SAR 2,420.7 million cash inflow in 2018G to SAR 0.1 million cash outflows in 2019G mainly due to the classification of projects costs as finance lease receivables and then with an additional decrease by 9,373.3% or SAR 11.2 million, to SAR 11.4 million cash outflows, which was mainly due to capitalization of commitments fees.

6-11-3-3 Cash flow from financing activities

Cash flow from financing activities decreased by 93.5% or SAR 318.7 million, from SAR 340.9 million in 2018G to SAR 22.2 million in 2019G which was mainly due to the repayment of long term loan SAR 307.9 million and working capital facility SAR 10.7 million. Whilst cash flow from financing activities increased by 949.6% or SAR 210.8 million, to SAR 233.0 million in 2020G which was mainly driven by the last drawdown of long term loan during 2020G by SAR 283.2 million and this was partially offset against repayment of working capital facility by SAR 72.4 million.

6-12 Management's Discussion and Analysis of Financial Position and Results of Operations of Rabigh Three Company

The following management discussion and analysis provides an analytical review of the financial position and operational performance of Rabigh Three Company ("Rabigh Three") for the financial years ended 31 December 2019G (first financial year after incorporation) and 2020G. Financial information included in this section has been derived from the audited financial statements of Rabigh Three as of and for the years ended 31 December 2019G and 2020G. The financial statements of Rabigh Three are prepared in accordance with international financial reporting standards that are endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS's" endorsed in KSA). These financial statements are not included in this Prospectus. Rabigh Three was incorporated on 20/2/1440H (corresponding to 29 October 2018G), in which the Group has an effective shareholding of 70%. For more information on Rabigh Three, refer to Section [4-6-3 (Project Descriptions).] The audited financial statements of Rabigh Three are presented in Saudi Riyal ("SAR").

All references to increase/(decrease) in the following tables and analyses mean as follows: for 2020G in comparison to 2019G.

6-12-1 Results of Operations—Income statement

Rabigh 3 is under the process of constructing a desalination unit which is expected to be completed by the end of 2021. The output from the desalination unit would be sold to Saudi Water Partnership Company under a long term water purchase agreement of 25 years. Since the commercial operation has not yet started; hence, there is no revenue and direct costs to be reported in the subject periods.

SAR in 000's	For the year ended 31 December			Increase / (Decrease)		
	2018G	2019G*	2020G	2019G	2020G	CAGR 2018G-2020G
Revenue	-	-	-			
Direct cost	-	-	-	-		-
Other expense	-	(83)	(165)	-	99.3%	-
Operating profit	-	(83)	(165)	NA	99.3%	NA
Finance cost	-	-	-	-		-
Other income/(expense) incl tax expense	-	-	-	-		-
Net profit	-	(83)	(165)	NA	99.3%	NA

* For the period from 29 October 2018G to 31December 2019G

Source: Audited IFRS financial statements

"General and administrative expenses" have increased by 99.3 %, or SAR 82.4 K, from SAR 82.9 K in 2019G to SAR 165.3 K in 2020G.

6-12-2 Statement of Financial Position

The following table shows certain data from the statement of financial position as of 31 December, 2019G and 2020G.

Statement of Financial Position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G	2020G	2019G	2020G	CAGR 2018G-2020G
Non-current assets	-	748,801	1,948,381	-	160.2%	-
Current assets	-	17,331	19,532	-	12.7%	-
Total assets	**-**	**766,132**	**1,967,913**	**-**	**156.9%**	**-**
Non-current liabilities	-	868,888	2,188,283	-	151.8%	-
Current liabilities	-	28,868	112,336	-	289.1%	-
Total liabilities	**-**	**897,756**	**2,300,619**	**-**	**156.3%**	**-**
Cash flow hedge reserves	-	(132,065)	(332,971)	-	152.1%	-
Net Assets	**-**	**441**	**264**	**-**	**-40.0%**	**-**

Source: Audited IFRS financial statements

Rabigh Three's Total assets, Non-current assets, mainly consisting of Property, plant and equipment, accounted for 97.7% and 99.0% as of 31 December 2019G and 2020G, respectively. Similarly, in Rabigh Three's Total liabilities, the Non-current liabilities—mainly project finance debt— accounted for 96.8% and 95.1% of Total Liabilities as of 31 December 2019G and 2020G, respectively.

6-12-2-1 Total assets

Total assets increased by 156.9%, or SAR 1,201.8 million, from SAR 766.1 million as of 31 December 2019G to SAR 1,967.9 million as of 31 December 2020G.

Non-current assets increased by 160.2%, or SAR 1,199.6 million, from SAR 748.8 million as of 31 December 2019G to SAR 1,948.4 million as of 31 December 2020G driven by mainly the capital expenditure for the construction of the project.

Current assets increased by 12.7%, or SAR 2.2 million, from SAR 17.3 million as of 31 December 2019G to SAR 19.5 million as of 31 December 2020G. The increase in 2020G was driven by nominal increase in Cash and cash equivalents by SAR 1.9 million.

6-12-2-2 Total liabilities

Total liabilities increased by 156.3%, or SAR 1,402.9 million, from SAR 897.8 million as of 31 December 2019G to SAR 2,300.6 million as of 31 December 2020G.

Non-current liabilities increased by 151.8%, or SAR 1,319.4 million, from SAR 868.9 million as of 31 December 2019G to SAR 2,188.3 million as of 31 December 2020G. The increase in 2020G was mainly due to drawdown from finance facilities by SAR 1,164.3 million to pay the construction cost. Further, there is an increase of SAR 155.4 million booked due to increase in liability against fair value of derivatives.

Current liabilities increased by 289.1%, or SAR 83.5 million, from 28.9 million as of 31 December 2019G to SAR 112.3 million as of 31 December 2020G. The increase in 2020G was mainly increase in payable to EPC by SAR 41.3 million and increase in current portion of fair value of derivatives liability by SAR 45.4 million.

6-12-3 Statement of Cash Flows

The following table shows certain data from the statement of cash flows as of 31 December 2018G, 2019G and 2020G:

Statement of Cash Flows	For the year ended 31 December			Increase / (Decrease)		
SAR in 000's	2018G	2019G*	2020G	2019G	2020G	CAGR 2018G-2020G
Cash flow from Operating activities	-	17,241	41,311	-	139.6%	-
Cash flow used in investing activities	-	(717,063)	(1,144,745)	-	59.6%	-
Cash from financing activities	-	709,625	1,105,333	-	55.8%	-
Cash and cash equivalent at beginning	**-**	**-**	**9,803**	**-**	**NA**	**-**
Closing cash & cash equivalent	**-**	**9,803**	**11,702**	**-**	**19.4%**	**-**

* For the period from 29 October 2018G to 31December 2019G

Source: Audited IFRS financial statements

There is an increase in net cash and cash equivalents at the end of the year 2020G by 19.4%, or SAR 1.8 million, from SAR 9.8 million as of 31 December 2019 to SAR 11.7 million as of 31 December 2020.

6-12-3-1 Cash flow from operating activities

Net cash flows from operative activities increased by 139.6% or 24.1 million, from SAR 17.2 million in 2019G to SAR 41.3 million in 2020. This is mainly driven by increase in payable amounts i.e. payable liability increased by around SAR 17 million at year end.

6-12-3-2 Cash flow used in investing activities

Net cash used in investing activities increased by 59.6% or 427.7 million, from SAR 717.1 million in 2019G to SAR 1,144.8 million in 2020G. This is mainly driven by amounts paid for the construction of the project.

6-12-3-3 Cash flow from financing activities

Net cash inflow from financing activities increased by 55.8% or SAR 395.7 million, from SAR 709.6 million in 2019G to SAR 1,105.3 million in 2020G. This is mainly driven by draw down from the facilities to fund the capital expenditure of the project.

7- Dividend Policy

Pursuant to Article 110 of the Companies Law, each Shareholder acquires the rights attached to the Company's Shares, including the right to receive a portion of the dividends declared. The declaration and payment of any dividends will be recommended by the Board before being approved by the shareholder at a General Assembly meeting. The Company is under no obligation to declare a dividend and any decision to do so will depend on, amongst other things, the Company's historic and anticipated earnings and cash flow, financing and capital requirements, market and general economic conditions, the Company's zakat position as well as legal and regulatory considerations. The distribution of dividends is subject to restrictions under financing agreements and any other project agreements to which the Company is a party from time to time (noting that as at the date of this Prospectus, there are no restrictions on the distribution of dividends according to the agreements entered by the Company), as well as certain limitations contained in the Bylaws (as described in Section (12-14) ("**Summary of Company Bylaws – Distribution of Dividends**" of this Prospectus). If declared, dividends will be paid in Saudi Riyals.

According to Article 53 of the Bylaws, the Company's annual net profits shall be allocated, after deducting all general expenses and other costs, and after setting aside the reserves necessary to cover the investment losses and obligations, as deemed necessary by the Board, as follows:

- zakat amounts payable by the Shareholders will be calculated and paid by the Company to the relevant authorities;
- following the zakat deductions, 10% will be set aside for the statutory reserve, provided that the General Assembly may stop such allocation once the statutory reserve reaches 30% of the Company's paid up share capital;
- the General Assembly may, upon the Board's recommendation, set aside 1% of the net profits for the Company's voluntary reserve(s) established for specific purposes;
- the General Assembly may establish other reserves provided it is in the interest of the Company or it guarantees to the extent possible distribution of fixed dividends to the Shareholders. The General Assembly may also set aside certain amounts to establish or contribute to social union corporations for the Company's employees;
- following the above dividends will be distributed to the Shareholders in an amount not less than 1% of the Company's paid up share capital. Also, the General Assembly may, upon the Board's recommendation and as it sees fit, distribute further dividends; and
- if the Company suffers losses, such losses may be carried forward to the following financial year and no profits shall be distributed until the losses are completely recovered.

The table below sets out a summary of the dividends distributed by the Company in the financial years ending 31 December 2018G, 2019G, and 2020G as stated in the Company's audited financial statements. For additional information on the Company's cash flows, please refer to Section (6) ("Management's Discussion and Analysis of Financial Condition and Results of Operations")) of this Prospectus.

Table (7-1): Summary of the dividends distributed by the Company in the financial years ending 31 December 2018G, 2019G and 2020G

SAR '000s	2018G	2019G	2020G
Dividends declared for the year	235,107	322,811	2,700,981
Dividends Paid during the year	235,107	322,811	1,000,000
Net Dividends	(898,914)	880,083	902,387
Ratio of announced Dividends from Net Profits	-	36.7%	299.3%

During 2020G, the Company declared dividends of SAR 2,701.0 million at SAR 4.18 per share to shareholders (2019G: SAR 322.9 million at SAR 0.50 per share, 2018G: SAR 235.1 million at SAR 0.43 per share). Dividend distribution was unanimously agreed by the Company's shareholders before the PIF increased its stake in the Company from 33.36% to 50% on 19 November 2020G. The Company paid SAR 1,000.0 million during 2020G, and a further amount of SAR 800.0 million will be paid during 2021G. A portion of the total dividends of SAR 901.0 million for 2020G was converted into a long-term, non-interest-bearing loan through a wholly owned subsidiary of a shareholder. Furthermore, during 2020G, some of the Group's subsidiaries distributed dividends of SAR 83.4 million (2019G: SAR 15.7 million, 2018G: SAR 59.4 million) which pertains to non-controlling interests.

The Offer Shares shall be entitled to receive dividends declared (if any) by the Company from the date of this Prospectus and after the financial year.

The Offer Shares are not entitled to any dividends announced prior to the date of this Prospectus. Dividends amounting to SAR 2,700,980,774.22 have been declared to be paid to the shareholders of the Company as approved by the EGM of 16 November 2020G. SAR 1,000 million of this has been distributed on 19 November 2020G and SAR 800 million will be distributed by 30 September 2021G. The remaining SAR 900,980,774.22 being PIF's share of this dividend was converted into a shareholder loan under an agreement signed between PIF, WEHCO and the Company on 16 November 2020G. (for further information in respect of the dividend arrangement between the Company and its Shareholders, please refer to Section (12-8) ("**Summary of Material Related Party Contracts and Transactions**") of this Prospectus. As of the date of this Prospectus, the Directors declare that there are no declared or outstanding dividends for any periods except as set out above.

8- Use of Proceeds

Offering Expenses

The total gross proceeds of the Offering are estimated to be SAR 4,387,160,744 million, of which approximately SAR 160 million will be applied to settle all the relevant Offering Expenses, which include the fees of each of the Joint Financial Advisors, the Lead Manager and Local Co-ordinator, Bookrunners, Joint Global Co-ordinators, Receiving Agents, Legal Advisor, Financial Due Diligence advisor and other advisors, marketing, printing and distribution expenses, in addition to underwriting expenses and other related expenses. The Company will bear all costs, fees and expenses related to the Offering.

Net Proceeds

The net proceeds of the Offering, after deducting the Offering Expenses, are expected to be approximately SAR 4,547,160,744 million. The Shareholders will not receive any of the Offering proceeds.

Use of Proceeds

The Company intends to use 70% of the net proceeds of the offering to finance its equity contribution in upcoming projects which the Company aims to finance through a targeted financing ratio of 70% to 80% debt in the form of project financing loans (on a non-recourse or a limited recourse) to be drawn on payments during the construction period. This period ranges from 1 to 3 years (usually 1 year for renewable energy projects and 3 years for conventional projects). As for the Company's equity contribution in a project, it usually ranges between 20% to 30%. In countries where bridging facilities are granted, the Group typically covers its equity contribution through these facilities during the construction period. Consequently, the Group can avoid paying the actual cash for its investment until the end of the period of such bridging facilities.

The remaining 30% will be used by the management of the Company for its general purposes. Due to the nature of the Company's bids for projects via tender processes where the competitive bidder will be selected to pursue the project it is not possible to indicate which projects the Company will be awarded. However, the Company participates in several bids each year, it wins only some of them (noting that the Company has won an average of seven projects per year for the past five years, the average win rate of all projects the Company has bid for in the past five years is 68%). The Company has prepared an indicative timeframe for the type of transactions it expects to bid for over the next three years (however, the type and timing of each project may differ due to varying events and circumstances).

The Group aims to finance its projects through a mix of debt and equity.

Details of some of the upcoming bids that the Company intends to participate in, and the projects that the Company is willing to negotiate (including nine projects being developed under the Strategic Framework Agreement (please refer to Section (4-5-8) ("**Strong future outlook**")), as provided in Section (4-6-2-4) (**"The Company – Projects"**) of this Prospectus, are shown below.

Table (8-1): Upcoming bids that the Company intends to participate in

Name of Project	Technology Used	MW		Coun-try	Estimated Project Cost (SAR million)
Umm Al Quwain Solar PV	PV	500	-	UAE	1,875.0
Abu Dhabi Waste to Energy IPP	Waste to Energy	100	-	UAE	1,875.0
EWEC PV3	PV	1,500	-	UAE	3,750.0
EWEC Mirfa IWP	SWRO	-	682,000	UAE	2,625.0
Seawater Treatment and Transportation Project-ADNOC, UAE	Water Treatment	-	954,660	UAE	5,625.0
Shuweihat 4 IWP - Abu Dhabi UAE (EWEC)	SWRO	-	227,300	UAE	843.8
Ruwais IWP - Abu Dhabi UAE (EWEC)	SWRO	-	682,000	UAE	2,625.0
Al Ain WtE IPP	Waste to Energy	60	-	UAE	1,125.0
Inter-state Grid Connection and Wind Energy Export Project	Grid	2,600	-	KSA	13,125.0

Name of Project	Technology Used	MW		Coun-try	Estimated Project Cost (SAR million)
Aqaba Desalination + Pipeline (AAWD-CP)	SWRO	-	270,000	Jordan	4,500.0
Az Zour North 2+3 IWPP	SWRO + CCGT	2,700	750,000	Kuwait	9,000.0
Al Khiran IWPP	SWRO + CCGT	1,800	568,250	Kuwait	6,375.0
Manah 2 x 500 MW PV IPP	PV	500	-	Oman	1,125.0
New greenfield IWP	SWRO	-	600,000	KSA	2,700.0
Ras Muhaisen IWP	SWRO	-	300,000	KSA	1,687.5
Rabigh 4 IWP	SWRO	-	600,000	KSA	2,625.0
Jubail 6	SWRO	-	300,000	KSA	1,687.5
Jazan IWP	SWRO	-	300,000	KSA	1,687.5
Ras Al Khair 2 IWP	SWRO	-	600,000	KSA	2,700.0
Shuqaiq-4 IWP	SWRO	-	400,000	KSA	2,062.5
Ras Al Khair 3 IWP	SWRO	-	400,000	KSA	2,062.5
Tabuk 1 IWP	SWRO	-	400,000	KSA	2,062.5
Rabigh 5 IWP	SWRO	-	400,000	KSA	2,062.5
Jubail 4 IWP	SWRO	-	300,000	KSA	1,687.5
Rays 2 IWP	SWRO	-	300,000	KSA	1,687.5
Saad 300 MW Solar PV (REPDO Round 3 Category B)	PV	300	-	KSA	1,237.5
Alras 700 MW Solar PV (REPDO Round 3 Category B)	PV	700	-	KSA	1,237.5
Wadi Adawser 120 MW Solar PV (REPDO Round 3 Category A)	PV	120	-	KSA	315.0
Layla 80 MW Solar PV (REPDO Round 3 Category A)	PV	80	-	KSA	180.0
Yanbu 850 MW Wind	Wind	850	-	KSA	3,187.5
CSP (to be decided)	CSP	500	-	KSA	9,375.0
Wind (to be decided)	Wind	1,000	-	KSA	3,750.0
NEOM Green Hydrogen	Hydrogen	4,000	-	KSA	18,750.0
Privatization of Ras Alkhair Integrated Desalinationa nd Power Plant*	SWRO + CCGT	2,650	1,050,000	KSA	13,125.0
KSA IPP (name withheld)	Natural Gas	3,600	-	KSA	7,500.0
Captive Solar PV + Battery storage	PV	24	-	KSA	131.3
Renewables + water + associated facili-ties (name withheld)	PV+Wind+RO+MSWP	-	-	KSA	-
KSA IPP (name withheld)	PV + Wind	15,000	-	KSA	41,250.0
Captive Cogeneration plant	Natural Gas	1,115	-	KSA	3,375.0
North Qassim CCGT	Natural Gas	3,600	-	KSA	-
AlFaisaliah 2000 MW Solar PV	PV	2,000	-	KSA	-
Rabigh 300 MW Solar PV	PV	300	-	KSA	-
Saad 1100 MW Solar PV	PV	1,100	-	KSA	-

Name of Project	Technology Used	MW		Coun-try	Estimated Project Cost (SAR million)
Rass 2000 MW Solar PV	PV	2,000	-	KSA	-
Henakiyah PV	PV	800	-	KSA	-
Dawadmi wind	Wind	1,600	-	KSA	-
Muwayh PV	PV	1,000	-	KSA	-
Al Kahafa PV	PV	800	-	KSA	-
Haden PV	PV	800	-	KSA	-
NOOR Midelt Phase II, ca. 400 MW (PV + CSP)	PV+ CSP	400	-	Moroc-co	3,750.0
NOOR PV2 corporate PPAs	PV	200	-	Moroc-co	750.0
Chtouka - Captive Wind	Wind	100	-	Moroc-co	487.5
300 MW wind (2 projects, 200 MW + 100 MW)	Wind	300	-	Tunisia	1,425.0
75 MW wind with site (1 project)	Wind	75	-	Tunisia	337.5
650 MW Skhira CCGT	Natural Gas	650	-	Tunisia	2,062.5
Ksour Essef Desalination, 100,000-200,000 m3	SWRO	-	150,000	Tunisia	1,031.3
Corporate PPA Solar PV – negotiated	PV	100	-	Tunisia	375.0
Gulf of Suez II (negotiated) Wind IPP	Wind	500	-	Egypt	2,625.0
West of Nile Solar 600 PV	Wind	600	-	Egypt	2,812.5
Desalination Plant (Site to be deter-mined) 190,000 m3/day	SWRO	-	190,000	Egypt	1,125.0
750 MW (6 projects) Scaling Solar Phase II; PV	PV	750	-	Ethiopia	2,812.5
Captive PV + Wind up to 600 MW (Sasol)	Wind + PV	300	-	South Africa	750.0
4x75 MW PV (Bid Window 5)	PV	300	-	South Africa	1,125.0
Captive PV	PV	225	-	South Africa	562.5
2 x 140 MW Wind (Bid Window 5)	Wind	280	-	South Africa	1,125.0
Captive Gas to Power 950 MW	Natural Gas	950	-	Mozam-bique	1,968.8
100 MW solar PV (2 x 50 MW)	PV	100	-	Botswa-na	450.0
150 MW CCGT	Natural Gas	150	-	Senegal	450.0
100,000m3/day desal	SWRO	-	100,000	Senegal	675.0
350 MW CCGT Limbe	Natural Gas	300	-	Camer-oon	1,312.5
180 MW Solar PV	PV	180	-	Bangla-desh	750.0
1.2 GW Gas to Power Plant	Natural Gas	1,200	-	Bangla-desh	7,500.0

Name of Project	Technology Used	MW		Country	Estimated Project Cost (SAR million)
Land PV Java (2X50MW)	PV	100	-	Indonesia	300.0
Floating PV JTE - Java (PJT1)	PV	300	-	Indonesia	1,312.5
Floating PV JTE - Java (PJT2)	PV	200	-	Indonesia	750.0
Wind 80MW with BESS - South Kalimantan	PV	80	-	Indonesia	562.5
Wellhead Combine Cycle GT PP Sumbagut IPP	Natural Gas	200	-	Indonesia	300.0
Combine Cycle GT PP Riau-2 IPP	Natural Gas	250	-	Indonesia	1,312.5
Waste to Energy West Java	Waste to Energy	80	-	Indonesia	450.0
CCGT 550 MW	Natural Gas	550	-	Azerbaijan	2,062.5
2x200 MW IFC solar PV- bidding	PV	400	-	Uzbekistan	1,200.0
1500 MW CCGT Sirdarya II – bidding	PV	1,500	-	Uzbekistan	4,500.0
200 MW ADB Sherabad Solar PV – bidding	PV	200	-	Uzbekistan	750.0
100 MW EBRD Wind – bidding	Wind	100	-	Uzbekistan	412.5
ADB Sherabad 2 - 2x200 MW PV	PV	400	-	Uzbekistan	1,200.0
IFC Scaling Solar 3 - 150+150+200 PV + 200MWh BESS	PV	550	-	Uzbekistan	1,650.0
1.5 GW Wind	Wind	1,500	-	Uzbekistan	7,312.5
Brunei Utility Technical Partner - 850 MW plus T&D	Other	850	-	Brunei	750.0
Philippines - 200MW Solar PV	PV	200	-	Philippines	562.5
Total	-	68,819	10,524,210	-	245,070.0

* The current Ras Al Khair privatisation process has been cancelled by NCP, NCP have stated a new strategy for Ras Al Khair will be announced shortly

9- Capitalization and Indebtedness

Prior to the Offering, the Current Shareholders owned the entire share capital of the Company. Upon completion of the Offering, they will jointly hold 88.33% of the Company's total shares (including shares allocated to employees under the employee IPO grant plan detailed in Section (5-11) (the "Employee Share Programmes")).

The following table sets forth the Company's capitalization, in the financial years ending 31 December 2018G, 2019G, and 2020G as stated in the Company's audited financial statements. The following table should be read in conjunction with the relevant financial statements, including the notes thereto set out in Section (19) ("**Auditor's Report**").

Table (9-1): The Company's capitalization as shown in the audited financial statements for the years ending 31 December 2018G, 2019G and 2020G

	As at 31 December		
SAR in 000's	**2018G**	**2019G**	**2020G**
Recourse debt	3,185,113	1,825,887	753,314
Non-recourse debt	12,369,340	14,922,544	15,746,631
Total Borrowings in relation to projects *	**15,554,453**	**16,748,431**	**16,499,945**
Recourse debt	12,237	1,125	113,630
Non-recourse debt	187,500	-	-
Total Corporate facilities	**199,737**	**1,125**	**113,630**
APMI One bond Non-recourse	**2,999,129**	**3,002,617**	**3,006,325**
Recourse debt	3,197,350	1,827,012	866,944
Non-recourse debt	15,555,969	17,925,161	18,752,956
Group Consolidated Debt	**18,753,319**	**19,752,173**	**19,619,900**
Share capital	6,429,344	6,429,344	6,429,344
Share premium	1,177,031	1,177,031	1,410,398
Statutory reserve	437,239	554,626	642,883
Retained earnings	2,363,259	3,102,108	1,184,908
Equity attributable to owners of the Company before other reserves	**10,406,873**	**11,263,109**	**9,667,533**
Other reserves	(717,900)	(1,361,236)	(2,798,419)
Equity attributable to owners of the Company	**9,688,973**	**9,901,873**	**6,869,114**
Non-controlling interest	1,385,184	703,504	531,041
Total equity	**11,074,157**	**10,605,377**	**7,400,155**
Total Capitalisation (Total Group consolidated debt +Total equity)	**29,827,476**	**30,357,550**	**27,020,055**
Total debt/Total Capitalisation	**62.87%**	**65.07%**	**72.61%**

Source: Audited consolidated financial statement

The Directors declare that:

1. The Company does not have any debt instruments as other than what has been disclosed in section 9 ("**Capitalisation and indebtedness**") Technology Used
2. The Company's existing cash balances, its cash flow and its working capital facilities will be sufficient to meet its anticipated cash needs for working capital expenditure for at least 12 months following the date of this prospectus.

10- Expert Statements

All of the Advisors, whose names are listed on pages (vi) to (xii) , have given and, as of the date of this Prospectus, not withdrawn, their written consent to the publication of the names, addresses, logos and statements attributed to each of them in this Prospectus, and do not, themselves, nor their employees that form part of their respective teams advising the Company, or any of their respective Relatives, have any shareholding or interest of any kind in the Company or its Subsidiaries as of the date of this Prospectus which would impair their independence.

11- Declarations

As of the date of this Prospectus, the members of the Board of Directors declare that:

1. Other than what has been disclosed in Section (4-9) ("**Significant Disruptions to the Business**") in page (257) of this Prospectus, there has not been any interruption in the business of the Company or any of the Company's Subsidiaries which may have or has had a significant effect on the financial position in the last 12 months.
2. No commissions, discounts, brokerages or other non-cash compensation have been granted by the Issuer or any of its Subsidiaries within the three years immediately preceding the application for registration and offer of securities that are the subject of this Prospectus in connection with the issuing or the offer of any securities.
3. There has not been any material adverse change in the financial or trading position of the Issuer or any of its Subsidiaries in the three financial years directly preceding the application for registration and offer of securities that are subject to this Prospectus and during the period from the end of the period covered in the auditors' report up to the approval of this Prospectus.
4. Other than what has been disclosed in section (5-8) ("**Declaration of Interests of the Directors, Senior Executives and the Secretary of the Board in the Shares and debt instruments of the Company or its Subsidiaries**") of this Prospectus the members of the Board do not have any shareholding or interest of any kind in the Issuer or any of its Subsidiaries, and nor does any Relative of theirs.
5. The Issuer - individually or jointly with its Subsidiaries - has a working capital sufficient for a period of at least 12 months immediately following the date of this Prospectus.
6. None of the Directors, or any of the Senior Executives or the Secretary of the Board of Directors has, at any time, declared bankruptcy or were subject to bankruptcy procedures.
7. No insolvency or bankruptcy has been declared during the previous five years for a company in which any of the members of the Board of Directors, any of the Senior Executives, or the Secretary of the Board of Directors was appointed to an administrative or supervisory position.
8. Other than what has been mentioned in Section (5-9) ("**Interests of Directors, Senior Executives and their Relatives in Contracts entered into with the Company and its Subsidiaries**"), the members of the Board of Directors, any of the Senior Executives, or the Secretary of the Board of Directors or any of their relatives, have any interest in any existing contracts or arrangements, whether written or verbal, contracts or arrangements under consideration or intended to be entered into with the Company up to the date of this prospectus.
9. All dealings with related parties described in Section (12-8) ("**Summary of Material Related Party Contracts and Transactions**"), including the determination of the financial compensation for the contract, were carried out in a legal manner and on appropriate and fair commercial bases such as those entered into with other third parties.
10. There is no intention to make any material change in the nature of the Group's business that may have a material impact on the Group and its profits.
11. Members of the Board of Directors will not participate in voting on decisions related to business and contracts in which they have a direct or indirect interest.
12. Other than what is mentioned in Section (5-11) ("**Employee Share Programmes**"), there are no stock programs for the employees of the Company that would involve employees in the Company's capital, and there are no other similar arrangements in place.
13. Other than what has been mentioned in Section (2-3-6) ("**Risks related to the Group's interest rate volatility and volatile securities**"), Section (4) ("**The Company**"), and Section (6-16-6) ("**Balance Sheet**"), the Company does not own any securities (contractual or otherwise) or any assets the value of which is subject to fluctuations, which negatively and substantially affects the evaluation of its financial position.
14. Other than what is mentioned in Section (2) ("**Risk Factors**"), and to the best of their knowledge and belief, there is no information related to any governmental, economic, financial, monetary or political policies or any other factors that have affected or could materially affect (directly or indirectly) the Company's operations.
15. Other than what has been mentioned in Section (2) ("**Risk Factors**"), the Company is not aware of any seasonal factors or economic cycles related to the activity that may have an impact on the Company's business or financial position.
16. The statistical information used in Section (3) ("**Overview of the Industry and the Market**"), which was obtained from external sources, represents the most recent information available from its relevant source as at the date of preparing the market study report.
17. Other than what has been mentioned in Section (2) ("**Risk Factors**") and Section (2-2-8) ("**Risks related to obtaining sufficient insurance coverage for the risks associated with the Group's respective operations**"), the insurance policies of the Company and its Subsidiaries provide insurance coverage with sufficient limits for the Company and its subsidiaries, in line with standard market practice to undertake their business their business, and such insurance documents and contracts are periodically renewed to ensure the existence of insurance coverage on an ongoing basis.

18. All contracts and agreements that the Company believes are important or essential or that may affect the investor's decisions to invest in the Offer Shares have been disclosed, and there are no other substantial agreements contracts that have not been disclosed.
19. As at the date of this Prospectus, there are no material contracts or transactions with related parties that have a significant impact on the Company's business, except for what is described in Section (12-8) ("**Summary of Material Related Party Contracts and Transactions**").
20. The Directors have put in place procedures, guidelines and systems that will enable the Company to fulfil the requirements of the relevant laws, regulations and instructions, including the Companies Law, the Capital Market Law and its implementing regulations, the OSCOs and Listing Rules.
21. All employees of the Company are under its sponsorship.
22. The legal and beneficial ownership, direct and indirect, of shares in the Company as at the date of this Prospectus belongs to the persons whose names are mentioned in Section (5-1) ("**Ownership Structure**").
23. All increases in the Company's capital do not contradict with the laws and regulations in force in the Kingdom.
24. Other than what has been mentioned in Section (2) ("**Risk Factors**"), and to the best of their knowledge and belief, there are no other material risks that may affect the decision of potential investors to invest in the Offer Shares.
25. Other than what has been mentioned in Section (2-4-5) ("**Risks related to the Group's licensing and permits and corporate registration requirements**"), the Company and each of its Subsidiaries holds all essential licenses and approvals required to carry out their activities.
26. Other than what is mentioned in Section (12-11) ("**Litigation**"), the Company is not a party to any existing disputes, lawsuits, cases or investigations that could have a material impact on the Company's operations or its financial position.
27. There are no mortgages, rights, or encumbrances over the Company's property as at the date of this Prospectus, taking into account that a number of Subsidiary Shares owned by the Company are mortgaged as detailed in Section (2-3-3) ("**Risks related to events of default under the financing arrangements**"), Section (2-3-4) ("**Risks related to the Group's bonds**"), and Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**").
28. None of the Company's shares are subject to any option rights, noting that the shares of a number of Project Companies owned by the Company are subject to option rights as indicated in Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**").
29. Other than what is mentioned in Section (12-10-2) ("**Other Intellectual Property Rights**") and Section (4-6-4-3) ("**Research & Development**"), the Company does not have a policy on research and development and the Company does not produce any products.
30. The Company is able to prepare the required reports on time according to the implementing regulations issued by the CMA.
31. Other than what was mentioned in Section (2) ("**Risk Factors**") and Section (2-3-3) ("**Risk related to events of default under the financing arrangements**"), as at the date of this Prospectus, there is no breach of the contractual terms and conditions pursuant to the agreements with lenders for all loans, facilities and financing, and the Company is committed to all these terms and conditions.
32. The Board members do not have a direct or indirect interest in the debt instruments of the Company or its Subsidiaries or in any other matter that may affect the Company's business.
33. The Board members' Relatives have no direct or indirect interest in the Shares or debt instruments of the Company or its Subsidiaries or in any other matter that may affect the Company's business.

In addition to the above-mentioned declarations, the members of the Board of Directors declare that the following:

1. The Directors believe that the information and data contained in this Prospectus, including the information contained in the market study report prepared by the market study consultant, were obtained from reliable sources, and there is no reason for the Company to believe that such information is materially inaccurate.
2. This Prospectus includes all the information required to be included in accordance with the OSCOs, and there are no other facts that could materially affect the application for registration and offering of securities that were not included in this Prospectus.
3. Each Director has submitted and will submit to the CMA all the documents required under the Capital Market Law and the OSCOs.
4. The internal control systems and controls have been prepared by the Company on sound bases, whereby a written policy has been developed to regulate conflicts of interest and address potential conflict situations, which results in preventing the misuse of Company assets and misconduct resulting from dealings with related parties. In addition, the Company has ensured the integrity of the financial and operational systems and the application of appropriate control systems to manage risks in accordance with the requirements of Chapter five of the Corporate Governance Regulations. The members of the Board of Directors also perform an annual review of the Company's internal control procedures.

5. The internal control, accounting and information technology systems are adequate and appropriate.
6. Other than what was mentioned in Section (5-9) ("**Interests of Directors, Senior Executives and their Relatives in Contracts entered into with the Company and its Subsidiaries**"), as at the date of this Prospectus, none of the Board members participated in any similar activities or activities competing with the Company, and the members of the Board of Directors undertake to abide by the requirements of the Companies Law and the Corporate Governance Regulations.
7. It is not permissible for any member of the Board of Directors to have a direct or indirect interest in the business and contracts that are made for the Company's account without an authorization from the General Assembly.
8. Members of the Board of Directors are obligated to inform the Board of their direct or indirect personal interests in the business and contracts that are made for the account of the Company, provided that this is recorded in the minutes of the meeting of the Board of Directors.
9. All dealings with related parties will take place on a commercial basis, and all business and contracts with related parties will be voted on in Board meetings - and if required by law - the Company's General Assembly, with a member of the Board of Directors abstaining from voting on decisions related to business and contracts that are done for the account of the Company and in which he has a direct or indirect interest, whether in the Board of Directors or the General Assembly, in accordance with Article 71 of the Companies Law and Chapter Six of Part Three of the Corporate Governance Regulations.
10. Members of the Board of Directors and the CEO have no right to vote on the fees and remuneration granted to them.
11. Board members or Senior Executives do not have any right to borrow from the Company.
12. The Board members undertake to:
    - a- Record all Board resolutions and deliberations in the form of written minutes of meeting to be signed by them.
    - b- Disclose details of any transactions with related parties in accordance with the requirements of the Companies Law and the Corporate Governance Regulations.
    - c- Abide by the provisions of Articles 71, 72 and 73 of the Companies Law and Chapter Six of Part Three of the Corporate Governance Regulations.

The above declarations are made by the Board of Directors in addition to any other declarations expressly set out in this Prospectus.

12- Legal Information

12-1 Declarations related to Legal Information

The Board members declare that:

- The Offering does not violate the applicable laws and regulations in the Kingdom of Saudi Arabia.
- The Offering does not prejudice any contracts or agreements which the Issuer is a party thereof.
- All material legal information relating to the Issuer has been disclosed in the Prospectus.
- Except as disclosed in Section (12-11) ("**Litigation**") of this Prospectus, the Issuer and its subsidiaries (if any) are not involved in any lawsuits or legal proceedings that may, individually or collectively, have a material effect in the business or financial position of the Issuer and its Subsidiaries.
- Directors are not subject to any lawsuits or legal proceedings that may, individually or collectively, have a material effect in the business or financial position of the Issuer and its Subsidiaries.

12-2 The Company

The International Company for Water and Power Projects ("**ACWA Power**" or the "**Company**") is a closed joint-stock company holding commercial registration number 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G), pursuant to ministerial resolution number 215/Q dated 2/7/1429H (corresponding to 5 July 2008G). The Company's headquarters and registered office pursuant to the commercial registration, is at 2nd Floor, Building 5, The Business Gate, Exit 8, Eastern Ring, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The Company's current capital is six billion four hundred and fifty-seven million six hundred and twenty-eight thousand seven hundred and eighty Saudi Riyals (SAR 6,457,628,780) consisting of 645,762,878 (six hundred and forty-five million seven hundred and sixty-two thousand eight hundred and seventy-eight) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. The Company's main activities, according to its commercial registration certificate, are the development, establishment, ownership and leasing of electricity generation plants, water desalination plants, steam and activities related to or complementary to this, the generation and sale of electric energy and desalinated water, and activities related to, connected or complementary to that, operation and maintenance of power and steam plants and desalination of water, and the purchase of electric power plants and water desalination plants in the Kingdom of Saudi Arabia and internationally. For further details, please refer to Section (4-1) ("**The Company – Overview**").

12-3 Shareholding Structure

The following table shows the Company's shareholding structure before and after the Offering:

Table (12-1): Company's Shareholding Structure Before and After the Offering

	Shareholding (Pre-Offering)	Shareholding (Post-Offering)				
Shareholder	Number of Shares	Par Value (SAR)	%	Number of Shares	Par Value (SAR)	%
Public Investment Fund	322,881,439	3,228,814,390	50.00	322,881,439	3,228,814,390	44.16
Vision International Investment Co.	166,320,184	1,663,201,840	25.76	166,320,184	1,663,201,840	22.75
Al Rajhi Holding Group Company	81,918,658	819,186,580	12.69	81,918,658	819,186,580	11.20
Mohammed Abdullah Rashid Abunayyan	26,651,452	266,514,520	4.13	26,651,452	266,514,520	3.65
Al Mutlaq Group Co	20,989,705	209,897,050	3.25	20,989,705	209,897,050	2.87
Abdullah Abunayyan Trading Company	19,525,453	195,254,530	3.02	19,525,453	195,254,530	2.67
Badad International Co. for Trading & Construction Ltd.	2,959,244	29,592,440	0.46	2,959,244	29,592,440	0.40
AJDA Industrial and Technical Services Co.	2,959,244	29,592,440	0.46	2,959,244	29,592,440	0.40
Al-Toukhi Commercial Group Company Ltd.	1,557,499	15,574,990	0.24	1,557,499	15,574,990	0.21

	Shareholding (Pre-Offering)	Shareholding (Post-Offering)				
Shareholder	Number of Shares	Par Value (SAR)	%	Number of Shares	Par Value (SAR)	%
Public	-	-	-	81,199,299	811,992,990	11.1
Shares owned by the employees	-	-	-	4,137,552	41,375,520	0.57%*
Total	**645,762,878**	**6,457,628,780**	**100.0**	**731,099,729**	**7,310,997,290**	**100.0**

Source: Company information.

*The employees will own the shares through a fund that will be established for this purpose.

Details regarding the shareholding ownership structure of the company have been provided in Section (4-12-1) ("**Shareholding Structure of the Company**").

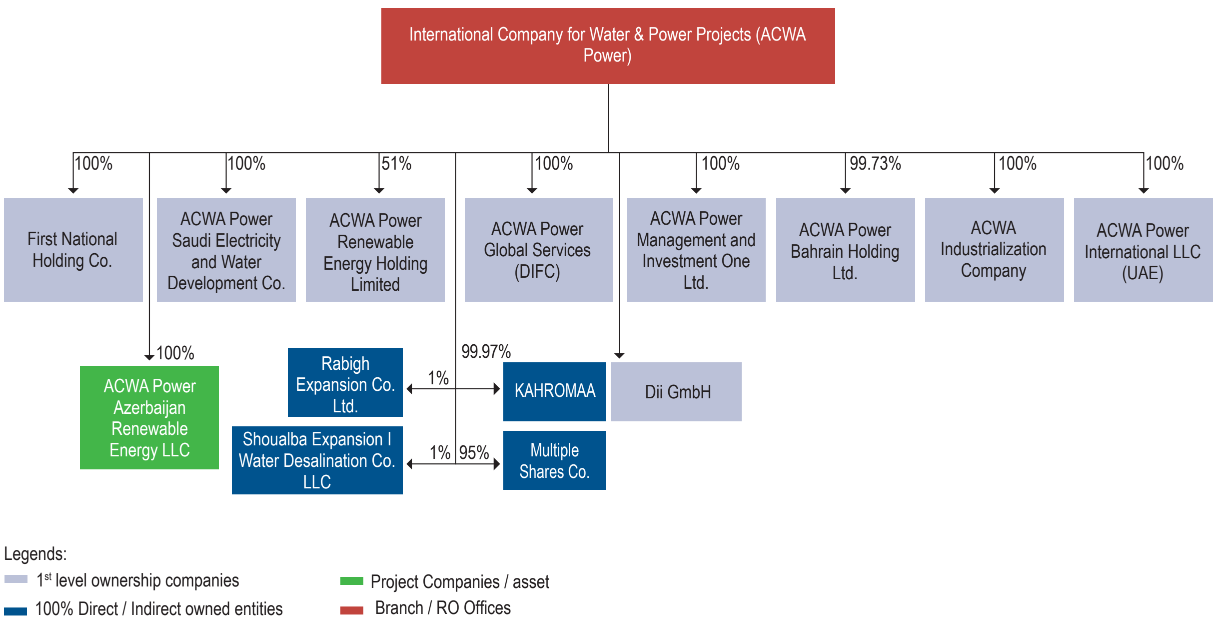
12-4 Subsidiaries

There are over 200 companies in which the Company holds direct and indirect ownership interests. Such companies have been categorised in this Prospectus into two categories for the purposes of this section of the Prospectus, as follows:

- Subsidiaries, which include all the companies that are Controlled by the Company and specified in Section (1-3) ("**List of Subsidiaries**") of this Prospectus
- Key Group Companies, which include those Group companies that the Company considers important for disclosure purposes in this Prospectus which generally includes companies whose annual assets, revenues or annual net income constitute the equivalent of 3% of the Group's total assets revenues and net income as at 31 December 2020G, or those companies that the Company considers important for disclosure purposes which may affect the decision to invest in the Company's Shares, which are the companies specified in the section (1-5) ("**List of Key Group Companies**"). These companies include all of the (8) material subsidiaries referred to in Section (1-4) ("**List of Material Subsidiaries**") with the exception of CEGCO, for which the remaining period of operating its assets is short compared to the rest of the Key Group Companies.

The following chart sets out all the companies in which the Company has a direct interest as at 1 June 2021G, most of which are Intermediate Holding Companies through which the Group owns shares in the other Subsidiaries:

Figure (23): ACWA Power's Direct Ownership Structure



For further details on the Group's ownership structure, please refer to section (4-6-1) ("**Company Organization**") of this Prospectus, which provides a general overview of the Company's effective ownership interests in the Key Group Companies and other main companies in the Group.

12-5 Government Consents, Licences and Certificates

The Company confirms that it holds all licences, certificates and approvals required to undertake its business. The Company also confirms that it does not directly carry out any operational activities, as it does so through its Subsidiaries and its equity accounted investments. Therefore, the Company does not hold any operational or industrial licenses (including any ECRA licenses).

It should be noted that the Saudization certificate issued by MOHRSD is issued with a validity of three months upon request, and the GOSI certificate is issued with a validity of one month upon request, in order to show the Company's compliance with the relevant requirements. The Group Companies do not face any difficulties in issuing such certificates as they are compliant with the requirements of Saudization as well as the requirements of GOSI.

The following is a summary of the main licences and approvals obtained by the Company:

Table (12-2): Licences and approvals relating to the Company

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
Commercial registration	1010253392	4/5/1440H	10/7/1445H	MOC
Chamber of commerce certificate	1010253392	19/06/1440H	11/7/1445H	CoC
VAT registration	3001289598	1/12/2019G	N/A	ZATCA
Commercial activity licence	40102434062	N/A	22/07/1445H	Ministry of Municipal and Rural Affairs
General Organization for Social Insurance Certificate	38996431	21/10/1442H	21/11/1442H	General Organization for Social Insurance
Saudization Certificate	20002104000139	19/08/1442H	21/11/1442H	Human Resources and Social Development
Zakat Certificate	111073589	20/09/1442H	29/09/1443H	ZATCA

Source: Company information.

The Company also confirms that its Subsidiaries have all the necessary licenses, certificates and approvals that enable them to conduct their business, and that such licenses, certificates and approvals are renewed periodically.

The following is a summary of the main licences and approvals obtained by the operational Key Group Companies:

Table (12-3): Main Licences and approvals relating to the Key Group Companies

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
Kingdom of Saudi Arabia				
RAWEC				
Commercial registration	4602006014	5/5/1441H	5/1/1445H	MOC
Service Investment Licence	11103001127	19/6/1426H	5/1/1445H	MISA
Co-generation license	130508-R	20/5/1429H	26/5/1455H	ECRA
Chamber of commerce certificate	106378	17/1/1440H	5/1/1445H	CoC
Municipality licence	3910703021	N/A	19/10/1443H	MOMRA
Industrial facility license	423102110987	25/07/1442H	28/08/1445H	Ministry of Industry and Mineral Resources
Saudization Certificate	20002101017720	04/06/1442H	05/09/1442H	Human Resources and Social Development

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
VAT registration	3001234815	21/01/2019G	N/A	ZATCA
General Organization for Social Insurance Certificate	37024327	19/07/1442H	19/08/1442H	General Organization for Social Insurance
Civil Defense Certificate	3-000327501-42	8/09/1442H	8/09/1443H	General Directorate of Civil Defense
Zakat certificate	1110694698	05/10/1442H	29/09/1443H	ZATCA
SWEC				
Commercial registration	700149737	6/7/1441H	28/5/1444H	MOC
Industrial Investment License	111030061426	10/6/1428H	28/5/1444H	MISA
Co-generation license	080502-R	2/5/1428H	8/2/1454H	ECRA
Chamber of commerce certificate	111694	5/6/1439H	28/5/1444H	CoC
PME license	23862	29/10/1441H	1/11/1443H	GAMEP
VAT registration	3000013966	20/02/1439H	N/A	ZATCA
Industrial facility license	423102110571	09/07/1442H	11/08/1445H	Ministry of Industry and Mineral Resources
Civil Defense Certificate	1-000602720-42	24/02/1442H	24/02/1443H	General Directorate of Civil Defense
Business license	39111443719	N/A	24/1/1444H	Ministry of Municipal Rural Affair & Housing
Saudization Certificate	20002102034337	13/07/1442H	13/10/1442H	Human Resources and Social Development
General Organization for Social Insurance Certificate	37579374	10/08/1442H	10/09/1442H	General Organization for Social Insurance
Zakat Certificate	1110770499	22/10/1442H	29/09/1443H	ZATCA
SQWEC				
Commercial registration	5903012032	4/1/1442H	6/2/1443H	MOC
Industrial Investment Licence	171131026671	1/3/1428H	26/7/1444H	MISA
Co-generation license	0703010-R	24/2/1428H	14/3/1453H	ECRA
Chamber of Commerce certificate	1100373570	4/1/1438H	6/2/1443H	CoC
Environmental permit to operate	23492	22/10/1441H	22/10/1443H	PME
Industrial facility license	421102110737	16/07/1442H	18/08/1445H	Ministry of Industry and Mineral Resources
VAT registration	3000476145	21/02/1439H	N/A	ZATCA
Saudization Certificate	20002103001862	18/07/1442H	21/10/1442H	Human Resources and Social Development
Zakat Certificate	1020650885	23/9/1442H	29/9/1443H	ZATCA

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
JIGPC				
Commercial registration	5900123645	5/1/1442H	5/1/1447H	MOC
Chamber of Commerce Certificate	702011109906	5/1/1442H	4/1/1447H	CoC
Industrial investment license	19103410995419	20/09/1441H	13/09/1446H	MISA
General Organization for Social Insurance Certificate	37520459	08/08/1442H	08/09/1442H	General Organization for Social Insurance
Environmental permit to operate	J-104-0419	14/08/1440H	11/10/1445H	RCJY
Saudization Certificate	20002103016154	08/08/1442H	11/11/1442H	Human Resources and Social Development
VAT registration	3107035704	01/12/2020G	N/A	ZATCA
Zakat Certificate	249200000289332	19/01/1442H	20/05/1443H	ZATCA
JWAP				
Commercial registration	2055008295	19/3/1442H	4/4/1444H	MOC
Co-generation license	070507-R	13/4/1428H	20/1/1454H	ECRA
Chamber of Commerce certificate	97000	07/04/1442H	4/4/1444H	CoC
Environmental Operating Permit (IWPP)	M17-288.1	16/5/1438H	13/10/1442H	RCJY
General Organization for Social Insurance Certificate	36938609	16/07/1442H	16/08/1442H	General Organization for Social Insurance
VAT registration	3004173866	02/12/1438H	N/A	ZATCA
Environmental permit to operate	1089/29/9M	16/03/1429H	N/A	PME
Industrial facility license	1031057683	26/04/1428H	01/04/1444H	MISA
Saudization Certificate	2002103023621	17/08/1442H	02/11/1442H	Human Resources and Social Development
Zakat Certificate	1110701406	24/09/1442H	29/09/1443H	ZATCA
RABEC				
Commercial registration	4602002981	26/1/1441H	1/5/1446H	MOC
Industrial Investment Licence	01-101131061182	6/6/1430H	23/4/1446H	MISA
Generation license	310709-R	13/7/1430H	19/4/1456H	ECRA
Chamber of Commerce certificate	145844	1/5/1441H	1/5/1446H	CoC
Environmental permit to operate	21366	2/8/1441H	5/8/1443H	PME
Commercial activity licence	41063433575	N/A	13/7/1444H	MOMRA

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
General Organization for Social Insurance Certificate	36744436	05/07/1442H	05/08/1442H	General Organization for Social Insurance
Saudization Certificate	20002101010638	27/05/1442H	29/08/1442H	Human Resources and Social Development
Industrial facility license	423102110984	25/07/1442H	28/08/1445H	Ministry of Industry and Mineral Resources
Environmental permit to operate	13766	20/06/1442H	07/06/1443H	National Center for Environmental Compliance
Environmental permit to operate	21366	02/08/1441H	05/08/1443H	National Center for Environmental Compliance
VAT registration	3000799571	03/12/1438H	N/A	ZATCA
Zakat Certificate	1110778288	21/10/1442H	29/09/1443H	ZATCA
MEPCO				
Commercial registration	4602005146	11/3/1435H	28/5/1446H	MOC
Generation license	410113-R	11/5/1434H	16/2/1460H	ECRA
Industrial investment license	1010350639229	07/06/1435H	21/05/1446H	MISA
Chamber of Commerce certificate	194437	29/05/1441H	28/5/1446H	CoC
Business license	42034141521	N/A	02/08/1443H	Ministry of Municipal Rural Affair & Housing
Zakat Certificate	1020731713	20/09/1442H	29/09/1443H	ZATCA
Saudization Certificate	2000213012858	03/08/1442H	06/11/1442H	Human Resources and Social Development
VAT registration	3007654751	15/01/1439H	N/A	ZATCA
Environmental permit to operate	8186	10/04/1442H	03/04/1444H	The General Authority of Meteorology and Environment Protection
General Organization for Social Insurance Certificate	36677399	02/07/1442H	02/08/1442H	General Organization for Social Insurance
Industrial facility license	423102110988	25/07/1442H	28/08/1445H	Ministry of Industry and Mineral Resources
STPC				
Commercial registration	4030295105	17/12/1439H	6/7/1444H	MOC
Industrial Investment Licence	11103380775485	14/7/1438H	6/7/1444H	MISA

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
Temporary license to conduct seawater desalination activity renewal	570617-R	8/11/1441H	19/11/1442H	ECRA
Industrial facility license	4231102111089	01/08/1442H	04/09/1445H	Ministry of Industry and Mineral Resources
Chamber of Commerce certificate	269534	15/7/1439H	6/7/1444H	CoC
General Organization for Social Insurance Certificate	38793865	11/10/1442H	11/11/1442H	General Organization for Social Insurance
Saudization Certificate	20002102033925	13/07/1442H	13/10/1442H	Human Resources and Social Development
Zakat Certificate	1110723552	17/09/1442H	29/09/1443H	ZATCA
Environmental permit to operate	5043	28/2/1442H	15/2/1443H	PME
Commercial Activity License	40102477654	N/A	23/10/1445H	MOMRA
Civil Defense Certificate	2-000364046-42	27/10/1442H	27/10/1443H	General Directorate of Civil Defense
VAT registration	3101243562	24/03/1439H	N/A	ZATCA
Sudair One Renewable Energy Project Company (Sudair)				
Commercial registration	1010629422	2/7/1441H	2/7/1443H	MOC
Chamber of Commerce certificate	10100554072	03/07/1441H	01/07/1443H	CoC
Zakat Certificate	102200002367798	09/02/1442H	16/11/1442H	ZATCA
General Organization for Social Insurance Certificate	36862787	11/07/1442H	11/08/1442H	General Organization for Social Insurance
Electricity Generation Licence (using solar power)	210276-R	24/9/1442H	28/6/1468H	ECRA
Environmental permit to construct	17312	10/08/1442H	26/07/1445H	The General Authority of Meteorology and Environment Protection
VAT registration	310713276200003	3/9/1442H	N/A	ZATCA
Hajr				
Commercial registration	2065003749	6/6/1440H	9/7/1444H	MOC
Industrial Investment Licence	1010320910919	17/9/1432H	12/9/1444H	MISA
Generation license	390711-R	23/5/1432H	3/6/1458H	ECRA
Chamber of Commerce certificate	199199	23/6/1438H	9/7/1443H	CoC
Saudization Cerifitcate	20002009024181	12/02/1442H	14/05/1442H	Human Resources and Social Development

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
Zakat Certificate	1110752734	12/10/1441H	29/09/1443H	ZATCA
Environmental permit to operate	9825	29/04/1442H	23/04/1444H	The General Authority of Meteorology and Environment Protection
Industrial facility license	423102110632	10/07/1442H	12/08/1445H	Ministry of Industry and Mineral Resources
Establishment license	T/1140	25/01/1433H	N/A	MOMRA
VAT registration	3003770635	02/12/1438H	N/A	ZATCA
General Organization for Social Insurance Certificate	37720622	29/03/2021G	16/09/1442H	General Organization for Social Insurance
NOMAC				
Commercial registration	4030169575	5/5/1428H	5/5/1445H	MOC
Commercial registration (branch)	1010212185	6/8/1438H	23/7/1443H	MOC
Industrial Investment Licnece	10204380172317	29/1/1438H	20/1/1445H	MISA
Chamber of Commerce certificate	4030169575	05/05/1428H	05/05/1445H	CoC
Zakat Certificate	1110738909	23/09/1442H	29/09/1443H	ZATCA
Saudization Certificate (branch)	20002103023288	17/08/1442H	20/11/1442H	Human Resources and Social Development
General Organization for Social Insurance Certificate	37375143	03/08/1442H	03/09/1442H	General Organization for Social Insurance
Commercial Activity License	39111342667	6/2/1439H	5/2/1444H	MOMRA
VAT registration	3000844633	28/05/1442H	N/A	ZATCA
Civil Defense Certificate	2-000421748-42	14/04/1442H	14/04/1442H	General Directorate of Civil Defense
Rabigh Power				
Commercial registration	460211625	15/10/1441H	2/8/1444H	MOC
Industrial Investment Licence	11604360855307	13/8/1436H	2/8/1444H	MISA
Chamber of Commerce certificate	198225	16/6/1435H	2/8/1444H	CoC
Municipality licence	39111506456	26/11/1442H	26/11/1443H	MOMRA
VAT registration	3011780635	03/12/1438H	N/A	ZATCA
Zakat Certificate	1110731829	20/09/1442H	29/09/1443H	ZATCA
Civil Defense Certificate	200048106342	26/05/1442H	26/05/1443H	General Directorate of Civil Defense
General Organization for Social Insurance Certificate	37593512	10/08/1442H	10/09/1442H	General Organization for Social Insurance

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
Saudization Certificate	200021030210652	15/08/1442H	18/11/1442H	Human Resources and Social Development
First National Holding Company				
Commercial registration	4030291553	25/8/1440H	15/12/1443H	MOC
Service Investment Licence	11204371271227	16/12/1437H	15/12/1443H	MISA
Chamber of Commerce certificate	254321	29/12/1438H	15/12/1443H	CoC
Zakat Certificate	1020732361	20/09/1442H	29/09/1443H	ZATCA
Business license	39111342667	06/02/1439H	05/02/1444H	Ministry of Municipal Rural Affair & Housing
VAT registration	3000844633	12/01/2021G (corresponding to 28/05/1442H)	N/A	ZATCA
Civil Defense Certificate	2-000421748-42	14/04/1442H	14/04/1443H	General Directorate of Civil Defense
Marafiq Redsea for Energy Company				
Commercial registration	1010671553	17/04/1442H	01/06/1447H	MOC
TURKEY				
KIRIKKALE				
Electricity Generation Licence	EÜ/5202-37/03108	10 September 2014G	10 September 2063G	EMRA
Industrial Registry Certificate	697965	14 February 2021G	14 February 2023G	Ministry of Industry and Technology
Environmental Impact Assessment Positive Certificate	02161	12 February 2014G	N/A	Ministry of Environment and Urbanisation
JORDAN				
ZARQA				
Registration with Chamber of Industry	N/A	3 January 2021G	31 December 2021G	Chamber of Industry
Generation Licence	N/A	23 June 2016G	N/A	Energy & Minerals Regulatory Commission
Environmental Permit	4/7/3666	16 May 2021G	15 May 2026G	Ministry of Environment
BAHRAIN				
HAYA POWER & DESALINATION COMPANY				
Electricity Generation and Water Production Licence	N/A	30 October 2018G	In force until the expiration or early termination of the PWPA	Electricity and Water Authority
Commercial registration certificate	1-125376	14 June 2021G	N/A	The Ministry of Industry, Commerce and Tourism

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
One Time Site Approval for the Site to be used for Electricity, Gas, Steam and Air Conditioning Supply	N/A	N/A	01 June 2052	Ministry of Works, Municipalities Affairs & Urban Planning
Environmental Approval to Undertake an Industrial Activity	EL-2381-18	05 May 2020G	N/A	Supreme Council of Environment
UNITED ARAB EMIRATES				
HASSYAN ENERGY PHASE 1 PSC				
Industrial Licence	756126	7 April 2016G	6 April 2022G	Dubai Economy
Private Joint Stock Company Registration Certificate	320	15 June 2016G	15 May 2022G	UAE Ministry of Economy
Electricity Generation Licence	EG-01/2016	29 September 2016G	1 October 2048G	Regulatory and Supervisory Bureau for Electricity and Water Sector
NOOR ENERGY 1 PSC				
Industrial Licence	799510	30 January 2018G	29 January 2022G	Dubai Economy
Customs Duty Exemption	16443	4 April 2018G	28 March 2022G	UAE Ministry of Energy & Industry
TAWEELAH RO DESALINATION COMPANY LLC				
Commercial Licence	CN-2837593	25 July 2019G	24 July 2021G	Department of Economic Development
Industrial Licence	IN-2003459	7 July 2019G	6 July 2021G	Department of Economic Development
Water Desalination Licence	EED/L01/110	29 January 2020G	28 January 2045G	UAE Department of Energy
OMAN				
ACWA POWER BARKA SAOG				
Commercial Registration Certificate	1660403	19 November 2000G	27 October 2025G	Ministry of Commerce, Industry and Investment Promotion
Generation and Desalination Licence	N/A	1 May 2005G	1 May 2030G	Authority for Public Services Regulation
Environmental Permit for Generating Power	13072	27 August 2018G	26 August 2021G	Environment Authority
AD-DHAHIRAH GENERATING COMPANY SAOC				
Commercial Registration Certificate	1242634	26 January 2016G	4 January 2026G	Ministry of Commerce, Industry and Investment Promotion
Power Generation Licence	N/A	12 March 2019G	12 March 2044G	Authority for Electricity Regulation
Environmental Permit	3726	29 May 2017G	4 May 2022G	Ministry of Environment and Climate Affairs

License Type	License No.	Issuance Date	Expiry Date	Issuing Authority
SHINAS GENERATING COMPANY SAOC				
Commercial Registration Certificate	1242633	26 January 2016G	10 January 2026G	Ministry of Commerce, Industry and Investment Promotion
Power Generation Licence	N/A	12 March 2019G	12 March 2044G	Authority for Electricity Regulation
Climate Affairs Licence	7120/10/195	6 May 2020G	5 May 2022G	Ministry of Environment and Climate Affairs
MOROCCO				
APO				
Construction Authorisation	N/A	7 February 2017G	N/A	Ministry of Internal Affairs
Environmental Acceptability Consent	2017/07	19 January 2017G	N/A	Ministry of Energy, Mines, Water and the Environment
Conformity Certificate	2015/01	31 December 2015G	N/A	Ministry of Internal Affairs
APO II				
Construction and Environment Permit	2015/05	11 May 2015G	N/A	Ministry of Internal Affairs
Certificate of Ownership	F249691	23 April 2015G	N/A	Land Conservation Department
APO III				
Construction and Environment Permit	2015/06	11 May 2015G	N/A	Ministry of Internal Affairs
Environmental Acceptability Consent	4156	22 May 2015G	N/A	Ministry of Energy, Mines, Water and the Environment
Certificate of Ownership	F249513	10 April 2015G	N/A	Land Conservation Department
UZBEKISTAN				
SIRDARYA				
Licence for Development of Project (Design) Documentation	06-/01/744	8 June 2021G	N/A	The Ministry of Construction of the Republic of Uzbekistan
Licence for Development of Project Documentation for Construction, Design and Operation of Hazardous Production Facilities	000263	3 February 2020G	3 February 2025G	Ministry of Construction of the Republic of Uzbekistan
ACWA Power Bash Wind				
Registration Licence	839862	29 April 2020G	N/A	State Service Center
ACWA Power Dzhankeldy Wind				
Registration Licence	839766	29 April 2020G	N/A	State Service Center

Source: Company information.

12-6 Overview of the Group's Contracts

In the ordinary course of the Group's activities, it enters into a substantial number of contractual arrangements. These include intra-group arrangements as well as arrangements with external parties. The typical contractual arrangements which the Group enters into are described in this Section (12-6) ("**Legal Information – Overview of the Group's Contracts**") and individual material contracts are summarised in Sections 12-7 ("**Summary of Material Contracts**").

It should be noted that the general description in this section as well as the summary of the agreements in section (12-7) ("**Legal Information - Summary of Material Contracts**") does not include all terms and conditions and cannot be considered as a substitute for the terms and conditions in those agreements.

A summary of the main contract types and indication of contract size is shown below, which only includes categories of contracts that the Group enters into on a frequent basis during its normal course of business. Therefore, it is not a summary of all of the Company's or Group's contracts.

Table (12-4): summary of our main contract types and indication of contract size:

Contract type	# of contracts	Contract size* in SAR Mn
Offtake agreements	52	20,462
O&M Agreements	37	1,862
EPC agreements	16	54,166
TSA	11	195
LTSA, LTMA, LTPA	27	410
MSA and SSAs	200	160
CMSA	3	163
PM&A fee	5	273

* a) For agreements that have an annual revenue or cost contribution such as offtake agreements, O&M agreements, MSAs, TSAs, LTSAs and LTMAs, contract size is on the basis of either contribution to 2020 revenue or cost prior to accounting eliminations, and in the case of agreements entered into by the relevant Group Company, amounts are unadjusted for ACWA Power's effective stake in the Project Company.

b) For projects that are not operational, amounts are based on expected contribution to annual cost or revenue from the contract once operational.

c) For agreements that have a total value, such as EPC agreements, the contract size is the total value as per the contract.

12-6-1 Offtake Agreements and related Agreements

All Project Companies (save for ACWA Güç) have entered into power purchase agreements ("**PPAs**"), water purchase agreements ("**WPAs**"), power and water purchase agreements ("**PWPAs**") or water and energy conversion agreements ("**WECAs**" and, together with the PPAs, WPAs and PWPAs the "**Offtake Agreements**"). Through these Offtake Agreements, the Group sells the Project's energy generation capacity and/or desalinated water or steam production capacity at a pre-agreed tariff or sells electricity generated and/or desalinated water produced by the relevant Project to offtakers. Such offtakers include investment-grade sovereign and quasi-sovereign entities, as well as investment grade resource/commodity-based industrial companies that require significant quantities of utility services and are usually capable of supplying their own fuel resources to the Projects (for example, captive power plants for oil and gas companies). For additional information, see also Sections 2-1-1 ("Risk Factors—The expected levels of available capacity to generate electricity and/or produce desalinated water, or the expected levels of electricity actually generated or water actually produced, at the Project Companies may not be achieved or maintained") and 2-1-6 ("Risks related to financial difficulties that Offtakers under Offtake Agreements or similar agreements with the Project Companies may experience "). In connection with the Offtake Agreements, the Project Company typically enters into certain supply agreements pursuant to which a third party or from time to time the offtaker, supplies the relevant Project with natural gas, fuel or coal as required to power and operate the facilities. In most cases, the Offtake Agreement allows for the pass-through of the supply costs based on an agreed formula. The terms of such supply agreements are usually linked to the term of the Offtake Agreement.

The Company (through its Intermediate Holding Companies or directly) may enter into certain investment/implementation agreements with the host government in certain jurisdictions pursuant to which the host government provides support, and security for the Group's investment in the relevant Projects, including guarantees by the government in respect of the obligations of the Offtaker under the Offtake Agreement. The terms of such investment/implementation agreements are linked to the Offtake Agreement.

The Project Company generally enters into land arrangements including land lease agreements, usufruct agreements and musataha agreements to utilize land for the Project ordinarily for a nominal value and on a long-term basis, typically for the term of the PPA, or longer to the extent required to satisfy any obligations of the Project Company post-termination of the PPA. However, The CEGCO Assets in the Hashemite Kingdom of Jordan and Bokpoort CSP IPP in South Africa land are owned by the Project Companies.

Pursuant to these Offtake Agreements, revenues of the Project Companies are principally determined by (i) with respect to base-load conventional plants, which are those that generate enough power and/or desalinated water to satisfy the minimum level of demand on a given electrical/water grid, the available capacity of the relevant plant to generate power and/or to produce desalinated water or desalinated water and steam as required by the relevant offtaker, and (ii) with respect to renewables, the electricity delivered (or deemed to be delivered) to the offtaker. All of the Offtake Agreements are entered into on an arm's length basis and include customary provisions that are typically found in such arrangements.

Please refer to Section (12-7) ("**Summary of Material Contracts**") for a summary of all the Group's material Offtake Agreements and the related supply and investment agreements.

12-6-2 O&M Agreements

Each Project Company has entered into an O&M agreement with an O&M provider pursuant to which such O&M provider is appointed to provide operation and maintenance services in respect of the plant of the relevant Project Company. For all of the Group's Projects (except for CEGCO (which includes three conventional IPPs), Risha PV IPP, Mafraq PV IPP, Zarqa IPP, NOOR III CSP IPP,[122] NEOM Green Hydrogen Project and Jazan IGCC) this O&M provider is NOMAC or its relevant subsidiary under an O&M agreement entered into between the relevant Project Company and NOMAC or one of its subsidiaries. The term of the O&M agreement is usually equivalent to the term of the Offtake Agreement of the Project Company (with the exception of ACWA Güç, which has entered into an O&M agreement with NOMAC for a period of 20 years). For further details on NOMAC and its subsidiaries, please see Section (4-6-2-2) ("**NOMAC**").

In broad terms, under the O&M agreement the O&M provider takes responsibility for discharging the Project Company's O&M obligations under the Offtake Agreements during the commissioning phase and the operational period of the plant. O&M providers are typically remunerated during the pre-operating period by way of a fixed fee, and during the operating period, in most cases, by way of a mixture of fixed and variable fees (based on the level of generation). In addition, there are incentive payments and corresponding liquidated damages payments payable to and by the O&M provider respectively, depending on the availability of the plant's capacity. From time to time, NOMAC also enters into O&M subcontracts through which certain operation and maintenance responsibilities are delegated to NOMAC subsidiary companies or third-party O&M providers. Third-party O&M providers are usually engaged to take on small portions of the overall works under the O&M agreement, such as security, cleaning and certain other specialized works but do not comprise a material component of the Group's O&M operations. All O&M agreements are entered into on an arm's length basis and include customary provisions. For further details, please see Section (4-6-2-2-3) ("**NOMAC Contractual Structure**").

Please refer to Section (12-7) ("**Summary of Material Contracts**") for a summary of all the Group's material O&M Agreements.

12-6-3 EPC Agreements

During the development phase of its Projects, the Group enters into engineering, procurement and construction agreements ("**EPC Agreements**") with qualified original equipment manufacturers ("OEM") / EPC Contractors. The relevant contractors are selected and engaged depending on the nature of the Project and based on the requirements of the Offtaker and the criteria set by the Group's operational pillars (see also Section (4-1) ("Business—Overview") and Section (4-6-2-1-1) ("Business—Operating Organization—Operational Pillars—Develop") for additional information). All of the OEM / EPC Contractors are non-Group Companies. The Projects developed by the Group are done under either a single EPC Agreement or a split EPC Agreement, with the relevant contractor or contractor consortium assuming responsibility for the delivery of the total Project on a turnkey basis and including the design, engineering, procurement of the materials and construction and testing of the various elements.

The Group's EPC Agreements typically include terms for timely delivery of the phases of the Project and plant performance in order to mitigate cost overruns as well as conditions relating to subcontracting certain works to sub-contractors. The Group actively oversees the construction by its contractors and aims to maintain broad supply chain partner relationships to undercut market prices and maintain its cost-competitiveness. The main contractor usually bears full responsibility towards the relevant Group Company, including responsibility over the wokrs that have been sub-contracted.

Given the nature of these agreements, there is no specific term for the agreement, but a specified term to commence and complete the works. Such term is usually extendable and amended based on the relevant miletsones and the terms of the agreement. All EPC Agreements include sufficient warranty and defect liability periods that extent until after the completion of the works for the relevant Projects, which may differ depending on the type of the works, in addition to provisions for defect liability for related projects and provisions relating to the payment agreed provisions for liquidated damages.

Please refer to Section (12-7) ("**Summary of Material Contracts**") for a summary of all the Group's material EPC Agreements.

122 In the case of NOOR III CSP, the EPC contractor is required to provide the O&M service until FCOD, at which point NOMAC will take over as the O&M contractor.

12-6-4 Financing Arrangements

The Group's Project Companies typically enter into financing arrangements ("**Financing Arrangements**") with local and international financial institutions, including common terms agreements and facility agreements as well as related financing documents. The common terms agreements provide the framework governing separately documented financing facilities, including, for example, commercial facilities, Islamic facilities, working capital facilities or facilities for funding scheduled liabilities service. In markets where commercially feasible, the Group also enters into equity bridge loans to finance equity commitments of the Company in its Projects. Such equity bridge loans are structured as direct borrowings by subsidiaries, joint ventures and associates against security provided by the Company. This is due to the fact that the cost of equity for Projects is almost always greater than the cost of debt. Such equity bridge loans defer capital injections until later stages of a Project's construction phase (or where possible, even later) in order to further optimize the funding cost of the project and further reduce the tariff being provided and to increase the utilization efficiency of the Group's own balance sheet. The Group's Financing Arrangements typically include standard representations and covenants by the relevant Project Company, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of the Project Company's financiers, together with events of default requirements relating to the Project Company's equity obligors and major project parties. The financing is also typically provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder. The obligations of the Project Companies under the Financing Arrangements are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in the Project Company. The financiers are entitled to enforce their security if there is a qualifying continuing event of default as defined under the financing documents. See Section (4-1) ("Overview") for a description of the Group's business including the types of financing arrangements the Group enters into. All Project Companies enter into financing arrangements effective from the financial close of each Project (see also Section (6-3-7-4) ("Non Current Liabilities – Long Term Financing and Funding Facilities") for further details on the total consolidated debt).

Please refer to Section (12-7) ("**Summary of Material Contracts**") for a summary of all the Group's material Financing Arrangements. See also Section (12-7-5) ("**The Company's Facility Agreements**") for a summary of the Financing Agreements that the Company has directly entered into as a borrower. The Group has obtained all required consents/ waivers under its material financing arrangements for a change in shareholding for the Company that will occur in connection with the Company's initial public offering of its shares subject of this Prospectus.

12-6-5 Shareholders' Agreements and Joint Development Agreements

The Group enters into Shareholders' Agreements ("**SHAs**") with respect to each of its Project Companies, typically by way of Intermediate Holding Companies of the Group through which it holds an indirect shareholding interest. These agreements govern the relationship between the shareholders in the relevant Project Company such as how the company should be managed, the composition of the board of directors, each shareholder's board nomination right and the right to reveive a portion of the dividends. Under the SHAs each shareholder typically has the right to nominate a board member based upon such shareholder maintaining ownership of a certain percentage of the relevant Group Company's issued share capital, as well as certain special governance rights. In addition, the Intermediate Holding Companies of the Group (in which the Group owns an ownership interest) typically have additional rights enhancing its de facto control over the Project, such as the right to appoint the executive managing officers of the relevant Group Company, who shall be responsible for the day-to-day management of the Project. As is typical, the SHAs vest the board of the relevant Group Company with responsibility for the management and operation of the Project while reserving certain matters for unanimous shareholder consent as is customary in joint ventures, including in most cases: (i) any call for shareholder contribution by way of debt; (ii) any change in the share capital, including any issuance of new shares; (iii) any company related merger or acquisition; (iv) any change in the powers, authority, duties and responsibilities of the executive managing officer; (v) any decision concerning dividends; or (vi) put and call options over shares. In most cases, the key provisions off the SHAs are incorporated in the relevant constitutional documents of the company subject to applicable legal requirements in the country of incorporation.

Pursuant to the SHAs, the shareholders typically undertake to make capital contributions or shareholders loans to the relevant Group Company, in proportion to their respective percentage shareholding (or as otherwise mutually agreed), as required in the relevant Group Company's designated budgets (the approval of which is a board reserved matter requiring certain minimum thresholds for approval (including the approvals of shareholder representatives appointees) or unanimous decisions), except to the extent such funds are obtained by borrowings or generated from cashflows of the relevant Group Company. In such cases, where a shareholder fails to contribute its share of equity under the SHA, each of the other compliant shareholders have the option to advance the shortfall to the company on behalf of the defaulting shareholder, which shall be treated as a loan between the shareholders and shall be secured by the defaulting shareholder's securities (second ranking to any existing security interests).

Under the SHAs, the Company also typically commits to holding a minimum percentage of the shares in the Intermediate Holding Company through which it holds an interest in the Project Company until certain threshold dates following COD, after which it may be permitted to transfer such interest in accordance with the terms set out in the SHA. Such lock-up periods are in line with market practice and are evaluated when the Group decides to move forward with any investment in a new Project. Finally, each shareholder provides representations and warranties to each other that are customary in relation to such joint ventures, which include, amongst others, representations as to authority and capacity to execute and perform and that there are no ongoing disputes that would materially impact the performance under the agreements.

In certain cases where the Group is awarded a Project, it may enter into a joint development and a cost sharing agreement with a potential partner prior to executing an SHA. These agreements would typically govern the relationship of the parties in respect of their investments, allocation of costs and contributions for setting up the relevant Project Company and the development of the Project up to the execution of an SHA.

Please refer to Section (12-7) ("**Summary of Material Contracts**") and Section (12-8) ("**Summary of Material Related Party Contracts and Transactions**") for a summary of the Group's material agreements. It should be noted that SHAs have not been summarised in Section (12-7) ("**Summary of Material Contracts**") as the Company does not deem them to be material given that they contain customary provisions, most of its provisions are incorporated in the constitutional documents of the relevant company, and they do not have a specific value as the value of a project is determined by the underlying agreements including the Offtake Agreements and O&M agreements.

12-6-6 TSAs

The Company or its subsidiaries, including NOMAC in particular, from time to time enter into technical service agreements ("**TSAs**") in relation to the Project Companies, pursuant to which the Group, NOMAC or one of its subsidiaries provides expertise and supervision on the technical aspects of a Project's construction, commissioning and operation. Services may include advising on plant technical issues, procurement services, advising on plant design for optimization of operation and maintenance activities, and ongoing management of health, safety and environment matters. For these services the Group or NOMAC receives fees, typically in the form of recurring annual contracted fees, indexed for local and/or USD inflation. Although as of the date of this Prospectus, all of these arrangements are intra-Group, all TSAs are entered into on an arm's length basis and include customary provisions. Such arrangements are not considered material for the purposes of this Prospectus given their values and since the Company does not see any material risks arising from such arrangements as they do not result in payments or cash going into or out of the Group.

12-6-7 LTSAs, LTMAs and LTPAs

The Company or its subsidiaries, including NOMAC in particular, typically enter into long-term service agreements (**"LTSAs**") or long-term maintenance agreements (**"LTMAs**"), pursuant to which NOMAC or its subsidiaries (including its wholly-owned subsidiary, NOMAC Maintenance Energy Services) provides services for scheduled and unscheduled maintenance of covered equipment and power generation or water desalination units, as well as extra works as instructed. These arrangements are all intra-Group. Unlike TSAs, which are usually for shorter periods, the Group's LTSAs and LTMAs typically have a longer term that expires at the earlier of a certain number of years (usually between 15 to 20 years) from the project commercial operation date or the date when the equipment and power generation or water desalination units covered under the agreement reach a specified level of use (whichever is first). Although all of these arrangements are intra-Group, all LTSAs and LTMAs are entered into on an arm's length basis and include customary provisions. These arrangements are no longer material for the purposes of this prospectus, as the Company does not see any material risks arising from such arrangements, as they do not result in financial obligations towards parties outside the Group or on the Group.

The Group (through NOMAC or its subsidiaries) may also from time to time enter into long-term parts agreements ("**LTPAs**") with original equipment manufacturers for supply of parts (e.g. turbine parts). These are also entered into on an arm's length basis and include customary provisions. Such agreements are not considered material for the purposes of this Prospectus as they are standard ordinary course agreements and their size and values are not material in relation to the Group.

12-6-8 MSAs, SSAs and other intra-group Arrangements

The Company or its subsidiaries (including Intermediate Holding Companies) from time to time enter into management service agreements ("**MSAs**") or support service agreements ("**SSAs**") with the Project Companies, pursuant to which the Company or one of its subsidiaries provides management/support services such as accounting, finance, legal, tax, IT, other general administrative services and may provide seconded staff to the Project Companies. For these services the Group receives fees, typically in the form of recurring monthly contracted fees during the operational phase of the Project, indexed for local and/or USD inflation. These arrangements are intra-Group, and include customary provisions. These arrangements are intra-Group, and include customary provisions. Such arrangements are not considered material for the purposes of this Prospectus given their values and since the Company does not see any material risks arising from such arrangements as they do not result in payments or cash going into or out of the Group.

12-6-9 CMSAs

The Company or its subsidiaries, from time to time enter into construction management services agreements ("**CMSAs**") in relation to the Project Companies, pursuant to which the Group or one of its subsidiaries provides expertise on various aspects during the Project's construction phase. For these services the Group receives fees during the construction phase, typically in the form of recurring monthly contracted fees. The majority of these arrangements are intra-Group and include customary provisions. Such agreements are not considered material for the purposes of this Prospectus given their values and since the Company does not see any material risks arising from such agreements as they do not result in payments or cash going into or out of the Group.

12-6-10 PM&As

The Company or its subsidiaries, from time to time enter into Project Management and Advisory agreements ("**PM&As**") with EPC contractors, pursuant to which the Group or one of their subsidiaries provides expertise and advisory services on various aspects of the Project's planning, construction and commissioning, for which the Group receives fees based either on an agreed schedule or on milestones achieved. These agreements are entered into on an arm's length basis and include customary provisions. Such agreements are not considered material for the purposes of this Prospectus given their values and since they are standard ordinary course agreements and their size is not material in relation to the Group.

12-7 Summary of Material Contracts

This section sets out summaries of agreements and contracts which, to the best knowledge of the Board, have been deemed to be material and significant with respect to the Group's business and operations or which may impact the investors' decision to subscribe for the Offer Shares. For the purposes of this section, the Company has considered an agreement to be material if (i) it has an annual impact on cash flows or profit and loss of the Group by 5% or more of the Group's total annual revenue or profit and loss, (ii) it relates to assets or financial matters, its value is equivalent to 5% or more of the total value of the Group's assets, or (iii) the Company considers it to impact an investor's decision to invest in the Company's Shares based on the nature of the agreement.

The summaries of agreements and contracts referred to below do not include all their terms and conditions and cannot be considered as substitutes for the terms and conditions of such agreements and contracts.

The following table sets out a list of the material agreements summarised in this section. This list does not include all material agreements with Related Parties and other non-material agreements set out elsewhere in this Prospectus.

Table (12-5): List of material agreements summarized in this section

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
1.	12-7-1-1	PPA	MEPCO (project company) and SEC (offtaker)	26/1/1435H (30/11/2013G) as amended on 24/9/1435H (22/72014G)	20 years from the project commercial operation date, which occurred on 7/6/1439H (corresponding to 23/2/2018G).	Approximately SAR 561 million
2.	12-7-1-1	Common Terms Agreement	MEPCO and certain financial institutions	29/1/1435H (corresponding to 2/12/2013G) as amended on 27/9/1436H (corresponding to 24/7/2014G)	Approximately 23 years (i.e. final maturity date at financial close is 30 November 2036).	Approximately SAR 4,360 million
3.	12-7-1-2	PWPA	JWAP (following a novation from SGA Marafiq Holdings WLL) (project company) and Tawreed (offtaker)	25/12/1427H (corresponding to 15/1/2007G) (as amended from time to time)	20 years from the project commercial operation date which occurred on 20/11/1431H (corresponding to 28/10/2010G)	Approximately SAR 1,131 million
4.	12-7-1-2	O&M Agreement	JWAP and Jubail O&M Company Limited (following a novation from Suez Nomac O&M Holdings WLL) (contractor)	23/5/1428H (corresponding to 9/6/2007G)	Due to expire on the expiration of the PWPA which is expected to expire on 27/10/2030G	Approximately SAR 382.5 million
5.	12-7-1-2	Common Terms Agreement	JWAP and certain financial institutions	27/04/1428H (corresponding to 14/05/2007G)	Approximately 22 years for the international facilities and 17 years for the Korea Export Insurance Corporation covered facility	Financing amount at financial close: SAR 10,563 million

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
6.	12-7-1-3	PPA	HEPCO (project company) and SEC (offtaker)	23/10/1432H (corresponding to 21/9/2011G) as amended on 8/3/1433H (corresponding to 01/03/2012G)	20 years calculated from the project commercial operation date, which occurred on 6/8/1437H (corresponding to 13/5/2016G)	Approximately SAR 1,000 million
7.	12-7-1-3	O&M Agreement	HEPCO and NOMAC (contractor)	23/10/1432H (corresponding to 21/9/2011G) as amended on 11/3/1433H (corresponding to 3/2/2012G)	20 years calculated from the project commercial operation date, which occurred on 6/8/1437H (corresponding to 13/5/2016G), as may be extended by HEPCO by periods equivalent to any PPA extensions	Approximately SAR 167 million
8.	12-7-1-4	PPA	RABEC (project company) and SEC (offtaker)	18/7/1430H (corresponding to 11/7/2009G)	20 years calculated from the completion date of the power plant which occurred in on 29/5/1434H (corresponding to 10/04/2013G)	Approximately SAR 930 million
9.	12-7-1-4	Common Terms Agreement	RABEC and certain financial institutions	5/8/1430H (corresponding to 28/7/2009G) as amended on 19/8/1430H (corresponding to 11/8/2009G) and 22/9/1437H (corresponding to 22/06/2016G)	Approximately 20 years (i.e. final maturity date at financial close is 1 April 2029G).	Approximately SAR 7,137 million
10.	12-7-1-5	WECA	RAWEC (project company) and Rabigh Refining & Petrochemical Company (offtaker) (following a novation from Saudi Arabian Oil Company and Sumitomo Chemical Company Limited)	2/7/1426H (corresponding to 7/8/2005G) and as amended and/or restated from time to time	25 years from the phase 2 commercial operation date which occurred on 29/5/1439H (corresponding to 15/2/2018G)	Approximately SAR 1,155 million
11.	12-7-1-5	O&M Agreement	RAWEC and Rabigh Power Company LLC (contractor)	13/8/1435H (corresponding to 12/6/2014G) as amended and restated on 13/1/1442H (corresponding to 1/9/2020G)	25 years from the phase 2 commercial operation date which occurred on 29/5/1439H (corresponding to 15/2/2018G)	Approximately SAR 309 million
12.	12-7-1-5	Equity Support Agreement	RAWEC, Marubeni Corporation, JGC Corporation, Itochu Corporation, ACWA Power Projects (together the "Developers") and Rabigh Refining and Petro-Rabigh (lender and equity obligor)	27/2/1427H (corresponding to 28/3/2006G)	Final maturity date at Phase 1: 30 December 2023G. Final maturity date at Phase 2: 30 December 2031G.	Financing amount at financial close: SAR 997 million

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
13.	12-7-1-5	Facility Agreement (as amended)	RAWEC (borrower) and Petro-Rabigh (lender)	27/2/1427H (corresponding to 28/3/2006G)	Final maturity date at Phase 1: 30 December 2023G. Final maturity date at Phase 2: 30 December 2031G.	Financing amount at financial close: SAR 3,990 million
14.	1112-7-1-6	PWPA	SQWEC and SWPC (formerly known as Water and Electricity Company)	10/2/1428H (corresponding to 28/2/2007G)	20 years calculated from the project commercial operations date, which occurred in 1 May 2011G	Approximately SAR 777 million
15.	12-7-1-7	PWPA	SWEC and SWPC (formerly known as Water and Electricity Company)	13/10/1426H (corresponding to 15/11/2005G)	20 years calculated from the commercial operation date of the plant which occurred on 29/11/1430H (corresponding to 17/11/2009G	Approximately SAR 1,051 million
16.	12-7-1-7	Memorandum of Understanding in relation to the restructuring of the Shuaibah III IWPP and the development of a new reverse osmosis plant	SWEC, SWPC and each of the "IWPP Shareholders" (being, Saudi Malaysian Water and Electricity Company, Shuaibah Water and Electricity Holding Company and Saudi Electricity Company)	22 October 2020G	See summary	N/A
17.	12-7-1-8	PPA	APO (project company) and Masen (offtaker)	5/1/1434H (corresponding to 19/11/2012G) as amended and restated on 16/6/1434H (corresponding to 26/4/2013G)	25 years calculated from the initial commercial operation date of the solar power plant which occurred on 19/3/1437H (corresponding to 31/12/2015G).	Approximately US$ 53,000,000 SAR 200 million
18.	12-7-1-8	Facility Agreement	APO and Masen as lender (a consortium of development finance institutions (the "IFIs") as co-financiers as back-to-back lenders to Masen)	15/6/1434H (corresponding to 26/4/2013G)	25 years after first utilisation	Approximately 1,836 million
19.	12-7-1-9	PWPA	Barka and OPWP (following a novation from the Ministry of Housing, Electricity and Water of the Government of the Sultanate of Oman)	20/8/1421H (corresponding to 26/11/2000G) as amended and supplemented from time to time	15 years and 1 month after the scheduled commercial operation date	Approximately SAR 498 million
20.	12-7-1-9	NGSA	Barka and MOGO	14/8/1421H (corresponding to 26/11/2000G) as amended from time to time	15 years and 1 month after the scheduled commercial operation date	Approximately SAR 87 million

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
21.	12-7-1-9	WPA (Barka Expansion)	Barka (project company) and OPWP (offtaker)	11/10/1433H (corresponding to 29/8/2012G) the agreement has been amended on 10/2/1439H (corresponding to 30/10/2017G),	Extended until 27/5/1443H (corresponding to 31/12/2021G)	Approximately SAR 40 million
22.	12-7-1-9	WPA (Barka Expansion Phase 1)	Barka (project company) and OPWP (offtaker)	14/3/1436H (corresponding to 4/5/2015G) the agreement has been amended on 10/2/1439H (corresponding to 30/10/2017G),	Extended until 27/5/1443H (corresponding to 31/12/2021G)	Approximately SAR 498 million
23.	12-7-1-10	WPA	STPC and SWPC (formerly known as Water and Electricity Company)	19/09/1438H (corresponding to 14/06/2017G) as amended from time to time	25 years calculated from the commercial operation date of the plant (which occurred on 27 May 2019G)	Approximately SAR 166 million
24.	12-7-1-10	Common Terms Agreement	STPC and certain financial institutions	25/11/1438H (corresponding to 17/08/2017G) as amended on 20/01/1439H (corresponding to 10/10/2017G)	Approximately 23 years (i.e. the final maturity date at financial close is 30 November 2040G)	Approximately SAR 1,000 million
25.	12-7-1-11	PPA	Zarqa and NEPCO	9/3/1437H (corresponding to 21/12/2015G)	25 years from the commercial operation date of phase 1, which occurred on 17/10/1439H (corresponding to 1 July 2018G).	Approximately SAR 249 million
26.	12-7-1-12	PPA	APO II (company project) and Masen (offtaker)	20/5/1436H (corresponding to 10/3/2015G) as amended and restated on 11/7/1436H (corresponding to 10/5/2015G) and 9/1436H (corresponding to 7/2015G)	25 years calculated from the initial commercial operation date (which occurred on 24 April 2018G).	Approximately SAR 135 million
27.	12-7-1-12	Facilities Agreement	APO II and Masen as lender and a consortium of development finance institutions (the "IFIs") as co-financiers (as back-to-back lenders to Masen)	19/5/1436H (corresponding to 10/03/2015G)	25 years after first utilisation on 23/9/2015G	Approximately SAR 2,809 million

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
28.	12-7-1-13	PPA	APO III, (project company) Masen (offtaker) and ONEE	22/7/1436H (corresponding to 10/5/2015G) and July 2015G	25 years calculated from the initial commercial operation date for the solar power plant which occurred on 9/2/1440H (corresponding to 20/10/2018G).	Approximately SAR 233 million
29.	12-7-1-13	Facilities Agreement	APO III, Masen (as lender and a consortium of development finance institutions (the "IFIs") as co-financiers (as back-to-back lenders to Masen))	20/5/1436H (corresponding to 10/03/2015G) There have been various subsequent amendment agreements	25 years after first utilisation on 22/9/2015G	Approximately SAR 1,373 million
30.	12-7-1-14	PPA	Ibri (project company) and OPWP (offtaker)	22/5/1437H (corresponding to 2/3/2016G)	15 years from the scheduled commercial operation date of 26/7/1440H (corresponding to 1/4/2019G).	Approximately SAR 861 million
31.	12-7-1-14	NGSA	Ibri and MOGO	21/5/1437H (corresponding to 01/03/2016G)	15 years from the scheduled commercial operation date of 26/7/1440H (corresponding to 1/4/2019G).	Approximately SAR 535 million
32.	12-7-1-15	PPA	SGC (project company) and OPWP (offtaker)	22/5/1437H (corresponding to 2/3/2016G)	15 years from the scheduled commercial operation date of 23/4/1440H (corresponding to 1/1/2019G).	Approximately SAR 953 million
33.	12-7-1-15	NGSA	SGC and MOGO	21/5/1437H (corresponding to 1/03/2016G)	15 years from the scheduled commercial operation date of 23/4/1440H (corresponding to 1/1/2019G).	Approximately SAR 545 million
34.	12-7-1-16	PWPA	Haya Power (project company) and the Electricity and Water Authority of the Government of the Kingdom of Bahrain (offtaker)	19/2/1440H (corresponding to 30/10/2018G) as amended on 14/10/1440H (corresponding to 17/06/2019G)	20 years calculated from the scheduled commercial operations date	Approximately SAR 445 million

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
35.	12-7-1-16	EPC Contract	Haya Power (owner), Qingdao Hongrui Electrical Power Engineering Consulting Co. Ltd, Power Construction Corporation of China, Société Internationale de Dessalement (the offshore engineering contractor), Tiejun International (Hong Kong) Limited and other parties as shown in the relevant summary	The offshore portion, offshore supply contract, onshore portion and deed of coordination are dated 10/01/2019G	See summary	The value of the project costs is approximately SAR 4,125 million [123]
36.	12-7-1-16	First Deed of Amendment in respect of Offshore Engineering Contract	Haya Power and each of Qingdao Hongrui Electrical Power Engineering Consulting Co. Ltd, Power Construction Corporation of China and Société Internationale de Dessalement	10/1/2019G	See summary	N/A as it is an amendment document that does not affect the value of the main agreement
37.	12-7-1-16	First Deed of Amendment in respect of Offshore Supply Contract	Haya Power and each of Tiejun International (Hong Kong) Limited, Power Construction Corporation of China and Société Internationale de Dessalement	10/1/2019G	See summary	N/A as it is an amendment document that does not affect the value of the main agreement
38.	12-7-1-16	First Amendment Agreement in respect of Onshore Services Contract	Haya Power and each of SEPCOIII Bahrain Construction Company S.P.C. (formerly SEPCO III Bahrain Construction Company WLL), Power Construction Corporation of China and Société Internationale de Dessalement	10/1/2019G	See summary	N/A as it is an amendment document that does not affect the value of the main agreement
39.	12-7-1-16	First Deed of Amendment in respect of the Deed of Coordination	Haya Power and each of SEPCO III Electric Power Construction Co. Ltd., Qingdao Hongrui Electric Power Engineering Consulting Co. Ltd. and other parties as shown in the relevant summary	10/1/2019G	See summary	N/A as it is an amendment document that does not affect the value of the main agreement

123 The value of the EPC contract ranges from 70% to 90% of the total project costs.

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
40.	12-7-1-16	NGSA	Haya Power and Tatweer Petroleum Company WLL	19/2/1440H (corresponding to 30/10/2018G) as amended on 7/9/1440H (corresponding to 12/05/2019G)	20 years, calculated from the scheduled commercial operations date	Approximately SAR 1,067 million
41.	12-7-1-16	Common Terms Agreement	Haya Power and certain financial institutions	11/8/1440H (corresponding to 16/4/2019G) as amended and/or restated from time to time and most recently amended and restated on 26/4/1442H (corresponding to 11/12/2020G)	Approximately 22 years (i.e. final maturity date at financial close is 30 November 2041)	Approximately SAR 2,945 million
42.	12-7-1-17	EPC Contract	Taweelah (owner) and a consortium comprising Abengoa Agua S.A., SEPCOIII Electric Power Construction Co., Ltd and Power Construction Corporation of China (as "EPC Contractor").	The offshore portion, offshore supply contract, onshore portion and coordination agreement are dated 8/3/2021G	See summary	The value of the project approximately SAR 3,278 million [124]
43.	12-7-1-18	PPA	Sudair (project company) and SPPC (offtaker)	14/5/1442H (corresponding to 29/12/2020G)	25 years calculated from the project commercial operation date (which is expected to occur in Q4 of 2024G).	Approximately SAR 205 million
44.	12-7-1-18	EPC	Sudair (owner) and Larsen & Toubro International FZE (the offshore procurement contractor)	The offshore portion, onshore portion and coordination agreement are dated 18/04/2021G	See summary	The value of the project approximately SAR 3,563 million[125]
45.	12-7-1-18	CTA	Sudair with some Financial Institutions (please refer to the Summary)	07/11/1442H (corresponding to 17/6/2021G)	Final maturity date: 30 April 2049G	Approximately SAR 2,312,290,355
46.	12-7-2-1	PPA	Hassyan (project company) and DEWA (offtaker)	1 June 2016G as amended on 29 November 2016	Begins from the effective date until the earlier of the 28th anniversary of the first power unit COD (which is expected to occur in Q! of 2023G) and the 25th anniversary of the plant COD	Approximately SAR 1,314 million

124 The value of the EPC contract ranges from 70% to 90% of the total project costs.
125 The value of the EPC contract ranges from 70% to 90% of the total project costs.

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
47.	12-7-2-1	EPC Contract	Hassyan (owner) and a consortium made up of General Electric International Inc. and Harbin Electrical International Company Limited (together the contractor)	21/9/1437H (corresponding to 26/6/2016G)	See summary	The value of the project approximately SAR 12,140 million
48.	12-7-2-1	Common Terms Agreement	Hassyan and certain financial institutions	7/12/1437H (corresponding to 10/9/2016G) as amended on 29/2/1438H (corresponding to 29/11/2016G)	Approximately 25 years (i.e. final maturity date at financial close is 28 February 2041)	Approximately SAR 8,480 million
49.	12-7-2-2	PPA	Noor Energy 1 PSC (project company) and DEWA (offtaker)	27/6/1439H (corresponding to 15/03/2018G) as amended and restated on 19/2/1440H (corresponding to 30/10/2018G) and amended on 7/7/1440H (corresponding to 14/03/2019G)	35 years calculated from the plant commercial operation date	Approximately SAR 1,000 million
50.	12-7-2-2	Common Terms Agreement	Noor Energy 1 and certain financial institutions	25/05/1440H (corresponding to 31/01/2019G)	Final maturity date at financial close: Tranche 1: 20/01/1466H (corresponding to 22/12/2043G); Tranche 2: 13/02/1468H (corresponding to 22/12/2045G)	Financing amount at financial close: SAR 9,394 million (senior) and SAR 675 million (mezzanine)
51.	12-7-2-2	EPC Contract	The offshore portion and onshore portion were entered into between Noor Energy 1 PSC, Shanghai Electric HongKong Co. Limited and Shanghai Electric Group Co. Ltd	The offshore portion, offshore supply contract, onshore portion and coordination agreement are dated 27/7/1439H (corresponding to 13/4/2018G)	See summary	The value of the project approximately SAR 16,233 million[126]
52.	12-7-2-3	PPA	NENU (offtaker) and Sirdarya (project company)	5 March 2020G	25 years calculated from the project commercial operation date (which is scheduled to occur 36 months after the date on which all the condition precedents to the effectiveness of the rights and obligations of the parties are met or waived)	Approximately SAR 1,200 million

126 The value of the EPC contract ranges from 70% to 90% of the total project costs.

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
53.	12-7-2-3	EPC Contract	The offshore portion was entered into between Sirdarya and Chian Gezhouba Group Company Limited The onshore portion was entered into between Sirdarya and China Gezhouba Group International Engineering Central Asia	The offshore portion, offshore supply contract, onshore portion and coordination agreement are dated 31/12/2020G	See summary	The value of the project approximately SAR 4,500 million[127]
54.	12-7-2-3	Common Terms Agreement	Sirdarya and certain financial institutions	18/7/1442H (corresponding to 2/3/2021G)	Approximately 18 years (i.e. the final maturity date at financial close is 30 June 2039G)	Approximately SAR 2,704 million
55.	12-7-2-4	PPA	NEGU (offtaker) and APBW (project company)	24/01/2021G	25 years from the project commercial operation date, which is scheduled to occur 24 months after the closing date.	Approximately SAR 245 million
56.	12-7-2-4	Investment Agreement	APBW, ACWA Power and the Government of the Republic of Uzbekistan	24/01/2021G	The term of the Investment Agreement begins on the date on which the law "On Currency Control" dated 22 October 2019G	N/A
57.	12-7-2-5	PPA	NEGU (offtaker) and APDW (project company)	24 January 2021G	20 years from the project commercial operation date, which is scheduled to occur 24 months after the closing date.	Approximately SAR 230 million
58.	12-7-2-5	Investment Agreement	APDW, ACWA Power and the Government of the Republic of Uzbekistan	24/01/2021G	The term of the Investment Agreement begins on the date on which the law "On Currency Control" dated 22 October 2019G	N/A
59.	12-7-2-6	EPC Contract	The offshore portion was entered into between Red Sea Company and SEPCOIII International Consultancy DMCC The onshore portion was entered into between Red Sea Company and Shandong Tiejun Electric Power Engineering Co. Ltd. Branch	The offshore portion, onshore portion and coordination agreement are dated 7/02/2021G	See summary	The value of the project approximately SAR 5,790 million [128]

127 The value of the EPC contract ranges from 70% to 90% of the total project costs.
128 The value of the EPC contract ranges from 70% to 90% of the total project costs.

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
60.	12-7-2-6	Utility Concession Agreement	The Red Sea Development Company (offtaker) and Amwaj International Company LCC (project company)	15 November 2020G	25 years from the Shurayrah project completion commercial, which is schedule to occur on 31 December 2023.	Approximately SAR 454 million
61.	12-7-2-6	Accelerated Works Amendment Agreement	The Red Sea Development Company and Amwaj International Company LCC	16 December 2020G	see summary	Approximately SAR 74,000,000
62.	12-7-2-7	Loan Agreement, Evaluation Agreement and a Side Letter	JIGPC and Saudi Industrial Development Fund (financier)	7/09/1442H (corresponding to 19/04/2021G)	Approximately 14 years (i.e. the loan matures on 15/08/1457H (corresponding to 17/10/2035G)	Loan of SAR 6,000,000,000
63.	12-7-2-7	CTA (Draft)	JIGPC with some Financial Institutions	(Draft)	(Draft)	(Draft)
64.	12-7-2-7	Product Supply Agreement (Draft)	JIGPC and Saudi Arabian Oil Company (Saudi Aramco)	(Draft)	25 years from the date of transfer of the relevant assets to JIGPC in the first stage in accordance with the Asset Purchase Agreement	(Draft)
65.	12-7-2-7	Fuel Supply Agreement (Draft)	JIGPC as purchaser and Saudi Aramco as seller	(Draft)	The Fuel Supply Agreement shall become effective on the date the relevant assets are transferred to JIGPC in accordance with the Asset Purchase Agreement. The Fuel Supply Agreement shall remain effective to the earlier of its termination by agreement of the parties or the termination of the Product Supply Agreement (see above)	(Draft)
66.	12-7-2-7	Asset Purchase Agreement (Draft)	Saudi Aramco (as the seller) and JIGPC (as the purchaser)	(Draft)	The Asset Purchase Agreement shall become effective on the date it is concluded, and shall expire on the date on which the agreed reliability tests relating to the assets of the Jazan IGCC are completed	Approximately SAR 440,687,157,500
67.	12-7-3	Supply Agreement	A Key Group Company as a purchaser and another party as a supplier	The date of the agreement is not included for the purposes of confidentiality	The agreement shall be effective for the term of the PPA for the relevant project	Approximately SAR400million[129]
68.	12-7-3	Letter of Guarantee	The Company as a guarantor in favor of the fuel supplier	The date of the Letter of Guarantee is not included for the purposes of confidentiality	The term of the Letter is dependent on the relevant Fuel Supply Agreement	N/A

129 Estimated annual purchase amount in the event the Group purchases some of the fuel under this Agreement.

12-7-1 Operating Project Companies

12-7-1-1 MEPCO

For further information, please refer to section (4-6-3-1-2) ("**Mourjan IPP (MEPCO)**") of this prospectus.

Power Purchase Agreement

MEPCO and SEC are parties to the PPA entered into on 26/1/1435H (corresponding to 30/11/2013G), as amended on 24/9/1435H (corresponding to 22/7/2014G) valued at approximately SAR 561 million, pursuant to which SEC is the sole purchaser of all electricity and capacity from the Rabigh 2 independent power plant.

SEC is obliged to pay MEPCO, on a monthly basis over the term of the PPA, Capacity Payments (which are broadly structured to compensate MEPCO for its (i) capital costs for developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and Output Payments (which broadly compensate MEPCO for its variable operation and maintenance costs), in SAR.

Under the PPA, SEC has the responsibility to deliver the fuel to MEPCO through Saudi Aramco under a collection arrangement. MEPCO uses natural gas as fuel and burns it to generate power. There is an energy efficiency/inefficiency adjustment mechanism on fuel consumption. If SEC is unable to provide fuel as required under the PPA, MEPCO will be deemed to be providing net dependable capacity equivalent to the contracted capacity and shall be duly compensated by SEC.

Under the PPA, MEPCO is protected to the extent that the availability of the plant is adversely affected by specific events, such as natural force majeure events (e.g. epidemic, natural disaster), political force majeure events (e.g. acts of war, change of law, boycotts, and act of terrorism), customs duty event, etc.

MEPCO will incur deductions to its Capacity Payments if the power plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which MEPCO is not otherwise protected or has any relief under the PPA (noting that MEPCO will not incur deductions from SEC's Capacity Payments for operational issues caused by SEC). However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to MEPCO. For further information, please refer to section (12-6-2) ("O&M Agreements") of this prospectus.

In order to ensure MEPCO's revenue is not adversely affected by inflation or currency movements over the term of the PPA, payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

In line with SEC's independent power projects, there is no government or other external credit support provided for SEC's payment obligations under the PPA. However, SEC has a strong long-term credit rating, which is backed by an obligation on SEC to procure credit support (either from an entity with a certain credit rating (a long-term rating of at least A-/A3, as applicable, from at least one of Standard & Poor's, Fitch or Moody's) or the government of KSA itself) in relation to its payment obligations under the PPA if SEC does not maintain a long-term credit rating of at least BBB/Baa2 as applicable, from at least one of Standard & Poor's, Fitch or Moody's for a period of six months.

Failure by SEC to provide the relevant credit support within the time period stipulated is an event of default under the PPA and will entitle MEPCO to terminate the PPA and require SEC to purchase the project.

MEPCO or SEC may terminate the PPA in specified circumstances of the other party's default.

If the PPA is terminated as a consequence of (i) MEPCO's default; (ii) SEC's default caused by the unenforceability of certain provisions; (iii) a prolonged natural force majeure event affecting MEPCO or (iv) the power plant being irreparably damaged as a result of a natural force majeure event, MEPCO will not be paid by SEC the equity (including any return on equity) invested in the project by its shareholders. In each of the events under (iii) and (iv) above, MEPCO will be entitled to pursue the claims under its insurance policy (depending on whether the event is insurable).[130]

If the PPA is terminated for a default by MEPCO, then SEC has the right, but not the obligation, to purchase the plant. If the PPA is terminated for a default of SEC, then MEPCO can require SEC to purchase the plant. SEC also has an obligation to purchase the plant in certain other instances where the PPA is terminated prior to the end of its term, including where the plant is irreparably damaged as a result of a natural force majeure event or a political force majeure event or (in each case, where the PPA is terminated by SEC) for prolonged political force majeure event or prolonged natural force majeure event. The price payable by SEC in each case will cover senior debt and, in certain instances where the PPA is terminated, such as a default by SEC (which includes the occurrence of an unenforceability event), the price will also include equity and (depending on when termination occurs) equity return.

130 It should be noted that the assets of this project are insured as per the requirements of the project agreements and according to recognized market practices for similar cases.

The project is structured on a BOO basis, though as noted above, there are certain instances where SEC has an obligation to purchase the plant where the PPA is terminated prior to the end of its term. The PPA has a term of 20 years from the project commercial operation date, which occurred on 7/6/1439H (corresponding to 23/2/2018G). The PPA can be extended beyond the initial term of 20 years with the mutual agreement of both MEPCO and SEC.

The PPA is governed by the laws of England and Wales. All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Manama, Kingdom of Bahrain under UNCITRAL Rules for International Arbitration.

Financing Documents

MEPCO entered into a common terms agreement with certain financial institutions on 29/1/1435H (corresponding to 2/12/2013G) (as amended pursuant to a first amendment agreement dated 27/9/1436H (corresponding to 24/7/2014G)) (the "**MEPCO CTA**"), as well as related financing documents (together, the "**MEPCO Finance Documents**"). The MEPCO CTA provides the framework governing a number of separately documented financing facilities, including commercial facilities, Islamic facilities, a working capital facility and a facility for funding scheduled liabilities service for each 6-month period following the completion date and each repayment date falling on or prior to the final maturity date, that were obtained for the purposes of financing the Rabigh 2 IPP.

The MEPCO Finance Documents include standard representations and covenants by MEPCO, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of MEPCO's financiers, together with events of default relating to MEPCO's equity obligors and major project parties.

The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of MEPCO under the MEPCO CTA are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in MEPCO. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The MEPCO CTA is governed by the laws of England and Wales.

Financiers at financial close: Mizuho Bank, Ltd.; Samba Financial Group; Standard Chartered Bank; KfW IPEX-Bank GmbH; Banque Saudi Fransi; The National Commercial Bank; Alinma Bank; Al Rajhi Bank.

Financiers as of the date of the prospectus: Mizuho Bank, Ltd.; Samba Financial Group; Standard Chartered Bank; KfW IPEX-Bank GmbH; Sumitomo Mitsui Trust, Woori Bank, Banque Saudi Fransi; The National Commercial Bank; Alinma Bank; Al Rajhi Bank.

Financing amount at financial close: approximately SAR 4,360 million.

Final maturity date at financial close: 30 November 2036G.

12-7-1-2 JWAP

For further information, please refer to section (4-6-3-1-8) ("**Marafiq IWPP (JWAP)**") of the prospectus.

Power and Water Purchase Agreement

Tawreed and JWAP (following a novation from SGA Marafiq Holdings WLL) are parties to the PWPA entered into on 25/12/1427H (corresponding to 15/1/2007G) (as amended from time to time) valued at approximately SAR 1,131 million, pursuant to which Tawreed is the sole purchaser of the electricity generated and desalinated water produced at the plant.

Under the PWPA, JWAP makes available to Tawreed the capacity of the plant and Tawreed pays, on a monthly basis, Capacity Payments (which are broadly structured to compensate JWAP for its (i) capital costs of developing the project (amortised over the duration of the term); (ii) fixed operation and maintenance costs and (iii) taxes and profit), in SAR.

JWAP's entitlement to the Capacity Payments is linked to the availability of the capacity of the plant.

Tawreed also pays an electrical energy and water charge in SAR which is structured to compensate JWAP for its variable operation and maintenance costs based on electricity and water output.

Under the PWPA, Tawreed has the responsibility to deliver the fuel to JWAP and there is an energy efficiency/inefficiency adjustment mechanism on fuel consumption. JWAP is protected to the extent that availability is adversely affected by specific events, such as epidemics, natural disasters, acts of war, change of law, boycotts, act of terrorism, etc.

JWAP incurs deductions from Tawreed's power or water Capacity Payments if the plant, or a part of it, suffers any reduction in its power capacity or water capacity, respectively, or is not capable of operation because of any adverse condition from which JWAP is not otherwise protected or relieved under the PWPA. However, this protection is in the form of adjustments to the Capacity Payments or Output Payments, which means that JWAP will have to bear the initial cost (which could be significant) and then recover over the remainder of the term. In addition, this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to JWAP. For further information, please refer to section (2-1-1) ("There is a risk that the expected levels of available capacity to generate electricity and/or produce desalinated water, or the expected levels of electricity actually generated or water actually produced, at the Project Companies may not be achieved or maintained") of this prospectus.

In order to ensure JWAP's revenue is not adversely affected by inflation or currency movements over the term of the PWPA, payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

The payment obligations of Tawreed under the PWPA (to the extent that such sum is not, or is no longer, being disputed in accordance with the PWPA) are guaranteed by the Ministry of Finance of the Kingdom of Saudi Arabia pursuant to a separate support agreement dated 27/4/1428H (corresponding to 14/5/2007G). JWAP or Tawreed may terminate the PWPA in specified circumstances of the other party's default.

If the PWPA is terminated for a default by JWAP, then Tawreed has an option to purchase the plant. In all other circumstances where the PWPA is terminated, Tawreed is obliged to purchase the plant. The price payable by Tawreed in each case will cover senior debt and, except on termination for JWAP default, equity and equity return.

The PWPA has a term of 20 years from the project commercial operation date which occurred on 20/11/1431H (corresponding to 28/10/2010G).The project is structured on a BOOT basis.

The PWPA is governed by the laws of England and Wales. All disputes under the PWPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at London, England under UNCITRAL Rules for International Arbitration.

O&M Agreement

JWAP and Jubail O&M Company Limited ("**Jubail O&M Company**") (following a novation from Suez Nomac O&M Holdings WLL ("**Suez Nomac**")) (as contractor) entered into an O&M agreement dated 23/5/1428H (corresponding to 9/6/2007G) valued at approximately SAR 382.5 million pursuant to which Jubail O&M Company is appointed to provide operation and maintenance services in respect of the plant. Suez Nomac's rights, title, interest and obligations in the O&M agreement were transferred to Jubail O&M Company by way of a novation agreement on 23/4/1429H (corresponding to 28/6/2008G). The term of the O&M agreement is due to expire on the expiration of the PWPA which is expected to expire on 27/10/2023G (noting that if the initial expiry date of the PWPA is extended by more than two years, the extension of the O&M agreement will require the express written consent of the contractor).

In broad terms, under the O&M agreement, JWAP contracts with the contractor to, amongst other things, discharge JWAP's O&M obligations under the PWPA for the operational period of the plant.

Jubail O&M Company's claims against JWAP for specified events (including for change in law) is subject to "equivalent project relief", meaning that Jubail O&M Company's entitlement to any additional costs or liability to pay for any saving will depend on the equivalent relief or liability obtained or suffered by JWAP under the PWPA.

Jubail O&M Company is remunerated through a payment of operator fees made up of fixed elements comprising the lump sum mobilisation fee, early contract mobilisation phase fixed monthly fee, early contract operating period fixed monthly fee, facilities operating period fixed monthly fee, and variable elements comprising the early contract operating period variable monthly fee, facilities operating period variable monthly fee, retroactive factor fired hours fee, start-up fee and back-up fuel oil fee during the operational periods of the plant. In addition, there are incentive payments to Jubail O&M Company and corresponding liquidated damages payments payable by Jubail O&M Company depending on the availability of the plant's capacity. The liquidated damages Jubail O&M Company is liable to pay JWAP are equal to 30% of JWAP's reduction in revenue under the PWPA caused by the actual loss of power/water due to unavailability or derating being greater than the projected loss, capped at USD 1.5 million (SAR 5.6 million) per contract year. There are also incentive payments and liquidated damages in relation to the consumption of fuel to ensure that Jubail O&M Company shares in some of the upside and downside of the plant's efficiency.

Jubail O&M Company's liability is subject to an aggregate liability cap of USD 13 million (SAR 48.75 million) (adjusted for CPI), subject to specified carve-outs. The O&M agreement contains a mutual waiver of liability for consequential losses provided that the liability does not stem from fraud, wilful misconduct or gross negligence.

The O&M agreement can be terminated by JWAP for default by Jubail O&M Company, in which case any amounts then owed by JWAP to Jubail O&M Company will be reduced by JWAP's costs as a result of termination, including the cost of replacing the contractor. Conversely, Jubail O&M Company can terminate the O&M agreement for default by JWAP, in which case JWAP will be liable to pay Jubail O&M Company reasonable costs incurred as a result of termination (e.g. demobilisation costs). Either party is permitted to terminate for convenience, subject to 18 months' written notice (in which case JWAP will be liable to pay Jubail O&M Company reasonable costs incurred as a result of termination, e.g. demobilisation costs as well as an agreed buy-out amount). In addition, either party may terminate for prolonged force majeure and on termination of the PWPA (with 10 days' prior notice).

The O&M agreement is governed by laws of England and Wales. All disputes under the O&M agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at London, England under UNCITRAL Rules for International Arbitration.

Finance Documents

JWAP entered into a common terms agreement with certain financial institutions on 27/04/1428H (corresponding to 14/05/2007G), the "**JWAP CTA**"), as well as related senior financing documents (together, the "**JWAP Finance Documents**"). The JWAP CTA provides the framework governing a number of separately documented financing facilities, including international facilities, a Korea Export Insurance Corporation (KEIC) covered facility, an Islamic facility, a working capital facility and a facility for funding a liabilities reserve account for scheduled debt service due during the six-month period ending on the first repayment date and for each six month period ending on each repayment date falling thereafter up to the final maturity date. There is, in addition, an equity bridge facility through which the Company is covering its equity obligations. The facilities were obtained for the purposes of financing the power generation and desalination Marafiq IWPP with a net power capacity of c. 2,745MW and c. 800,000 cubic metres per day of water production capacity in KSA.

The JWAP Finance Documents include standard representations and covenants by JWAP including covenants relating to the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of JWAP's financiers, together with events of default relating to JWAP equity obligors and major project parties.

Nature of financing: The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of JWAP under the JWAP CTA are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in JWAP held by SGA Marafiq Holding WLL (the company through which the Company holds its investment). The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The Company has entered into the equity subscription and retention agreement in relation to the project, in order to (amongst other things) commit to contribute its base and standby equity, undertake to hold onto a portion of its shares in the project for specified periods and give certain standard representations and undertakings. The Company also agrees to indemnify the finance parties (for its respective investment percentage) against any costs, claims, losses and liabilities incurred in connection with the finance parties exercising their rights under the acceleration clause in the JWAP CTA incurred in connection with the finance parties exercising their rights against the Company under the JWAP Finance Documents.

Change of control: There are no change of control issues.

Governing law: The JWAP CTA is governed by English law.

Financiers at financial close:

International Facilities: BNP Paribas; Gulf International Bank B.S.C.; Samba Financial Group; Bank Saudi Fransi; Arab National Bank; The Saudi British Bank; Saudi Hollandi Bank; APICORP; Bayerische Landesbank (acting through its London Branch); The Bank of Tokyo Mitsubishi – UFJ Ltd; Calyon; Dexia Crédit Local; DZ Bank AG; Fortis Bank S.A./N.A.; HSBC Bank Middle East Limited; ING Bank N.V.; KBC Finance Ireland; KfW; Mizuho Corporate Bank, Ltd.; Natixis; The Royal Bank of Scotland PLC; Sumitomo Mitsui Banking Corporation; Société Générale; Standard Chartered Bank; WestLB AG, London Branch; Arab Bank PLC; Mashreqbank PSC; Shinhan Bank; Woori Global Markets Asia Limited

KEIC Facilities: BNP Paribas; Bayerische Landesbank (acting through its London Branch); The Bank of Tokyo Mitsubishi – UFJ Ltd; Calyon; Dexia Crédit Local; DZ Bank AG; Fortis Bank S.A./N.A.; The HongKong and Shanghai Banking Corporation Limited, Seoul Branch; ING Bank N.V.; KBC Finance Ireland; KfW; Mizuho Corporate Bank, Ltd.; Natixis; The Royal Bank of Scotland PLC; Sumitomo Mitsui Banking Corporation; Société Générale; Standard Chartered Bank; WestLB AG, London Branch

Islamic Facilities: Riyad Bank; Al Rajhi Banking & Investment Corporation; National Commercial Bank

LRA Facility: Gulf International Bank B.S.C.

Financing amount at financial close: SAR 10,563 (comprised of International: SAR 5,894,381,250; KEIC: SAR 2,418,750,000; Islamic: SAR 2,250,000,000)

Final maturity date at financial close: International: 5/10/1442H (corresponding to 31/03/2029G); KEIC 21/09/1445H (corresponding to 31/03/2024G)

12-7-1-3 HEPCO

For further information, please refer to section (4-6-3-1-1) ("**Hajr IPP (HEPCO)**") of the prospectus.

Power Purchase Agreement

HEPCO and SEC entered into a PPA on 23/10/1432H (corresponding to 21/9/2011G) (as amended by the PPA amendment agreement dated 8/3/1433H (corresponding to 01/03/2012G) valued at approximately SAR 1,000, pursuant to which SEC is the sole purchaser of all electricity and capacity from the Qurayyah independent power and generation plant. The plant has been completed and is currently operational.

The PPA gives HEPCO the right and the obligation to develop, operate and maintain, for the duration of the term of the agreement, the Qurayyah independent power and generation plant with an approximate capacity of 3927MW.

From the completion of the power plant or the relevant phase, SEC is obliged to pay HEPCO, on a monthly basis, over the duration of the term of the PPA, Capacity Payments (which are broadly structured to compensate HEPCO for its (i) capital costs of developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and energy payments (which broadly compensate HEPCO for its variable operation and maintenance costs), in SAR.

Under the PPA, HEPCO is protected to the extent that the availability of the plant is adversely affected by specific events, such as natural force majeure events (e.g. epidemic, natural disaster), political force majeure events (e.g. acts of war, change of law, boycotts and act of terrorism), customs duty event, etc.

HEPCO will incur deductions from SEC's Capacity Payments if the power plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which HEPCO is not otherwise protected or relieved under the power purchase agreement. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to HEPCO.

In order to ensure HEPCO's revenue is not adversely affected by inflation or currency movements over the term of the PPA, payments are indexed to KSA and US inflation indices annually and protected against the US dollar.

In line with SEC's previous independent power projects, there is no government or other external credit support provided for SEC's payment obligations under the PPA. However, SEC is required to procure credit support (either from an entity with a certain credit rating (a long-term rating of at least A-/A3, as applicable, from at least one of Standard & Poor's, Fitch or Moody's) or the government of KSA itself) in relation to its payment obligations under the PPA if its credit rating is downgraded below a certain level (i.e. if SEC does not maintain a long-term credit rating of at least BBB/Baa2, as applicable, from at least one of Standard & Poor's, Fitch or Moody's for a period of 6 months).

SEC has the responsibility to deliver to HEPCO the required quantities of fuel (subject to a maximum cap) and there is an energy efficiency/inefficiency adjustment mechanism on fuel consumption.

HEPCO and SEC may terminate the PPA in specified circumstances of the other party's default.

If the PPA is terminated for (i) HEPCO's default, (ii) SEC's default caused by the occurrence of an unenforceability event (where a HEPCO event of default remains unremedied), (iii) a prolonged natural force majeure event affecting HEPCO, or (iv) the power plant being irreparably damaged as a result of a natural force majeure event, the purchase price payable by SEC will cover senior debt but will not include the equity (including any return on equity) invested in the project by HEPCO's shareholders. In each of the events under (iii) and (iv) above, HEPCO, depending on whether the event is insurable, will be entitled to pursue the claims under its insurance policy.

The project is structured on a BOO basis, but SEC has an obligation to purchase the plant in certain instances where the PPA is terminated prior to the end of its term (i.e. SEC's default, prolonged political force majeure, prolonged natural force majeure, the plant being irreparably damaged). The PPA has a term of 20 years, calculated from the project commercial operation date, which occurred on 6/8/1437H (corresponding to 13/5/2016G), unless the PPA is extended by mutual agreement between HEPCO and SEC.

The PPA is governed by the laws of England and Wales. All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Manama, Kingdom of Bahrain under UNCITRAL Rules for International Arbitration.

O&M

HEPCO and NOMAC (as contractor) are parties to an O&M agreement dated 23/10/1432H (corresponding to 21/9/2011G) (as amended by an amendment agreement dated 11/3/1433H (corresponding to 3/2/2012G) valued at approximately SAR 167 million), pursuant to which NOMAC is appointed to provide operation and maintenance services in respect of the plant. The term of the O&M agreement is 20 years after the project commercial operation date (which occurred on 6/8/1437H (corresponding to 13/5/2016G)), as may be extended by HEPCO by periods equivalent to any PPA extensions.

In broad terms, under the O&M agreement, HEPCO contracts with NOMAC to, amongst other things, discharge HEPCO's O&M obligations under the PPA for the operational periods of the plant.

Unless otherwise stated in the O&M agreement, all of NOMAC's claims against HEPCO are subject to "equivalent project relief", meaning that the relief to be granted to the contractor will be equal to the corresponding relief awarded to or received by HEPCO from SEC under the PPA in respect to the contractor's portion of the claim under the PPA.

NOMAC is remunerated during the operational periods of the plant by way of a mixture of fixed and variable fees (subject to indexation). In addition, there are incentive payments to NOMAC and corresponding liquidated damages payments payable by NOMAC depending on the availability of the plant's capacity and consumption of gas. In respect of availability of the plant's capacity, the liquidated damages NOMAC is liable to pay HEPCO are equal to 30% of the reduction in revenue resulting from a decrease in the plant's availability, capped at USD 3 million per annum. In respect of consumption of gas, the liquidated damages NOMAC is liable to pay HEPCO are equal to 30% of the payment to be made to SEC under the PPA, capped at USD 3 million (or USD 500,000 in the case of back-up fuel (i.e. the diesel oil supplied by SEC under the PPA, and, consequently, supplied by HEPCO to NOMAC)) per annum.

NOMAC's liability is subject to an aggregate liability cap of SAR 32 million (adjusted for CPI), subject to specified carve-outs (such as liability for fraud, wilful default, liabilities covered by insurances and liability under any indemnity obligation of the contractor under the O&M agreement). The O&M agreement contains a mutual waiver of economic and consequential losses except for liability: (i) in respect of fraud or wilful default in relation to the contract agreement, the O&M contractor parties, affiliates and any subcontractor or its employees; (ii) satisfied by the insurance proceeds to be monitored pursuant to the contract agreement; (iii) under any indemnity obligation of the O&M contractor under the contract agreement (including the indemnity in respect of intellectual property rights); and (iv) for termination payments.

The O&M agreement can be terminated by HEPCO in the event of a force majeure, default of NOMAC or in the event that the PPA is terminated. Under such an event of termination the NOMAC is liable for any increased costs in replacing the contractor. The O&M agreement can also be terminated by NOMAC following a default by HEPCO, in which case HEPCO is liable to pay the NOMAC any termination amounts payable by NOMAC under the long term services agreement ("**LTSA**").

The O&M agreement is governed by laws of England and Wales. All disputes under the O&M agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at London, England under UNCITRAL Rules for International Arbitration.

12-7-1-4 RABEC

For further information, please refer to section (4-6-3-1-3) ("**Rabigh IPP (RABEC)**") of the prospectus.

Power Purchase Agreement

RABEC and SEC are parties to the PPA entered into on 18/7/1430H (corresponding to 11/7/2009G) valued at approximately SAR 930 million, pursuant to which SEC is the sole purchaser of all electricity and capacity from the Rabigh independent power plant.

SEC is obliged to pay RABEC, on a monthly basis over the duration of the term of the PPA, Capacity Payments (which are broadly structured to compensate RABEC for its (i) capital costs of developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and energy payments (which broadly compensate RABEC for its variable operation and maintenance costs), in SAR.

Under the PPA, SEC has the responsibility to deliver the fuel to RABEC and there is an energy efficiency/inefficiency adjustment mechanism on fuel consumption.

RABEC will incur deductions from SEC's Capacity Payments if the power plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which RABEC is not otherwise protected or relieved under the PPA (noting that RABEC will not incur deductions from SEC's Capacity Payments for operational issues caused by SEC). Under the PPA, RABEC is protected to the extent that the availability of the plant is adversely affected by specific political risks, such as change of law, amongst others.

In order to ensure RABEC's revenue is not adversely affected by inflation or currency movements over the term of the PPA, payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

In line with SEC's independent power projects, there is no government or other external credit support provided for SEC's payment obligations under the power purchase agreement. However, SEC has a strong long-term credit rating, which is backed by an obligation on SEC to procure credit support (either from an entity with a certain credit rating (a long-term rating of at least A-/A3, as applicable, from at least one of Standard & Poor's, Fitch or Moody's) or the government of KSA itself) in relation to its payment obligations under the PPA if SEC does not maintain a long-term credit rating of at least BBB/Baa2, as applicable, from at least one of Standard & Poor's, Fitch or Moody's for a period of six months.

Failure by SEC to provide the relevant credit support within the time period stipulated therefor is an event of default under the PPA and will entitle RABEC to terminate the PPA and require SEC to purchase the project.

RABEC and SEC may terminate the PPA in specified circumstances of the other party's default.

If the PPA is terminated for (i) RABEC's default; (ii) SEC's default caused by the occurrence of an unenforceability event (where a RABEC event of default remains unremedied); (iii) a prolonged natural force majeure event affecting RABEC or (iv) the power plant being irreparably damaged as a result of a natural force majeure event, the purchase price payable by SEC will cover senior debt but will not include the equity (including any return on equity) invested in the project by RABEC's shareholders. In each of the events under (iii) and (iv) above, RABEC, depending on whether the event is insurable, will be entitled to pursue the claims under its insurance policy.

The project is structured on a BOO basis, but SEC has an obligation to purchase the plant in certain instances where the PPA is terminated prior to the end of its term (i.e. SEC's default, prolonged political force majeure, prolonged natural force majeure, the plant being irreparably damaged).

The PPA has a term of 20 years, calculated from the completion date of the power plant which occurred in on 29/5/1434H (corresponding to 10/04/2013G), unless the agreement is extended by the mutual agreement of RABEC and SEC.

The PPA is governed by the laws of England and Wales. All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Manama, Kingdom of Bahrain under UNCITRAL Rules for International Arbitration.

Financing Documents

RABEC entered into a common terms agreement with certain financial institutions on 5/8/1430H (corresponding to 28/7/2009G) as amended on 19/8/1430H (corresponding to 11/8/2009G) and pursuant to an amendment deed dated 22/9/1437H (corresponding to 22/06/2016G), the "**Rabigh CTA**"), as well as related financing documents (together, the "**Rabigh Finance Documents**"). The Rabigh CTA provides the framework governing a number of separately documented financing facilities, including a term loan commercial facility, Islamic facilities, a working capital facility and a facility for funding scheduled liabilities service for each six-month period following each repayment date falling on or prior to the final maturity date, that were obtained for the purposes of financing the Rabigh IPP and were refinanced by RABEC in June 2016G.

The Rabigh Finance Documents include standard representations and covenants by RABEC, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of RABEC's financiers.

The project commercial operation date occurred on 29/5/1434H (corresponding to 10/4/2013G).

The financing is provided on a limited recourse basis to an entity in which RPC is a direct shareholder. The sponsors include ACWA Power Projects and KEPCO.

The obligations of RABEC under the Rabigh CTA are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in RABEC. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The Rabigh CTA is governed by the laws of England and Wales.

Financiers at financial close: Calyon; HSBC Bank plc; Standard Chartered Bank; Bank of China; Alinma Bank; Al Rajhi Bank; National Commercial Bank; Samba Financial Group; The Saudi British Bank; Banque Saudi Fransi

Financiers as of the date of the prospectus: Al Rajhi Banking & Investment Corporation and Alinma Bank; Banque Saudi Fransi, Saudi British Bank, National Commercial Bank, SAMBA Financial Group and Arab National Bank; and Nataxis Dubai, Credit Agricole Corporate, The Bank of Tokyo-Mitsubishi UFG, Standard Chartered Bank, Samsung Life Insurance Company Limited, Hyundai Power Professional and Hyndai Power Private Special

Financing amount at financial close: approximately SAR 7,137 million.

Final maturity date at financial close: 1 April 2029G.

12-7-1-5 RAWEC

For further information, please refer to section (4-6-3-1-4) ("**Petro-Rabigh IWSPP (RAWEC)**") of this prospectus.

Water and Energy Conversion Agreement

RAWEC and Rabigh Refining & Petrochemical Company ("**Petro-Rabigh**") as offtaker (following a novation from the original offtakers, Saudi Arabian Oil Company and Sumitomo Chemical Company Limited) are, among others, parties to the WECA entered into on 2/7/1426H (corresponding to 7/8/2005G) (as amended and/or restated from time to time), valued at approximately SAR 1,155 million).

Pursuant to the WECA, Petro-Rabigh is obliged to pay RAWEC, on a monthly basis over the duration of the term of the WECA, capacity charges based on power, water and steam based on declared availability (which are broadly structured to compensate RAWEC for its (i) capital costs of developing the project, (ii) fixed operation and maintenance costs and (iii) taxes and profit), and power, water and steam output charges (which broadly compensate RAWEC for its variable operation and maintenance costs), in SAR. RAWEC's entitlement to the Capacity Payment is linked to the availability of the capacity of the plant. The Output Payments depend on the water, power and steam dispatched and delivered to Petro-Rabigh.

RAWEC will incur deductions to its Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or such other adverse condition from which RAWEC is not otherwise protected or relieved under the WECA.

RAWEC receives no revenue protection from Petro-Rabigh to the extent that it is prevented from making the contracted capacity available for dispatch or delivering net output as a result of, amongst other events, (i) change in law; (ii) expropriatory acts; (iii) acts of war, invasion, armed conflict etc. occurring within or involving KSA; (iv) acts of rebellion, riot, civil commotion, strikes of political nature, act or campaign of terrorism or sabotage of a political nature, occurring within KSA and (v) boycott, sanction or embargo imposed directly on KSA.

In order to ensure RAWEC's revenue is not adversely affected by inflation or currency movements over the term of the PPA, payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

There is no government or other external credit support provided for Petro-Rabigh's invoice and termination payment obligations under the WECA.

Petro-Rabigh has the responsibility to deliver to RAWEC the required quantities of black-start power, fuel, steam condensate, low-pressure steam and uncontaminated seawater, which are then used by RAWEC to produce electrical energy, steam and water. There is, therefore, no separate fuel, steam or water supply agreement. There is an energy efficiency/inefficiency adjustment mechanism on fuel consumption.

RAWEC or Petro-Rabigh may terminate the WECA in specified circumstances of the other party's default.

RAWEC has no right to terminate the WECA, and to receive any corresponding purchase price payment, in the case of (i) an expropriatory act or (ii) prolonged event of force majeure. However, if Petro-Rabigh terminates the WECA for such reasons, RAWEC will receive the corresponding purchase price payment, which will include senior debt and equity and (depending on when termination occurs), equity return.

Except in the case of termination of the WECA for an event of loss, as soon as practicable after the delivery of a termination notice, RAWEC is required to deliver to Petro-Rabigh a certificate specifying the purchase price payable by Petro-Rabigh to purchase the project (such amount covering senior debt and, where applicable, including equity). Upon the determination of the purchase price, or if no payment is required to be made by Petro-Rabigh, immediately upon termination of the WECA, RAWEC is obliged to transfer to Petro-Rabigh, its title and interest in, to and under the project, including the Integrated Plant. In addition, in certain circumstances, Petro-Rabigh is entitled to exercise its step-in rights in respect to the project.

The project is structured on a BOO basis. The WECA has a term of 25 years from the phase 2 commercial operation date which occurred on 29/5/1439H (corresponding to 15/2/2018G) and can be extended for an additional five years. On the phase 1 stepdown date (2/3/1455H (corresponding to 31/5/2033G), Petro-Rabigh is required to pay RAWEC an amount of USD 96 million (SAR 360 million) unless Petro-Rabigh and RAWEC agree in writing to a further extension of the term and/or tariff taking into account such amount due to RAWEC.

The WECA is governed by the laws of the Kingdom of Saudi Arabia. All disputes under the WECA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at London, England under the Rules of Arbitration of the International Chamber of Commerce.

O&M Agreement

RAWEC and Rabigh Power Company LLC ("**Rabigh Power**") (as contractor) are parties to an O&M agreement dated 13/8/1435H (corresponding to 12/6/2014G) (as amended and restated on 13/1/1442H (corresponding to 1/9/2020G)) valued at approximately SAR 309 million pursuant to which Rabigh Power Company is appointed to provide operation and maintenance services in respect of the plant. The term of the O&M agreement is due to expire on the expiration of the WECA (accounting for any extensions of the WECA that may be agreed between the parties).

In broad terms, under the O&M agreement, RAWEC contracts with the contractor to, amongst other things, discharge RAWEC's O&M obligations under the WECA during the operating periods.

Rabigh Power's claim against RAWEC for specified force majeure related costs or savings (including for change in law) is subject to "equivalent project relief", meaning that Rabigh Power's entitlement to any additional costs or liability to pay for any savings will be dependent on the equivalent relief or liability obtained or suffered by RAWEC under the WECA.

Under the O&M agreement, Rabigh Power is remunerated during the operating period by way of a mixture of (i) fixed fees (adjusted for indexation), (ii) reimbursement of actual costs of operational inventory and (iii) reimbursement of actual costs for cost-plus services plus agreed additional sums (being 10% of the actual costs of the cost-plus services plus 10% of any operational inventory payment plus 10% of the cost of any spare parts purchased prior to the date of the amended and restated agreement but consumed or installed after such date in the relevant billing period). In respect of cost-plus services, RAWEC shall advance Rabigh Power 8.33% of the cost-plus services budget for each calendar year with a reconciliation following payment for cost-plus services in such calendar year.

There are liquidated damages that Rabigh Power is liable to pay RAWEC under the O&M agreement based on the (i) availability of power, steam and water and (ii) consumption of fuel, calculated at (i) 30% of the reduction in revenue from Capacity Payments with respect to each of energy, steam and water availability and (ii) 30% of the fuel adjustment payment payable by RAWEC to Petro-Rabigh under the WECA in respect of fuel consumption, subject in each case to an annual cap of 30% of the cost-plus services margin plus 5% of the fixed fee services payment payable in the relevant calendar year. There are also liquidated damages payable where actual operating costs exceed the cost-plus services budget, calculated at 30% of the amount by which the actual operating costs exceed 105% of the cost-plus services budget. There are corresponding incentive payments relating to fuel consumption and operating costs (where actual operating costs are less than 95% of the cost-plus services budget) to ensure that Rabigh Power shares in some of the upside and downside of the plant's efficiency.

Rabigh Power's liability is subject to an aggregate liability cap of USD 25 million (plus the cumulative amount of incentive payments received), subject to specified carve-outs (such as liability for fraud, wilful default and liabilities covered by insurances). The O&M agreement contains a mutual waiver of consequential losses, subject to specified carve-outs.

The O&M agreement can be terminated by RAWEC for default by Rabigh Power, in which case any amounts then owed by RAWEC to Rabigh Power will be reduced by RAWEC's costs as a result of termination, including the cost of engaging with a replacement contractor. Conversely, Rabigh power can terminate the O&M agreement for default by RAWEC, in which case RAWEC will be liable to pay Rabigh Power reasonable costs incurred as a result of termination (e.g. demobilisation costs). RAWEC is also permitted to terminate the O&M agreement by written notice if (i) an expropriatory act prevents Rabigh Power from operating the plant or delivering net output for any period of time; (ii) any other event of force majeure prevents either RAWEC or Rabigh Power from operating the plant or delivering net output for a continuous period of more than 365 days or (ii) the WECA is terminated for any reason not attributable to Rabigh Power.

The O&M agreement is governed by laws of England and Wales. All disputes under the O&M agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at London, England under ICC Rules.

Financing Documents

RAWEC entered into an equity support agreement with Marubeni Corporation, JGC Corporation, Itochu Corporation and ACWA Power Projects, as developers (together the "**Developers**") and Rabigh Refining and Petro-Rabigh as lender and equity obligor on 27/2/1427H (corresponding to 28/3/2006G) (as amended, restated and/or supplemented from time to time) (the **"RAWEC ESRA**").

The RAWEC ESRA provides the framework for the Developers and Petro-Rabigh (together the "**Equity Obligors**") to make capped equity contributions to RAWEC to fund the design, engineering, construction, commission, ownership and operation of RAWEC's independent water, steam and power project pursuant to the water and energy conversion agreement dated 2/7/1426H (corresponding to 7/8/2005G) (the "**WECA**") between RAWEC and Petro-Rabigh as offtaker (as amended). Petro-Rabigh owns 1% of the shares in RAWEC. All equity contributions under the RAWEC ESRA have been paid in full.

Pursuant to the terms of a facility agreement dated 27/2/1427H (corresponding to 28/3/2006G) between, amongst others, Petro-Rabigh as lender and RAWEC as borrower (as amended, restated and/or supplemented from time to time) (the "**2006 RAWEC Facility Agreemen**t") as well as related financing documents (together, the **"2006 RAWEC Finance Documents"),** Petro-Rabigh financed a portion of the plant (the **"Phase I Project**") and an expansion of the plant (the "**Phase II Project**"). The 2006 RAWEC Facility Agreement provides the framework governing a number of financing facilities including a term loan facility, a cost overrun facility and a customs duties facility, for each phase of the project.

The project financial completion date under the RAWEC ESRA occurred on 26/5/1436H (corresponding to 16/3/2015G) with respect to the Phase I Project. The commercial operation date under the Phase II Project occurred on 29/5/1439H (corresponding to 15/2/2018G). However, the financing documents will remain effective until the final maturity dates set out below (subject to any future extensions).

The 2006 RAWEC Finance Documents include standard representations and covenants by RAWEC, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of RAWEC's financiers, together with events of default which are linked to those in the WECA.

The obligations of RAWEC under the 2006 RAWEC Finance Documents are secured against, amongst other things, certain project accounts, plant and equipment. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The 2006 RAWEC Facility Agreement and the RAWEC ESRA are governed by the laws of England and Wales.

Financiers at financial close: Petro-Rabigh, JBIC; APICORP; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; BNP Paribas; Calyon; Citibank, N.A.; Gulf International Bank B.S.C.; HSBC Bank Middle East Limited; Mizuho Corporate Bank, Ltd.; Riyad Bank; The Saudi British Bank; Sumitomo Mitsui Banking Corporation; The Sumitomo Trust & Banking Co., Ltd.; WestLB AG, London Branch; Banque Saudi Fransi; Saudi Holland Bank

Financier as of the date of the prospectus: Petro-Rabigh

The value of the equity support agreement: SAR 997 million.

Financing amount at financial close pursuant to the facility agreement: SAR 3,990 million.

Final maturity date at Phase 1: 30 December 2023G.

Final maturity date at Phase 2: 30 December 2031G.

12-7-1-6 SQWEC

For further information, please refer to section (4-6-3-1-5) ("**Shuqaiq IWPP (SqWEC)**") of the prospectus.

Power and Water Purchase Agreement

SQWEC and SWPC (formerly known as Water and Electricity Company) are parties to the PWPA entered into on 10/2/1428H (corresponding to 28/2/2007G) valued at approximately SAR 777 million, pursuant to which SQWEC has the right to generate electricity and desalinate water at the Shuqaiq-2 power generation and sea water desalination plant.

Under the PWPA, SWPC is obliged to pay SQWEC, on a monthly basis over the duration of the term of the PWPA, power and water capacity charges based on declared availability (which are broadly structured to compensate SQWEC for its (i) capital costs of developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and electrical energy and water output charges (which broadly compensate SQWEC for its variable operation and maintenance costs), in SAR.

SQWEC's entitlement to the Capacity Payments is linked to the availability of the capacity of the plant.

SWPC also pays electrical energy and water charge in SAR which is structured to compensate SQWEC for its variable operation and maintenance costs based on electricity and water output. The Output Payments depend on the water and power dispatched and delivered to SWPC.

Under the PWPA, SWPC has the responsibility to deliver the fuel to SQWEC and there is an energy efficiency/inefficiency adjustment mechanism on fuel consumption.

SQWEC is protected to the extent that the availability is adversely affected by specific events, such as natural force majeure events (e.g. epidemic, natural disaster), political force majeure events (e.g. acts of war, change of law, boycotts and act of terrorism), customs duty event, etc.

SQWEC will incur deductions from SWPC's Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which SQWEC is not otherwise protected or can avail any reliefs under the PWPA. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to SQWEC.

In order to mitigate the effects of inflation or currency movements on SQWEC's revenue over the term of the PWPA, part of the payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

SWPC's payment obligations (including payment in relation to the termination of the PWPA) under the PWPA are guaranteed by the Ministry of Finance of the KSA pursuant to a separate support agreement dated 10/2/1428H (corresponding to 28/2/2007G). SQWEC or SWPC may terminate the PWPA in specified circumstances of the other party's default.

If the PWPA is terminated for a default by SQWEC, then SWPC has the right, but not the obligation, to purchase the plant. If the PWPA is terminated for a default by SWPC, then SQWEC can require SWPC to purchase the plant. SWPC also has an obligation to purchase the plant in certain other instances where the PPA is terminated prior to the end of its term, including for prolonged political force majeure event or prolonged natural force majeure event (each where the PWPA is terminated by SWPC) or the plant being irreparably damaged as a result of a natural force majeure event or a political force majeure event. The price payable by SWPC in each case will cover senior debt and, in certain instances where the PWPA is terminated, such as for a default by SWPC (which includes the occurrence of an unenforceability event), the price payable will also include equity and (depending on when termination occurs) equity return.

The project is structured on a BOO basis, though as noted above, there are certain instances where SWPC has an obligation to purchase the plant where the PWPA is terminated prior to the end of its term. The PWPA has a term of 20 years, calculated from the project commercial operations date, which occurred in 1 May 2011G and may be extended by the mutual agreement of SQWEC and SWPC.

The PWPA is governed by the laws of England and Wales. All disputes under the PWPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Manama, Kingdom of Bahrain UNCITRAL Rules for International Arbitration.

12-7-1-7 SWEC

For further information, please refer to section (4-6-3-1-7) ("**Shuaibah IWPP (SWEC)**") of this prospectus.

Power and Water Purchase Agreement

SWEC and SWPC (formerly known as Water and Electricity Company) are parties to the PWPA entered into on 13/10/1426H (corresponding to 15/11/2005G) valued at approximately SAR 1,051 million, pursuant to which SWEC has the right to generate electricity and desalinate water at the Shuaibah 3 power generation and sea water desalination plant.

Under the PWPA, SWPC is obliged to pay SWEC, on a monthly basis over the duration of the term of the PWPA, power and water capacity charges based on declared availability (which are broadly structured to compensate SWEC for its (i) capital costs of developing the project, (ii) fixed operation and maintenance costs and (iii) taxes and profit), and electrical energy and water output charges (which broadly compensate SWEC for its variable operation and maintenance costs), in SAR. SWEC's entitlement to the Capacity Payments is linked to the availability of the capacity of the plant.

SWPC also pays electrical energy and water charge in SAR which is structured to compensate SWEC for its variable operation and maintenance costs based on the electricity and water output. The Output Payments depend on the water and power dispatched and delivered to SWPC.

Under the PWPA, SWPC has the responsibility to deliver fuel to SWEC and there is an energy efficiency/inefficiency adjustment mechanism on fuel consumption.

SWEC is protected to the extent that the availability is adversely affected by specific events, such as natural force majeure events (e.g. epidemic, natural disaster), political force majeure events (e.g. acts of war, change of law, boycotts and act of terrorism), customs duty event, etc.

SWEC will incur deductions from SWPC's Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which SWEC is not otherwise protected or can avail any reliefs under the PWPA. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to SWEC.

In order to ensure SWEC's revenue is not adversely affected by inflation or currency movements over the term of the PWPA, payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

SWPC's payment obligations (including payment in relation to the termination of the PWPA) under the PWPA are guaranteed by the Ministry of Finance of the KSA pursuant to a separate support agreement dated 8/12/1426H (corresponding to 8/1/2006G).

SWEC or SWPC may terminate the PWPA in specified circumstances of the other party's default.

If the PWPA is terminated for either (i) SWEC's default, (ii) SWPC's default caused by the occurrence of an unenforceability event (where a SWEC event of default remains unremedied), (iii) a prolonged natural force majeure event affecting SWEC, or (iv) the power plant being irreparably damaged as a result of a natural force majeure event, the purchase price payable by SWPC will cover senior debt but will not include the equity (including any return on equity) invested in the project by SWEC's shareholders. In each of the events stated in (iii) and (iv) above, SWEC, depending on whether the event is insurable, will be entitled to pursue the claims under its insurance policy.

The project is structured on a BOO basis, but SWPC has an obligation to purchase the plant in certain instances where the PWPA is terminated prior to the end of its term (i.e. SWPC's default, prolonged political force majeure, prolonged natural force majeure, the plant being irreparably damaged). The PWPA has a term of 20 years, calculated from the commercial operation date of the plant which occurred on 29/11/1430H (corresponding to 17/11/2009G) and can be extended by the mutual agreement of both SWPC and SWEC.

The PWPA is governed by the laws of England and Wales. All disputes under the PWPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Manama, Kingdom of Bahrain under UNCITRAL Rules for International Arbitration.

Memorandum of Understanding in relation to the restructuring of the Shuaibah III IWPP ("Existing Plant") and the development of a new reverse osmosis plant ("New Plant")

SWEC, SWPC and each of the "IWPP Shareholders" (being, Saudi Malaysian Water and Electricity Company, Shuaibah Water and Electricity Holding Company and Saudi Electricity Company) have entered into a memorandum of understanding on 22 October 2020G in respect of a proposed restructuring of the Existing Plant, which is intended to involve an amendment to the PWPA, and a proposal in respect of the development of the New Plant ("**MOU**").

Pursuant to the MOU it is contemplated that SWPC will issue, on 26 May 2021G, to SWEC instructions for a proposal ("**IFP**") for the development of a New Plant to which SWEC may respond to.

In the event some or all of the IWPP Shareholders submit a compliant bid based on the IFP, the intention is for SWPC and a project SPV to be established to enter into a WPA to develop, finance and operate the New Plant. It is agreed that the risk allocation of such WPA shall be on no less onerous terms for a private sector party than the risk allocation on the Jubail 3A IWP tendered by SWPC. Moreover, it has been agreed that the levelised water cost of the New Plant under the WPA shall not exceed the corresponding cost of the Jubail 3A IWP (although taking into account any additional savings through the use of existing assets of the Existing Plant to develop the New Plant), and SWPC reserves the right to not award the New Plant to the relevant IWPP Shareholders if this condition is not met.

12-7-1-8 APO

For further information, please refer to section (4-6-3-1-12) ("**Noor I CSP IPP (APO I)**") of the prospectus.

Power Purchase Agreement

APO (project company) and Masen (offtaker) in the presence of Office National de l'Électricité et de l'Eau Potable (ONEE), entered into a PPA dated 5/1/1434H (corresponding to 19/11/2012G as amended and restated on 16/6/1434H (corresponding to 26/4/2013G), valued at approximately SAR 200 million. The solar power plant comprises a solar field, a turbine and a thermal power-storage facility.

In line with the widely used tariff structure for renewables, there are no fixed payments paid by Masen to APO for making the solar power plant available. Rather, Masen is required to make payment, in equivalent Moroccan Dirhams, of the (i) off-peak hour tariff and (ii) peak hour tariff to APO in consideration for the net electricity delivered during those periods. Due to the fact that APO is only paid for the net electricity delivered, APO will be compensated for the electricity it would have delivered but for curtailment/disruption to its electricity production caused by (i) political force majeure (including change in law); (ii) shutdown of the plant (not related to the plant itself or APO); (iii) generation schedules or dispatch instructions from ONEE; (iv) natural force majeure affecting the grid, the transmission facilities or certain strategic infrastructure or services; (v) failure by Masen to provide by the due date or maintain certain strategic infrastructure or services or (vi) failure by Masen to accept totally or partially the net electricity produced other than as provided for by the agreement.

APO may not commit or supply any portion of the capacity or the associated electricity produced by the solar power plant to any person other than Masen, and Masen is obliged to take delivery and purchase from APO all the net electricity produced and delivered by the plant.

APO is entitled to receive revenue protection from Masen where APO loses revenue as a result of certain specified (and mostly uninsurable) events, including for change in law (so as to maintain the economic balance of the PPA between APO and Masen).

While the tariff due under the PPA appears to be denominated in MAD, the relevant tariff components are broken up into USD, Euro and MAD portions, each one of the O&M tariff being indexed against a prescribed USD, Euro and MAD inflation indices annually and for all the tariff (with respect to USD and Euro components) protected for currency movement of MAD against the USD and Euro, as the case may be.

The Government of Morocco has provided a support letter pursuant to which it has an obligation to procure that Masen will honour its obligations to make termination payments for the transfer of the plant to Masen upon termination of the PPA (including termination for (i) APO's default and (ii) Masen's default (which in itself includes Masen's failure to make payment under the PPA for a period of 60 days or more)). The support letter provided is one level short of a guarantee by the government covering Masen's obligations under the PPA. There is no government or other external credit support provided for Masen's payment obligations under the PPA.

APO and Masen may terminate the PPA in specified circumstances of the other party's default.

Moreover, the following risks exist with respect to termination generally under the PPA:

a- f the PPA is terminated for APO's default after the final commercial operation date, Masen may claim damages.

b- Masen's assumption of physical control over the plant following PPA termination is not conditional on the termination payment having already been made, exposing APO to becoming Masen's unsecured creditor.

c- The plant, when transferred to APO, must be in good operating condition, which may not always be possible where the Plant had suffered damage.

If the PPA is terminated as a result of (i) APO's default or (ii) the prolonged continuation of certain force majeure events affecting APO, APO will not be paid by Masen the equity (including any return on equity) invested in the project by APO's shareholders.

The project is structured on a BOOT basis. The PPA has a term of 25 years, calculated from the initial commercial operation date of the solar power plant which occurred on 19/3/1437H (corresponding to 31/12/2015G). APO does not have the right to sell power to Masen or other offtakers after the expiry of the term of the PPA.

The PPA is governed by the laws of Morocco. All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Paris, France under the Rules of Arbitration of the International Chamber of Commerce.

Financing Documents

APO entered into a facility agreement (the "**APO Facilities Agreement**") with Masen as lender (a consortium of development finance institutions (the "**IFIs**") as co-financiers as back-to-back lenders to Masen) on 15/6/1434H (corresponding to 26/4/2013G), as well as related finance documents (together, the "**APO Finance Documents**"). There have been various subsequent amendment agreements to the APO Finance Documents.

Three term loan facilities are made available under the APO Finance Documents ((i) a USD 143,582,002.58 facility; (ii) a EUR 377,192,147.47 facility and (iii) a MAD 242,753,087.36 facility) for the purpose of financing up to 80% of the project development costs for the development and operation of the 160MW thermal solar power plant built in Ouarzazate, Morocco, and associated interconnection facilities (with the remaining funds contributed by way of equity).

Under the APO Finance Documents, Masen on-lends funds received by it under separate facilities borrowed by Masen from the IFIs.

The APO Finance Documents include standard representations and covenants by APO, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions) and requiring project revenues to be paid into specified project accounts secured in favour of APO's financiers, together with events of default relating to APO equity obligors and major project parties (which include the Company).

The financing is provided on a limited recourse basis to an entity in which ACWA Power Bahrain is a direct shareholder (and the Company is an indirect shareholder).

The obligations of APO under the APO Finance Documents are secured against, among other things, APO's business as a going concern, certain project accounts, shares in APO, contractual rights of APO, insurances and reinsurances and APO's rights under the hedging arrangements. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

Change of control: If there is a change in control at the Company level and this has a "Material Adverse Effect", then this would trigger a default under the "change of business or legal status" default in relation to a major project party (which includes the Company). However, assuming that the "Material Adverse Effect" criteria (which are specific to APO, the transaction documents and performance of the obligations of APO and the major project parties to comply with their abilities under the transaction documents) would not apply, the change of control at the Company level would not trigger this default. Remedy rights also apply to this default.

The initial commercial operation date occurred on 19/3/1437H (corresponding to 31/12/2015G). The final commercial operation date for the project has occurred on 31 December 2018G.

The APO Facilities Agreement is governed by Moroccan law.

Financiers at financial close: Masen; African Development Bank; Agence Française de Développement; The European Union; European Investment Bank; International Bank for Reconstruction and Development; Kreditanstalt Für Wiederaufbau.

Financiers as of the date of the prospectus: Moroccan Agency for Solar Energy (co-financed by African Development Bank; Agence Française de Développement; The European Union; European Investment Bank; International Bank for Reconstruction and Development; Kreditanstalt Für Wiederaufbau)

Financing amount at financial close: SAR 1,836 million.

Final maturity date at financial close: 25 years after first utilisation[131].

12-7-1-9 Barka

For further information, please refer to section (4-6-3-1-15) ("**Barka Project (Barka)**") of the prospectus.

Power and Water Purchase Agreement

Barka and OPWP (following a novation from the Ministry of Housing, Electricity and Water of the Government of the Sultanate of Oman ("**MHEW**")) are parties to the PWPA entered into on 20/8/1421H (corresponding to 26/11/2000G) (as amended and supplemented from time to time) and valued at approximately SAR 498 million .

Following the PWPA, OPWP and Barka entered into (i) a water purchase agreement dated 11/10/1433H (corresponding to 29/8/2012G) in respect to phase 1 of the Barka expansion and (ii) a water purchase agreement dated 14/3/1436H (corresponding to 4/1/2015G) in respect to phase 2 of the Barka expansion. Each of the WPAs amended certain provisions of the PWPA.

Under the PWPA, Barka makes available to OPWP the capacity of the plant and OPWP pays Barka, on a monthly basis, over the duration of the term of the PWPA, power and water capacity charges based on declared availability (which are broadly structured to compensate Barka for its (i) capital costs of developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and electrical energy and water output charges (which broadly compensate Barka for its variable operation and maintenance costs), in Omani rials. Barka's entitlement to the Capacity Payment is linked to the availability of the capacity of the plant. The Output Payments depend on the water and power dispatched and delivered to OPWP.

Barka is protected to the extent that the availability is adversely affected by specific events, such as acts of war in Oman, change of law and expropriation (each being a government risk event), etc.

131 First utilization occurred on 13 September 2013 (in respect of the EUR and USD amounts) and 12 September 2013 (in respect of the MAD amount).

Barka will incur deductions from OPWP's Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which Barka is not otherwise protected or can avail any reliefs under the PWPA. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to Barka.

In order to mitigate the effects of inflation or currency movements on Barka's revenue over the term of the PWPA, part of the payments due under the PWPA are indexed to Omani and US inflation indices annually and protected for currency movement against the US dollar. The indexation of OMR to USD is calculated at the mid rate of the OMR/USD spot rate on the last Omani business day of the billing period. Therefore Barka takes exchange rate risk and any consequential shortfall in payment arising first between that mid rate and the OMR/USD exchange rate and secondly, between the date on which the bill is generated and the date of payment.

The payment obligations of OPWP under the PWPA are guaranteed by the Ministry of Finance of the Government of Oman pursuant to a separate guarantee agreement. There is no government or other external credit support provided in respect of the Barka expansion.

Barka is responsible for obtaining the required supplies of natural gas to be used and converted by Barka into electrical power through the plant, pursuant to a natural gas supply agreement dated 29/8/1421H (corresponding to 26/11/2000G) (the "**NGSA**"). Barka is also required to maintain a supply of fuel oil sufficient to operate the plant for at least 3 days at the guaranteed net contracted fuel oil capacity. Under the PWPA, Barka will only operate the plant using fuel oil where supplies of natural gas are not available. In the case of unavailability of natural gas from the supplier or unavailability of fuel oil in the country, the loss in capacity revenues will be covered by the MOGO (subject to the NGSA).

OPWP may terminate the PWPA in specified circumstances, including Barka's default. Barka is not entitled to terminate the PWPA for any reason, including a buyer failure, but subject to the terms of the PWPA is entitled to pursue OPWP for damages for a buyer failure.

If the PWPA is terminated for a default of Barka after the commercial operation date, then OPWP can pursue Barka for damages. The PWPA does not provide for a buy-out right or put option, which means that if the PWPA is terminated, OPWP does not have an option or obligation to purchase the plant.

The project is structured on a BOO basis. The PWPA has a term of 15 years and 1 month after the scheduled commercial operation date, which was extended until 27/5/1443H (corresponding to 31/12/2021G) pursuant to the amendment agreement dated 10/2/1439H (corresponding to 30/10/2017G).

The PWPA is governed by the laws of Oman. All disputes under the PWPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Muscat, Oman under the Rules of Arbitration of the International Chamber of Commerce.

Natural Gas Sales Agreement

Barka and the MOGO are parties to a natural gas sales agreement entered into on 14/8/1421H (corresponding to 26/11/2000G) (as amended from time to time) for the sale, delivery and purchase of gas to be used at the Barka power and desalination plant (the "**NGSA**") and valued at approximately SAR 87 million.

Under the NGSA, MOGO supplies gas based on nominations received from Barka. The price payable by Barka for natural gas delivered to and accepted by Barka at the gas delivery point is equal to the Omani rial equivalent of USD3.00 per one million BTU (on a lower heating value basis). Such amount is inclusive of all transportation costs of natural gas to the gas delivery point and all taxes, duties and other imposts applicable to the sale and purchase of natural gas.

If Barka takes an excess quantity of natural gas than otherwise accounted for in the agreement (other than pursuant to the nomination variation procedure or without the written consent of MOGO), Barka will be required to pay for such excess quantity at a price equal to 110% of the contract price.

In addition, if any natural gas delivered pursuant to the agreement does not conform with the agreed specification for any reason whatsoever, Barka may at its sole discretion (i) refuse to accept delivery of all or any part of such natural gas until the failure has been remedied or (ii) agree to accept delivery of all or any part of such non-conforming natural gas, provided that the nature and extent of the failure to conform to the specification of natural gas actually delivered does not exceed the failure to conform of which Barka is actually aware. In this instance, MOGO will not have any liability to Barka and Barka will pay for the properly nominated quantity at a price equal to 97% of the contract price.

MOGO and Barka may terminate the natural gas sales agreement in specified circumstances of the other party's default. The term of the natural gas sales agreement corresponds to that of the PWPA and will terminate on the termination of the PWPA.

The natural gas sales agreement is governed by the laws of Oman. All disputes under the natural gas sales agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Muscat, Oman under the Rules of Arbitration of the International Chamber of Commerce.

Water Purchase Agreement (Barka Expansion)

Barka and OPWP entered into a WPA dated 11/10/1433H (corresponding to 29/8/2012G) pursuant to which Barka is obliged to make available to OPWP water capacity and sell potable water associated with such water capacity at the seawater desalination plant at the existing Barka site at Wilayat, Oman. The plant has been completed and is currently operational. Pursuant to the amendment agreement dated 10/2/1439H (corresponding to 30/10/2017G), the term of the PWPA was extended until 27/5/1443H (corresponding to 31/12/2021G), valued at approximately SAR 40 million.

The WPA details Barka's obligations with respect to the development of a 45,460m3/day desalination plant in the vicinity of the existing Barka project site as part of the initial expansion phase. Under the WPA, Barka makes available to OPWP the guaranteed contracted water capacity of the plant and sells the potable water output to OPWP. Barka is not permitted to sell or deliver water produced at the plant to any person other than OPWP.

OPWP is obliged to pay Barka, on a monthly basis, over the duration of the term of the WPA, water capacity charges based on declared availability (which are broadly structure to compensate Barka for its (i) capital costs of developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and water output charges (which broadly compensate Barka for its variable operation and maintenance costs), in Omani rials. OPWP may also make supplemental payments to compensate Barka for certain additional costs incurred by Barka or a loss of revenue attributable to a government risk event. Barka's entitlement to the water capacity payment is linked to availability of the capacity of the plant.

Barka is protected to the extent that the availability is adversely affected by specific events, such as acts of war in Oman, change of law and expropriation (each being a government risk event), and seawater quality failure (being a force majeure event), etc.

Barka will incur deductions from OPWP's Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which Barka is not otherwise protected or can avail any reliefs under the WPA. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to Barka.

In order to mitigate the effects of inflation or currency movements on Barka's revenue over the term of the WPA, part of the payments due under the WPA are indexed to Omani and US inflation indices annually and protected for currency movement against the US dollar. The indexation of OMR to USD is calculated at the mid rate of the OMR/USD spot rate on the last Omani business day of the billing period. Therefore Barka takes exchange rate risk and any consequential shortfall in payment arising first between that mid rate and the OMR/USD exchange rate and secondly, between the date on which the bill is generated and the date of payment.

In line with recent Omani independent power and water projects, the payment obligations of OPWP under the WPA for the Barka expansion are not guaranteed by the Government of the Sultanate of Oman.

The WPA amends the PWPA to allow Barka to supply electricity to the expansion plant at the relevant connection point. However, Barka is required to import electricity from the grid to maintain operations of the expansion plant in the following limited circumstances: (i) in the event the Barka 1 plant ceases to operate for any reason or affects Barka's ability to operate the expansion plant in accordance with the WPA or (ii) where Barka is instructed to do so by OPWP or the licensed transmission system operator.

OPWP may terminate the WPA upon the occurrence of, amongst others, any of the following events (provided that such occurrence (i) is not caused by a buyer risk event; (ii) results from a breach of OPWP or (iii) is caused as a result of a force majeure event): (i) insolvency of Barka; (ii) abandonment of the project by Barka; (iii) the termination of the water connection agreement as a result of a default by Barka; (iv) the termination of the desalination licence and (v) the termination of the PWPA.

Barka is not entitled to terminate the WPA for any reason, including a buyer failure but is entitled to pursue OPWP for damages on the occurrence of a buyer failure.

If the WPA is terminated for a default of Barka after the commercial operations date, then OPWP can pursue Barka for damages. The WPA does not provide for a buy-out right or put option, which means that if the WPA is terminated, OPWP does not have an option or obligation to purchase the plant.

The project is structured on a "build own and operate" basis. The term of the WPA corresponds to that of the PWPA and will terminate on the termination of the PWPA.

The WPA is governed by the laws of Oman. All disputes under the WPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Muscat, Oman under the Rules of Arbitration of the International Chamber of Commerce.

Water Purchase Agreement (Barka Expansion Phase 2)

Barka and OPWP entered into a WPA dated 14/3/1436H (corresponding to 4/5/2015G) pursuant to which Barka is obliged to make available to OPWP water capacity and sell potable water associated with such water capacity at the seawater desalination plant at the existing Barka site at Wilayat, Oman. The WPA is valued at approximately SAR 498 million. The plant has been completed and is currently operational.

The WPA details Barka's obligations with respect to the desalination plant in the vicinity of the existing Barka project site with a demonstrated water capacity of 56,826 m3/day. Barka is not permitted to sell or deliver water produced at the plant or any desalination unit to any person other than OPWP.

OPWP is obliged to pay Barka, on a monthly basis, over the duration of the term of the WPA (in respect of the phase 1 water period, phase 2 water period and operation period, as applicable), water capacity charges based on declared availability (which are broadly structured to compensate Barka for its (i) capital costs of developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and water output charges (which broadly compensate Barka for its variable operation and maintenance costs), in Omani rials. OPWP may also make supplemental payments to compensate Barka for certain additional costs incurred by Barka or a loss of revenue attributable to a government risk event. Barka's entitlement to the water capacity payment is linked to availability of the capacity of the plant.

Barka is protected to the extent that the availability is adversely affected by specific events, such as acts of war in Oman, change of law and expropriation (each being a government risk event) and seawater quality failure (being a force majeure event) etc.

Barka will incur deductions from OPWP's Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which Barka is not otherwise protected or can avail any reliefs under the WPA. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to Barka.

In order to mitigate the effects of inflation or currency movements on Barka's revenue over the term of the WPA, part of the payments due under the WPA are indexed to Omani and US inflation indices annually and protected for currency movement against the US dollar. The indexation of OMR to USD is calculated at the mid rate of the OMR/USD spot rate on the last Omani business day of the billing period. Therefore Barka takes exchange rate risk and any consequential shortfall in payment arising first between that mid rate and the OMR/USD exchange rate and secondly, between the date on which the bill is generated and the date of payment.

In line with recent Omani independent power and water projects, the payment obligations of OPWP under the WPA for the Barka expansion are not guaranteed by the Government of the Sultanate of Oman.

Barka is required to import electricity from the grid to maintain operations of the expansion plant in the following limited circumstances: (i) in the event the Barka 1 plant ceases to operate for any reason or affects Barka's ability to operate the expansion plant in accordance with the WPA or (ii) where Barka is instructed to do so by OPWP or the licensed transmission system operator.

OPWP may terminate the WPA upon the occurrence of, amongst others, any of the following events (provided that such occurrence (i) is not caused by a buyer risk event; (ii) results from a breach of OPWP or (iii) is caused as a result of a force majeure event): (i) insolvency of Barka; (ii) abandonment of the project by Barka; (iii) the termination of the water connection agreement as a result of a default by Barka; (iv) the termination of the desalination licence and (v) the termination of the PWPA.

If the WPA is terminated for a default of Barka prior to the commercial operation date, OPWP will be able to call on the performance bond and retain the full amount thereof. Where the WPA is terminated for a default of Barka after the commercial operations date, then OPWP can pursue Barka for damages. The WPA does not provide for a buy-out right or put option, which means that if the WPA is terminated, OPWP does not have an option or obligation to purchase the plant.

The project is structured on a "build own and operate" basis. The term of the WPA corresponds to that of the PWPA and will terminate on the termination of the PWPA. Pursuant to the amendment agreement dated 10/2/1439H (corresponding to 30/10/2017G), the term of the PWPA was extended until 27/5/1443H (corresponding to 31/12/2021G).

The WPA is governed by the laws of Oman. All disputes under the WPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Muscat, Oman under the Rules of Arbitration of the International Chamber of Commerce.

12-7-1-10 STPC

For further information, please refer to section (4-6-3-1-6) ("**Shuaibah Expansion II IWP (STPC)**") of this prospectus.

Water Purchase Agreement

STPC and SWPC (formerly known as Water and Electricity Company) entered into a WPA on 19/09/1438H (corresponding to 14/06/2017G), as amended from time to time, pursuant to which STPC has the right to desalinate water at the sea water desalination plant, valued at approximately SAR 166 million.

Under the WPA, STPC has the right and the obligation to (i) develop, operate and maintain, for the duration of the term of the WPA, the plant with an approximate water capacity of 250,000 m3/day, (ii) make available to SWPC the water capacity of the desalination plant and (iii) sell the water output of the plant to SWPC. SWPC is obliged to pay STPC, on a monthly basis over the duration of the term of the WPA, the water capacity charges based on declared availability (which are broadly structured to compensate STPC for its (i) capital costs of developing the project, (ii) fixed operation and maintenance costs and (iii) taxes and profit), and the water output charges (which broadly compensate STPC for its variable operation and maintenance costs), in SAR. STPC 's entitlement to the Capacity Payment is linked to the availability of the capacity of the plant. The Output Payments depend on the water dispatched and delivered to SWPC.

STPC is protected to the extent that the availability is adversely affected by specific events, such as SWPC's delay or default, acts of war, change of law, boycotts, act of terrorism, epidemic, natural disaster, customs duty event, etc.

STPC will incur deductions from SWPC's Capacity Payments if the plant, or a part of it, suffers a reduction in its capacity or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which STPC is not otherwise protected or can avail any reliefs under the WPA. However this risk is partially mitigated by a pass-through, in part, under the O&M agreement, through the payment of liquidated damages by the O&M operator to STPC.

In order to ensure STPC's revenue is not adversely affected by inflation or currency movements over the term of the WPA, payments are indexed to KSA and US inflation indices annually and protected for currency movement against the US dollar.

SWPC's payment obligations (including payment in relation to the termination of the WPA) under the WPA are guaranteed by the Ministry of Finance of the KSA pursuant to a separate credit support agreement.

STPC or SWPC may terminate the WPA in specified circumstances of the other party's default (where such default is not cured within the relevant cure period).

If the WPA is terminated for either (i) STPC 's default, or (ii) SWPC's default caused by the occurrence of an unenforceability event (where a STPC event of default remains unremedied), the purchase price payable by SWPC will cover senior debt but will not include the equity (including any return on equity) invested in the project by STPC 's shareholders. If the WPA is terminated for either (iii) any other SWPC event of default or (iv) a prolonged force majeure event (except where it is natural force majeure affecting STPC), the purchase price payable by SWPC will cover senior debt plus equity and termination costs. In each of the events stated in (iii) and (iv) above, STPC, to the extent that the event is insurable, will be entitled to pursue the claims under its insurance policy. If the WPA is terminated due to (v) a prolonged natural force majeure event affecting STPC or (vi) the plant being irreparably damaged as a result of a natural force majeure event, the purchase price payable by SWPC will cover senior debt plus termination costs.

The project is structured on a BOO basis, but SWPC has an obligation to purchase the plant in certain instances where the WPA is terminated prior to the end of its term (i.e. SWPC's default, prolonged political force majeure, prolonged natural force majeure, the plant being irreparably damaged). The WPA has a term of 25 years, calculated from the commercial operation date of the plant (which occurred on 27 May 2019G) and can be extended by the mutual agreement of both SWPC and STPC.

The WPA is governed by the laws of England and Wales. All disputes under the WPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Manama, Kingdom of Bahrain under UNCITRAL Rules for International Arbitration.

Financing Documents

STPC entered into a common terms agreement with certain financial institutions on 25/11/1438H (corresponding to 17/08/2017G) (as amended pursuant to a first amendment agreement dated 20/01/1439H (corresponding to 10/10/2017G)) (the "**STPC CTA**"), as well as related financing documents (together, the **"STPC Finance Documents"**). The STPC CTA provides the framework governing a number of separately documented financing facilities, including commercial facilities and a working capital facility, that were obtained for the purposes of financing the Shuaibah Two IWP.

The STPC Finance Documents include standard representations and covenants by STPC, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of STPC's financiers, together with events of default relating to STPC's equity obligors and major project parties.

The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of STPC under the STPC CTA are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in STPC. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The STPC CTA is governed by the laws of England and Wales.

Financiers at financial close: Nonghyup Bank (as Trustee for and on behalf of Kiamco Saudi SEPCO II Special Asset Private Investment Trust); Nonghyup Bank (as Trustee for and on behalf of KB Saudi SEPCO II Private Special Asset Fund); The Bank of Tokyo-Mitsubishi UFJ, Ltd, (DIFC Branch – Dubai); Standard Chartered Bank; Natixis (DIFC Branch); The Korea Development Bank.

Financiers as of the date of the prospectus: Riyad Bank, Natixis and noteholders of a senior secured issuance through a 4(a)(2) US private placement

Financing amount at financial close: Approximately SAR 1,000 million.

Final maturity date at financial close: 30 November 2040G.

12-7-1-11 Zarqa

For further information, please refer to section (4-6-3-1-11) ("**Zarqa IPP (Zarqa)**") of the prospectus.

PPA

Zarqa and NEPCO are parties to the PPA entered into on 9/3/1437H (corresponding to 21/12/2015G) relating to a gas-fired combined cycle electric power generating plant, valued at approximately SAR 249 million.

Under the PPA, NEPCO pays Zarqa a tariff consisting of (i) a capacity charge (which, in turn, consists of a fixed capacity charge and a fixed operation and maintenance charge), (ii) energy charges (which, in turn, consist of fuel charges, water charges and variable operation and maintenance charges), and (iii) any supplemental charges agreed on between the parties, in a combination of USD and Jordanian Dinar, noting that all payments made under the PPA are in Jordanian Dinar.

Subject to prior written consent of Zarqa and the lenders, the MEMR may request that Zarqa expand the project to increase its generation capacity. Zarqa will then be obligated to implement such requested expansions, at NEPCO's expense, with the capital and operational costs being recoverable by Zarqa through supplemental charges payable by NEPCO to Zarqa through tariff adjustments or by direct cost plus reimbursement at Zarqa's discretion. However, Zarqa will only implement such request once (i) the feasibility and costs of such implementation has been agreed upon, (ii) the financing for the implementation and construction has been obtained, and (iii) the appropriate adjustments to the tariff, including the capacity charges and energy charges, has been agreed upon.

Under the PPA, NEPCO pays Zarqa capacity charges for the availability of the capacity of the plant and to the extent that the plant is unavailable, in whole or in part, Zarqa will be required to pay liquidated damages to NEPCO. However, Zarqa will not be penalized and will be entitled to the full capacity charges, to the extent that its unavailability is due to a request by NEPCO, a scheduled outage, maintenance outage or forced outage of the plant, local or political force majeure (including a change in law) or any other unavailability caused by NEPCO, and during such period of unavailability, the plant will be deemed to be available at the full guaranteed capacity.

Payments for fixed capacity charge shall be subject to adjustment due to exchange rate changes, while payments for fixed operation and maintenance charge and variable operation and maintenance charge shall be subject to adjustment due to inflation and exchange rate changes.

The GoJ guarantees the obligations (including the payment obligations) of (i) NEPCO under the PPA and the connection agreement, and (ii) the Water Authority of Jordan under the water supply agreement. If any of these entities fail to perform their obligations under the respective agreements, the GoJ will pay for or perform that entity's obligations.

NEPCO has the responsibility to supply natural gas to Zarqa, in sufficient quantities to enable it to operate the facility at the contracted capacity in accordance with any dispatch orders from NEPCO. There is therefore no separate gas supply agreement relating to this project. During phase 1 and phase 2, NEPCO will bear the full cost of gas actually consumed for energy produced and delivered to it.

From commissioning of phase 1 of the project, and throughout the remainder of the term, NEPCO will purchase and keep an inventory of back-up fuel in the fuel storage tanks, the maintenance and upkeeping of which will be the responsibility of Zarqa. Upon expiry of the terms of the PPA, NEPCO will remove all back-up fuel from the storage tank and will not be required to remunerate Zarqa for such fuel.

Zarqa or NEPCO may terminate the PPA in specified circumstances, including the other party's default.

The project is structured on a BOO basis. The PPA is governed by the laws of Jordan and has a term of 25 years, from the commercial operation date of phase 1, which occurred on 17/10/1439H (corresponding to 1 July 2018G). All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in London, England (until termination of the lenders' direct agreements) and thereafter in Amman, Jordan, under the rules for arbitration of the International Chamber of Commerce (the ICC Rules). Two years before the expiry of the term, the parties will meet to discuss whether the term should be extended.

12-7-1-12 APO II

For further information, please refer to section (4-6-3-1-13) ("**Noor II CSP IPP (APO II)**") of this prospectus.

PPA

APO II (as the project company) and Masen (as the offtaker) entered into a power purchase agreement dated 20/5/1436H (corresponding to 10/3/2015G) in the presence of ONEE, as amended and restated on 11/7/1436H (corresponding to 10/5/2015G) and 9/1436H (corresponding to 7/2015G), valued at approximately SAR 135 million. The solar power plant comprises a solar field, a turbine and a thermal power-storage facility.

In line with widely used tariff structure for renewables, there are no fixed payments paid by Masen to APO II for making the solar power plant available. Rather, Masen is required to make payment of the (i) off-peak hour tariff and (ii) peak hour tariff to APO II in consideration for the net electricity delivered. Due to the fact that APO II is only paid for the net electricity delivered, APO II will be compensated for the electricity it would have delivered but for curtailment / disruption to its electricity production caused by (A) political force majeure (including changes in law), (B) shutdown of the plant (not related to the plant itself or APO II), (C) generation schedules or dispatch instructions from ONEE, (D) natural force majeure affecting the grid, the transmission facilities or certain strategic infrastructure and services, (E) failure by Masen to provide by the due date or maintain certain strategic infrastructure or services, or (F) total or partial unavailability of the grid (not caused by APO II).

APO II may not commit or supply any portion of the capacity or the associated electricity produced by the solar power plant to any person other than Masen, and Masen is obliged to take delivery and purchase from APO II all the net electricity produced and delivered by the plant.

APO II is entitled to receive revenue protection from Masen where APO II loses revenue as a result of certain specified (and mostly uninsurable) events.

While the tariff due under the PPA appears to be denominated in MAD, the relevant tariff components are broken up in to USD, Euro and MAD portions, each one of the O&M tariff being indexed against a prescribed USD, Euro and MAD inflation indices annually and for all the tariff (with respect to USD and Euro components) protected for currency movement of MAD against the USD and Euro, as the case may be.

The government of Morocco has provided a support letter pursuant to which it has an obligation to procure that Masen will honour its obligations to make termination payments for the transfer of the plant to Masen upon termination of the PPA (including termination for (i) APO II's default and (ii) Masen's default (which in itself includes Masen's failure to make payment under the PPA for a period of 60 days or more)). The support letter provided is one level short of a guarantee by the government covering Masen's obligations under the PPA. There is no government or other external credit support provided for Masen's payment obligations under the PPA.

Masen will have the right to terminate the PPA upon the occurrence of, including other things, (i) failure to achieve the initial commercial operation date within 180 days from the scheduled initial commercial operation date (however, this has already occurred and therefore this right is no longer available), (ii) failure to achieve final commercial operation date over a consecutive 365-day testing period spread across 36 months, (iii) after the final commercial operation date, during any rolling 12 month period, the performance of the plant is lower than 90% of the guaranteed performance level of the plant and the performance of the plant over the 12 month periods following and preceding such period is not sufficient to increase the average performance of the plant over a 36 month period to a value that is equal to or higher than 90% of such guaranteed performance level, (iv) abandonment of the project for over 3 consecutive business days, (v) material breach, and (vi) failure to obtain and maintain insurances in accordance with the provisions set out in the PPA if such failure is not remedied within one month of receiving notice of the same from Masen.

If the PPA is terminated (i) by Masen for an APO II default or for the prolonged continuation of certain force majeure events affecting APO II after the initial commercial operation date, the plant will be transferred to Masen in return for the termination amount, which does not include a reimbursement of the equity investment of the shareholders, or (ii) by APO II for a Masen default, the plant will be transferred to Masen in return for the termination amount, which does include a reimbursement of the equity investment of the shareholders.

Moreover, the following risks exist with respect to termination generally under the PPA:

a- If the PPA is terminated for APO II's default after the initial commercial operation date, but before the final commercial operation date, Masen may call on the performance bond (equalling 10% of the construction cost). Masen can also trigger the put option for the Put Equity.

b- If the PPA is terminated for APO II's default after the final commercial operation date, Masen may claim damages from APO II.

c- Masen's assumption of physical control over the plant following PPA termination is not conditional on the termination payment having already been made, exposing APO II to becoming Masen's unsecured creditor.

d- The plant, when transferred to Masen, must be in good operating condition, which may not always be possible where the plant had suffered damage.

Until the expiry of three years following final commercial operation date, the Company ("**Lead Member**") or a fully-owned subsidiary has to initially hold at least 35% of the capital and voting rights of APO II.

From the expiry of 6 months after the initial commercial operation date until the final commercial operation date, SENER Grupo de Ingnieria S.A. ("**Technical Member**") or its fully-owned subsidiary has to hold at least 5% of the capital and voting rights of APO II.

Until the final commercial operation date, the Lead Member and the Technical Member shall collectively hold at least 45% of the capital and voting rights of the APO II.

Subject to the restrictions above, transfer of shares in APO II by the Lead Member or Technical Member will only be permitted so long as the transferee fulfils the technical criteria that were applicable to the selection of the Lead Member and the Technical Member, respectively, and subject to Masen's consent.

The PPA is governed by the laws of Morocco and has a term of 25 years, calculated from the initial commercial operation date (which occurred on 24 April 2018G). APO II does not have the right to sell power to Masen or other offtakers after the expiry of the term of the PPA.

All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in Paris, France, under the rules for arbitration of the International Chamber of Commerce.

Financing Documents

APO II entered into a facilities agreement (the "**APO II Facilities Agreement**") with Masen as lender and a consortium of development finance institutions (the "**IFIs**") as co-financiers (as back-to-back lenders to Masen) on 19/5/1436H (corresponding to 10/03/2015G), as well as related finance documents (together, the "**APO II Finance Documents**"). There have been various subsequent amendment agreements to the APO II Finance Documents.

Three term loan facilities are made available under the APO II Finance Documents (a USD 148,657,270 facility; a EUR 293,611,537 facility and a MAD 2,821,361,451 facility) for the purpose of financing of up to 80% of the project development costs for the development and operation of the 200MW thermal solar power plant built in Ouarzazate, Morocco, and associated storage and interconnection facilities (with the remaining funds contributed by way of equity).

Under the APO II Finance Documents, Masen on-lends funds received by it under separate facilities borrowed by Masen from the IFIs.

The APO II Finance Documents include standard representations and covenants by APO II, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions) and requiring project revenues to be paid into specified project accounts secured in favour of APO II's financiers, together with events of default relating to APO II equity obligors and major project parties (which include the Company).

Nature of the financing: The financing is provided on a limited recourse basis to an entity in which ACWA Power Bahrain is a direct shareholder (and the Company is an indirect shareholder).

The obligations of APO II under the APO II Finance Documents are secured against, among other things, equipment, certain project accounts, shares in APO II, contractual rights of APO II, insurances and reinsurances. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

Change of control: If there is a change in control at the Company level and this has or is reasonably likely to have a "Material Adverse Effect", then this would trigger a default under the "cessation of business or legal status" default in relation to a major project party (which includes the Company). However, assuming that the "Material Adverse Effect" criteria (which are specific to APO II, the transaction documents and performance of the obligations of APO II and the major project parties to comply with their abilities under the transaction documents) would not apply, the change of control at the Company level would not trigger this default. Remedy rights also apply to this default.

Governing law: The APO II Facilities Agreement is governed by Moroccan law.

Financiers at financial close: Masen; African Development Bank; The European Union; European Investment Bank; International Bank for Reconstruction and Development; Kreditanstalt Für Wiederaufbau.

Financiers as of the date of the prospectus: Moroccan Agency for Solar Energy (co-financed by African Development Bank; The European Bank; European Investment Bank; International Bank for Reconstruction and Development)

Financing amount at financial close: Approximately SAR 2,809 million

Final maturity date at financial close: 25 years after first utilisation.[132]

12-7-1-13 APO III

For further information, please refer to section (4-6-3-1-14) ("**NOOR III CSP IPP (APO III)**") of this prospectus.

PPA

Each of APO III (as the project company), Masen (as the offtaker) and ONEE entered into a PPA (as amended and restated on 22/7/1436H (corresponding to 10/5/2015G) and July 2015G, valued at approximately SAR 233 million. The solar power plant comprises a solar field, a turbine and a thermal power-storage facility.

In line with widely used tariff structure for renewables, there are no fixed payments paid by Masen to APO III for making the solar power plant available. Rather, Masen is required to make payment of the (i) off-peak hour tariff and (ii) peak hour tariff to APO III in consideration for the net electricity delivered. Due to the fact that APO III is only paid for the net electricity delivered, APO III will be compensated for the electricity it would have delivered but for curtailment / disruption to its electricity production caused by (A) political force majeure (including changes in law), (B) shutdown of the plant (not related to the plant itself or APO III), (C) generation schedules or dispatch instructions from ONEE, (D) natural force majeure affecting the grid, the transmission facilities or certain strategic infrastructure and services, (E) failure by Masen to provide by the due date or maintain certain strategic infrastructure or services, or (F) total or partial unavailability of the grid (not caused by APO III).

Following the initial commercial operation date, the plant is now subject to consecutive 365 days of post-completion performance tests, spread over a period of 36 months (subject to extension in the event of the occurrence of certain events, such as force majeure), within which APO III will have to show (among other things) that the plant reached at least 90% of the guaranteed performance level for the plant. Successful completion of such post completion tests will result in achievement of the final commercial operation date.

If the in post-completion tests the performance of the plant is lower than the contractual performance but equal to or greater than ninety percent (90%) of the initial contractual performance, APOIII shall pay liquidated damages for each percentage point of the performance shortfall capped at 10 percentage point. Performance below 90% is an event of default and can lead to termination of the PPA.

APO III may not commit or supply any portion of the capacity or the associated electricity produced by the solar power plant to any person other than Masen, and Masen is obliged to take delivery and purchase from APO III all the net electricity produced and delivered by the plant.

APO III is entitled to receive revenue protection from Masen where APO III loses revenue as a result of certain specified (and mostly uninsurable) events.

While the tariff due under the PPA appears to be denominated in MAD, the relevant tariff components are broken up in to USD, Euro and MAD portions, each one of the O&M tariff being indexed against a prescribed USD, Euro and MAD inflation indices annually and all of the tariff (with respect to USD and Euro components) protected for currency movement of MAD against the US dollar and Euro, as the case may be.

The Government of Morocco has provided a support letter pursuant to which it has an obligation to procure that Masen will honour its obligations to make termination payments for the transfer of the plant to Masen upon termination of the

132 First utilization occurred on 23 September 2015 (in respect of EUR amounts) and 2 October 2015 (in respect of USD and MAD amounts).

PPA (including termination for (i) APO III's default and (ii) Masen's default (which in itself includes Masen's failure to make payment under the PPA for a period of 60 days or more)). The support letter provided is one level short of a guarantee by the government covering Masen's obligations under the PPA. There is no government or other external credit support provided for Masen's payment obligations under the PPA.

Masen will have the right to terminate the PPA upon the occurrence of, including other things, (i) failure to achieve the initial commercial operation date within 180 days from the scheduled initial commercial operation date (however, this has since been achieved and therefore the right extinguished), (ii) failure to achieve final commercial operation date over a consecutive 365-day testing period spread across 36 months, (iii) after the final commercial operation date, during any rolling 12 month period, the performance of the plant is lower than 90% of the guaranteed performance level of the plant and the performance of the plant over the 12 month periods following and preceding such period is not sufficient to increase the average performance of the plant over a 36 month period to a value that is equal to or higher than 90% of such guaranteed performance level, (iv) abandonment of the project for over 3 consecutive business days, (v) material breach, and (vi) failure to obtain and maintain insurances in accordance with the provisions set out in the PPA if such failure is not remedied within one month of receiving notice of the same from Masen.

If the PPA is terminated (i) by Masen for an APO III default or for the prolonged continuation of certain force majeure events affecting APO III after the initial commercial operation date, the plant will be transferred to Masen in return for the termination amount, which does not include a reimbursement of the equity investment of the shareholders, or (ii) by APO III for a Masen default, the plant will be transferred to Masen in return for the termination amount, which does include a reimbursement of the equity investment of the shareholders.

Moreover, the following risks exist with respect to termination generally under the PPA:

a- If the PPA is terminated for APO III's default after the initial commercial operation date, but before the final commercial operation date, Masen may call on the performance bond (equalling 10% of the construction cost). Masen can also trigger the put option for the Put Equity.

b- If the PPA is terminated for APO III's default after the final commercial operation date, Masen may claim damages from APO III.

c- Masen's assumption of physical control over the Plant following PPA termination is not conditional on the termination payment having already been made, exposing APO III to becoming Masen's unsecured creditor.

d- The plant, when transferred to APO III, must be in good operating condition, which may not always be possible where the plant had suffered damage.

Until the expiry of 5 years following final commercial operation date the Company ("**Lead Member**") or a fully-owned subsidiary has to initially hold at least 40% of the capital and voting rights of APO III.

Transfer of shares in APO III by the Lead Member following the expiry of 5 years following the final commercial operation date will only be permitted so long as the transferee fulfils the technical criteria that were applicable to the selection of the Lead Member.

The PPA is governed by the laws of Morocco and has a term of 25 years, calculated from the initial commercial operation date for the solar power plant which occurred on 9/2/1440H (corresponding to 20/10/2018G). APO III does not have the right to sell power to Masen or other offtakers after the expiry of the term of the PPA.

All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in Paris, France, under the rules for arbitration of the International Chamber of Commerce.

Financing Documents

APO III entered into a facilities agreement (the "**APO III Facilities Agreement**") with Masen as lender and a consortium of development finance institutions (the "**IFIs**") as co-financiers (as back-to-back lenders to Masen) on 20/5/1436H (corresponding to 10/03/2015G, as well as related finance documents (together, the "**APO III Finance Documents**"). There have been various subsequent amendment agreements to the APO III Finance Documents.

Three term loan facilities are made available under the APO III Finance Documents (a USD 61,931,266 facility; a EUR 267,076,982 facility and a MAD 2,224,019,121 facility) for the purpose of financing of up to 80% of the project development costs for the development and operation of a thermal solar power plant built in Ouarzazate, Morocco, and associated storage and interconnection facilities (with the remaining funds contributed by way of equity).

Under the APO III Finance Documents, Masen on-lends funds received by it under separate facilities borrowed by Masen from the IFIs.

The APO III Finance Documents include standard representations and covenants by APO III, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), and requiring project revenues to be paid into specified project accounts secured in favour of APO III's financiers, together with events of default relating to APO III equity obligors and major project parties (which include the Company).

Nature of financing: The financing is provided on a limited recourse basis to an entity in which ACWA Power Bahrain is a direct shareholder (and the Company is an indirect shareholder).

The obligations of APO III under the APO III Finance Documents are secured against, among other things, equipment, certain project accounts, shares in APO III, contractual rights of APO III, insurances and reinsurances. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

Change of control: If there is a change in control at the Company level and this has or is reasonably likely to have a "Material Adverse Effect", then this would trigger a default under the "cessation of business or legal status" default in relation to a major project party (which includes the Company). However, assuming that the "Material Adverse Effect" criteria (which are specific to APO III, the transaction documents and performance of the obligations of APO III and the major project parties to comply with their abilities under the transaction documents) would not apply, the change of control at the Company level would not trigger this default. Remedy rights also apply to this default.

Governing law: The APO III Facilities Agreement is governed by Moroccan law.

Financiers at financial close: Masen; African Development Bank; Agence Française de Développement; The European Union; European Investment Bank; International Bank for Reconstruction and Development; Kreditanstalt Für Wiederaufbau.

Financiers as of the date of the prospectus: Moroccan Agency for Solar Energy (co-financed by African Development Bank; The European Bank; European Investment Bank; International Bank for Reconstruction and Development)

Financing amount at financial close: Approximately SAR 1,373 million.

Final maturity date at financial close: 25 years after first utilisation[133].

12-7-1-14 Ibri

For further information, please refer to section (4-6-3-1-9) ("**Ibri IPP (AGC)**") of the prospectus.

PPA

Ibri and OPWP are parties to the PPA entered into on 22/5/1437H (corresponding to 2/3/2016G), in respect of a natural gas and fuel oil fired electricity generating plant and valued at approximately SAR 861 million.

Under the PPA, Ibri makes the total guaranteed contracted capacity for the plant available, and sells the associated electricity to OPWP. OPWP accepts and pays for such electricity at a tariff comprising the power capacity charge (comprising of an investment charge (to compensate for capital costs) and fixed operation and maintenance charges), the energy charge (comprising of an electrical energy variable operation and maintenance charge and an electrical energy start-up charge) and the fuel charges, in Omani Rial, adjusted for changes in the USD/OMR exchange rate.

Annual performance tests are performed on the plant to determine the demonstrated power capacity for each contract year for purposes of calculating the capacity charges payable to Ibri. Over and above the annual performance tests, OPWP may perform periodic tests during the operating period if it believes that the demonstrated power capacity prevailing at the time is lower than the demonstrated power capacity achieved in the previous annual/performance test.

Where Ibri is prevented or delayed in supplying the guaranteed contracted capacity to OPWP due to a buyer risk event (including changes in law), the plant will be deemed to be available at its full guaranteed contracted capacity and capacity charges will be payable by OPWP at 100% of the guaranteed contracted power capacity.

While the tariff due under the PPA appears to be denominated in Omani Rial, the tariff is partially indexed against a prescribed USD inflation index and therefore partially protected for currency movement against the USD. Ibri takes the residual exchange rate risk and any consequential shortfall in payment arising (i) between the mid-rate and the RO/US$ exchange rate, and (ii) between the date on which the bill is generated and the date of payment.

The Government of the Sultanate of Oman does not guarantee OPWP's obligations to make any payments under the PPA.

Ibri has the sole responsibility for obtaining all necessary supplies of natural gas and fuel oil required to operate the plant in accordance with the terms of the PPA. For these purposes, a separate natural gas sales agreement is in place with a term matching that of the PPA and including an automatic extension clause in the event that the PPA is extended. Ibri will operate the plant using natural gas at all times, unless there is an insufficient quantity or quality of natural gas available, in which case it may operate the plant using fuel oil, provided that during such time Ibri will have no entitlement or right to claim under the natural gas sales agreement.

133 First utilization occurred on 22 September 2015 (in respect of the USD and MAD amounts) and 28 September 2015 (in respect of the EUR amounts).

OPWP may terminate the PPA for in specified circumstances of Ibri's default. Ibri will not be entitled to terminate the PPA under any circumstances, however, it will be entitled to pursue OPWP for damages for OPWP's failure to comply with its obligations under the PPA.

The project is based on a BOO basis, with the possibility of a merchant tail (provided that a new PPA arrangement and land rights can be put in place, whether in a merchant market or with OPWP (or its equivalent)). That said, unless the initial term of the PPA is extended by mutual agreement between the parties (noting the PPA does not provide for such an extension except in the case of buyer failure, a government risk event or a force majeure event), Ibri will at most be able to generate revenue from the operations of the plant for a period of 15 years and 1 month from its completion. There is no prescribed transfer of the plant to OPWP or "put" option, which could create a stranded asset risk at the end of the 15-year term.

The PPA is governed by the laws of Oman and has a term of 15 years, from the scheduled commercial operation date of 26/7/1440H (corresponding to 1/4/2019G). This does expose Ibri to the risk of achieving the commercial operation date after the scheduled date therefor, in which case the term of the PPA will effectively be shorter by the period of such delay. All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in Muscat, Oman, under the rules for arbitration of the International Chamber of Commerce.

Natural Gas Sales Agreement

Ibri and MOGO entered into a natural gas sales agreement on 21/5/1437H (corresponding to 01/03/2016G) for the sale, purchase, delivery and acceptance of a specified quality of natural gas to be used at the plant, valued at approximately SAR 535 million. The term of the natural gas sales agreement matches the term of the PPA and is automatically extended by any period by which the PPA may be extended.

Ibri shall provide MOGO with its daily nominated quantity of gas required to operate the plant, up to a maximum amount of gas. MOGO will sell and deliver to Ibri the quantity of gas nominated at a contract price of USD3 per one million BTU, which contract price includes transportation costs, taxes and duties and may be adjusted from time to time. If Ibri requires more gas than originally nominated or more gas than the maximum daily amount, it will pay a premium on the excess gas. All risk and title to the gas will pass to Ibri upon delivery of the gas at the delivery point.

If gas is delivered by MOGO which do not conform with the gas specifications, Ibri may, at its sole discretion, (i) refuse to accept the gas until it has been rendered to specification, or (ii) agree to accept the non-conforming gas, in which case Ibri will only pay 97% of the contract price for such gas and MOGO accepts no liability in respect of such non-conforming gas. If Ibri unknowingly accepts non-conforming gas, Ibri will pay the full contract price for the gas and MOGO will reimburse it for the cost of (a) cleaning its equipment, (b) rectifying any damage caused and (c) bringing the gas within specification.

Ibri must maintain stock of back-up diesel fuel sufficient to operate the plant for at least 4 days at the maximum capacity, and shall replenish the stock within 24 hours of beginning to deplete same by consumption.

MOGO will pay Ibri damages for every hour the plant (or any part thereof) is operating back-up diesel oil fuel (instead of natural gas) as a result of MOGO causing a shortfall in the nominated amount of natural gas being delivered by MOGO. Damages will be payable even if the shortfall is as a result of the type of event which would otherwise constitute force majeure if it had affected Ibri. The damages are calculated to compensate Ibri for the cost differential of operating the plant on natural gas and operating the plant on diesel fuel. If Ibri is obligated to operate the plant using diesel fuel as a result of a shortfall delivered by MOGO for a continuous period of 3 months, MOGO will indemnify Ibri against all operating costs reasonably incurred as a result.

Neither party shall be liable to the other for consequential loss, save to the extent that the consequential loss is suffered or caused by intentional breach or reckless disregard of the natural gas supply agreement.

The force majeure protection only applies in favour of Ibri and only in the form of performance relief. MOGO may not rely on force majeure for protection under the natural gas supply agreement.

Either party may terminate the natural gas supply agreement for breach by the other party.

The natural gas supply agreement is governed by the laws of Oman. All disputes under the natural gas supply agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration in Muscat, Oman, under the Rules of Arbitration of the International Chamber of Commerce (the "**ICC Rules**").

12-7-1-15 SGC

For further information, please refer to section (4-6-3-1-10) ("**Sohar III IPP (SGC)**") of the prospectus.

PPA

SGC and OPWP (as offtaker) are parties to the PPA entered into on 22/5/1437H (corresponding to 2/3/2016G), in respect of a natural gas and fuel oil fired electricity generating plant, valued at SAR 953 million.

SGC makes the guaranteed contracted capacity available, and sells the associated electricity to OPWP. OPWP accepts purchase of, and pays for, such electricity at a tariff comprising of power capacity charge (comprising of an investment charge (to compensate for capital costs) and fixed operation and maintenance charges), the energy charge (comprising of an electrical energy variable operation and maintenance charge and an electrical energy start-up charge) and the fuel charges, in Omani Rial, adjusted for changes in the USD/OMR exchange rate, US PPI and the Omani consumer price index.

Annual performance tests are performed on the plant to determine the demonstrated power capacity for each contract year for purposes of calculating the capacity charges payable to SGC. Over and above the annual performance tests, OPWP may perform periodic tests during the operating period if it believes that the demonstrated power capacity prevailing at the time is lower than the demonstrated power capacity achieved in the previous annual/performance test.

Where SGC is prevented or delayed in supplying the guaranteed contracted capacity to OPWP due to a buyer risk event (including changes in law), the plant will be deemed to be available at its full guaranteed contracted capacity and capacity charges will be payable by OPWP at 100% of the guaranteed contracted power capacity.

While the tariff due under the PPA appears to be denominated in Omani Rial, the tariff is partially indexed against a prescribed USD inflation index and therefore partially protected for currency movement against the USD. SGC takes the residual exchange rate risk and any consequential shortfall in payment arising (i) between the mid-rate and the RO/US$ exchange rate, and (ii) between the date on which the bill is generated and the date of payment.

The Government of the Sultanate of Oman does not guarantee OPWP 's obligations to make any payments under the PPA.

SGC has the sole responsibility for obtaining all necessary supplies of natural gas and fuel oil required to operate the plant in accordance with the terms of the PPA. For these purposes, a separate natural gas sales agreement is in place with a term matching that of the PPA and including an automatic extension clause in the event that the PPA is extended. SGC will operate the plant using natural gas at all times, unless there is an insufficient quantity or quality of natural gas available, in which case it may operate the plant using fuel oil.

OPWP may terminate the PPA in specified circumstances of SGC's default. SGC will not be entitled to terminate the PPA under any circumstances, however, it will be entitled to pursue OPWP for damages for OPWP's failure to comply with its obligations under the PPA. The project is based on a BOO basis, with the possibility of a merchant tail (provided that a new PPA arrangement and land rights can be put in place, whether in a merchant market or with OPWP (or its equivalent)). That said, unless the initial term of the PPA is extended by mutual agreement between the parties (noting the PPA does not provide for such an extension except in the case of buyer failure, a government risk event or a force majeure event), SGC will at most be able to generate revenue from the operations of the plant for a period of 15 years and 1 month from its completion. There is no prescribed transfer of the plant to OPWP or "put" option, which could create a stranded asset risk at the end of the 15-year term.

The PPA is governed by the laws of Oman and has a term of 15 years, from the scheduled commercial operation date of 23/4/1440H (corresponding to 1/1/2019G). SGC achieved commercial operation on 28/8/1440 (corresponding to 4/5/2019G). All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in Muscat, Oman, under the rules for arbitration of the International Chamber of Commerce.

Natural Gas Sales Agreement

SGC and MOGO entered into a natural gas sales agreement on 21/5/1437H (corresponding to 01/03/2016G) for the sale, purchase, delivery and acceptance of a specified quality of natural gas to be used at the plant, valued at approximately SAR 545 million. The term of the natural gas sales agreement matches the term of the PPA and is automatically extended by any period by which the PPA may be extended.

SGC shall provide MOGO with its daily nominated quantity of gas required to operate the plant, up to a maximum amount of gas. MOGO will sell and deliver to SGC the quantity of gas nominated at a contract price of USD3 per one million BTU, which contract price includes transportation costs, taxes and duties and may be adjusted from time to time. If SGC requires more gas than originally nominated or more gas than the maximum daily amount, it will pay a premium on the excess gas. All risk and title to the gas will pass to SGC upon delivery of the gas at the delivery point.

If gas is delivered by MOGO which do not conform with the gas specifications, SGC may, at its sole discretion, (i) refuse to accept the gas until it has been rendered to specification, or (ii) agree to accept the non-conforming gas, in which case SGC will only pay 97% of the contract price for such gas and MOGO accepts no liability in respect of such non-conforming gas. If SGC unknowingly accepts non-conforming gas, SGC will pay the full contract price for the gas and MOGO will reimburse it for the cost of (a) cleaning its equipment, (b) rectifying any damage caused and (c) bringing the gas within specification.

SGC must maintain stock of back-up diesel fuel sufficient to operate the plant for at least 4 days at the maximum capacity, and shall replenish the stock within 24 hours of beginning to deplete same by consumption.

MOGO will pay SGC damages for every hour the plant (or any part thereof) is operating back-up diesel oil fuel (instead of natural gas) as a result of MOGO causing a shortfall in the nominated amount of natural gas being delivered by MOGO. Damages will be payable even if the shortfall is as a result of the type of event which would otherwise constitute force majeure if it had affected SGC. The damages are calculated to compensate SGC for the cost differential of operating the plant on natural gas and operating the plant on diesel fuel. If SGC is obligated to operate the plant using diesel fuel as a result of a shortfall delivered by MOGO for a continuous period of 3 months, MOGO shall indemnify SGC against all operating costs reasonably incurred as a result.

Neither party shall be liable to the other for consequential loss, save to the extent that the consequential loss is suffered or caused by intentional breach or reckless disregard of the natural gas supply agreement.

The force majeure protection only applies in favour of SGC and only in the form of performance relief. MOGO may not rely on force majeure for protection under the natural gas supply agreement.

Either party may terminate the natural gas supply agreement for breach, and other events of default, by the other party.

The natural gas supply agreement is governed by the laws of Oman. All disputes under the natural gas supply agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration in Muscat, Oman, under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules").

12-7-1-16 Haya Power

The contracts and agreements mentioned below are related to Al Dur 2 PV independent power project, located in the Kingdom of Bahrain.

Power and Water Purchase Agreement

Haya Power and the Electricity and Water Authority of the Government of the Kingdom of Bahrain ("**EWA**") are parties to a power and water purchase agreement (the "**PWPA**") entered into on 19/2/1440H (corresponding 30/10/2018G) (as amended from time to time) pursuant to which Haya Power has the right to generate electricity and desalinate water at the Al Dur 2 power generation and seawater desalination plant, valued at SAR 445 million. During the term of the PWPA, Haya Power is not permitted to sell or deliver electricity or potable water to any person other than EWA.

Under the PWPA, EWA is obliged to pay Haya Power, on a monthly basis over the duration of the term of the PWPA, power and water charges payable in Bahraini Dinars ("**BD**"), which consist of (a) capacity charges (b) variable charges and (c) the fuel charge.

The capacity charges comprise of: (i) an investment charge, which corresponds to the amount payable to compensate Haya Power for the capital costs of developing the project (including debt service, equity return and tax payments) and (ii) a fixed operation and maintenance charge. Haya Power's entitlement to Capacity Charges is linked to the availability of the electricity generating capacity and potable water production capacity of the plant.

The variable charges, structured to compensate Haya Power for its variable operation and maintenance costs based on the electricity and water dispatched and delivered to EWA, comprise of: (i) a variable operation and maintenance charge; (ii) a start-up charge, to compensate Haya Power for its usage of fuel during starts-up and other related costs; and (iii) a black start charge, with respect to power only, to compensate Haya Power for its usage of liquid fuel during black starts and successful black start tests and other related costs.

The fuel charge is the amount payable to compensate Haya Power for the usage of natural gas to produce and deliver electricity and potable water, and for the usage of grid imported electricity to produce and deliver potable water. Haya Power has entered into the NGSA (as defined and described below) pursuant to which the price of natural gas is determined.

Haya Power will incur deductions from the capacity charges as a result of (i) scheduled unavailability; (ii) forced outages (i.e. outages affecting the power facility or the desalination facility other than a planned outage or a short notice outage) and (iii) the de-rating of the power facility or the desalination facility.

In order to mitigate the effects of inflation or currency movements on Haya Power's revenue over the term of the PWPA, part of the payments are indexed to BD and US inflation indices annually and protected for BD currency movement against the US dollar.

Pursuant to a guarantee agreement dated 19/2/1440H (corresponding 30/10/2018G), The Ministry of Finance of the Government of the Kingdom of Bahrain (the "**Ministry of Finance**") has irrevocably and unconditionally guaranteed the prompt and due performance by EWA of all the financial obligations of EWA payable to Haya Power under the PWPA (other than any payments due following EWA's exercise of its option to purchase the plant in accordance to the terms of the PWPA, which shall instead be covered by a separate guarantee issued by the Ministry of Finance), and undertakes to pay any sums due and payable by EWA within 10 Business Days of written demand by Haya Power.

In connection with the project, Haya Power has agreed to enter into a shared facilities company agreement (the "**Shared Facilities Company Agreement**") with Al Dur Power and Water Company B.S.C.(c) ("**Al Dur 1**") in respect of the Al Dur phase I seawater intake/outfall facilities (the "**Seawater Intake/Outfall Facilities**") dated 10/09/1440H (corresponding to 15/05/2019G) prior to the effective date of the PWPA. The Seawater Intake/Outfall Facilities are part of the existing power generation and seawater desalination plant owned by Al Dur 1, situated adjacent to the Al Dur 2 plant site. The purpose of the Shared Facilities Company Agreement is to, among other things, detail the joint ownership and establishment of an entity (the "**Shared Facilities Company**") which will own, operate and maintain the Seawater Intake/Outfall Facilities, following the election of EWA under the PWPA for such Seawater Intake/Outfall Facilities to be transferred by Al Dur I to the Shared Facilities Company at any time after the commercial operation date under the PWPA has been achieved.

Prior to the transfer of the Seawater Intake/Outfall Facilities as mentioned above, Al Dur 1 is responsible for ensuring that the Seawater Intake/Outfall Facilities are operated and maintained in accordance with good practice and so as to enable, among other things, Haya Power to perform its obligations under the PWPA. Any delays by Al Dur 1 in completing the remedial work to the Seawater Intake/Outfall Facilities as required under the Shared Facilities Company Agreement which prevents Haya Power from achieving the early water commercial operation date or the commercial operation date shall constitute a force majeure event. However there appears to be no remedy or protection for Haya Power where the failure of Al Dur 1 in the operation and maintenance of the Seawater Intake/Outfall Facilities impacts Haya Power's ability to perform its obligations under the PWPA.

EWA may terminate the PWPA upon the occurrence of, amongst others, any of the following events: (i) material default by Haya Power; (ii) abandonment of the project; (iii) termination of the NGSA as a result of a default by Haya Power; (iv) the termination of the generation and water production licence (except where such termination constitutes a change of law); (v) the failure of Haya Power to achieve the commercial operation date on or before the last commercial operation date; (vi) the available net water capacity of the desalination facility is below seventy percent (70%) of the guaranteed net contracted water capacity for a period of 365 consecutive days; or (vii) the available net power capacity of the power facility is below seventy percent (70%) of the guaranteed net contracted water capacity for a period of 365 consecutive days.

If the PWPA is terminated by EWA, EWA shall have to option to purchase the plant. In addition, if the PWPA is terminated by EWA prior to the commercial operation date, EWA shall be entitled to call on the performance bond and retain the full amount thereof as liquidated damages for the failure of Haya Power to provide the guaranteed net contracted water capacity and/or the guaranteed net contracted power capacity and to comply with its other obligations under the PWPA. Where the PWPA is terminated by EWA after the commercial operations date, then EWA can pursue Haya Power for damages.

Haya Power shall not be entitled to terminate the PWPA for any reason, including buyer failure (i.e. EWA default).

The project is structured on a BOO basis. The PWPA has a term of 20 years, calculated from the scheduled commercial operations date (which is expected to be in Q2 2022G), and may be extended by the mutual agreement of Haya Power and EWA.

The PWPA is governed by the laws of Bahrain. The Parties to the PWPA shall first attempt to resolve any disputes between themselves and if they are unable to do so, the matter shall be determined pursuant to arbitration with its seat in England and Wales pursuant to the rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC Rules").

EPC Contract

The EPC contract is split between an offshore and an onshore scope.

The offshore portion is documented in an (A) offshore engineering contract dated 10/01/2019G between (i) Haya Power (as the owner) and each of (ii) Qingdao Hongrui Electric Power Engineering Consulting Co., Ltd, (iii) Power Construction Corporation of China ("**Power China**") and (iv) Société Internationale de Dessalement ("**SIDEM**") (the offshore engineering contractor) whereby Haya Power engages the offshore engineering contractor to carry out and complete all design, engineering and other works and services necessary to construct and complete the engineering services and (B) offshore supply contract dated 10/01/2019G between (i) Haya Power (as the owner) and each of (ii) Tiejun International (Hong Kong) Limited, (iii) Power China and (iv) SIDEM (the offshore supply contractor) whereby Haya Power engages the offshore supply contractor to carry out and complete the design, engineering (other than the engineering services), procurement, manufacture and factory testing of all imported items necessary to construct and complete the works.

The onshore portion is documented in an onshore services contract dated 10/01/2019G between (i) Haya Power (as the owner) and each of (ii) SEPCOIII Bahrain Construction Company W.L.L, (iii) Power China and (iv) SIDEM (the onshore services contractor) whereby Haya Power engages the onshore services contractor to carry out and complete all procurement, construction, start-up, commissioning, testing and other work necessary to construct and complete the works and the remedying of defects therein on a turnkey basis other than in respect of the supply of imported items.

All of the aforementioned parties as well as SEPCOIII Electric Power Construction Co.,Ltd ("**SEPCO III**") entered into a deed of coordination dated 10/01/2019G which bridges the offshore and onshore scope of works and contains a horizontal waiver of defences (so that the onshore services contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore engineering contractor or offshore supply contractor acts or omissions, and vice versa). This means that all contractor parties are responsible for carrying out and completing design, engineering, procurement, construction, installation, commissioning, testing and bringing the works into commercial operation on a lump sum turnkey basis. The approximately value of the project is SAR 4,125 million, and the value of the EPC contract ranges between 70% to 90% of the total project costs.

SEPCOIII, Power China and SIDEM are jointly and severally liable for all obligations and liabilities of the offshore engineering contractor, offshore supply contractor and onshore services contractor.

The coordination agreement means that for all intents and purposes, there is one single EPC contract, with one lump sum turnkey contractor.

Under the EPC contract, the contractor is required to demonstrate that the plant satisfies certain performance guarantees. If the performance guarantees as prescribed in the EPC contract are not met, the contractor shall pay performance liquidated damages to Haya Power. The contractor is also liable for delay liquidated damages for a failure to achieve certain key milestone dates.

The contractor's liability for performance liquidated damages is capped at 20% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's liability for delay liquidated damages is capped at 25% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's total liability for delay and performance liquidated damages is capped at 30% of the aggregate contract price (across both onshore and offshore contracts).

The contractor is also liable to correct latent defects that appear any time within (i) 5 years after the project taking over date of the plant and (ii) 10 years after the gas handover date of the gas connection facilities.

The contractor's overall liability is capped at 100% of the total contract price payable under the contracts. However, the cap does not apply to the contractor's liability (i) for fraud, wilful or gross misconduct or illegal acts, (ii) for indemnities relating to death or personal injury to persons or damage to third party property, (iii) for the indemnities in respect of breach of laws, IP infringement, discharging encumbrances that hinder Haya Power's clean title to equipment and materials or insurance vitiation, (iv) that is covered by insurance proceeds, (v) under the rejection regime under the contract whereby Haya Power can reject the works if, for example, the onshore services contractor fails to achieve Project Taking Over by the time the cap of liquidated damages is reached, or the onshore services contractor's act or omission or default causes the termination of the PWPA and (vi) to indemnify Haya Power in respect of costs resulting from the split contract structure (as opposed to a single turnkey EPC structure) for: administering or enforcing the contracts, any contractual risk gaps, non-compliance with the law by Haya Power and Haya Power being liable to pay additional taxes or penalties if the split structure is viewed as invalid for circumventing tax regulations (**"Liability Cap Carve Outs"**).

Haya Power's liability is also capped at 100% of the total contract price payable under both the onshore and offshore contracts. However, the cap does not apply to items (i), (ii), (iii) and (iv) of the Liability Cap Carve Outs.

The contract contains a mutual waiver of economic and consequential losses provided that this waiver shall not apply to (i) liability to effect payments that are enumerated in the EPC contract, (ii) liquidated damages, (iii) liability of the contractor to pay damages in lieu of liquidated damages (where liquidated damages are found to be unenforceable) and (iv) costs incurred for which the contractor is expressly required to reimburse Haya Power for under the contract.

If Haya Power issues a notice of termination or exercises its rejection rights under any contract, it is required to issue a corresponding notice of termination or exercise its rejection rights under the other contracts (as applicable).

Haya Power is entitled to terminate the EPC contract for convenience.

The EPC contract is governed by the laws of England and Wales. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the Rules of Arbitration of the International Chamber of Commerce with the seat and place of the arbitration being London, England.

Al Dur 2 First Deed of Amendment in respect of Offshore Engineering Contract

Haya Power and each of Qingdao Hongrui Electric Power Engineering Consulting Co., Ltd, Power Construction Corporation of China and Société Internationale de Dessalement (together the "**Offshore Engineering Contractor**") are parties to an offshore engineering contract dated 10/1/2019G, pursuant to which the Offshore Engineering Contractor is appointed to carry and complete all design, engineering and other works and services necessary to construct and complete the engineering services in respect of a water and power production facility in Bahrain with a capacity of 1500MW of power and 50MIGD of desalinated water (the "**Offshore Engineering Contract**).

The parties have, pursuant to a first deed of amendment dated 18/6/2019G, made certain amendments to the Offshore Engineering Contract (the "**First Offshore Engineering Amendment**").

In broad terms, under the First Offshore Engineering Amendment, the amendments that have been made include updating various definitions, late payment interest rates and including reference to International Finance Corporation Guidelines (in addition to World Bank Guidelines). The indemnity provisions have also been updated and the obligation of the Offshore Engineering Contractor to provide assistance outside the Kingdom of Bahrain for certain tests has been clarified. Haya Power's termination grounds for default by the Offshore Engineering Contractor have also been updated.

The First Offshore Engineering Amendment implements various drafting amendments that are consequential to amendments made to certain definitions.

Various contractual appendices of the Offshore Engineering Contract have also been amended, including those dealing with Plant Drawing and Documents, Performance Guarantees, Testing and Commissioning and Insurance.

The First Offshore Engineering Amendment is governed by laws of England and Wales. All disputes under the First Offshore Engineering Amendment are subject to same dispute resolution mechanism contained in the Offshore Engineering Contract.

Al Dur 2 First Deed of Amendment in respect of Offshore Supply Contract

Haya Power and each of Tiejun International (Hong Kong) Limited, Power Construction Corporation of China and Société Internationale de Dessalement (together the "Offshore Supply Contractor") are parties to an offshore supply contract dated 10/1/2019G, pursuant to which the Offshore Supply Contractor is appointed to carry out and complete the design, engineering (other than the engineering services), procurement, manufacture and factory testing of all imported items necessary to construct and complete the works in respect of a water and power production facility in Bahrain with a capacity of 1500MW of power and 50MIGD of desalinated water (the "Offshore Supply Contract").

The parties have, pursuant to a first deed of amendment dated 18/6/2019G, made certain amendments to the Offshore Supply Contract (the **"First Offshore Supply Amendment"**).

In broad terms, under the First Offshore Supply Amendment, the amendments that have been made include updating various definitions, late payment interest rates and including reference to International Finance Corporation Guidelines (in addition to World Bank Guidelines). Haya Power's termination grounds for default by the Offshore Supply Contractor have also been updated.

A new provision regarding Saudi Content has also been included which requires the Offshore Supply Contractor and its subcontractors to procure Saudi goods and services up to a specified minimum monetary threshold for both the Power Facility and the Desalination Facility.

The indemnity provisions have also been updated.

The First Offshore Supply Amendment implements various drafting amendments that are consequential to amendments made to certain definitions.

Various contractual appendices of the Offshore Supply Contract have also been amended, including those dealing with Plant Drawing and Documents, Performance Guarantees, Testing and Commissioning and Insurance.

The First Offshore Supply Amendment is governed by laws of England and Wales. All disputes under the First Offshore Engineering Amendment are subject to same dispute resolution mechanism contained in the Offshore Supply Contract.

Al Dur 2 First Amendment Agreement in respect of Onshore Services Contract

Haya Power and each of SEPCOIII Bahrain Construction Company S.P.C (formerly SEPCO III Bahrain Construction Company W.L.L), Power Construction Corporation of China and Société Internationale de Dessalement (together the "Onshore Services Contractor") are parties to an onshore services contract dated 10/1/2019G, pursuant to which the Onshore Services Contractor is appointed to carry out and complete all procurement, construction, start-up, commissioning, testing and other work necessary to construct and complete the works and the remedying of defects therein on a turnkey basis other than in respect of the supply of imported items in respect of a water and power production facility in Bahrain with a capacity of 1500MW of power and 50MIGD of desalinated water (the "**Onshore Services Contract**").

The parties have, pursuant to a first deed of amendment dated 18/6/2019G, made certain amendments to the Onshore Service Contract (the "**First Onshore Services Amendment**").

In broad terms, under the First Onshore Services Amendment, the amendments that have been made include updating various definitions, late payment interest rates and including reference to International Finance Corporation Guidelines (in addition to World Bank Guidelines). Haya Power's termination grounds for default by the Onshore Services Contractor have also been updated.

A new provision regarding Saudi Content has also been included which requires the Onshore Services Contractor and its subcontractors to procure Saudi goods and services up to a specified minimum monetary threshold for both the Power Facility and the Desalination Facility.

The First Onshore Services Amendment implements various drafting amendments that are consequential to amendments made to certain definitions.

Various contractual appendices of the Onshore Services Contract have also been amended, including those dealing with Plant Drawing and Documents, Performance Guarantees, Testing and Commissioning and Insurance.

The First Onshore Services Amendment is governed by laws of Bahrain. All disputes under the First Onshore Services Amendment are subject to same dispute resolution mechanism contained in the Onshore Services Contract.

Al Dur 2 First Deed of Amendment in respect of the Deed of Coordination

Haya Power and each of SEPCO III Electric Power Construction Co., Ltd ("**SEPCOIII**"), SEPCOIII Bahrain Construction Company S.P.C (formerly SEPCO III Bahrain Construction Company W.L.L),Power Construction Corporation of China, Société Internationale de Dessalement, Tiejun International (Hong Kong) Limited and Qingdao Hongrui Electric Power Engineering Consulting Co., Ltd are parties to a deed of coordination dated 10/1/2019G in respect of a water and power production facility in Bahrain with a capacity of 1500MW of power and 50MIGD of desalinated water, this agreement generally bridges the offshore and onshore scope of works (the **"Deed of Coordination"**).

The parties have, pursuant to a first deed of amendment dated 18/6/2019G, made certain amendments to the Deed of Coordination (the **"First Coordination Deed Amendment"**).

In broad terms, under the First Coordination Deed Amendment, the amendments that have been made include provisions that prevent SEPCOIII from assigning particular subcontracts with Siemens unless Haya Power has provided its consent. These subcontracts relate to the supply of 2 powertrain packages and technical field assistance works and services. If SEPCOIII breaches this provision resulting in prepayment or termination under any financing agreement, SEPCOIII is required to indemnify Haya Power for all direct and indirect costs incurred to procure replacement financing as well as all additional or increased finance charges. Haya Power is also entitled to withhold payment of interim certificates until Haya Power has procured such replacement financing and SEPCOIII has satisfied its liability in terms of the aforementioned indemnity.

A new provision regarding Saudi Content has also been included so as to align with the Saudisation amendments under the Offshore Supply Contract and Onshore Services Contract.

The Performance Guarantees appendix of the Deed of Coordination has also been amended.

The First Coordination Deed Amendment is governed by laws of England and Wales. All disputes under the First Coordination Deed Amendment are subject to same dispute resolution mechanism contained in the Deed of Coordination.

Natural Gas Sales Agreement

Haya Power and Tatweer Petroleum Company WLL ("**Tatweer**") are parties to a natural gas sales agreement dated 19/2/1440H (corresponding 30/10/2018G), as amended by a first amendment agreement dated 7/9/1440H (corresponding 12/05/2019G) for the sale, delivery and purchase of gas to be used at the Al Dur II power generation and seawater desalination plant (the "**NGSA**") and valued at approximately SAR 1,067 million.

Under the NGSA, Tatweer supplies gas based on nominations received from Haya Power, up to a maximum daily amount of natural gas. Not less than 60 days before the scheduled early power commercial operation date one, the scheduled commercial operation date, the commencement of the first contract year of the PWPA and each subsequent PWPA contract year, Haya Power shall submit to Tatweer a good faith estimate of the quantity of natural gas that it expects to consume on each day of such contract year, which shall not exceed the maximum daily amount, as well as the sum of all estimated daily quantities for that contract year, which shall constitute the maximum annual quantity for such PWPA contract year. If on any day Haya Power requests a quantity of natural gas that is more than the maximum daily quantity, Tatweer shall in its sole discretion either agree or refuse such request.

The initial price payable by Haya Power for natural gas delivered to and accepted by Haya Power at the gas delivery point was equal to the Bahraini Dinar equivalent of USD3.00 per one million BTU, and is to be increased yearly by USD0.25 until it reaches USD4.00 per one million BTU in April 2021. Thereafter the contract price shall be the applicable natural gas price as set by the competent authority from time to time.

Haya Power shall have no obligation to pay Tatweer for any natural gas delivered by Tatweer to and taken by Haya Power in any month unless and until Tatweer has received the amount of payment from EWA (as defined above), provided Haya Power has properly invoiced EWA for the payment in accordance with the PWPA.

All risk and title to the natural gas will pass to Haya Power upon delivery of the gas at the delivery point provided however that title and interest in any condensate or liquid removed from the natural gas by Haya Power (but not risk of loss of or damage to, or any liability associated with, such condensate or liquid until removal from the plant by Haya Power) shall remain with Tatweer.

If natural gas is delivered by Tatweer which does not conform with the gas specifications, Haya Power shall take the delivery of all or part of such natural gas to the extent that it is able to do so without giving rise to a safety risk or a material risk of damage to the plant or a breach of law, and if Haya Power so determines, it may refuse to accept delivery of all or any part of such non-conforming natural gas. If Haya Power accepts delivery of the non-conforming natural gas, Haya Power will pay the full contract price for such non-conforming natural gas.

Tatweer's sole liability for failure to conform with the gas specifications shall be the obligation to reimburse Haya Power for losses and costs and expenses reasonably incurred by Haya Power with respect to (a) cleaning its equipment, (b) rectifying any damage caused and (c) bringing the gas within specification. Other than the aforementioned, Haya Power's only remedy in respect of any losses, damages, liabilities, costs, expenses or claims and proceedings suffered or incurred as a result of any gas supply failure shall be that which is provided under the PWPA. Neither party shall be liable to the other for consequential loss, save to the extent that the consequential loss is suffered or caused by intentional and conscious breach or reckless disregard of the NGSA.

Haya Power shall at its own cost construct new gas connection facilities and the gas pipelines. Following the successful completion of the gas commissioning tests, Haya Power shall transfer all its rights, title and interests in the gas connection facilities free from all encumbrances to Tatweer for a nominal amount, following which the gas connection facilities shall be owned, operated and maintained by Tatweer.

Haya Power and Tatweer may terminate the natural gas sales agreement in specified circumstances of the other party's default. The term of the NGSA corresponds to that of the PWPA and will terminate on the termination of the PWPA. The term of the PWPA is 20 years, starting from the scheduled commercial operation date (expected to take place in Q2 of 2022G). However there is no automatic extension of the term as a result of a renewal or extension of the PWPA, where such renewal or extension has been by mutual agreement of the parties to the PWPA rather than by operation of the terms of the PWPA.

The natural gas sales agreement is governed by the laws of Bahrain. All disputes under the natural gas sales agreement are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration in London, England under the Rules of Conciliation and Arbitration of the International Chamber of Commerce ("ICC Rules").

Finance Documents

Haya Power entered into a common terms agreement with certain financial institutions on 11/8/1440H (corresponding to 16/4/2019G), as amended and/or restated from time to time and most recently amended and restated on 26/4/1442H (corresponding to 11/12/2020G) (the "**Al Dur 2 CTA**"), as well as related senior financing documents (together, the "**Al Dur 2 Finance Documents**"). The Al Dur 2 CTA provides the framework governing a number of separately documented financing facilities, including a Eurler Hermes supported facility, a senior commercial conventional facility, a senior murabaha commercial facility, a mezzanine murabaha facility, a working capital facility and senior and mezzanine facilities for funding a debt reserve account for scheduled debt service due during the six-month period ending on the first repayment date (31 August 2022) and for each six month period ending on each repayment date falling thereafter up to the final maturity date. Haya Power also entered into a suite of conventional and Islamic hedges in respect of the senior commercial facilities and mezzanine facility, together with a murabaha equity bridge facility.

The financing originally included a facility from the Saudi Fund for Development which was refinanced in the fourth quarter of 2020 with increased commercial commitments and new credit providers.

The facilities were obtained for the purposes of financing a power plant and seawater desalination plant in Bahrain.

The Al Dur 2 Finance Documents include standard representations and covenants by Haya Power including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of Haya Power's financiers, together with events of default relating to Haya Power equity obligors and major project parties.

The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of Haya Power under the Al Dur 2 CTA are secured against, amongst other things, the Company's interest in the project site and its tangible and intangible assets, certain project accounts, insurance and reinsurance proceeds and shares in Haya Power. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The Company has entered into the equity subscription and retention agreement in relation to the project, in order to (amongst other things) commit to contribute equity (including shortfalls in early generation revenues and shortfalls in termination sums payable under the PWPA), undertake to hold onto a portion of its shares in the project for specified periods and give certain standard representations and undertakings. The Company also agrees to indemnify the finance parties against any reasonable costs, claims, losses and liabilities incurred in connection with the finance parties exercising their rights under the acceleration clause in the Al Dur 2 CTA to the extent such amounts are incurred in connection with the finance parties exercising their rights against the Company under the Al Dur 2 Finance Documents.

Change of control: There are no change of control issues. The IPO will not adversely affect its tangible net worth for the purposes of the total net liabilities to tangible net worth ratio

Governing law: The Al Dur 2 CTA is governed by English law.

Financiers at financial close: KfW IPEX-Bank GmbH; Standard Chartered Bank; APICORP; Banque Saudi Fransi; Riyad Bank; Arab Banking Corporation (B.S.C.); Ahli United Bank B.S.C.; Sumitomo Mitsui Trust Bank, Limited.

Senior Term Lenders as of the date of the prospectus: KfW IPEX-Bank GmbH, Standard Chartered Bank, APICORP; Banque Saudi Fransi, Riyad Bank, Al Rajhi Banking and Investment Corporation, Arab National Bank, National Bank of Bahrain

Financing amount at financial close: Approximately SAR 2,945 million.

Final maturity date at financial close: 30 November 2041G.

12-7-1-17 Taweelah

The contracts and agreements mentioned below are related to Taweelah independent water project located in the United Arab Emirates.

EPC Contract

Initially, an engineering, procurement and construction contract ("**EPC Contract**") was entered into on 30/05/2019G between (i) ACWA Power Taweelah ("**Owner**") and a consortium comprising (ii) Abengoa Agua S.A., (iii) SEPCOIII Electric Power Construction Co., Ltd and Power Construction Corporation of China (as **EPC Contractor**).

Subsequently, a deed of novation was entered into on 7/10/2019G between the Owner, the EPC Contractor and Taweelah to fulfil a condition precedent to the closing date under the WPA that, upon due licensing of Taweelah, the Owner, EPC Contractor and Taweelah would enter into such deed of novation to novate the EPC Contract from the Owner to Taweelah.

Due to commercial reasons, Taweelah and the EPC Contractor agreed split the EPC Contract into three contracts as follows:

1. an offshore engineering, design and procurement contract dated 8/3/2021G between (i) Taweelah and a consortium comprising (ii) Abengoa Agua S.A., (iii) Tie Jun International (HK) Limited and (iv) Power Construction Corporation of China ("**Offshore Contractor**");
2. an onshore construction contract dated 8/3/2021G between (i) Taweelah and a consortium comprising (ii) Abengoa Agua S.A. – Abu Dhabi, (iii) SEPCOIII Electric Power Construction Co. Ltd – Abu Dhabi and (iv) Power Construction Corporation of China ("**Onshore Contractor**"). The onshore construction contract includes an obligation on the Onshore Contractor to perform early O&M services against payment of an O&M Fee.; and
3. a coordination agreement dated 8/03/2021G, between (i) Taweelah, (ii) the Offshore Contractor and (iii) the Onshore Contractor which bridges the offshore and onshore scope of works and contains a horizontal waiver of defences (so that the onshore contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore contractor acts or omissions, and vice versa). This means that all contractor parties are responsible for carrying out and completing design, development, procurement, construction, completion, testing, commissioning, start-up and delivery on a lump sum turnkey basis with joint and several liability. The contract price under the aforementioned contracts is referred to as the "**Combined Contract Price**".

The coordination agreement means that for all intents and purposes, there is one single EPC contract, with one lump sum turnkey contractor. The approximate value of the project is SAR 3,278 million, and the value of the EPC contract ranges between 70% to 90% of the total project costs.

The defects correction period for the (i) Group or the Taweelah RO Plant (excluding the RO Shared Facilities) shall commence on the relevant Commercial Operation Date and continue until 24 months after the Commercial Operation Date for such Group, (ii)RO Shared Facilities shall commence on the date of issuance of the SF Provisional Acceptance Certificate and continue until 24 months after the SF Provisional Acceptance Date, and (iii) Auxiliary PV Plant shall commence on the PV Commercial Operation Date and continue until 24 months after the PV Commercial Operation Date. Upon rectification of a defect in the: (A) Taweelah RO Facility (excluding the RO Shared Facilities), the relevant defects correction period will be extended by 24 months from the date of rectification, subject to a long-stop extension period of 48 months after the Project Commercial Operation Date, and (B) RO Shared Facilities, the relevant defects correction period will be extended by 12 months from the date of rectification, subject to a long-stop extension period of 36 months after the SF Provisional Acceptance Date, and (C) Auxiliary PV Plant, the relevant defects correction period will be extended by no more than 48 months after the PV Commercial Operation Date. The contractor's obligation to remedy defects is secured by a defects correction bond in the amount of approximately 5% of the Combined Contract Price as a condition precedent to the Project Commercial Operation Date.

Under the EPC contract, the contractor is required to demonstrate that the plant satisfies certain performance guarantees. If the performance guarantees as prescribed in the EPC contract are not met, the contractor shall pay performance liquidated damages to Taweelah. The contractor is also liable for delay liquidated damages for a failure to achieve certain key milestone dates.

The contractor's liability for liquidated damages is capped at (i) 20% of the Combined Contract Price for performance liquidated damages, (ii) 1.12% of the Combined Contract Price for PV performance liquidated damages, (iii) 15% of the Combined Contract Price for delay liquidated damages, and (iv) USD 3,600,000 (approximately SAR 13,500,000) for delay liquidated damages for a failure to achieve any key milestone dates for the Auxiliary PV Plant. The contractor's cumulative liability for performance and delay liquidated damages shall not exceed 25% of the Combined Contract Price.

The contractor's overall liability is capped at 100% of the Combined Contract Price. However, the cap does not apply to the contractor's liability (i) arising from fraud, gross negligence or wilful misconduct, (ii) for abandonment, (iii) that cannot be contracted out of under law, (iv) for indemnities relating to breach of law, occupation of the site, liens, IP rights, third party loss and insurance vitiation, (v) for payment of performance and delay liquidated damages, (vi) for reinstatement as a result of loss/damage, (vii) regarding confidentiality, (viii) connected with an insured risk, and (ix) under the rejection regime. (**"Liability Cap Carve Outs"**).

Taweelah's liability is also capped at 100% of Combined Contract Price. However, the cap does not apply to the Liability Cap Carve Outs.

The EPC contract contains a mutual waiver of economic and consequential losses provided that this waiver shall not apply to (A) items (i), (iii) and (ix) of the Liability Cap Carve Outs as well as (B) (i) liability arising as a result of reduction in the contract price for failure to achieve the minimum acceptance capacity, (ii) liability to indemnity third party loss and (iii) indemnities relating to IP rights, injury or death and insurance vitiation, (iv) confidentiality, (v) liability connected with an insured risk and (vi) liability for performance and delay liquidated damages and unliquidated damages.

The EPC contract contains a separate cap on the contractor's liability of 130% of the Combined Contract Price where Taweelah exercises its rejection rights pursuant to the terms of the EPC contract or where the contractor abandons the contract.

Taweelah is entitled to terminate the EPC contract for convenience.

The EPC contract is governed by the laws of England and Wales. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the Rules of Arbitration of the International Chamber of Commerce with the seat and place of the arbitration being Abu Dhabi, United Arab Emirates.

12-7-1-18 Sudair

The contracts and agreements mentioned below are related to Sudair PV project located in the Kingdom of Saudi Arabia.

Power Purchase Agreement

Sudair (as the project company) and SPPC (as the offtaker) entered into a power purchase agreement dated 14/5/1442H (corresponding to 29/12/2020G), pursuant to which SPPC is the sole purchaser of all electricity and capacity from the solar photovoltaic independent power plant near the Sudair region in KSA ("**PPA**"), valued at approximately SAR 205 million.

There are no fixed payments paid by SPPC to Sudair for making the solar power plant available. Rather SPPC is obliged to pay Sudair in SAR (i) energy payments (which are broadly structured to compensate Sudair for its capital costs for developing the project and fixed operation and maintenance costs), and (ii) deemed energy payments to compensate Sudair for electricity deemed to have been delivered, but for the curtailment / disruption / delay to its electricity production.

Under the PPA, Sudair shall be entitled to payments for deemed electricity in a number of circumstances:

1. If SPPC issues dispatch instructions requesting Sudair to limit or reduce the electricity generated, SPPC shall make deemed energy payments for the shortfall in electricity delivered as a result of such dispatch instruction.
2. If due to:
   a- a disruption in the ability of the electricity transmission facilities to receive and take delivery of electricity, but only to the extent such disruption materially adversely affects the ability of Sudair to deliver electricity and such disruption is not caused by Sudair;
   b- a delay or failure by either SPPC in performing its obligations under the PPA or the sub-lease agreement or SEC in performing its obligations under the electricity interconnection agreement; or
   c- an offtaker risk event (including changes in law and other political force majeure),

   As for cases (a), (b) and (c) above, if they result in Sudair's unableness to conclude the acceptance tests for a group or the plant on the date selected for such tests, then provided that SPPC has completed the cold commissioning of such group or plant (as applicable) and has made all reasonable efforts to prevent and/or mitigate the effect of such delay or failure by SPPC, SEC or such offtaker risk event, SPPC shall make deemed energy payments on and from the date on which Sudair would have been able to achieve the group commercial operation date or the project commercial operation date (as applicable) but for such events and such dates shall be deemed to have been achieved.

   However, if thereafter when the relevant acceptance tests are conducted the group or the plant (as applicable) does not attain the minimum criteria required for the achievement of the group commercial operation date or the project commercial operation date (as applicable), the group or the plant (as applicable) shall cease to be deemed to be providing deemed electricity and if the scheduled group commercial operation date or the scheduled project commercial operation date (as applicable) has passed, then Sudair shall be in breach of its obligations to achieve the group commercial operation date or the project commercial operation date (as applicable). Moreover, SPPC shall have no further obligation to make deemed energy payments, and Sudair shall be obliged to repay the deemed energy payments already paid by SPPC, together with interest accrued thereon at the rate agreed under the PPA, which SPPC has the right to deduct from future payments to be made by SPPC to Sudair.
3. If, from and after the group 1 commercial operation date, (i) a natural force majeure affects the ability of Sudair to deliver electricity to SPPC or SPPC to perform its obligations under the PPA, (ii) an offtaker risk event effects the ability of Sudair to deliver electricity to SPPC or (iii) an offtaker risk event effects the performance of SPPC's obligations under the PPA, then Sudair shall be entitled to receive deemed energy payments (though in the case of natural force majeure, Sudair shall only be entitled to receive the capital cost recovery component of such deemed energy payments). For the avoidance of doubt, in such circumstances SPPC shall continue to make energy payments in respect of any electricity dispatched.

In order to ensure Sudair's revenue is not adversely affected by inflation or currency movements over the term of the PPA, payments are indexed to KSA and US inflation indices annually and protected for KSA currency movement against the US dollar.

SEC (the owner in SPPC) has provided an undertaking dated 14/5/1442H (corresponding to 29/12/2020G) (the "**SEC Undertaking**") in respect of SPPC's payment obligations under the PPA which is valid until a restructuring change of control occurs where (i) SEC ceases, directly or indirectly, to hold 100% of the share capital of SPPC; or (ii) the government of KSA owns, directly or indirectly, less than 51% of the share capital of SPPC or ceases to otherwise control SPPC. Pursuant to the SEC Undertaking, SEC undertakes to pay (or procure that one of its affiliates pays) on the earlier of: (i) ten business days of demand by SPPC; and (ii) the date on which SPPC's corresponding liability under the PPA becomes due and payable, the amount required to discharge in full such liability under the PPA. The undertaking is issued in favour of SPPC, and not Sudair, and therefore Sudair would have to rely on SPPC to (i) enforce the undertaking and (ii) use the proceeds to discharge SPPC's payment obligations to Sudair. To address this, there is a hard obligation on SPPC in the PPA to both enforce the undertaking where required and use the proceeds to the pay SPPC. Following a restructuring change of control, SPPC is required to provide an alternative government support for its payment obligations, unless it has the minimum credit rating stipulated in the PPA. Failure to do so shall constitutes an event of default under the PPA (as noted below).

SPPC or Sudair may terminate the PPA in specified circumstances of the other party's default.

SPPC shall have the right to terminate the PPA for upon the occurrence of, among other things: (i) failure to achieve the project commercial operation date within 180 days from the scheduled project commercial operation date; (ii) a wilful and unexcused failure by Sudair to operate or make available the plant for more than two consecutive days without prior written consent of SPPC; (iii) Sudair payment default; (iv) abandonment of the project; (v) material breach (subject to a cure period); (vi) termination of the sub-lease agreement or the electricity interconnection agreement due to Sudair default; (vii) failure of Sudair to deliver the development security or LCM bond pursuant to the PPA; or (viii) after the project commercial operation date and for reasons other than force majeure, the net electricity produced by the plant in a contract year is less than 70% of the projected net electricity for that contract year.

As noted below, if the PPA is terminated by SPPC due to a Sudair default (including the aforementioned), SPPC has the right to but not the obligation to purchase the plant for a termination amount to be calculated in accordance with the PPA (defined in the agreement as "termination amount") (which does not include a return on the equity investment of the shareholders).

Sudair shall have the right to terminate the PPA for upon the occurrence of, among other things: (i) SPPC payment default; (ii) termination of the sub-lease agreement or the electricity interconnection agreement due to SPPC or SEC default (respectively); (iv) the occurrence of an unenforceability event (which includes any dispute by SPPC or SEC (or any other provider of the acceptable credit support) with respect to the legality, validity and enforceability of the acceptable credit support); or (v) the occurrence of an offtaker credit event (which includes SPPC failure to provide alternative government support for its payment obligations or achieve the minimum credit rating stipulated in the PPA following a restructuring change of control).

If the PPA is terminated by SPPC for a Sudair default, SPPC has the right, but not the obligation, to purchase the plant. If the PPA is terminated by Sudair for an SPPC default, Sudair has the right, but not the obligation, to request SPPC purchases the plant. SPPC also has an obligation to purchase the plant in certain other instances where the PPA is terminated prior to the end of its term, including where the PPA is terminated by SPPC for prolonged force majeure events (including natural force majeure events). The value of termination amount payable will depend on the termination scenario. The termination amount includes a return on the equity investment of the shareholders where the PPA is terminated for SPPC default (other than the occurrence of an unenforceability event as described above) and for certain prolonged force majeure events.

The project is structed on a BOO basis, though as noted above, there are certain instances where SPPC has an obligation to purchase the plant where the PPA is terminated prior to the end of its term. The PPA is governed by the laws of England and Wales and has a term of 25 years calculated from the project commercial operation date (which is expected to occur in Q4 of 2024G). The PPA can be extended beyond the initial term of 25 years with the mutual agreement of both Sudair and SPPC.

All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration conducted in Manama, Kingdom of Bahrain under the rules for arbitration of the International Chamber of Commerce.

EPC Contract

The EPC contract is split between an offshore and an onshore scope.

The offshore portion is documented in an offshore procurement contract dated 18/04/2021G between Sudair (as the owner) and Larsen & Toubro International FZE (the offshore procurement contractor) whereby Sudair engages the offshore procurement contractor to carry out and complete all procurement, manufacturing, factory testing, supply and other work necessary to complete the works and the remedying of defects therein. The approximate value of the project is SAR 3,563 million, and the value of EPC contract ranges between 70% to 90% of the total project costs.

The onshore portion is documented in an onshore contract dated 18/04/2021G between Sudair (as the owner) and Larsen & Toubro Saudi Arabia LLC, KSA (the onshore contractor) whereby Sudair engages the onshore contractor to carry out and complete all design, engineering, procurement, manufacturing, construction, installation, start-up, commissioning, testing and other work necessary to construct and complete the works and the remedying of defects therein.

All of the aforementioned parties and Larsen and Toubro Limited entered into a coordination agreement dated 18/04/2021G which bridges the offshore and onshore scope of works and contains a horizontal waiver of defences (so that the onshore contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore procurement contractor acts or omissions, and vice versa). This means that all contractor parties are responsible for carrying out and completing design, engineering, procurement, construction, testing, commissioning and remedying of defects on a lump sum turnkey basis.

The offshore procurement contractor and onshore contractor are jointly and severally liable for all contractor obligations and liabilities under the EPC contract.

The coordination agreement means that for all intents and purposes, there is one single EPC contract, with one lump sum turnkey contractor.

Under the EPC contract, the contractor is required to demonstrate that the plant satisfies certain performance guarantees. If the performance guarantees as prescribed in the EPC contract are not met, the contractor shall pay performance liquidated damages to Sudair. The contractor is also liable for delay liquidated damages for a failure to achieve certain key milestone dates.

The contractor's liability for performance liquidated damages is capped at 7.5% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's liability for delay liquidated damages is capped at 7.5% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's total liability for delay and performance liquidated damages is capped at 15% of the aggregate contract price (across both onshore and offshore contracts).

The contractor is also liable to correct latent defects that appear any time within three years after the project commercial operation date.

The contractor's overall liability is capped at 100% of the total contract price payable under the contract. However, the cap does not apply to the contractor's liability (i) for fraud, wilful or gross misconduct, abandonment or prohibited acts (bribery, corruption etc), (ii) for indemnities relating to death or personal injury to persons or damage to third party property, (iii) for indemnities in the EPC contract including in respect of breach of laws, IP infringement, discharging encumbrances that hinder Sudair's clean title to equipment and materials, (iv) that is covered by insurance proceeds, (v) under the rejection regime whereby Sudair can reject the works if, for example, the contractor fails to pass the performance tests by the relevant long stop date, abandonment occurs or the contractor's conduct causes termination of the PPA or any other project agreement, provided that liability under this item (v) is limited to 120% of the total contract price and (vi) to indemnify Sudair for liabilities that arise as a result of the split contract structure (as opposed to a single turnkey EPC structure) (**"Liability Cap Carve Outs"**).

Sudair's liability is also capped at 100% of the total contract price payable under both the onshore and offshore contracts.

The contract contains a mutual waiver of economic and consequential losses provided that this waiver shall not apply to items (i), (ii) and (iii) of the Liability Cap Carve Outs as well the contractor's liability (A) for liquidated damages (including liability of the contractor to pay damages in lieu of liquidated damages (where liquidated damages are found to be unenforceable)), (B) to effect payments that are specifically enumerated in the EPC contract and (C) for costs incurred for which the contractor is expressly required to reimburse Sudair for under the contract.

The granting of termination rights under one of the contracts forming part of the EPC contract results in the granting of a termination right under the other contract forming part of the EPC contract (as applicable).

Sudair is entitled to terminate the EPC contract for convenience.

The EPC contract is governed by the laws of England and Wales. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the Arbitration Rules of the International Chamber of Commerce with the seat and place of the arbitration being London, England.

Finance Documents

Sudair One Renewable Energy Project Company (Sudair) entered into a common terms agreement with certain financial institutions on 07/11/1442H (corresponding to 17/6/2021G) (the "Sudair CTA"), as well as related financing documents (together, the "Sudair Finance Documents"). The Sudair CTA provides the framework governing a number of separately documented financing facilities, including traditional commercial facilities, Islamic facilities, and a working capital facility for funding a solar PV IPP near the Sudair Region in the Kingdom of Saudi Arabia.

The Sudair Finance Documents include standard representations and covenants by Sudair, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), payment of dividends, fulfillment of hedging requirements, in addition to ensuring project revenues are paid into specified project accounts secured in favor of Sudair's financiers, together with events of default relating to Sudair's equity obligors and major project parties.

The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of Sudair under the Sudair CTA are secured against, amongst other things, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in Sudair. Financiers are entitled to enforce their security in the event of a continuing breach as stipulated in the financing documents. This may lead to the shareholders losing all or part of their investment.

The Company has entered into the equity subscription and retention agreement in relation to the project, in order to (amongst other things) commit to contribute its base and standby equity, undertake to hold onto a portion of its shares in the project for specified periods and give certain standard representations and undertakings. The Company also agrees to indemnify the financers (for its respective investment percentage) against any costs, claims, losses and liabilities incurred in connection with the financers exercising their rights under the acceleration clause in the Sudair CTA.

The Sudair CTA is governed by the laws of England and Wales.

Financiers as at the date of the Sudair CTA: Al Rajhi Banking & Investment Corp.; Arab Petroleum Investments Corporation (APICORP), Mizuho Bank, Ltd.; Riyad Bank; Standard Chartered Bank (DIFC Branch); Korea Development Bank; and Korea Development Bank (operating through its London branch).

Financing amount as at the date of the Sudair CTA: USD 616,610,761.42 (Approximately SAR 2,312,290,355).

Final maturity date as at the date of the Sudair CTA: 30 April 2049G.

12-7-2 Under-construction Project Companies

12-7-2-1 Hassyan

The contracts and agreements mentioned below relate to Hassyan IPP located in the United Arab Emirates, for further information, please refer to section 4-6-3-1-19 ("**Hassyan IPP (Hassyan)**") of this Prospectus.

Power Purchase Agreement

DEWA (as the offtaker) and Hassyan (as the project company) have entered into a PPA dated 1 June 2016, and as amended on 29 November 2016G, as amended on 29 November 2026G, pursuant to which DEWA will be the sole purchaser of all electricity and capacity in relation to a 2400MW clean coal power plant being developed in Saih Shuaib, Dubai, UAE, valued at approximately SAR 1,314 million.

DEWA is obliged to pay Hassyan, on a monthly basis over the term of the PPA, capacity payments (which are broadly structured to compensate Hassyan for its (i) capital costs for developing the project), (ii) fixed operation and maintenance costs and (iii) taxes and profit) and energy payments (which broadly compensate Hassyan for its variable operation and maintenance costs), in USD.

Under the PPA, Hassyan is responsible for the coal supply for the project. Hassyan is also responsible for holding and maintaining a stockpile of coal in the required quantities set out in the PPA. If the plant is (i) unavailable to operate using coal due to a coal supply failure (i.e. any disruption or failure in coal supply or of the coal and dry bulk handling facilities or shared facilities in either case not as a result of a risk event or a DEWA breach of the PPA or Musataha Agreement), Hassyan will not be entitled to any capacity payments or energy payments for the period of such unavailability, or (ii) partially available to operate using limited coal supply as fuel or back up fuel supplied by DEWA, Hassyan will earn limited capacity charges and energy payments, to the extent that it is available. Where the plant is dispatched using back-up fuel for coal supply failure, the capacity payments will be decreased by 80%.

Under the PPA, Hassyan is protected to the extent that the availability of the plant is adversely affected by specific events. The PPA makes a distinction between an event of force majeure (a typical natural force majeure definition is provided along with an open list of examples that includes earthquakes or other natural disasters and acts of God), a buyer risk event (a closed list constituting of typical elements, including war, change of law, boycotts and acts of terrorism) and a Strait of Hormuz risk event (i.e. the closure of the Strait of Hormuz or a declaration of such route as an excluded zone by available bulk ocean-going coal vessels' insurance underwriters which prevents the delivery of coal).

In the event that a buyer risk event affects Hassyan's ability to make a power unit/plant available, capacity payments will be made in respect of the deemed available power capacity of that power unit/plant. If, however, the power unit/plant is dispatched using back-up fuel, then Hassyan shall receive capacity payments calculated using the relevant capacity, to the extent that the power unit/plant is available.

In the event that a Strait of Hormuz risk event affects the ability of Hassyan to make a power unit/plant available, capacity payments will be made in respect of the deemed power capacity of that power unit/plant at a 25% discounted amount. If, however, the power unit/plant is dispatched using back-up fuel, then Hassyan shall receive capacity payments calculated using the relevant capacity, to the extent that the power unit/plant is available.

Under the PPA, Hassyan is entitled to increased costs in certain defined circumstances (i.e. a buyer risk event or an act of prevention by DEWA, discovery of archaeological findings or payment of certain custom duties). Where Hassyan is entitled to increased costs, the ability to recover those increased costs is through an adjustment to the capacity payments or energy payments or an extension of the term (except in circumstances where DEWA is required to reimburse Hassyan as a result of increased costs caused by the payment of certain custom duties).

The Department of Finance for the Government of Dubai ("DOF") has provided a payment undertaking dated 27 July 2016 (the "Payment Undertaking") in respect of DEWA's payment obligations under the PPA. Pursuant to the Payment Undertaking, the DOF irrevocably and unconditionally undertakes to pay amounts payable under the PPA certified by DEWA as payable or amounts which DEWA is liable to pay pursuant to an arbitral award, in either case subject to such demand not exceeding the lesser of (i) the maximum aggregate liability of payment that is to be made by DEWA in respect of all claims under the PPA and (ii) the relevant capped amount set out in the payment undertaking relating to the period in respect of which the claim relates.

The termination or invalidity of the relevant credit support which is not remedied within 30 days thereof is a DEWA event of default under the PPA and will entitle (but not oblige) Hassyan to terminate the PPA and require DEWA to purchase the project.

DEWA or Hassyan may terminate the PPA in specified circumstances of the other party's default. Hassyan may terminate the PPA for an event of default by DEWA in the following circumstances: (i) payment default, (ii) termination of the Musataha Agreement as a result of an "owner event of default" as defined thereunder, (iii) insolvency and bankruptcy type of events in respect of DEWA, (iv) expropriation, nationalisation or compulsory acquisition of the site, plant or any material asset of Hassyan or any shares or other interest of the shareholders (other than DEWA) in Hassyan by any competent authority, and (v) termination or invalidity of the relevant credit support not remedied within 30 days thereof.

DEWA may terminate the PPA for default by Hassyan in the following circumstances: (i) where any one coal supply failure prevents the plant from being available using coal for a period of 60 consecutive days or more during a low demand period (i.e. 1 December to 28/29 February) or 45 consecutive days or more during a high demand period (i.e. 1 March to 30 November) in any contract year, (ii) a failure to achieve COD for any of the power units or plant COD by applicable longstop dates, (iii) abandonment, (iv) a failure to obtain and maintain any required approvals in order to perform its obligations, (v) payment defaults, (vi) a wilful and unexcused failure by Hassyan to operate or make available any power unit or the plant (to the extent the relevant power unit/plant has achieved COD) for a specified period without prior consent of DEWA, (vii) amending a coal supply agreement without DEWA prior consent or upon termination of a coal supply agreement, entering into a replacement where Hassyan's ability to satisfy its obligations or DEWA's rights under the PPA are adversely affected, or a failure by Hassyan to enter into a replacement coal supply agreement prior to expiry of the then current coal supply agreement (which is not remedied within 90 days of a notice from DEWA), (viii) material breach by Hassyan (other than in respect of (i) to (vi) above) not remedied within 60 days (or a further 60-day period in the event the breach cannot be cured within the first 60 day period), (ix) a failure to meet certain availability thresholds during the operation period, (x) termination of the Musataha Agreement or the SF Musataha Agreement and (xi) insolvency and bankruptcy types of events in respect of Hassyan.

If the PPA is terminated for a default by Hassyan, then DEWA shall have the right (but not the obligation) to the purpose the project. If the PPA is terminated for a default by DEWA, then Hassyan shall have the right (but not the obligation) to require DEWA to purchase the project.

Depending on the relevant termination scenario, a termination amount shall be payable by DEWA. The termination sum payable by DEWA in each case will cover senior debt and, in certain scenarios where the PPA is terminated (such as for a default by DEWA), the termination amount will also include equity and (depending on when termination occurs whether prior to or following COD) equity return, as well as certain termination costs which include amounts payable by Hassyan to the EPC contractor in relation to early termination of the EPC contract (up to a cap of USD 117,500,000).

Furthermore, any Strait of Hormuz risk event lasting more than 365 days will result in an obligation on DEWA to terminate the PPA, unless DEWA is willing to increase the capacity payments due in respect of the relevant power unit/plant during a Strait of Hormuz risk event to 100% of the deemed available power capacity over and above the 365 days as a result of a continuing Strait of Hormuz risk event.

The project is structured on a BOO basis, though as noted above, there are certain instances where DEWA has an obligation to purchase the plant where the PPA is terminated prior to the end of its term. Such events include where the PPA is terminated by DEWA in the event of a prolonged buyer risk event or a buyer risk event which results in DEWA incurring increased costs in excess of a threshold amount or in the event of a force majeure event affecting either DEWA or Hassyan for a prolonged period, or where the PPA is terminated by either party in the event the plant or shared facilities (i.e. the coal and dry bulk handling facilities) cannot be rebuilt, repaired or restored in accordance with the PPA where the relevant event of loss or damage or destruction (as applicable) was caused by a buyer risk event.

The term of the PPA is from the effective date until the earlier of the 28th anniversary of the first power unit COD (which is expected to occur in Q1 of 2023G) and the 25th anniversary of the plant COD, unless otherwise extended or terminated earlier in accordance with the PPA. The initial term of the PPA may be extended for an additional period by either party upon mutual agreement.

The PPA is governed by the federal laws of the UAE and the laws of Dubai. All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Dubai, UAE under the arbitration rules of the Dubai International Arbitration Centre.

EPC Contract

Hassyan (as the owner) and a consortium made up of General Electric International Inc. and Harbin Electrical International Company Limited (together the contractor, with each having joint and several liability) entered into a lump sum turnkey EPC contract dated 21/9/1437H (corresponding to 26/6/2016G). The approximate value of the project is SAR 12,140 million, and the value of EPC contract ranges between 70% to 90% of the total project costs.

With certain exceptions, all site risk is taken by the contractor.

The EPC contract contains the usual extension of time grounds for the contractor, time bars if claims are not submitted within the specified periods and an obligation to mitigate the effect of any delay event. The contractor is entitled to its prolongation costs for most of the events that give rise to an extension of time, including offtaker risk events. No additional costs are payable for force majeure events.

Under the EPC contract, the contractor is liable to pay delay liquidated damages to Hassyan if provisional acceptance in respect of any of the units or the plant as a whole is not achieved by the respective guaranteed completion date, subject to a specified cap.

The contractor guarantees that the plant, each of the power units and the dry bulk handling facility will meet the guaranteed values for (amongst others) contracted capacity, heat rate, plant emissions, noise limits, coal and dry bulk handling unloading times.

If these performance guarantees for contracted capacity and heat rate are not met, the contractor shall pay performance liquidated damages to Hassyan, subject to specified caps.

If the plant is shutdown or de-rated during the defects liability period as a result of the contractor's breach of its general and design warranties, the contractor is liable to pay liquidated damages to compensate Hassyan for the reduced capacity, subject to a specified cap.

The contractor's total agreed liability for liquidated damages for (a) delay is capped at 30% of the contract value, (b) de-rating or shutdowns is capped at 35% of the contract value, and (c) failure to pass performance guarantee tests is capped at 25% of the contract price. The contractor's total aggregate liability for liquidated damages is capped at 35% of the contract value. There is a defect liability period of 24 months commencing on each of the various provisional acceptance dates. Initial spare parts will be subject to a defects liability period of the earlier of (i) 24 months after the relevant part is put to use and (ii) 36 months after delivery.

The contractor is liable to correct latent defects that appear any time within 5 years after the relevant provisional acceptance date.

The contractor is required to provide specified security, in the form of on-demand bonds, to Hassyan during the course of the project.

In addition, General Electric Company shall provide a parent company guarantee as security for the due and prompt performance of the EPC contract by the contractor.

The EPC contract contains an equivalent project relief mechanism such that if any event that entitles the contractor to an extension of time or additional costs is also an event that gives rise to time or cost relief under the PPA, the contractor's entitlement is limited to the relief granted to Hassyan under the PPA.

The contractor is entitled to submit invoices at each key date in respect of milestones achieved prior to the relevant payment date, provided that in no event shall the cumulative amount invoiced at any key date exceed the maximum cumulative amount set out opposite such month in the milestone payment schedule. Undisputed payments certified as being due are payable within a certain number of days of the owner's issuance of an interim certificate to the contractor.

Hassyan has a general right to set-off payments due to the contractor.

The contractor's liability is capped at a percentage of the contract price, subject to specified carve-outs. The contract contains a mutual waiver of indirect and consequential losses, subject to specified carve-outs.

Hassyan is entitled to terminate for contractor default.

The contractor is entitled to terminate for owner default in case of owner insolvency, owner non-payment (with a 90 day cure period) or material breach by Hassyan.

Hassyan is also entitled to terminate the EPC contract for convenience upon giving 30 days' notice.

If the contractor fails to achieve the minimum acceptance requirements on or before the long-stop date, the contractor abandons the works or an act or omission of the contractor causes a termination of the PPA or other material project document, Hassyan may (as an alternative to termination) reject the works. In this case, the contractor must vacate the site and refund to Hassyan, all the amounts paid under the contract, and pay any interest or early repayment costs related to the termination of the financing agreement.

The agreement is governed by the federal laws of the UAE and the laws of Dubai. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the arbitration rules of the Dubai International Arbitration Centre in Dubai, UAE.

Financing Documents

Hassyan entered into a common terms agreement with certain financial institutions on 7/12/1437H (corresponding to 10/9/2016G) (as amended on 29/2/1438H (corresponding to 29/11/2016G), the "**Hassyan CTA**"), as well as related financing documents (together, the "**Hassyan Finance Documents**"). The Hassyan CTA provides the framework governing a number of separately documented financing facilities, including a term loan commercial facility, a mezzanine facility, a working capital facility and a facility for funding scheduled liabilities service for each six-month period following the completion date and each repayment date falling on or prior to the final maturity date, that were obtained for the purposes of financing the Hassyan IPP.

The Hassyan Finance Documents include standard representations and covenants by Hassyan, including covenants relating to maintaining certain financial ratios, the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of Hassyan's financiers, together with events of default relating to Hassyan equity obligors and major project parties.

Nature of financing: The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of Hassyan under the Hassyan CTA are secured against, amongst other things, the project land, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in Hassyan. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

Change of control: There are no change of control issues. The IPO will not adversely affect its tangible net worth for the purposes of the total net liabilities to tangible net worth ratio.

Governing law: The Hassyan CTA is governed by the laws of England and Wales. The DIFC law ESRA is governed by the laws of the DIFC but, if there is any conflict between it and the terms of the English law ESRA, the English law ESRA prevails.

Financiers at financial close: Agricultural Bank of China (DIFC Branch); Bank of China Limited (Dubai) Branch; Bank of China Limited Heilongjiang Branch; China Construction Bank (DIFC Branch); China Construction Bank Corporation, Singapore Branch; China Construction Bank Corporation Limited, Harbin Dongli Subbranch; First Gulf Bank PJSC; HYDB INC; Industrial and Commercial Bank of China Limited; The Saudi National Commercial Bank; Standard Chartered Bank (Hong Kong) Limited; Union National Bank PJSC; Commercial Bank International P.S.C.; Emirates NBD Bank PJSC.

Lenders as of the date of the prospectus: Agricultural Bank of China (DIFC Branch); Bank of China Limited (Dubai) Branch; Bank of China Limited Heilongjiang Branch; China Construction Bank (DIFC Branch); China Construction Bank Corporation Limited, Harbin Dongli Subbranch; First Abu Dhabi Bank PJSC; HYDB INC; Industrial and Commercial Bank of China Limited; The Saudi National Commercial Bank; Standard Chartered Bank (Hong Kong) Limited; Abu Dhabi Commercial Bank PJSC; Commercial Bank International P.S.C.; Nanyang Commercial Bank.

Financing amount at financial close: SAR 8,480 (senior); USD 118,000,000 (SAR 442,542,480) (mezzanine).

Final maturity date at financial close: 28 February 2041G.

12-7-2-2 Noor Energy 1 P.S.C.

For further information, please refer to section (4-6-3-1-20) ("**Noor Energy 1 CSP IPP (Noor Energy 1)**") of this prospectus.

Power Purchase Agreement

Noor Energy 1 P.S.C. ("**Noor Energy 1**") (as the project company) and DEWA (as the offtaker) entered into a power purchase agreement dated 27/6/1439H (corresponding to 15/03/2018G), and as amended and restated on 19/2/1440H (corresponding to 30/10/2018G) and amended on 7/7/1440H (corresponding to 14/03/2019G) pursuant to which DEWA is the sole purchaser of all electricity and capacity from the concentrated solar power and solar photovoltaic hybrid independent power plant ("**PPA**"), valued at approximately SAR 1,000 million.

There are no fixed payments paid by DEWA to Noor Energy 1 for making the solar power plant available. Rather DEWA is obliged to pay Noor Energy 1 energy payments in USD, with different tariffs for the following periods: (i) the operational hours of the photovoltaic facilities (ii) operational hours and non-operational (emergency) hours during the winter months for the concentrated solar power ("CSP") part units (iii) the non-operational (no emergency) hours during the winter months for the CSP part units (iv) operational hours (night-time hours) during the summer months for the CSP part units and (v) the operational hours (day time hours) during the summer months for the CSP part units.

Due to the fact that Noor Energy 1 is only paid for the net electricity delivered, Noor Energy 1 will be compensated for the electricity it would have delivered but for the curtailment / disruption / delay to its electricity production. Under the PPA, Noor Energy 1 shall be entitled to payments for deemed electricity in a number of circumstances:

1. If DEWA issues dispatch instructions requesting Noor Energy 1 to limit or reduce the electricity generated for reasons of demand or emergency conditions arising from an offtaker risk event (including changes in law and other political force majeure) or a failure by DEWA to perform its obligations under the PPA, DEWA shall make deemed energy payments for the shortfall in electricity delivered as a result of such dispatch instruction.
2. If during the early operation period (in respect of the relevant units) or the commercial operation period (in respect of the plant) an offtaker risk event affects the ability of Noor Energy 1 to the provide net electricity or the DEWA's ability to take delivery of net electricity.
3. If Noor Energy 1 is delayed in conducting the acceptance tests on any unit (or component thereof) as a result of any one or more of the following events occurring on or after the scheduled date for such acceptance tests:
    - a- (i) an offtaker failure (being a failure by DEWA to comply with its obligations under the PPA or the Musataha Agreement, except where such failure is caused by a risk event or a failure by Noor Energy 1 to perform its obligations under the PPA of the Musataha Agreement) or (ii) an act of impediment or prevention by DEWA (including a material deviation from the information provided by DEWA in the RFP in relation to DEWA's facilities (being the transmission system, the offtaker substation and the electricity metering system));
    - b- an offtaker risk event (including changes in law and other political force majeure);
    - c- a testing delay (being (i) an unreasonable failure or delay by DEWA in giving its approval to Noor Energy 1 to energise or back-feed high voltage power or synchronise a unit to the transmission system in accordance with the PPA or (ii) failure by DEWA to cause a unit to be dispatched in accordance with the testing procedures under the PPA where Noor Energy 1 has notified DEWA of its required load); or
    - d- a force majeure event (including natural force majeure events and excluding any offtaker risk event) affecting the DEWA's facilities,

    and such event actually delays the achievement of the applicable relevant unit commercial operation date and (if applicable) the plant commercial operation date, then, provided Noor Energy 1 has notified DEWA of the relevant event within five days of its occurrence, then DEWA shall make deemed energy payments to Noor Energy 1. Such deemed energy payments shall be paid by DEWA from the date on which Noor Energy 1 would have been able to achieve such relevant unit commercial operation date and (if applicable) the plant commercial operation date but for the delay caused (the **"Deemed Commissioning Date"**) until to earlier of (i) the applicable relevant unit commercial operation date or (ii) the applicable scheduled relevant unit commercial operation date, provided that if the Deemed Commissioning Date occurs as a result of limb (d) above (i.e. a force majeure event affecting the DEWA's facilities) then DEWA shall only pay Noor Energy 1 deemed energy payments for a maximum of 60 days.

    However, if thereafter, with respect to any affected unit, when the performance test is conducted the applicable relevant unit commercial operation date is not achieved (i.e. by Q4 2022G), such unit shall cease to be deemed to be providing deemed electricity and if the applicable scheduled relevant unit commercial operation date and (if applicable) the scheduled plant commercial operation date has passed, then Noor Energy 1 shall be in breach of its obligations to achieve the applicable relevant unit commercial operation date and (if applicable) the plant commercial operation date. Moreover, DEWA shall have no further obligation to make deemed energy payments, and Noor Energy 1 shall be obliged to repay the deemed energy payments already paid by DEWA, together with interest accrued thereon at the rate agreed under the PPA, which DEWA has the right to deduct from future payments to be made by DEWA to Noor Energy 1.

The Department of Finance for the Government of the Emirate of Dubai has provided a payment undertaking dated 1/4/1440H (corresponding to 10/12/2018G) (the "**Payment Undertaking**") in respect of DEWA's obligations to pay certain termination payments under the PPA. Pursuant to the Payment Undertaking, The Department of Finance undertakes to pay within 90 business days of demand by Noor Energy 1 such amounts unpaid by DEWA, subject to, among other things, such claims not exceeding the lesser of (i) the maximum aggregate liability of payment that is to be made by DEWA in respect of all claims under the PPA and (ii) the relevant capped amount set out in the Payment Undertaking relating to the period in respect of which the claim relates.

DEWA or Noor Energy 1 may terminate the PPA in specified circumstances of the other party's default.

DEWA shall have the right to terminate the PPA upon the occurrence of, among other things: (i) failure by Noor Energy 1 to achieve the phase 1 CT commercial operation date within 270 days from the scheduled plant commercial operation date; (ii) abandonment of the plant or unit; (iii) payment default by Noor Energy 1; (iv) a wilful and unexcused failure by Noor Energy 1 to operate or make available any of the units or the plant (as applicable) for more than two consecutive days or five days in aggregate in any early operation year or contract year, without prior written consent of DEWA; (v) material breach (subject to a cure period); (vi) during the commercial operation period, the plant fails to achieve the annual net electrical output guarantee and/or the average net electrical output guarantee in any contract year other than solely as a result of a steam turbine major failure and/or a step-up transformer major failure or (vii) from the plant commercial operation date, termination of a musataha agreement as a result of a "musateh event of default" (i.e. default by Noor Energy 1).

DEWA shall also have a right in certain circumstances noted above to a partial termination of the PPA in respect of an affected unit or an affected PV facility.

Noor Energy 1 shall have the right to terminate the PPA for upon the occurrence of, among other things: (i) DEWA payment default; (ii) termination of a musataha agreement due to an "owner event of default" (i.e. default by DEWA); or (iii) the termination or invalidity of the offtaker credit support.

If the PPA is terminated by DEWA for a Noor Energy 1 default, DEWA has the right, but not the obligation, to purchase Noor Energy 1's right, title and interest in the project, other than for a termination in respect of failure by Noor Energy 1 to achieve the phase 1 CT commercial operation date within 270 days from the scheduled plant commercial operation date. Where the PPA is terminated by DEWA for Noor Energy 1's failure to achieve the phase 1 CT commercial operation date within 270 days from the scheduled plant commercial operation date, (i) DEWA has the obligation to purchase Noor Energy 1's right, title and interest in the CSP part units which have achieved their relevant unit commercial operation date as at the date of the termination of the PPA; and (i) DEWA has the obligation to purchase Noor Energy 1's right, title and interest in the PV facilities which have successfully completed the acceptance tests and acceptance requirements as at the date of the termination of the PPA and (iii) DEWA shall have the right, but not the obligation to purchase Noor Energy 1's right, title and interest in the CSP part units relating to the phase 1 CT unit.

If the PPA is terminated by Noor Energy 1 for a DEWA default, Noor Energy 1 has the right, but not the obligation, to request DEWA purchases Noor Energy 1's right, title and interest in the project.

The value of termination amount payable will depend on the termination scenario. The termination amount includes a return on the equity investment of the shareholders where the PPA is terminated for Offtaker default, for certain prolonged force majeure events or following an event of loss caused by an offtaker risk event.

The project is structed on a BOO basis. The PPA is governed by the laws of the Emirate of Dubai and has a term of 35 years calculated from the plant commercial operation date. The PPA can be extended beyond the initial term of 35 years with the mutual agreement of both Noor Energy 1 and DEWA.

All disputes under the PPA are subject to a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in Dubai, UAE under the rules for arbitration of the Arbitration Rules of the Dubai International Arbitration Centre.

Finance Documents

Noor Energy 1 entered into a common terms agreement with certain financial institutions on 25/05/1440H (corresponding to 31/01/2019G), the "**Noor Energy 1 CTA**"), as well as related senior financing documents (together, the "**Noor Energy 1 Finance Documents**"). The Noor Energy 1 CTA provides the framework governing a number of separately documented financing facilities, including senior facilities and a working capital facility and a facility for funding a liabilities reserve account and an additional commission reserve account for scheduled debt service due during the six-month period ending on the first repayment date and for each six month period ending on each repayment date falling thereafter up to the final maturity date. There are, in addition, mezzanine facilities and equity bridge facilities through which the Company is covering (amongst other things) contingency and equity obligations. The facilities were obtained for the purposes of financing the 900MW fifth phase of the Mohammed bin Rashid Al Maktoum Solar Park in Dubai[134].

The Noor Energy 1 Finance Documents include standard representations and covenants by Noor Energy 1including covenants relating to the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of Noor Energy 1's financiers, together with events of default relating to Noor Energy 1 equity obligors and major project parties.

Nature of financing: The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of Noor Energy 1 under the Noor Energy 1 CTA are secured against, amongst other things, the project land lease, certain project accounts, plant and equipment, intellectual property, insurance proceeds and shares in Noor Energy 1 held by ACWA Power Solar CSP Holding Ltd (the company through which the Company holds its investment). The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

134 Noor Energy 1 C.S.P is the fourth phase of the Mohammed bin Rashid Al Maktoum solar park.

The Company has entered into two equity subscription and retention agreements (one governed by English law and one governed by DIFC law) in relation to the project, in order to (amongst other things) commit to contribute its base, standby and early revenues equity, undertake to hold onto a portion of its shares in the project for specified periods and give certain standard representations and undertakings.

Change of control: There are no change of control issues.

Governing law: The Noor Energy 1 CTA is governed by English law.

Financiers at financial close:

Senior: Agricultural Bank of China (DIFC Branch); Bank of China Limited (acting through Bank of China Limited Shanghai Branch for that branch and other branches); China Everbright Bank Company Limited, Shanghai; Industrial and Commercial Bank of China Limited; Natixis; Standard Chartered Bank; Union National Bank PJSC.

Mezzanine: China Minsheng Banking Corp. Ltd. Shanghai Pilot Free Trade Zone Branch; Commercial Bank International P.S.C.; Commercial Bank of Dubai P.S.C.

EBLs: Bank of China (Dubai) Branch; Commercial Bank of Dubai P.S.C.; Emirates NBD Bank PJSC; First Abu Dhabi Bank PJSC; Mashreqbank PSC (acting through Mashreq Al Islami – Islamic Banking Division); Union National Bank PJSC.

Senior Hedge: Bank of China Limited Shanghai Branch; Commercial Bank of Dubai P.S.C.; Emirates NBD Bank PJSC; ICBC Standard Bank plc; Natixis; Union National Bank PJSC.

EBL Hedge: Bank of China (Dubai) Branch; Commercial Bank of Dubai P.S.C.; Emirates NBD Bank PJSC; First Abu Dhabi Bank PJSC; Mashreqbank PSC (acting through Mashreq Al Islami – Islamic Banking Division); Union National Bank PJSC.

Financing amount at financial close:

Senior: USD 2,505,010,992.58 (approximately SAR 9,394 million).

Mezzanine: USD 180,000,000 (approximately SAR 675 million).

Equity Commitments (part or all funded by EBLs): up to USD 1,608,449,986.83 (approximately SAR 6,031,687,450.61).

Final maturity date at financial close: Tranche 1: 20/01/1466H (corresponding to 22/12/2043G); Tranche 2: 13/02/1468H (corresponding to 22/12/2045G).

EPC Contract

The EPC contract is split between an offshore and an onshore scope.

The parties of the offshore and onshore scope, (i) Noor Energy 1 P.S.C ("**Noor Energy 1**") (as the owner), (ii) Shanghai Electric HongKong Co. Limited (the offshore contractor) and (iii) Shanghai Electric Group Co. Ltd (as the onshore contractor), entered into a coordination agreement dated 27/7/1439H (corresponding to 13/4/2018G) (as amended and restated on 14/3/1440H (corresponding to 22/11/2018G) and subsequently amended on 17/8/1440H (corresponding to 22/4/2019G)) which bridges the offshore and onshore scope of works and contains a horizontal waiver of defences (so that the onshore contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore contractor acts or omissions, and vice versa). This means that all contractor parties are responsible for carrying out and completing design, engineering, procurement, construction, testing and commissioning on a lump sum turnkey basis with joint and several liability. The coordination agreement means that for all intents and purposes, there is one single EPC contract, with one lump sum turnkey contractor. The approximate value of the project is SAR 16,233 million, and the value of EPC contract ranges between 70% to 90% of the total project costs.

With certain exceptions, all site risk is taken by the contractor.

The EPC contract contains the usual extension of time grounds for the contractor, time bars if claims are not submitted within the specified periods and an obligation to mitigate the effect of any delay event.

The EPC contract contains an equivalent project relief mechanism.

The contractor is liable to pay delay liquidated damages to Noor Energy 1 if initial acceptance is not achieved for each unit and PV full dispatch subsystem by the relevant initial acceptance date (as may be extended under the extension of time grounds), subject to specified caps.

The contractor guarantees that the units and PV full dispatch subsystems will meet the guaranteed values for annual net production, annual electricity consumption and annual water consumption.

If these performance guarantees are not met, the contractor shall pay performance liquidated damages to Noor Energy 1, subject to specified caps.

Noor Energy 1 and the contractor's overall liability is capped at a percentage of the total combined contract price payable, which is in line with standard market practice, under both the onshore and offshore contracts, subject to specified carve-outs. The contract contains a mutual waiver of economic and consequential losses, subject to specified carve-outs.

There is a general defect liability period of 24 months for the entire PV facility and there are some exceptional defect liability periods for specified components.

In line with standard market practice, the contractor is required to provide specified security, and in the form of on-demand bonds, to Noor Energy 1 during the course of the project.

The contractor is entitled to submit invoices for each milestone achieved no earlier than the key date in respect of such milestone. Undisputed invoices shall be certified as being due and payable within 15 business days of the invoice, and are payable by Noor Energy 1 within a certain number of business days of the certification date.

Noor Energy 1 and the contractor are entitled to terminate the EPC contract under the provisions set out in the EPC contract and obliged to carry further responsibilities for unsettled tasks according to the EPC contract requirements.

The agreement is governed by the laws of the Emirate of Dubai. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the DIAC Arbitration Rules in Dubai, United Arab Emirates.

12-7-2-3 Sirdarya

The contracts and agreements mentioned below are related to the Sirdarya independent power project located in Uzbekistan.

Power Purchase Agreement

JSC "National Electric Networks of Uzbekistan" ("NENU") (as the offtaker) and Sirdarya (as the project company) are parties to the PPA entered into on 5 March 2020, pursuant to which NENU is the sole purchaser of all electricity and capacity from the 1500 MW combined cycle gas-fired power plant consisting of two new combined cycle gas turbines and one heat recovery generator in the Sirdarya region of Uzbekistan, valued at approximately SAR 1,200 million.

NENU is obliged to pay Sirdarya, on a monthly basis over the term of the PPA, the "Capacity Payment" (which are broadly structured to compensate Sirdarya for its (i) capital costs for developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit) and the "Energy Payment" (which broadly compensate Sirdarya for its variable operation and maintenance costs), in Uzbekistan Soums.

Under the PPA, NENU has the responsibility to procure at its cost and deliver the fuel and water to Sirdarya and there is an energy/efficiency adjustment mechanism on fuel and water consumption.

Sirdarya is responsible for, among other things, the delivery and handover of two air-insulated switching stations (the "Purchaser Electrical Facilities"), including all associated costs. On the date of issuance (or deemed issuance) of the respective partial and provisional acceptance certificates for the Purchaser Electrical Facilities, Sirdarya must sell and transfer and NENU must take possession of the Purchaser Electrical Facilities for a total consideration of USD 23,593,297. "Warranties" are given by Sirdarya in respect of the Purchaser Electrical Facilities, including that the design and engineering of such facilities shall comply with the PPA and be free from defects/deficiencies. The PPA provides for an initial warranty period in respect of the Purchaser Electrical Facilities, commencing on the closing date and continuing until two years after the date of issuance (or deemed issuance) of the provisional acceptance certificate for the Purchaser Electrical Facilities. In the event of a breach of any of the Warranties in respect of the Purchaser Electrical Facilities, Sirdarya will be obliged to carry out repairs or replacements of such facilities necessary to rectify such breach.

Under the PPA, Sirdarya is protected to the extent that the availability of the plant is adversely affected by specific events, including (i) natural force majeure events (e.g. epidemic, natural disaster, accidents or explosions), (ii) political force majeure events (e.g. acts of war, change of law, boycotts, and act of terrorism), and (iii) "Purchaser Risk Event" (which includes, among other things, a delay or default by NENU of any of its obligations under the PPA, the discovery of certain unforeseeable site related matters such as hazardous materials, artificial underground objects and unexploded ordinances, a failure by NENU to procure the commissioning of certain gas supply facilities being built and operated by JSC "Uztransgaz" by the relevant connection date and failure by NENU to procure the commissioning of the transmission facilities by the relevant connection date). Upon the occurrence of a delay to achievement of key milestones as a result of any of the events listed in (i) to (iii) above, Sirdarya shall be entitled to an extension to the relevant key milestone dates. Sirdarya is also entitled to a tariff adjustment where such delay occurs as a result of NENU's delay or default. Both NENU and Sirdarya have certain termination rights should a natural force majeure event or political force majeure event continue for more than 365 days.

Sirdarya may claim a tariff adjustment due to increased costs as a result of political force majeure or a "Purchaser Risk Event", provided that such increased costs reach in excess of USD 3,000,000 million in aggregate.

Sirdarya's entitlement to the Capacity Payment is broadly linked to the availability of the capacity of the plant. Sirdarya shall be entitled to deemed available net dependable capacity of the plant in certain defined circumstances as described below. In the event Sirdarya is unable to conduct a net dependable capacity test in accordance with the inspection and testing requirements under the PPA ("I&T Requirements") because of any action or failure to act without justifiable cause by NENU, the water supplier or the gas supplier, or due to a Purchaser Risk Event or a political force majeure event, then the plant shall be deemed to be providing net dependable capacity calculated by reference to the relevant contracted capacity of the plant applicable to that year, and NENU shall compensate Sirdarya for such deemed capacity for the period commencing on the date on which the net dependable capacity test would have been completed but for such action, failure to act, Purchaser Risk Event or political force majeure event, until the date such net dependable capacity test has been completed (the "Deemed Period"). However, if upon such completion of the net dependable capacity test in accordance with the I&T Requirements, the achieved capacity demonstrated is less than the contracted capacity, then (i) any amounts paid by NENU during the Deemed Period in excess of the amounts that NENU would have had to pay if the plant had been deemed to be providing net dependable capacity as so determined by the net dependable capacity test, together with (ii) interest accrued thereon at the rate agreed under the PPA, shall be credited against future payments to be made by NENU to Sirdarya.

If the achievement of (A) COD for an early power unit or (B) the project COD is delayed due to a default or delay by NENU in performance of its obligations under the PPA, a political force majeure event, a Purchaser Risk Event or total or partial unavailability of the transmission system (for reasons other than force majeure), then on and from the date on which Sirdarya would have achieved the relevant COD for an early power unit or project COD but for any of the reasons aforementioned, until the date on which the relevant COD for such early power unit or project COD is actually achieved, Sirdarya shall be deemed to have achieved such date and the plant shall be deemed to be providing net dependable capacity calculated by reference to the applicable contracted capacity of the plant for the relevant period. However if, on the actual occurrence of the relevant COD for an early power unit or the project COD, it is determined that Sirdarya is in breach of any obligation required to achieve such date or the achieved capacity does not meet the I&R Requirements, the relevant COD for such early power unit or project COD shall retroactively cease to be deemed to have been achieved and to the extent any Capacity Payment made by NENU in respect of such deemed net dependable capacity exceeds the amount NENU would have had to pay if the plant had been providing deemed dependable net capacity as so demonstrated by the performance test and/or the net dependable capacity test (as applicable) (together with any accrued interest thereon) shall be credited against future payments to be made by NENU to Sirdarya.

If, prior to the project COD a natural force majeure event has occurred which results in material damage to or loss of the plant or the relevant interfaces or a delay in attaining any key milestone, then Sirdarya shall be entitled to an extension to the corresponding key milestone date(s) (expected to occur on Q3 2024G), and if such force majeure event does not affect Sirdarya's ability to deliver Net Power Output ("NPO") or NENU's ability to take delivery of such NPO, then NENU shall continue to be obligated to make Energy Payments in respect of the NPO delivered.

If, prior to the project COD, a political force majeure event has occurred which results in material damage to or loss of the plant or the relevant "interfaces" or delay in attaining any key milestone, then Sirdarya shall be entitled to an extension to the corresponding key milestone date(s) and an adjustment to the tariff to take into account such increased costs or savings of such event, provided that if a political force majeure event affects Sirdarya's ability to provide the net dependable capacity of the plant, then NENU shall continue to be obligated to make Capacity Payments in respect of such deemed available capacity.

If, on or after the project COD, a political force majeure event occurs which affects Sirdarya's ability to provide the net dependable capacity of the plant, then NENU shall continue to be obligated to make payments of (a) the Capacity Payment in respect of deemed available capacity and (b) the Energy Payment in respect of NPO delivered to NENU.

Failure by NENU to provide or replenish the relevant credit support to the extent it falls below the Guaranteed Amount is an event of default under the PPA and will entitle (but not oblige) Sirdarya to terminate the PPA and to require NENU to purchase the project.

Sirdarya or NENU may terminate the PPA in specified circumstances of the other party's default. Sirdarya may terminate the PPA for an event of default by NENU as follows: (i) payment default, (ii) insolvency and bankruptcy types of events relating to NENU, (iii) failure to provide or replenish the Purchaser Credit Support in accordance with the PPA, (iv) cancellation of the land allotment order or termination of the land lease agreement (other than as a result of a default by Sirdarya thereunder), (v) expropriation or compulsory acquisition of the site or the plant or a material part thereof with material adverse effect, or (vi) termination of the investment agreement entered into or to be entered into between Sirdarya, ACWA Power and the Republic of Uzbekistan, represented by the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan, pursuant to which the Republic of Uzbekistan undertakes to provider certain assistance and support to Sirdarya (the "Investment Agreement") as a result of a breach by the Government of Uzbekistan. NENU may terminate the PPA for default by Sirdarya as follows: (i) failure to achieve the project COD by applicable longstop date, (ii) wilful and unexcused failure by Sirdarya to operate or make available any power unit or the plant after the applicable power unit COD or project COD, (iii) abandonment of the project, (iv) insolvency and bankruptcy types of events relating to Sirdarya, (v) a failure to maintain required consents, (vi) payment defaults, (vii) failure to remedy defects, (viii) breach of its material obligations under the PPA (other than (i) – (vi) aforementioned), (ix) the land allotment order is cancelled or the land lease agreement is terminated as a result of a default by Sirdarya thereunder, (x) failure to meet certain availability thresholds except to the extent such failure is excused by a natural force majeure event or political force majeure event, or (xi) a prohibited transfer any interest in respect of Sirdarya.

If the PPA is terminated for a default by Sirdarya, then NENU has the right, but not the obligation, to purchase the plant. If the PPA is terminated for a default of NENU, then Sirdarya can require NENU to purchase the plant. NENU also has an obligation to purchase the plant in certain other instances where the PPA is terminated prior to the end of its term, including where the PPA is terminated by NENU for a prolonged political force majeure event or a prolonged natural force majeure event.

Depending on the relevant termination scenario, a termination amount shall be payable by NENU. The NPV of shareholder cashflow (assuming a period from the calculation date to the 25th anniversary of the project COD and taking into account the equity IRR set out in the financial model) is only payable (as part of "Value B") in cases of termination of the PPA for an event of default by NENU or for a prolonged political force majeure event. In this case, the expected return on equity will be paid to the shareholder of Sirdarya.

The termination sum payable by NENU in each case will be accrued interest and principal in respect of the senior debt as well as any prepayment costs thereunder and, in certain instances where the PPA is terminated, such as an event of default by NENU , the termination sum will also include the NPV of shareholder cashflow and certain "termination costs" as set out in the PPA including early termination amounts payable by Sirdarya under the EPC contract, O&M contract and LTSA (as applicable and in the case of the EPC contract, subject to a cap of 10% of the EPC contract price).

Furthermore, there is an acknowledgement from both parties that Uzbekistan's power sector will be gradually restructured to become a merchant power market. When the merchant power is operational, the parties may mutually agree at each party's absolute discretion to terminate the PPA, enter into any agreements that they deem necessary in relation to such termination and allow Sirdarya to sell power on the merchant power market.

The project is structured on a BOO basis, though as noted above, there are certain instances where NENU has an obligation to purchase the plant where the PPA is terminated prior to the end of its term. Such events include where the PPA is terminated by NENU for a prolonged political force majeure event or a prolonged natural force majeure event, or where the PPA is terminated by the Sirdarya for an event of default by NENU or a prolonged force majeure event.

ACWA Power (the investor) must retain a minimum shareholding interest of 51% in Sirdarya until after the second anniversary of the project COD and for two consecutive years thereafter, ACWA Power shall retain at least 30% shareholding interest in, and management control (being, direct or indirect power to direct the management or policies of Sirdarya) of, Sirdarya. However, there is no such requirement in respect of the shareholding in ACWA Power itself.

The term of the PPA is from the effective date (i.e. the date on which the Investment Agreement becomes effective, being 22 January 2021G) until the 25th anniversary of the project COD (which is scheduled to occur 36 months after the date on which all the condition precedents to the effectiveness of the rights and obligations of the parties are met or waived), unless otherwise extended or terminated earlier in accordance with the PPA. The initial term of the PPA may be extended for an additional period by either party upon mutual agreement.

The PPA is governed by the laws of Uzbekistan. All disputes under the PPA are subject to a tiered dispute resolution process, starting with party negotiation, expert determination (in respect of certain technical disputes only) and which, if still unresolved, is finally determined pursuant to arbitration with its seat in London pursuant to the Rules of the London Court of International Arbitration.

EPC Contract

The EPC contract is split between an offshore and an onshore scope.

The offshore portion is documented in an offshore engineering, design and procurement contract dated 31/12/2020G between (i) Sirdarya (as the owner) and (ii) China Gezhouba Group Company Limited (the offshore contractor) whereby Sirdarya engages the offshore contractor to carry out and complete all design, engineering, procurement, manufacture, factory testing, transportation and supply of certain materials and equipment and other work necessary to complete the works and the remedying of defects therein, to be performed outside of Uzbekistan.

The onshore portion is documented in an onshore construction contract dated 31/12/2020G between (i) Sirdarya (as the owner) and (ii) China Gezhouba Group International Engineering Central Asia (the onshore contractor) whereby Sirdarya engages the onshore contractor to carry out and complete all procurement, transportation, construction, erection, installation, equipping, completion, testing, commissioning and other work necessary to construct and complete the works and the remedying of defects therein, to be performed within Uzbekistan.

All of the aforementioned parties entered into a coordination agreement dated 31/12/2020G which bridges the offshore and onshore scope of works and contains a horizontal waiver of defences (so that the onshore contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore contractor acts or omissions, and vice versa). This means that all contractor parties are responsible for carrying out and completing design, engineering, procurement, construction, testing and commissioning on a lump sum turnkey basis with joint and several liability.

The coordination agreement means that for all intents and purposes, there is one single EPC contract, with one lump sum turnkey contractor. The approximate value of the project costs is SAR 4,500 million, and the value of EPC contract ranges between 70% to 90% of the total project costs.

Under the EPC contract, the contractor is required to demonstrate that the plant satisfies certain performance guarantees. If the performance guarantees as prescribed in the EPC contract are not met, the contractor shall pay performance liquidated damages to Sirdarya. The contractor is also liable for delay liquidated damages for a failure to achieve certain key milestone dates.

The contractor's liability for performance liquidated damages is capped at 15% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's liability for delay liquidated damages is capped at 20% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's total liability for delay and performance liquidated damages is capped at 25% of the aggregate contract price (across both onshore and offshore contracts).

The contractor is liable to correct latent defects that appear any time within 5 years after the project commercial operation date.

The contractor's overall liability is capped at 100% of the total contract price payable under both the onshore and offshore contracts. However, the cap does not apply to the contractor's liability (i) to reinstate the works following loss or damage whilst the works are under the custody of the contractor, (ii) for fraud, wilful or gross misconduct or illegal acts, (iii) for death to persons and damage to property, (iv) for indemnities relating to death or personal injury or damage to third party property, or (v) for the indemnities in respect of breach of laws, IP infringement, discharging encumbrances that hinder Sirdarya's clean title to equipment and materials or insurance vitiation ("Liability Cap Carve Outs").

Sirdarya's liability is also capped at 100% of the total contract price payable under both the onshore and offshore contracts. However, the cap does not apply to the Liability Cap Carve Outs.

The contract contains a mutual waiver of economic and consequential losses provided that this waiver shall not apply to (i) liability to effect payments that are enumerated in the EPC contract, (ii) losses incurred by Sirdarya for which the contractor is expressly required to reimburse Sirdarya for under the EPC contract, (iii) liquidated damages, or (iv) liability of the contractor to pay damages in lieu of liquidated damages (where liquidated damages are found to be unenforceable).

The contract contains a separate cap on the contractor's liability of 120% of the contract price where Sirdarya exercises its rejection rights pursuant to the terms of the EPC contract.

Sirdarya is entitled to terminate for contractor default in which case the contractor shall (i) cease all further work unless instructed by Sirdarya, (ii) terminate all subcontracts on the best possible terms (except those that are, to the extent legally possible, to be assigned to Sirdarya), (iii) deliver materials, equipment (including title therein) and the parts of the works executed by the contractor up to the date of termination to Sirdarya, (iv) procure the assignment of all permits to Sirdarya, (v) assign purchase orders for gas turbines to / JSC National Electric Networks of Uzbekistan and (vi) deliver all contractor documents prepared by the contractor and its subcontractors.

Sirdarya is also entitled to terminate the EPC for convenience. Termination, suspension, rejection and reduction in the contract price of the offshore contract shall constitute termination, suspension, rejection or reduction in the contract price (as applicable) under the onshore contract, and vice versa.

The agreement is governed by the laws of England and Wales. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the London Court of International Arbitration (LCIA) rules with the seat and place of the arbitration being Dubai, United Arab Emirates.

Finance Documents

Foreign Enterprise "ACWA Power Sirdarya" Limited Liability Company ("**Sirdarya**") entered into a common terms agreement with certain financial institutions on 18/7/1442H (corresponding to 2/3/2021G), the "**Sirdarya CTA**"), as well as related senior financing documents (together, the "**Sirdarya Finance Documents**"). The Sirdarya CTA provides the framework governing a number of separately documented financing facilities, including senior facilities and a working capital facility and a facility for funding a debt reserve account for schedule debt service due during the six-month period ending on the first repayment date (30 June 2024) and for each six month period ending on each repayment date falling thereafter up to the final maturity date. There is, in addition, an equity bridge murabaha facility from First Abu Dhabi Bank through which the Company is covering its USD 264,022,901 base equity obligations. The facilities were obtained for the purposes of financing the Sirdarya combined cycle gas turbine power plant in Uzbekistan.

The Sirdarya Finance Documents include standard representations and covenants by Sirdarya including covenants relating to the non-disposal of assets, non-incurrence of financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of Sirdarya's financiers, together with events of default relating to Sirdarya equity obligors and major project parties.

Nature of financing: The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

The obligations of Sirdarya under the Sirdarya CTA are secured against, amongst other things, the project land lease, certain project accounts, plant and equipment, intellectual property, insurance proceeds, shares in Sirdarya and shares in the 100% shareholder of Sirdarya (a DIFC entity called ACWA Power Uzbekistan Project Holding Company Ltd). The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The Company has entered into the equity subscription and retention agreement in relation to the project, in order to (amongst other things) commit to contribute its base and standby equity, undertake to hold onto a portion of its shares in the project for specified periods and give certain standard representations and undertakings. The Company also agrees to indemnify the finance parties against any reasonable costs, claims, losses and liabilities incurred in connection with the finance parties exercising their rights under the acceleration clause in the Sirdarya CTA to the extent such amounts are incurred in connection with the finance parties exercising their rights against the Company under the Sirdarya Finance Documents.

Change of control: There are no change of control issues.

Governing law: The Sirdarya CTA is governed by English law.

Financiers at financial close: Bank of China Limited Beijing Branch; Natixis, London Branch; Société Générale; Standard Chartered Bank, acting through its Dubai International Financial Centre branch (regulated by the Dubai Financial Services Authority); European Bank for Reconstruction and Development; DEG – Deutsche Investitions – Und Entwicklungsgesell-Schaft mbH; The OPEC Fund for International Development.

Financiers as of the date of the prospectus: Bank of China Limited Beijing Branch; Natixis, London Branch; Société Générale; Standard Chartered Bank, acting through its Dubai International Financial Centre branch (regulated by the Dubai Financial Services Authority); European Bank for Reconstruction and Development; DEG – Deutsche Investitions – Und Entwicklungsgesell-Schaft mbH; The OPEC Fund for International Development.

Financing amount at financial close: SAR 2,704 (DEG, EBRD, MIGA and OPEC senior debt).

Final maturity date at financial close: 30 June 2039G.

12-7-2-4 Bash Wind

The contracts and agreements mentioned below are related to Bash independent power project, located in Uzbekistan.

PPA

JSC "National Electric Grid of Uzbekistan" ("**NEGU**") and FE "ACWA Power Bash Wind" LLC ("**APBW**") are parties to the PPA entered into on 24 January 2021G, pursuant to which NEGU is the sole purchaser of all electricity and capacity from the 500 MW Wind Power Generation Plant at Gijduvon district, Bukhara, Uzbekistan (the "**Bash Project**"), valued at approximately SAR 245 million. The term of the PPA begins on the date on which the term of the Investment Agreement begins (as detailed below) and runs until the 25th anniversary of the Project Commercial Operation Date which is expected to occur in Q4 2021G (unless extended or terminated in accordance with the terms of the PPA).

NEGU is obliged to pay APBW, on a monthly basis over the term of the PPA, Energy Payments (which are broadly structured to compensate APBW for its (i) capital costs for developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and Deemed NPO Payments), in Uzbekistan Soums. APBW is responsible for delivery and handover of various substation and transmission facilities (the "**Purchaser Electrical Facilitie**s"), including all associated costs. NEGU is obliged to pay, on a monthly basis on and from the first group commercial operation date until such date as agreed between the parties not exceeding ten (10) years after the first group commercial operation date, to APBW a charge (the "**Purchaser Electrical Facilities Charge**") in respect of such Purchaser Electrical Facilities as agreed between APBW and NEGU on the basis of APBW's reasonable capital costs, funding costs and any other costs incurred associated with delivery and handover of the Purchaser Electrical Facilities (for example, transportation to site or testing and commissioning of the Purchaser Electrical Facilities).

Under the PPA, APBW is protected to the extent that the availability of the plant is adversely affected by specific events, such as (i) force majeure events (e.g. epidemic, natural disaster, accidents or explosions), (ii) political force majeure events (e.g. acts of war, change of law, boycotts, and act of terrorism), (iii) NEGU delay or default, etc. Upon the occurrence of a delay to achievement of key milestones as a result of any of (i) – (iii) aforementioned, the APBW is entitled to time relief. The APBW is also entitled to a tariff adjustment where such delay occurs as a result of NEGU's delay or default. Both NEGU and APBW have certain termination rights should a force majeure or political force majeure event continue for more than three hundred and sixty days.

Either party may claim a tariff adjustment due to increased costs or savings as a result of political force majeure, a NEGU risk event (which includes, among other things, any delay or default by NEGU) or an eligible competing wind farm development affecting the wind resources or wind speed for the Bash Project, provided that such increased costs or savings reach in excess of US$1 million in aggregate.

APBW shall be entitled to payments for deemed net output ("**Deemed NPO Payments**") in a number of scenarios. If NEGU amends the standing dispatch instruction for delivery of net power output and such amendment is not due to any act or omission by APBW, APBW shall be entitled to be paid for deemed net power output in respect of the net power output that it would otherwise have delivered to NEGU, save that NEGU is not liable to make any Deemed NPO Payment to the extent that the deemed net power output constitutes or relates to any permitted transmission system outages.

If NEGU cannot conduct a performance test in accordance with the inspection and testing requirements under the PPA (**"I&T Requirements"**) because of any action or failure to act without justifiable cause by the NEGU, or due to a purchaser risk event or any political force majeure event, NEGU shall make Deemed NPO Payments to APBW for such deemed net power output for the period commencing on the date on which the performance test would have been completed but for such action, failure to act, purchaser risk event or political force majeure event, until the date such performance test has been completed (the "**Deemed Period**"). However, if upon such completion of the performance test in accordance with the I&T Requirements, the achieved capacity demonstrated is less than the contracted capacity, then (i) any amounts paid by NEGU during the Deemed Period in excess of the amounts that NEGU would have had to pay if the Plant had been deemed to be providing net power output as so determined by the performance test, together with (ii) interest accrued thereon at the rate agreed under the PPA, shall be credited against future payments to be made by NEGU to APBW.

If the achievement of (A) a commercial operation date (expected to occur on Q4 2023G) for a group or (B) the project commercial operation date is delayed due to a default or delay by NEGU in performance of its obligations under the PPA, a political force majeure event, a purchaser risk event or total or partial unavailability of the Transmission System (for reasons other than force majeure) and provided that, in respect of (A) only, the Earliest Connection Date (the date falling nineteen (19) months after the closing date) has occurred, then on and from the date on which APBW would have achieved the relevant commercial operation date or project commercial operation date but for any of the reasons aforementioned, until the date on which such commercial operation date or project commercial operation date is actually achieved, APBW shall be deemed to have achieved such date (solely for the purpose of calculating Deemed NPO Payments) and is entitled to Deemed NPO Payments. However if, on the actual occurrence of the relevant commercial operation date for a group or the project commercial operation date, it is determined that APBW is in breach of any obligation required to achieve such date or the achieved capacity does not meet the I&R Requirements, the relevant commercial operation date for the relevant group or project commercial operation date shall retroactively cease to be deemed to have been achieved and to the extent any Deemed NPO Payment exceeds the amount NEGU would have had to pay if the Plant had been providing deemed net power output as demonstrated by the performance and commission tests (as applicable) (together with any accrued interest thereon) shall be either (i) credited against future payments to be made or (ii) where the PPA is terminated for any reason prior to such amounts being credited against future payments, APBW shall promptly repay NEGU the outstanding excess.

If, prior to the project commercial operation date, (A) a political force majeure event has occurred which results in material damage to or loss of the Plant or the Interfaces or delay in attaining any key milestone or (B) a transmission system force majeure or political force majeure event has occurred that affects APBW's ability to provide or NEGU's ability to receive net power output, then APBW shall be entitled to receive Deemed NPO Payments however in each case, only in respect of any group which has achieved its commercial operation date. However, NEGU is not liable to make any Deemed NPO Payments to the extent that the deemed net power output constitutes or relates to any permitted transmission system outages.

If, on or after the project commercial operation date, a transmission system force majeure or political force majeure event occurs which affects APBW's ability to provide or NEGU's ability to receive net power output, then APBW shall be entitled to receive Deemed NPO Payments however in each case, only in respect of any group which has achieved its commercial operation date. Again, NEGU is not liable to make any Deemed NPO Payments to the extent that the deemed net power output constitutes or relates to any permitted transmission system outages.

APBW is obliged to use all reasonable endeavours to prevent or reduce to a minimum and mitigate the effect of any condition or circumstance within its control that gives rise to a right to receive Deemed NPO Payments. Moreover, if APBW has received any insurance proceeds or other compensation in respect of (A) revenue losses associated with or (B) liabilities, costs, charges, claims, expenses or losses attributable to, any event of political force majeure, purchaser risk event or an eligible competing wind farm development affecting the wind resources or wind speed for the Bash Project, NEGU's liability to make Deemed NPO Payments as described above shall be reduced by an amount equal to such insurance proceeds, liquidated damages or other compensation (net of any taxes or costs to recover the same or convert currency in respect of the same).

NEGU must obtain, no later than two months prior to the scheduled group commercial operation date of the first group (twenty-one (21) – twenty-two (22) months after the closing date), and maintain external credit support (the "Purchaser Credit Support") provided in respect of NEGU's payment obligations under the PPA, equal to three months of revenues calculated in accordance with the financial model (the "Guaranteed Amount"). Such external credit support shall be in the form of an irrevocable and unconditional bank guarantee issued by an Uzbek bank, which shall have a long term credit rating no less than the credit rating of Uzbekistan.

Failure by NEGU to provide or replenish the relevant credit support is an event of default under the PPA and will entitle APBW (but not oblige APBW) to terminate the PPA and to require NEGU to purchase the project.

APBW or NEGU may terminate the PPA in specified circumstances of the other party's default. APBW may terminate the PPA for default by NEGU: (i) payment default, (ii) insolvency and bankruptcy types of events, (iii) failure to maintain the Purchaser Credit Support or the Guaranteed Amount at the minimum level, (iv) early termination of the IA or land lease agreement (the "LLA") for reasons not set out therein, or, in respect of the IA only, as a result of a breach by the Government of Uzbekistan, (v) expropriation of the Site or Plant or material part thereof with material adverse effect, (vi) breach of its material obligations under the PPA (other than payment default) and (vii) the Land Allotment Order is cancelled or the LLA is terminated (other than as a result of a default by APBW thereunder). NEGU may terminate the PPA for default by APBW: (i) failure to achieve key milestones by applicable longstop dates (including minimum capacity requirements), (ii) wilful and unexcused failure by APBW to operate any group or Plant, (iii) abandonment by APBW, (iv) insolvency and bankruptcy types of events,(v) failure to maintain required consents, (vi) payment defaults, (vii) failure to remedy defects, (viii) breach of its material obligations under the PPA (other than (i) – (vi) aforementioned), (ix) the Land Allotment Order is cancelled or the LLA is terminated as a result of a default by APBW thereunder, (x) failure to meet certain availability thresholds, (xi) delivery of electrical energy not generated by a group or the Plant, (xii) prohibited transfer any interest in respect of APBW and (xiii) early termination of the IA or LLA by APBW for reasons not set out therein.

If the PPA is terminated for a default by APBW, then NEGU has the right, but not the obligation, to purchase the plant (i.e. call option). If the PPA is terminated for a default of NEGU, then APBW can require NEGU to purchase the plant (i.e. put option). NEGU also has an obligation to purchase the plant in certain other instances where the PPA is terminated prior to the end of its term, including where the PPA is terminated by NEGU for prolonged political force majeure event or prolonged force majeure event. Depending on the termination scenarios, a termination amount shall be payable by NEGU. In all cases of termination, the Purchaser Electrical Facilities Lump Sum Amount (which corresponds to the aggregate of all unpaid amounts of the Purchaser Electrical Facilities that would have been paid to APBW) is payable, provided that the Purchaser Electrical Facilities are transferred to NEGU. The NPV of the Shareholder Cash Flow (assuming a period from the calculation date to the 25th anniversary of the Commercial Operation Date and taking into account the equity IRR set out in the financial model) is only payable (as part of Value B) in cases of termination of the PPA for: (a) Purchaser Event of Default or (b) Prolonged Political Force Majeure. In this case, the expected return on equity will be paid to the shareholder.

The termination amount payable by NEGU in each case will accrued interest and principal in respect of the senior debt as well as any prepayment costs thereunder and, in certain instances where the PPA is terminated, such as a default by NEGU (which includes (i) the failure of NEGU to provide the required credit support and (ii) termination of the Investment Agreement as a result of a breach by the Government of Uzbekistan) and prolonged political force majeure, the price will also include the net present value of shareholder cashflow.

The project is structured on a BOO basis, though as noted above, there are certain instances where NEGU has an obligation to purchase the plant where the PPA is terminated prior to the end of its term. Such events include where the PPA is terminated by NEGU for prolonged political force majeure event or prolonged force majeure event, or where the PPA is terminated by the Seller for a default of NEGU or a prolonged force majeure event. The PPA has a term of 25 years from the project commercial operation date, which is scheduled to occur 24 months after the closing date. The PPA can be extended beyond the initial term of 25 years with the mutual agreement of both APBW and NEGU. ACWA Power (the investor) must retain a minimum shareholding interest of 51% in APBW until the second anniversary of the project completion date and for two (2) subsequent years. Thereafter ACWA Power shall retain at least 30% shareholding interest in APBW. However, there is no such requirement in respect of the shareholding in ACWA Power itself.

The PPA is governed by the laws of Uzbekistan. All disputes under the PPA are subject to a tiered dispute resolution process, starting with Party negotiation, expert determination (in respect of technical disputes only) and which, if still unresolved, is finally determined pursuant to arbitration with its seat in London pursuant to the Rules of the London Court of International Arbitration.

Investment Agreement

The Government of the Republic of Uzbekistan" (the "**Government of Uzbekistan**"), The International Company for Water and Power Projects (ACWA Power) and APBW are parties to the Investment Agreement entered into on 24 January 2021G, pursuant to which the Government of Uzbekistan agrees to provide certain assistance and support to ACWA Power and APBW in respect of the Bash Project. Such assistance includes: (i) liquidity support, whereby the Government of Uzbekistan shall procure that NEGU maintains an irrevocable and unconditional guarantee from an Uzbek bank for an amount in US Dollars not less than three months of revenues under the PPA and (ii) PPA termination compensation, whereby the Government of Uzbekistan shall pay, or procure that NEGU, pay any termination amount due to APBW if NEGU fails to pay such amount in accordance with the terms of the PPA.

The term of the Investment Agreement begins on the date on which (i) the law "On Currency Control" dated 22 October 2019 has been amended to allow tariffs, in relation to projects in the power sector, of Uzbekistan to be denominated in foreign currency and (ii) a decree by the President of the Republic of Uzbekistan has been issued approving the Investment Agreement. The term of the Investment Agreement runs until the earliest to occur of: (i) the termination of the PPA as a result of non-fulfilment of conditions precedent to the closing date thereunder; (ii) the date on which APBW transfers its rights and interest in the Bash Project to NEGU in accordance with the Investment Agreement and PPA; and (iii) the earlier to occur of the date on which (A) the Government of Uzbekistan returns (or procures the return of) the "Decommissioning Security" to APBW following confirmation that APBW has completed the decommissioning of the Bash Project and (B) the Government of Uzbekistan calls on the "Decommissioning Security" and returns the balance thereof to APBW.

The Government of Uzbekistan has a primary and independent obligation to procure that NEGU maintain at all times the Purchaser Credit Support for an amount at least equal to the Guaranteed Amount and for the period required under the PPA and if the credit rating of the issuer of the Purchaser Credit Support falls below the minimum acceptable rating, the Government shall procure a replacement of the Purchaser Credit Support issuer.

The term of the Investment Agreement shall continue (unless terminated for grounds under the Investment Agreement) until the earliest of (i) the termination of the PPA for non-fulfilment of conditions precedent thereunder, (ii) the date on which APBW transfers its rights and interests in the Bash Project to NEGU and (iii) the earlier to occur of the date on which the Government of Uzbekistan (a) returns the decommissioning security to APBW under the Investment Agreement and (b) calls on the decommissioning security and returns any balance to ABPW in accordance with the Investment Agreement.

Following the termination of the PPA, if NEGU fails to pay in full any applicable termination amount due to the ABPW, the Government of Uzbekistan shall procure the payment of such amount.

If the PPA is terminated by NEGU, due to a default by APBW or otherwise, the Government of Uzbekistan may terminate the IA with immediate effect by written notice to APBW. If the PPA is terminated by APBW in accordance with its terms, APBW may serve written notice on the Government of Uzbekistan to terminate the IA. If a "Government Breach" has occurred and is continuing under the IA, APBW may issue written notice to the Government of Uzbekistan specifying the relevant breach and cure period within with the Government Breach should be remedied, such period being no less than (a) 30 days in respect of a failure by the Government of Uzbekistan to comply with its obligations in respect of the Purchaser Credit Support and (b) 120 days for any other Government Breach. For these purposes, "Government Breach" includes (i) failure to comply with its obligations in respect of the Purchaser Credit Support, (ii) the direct or indirect expropriation, compulsory acquisition, nationalization or other compulsory procurement of any share capital, any asset or any other rights and interests of APBW in the Bash Project, (iii) any misrepresentation by the Government of Uzbekistan in any material respect of any of its representations or warranties under the IA or (iv) failure by the Government of Uzbekistan to comply with its material obligations under the IA (other than the failure described in (i) aforementioned). Should the Government of Uzbekistan fail to remedy the relevant Government Breach within the relevant cure period, APBW may terminate the IA with immediate effect by written notice to the Government of Uzbekistan.

The Investment Agreement is governed by the laws of Uzbekistan. The Parties to the Investment Agreement shall first attempt to resolve any disputes between themselves and should such dispute fail to be resolved by Party negotiation, the matter shall be determined pursuant to arbitration with its seat in London pursuant to the Rules of the London Court of International Arbitration.

12-7-2-5 Dzhankeldy

The contracts and agreements mentioned below are related to Dzhankeldy Wind IPP located in Uzbekistan.

PPA

JSC "National Electric Grid of Uzbekistan" ("**NEGU**") and FE "ACWA Power Dzhankeldy Wind" LLC ("**APDW**") are parties to the PPA entered into on 24 January 2021G, pursuant to which NEGU is the sole purchaser of all electricity and capacity from the 300-500 MW Wind Power Generation Plant at Peshko district, Bukhara, Uzbekistan (the "**Dzhankeldy Project**"), valued at approximately SAR 230 million. The term of the PPA begins on the date on which the term of the Investment Agreement begins (as detailed below) and runs until the 25th anniversary of the Project Commercial Operation Date which is expected to occur in Q4 2021G (unless extended or terminated in accordance with the terms of the PPA).

NEGU is obliged to pay APDW, on a monthly basis over the term of the PPA, Energy Payments (which are broadly structured to compensate APDW for its (i) capital costs for developing the project; (ii) fixed operation and maintenance costs and (iii) taxes and profit), and Deemed NPO Payments), in Uzbekistan Soums. APDW is responsible for delivery and handover of various substation and transmission facilities (the "**Purchaser Electrical Facilities**"), including all associated costs. NEGU is obliged to pay, on a monthly basis on and from the first group commercial operation date until such date as agreed between the parties not exceeding ten (10) years after the first group commercial operation date, to APDW a charge (the "**Purchaser Electrical Facilities Charge**") in respect of such Purchaser Electrical Facilities as agreed between APDW and NEGU on the basis of APDW's reasonable capital costs, funding costs and any other costs incurred associated with delivery and handover of the Purchaser Electrical Facilities (for example, transportation to site or testing and commissioning of the Purchaser Electrical Facilities).

Under the PPA, APDW is protected to the extent that the availability of the plant is adversely affected by specific events, such as (i) force majeure events (e.g. epidemic, natural disaster, accidents or explosions), (ii) political force majeure events (e.g. acts of war, change of law, boycotts, and act of terrorism), (iii) NEGU delay or default, etc. Upon the occurrence of a delay to achievement of key milestones as a result of any of (i) – (iii) aforementioned, the APDW is entitled to time relief. The APDW is also entitled to a tariff adjustment where such delay occurs as a result of NEGU's delay or default. Both NEGU and APDW have certain termination rights should a force majeure or political force majeure event continue for more than three hundred and sixty days.

Either party may claim a tariff adjustment due to increased costs or savings as a result of political force majeure, a NEGU risk event (which includes, among other things, any delay or default by NEGU) or an eligible competing wind farm development affecting the wind resources or wind speed for the Dzhankeldy Project, provided that such increased costs or savings reach in excess of US$1 million in aggregate.

APDW shall be entitled to payments for deemed net output ("**Deemed NPO Payments**") in a number of scenarios. If NEGU amends the standing dispatch instruction for delivery of net power output and such amendment is not due to any act or omission by APDW, APDW shall be entitled to be paid for deemed net power output in respect of the net power output that it would otherwise have delivered to NEGU, save that NEGU is not liable to make any Deemed NPO Payment to the extent that the deemed net power output constitutes or relates to any permitted transmission system outages.

If NEGU cannot conduct a performance test in accordance with the inspection and testing requirements under the PPA (**"I&T Requirements**") because of any action or failure to act without justifiable cause by the NEGU, or due to a purchaser risk event or any political force majeure event, NEGU shall make Deemed NPO Payments to APDW for such deemed net power output for the period commencing on the date on which the performance test would have been completed but for such action, failure to act, purchaser risk event or political force majeure event, until the date such performance test has been completed (the "**Deemed Period**"). However, if upon such completion of the performance test in accordance with the I&T Requirements, the achieved capacity demonstrated is less than the contracted capacity, then (i) any amounts paid by NEGU during the Deemed Period in excess of the amounts that NEGU would have had to pay if the Plant had been deemed to be providing net power output as so determined by the performance test, together with (ii) interest accrued thereon at the rate agreed under the PPA, shall be credited against future payments to be made by NEGU to APDW.

If the achievement of (A) a commercial operation date for a group or (B) the project commercial operation date is delayed due to a default or delay by NEGU in performance of its obligations under the PPA, a political force majeure event, a purchaser risk event or total or partial unavailability of the Transmission System (for reasons other than force majeure) and provided that, in respect of (A) only, the Earliest Connection Date (the date falling nineteen (19) months after the closing date) has occurred, then on and from the date on which APDW would have achieved the relevant commercial operation date or project commercial operation date but for any of the reasons aforementioned, until the date on which such commercial operation date or project commercial operation date is actually achieved, APDW shall be deemed to have achieved such date (solely for the purpose of calculating Deemed NPO Payments) and is entitled to Deemed NPO Payments. However if, on the actual occurrence of the relevant commercial operation date for a group or the project commercial operation date, it is determined that APDW is in breach of any obligation required to achieve such date or the achieved capacity does not meet the I&R Requirements, the relevant commercial operation date for the relevant group or project commercial operation date shall retroactively cease to be deemed to have been achieved and to the extent any Deemed NPO Payment exceeds the amount NEGU would have had to pay if the Plant had been providing deemed net power output as demonstrated by the performance and commission tests (as applicable) (together with any accrued interest thereon) shall be either (i) credited against future payments to be made or (ii) where the PPA is terminated for any reason prior to such amounts being credited against future payments, APDW shall promptly repay NEGU the outstanding excess.

If, prior to the project commercial operation date, (A) a political force majeure event has occurred which results in material damage to or loss of the Plant or the Interfaces or delay in attaining any key milestone or (B) a transmission system force majeure or political force majeure event has occurred that affects APDW's ability to provide or NEGU's ability to receive net power output, then APDW shall be entitled to receive Deemed NPO Payments however in each case, only in respect of any group which has achieved its commercial operation date. However, NEGU is not liable to make any Deemed NPO Payments to the extent that the deemed net power output constitutes or relates to any permitted transmission system outages.

If, on or after the project commercial operation date, a transmission system force majeure or political force majeure event occurs which affects APDW's ability to provide or NEGU's ability to receive net power output, then APDW shall be entitled to receive Deemed NPO Payments however in each case, only in respect of any group which has achieved its commercial operation date. Again, NEGU is not liable to make any Deemed NPO Payments to the extent that the deemed net power output constitutes or relates to any permitted transmission system outages.

APDW is obliged to use all reasonable endeavours to prevent or reduce to a minimum and mitigate the effect of any condition or circumstance within its control that gives rise to a right to receive Deemed NPO Payments. Moreover, if APDW has received any insurance proceeds or other compensation in respect of (A) revenue losses associated with or (B) liabilities, costs, charges, claims, expenses or losses attributable to, any event of political force majeure, purchaser risk event or an eligible competing wind farm development affecting the wind resources or wind speed for the Dzhankeldy Project, NEGU's liability to make Deemed NPO Payments as described above shall be reduced by an amount equal to such insurance proceeds, liquidated damages or other compensation (net of any taxes or costs to recover the same or convert currency in respect of the same).

NEGU must obtain, no later than two months prior to the scheduled group commercial operation date of the first group (twenty-one (21) – twenty-two (22) months after the closing date), and maintain external credit support (the "**Purchaser Credit Suppor**t") provided in respect of NEGU's payment obligations under the PPA, equal to three months of revenues calculated in accordance with the financial model (the "**Guaranteed Amoun**t"). Such external credit support shall be in the form of an irrevocable and unconditional bank guarantee issued by an Uzbek bank, which shall have a long term credit rating no less than the credit rating of Uzbekistan.

Failure by NEGU to provide or replenish the relevant credit support is an event of default under the PPA and will entitle APDW (but not oblige APDW) to terminate the PPA and to require NEGU to purchase the project.

APDW or NEGU may terminate the PPA in specified circumstances of the other party's default. APDW may terminate the PPA for default by NEGU: (i) payment default, (ii) insolvency and bankruptcy types of events, (iii) failure to maintain the Purchaser Credit Support or the Guaranteed Amount at the minimum level, (iv) early termination of the IA or land lease agreement (the "**LLA**") for reasons not set out therein, or, in respect of the IA only, as a result of a breach by the Government of Uzbekistan, (v) expropriation of the Site or Plant or material part thereof with material adverse effect, (vi) breach of its material obligations under the PPA (other than payment default) and (vii) the Land Allotment Order is cancelled or the LLA is terminated (other than as a result of a default by APDW thereunder). NEGU may terminate the PPA for default by APDW: (i) failure to achieve key milestones by applicable longstop dates (including minimum capacity requirements), (ii) wilful and unexcused failure by APDW to operate any group or Plant, (iii) abandonment by APDW, (iv) insolvency and bankruptcy types of events,(v) failure to maintain required consents, (vi) payment defaults, (vii) failure to remedy defects, (viii) breach of its material obligations under the PPA (other than (i) – (vi) aforementioned), (ix) the Land Allotment Order is cancelled or the LLA is terminated as a result of a default by APDW thereunder, (x) failure to meet certain availability thresholds, (xi) delivery of electrical energy not generated by a group or the Plant, (xii) prohibited transfer any interest in respect of APDW and (xiii) early termination of the IA or LLA by APDW for reasons not set out therein.

If the PPA is terminated for a default by APDW, then NEGU has the right, but not the obligation, to purchase the plant (i.e. call option). If the PPA is terminated for a default of NEGU, then APDW can require NEGU to purchase the plant (i.e. put option). NEGU also has an obligation to purchase the plant in certain other instances where the PPA is terminated prior to the end of its term, including where the PPA is terminated by NEGU for prolonged political force majeure event or prolonged force majeure event. Depending on the termination scenarios, a termination amount shall be payable by NEGU. In all cases of termination, the Purchaser Electrical Facilities Lump Sum Amount (which corresponds to the aggregate of all unpaid amounts of the Purchaser Electrical Facilities that would have been paid to APDW) is payable, provided that the Purchaser Electrical Facilities are transferred to NEGU. The NPV of the Shareholder Cash Flow (assuming a period from the calculation date to the 25th anniversary of the Commercial Operation Date and taking into account the equity IRR set out in the financial model) is only payable (as part of Value B) in cases of termination of the PPA for: (a) Purchaser Event of Default or (b) Prolonged Political Force Majeure. In this case, the expected return on equity will be paid to the shareholder.

The termination amount payable by NEGU in each case will accrued interest and principal in respect of the senior debt as well as any prepayment costs thereunder and, in certain instances where the PPA is terminated, such as a default by NEGU (which includes (i) the failure of NEGU to provide the required credit support and (ii) termination of the Investment Agreement as a result of a breach by the Government of Uzbekistan) and prolonged political force majeure, the price will also include the net present value of shareholder cashflow.

The project is structured on a BOO basis, though as noted above, there are certain instances where NEGU has an obligation to purchase the plant where the PPA is terminated prior to the end of its term. Such events include where the PPA is terminated by NEGU for prolonged political force majeure event or prolonged force majeure event, or where the PPA is terminated by the Seller for a default of NEGU or a prolonged force majeure event. The PPA has a term of 25 years from the project commercial operation date, which is scheduled to occur 24 months after the closing date. The PPA can be extended beyond the initial term of 25 years with the mutual agreement of both APDW and NEGU. ACWA Power (the investor) must retain a minimum shareholding interest of 51% in APDW until the second anniversary of the project completion date and for , two (2) subsequent years. Thereafter ACWA Power shall retain at least 30% shareholding interest in APDW. However, there is no such requirement in respect of the shareholding in ACWA Power itself.

The PPA is governed by the laws of Uzbekistan. All disputes under the PPA are subject to a tiered dispute resolution process, starting with Party negotiation, expert determination (in respect of technical disputes only) and which, if still unresolved, is finally determined pursuant to arbitration with its seat in London pursuant to the Rules of the London Court of International Arbitration.

Investment Agreement

The Government of the Republic of Uzbekistan" (the "Government of Uzbekistan"), The International Company for Water and Power Projects (ACWA Power) and APDW are parties to the Investment Agreement entered into on 24 January 2021G, pursuant to which the Government of Uzbekistan agrees to provide certain assistance and support to ACWA Power and APDW in respect of the Dzhankeldy Project. Such assistance includes (i) liquidity support, whereby the Government of Uzbekistan shall procure that NEGU maintains an irrevocable and unconditional guarantee from an Uzbek bank for an amount in US Dollars not less than three months of revenues under the PPA; and (ii) PPA compensation, whereby the Government of Uzbekistan shall pay, or procure that NEGU, pay any termination amount due to APBW if NEGU fails to pay such amount in accordance with the terms of the PPA.

The term of the Investment Agreement begins on the date on which (i) the law "On Currency Control" dated 22 October 2019G has been amended to allow tariffs, in relation to projects in the power sector, of Uzbekistan to be denominated in foreign currency and (ii) a decree by the President of the Republic of Uzbekistan has been issued approving the Investment Agreement. The term of the Investment Agreement runs until the earliest to occur of: (i) the termination of the PPA as a result of non-fulfilment of conditions precedent to the closing date thereunder; (ii) the date on which APBW transfers its rights and interest in the Bash Project to NEGU in accordance with the Investment Agreement and PPA; and (iii) the earlier to occur of the date on which (A) the Government of Uzbekistan returns (or procures the return of) the "Decommissioning Security" to APBW following confirmation that APBW has completed the decommissioning of the Bash Project and (B) the Government of Uzbekistan calls on the "Decommissioning Security" and returns the balance thereof to APBW.

The Government of Uzbekistan has a primary and independent obligation to procure that NEGU maintain at all times the Purchaser Credit Support for an amount at least equal to the Guaranteed Amount and for the period required under the PPA and if the credit rating of the issuer of the Purchaser Credit Support falls below the minimum acceptable rating, the Government shall procure a replacement of the Purchaser Credit Support issuer.

The term of the Investment Agreement shall continue (unless terminated for grounds under the Investment Agreement) until the earliest of (i) the termination of the PPA for non-fulfilment of conditions precedent thereunder, (ii) the date on which APDW transfers its rights and interests in the Dzhankeldy Project to NEGU and (iii) the earlier to occur of the date on which the Government of Uzbekistan (a) returns the decommissioning security to APDW under the Investment Agreement and (b) calls on the decommissioning security and returns any balance to FEADPW in accordance with the Investment Agreement.

Following the termination of the PPA, if NEGU fails to pay in full any applicable termination amount due to the FEADPW, the Government of Uzbekistan shall procure the payment of such amount.

If the PPA is terminated by NEGU, due to a default by APDW or otherwise, the Government of Uzbekistan may terminate the IA with immediate effect by written notice to APDW. If the PPA is terminated by APDW in accordance with its terms, APDW may serve written notice on the Government of Uzbekistan to terminate the IA. If a "Government Breach" has occurred and is continuing under the IA, APDW may issue written notice to the Government of Uzbekistan specifying the relevant breach and cure period within with the Government Breach should be remedied, such period being no less than (a) 30 days in respect of a failure by the Government of Uzbekistan to comply with its obligations in respect of the Purchaser Credit Support and (b) 120 days for any other Government Breach. For these purposes, "Government Breach" includes (i) failure to comply with its obligations in respect of the Purchaser Credit Support, (ii) the direct or indirect expropriation, compulsory acquisition, nationalization or other compulsory procurement of any share capital, any asset or any other rights and interests of APDW in the Dzhankeldy Project, (iii) any misrepresentation by the Government of Uzbekistan in any material respect of any of its representations or warranties under the IA or (iv) failure by the Government of Uzbekistan to comply with its material obligations under the IA (other than the failure described in (i) aforementioned). Should the Government of Uzbekistan fail to remedy the relevant Government Breach within the relevant cure period, APDW may terminate the IA with immediate effect by written notice to the Government of Uzbekistan.

The Investment Agreement is governed by the laws of Uzbekistan. The Parties to the Investment Agreement shall first attempt to resolve any disputes between themselves and should such dispute fail to be resolved by Party negotiation, the matter shall be determined pursuant to arbitration with its seat in London pursuant to the Rules of the London Court of International Arbitration.

12-7-2-6 Red Sea Project

The contracts and agreements mentioned below are related to Red Sea Project located in the Kingdom of the Kingdom of Saudi Arabia.

EPC Contract

The EPC contract is split between an offshore and an onshore scope.

The offshore portion is documented in an (A) offshore engineering contract dated 07/02/2021G between Red Sea Company (as the owner) and SEPCOIII International Consultancy DMCC (the offshore engineering contractor) whereby the Red Sea Company engages the offshore engineering contractor to carry out and complete all design, engineering and other works necessary to complete the works and (B) offshore procurement contract dated 07/02/2021G between (i) Red Sea Company (as the owner) and each of (ii) SEPCOIII Electric Power Construction Co. LTD (DMCC Branch) and (iii) Power Construction Corporation of China (the offshore procurement contractor) whereby the Red Sea Company engages the offshore procurement contractor to carry out and complete all procurement, manufacturing, testing, supply and other work necessary to complete the works.

The onshore portion is documented in an onshore construction contract dated 07/02/2021G between Red Sea Company (as the owner) and Shandong Tiejun Electric Power Engineering Co., Ltd. Branch (the onshore construction contractor) whereby the Red Sea Company engages the onshore construction contractor to carry out and complete all design, engineering, procurement, manufacturing, construction, start-up, commissioning, testing and other work necessary to construct and complete the works and the remedying of defects therein.

All of the aforementioned parties entered into a coordination agreement dated 07/02/2021G which bridges the offshore and onshore scope of works and contains a horizontal waiver of defences (so that the onshore construction contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore engineering contractor or offshore procurement contractor acts or omissions, and vice versa). This means that all contractor parties are responsible for carrying out and completing design, engineering, procurement, construction, testing, commissioning and remedying of defects on a lump sum turnkey basis. The approximate value of the project costs is SAR 5,790 million, and EPC contract ranges between 70% to 90% of the total project costs.

The offshore engineering contractor, offshore procurement contractor and onshore construction contractor are jointly and severally liable for all contractor obligations and liabilities under the EPC contract.

The coordination agreement means that for all intents and purposes, there is one single EPC contract, with one lump sum turnkey contractor.

Under the EPC contract, the contractor is required to demonstrate that the plant satisfies certain performance guarantees. If the performance guarantees as prescribed in the EPC contract are not met, the contractor shall pay performance liquidated damages to the Red Sea Company. The contractor is also liable for delay liquidated damages for a failure to achieve certain key milestone dates.

The contractor's liability for performance liquidated damages is capped at 30% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's liability for delay liquidated damages is capped at 18% of the aggregate contract price (across both onshore and offshore contracts).

The contractor's total liability for delay and performance liquidated damages is capped at 35% of the aggregate contract price (across both onshore and offshore contracts).

The contractor is also liable to correct latent defects that appear any time within 5 years after the project completion date.

The contractor's overall liability is capped at 100% of the total contract price payable under the contracts. However, the cap does not apply to the contractor's liability (i) for fraud, wilful or gross misconduct, abandonment or illegal acts, (ii) for indemnities relating to death or personal injury to persons or damage to third party property, (iii) for indemnities in respect of breach of laws, IP infringement, taxes, discharging encumbrances that hinder the Red Sea Company's clean title to equipment and materials or insurance vitiation, (iv) that is covered by insurance proceeds, (v) under the rejection regime whereby the Red Sea Company can reject the works if, for example, the onshore services contractor fails to achieve the project completion date by the time the cap of liquidated damages is reached, abandonment occurs or the minimum acceptance criteria have not been achieved and is not remedied by a long-stop date, provided that liability under this item (v) is limited to 130% of the total contract price, (vi) to remedy defects, (vii) to indemnify the Red Sea Company for liabilities that arise as a result of the split contract structure (as opposed to a single turnkey EPC structure), and (viii) for liquidated damages (including liability of the contractor to pay damages in lieu of liquidated damages (where liquidated damages are found to be unenforceable)) ("**Liability Cap Carve Outs**").

The Red Sea Company's liability is also capped at 100% of the total contract price payable under both the onshore and offshore contracts. However, the cap does not apply to items (i), (ii) and (iii) of the Liability Cap Carve Outs.

The contract contains a mutual waiver of economic and consequential losses provided that this waiver shall not apply to items (i), (ii), (iii) and (viii) of the Liability Cap Carve Outs as well the contractor's obligation to compensate the Red Sea Company for the cost of completion or to repay the instalments of the contract price under the rejection regime specified in item (v) of the Liability Cap Carve Outs.

The granting of termination rights under one of the contracts forming part of the EPC contract results in the granting of a termination right under the other contracts forming part of the EPC contract (as applicable).

The Red Sea Company is entitled to terminate the EPC contract for convenience.

The EPC contract is governed by the laws of England and Wales. A tiered dispute resolution procedure applies, and the final forum for unresolved disputes is arbitration under the Rules of the United Nations Commission on International Trade Law with the place of the arbitration being Manama, Kingdom of Bahrain. The governing law of the arbitration is the law of England and Wales.

Utility Concession Agreement (UCA)

The Red Sea Development Company ("TRSDC") and Amwaj International Company LCC (the "Company") entered in to the UCA, valued at approximately SAR 454 million, on 15 November 2020G, pursuant to which TRSDC is the sole purchaser of all Utility Products and Utility Services from the Company. The rights and obligations of the parties (excluding obligations related to accelerated works, covenants, and standard boilerplate) are conditional on the occurrence of the Closing Date. As of 5 April 2021G the Closing Date has not occurred. As a condition precedent to the Closing Date, the Company will novate its rights and obligations under the UCA to a special purpose company.

Under the UCA, the Company has the right and obligation to (i) develop, operate and maintain for the duration of the term of the UCA, the Project Systems, and (ii) sell the Utility Products and Utility Services to TRSDC. The Project Systems include water desalination plants using reverse osmosis technology, power generation plants using photovoltaic technology, a power generation plant using wind turbine technology, a battery energy storage system, a power generation plant using internal combustion technology, eight sewage treatment plants, two district cooling plants, one municipal solid waste plant, transmission networks capable of delivering the utilities and associated infrastructure and facilities. Utility Products include electrical energy, potable water, re-use treated sewage effluent and thermal energy. Utility Services include influent treatment and collection and disposal of municipal solid waste.

TRSDC is obliged to pay the Company, service payments for each Project System on a monthly basis over the duration of the term of the UCA. The service payments are based on availability (which are broadly structured to compensate the Company for its (i) capital costs of developing the project, (ii) fixed operation and maintenance costs and (iii) taxes and profit), and output payments (which broadly compensate the Company for its variable and operation and maintenance costs), in SAR.

The Company will incur deductions from service payment is a project system suffers a reduction in availability or capacity (depending on the type of project system) or is not capable of operation because of a component failure, external restrictions, testing, work being performed or some other adverse condition from which the Company is not otherwise protected or can avail any reliefs under the UCA.

In order to ensure the Company's revenue is not adversely effected by inflation or currency movements over the term of the agreement, payments are indexed to KSA and US inflation indices and protected for KSA currency movement against the US dollar.

TRSDC payment obligations under the UCA are guaranteed by credit support agreement. The form of which is contained in the UCA and sights the guarantor as The Public Investment Fund of the Kingdom of Saudi Arabia. As the Closing Date has not occur the credit support agreement has not been executed.

The Company is required to deliver development security in the form of an irrevocable and unconditional bank guarantee in favour of TRSDC equal to the USD 110,546,000 (one hundred and ten million five hundred and forty six thousand dollars) (this amount will be adjusted at the Closing Date to be equal to 10% of the EPC contract price). TRSDC are entitled to drawdown on the development security in the event the Company abandons the project, or fails to pay liquidated damages. The development security shall remain in place until 30 days after the project completion date, at which point it is returned to the Company.

TRDSC has the right to make changes to the Project Systems (including the nominal capacity of the Project Systems). The Company is not required to make changes if it is unable to obtain third party financing, or TRDSC does not fund the change by way of lump-sum payment.

The Company is entitled to claim additional costs and an extension of the construction period, in the event it discovers hazardous substances, archaeological findings, or artificial underground objects, provided that, such discoveries are made and claimed within 12 months following the Scheduled Closing Date.

In the event that a Force Majeure Event causes an event of loss, the Company is required to restore the relevant Project Systems using all insurance proceeds. However, if the event of loss is caused by a Political Force Majeure, then TRSDC shall notify the Company whether it requires the Project Systems to be restored, the costs of which can be recovered by the Company as an Increased Cost.

TRSDC or the Company may terminate the UCA in specified circumstances of the party's default (which such default is not cured within the relevant cure period).

If the UCA is terminated by TRSDC due to a default by the Company, TRDSC then has the right, but not the obligation, to purchase the project. If the UCA is terminated for default of TRDSC, then the Company can require TRSDC to purchase the project. TRSDC also has an obligation to purchase the plant in certain other instances where the UCA is terminated prior to the end of its term, including (in each case, where the UCA is terminated by TRSDC) for prolonged political force majeure event or prolonged natural force majeure event. The price payable by TRSDC in each case will cover senior debt and, in certain instances where the UCA is terminated, such as a default by TRSDC, the price will also include equity and (depending on when termination occurs) equity return.

The project is structured on a BOOT basis, and will transfer to TRSDC at the end of the term free of charge. The UCA is governed by the laws of England and Wales and has an initial term of 25 years, from the Shurayrah project completion commercial, which is schedule to occur on 31 December 2023. The term of the UCA can be extended by agreement between the parties, or in the event of an expansion of the project. TRDSC can exercise an expansion of the project once during the term.

All disputes under the UCA are subject to tiered dispute resolution process, finally determined pursuant to arbitration at Manama, Kingdom of Bahrain under UNCITRAL Rules for International Arbitration.

Accelerated Works Amendment Agreement

The Red Sea Development Company and Amwaj International Company LCC entered into the Accelerated Works Amendment Agreement, valued at approximately SAR 74,000,000, on 16 December 2020 (the "**AWAA**"). The AWAA amended the UCA, pursuant to which the parties agreed, that certain construction works (the "**Accelerated Works**") would commence in advance of the achieving the closing date under the Utility Concession Agreement. The Accelerated Works include the construction of: (i) a sewage treatment plant which is scheduled to be built in three phases, phase one will provide 2,000m3/day of sewage treatment capacity and is scheduled to be complete by 9 June 2021G, phase two will provide 4,000m3/day of sewage treatment capacity and is scheduled to be complete by 9 August 2021G, and phase three will provide 6,000m3/day of sewage treatment capacity and is scheduled to be complete by 9 November 2021G; (ii) enabling works and temporary off-shore barge pumping station, scheduled to be complete by 9 June 2021G; and (iii) a permanent water pipeline network to the delivery points in the coastal village and Bridgepoint, scheduled to be complete by 1 November 2021.

12-7-2-7 JIGPC

The contracts and agreements mentioned below are related to Jizan complex which consists of an integrated gasification, combined cycle power plant, air separation unit and associated utilities, located in the Kingdom of Saudi Arabia.

For further information, please refer to Section (4-6-3-1-17) ("**Jazan IGCC (JIGPC)**") of this Prospectus.

Financing Documents

Jazan SIDF Finance Documents

Jazan entered into a loan agreement, a follow up agreement, an evaluation agreement and a side letter with Saudi Industrial Development Fund ("**SIDF**") as financier on 07/09/1442H (corresponding to 19/04/2021G) (the "**Jazan SIDF Finance Documents**"). The Jazan SIDF Finance Documents are bespoke SIDF documents whereby SIDF grants JIGPC a loan of SAR 6,000,000,000, maturing on 15/08/1457H (corresponding to 17/10/2035G). The loan is to be used for the purpose of electrical power, hydrogen and steam production in Jazan Economic City.

The loan agreement sets out the amount of principal being borrowed, the repayment schedule of such loan and the main terms and conditions on a limited recourse basis. The evaluation agreement and follow-up agreement set out the fees and costs payable to SIDF for providing the loan (as the loan agreement doesn't include any interest or fees). The side letter amends certain terms and conditions set out in the loan agreement.

The loan has fewer covenants and defaults than usual limited recourse financings. The key covenants require Jazan to meet certain financial covenants, not to dispose of certain assets, achieve operation by a certain date, and construct the project in accordance with all applicable laws and regulations. SIDF benefits from security over, amongst other things, the intellectual property and technology rights in relation to determined fixed assets and a mortgage over determined fixed assets, The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The financing is provided on a limited recourse basis to JIGPC in which the Company is an indirect 25% shareholder, alongside Saudi Aramco and Air Products Middle East for Industrial Gases LLC.

The Jazan SIDF Finance Documents are governed by the laws of KSA.

Financiers at financial close: SIDF.

Financing amount at financial close: SAR 6,000,000.

Final maturity date at financial close: 15/08/1457H (corresponding to 17/10/2035G).

Jazan New Finance Documents

Jazan proposes to enter into a common terms agreement (the "**Jazan New CTA**") with certain financial institutions, as well as related senior financing documents (together, the "**Jazan New Finance Documents**"). As currently drafted, the Jazan New CTA (once it is entered into) will provide the framework governing a number of separately documented financing facilities, including senior commercial and Islamic facilities and a working capital facility. No equity bridge facilities are currently envisaged. The facilities will be obtained for the purposes of financing the purchase by Jazan from Saudi Aramco (as seller) of certain assets in two groups, forming together with certain interconnection facilities and an output metering system, a world-scale electrical power plant based on integrated gasification and combined cycle technology in Jazan Economic City.

The Jazan New Finance Documents are in draft form and are currently under negotiation between the respective parties. As such, they are currently not in force. The financing will sit alongside (rather than instead of) the Jazan SIDF Finance Documents.

As currently drafted, the Jazan New Finance Documents will (once entered into) include standard representations and covenants by Jazan including covenants relating to the non-disposal of assets, non-incurrence of additional financial indebtedness (other than for certain exclusions), the making of distributions, hedging requirements and requiring project revenues to be paid into specified project accounts secured in favour of Jazan's financiers, together with events of default relating to Jazan's equity obligors and major project parties.

Nature of financing: The financing is provided on a limited recourse basis to an SPV in which the Company is an indirect shareholder.

As currently drafted, the obligations of Jazan under the Jazan New CTA (once entered into) are secured against, amongst other things, certain project accounts, plant and equipment, contracts, insurance proceeds and shares in Jazan, excluding the assets secured with SIDF. The financiers are entitled to enforce their security if there is an event of default under the financing documents which is continuing. This may lead to the shareholders losing all or part of their investment in the project.

The Company is proposing to enter into an equity subscription and retention agreement in relation to the project, in order to (amongst other things) commit to contribute its equity, undertake to hold onto a portion of its shares in the project for specified periods and give certain standard representations and undertakings.

Change of control: There are no change of control issues. It is noted that the Company may only provide a corporate guarantee in lieu of funding the DSRA with cash if either (i) it has a credit rating of BBB+ and maintains a credit rating of BBB, or (ii) it meets certain financial covenants and 20% of the shares of the Company are owned (directly or indirectly, through the Public Investment Fund or otherwise) by Government of Saudi Arabia. This is not an issue on the basis that (i) the IPO will not adversely affect its tangible net worth for the purposes of the total net liabilities to tangible net worth ratio, (ii) the IPO itself will not result in the Government of Saudi Arabia (directly or indirectly) owning less than 20% of the Company and (iii) even if that was the case, there would be no breach of the finance documents, it would just been that (if ACWA did not meet the required credit rating) the DSRA would have to be funded in cash instead of by way of a guarantee.

Governing law: as currently drafted, the Jazan New CTA (once entered into) will be governed by English law.

Financiers at financial close: currently unconfirmed as the documents are in draft form and therefore financial close has not occurred.

Financiers as of the date of the prospectus: currently unconfirmed as the documents are in draft form.

Financing amount at financial close: currently unconfirmed as the documents are in draft form and therefore financial close has not occurred.

Final maturity date at financial close: currently unconfirmed as the documents are in draft form, However, the term sheet suggests one facility will mature 7 years from financial close and the other facility will mature 17 years from financial close.

Draft Product Supply Agreement

There is a draft IGCC Product Supply Agreement ("**PSA**") to be entered into between JIGPC and Saudi Arabian Oil Company ("**Saudi Aramco**"), pursuant to which JIGPC will operate and maintain the Jizan IGCC and make available certain products (being hydrogen, steam, power and utilities) to Saudi Aramco. JIGPC is required to make available the net dependable capacity of hydrogen, power and steam as well as the contracted utilities capacity.

Saudi Aramco is required to supply feedstock necessary for the plant to generate net output (being the fuels under the fuel supply agreement, as referred to below) and provide ancillary services which include the supply of certain utilities. JIGPC must generate the specified level of net output only to the extent that Saudi Aramco has supplied the corresponding quantity of feedstock required to general such level.

Saudi Aramco is required to pay JIGPC a total payment (in USD) with respect to each offtake. The total payment is made up of a capacity payment, a variable payment (less a performance adjustment amount) and pre-LRT payments. JIGPC is entitled to issue invoices on a monthly basis (denominated in USD)

The liquidated damages in the PSA apply from the date of satisfaction of the lenders' reliability tests in connection with certain assets until the end of the term. Deductions for liquidated damages apply in respect of (i) failure to supply the required nominated net power or steam output causing an unplanned refinery shutdown, (ii) failure to provide the required demineralised water or water level above lagoon bottom causing an unplanned reduction in refinery crude throughput, (iii) failure to provide the required nominated net hydrogen output causing an unplanned hydrocracker shutdown, (iv) failure to accept process wastewater causing unplanned reduction in refinery crude throughput, and (v) failure to provide any of the flare utilities. The annual liquidated damages cap is USD 150 million (as indexed in accordance with the PSA).

The PSA includes a force majeure regime which applies in respect of political events of force majeure (e.g. acts of war involving KSA, change in law, expropriation acts and sanctions imposed on KSA by certain countries), as well as non-political events of force majeure (e.g. natural disasters, epidemic or plague, accident or explosion etc.).

The PSA becomes effective on the date of transfer of the first group of assets to JIGPC in accordance with the asset purchase agreement and continues until the 25th anniversary of such date (unless terminated earlier in accordance with it terms). If Saudi Aramco notifies JIGPC no less than 2 years from expiry of the term, the parties agrees to enter into good faith discussions to agree an extension to the term. On the last day of the term, the plant will be transferred to Saudi Aramco or its designee at no additional cost.

Saudi Aramco must pay the purchase price for the Project in accordance with the relevant calculation in the PSA and JIGPC must thereafter transfer the plant to Saudi Aramco, if the PSA is terminated (i) automatically upon termination of the asset purchase agreement for certain reasons, (ii) by Saudi Aramco at any time during the term (for its convenience) by giving 30 days' prior written notice, (iii) by JIGPC for Saudi Aramco default, (iv) by Saudi Aramco due to a JIGPC event of default prior to satisfaction of the lenders' reliability tests in connection with certain assets, (v) automatically due to termination of the asset purchase agreement based on a JIGPC event of default thereunder, (vi) automatically due to JIGPC terminating the asset purchase agreement for certain reasons, (vii) by either party due to certain prolonged force majeure events, (viii) by JIGPC or Saudi Aramco (as applicable) following an event of loss, or (ix) by Saudi Aramco due to increased costs above the specified threshold as a result of certain events.

If Saudi Aramco terminates the PSA due to a JIGPC event of default after satisfaction of the lenders' reliability tests in connection with certain assets, Saudi Aramco will have the option (but not the obligation) to purchase the Project. If Saudi Aramco elects such option, it must pay the purchase price in accordance with the calculation in the PSA and JIGPC must thereafter transfer the Project to Saudi Aramco.

There does not appear to be any government or other external credit support provided for Saudi Aramco's payment obligations under the PSA.

The PSA is governed by the laws of KSA. Any disputes arising under the PSA will be resolved in accordance with a tiered dispute resolution process, which is finally determined in English pursuant to arbitration in Paris, France, under the rules of arbitration of the International Chamber of Commerce.

Draft Fuel Supply Agreement

There is a draft Fuel Supply Agreement ("**FSA**") to be entered into between Saudi Aramco as seller and JIGPC as buyer. Pursuant to the FSA, Saudi Aramco agrees to sell and deliver to JIGPC the specified quantities of VBO (vacuum bottom oil), HFO (heavy fuel oil), ULSD (ultra-low sulphur diesel), HSD (high sulphur diesel), C3 (refrigerated propane) and C4 (refrigerated butane), for use as process feed stock/fuel at the Jizan IGCC. Saudi Aramco has the option to supply alternative fuels in lieu of these primary fuels (up to 110 MBD).

Saudi Aramco's obligation to sell the fuels is stated to be subject to availability and the production, refining, crude oil, gas sales and pricing policies of KSA. JIGPC is required to provide annual and monthly forecast reports with the estimated daily average and peak requirements for fuels for each month/year, and Saudi Aramco will confirm whether it will be able to supply the specified quantities. Saudi Aramco is subject to a "best efforts" obligation to deliver fuels to JIGPC in the quantity and quality specified in the FSA and is not responsible for any loss or damage resulting from failure to deliver in such quantity and quality. The FSA also includes a mutual exclusion in respect of special indirect or consequential damages.

The price for the fuel supplied under the FSA is the price notified by Saudi Aramco to the Government of KSA or otherwise stated by Saudi Aramco. JIGPC is required to make payment for fuels actually delivered (including handling fee charges) on a monthly basis. Invoices and payments will be in SAR or USD, depending on the currency in which the price for the relevant fuel is denominated.

The FSA becomes effective on the date of transfer of the relevant assets to JIGPC in accordance with the asset purchase agreement and continues until the earlier of termination by mutual agreement of the parties or termination of the PSA (see above).

The FSA is governed by the laws of KSA. Any disputes arising under the FSA will be resolved in accordance with the tiered dispute resolution process in the PSA (see above).

Asset Purchase Agreement

An asset purchase agreement is currently in agreed form and about to be entered into between Saudi Arabian Oil Company (as seller) ("**Saudi Aramco**") and JIGPC (as purchaser) (the "**Asset Purchase Agreement**") in relation to: the acquisition of the gasification block, power block and utilities (the "**IGCC Assets**") being constructed by Saudi Aramco until mechanical completion and spare parts and the commissioning, startup and testing of the IGCC Assets by JIGPC. The IGCC Assets will be acquired by JIGPC in two groups: the first group (the "**Group 1 Assets**") and the second group (the "**Group 2 Assets**").

The purchase price to be paid by JIGPC will be USD 11,750,000,000 (approximately SAR 440,687,157,500) split in two payments as follows: (i) USD 7,075,000,000 (approximately SAR 26,534,370,075) for the Group 1 Assets to be paid on achievement of mechanical completion and financial close, targeted on 30 June 2021 (the "**Group 1 Asset Transfer Date**"); and (ii) USD 4,675,000,000 (approximately SAR 17,533,311,675) for the Group 2 Assets to be paid on achievement of mechanical completion of all the Group 2 Assets which is targeted 425 calendar days after Group 1 Asset Transfer Date (the "**Group 2 Asset Payment Date**").

Completion of the Asset Purchase Agreement is conditional upon, inter alia, the absence of the occurrence of facts, matters or circumstances that have a material adverse effect on the business, operations, properties, assets or condition of the Product Supply Agreement taken as a whole.

JIGPC shall bear all risk, responsibility and liability in respect of the Group 1 Assets and Group 2 Assets once these have been transferred to it (including any liabilities that arise or accrue from the applicable asset transfer date). However, any responsibility and liability respect of the following retained liabilities shall not transfer over to JIGPC. The retained liabilities shall comprise of, inter alia, the following liabilities: (i) all liabilities (other than taxes) resulting from the performance or breach by Saudi Aramco or any of its affiliates under certain EPC contracts; (ii) all liabilities and obligations, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured or determined or determinable (including any liabilities) of Saudi Aramco and its affiliates relating to their business and operations that are not transferred to JIGPC by virtue of the Asset Purchase Agreement; (iii) all taxes resulting from or arising in connection with each Group 1 Asset and Group 2 Asset for all periods (or portions thereof) ending on or before the relevant date on which such Group 1 Asset or Group 2 Asset is transferred to JIGPC pursuant to the Asset Purchase Agreement; and (iv) all liabilities relating to the retained assets (which shall include, but are not limited to: (i) the accounting interests in the Group 1 Assets and the Group 2 Assets which shall, notwithstanding the transfer of such assets as contemplated by the Asset Purchase Agreement, remain with Saudi Aramco; (ii) cash, bank, accounts, certificates of deposits and other cash equivalents; (iii) all rights of Saudi Aramco in any real property, including any real property leases not included in Group 1 Assets or Group 2 Assets; (iv) all personal property, equipment and inventory not included in Group 1 Assets or Group 2 Assets; (v) rights and obligations under certain EPC contracts; and (vi) any liabilities that have accrued prior to the applicable asset transfer date).

The Asset Purchase Agreement allows JIGPC to require Saudi Aramco to remedy, at its cost, any issue with design, construction quality, material, workmanship of the IGCC Assets (excluding the Air Separation Unit ("**ASU**")) under the EPC contracts, any design issue with, or among, the IGCC Assets (excluding the ASU) that prevents, or impairs, the ability of the IGCC Assets (excluding the ASU) to operate as an integrated plant which prevents the IGCC Assets from satisfying the reliability tests by the target dates. The target dates will be extended for the period by which such dates are delayed due to the investigation and remediation of such issues. The target dates will also be extended following force majeure events or seller risk events.

The target dates for satisfaction of commissioning, testing and the agreed reliability tests of the Group 1 Assets shall be no later than 635 calendar days from the Group 1 Asset Transfer Date and that for the IGCC Assets by no later than 515 calendar days following the mechanical completion (pursuant to the relevant EPC contract) of the Group 2 Asset respectively. If the reliability tests are not achieved by 270 days after the relevant target dates as adjusted in accordance with the Asset Purchase Agreement, this shall constitute a standard event of default and Saudi Aramco shall be permitted to terminate the Asset Purchase Agreement on thirty (30) days' notice to JIGPC and Saudi Aramco shall purchase the IGCC Assets at a pre-agreed price.

Saudi Aramco is permitted to terminate the Asset Purchase Agreement on thirty (30) days' written notice to JIGPC at any time following the Group 1 Asset Transfer Date for term of the Asset Purchase Agreement. Following notice of termination of the Asset Purchase Agreement, Saudi Aramco may purchase the IGCC Assets at a pre-agreed price.

The Asset Purchase Agreement becomes effective on the date it is entered into and shall expire upon the date of the satisfaction of agreed set of reliability tests occur in connection with the IGCC Assets.

The Asset Purchase Agreement shall be construed in accordance with the plain meaning of its terms and shall be interpreted in all respects in accordance with and governed by the laws of the Kingdom of Saudi Arabia. The Asset Purchase Agreement is subject to a tiered dispute resolution process, which is finally determined pursuant to arbitration at Paris, France under the Rules of Arbitration of the International Chamber of Commerce.

12-7-3 Other material agreements

In addition to the material agreements that have been summarised in this section above, the Company and its Material Subsidiaries have entered into the following material agreements:

1. Supply Agreement: One of the Company's Material Subsidiaries has entered into a power purchase agreement (PPA) pursuant to which it is to enter into one or more supply agreements for purchase and delivery of resources. Accordingly, the Material Subsidiary has entered into the supply agreement for the sale, purchase, delivery and acceptance of a specified quality of resources to be used to power and operate the plant. The term of the agreement mirrors the term of the PPA. The Material Subsidiary pays for all resources ordered and delivered to the plant that conforms to the specifications (backed by a letter of credit). Risk and title to the resources will remain with the supplier until the resources is delivered and unloaded at the delivery point, at which time it will transfer to the Material Subsidiary. If the resources does not conform with the specifications, the Material Subsidiary may reject the delivery and the supplier shall, at its own cost, (i) dispose of the non-conforming resources or indemnify the Material Subsidiary for its costs of disposal thereof, or, at the discretion of the Material Subsidiary, (ii) supply substitute resources to replace the non-conforming resources . The agreement will terminate upon the termination of the PPA. Otherwise, (i) either party may terminate for convenience on the 10th anniversary of the commercial operation date under the PPA, giving at least 12 months written notice, or (ii) upon no less than 60 days' notice, the non-defaulting party may terminate in circumstances where, among others, the other party (a) commits a material breach of the agreement that is not remedied within 180 days of a notice to remedy, (b) fails to make a payment within 90 days, (c) is subject to an insolvency event, (d) made a representation or warranty that is materially incorrect and which has not been corrected after 60 days' notice, (e) has had a material approval necessary for it to fulfil its obligations terminated,(f) transfers any right, benefit or interest under the agreement otherwise then as permitted under the agreement. The estimated value of this agreement is approximately SAR 400 million (which is the estimated annual purchase amount if the Group purchases some of the fuel under this agreement).
2. Letter Agreement: In respect of a fuel supply agreement that one of the Company's Material Subsidiaries has entered into, the Company has entered into an agreement with that same fuel supplier to provide an indemnity in respect of the fuel price that the fuel supplier receives under the fuel supply agreement (supported by a bank guarantee). In respect of any fuel purchased by the Material Subsidiary, the Company agrees to indemnify the fuel supplier for any shortfall between the fuel price as calculated under the agreement and that paid under the fuel supply agreement. If there is a surplus received by the fuel supplier rather than a shortfall the fuel supplier pays such surplus to the Company. The term of the letter is linked to the fuel supply agreement.

12-7-4 Other agreements mentioned in this Prospectus

In addition to the material agreements that have been summarised above, the main Project Companies in the Group have entered into the following agreements, which have been mentioned in this prospectus and mostly in section (4-6-3) ("**Project Descriptions**") of the prospectus:

1. The PPA for DEWA V PV, where the offtaker is Dubai Electricity and Water Authority ("**DEWA**") with whom Shuaa Energy 3 signed a PPA on a BOO basis on 6/9/1441H (corresponding to 29 April 2020G). The concession period under this PPA is 25 years from the project's commercial operation date, which is expected to take place in the second quarter of 2021G, valued at approximately SAR 157 million.
2. O&M Agreement for DEWA V PV dated 27/2/1442H (corresponding to 14 October 2020G), pursuant to which Shuaa Energy 3 appointed NOMAC PV Phase V L.L.C as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 25 years from the project's commercial operation date (which is expected to take place in the second quarter of 2023G) and may be extended, at Shuaa Energy 3's election and subject to agreement between the parties as to the terms and conditions of the extension, by the same amount as a PPA extension, valued at approximately SAR 7 million.
3. O&M Agreement for Noor Energy 1 CSP IPP dated 6/4/1440H (corresponding to 13 December 2018G), pursuant to which Noor Energy 1 appointed NOMAC Gulf CSP Tower Energy LLC as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreements expires 35 years from the project's commercial operation date (which is expected to take place in the fourth quarter of 2022G) and may be extended, at Noor Energy 1 CSP's election and subject to agreement between the parties as to the terms and conditions, by the same amount as a PPA extension, valued at approximately SAR 124 million.
4. The PPAs for Aqaba IPP, Rehab IPP and Risha IPP, where the offtaker is National Electric Power Company in the Hashemite Kingdom of Jordan, with whom CEGCO signed three PPAs on 13/10/1428 H (corresponding to 20/9/2007G) as part of CEGCO's privatization through the sale of 51% stake to Enara Energy Investments PSC (the Group Company). These PPAs were amended by an amendment agreement dated 12/4/1427H (corresponding to 11/10/2007G). As of 16/5/1442H (corresponding to 31 Dec 2020G), the Aqaba IPP PPA is valid for 18 years, the Rehab IPP PPA is valid for 14 years and the Risha IPP PPA is valid for 15 years, valued at approximately SAR 384 million.
5. O&M Agreement for Mourjan IPP dated 26/1/1435H (corresponding to 30 November 2013G), pursuant to which MEPCO appointed NOMAC as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 20 years after the project's commercial operation date (which occurred on 23 February 2018G) and may be extended, at MEPCO's election and subject to agreement between the parties as to the terms and conditions, by the same amount as a PPA extension, valued at approximately SAR 98 million.
6. O&M Agreement for Rabigh IPP dated 18/7/1430H (corresponding to 11 July 2009G), pursuant to which RABEC appointed ROMCO (which is owned 60% by NOMAC and 40% by KWEPCO) as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 20 years from the project's commercial operation date (which occurred on 10 April 2013G) and may be extended, at RABEC's election and subject to agreement between the parties as to the terms and conditions, by the same amount as a PPA extension, valued at approximately SAR 84 million.
7. O&M Agreement for Shuqaiq IWPP dated 10/2/1428H (corresponding to 28 February 2007G), pursuant to which SqWEC appointed NOMAC as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 20 years from the project's commercial operation date (which occurred on 1 May 2011G) and may be extended, at SqWEC's election, by the same amount as a PWPA extension, valued at approximately SAR 150 million.
8. O&M Agreement for Shuaibah Expansion II IWP dated 17 August 2017, pursuant to which STPC appointed Water Desalination Expansion Company as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires on the date that the initial term of the WPA expires (25 years from the project's commercial operation date, which occurred on 27 May 2019G) and may be extended at, STPC's election, by the same amount as a WPA extension, valued at approximately SAR 50 million.
9. O&M Agreement for Shuaibah IWPP dated 15/12/1426H (corresponding to 14 January 2006G), pursuant to which SWEC appointed Saudi Malaysia Operation and Maintenance Company ("SMOMC") as contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 20 years from the project's commercial operation date (which occurred on 14 January 2010G) and may be extended, at SWEC's election, by the same amount as a PWPA extension. The value of this agreement is approximately SAR 76 million. This value includes O&M Agreement for the subcontracting of the Shuaiba IWPP, dated on 12/15/1426H (corresponding to 14 January 2006G) mentioned below.

10. O&M Subcontract Agreement for Shuaibah IWPP dated 15/12/1426H (corresponding to 14 January 2006G), pursuant to which SMOMC fully subcontracted the operation and maintenance services (save for certain administrative responsibilities) of the plant to NOMAC (as contractor) under a subcontract agreement. The term of this O&M Subcontract Agreement is aligned with the term of the O&M Agreement in 9 above.
11. O&M Agreement for Ibri IPP dated 1/11/1437H (corresponding to 4 August 2016G), pursuant to which AGC appointed Dhofar O&M Company LLC as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 15 years from the project's scheduled commercial operation date of 26/7/1440H (corresponding to 1/4/2019G). The value of this agreement is approximately SAR 94 million. This value includes O&M Agreement for a subcontract of Ibri IPP, dated on 1/11/1437H (corresponding to 4 August 2016G), mentioned below.
12. O&M Subcontract Agreement for Ibri IPP dated 1/11/1437H (corresponding to 4 August 2016G), pursuant to which Dhofar O&M Company LLC appointed NOMAC Oman as the subcontractor to provide operation and maintenance services in respect of the plant. The term of this O&M Subcontract Agreement is aligned with the term of the O&M Agreement in 11 above.
13. O&M Agreement for Sohar III IPP dated 4 August 2016G, pursuant to which Shinas appointed Dhofar O&M Company LLC as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 15 years from the project's scheduled commercial operation date of 1/1/2019G, valued at approximately SAR 65 million.
14. O&M Agreement for Zarqa IPP dated 25/7/1437H (corresponding to 2 May 2016G), as amended on 14/4/1438H (corresponding to 12 January 2017G), pursuant to which Zarqa appointed CEGCO as the contractor to provide operation and maintenance services in respect of the plant. The term of this O&M Agreement expires 25 years from the commercial operation date of phase 1, which occurred on 17/10/1439H (corresponding to 1/7/2018G) , valued at approximately SAR 64 million.
15. O&M Agreement for Noor I CSP IPP dated 16/6/1434H (corresponding to 26 April 2013G), pursuant to which APO appointed NOMAC as contractor to provide operation and maintenance services in respect of the solar power plant. The term of this O&M Agreement expires 25 years from the project's initial commercial operation date (which occurred on 16 January 2016G) and may be extended, at APO's election, by the same duration as a PPA extension, valued at approximately SAR 111 million.
16. O&M Agreements for Noor II CSP IPP. There are two O&M agreements under this Project, one of which deals with the services rendered in the period (i) prior to initial commercial operation date, and (ii) after the final commercial operation date until the end of the term of the PPA (amended and restated on 22/7/1436H (corresponding to 10 May 2015G), appointing NOMAC Ouarzazate II as the contractor). The second O&M agreement deals with the services rendered in the period between the initial commercial operation date until the final commercial operation date (dated 22/7/1436H (corresponding to 10 May 2015G), appointing SENER Maroc Sarlau and SEPCO III Electric Power Construction Corporation, Noor Branch, as the contractor). The term of the long term O&M Agreement expires 25 years from the project's initial commercial operation date (which occurred on 16 January 2016G) and may be extended, at APO II's election (but subject to the operator's final consent), by the same amount as a PPA extension), valued at approximately SAR 110 million.
17. O&M Agreement for the Barka Project. Barka SAOG entered into an O&M Agreement with First National Company for Operation and Maintenance Services LLC on 31 May 2011 to operate and maintain the Plant. Barka SAOG entered into a Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Barka Expansion Phase I on 13 November 2012 while a Supplemental Operation and Maintenance Agreement with NOMAC Oman for the operation and maintenance of Barka Expansion Phase II was entered into on 4 January 2015. The term of the O&M Agreement expires 15 years and 1 month after the scheduled commercial operation date (being 1 April 2013G) and may be extended, at Barka SAOG's election, by the same amount as a PWPA extension, valued at approximately SAR 97 million.
18. Call and Put Option Agreements for Hajr IPP, where the Group and Samsung signed call and put option agreements for Samsung's remaining stake in Qurayyah Investment Company dated 31 May 2020G.The option is structured in two different set of options for each party.

    - **First Option:** the Company will have a call option and Samsung will have a put option on additional 5.02% of the shareholding of Samsung in QIC until 2023G.
    - **Second Option:** the Company will have a call option and Samsung will have a put option on remaining 20% of the shareholding of Samsung in QIC. The call option will be valid until 2023G and Samsung's put option validity will be until the end of 2030G.

12-7-5 The Company's Facility Agreements

The following is a summary of the facility agreements that the Company entered into directly as the borrower, noting that all of them are not considered material), based on the value of the facilities.

Table (12-6): Facility agreements entered into by the Company directly as the borrower.

APICORP	China Construction Bank	Standard Chartered Bank	Lender
Corporate revolving funded facilities	Corporate revolving funded facilities	Corporate revolving funded facilities	Nature of the agreement
APICORP (as investment Agent)	China Construction bank (DIFC Branch) As lender	Standard Chartered Bank (As investment Agent)	Counterparty
16-Dec-2020	9-Aug-2017	13-Nov-2017	Date (execution of the contract)
4-Jan-2026	9-Aug-2022	13-Nov-2022	Term
USD 125,000,000 (SAR 468,750,000)	USD 100,000,000 (SAR 375,000,000)	USD 143,000,000 (SAR 536,250,000)	Value/Amount
LIBOR + 1.05% up to LIBOR + 1.85%	Interest amount		
None	None	None	Security granted

Source: The Company

The Company has obtained all the necessary approvals under the fnancing arangements it entered into to change the ownership of the Company as a result of the public offering of the Company's Shares pursuant to this Prospectus. Other than what was mentioned in Section (2) ("**Risk Factors**") and Section (2-3-3) ("**Risk related to events of default under the financing arrangements**"), as at the date of this Prospectus, there is no breach of the contractual terms and conditions pursuant to the agreements with lenders for all loans, facilities and financing, and the Company is compliant with all these terms and conditions.

12-8 Summary of Material Related Party Contracts and Transactions

The Board Members acknowledge that all contracts with Related Parties described in this section do not include any preferential conditions and that they have been carried out in a legal manner and on an appropriate and fair commercial basis. Except for what has been mentioned in this section of this prospectus, the Board Members acknowledge that the Company does not have any other material commercial transactions or agreements with Related Parties.

The Board Members shall comply with Article 71 and Article 72 of the Companies Law and the instructions of Article 46 of the Corporate Governance Regulations issued by the CMA regarding contracts and agreements with related parties in which any Board Member has an interest. For further details about these contracts and agreements, please refer to Section (5-9) ("**Interests of Directors, Senior Executives and their Relatives in contracts entered into with the Company and its Subsidiaries**") of this Prospectus. The General Assembly approved all transactions and agreements in which any Board Member has an interest. It should be noted that some of these contracts and agreements are not material and therefore are not summarized in this Section (12) ("Legal Information").

The Company deems that the agreement with the related party is material (i) if it impacts the cash flow or profit and loss of the Group by 1% or more of the Group's total annual revenues or profit and loss, (ii) if it relates to assets or financial matters, its value is equivalent to 1% or more of the Group's total assets, or (iii) if the Company has determined that such contract could impact an investors decision to invest in the Company's shares based on the nature of the contract.

The material agreements and transactions with related parties summarized in this Section are listed below.

Table (12-7): List of Material Agreements and Transactions with Related Parties Summarized in this Section:

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
1.	**12-8-1**	Shareholders' Side Letter on Deferred Payment of Dividends	The Company and its Shareholders as at the date of the Side Letter	16/11/2020G	From 16/11/2020G until the date the second dividend payment is made in full (which is expected to fall on or before 30/09/2021G)	SAR 2,700,980,774.22

#	Prospectus Reference	Agreement Type	Parties to Agreement	Date of Agreement	Term of Agreement	Value
2.	**12-8-2**	PIF Loan Agreement	The Company, PIF and Water and Electricity Holding Company	16 November 2020G	From 16/11/2020G until the date the full amount of the loan is repaid	SAR 900,980,774.22
3.	**12-8-3**	Shareholders' Agreement for the Company	The Company and its Shareholders as at the date of the Agreement	19 November 2020G	It does not have a fixed term. However, the Agreement shall be terminated as of the date the Company's shares are listed, pursuant to the termination agreement dated 29 May 2021G	It contains no value
4.	**12-8-4**	Strategic Cooperation Framework Agreement	The Company and PIF	25 May 2021G	The Strategic Cooperation Framework Agreement shall terminate on 31 December 2030G, but is renewable if agreed to by the parties.	It contains no value
5.	**12-8-5**	Early Works Contract for the NEOM Project, Coordination Deed and Parent Company Guarantee	NEOM, the Company, Air Products and Chemicals, Inc. (together the "Employer"), Air Products Public Limited Company ("Offshore Contractor"), and Air Products Middle East Industrial Gas LLC ("Onshore Contractor")	29 April 2021G	The Contract shall remain in effect until the earliest on which (i) the guarantee period expires (12 months after the date of completion of the Early Works), (ii) the Parties enter into the EPC contract under which the Works (including Early Works) shall be carried out; or (iii) the contract terminates	Approximately SAR 520 million (based on the Company's actual percentage in the project)
6.	**12-8-6**	JIGPC Shareholders' Agreement (as may be amended and restated according to the draft agreement set out in the summary below)	Saudi Aramco Power Company, Air Products Middle East Industrial Gases LLC, ACWA Power Company for Power Project Management and Acquisition, ACWA Power for Jizan Energy Co., Gas Industry Company for Industrial Services (together the "Shareholders"), and the Company (ACWA Power), Air Products and Chemicals, and Vision Investment (together the "Guarantors")	19 December 2019G	JIGPC Shareholders' Agreement shall remain in effect as long as the JIGPC continues to exist	N/A

12-8-1 Shareholder Side Letter in relation to the Deferred Payments of Dividends

On 16 November 2020G, the Extraordinary General Assembly of the Company passed a unanimous resolution ("**EGM Resolution**") to approve the declaration of dividends in an amount of SAR 2,700,980,774.22 (two billion and seven hundred million and nine hundred and eighty thousand and seven hundred and seventy-four Saudi Arabian Riyals and twenty-two halalas) (such amount being net of any Zakat or Saudi Arabian income tax payable or withheld, or any such Zakat or Saudi Arabian income tax amounts which may become payable or capable of withholding, by the Company) from retained earnings, provided that the distribution of such dividends is conditional upon the completion of the share transfer of a number of shares of the Company in the amount of (153,647,726) from a number of Shareholders to each of Mr. Muhammad Abdullah Rashid Abunayyan with the amount of (26,651,452) shares, ATC with the amount of (19,525,453) shares, and the PIF with the amount of (107,470,821) shares) (the "**Share Transfers**"). The transfer of ownership was completed on 19 November 2020G.

The EGM resolution stated that such dividends shall be payable by the Company to the registered Shareholders as at 16 November 2020G (the "**Eligibility Date**") and that it shall be distributed on that date through recording the dividends to the eligible Shareholders from the retained earnings in the accounting records of the Company, provided that such dividends are paid to the Shareholders (with the exception of the PIF) in two installments, in accordance with the table below, as for the share of the PIF, these shall be paid in accordance with a loan agreement executed with the PIF (which is summarized in Section (12-8-2) ("PIF Loan Agreement") below).

Table (12-8): Payment mechanism under the Side Letter

Shareholder	Allocation of Declared Dividend	Ownership as of Eligibility Date	First Instalment of the Declared Dividend paid by the Company on 19 November 2020G	Second Instalment of the Declared Dividend to be paid by the Company on or before 30 September 2021G
Public Investment Fund	SAR 900,980,774.22	33.36%	(N/A – payable in accordance with the PIF Loan Agreement described below in Section (12-8-2) ("PIF Loan Agreement") below)	(N/A – payable in accordance with the PIF Loan Agreement described in Section (12-8-2) ("PIF Loan Agreement") below)
Vision International Investment Co.	SAR 1,081,935,043.17	40.06%	SAR 601,075,023.98	SAR 480,860,019.19
Al Rajhi Holding Group	SAR 532,891,825.41	19.73%	SAR 296,051,014.12	SAR 236,840,811.29
Al Mutlaq Group Co.	SAR 136,540,837.49	5.06%	SAR 75,856,020.83	SAR 60,684,816.66
Badad International Co. for Trading & Contracting	SAR 19,250,278.83	0.71%	SAR 10,694,599.35	SAR 8,555,679.48
AJDA Industrial and Technical Services Co.	SAR 19,250,278.83	0.71%	SAR 10,694,599.35	SAR 8,555,679.48
Al Toukhi Commercial Group Company Ltd.	SAR 10,131,736.27	0.38%	SAR 5,628,742.37	SAR 4,502,993.90
TOTAL	**SAR 2,700,980,774.22**	**100%**	**SAR 1,000,000,000.00**	**SAR 800,000,000.00**

The Company has paid the First Instalment of retained dividends in the company's accounts to the Shareholders referred to above dated 19 November 2020G, and the Company has also issued a side letter to the aforementioned Shareholders in relation to the Company's obligations with respect to the Second Instalment of dividends (the "**Shareholder Side Letter**").

Pursuant to the Shareholder Side Letter, the Company has also irrevocably and unconditionally undertaken to do, inter alia, the following:

1. implement the distribution of the Dividend Amount on the date of completion of the Share Transfers (i.e. 19 November 2020G) in accordance with the EGM Resolution by recognizing the distribution of such amount out of the retained earnings in the accounting records of the Company;
2. undertake that it shall do all things and take all such actions as is necessary to ensure the deferred dividends

amount shall be paid by the Company on the Second Instalment date as set out in the table above;

3. refrain from undertaking any action that may result in the inability of the Company to pay the deferred dividend amount on the Second Instalment date to the Shareholders, with the exception of certain arrangements and procedures that the Company has committed to or are considered necessary to carry out the ordinary business of the Company pursuant to the details set out in the Shareholder Side Letter;
4. refrain from distributing any annual net profits of the Company or any retained profits from previous financial years which may be available to the Shareholders of the Company until the Second Instalment of dividends is paid in full as set out in the table above; and
5. refrain from distributing any annual net profits of the Company or any retained profits from previous financial years to the Shareholders during the year 2020G, or during the year 2021G prior to the IPO of the shares of the Company (except for any amounts due to the PIF in accordance with the loan agreement (which is summarized in Section (12-8-2) ("PIF Loan Agreement") below)).

The obligations under the Shareholder Side Letter shall continue in full force and effect until the payment of the Second Instalment dividends is paid in full to the Shareholders as set out in the table above. The Shareholder Side Letter is governed by the laws of the Kingdom of Saudi Arabia, and disputes are submitted to the exclusive jurisdiction of Saudi Arabian courts.

12-8-2 PIF Loan Agreement

As contemplated under the Shareholder Side Letter (which is summarized in Section (12-8-1) ("Shareholder Side Letter in relation to the Deferred Payments of Dividends") above), the Company entered into a Loan Agreement dated 16 November 2020G with the PIF and the Water and Electricity Holding Company CJSC, a wholly owned subsidiary by the PIF ("**WEHCO**") (the "**PIF Loan Agreement**"). Under the PIF Loan Agreement, PIF's dividend entitlement, as declared pursuant to the EGM Resolution mentioned in Section (12-8-1) ("Shareholder Side Letter in relation to the Deferred Payments of Dividends") above, in the amount of SAR 900,980,774.22 (recognized in 2020G) was converted into a non-interest bearing SAR term shareholder loan (the "**PIF Loan Amount**") and all of PIF's rights under the PIF Loan Agreement were assigned to WEHCO as a contribution to the capital of WEHCO by the PIF.

Under the terms of the PIF Loan Agreement, the Company has agreed with the PIF to develop renewable energy projects in KSA jointly with WEHCO (including PIF and REPDO renewable projects) and to procure, and provide credit support for, and equity contributions to project companies jointly owned by the Company and WEHCO and/or any of their subsidiaries to repay, certain equity bridge loan(s) for the benefit of each project company, in an aggregate amount not exceeding the amount of the PIF Loan Amount. The PIF Loan Agreement provides that the PIF Loan Amount shall be discharged by (a) the Company discharging the remaining outstanding balance subtracted by the amount of any outstanding equity bridge loans, in cash, on 31 December 2030, which may be extended by the mutual agreement of the parties, and/or (b) reducing or setting-off the outstanding PIF Loan Amount by the amount of certain equity contributions and/or payments under credit support made or owing by the Company in respect of the principal amount of equity bridge loans made to project companies on behalf of WEHCO.

The Loan Agreement contains various customary representations, covenants, financial covenants (including a leverage ratio covenant), and events of default. The events of default include non-payment when due, breach of covenants, breach of representations, cross default, insolvency proceedings, expropriation, unlawfulness, illegality, invalidity, repudiation, and litigations having a material adverse effect. Furthermore, the Loan Agreement states that if an event of default has occurred and is continuing, WEHCO may by notice to the Company declare that interest shall accrue on the overdue amount (which would include the amount of the loan as well) at the rate specified therein. As such, while the loan is not interest bearing, there is a default interest payable on outstanding amounts in case of an event of default.

The PIF Loan Agreement is governed by the laws of the Kingdom of Saudi Arabia, and disputes are submitted to the exclusive jurisdiction of Saudi Arabian courts.

12-8-3 Shareholders' Agreement in respect of the Company

The Company and its existing shareholders entered into a shareholders' agreement dated 19 November 2020G (the "**Shareholders' Agreement**"), which includes provisions governing their rights in connection with the Company, including board nomination rights, reserved matters, committee appointment rights and other customary provisions.

The shareholders have agreed to terminate the whole agreement effective as of Listing. The shareholders and the Company shall enter into a termination agreement dated 29 May 2021G to effect this.

12-8-4 Strategic Framework Agreement

PIF and the Company have entered into a strategic framework agreement dated 25 May 2021G in relation to the development of national and international renewable energy platforms (the "**Strategic Framework Agreement**"). In line with the 'vision 2030' program of the Kingdom of Saudi Arabia, pursuant to the approved national program for renewable implementation plan, 30% of the national renewable energy development projects would be tendered by the

Ministry of Energy (the "**Ministry Projects**") and 70% of the national renewable energy development projects (the "**PIF RE Development Projects**") allocated under the umbrella of PIF (the "**PIF RE Development Program**"). Subject to the terms and conditions of the Strategic Framework Agreement (which includes obtaining the required internal approvals for the fund), PIF agreed to allocate the PIF Development Projects to the Company. The purpose of the Strategic Framework Agreement is to govern the relationship of PIF and the Company in relation to the PIF RE Development Program or any other business activities pertaining to achieving the PIF RE Development Program. The parties agree that PIF has the right to allowing other affiliated companies with the government of Saudi Arabia participate as financial investors in the PIF RE Development Projects.

With respect to local PIF RE Development Projects to be jointly developed and owned by the parties (subject to the Framework Agreement), the parties shall aim to negotiate and agree the path forward within the timeline contemplated by the Ministry of Energy or any other authorised entity by the Ministry of Energy for the respective PIF RE Development Project. With respect to any other renewable energy development projects (other than the aforementioned), PIF may decide to collaborate with the Company but the Company acknowledges that PIF is not under any obligation to do so.

PIF's role with respect to the PIF RE Development Projects, is to exercise reasonable endeavours to carry out the following (with no guarantees or assurances as to the outcome of such assistance, if provided) (i) to attempt, to the extent possible, to coordinate the relevant authorities with respect to such pre-development works as may be necessary including the identification / reservation of locations, assignment of lands, grid connections and substations plan for the all the PIF RE Developments allocated capacity; and (ii) to attempt, to the extent possible, to secure pre-development sites following the identification and clearance of such sites. PIF shall also determine (at its sole discretion) whether to participate in the Company's international projects (i.e. renewable energy power generation projects developed and owned by or on behalf of the Company outside of KSA).

In the event the Company is awarded a PIF RE Development Project pursuant to the Strategic Framework Agreement, the Company shall be responsible for the overall leadership and coordination of that project, including but not limited to:

a- obtaining financing for the project and negotiating financing documents (subject to PIF's approval) on the basis of non or limited recourse project financing;

b- designing and selecting technology, constructors, installations and configuration of the project and preparing the owner's project requirements;

c- selecting and negotiating relevant EPC, O&M, insurance and other related arrangements;

d- negotiating the project documents with the offtaker and other government authorities as applicable, which shall be subject to PIF's approval; and

e- selecting and appointing all legal, tax, accounting, insurance, technical and other third party advisers who may from time to time provide advice to the consortium to be formed by the Company and PIF.

The agreement to proceed with the development of the PIF RE Development Projects is subject to the competitiveness of the Ministry Projects, and based on the Price Delivery Mechanism issued by ECRA for renewable energy projects. The renewable energy development projects for the PIF will be developed by achieving returns acceptable to the shareholders of the project companies. Under the framework agreement for strategic cooperation, the company will contribute to supporting the localization of renewable energy technology and the local industrial supply chain.

The Company has agreed to comply to specific lock-in periods that extend beyond final operating dates in line with market practices for similar projects.

The Strategic Framework Agreement terminates on 31 December 2030G, but is renewable if agreed to by the parties. Prior to the end of the term, either party shall be entitled to terminate the Strategic Framework Agreement if the other party commits a breach of any of the terms or fails to perform any of its obligations, provided that the defaulting party shall have 30 days from the date of the notice from the non-defaulting party to remedy such breach or failure to perform. In addition, PIF also has the unilateral right to terminate the Strategic Framework Agreement if AWCA does not reach financial close for three (3) PIF RE Development Projects by the period specified in the RFP or such date as extended by written agreement of the parties and the Ministry of Energy. Similarly, if the Company is not able to fulfil its role in relation to any PIF RE Development Project in accordance with the Strategic Framework Agreement, PIF shall be free to pursue such PIF RE Development Project in accordance with any other agreements determined by PIF. For further details about the risks related to this agreement, please refer to section (2-1-17) ("**Risks relating to the Strategic Framework Agreement executed between the Company and the PIF**").

Although the parties undertake to deliver the content of the Strategic Framework Agreement on a reasonable endeavours basis, the parties have agreed that neither party shall be liable towards the other for any losses or damages whatsoever and the remedy of specific performance shall not be available to any of them.

The Strategic Framework Agreement is governed by the laws of KSA. Any dispute between the parties shall be subject to the competent courts of KSA.

12-8-5 Early Works Contract for the NEOM Project

The value of this contract (based on the Company's actual percentage in the project) is approximately SAR 520 million. The early works contract is split between an offshore and an onshore scope.

The offshore portion is documented in an equipment sale contract dated 29 April 2021G between NEOM Company, the Company and Air Products and Chemicals, Inc (together, the "**employer**") and Air Products Public Limited Company (the "**offshore contractor**") whereby the employer engages the offshore contractor to carry out and complete certain offshore-based preliminary works in respect of a green hydrogen plant. The onshore portion is documented in an early works contract dated 29 April 2021G between NEOM Company, the Company and Air Products and Chemicals, Inc (together, the employer) and Air Products Middle East Industrial Gases LLC (the "**onshore contractor**") whereby the employer engages the onshore contractor to carry out and complete certain onshore-based preliminary works in respect of a green hydrogen plant. The term of this Contract shall remain in effect until the date on which (1) the warranty period expires (12 months after the date of the early works completion), or (2) the parties enter into the EPC contract under which the works (including early works) are to be carried out. or (iii) termination of the contract.

All of the aforementioned parties as well as Air Products and Chemicals, Inc (as guarantor) entered into a parent company guarantee and coordination deed dated 29 April 2021G which (i) bridges the offshore and onshore scope of works, (ii) acts as a guarantee by the guarantor of the offshore contractor and onshore contractor's contractual performances and (iii) contains a horizontal waiver of defences (so that the onshore contractor is not excused from liability and is not entitled to submit claims or raise defences for offshore contractor acts or omissions, and vice versa). This means that all contractor parties are jointly and severally liable to the employer for carrying out and completing the early works.

The employer is entitled to terminate the early works contract for: material breach, abandonment, failure to proceed, breach of subcontracting provisions, breach of anti-corruption provisions, insolvency events, repudiation, failure to remedy defects or if the employer does not permit the contractor to proceed to a subsequent stage of the early works. The contractor is entitled to terminate the early works contract for: failure by the employer to make payment within specified time period, prolonged suspension, material breach, breach of anti-corruption and for insolvency.

The early works contract is governed by the laws of England and Wales.

12-8-6 JIGPC Shareholders' Agreement

A shareholders' agreement in relation to JIGPC dated 19 December 2019 (the "**Jazan SHA**") was entered into between: (i) Saudi Aramco Power Company (the "**SA Shareholder**"), Air Products Middle East for Industrial Gases LLC ("**Air Products**"), ACWA Power Company for Power Projects Management and Acquisition ("**APPAC**") , ACWA Power Jizan Energy Company ("**APJE**") and Gas Industry Company for Industrial Services ("**APQ**"); and (ii) ACWA Power, Air Products and Chemicals Inc., and Vision Invest (together, the "**Guarantors**"). Jazan SHA's term shall continue for a minimum of twenty-five (25) years from the date of JIGPC's formation; the shareholders may further extend JIGPC's term by written agreement. The Jazan SHA shall remain in effect for so long as JIGPC remains in existence pursuant to the Jazan SHA.

Upon the occurrence of an event of default (which includes, inter alia: (i) the failure of a shareholder to make any capital contribution or other funding pursuant to the Jazan SHA; (ii) the failure of a shareholder to have an authorised representative of that shareholder be in attendance at any two successive, regularly scheduled shareholder meetings in a twelve month period; (iii) a third party acquiring a controlling interest in a shareholder (other than a permitted change of control pursuant to the Jazan SHA); or (iv) any material breach of the Jazan SHA), which event of default is not cured within thirty days after notice from any non-defaulting shareholder or JIGPC, any of the other shareholders shall be entitled (by notice in writing to the defaulting shareholder) to require the defaulting shareholder to sell to it the defaulting shareholder's interests and shareholder's loans at 75% of the valuation of the defaulting interests.

Each of APPAC and APJE (each wholly owned by the Group) shall have the right, at any time following five years from the "Group 1 Asset Transfer Date" to transfer any of its interests to any third party, provided, however, that their aggregate shareholding percentage in JIGPC does not fall below 11.11% during the term of the Jazan SHA.

Generally, no shareholder may transfer any interests or shareholder loans to any entity unless such transfer is made, inter alia: (a) in compliance with the provisions of the Jazan SHA; (b) in compliance with any restrictions under the related finance documents; and (c) after having provided the other shareholders an opportunity to exercise the right to purchase such interests or shareholder loans in respect of such transfer in accordance with the terms of the Jazan SHA. No transfer of shares shall be permitted unless and until the transferring shareholder delivers to JIGPC and the other shareholders at least thirty days' advance written notice of any such transfer and the identity of the transferee together with such assurances as the other shareholders may reasonably request to ensure that such transfer is in compliance with applicable law. However, each shareholder may transfer any of its shares, together with the corresponding shareholder loans (if any), to any of the transferring shareholder's affiliates without the consent of the other shareholders if there is no adverse legal or tax consequences to JIGPC or the other shareholders.

ACWA Power guarantees to the SA Shareholder, APQ and Air Products (and their successors, transferees and assigns) the due and punctual performance of all present and future obligations relating to capitalization of JIGPC or payment of any cash call and any funding obligations required of each of the ACWA Power shareholders.

The Jazan SHA is governed by the laws of the Kingdom of Saudi Arabia.

An amended and restated shareholders' agreement in relation to JIGPC has been agreed and is in the process of being entered into between: (i) the SA Shareholder, Air Products, APPAC, APJE and APQ; and (ii) ACWA Power, Air Products Parent and Qudra Parent (the "**Amended SHA**"). The Amended SHA inter alia modifies the nomination and appointment process of the senior management team. Other shareholders shall procure that the manager(s) appointed by a nominating shareholder shall be appointed by the board of JIGC to the extent that a nominating shareholder procures that the proposed manager meets the following requirements: (i) he must act in good faith and in the best interests of the shareholders as a whole; (ii) he must be suitably qualified to carry out his duties as a senior management team member; and (iii) he must not be a director, officer or employee of any entity or affiliate of any entity operating in the Jazan region of KSA and which directly or indirectly competes with the business for the period he is a senior management team member and for eighteen (18) months thereafter. The Amended SHA also modifies the share transfer rules applicable to APPAC and APJE as follows: APPAC shall have the right, at any time following five years from the "Group 1 Asset Transfer Date" to transfer any of its interests to any third party, provided, however, that the aggregate shareholding percentage of the Company through APJE in JIGPC does not fall below 11.11% during the term of the Jazan SHA.

12-9 Insurance

The Company maintains insurance policies covering different types of risks to which it may be exposed. The following table sets out the key particulars of the insurance policies held by the Company:

Table (12-9): List of Insurance Policies

Type of Insurance	Insurance Company	Policy Number	Maximum Coverage	Insurance Period
Director and Officer Liability	Walaa Cooperative Insurance Co.	E0-20-500-000071	USD 50,000,000 (approximately SAR 187,500,000)	1 October 2020 - 30 September 2021
International Employee Healthcare Plan	Cigna Insurance Middle East S.A.L.	606060 606061 606062 606063 606065 606073 606131 606296 606335 606336	USD 5,000,000 (approximately SAR 18,752,150) per insured member per year of insurance	1 February 2021 – 31 January 2022
Group Life, Accidental Death and Permanent Partial or Total Disability	Arabian Shield Co-operative Insurance Company	P / CR01 / 2020 / GL 0000025	SAR 20,000,000 per employee (Group Life) SAR 7,340,000 per employee (Accidental Death Benefit) SAR 6,000,000 per employee (Permanent Partial Disability Benefit and Permanent Total Disability Benefit)	24 October 2020 – 23 October 2021
Group Medical Expenses Insurance	Tawuniya	17611012	SAR 500,000 per person per policy year	24 November 2020 – 23 November 2021
Cyber Enterprise Risk Management	Chubb Arabia Co-operative Insurance Company	CSCHB3 0001/21-03	USD 10,000,000 (approximately SAR 37,500,000)	1 May 2021 to 30 April 2022
Cyber Liability Excess Insurance	Abu Dhabi National Insurance Company	H12630749431-R01	USD 10,000,000 (approximately SAR 37,500,000)	1 May 2021 to 30 April 2022

Source: Company information.

The Company is currently working on obtaining the insurance policy to cover the liability related to the public offering of securities in relation to the Directors, managers and employees of the Company and its Subsidiaries (in which the Company holds more than 50% of its share capital or where the Company controls more than 50% of its administrative body), and this policy is expected to be issued before the Company's share are listed.

The Company also confirms that each of its Subsidiaries has obtained the necessary insurance coverage to cover its assets and work within sufficient limits (according to the generally accepted coverage in the market for similar cases) and that it is in compliance to all the terms and conditions contained in their respective insurance policies. The following are the main details of the Group's material insurance policies, which represent all the insurance policies that the Group is required to obtain under the contracts and agreements to which it is a party, noting that there are many other insurance policies that are obtained to cover the business of the subsidiaries, their employees and their assets that are not material and are therefore not listed below:

Table (12-10): Details of the material insurance policies of the Group

Company Name	Type of Insurance[135]	Insurance Company	Policy Number	Maximum Coverage (SAR)	Insurance Period
SWEC	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	610078	2,812,500,000.00	31-July 2020 to 30-July-2021
Khalladi	All Risks of Physical Loss or Damage Business Interruption	RMA	AFMA/1668	665,545,428.75	30-Jun-2020 to 29-Jun-2021
SqWEC	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	610075	2,812,500,000.00	31-July 2020 to 30-July-2021
RABEC	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	617009	2,812,500,000.00	31-July 2020 to 30-July-2021
HEPCO	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	610076	4,687,500,000.00	31-July 2020 to 30-July-2021
MEPCO	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	610077	2,812,500,000.00	31-July 2020 to 30-July-2021
Barka	All Risks of Physical Loss or Damage Business Interruption	Al Madina Insurance Company SAOG	P/004/01/20/2150/00012	2,782,259,411.25	31-July 2020 to 30-July-2021
Mafraq	All Risks of Physical Loss or Damage Business Interruption	Jerusalem Insurance Company	P/01/1/08/20/2020/0/R1/2020	261,663,375.00	30-Jun-2020 to 29-Jun-2021
ACWA Güç	All Risks of Physical Loss or Damage Business Interruption	Aksigorta Anonim Sirketi	213122355	3,562,500,000.00	31-July 2020 to 30-July-2021
Sakaka	Section 1 - Material Damage Consequential Loss	Tawuniya	603595	995,862,187.50	28-Feb-2020 to 30-Jun-2021
Haya Power & Desalination Company	Section 1 - Material Damage Consequential Loss Delay in Start Up Property Damage All Risks Business Interruption	Orient Insurance	P/81/4012/2019/8	3,075,000,000.00	1-August-2020 to 31-May-2022
Rabigh 3	Section 1 - Material Damage Consequential Loss Delay in Start Up Property Damage All Risks Business Interruption	Tawuniya	605169	2,065,310,520.00	28-Feb-2019 to 31 December-2021

135 The coverage under each policy is subject to the relevant policy terms and conditions.

Company Name	Type of Insurance[135]	Insurance Company	Policy Number	Maximum Coverage (SAR)	Insurance Period
SGC	All Risks of Physical Loss or Damage Consequential Loss	Al Madina Insurance Company SAOG	P/004/01/20/2150/00015	2,812,500,000.00	31-July-2020 to 30-July-2021
Ibri	All Risks of Physical Loss or Damage Consequential Loss	Al Madina Insurance Company SAOG	P/004/01/20/2150/00014	2,812,500,000.00	31-July-2020 to 30-July-2021
Hassyan	Section 1 - Material Damage Consequential Loss Delay in Start Up Property Damage All Risks Business Interruption	Al Ain Ahlia Insurance Company	P/101/3/2016/FN/CAR/10035	8,491,770,468.75	30-Sep-2016 to 1-March-2023
Zarqa	All Risks of Physical Loss or Damage Business Interruption	Jerusalem Insurance Company	P/01/1/08/84/2020/0	1,951,746,393.75	31-July-2020 to 30-July-2021
SEPCO	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	610080	1,361,514,000.00	31-July 2020 to 30-July-2021
DGC	All Risks of Physical Loss or Damage Business Interruption	Al Madina Insurance Company SAOG	P/004/01/20/2150/00013	2,905,163,692.50	31-July 2020 to 30-July-2021
Shuaa Energy 1	Property damage all risks including mechanical and electrical breakdown Business Interruption	ADNIC	H53070004894-R02	997,669,713.75	30-June-2020 to 29-June-2021
Bokpoort	Property damage all risks including mechanical and electrical breakdown Business Interruption	Guardrisk Insurance Company Limited	GR20/40963/041/T10J000	1,470,536,625.00	31-July 2020 to 30-July-2021
Ben Ban	All Risks of Physical Loss or Damage Business Interruption	Gig Egypt	01/01/101013070	289,307,426.25	8-September-2020 to 29-June-2021
TK for Power and Renewable Energy System	All Risks of Physical Loss or Damage Business Interruption	Gig Egypt	01/01/101013068	115,849,053.75	20-August-2020 to 29-June-2021
Boujdour	All Risks of Physical Loss or Damage Business Interruption	RMA	BOWDU2000032	93,848,355.00	30-Jun-2020 to 29-Jun-2021
Laayoune	All Risks of Physical Loss or Damage Business Interruption	RMA	BOWDU2000031	350,312,321.25	30-Jun-2020 to 29-Jun-2021
APO	Property damage all risks including mechanical and electrical breakdown Business Interruption	WAFA	15/163920	2,629,296,761.25	31-July 2020 to 30-July-2021
APO II	All Risks of Physical Loss or Damage Business Interruption	MCMA	700201574	2,812,500,000.00	31-July-2020 to 30-July-2021

Company Name	Type of Insurance[135]	Insurance Company	Policy Number	Maximum Coverage (SAR)	Insurance Period
APO III	All Risks of Physical Loss or Damage Business Interruption	MCMA	700201576	2,407,035,611.25	31-July-2020 to 30-July-2021
APO IV	All Risks of Physical Loss or Damage Business Interruption	RMA	AFMA/1668	350,312,321.25	30-Jun-2020 to 29-Jun-2021
Taweelah RO Desalination Company L.L.C	Section 1 - Material Damage Consequential Loss Delay in Start Up Property Damage All Risks Business Interruption	ADNIC	H33500001411	2,813,682,581.25	7-Oct-2019 to 31-Oct-2022
Shuaa Energy 3 P.S.C	Erection All Risks All Risk Delay in Start Up Interim Operational All Risks Interim Operational All Risks Business Interruption Operational All Risks & Operational All Risks Business Interruption.	ADNIC	H53070004894-R02	618,750,000.00	28-July-2020 to 28-July-2021
Rehab IPP	All Risks of Physical Loss or Damage Business Interruption	Jerusalem Insurance Company	P/01/1/08/142/2020/0	270,626,670.00	1-December-2020 to 29-June-2021
STPC	All Risks of Physical Loss or Damage Business Interruption	Tawuniya	610074	1,195,316,163.75	31-July 2020 to 30-July-2021
JWAP	All Risks of Physical Loss or Damage Business Interruption	Al Rajhi Takaful	P0620-PBI-TE-RO-12682834	2,812,500,000.00	1-June-2020 to 30-May-2021
RAWEC	All Risks of Physical Loss or Damage including Machinery Breakdown Business Interruption	KoreanRe	NGDO2000237 & ENG-DO2000238	9,375,000,000.00	1 October 2020 to 30-Sep-2021
Shams Ad-dhahira generating company SAOC	Marine Cargo Marine Delay in Start Up Contract Works Delay in Start Up Property Damage All Risks Business Interruption Operational Third Party Public and Products Liability	Oman United Insurance Co SAOG	P-8000-41-2020-01004	1,270,755,003.75	31-March-2020 to 1-June-2021
Sudair	Section 1 - Material Damage Contract Works Third Party Public Liability	Malath Cooperative Insurance Company	EN/CRO/0075/2021	26,000,000.00	1-March-2021 to 30-June-2021
Jazlah Water Desalination Company	Section 1 - Material Damage Section 2 - Constructions Delay in Start Up	Tawuniya	609927	1,983,419,107.50	12-August-2020 to 31-December-2022
Naqaa Desalination Company L.L.C	Section 1 - Material Damage Consequential Loss Delay in Start Up Property Damage All Risks Business Interruption	ADNIC	H33500001495	2,343,750,000.00	1-Jan-2020 to 5-August-2022

Company Name	Type of Insurance[135]	Insurance Company	Policy Number	Maximum Coverage (SAR)	Insurance Period
Dhofar Deslination Co.SAOC	All Risks of Physical Loss or Damage Business Interruption	Al Madina Insurance Company SAOG	PDBI - P/004/01/21/2150/00007	481,329,828.75	12-March-2021 to 30-July-2021
Alcom Energy	All Risks of Physical Loss or Damage Business Interruption	Gig Egypt	01/01/101013069	308,597,805.00	27-August-2020 to 29-June-2021
CEGCO	All Risks of Physical Loss or Damage including Machinery Breakdown Business Interruption	Solidarity – First Insurance Company	Policy No. for Plants P/HOF/FIR/PAR/2021/0007163 Policy No. for Head Office P/HOF/FIR/PAR/2021/0007162	4,322,651.25	1-Jan 2021 to 31-Dec 2021

12-10 Intellectual property

12-10-1 Trademarks

To a large extent, the Company's business and its Subsidiaries do not rely on the trademarks registered in their names, but rather depend on the projects that they develop or own. The trademarks are used by the Company for their sole legal purpose of identifying the Company, and are protected by being registered in many countries.

The Company and its Subsidiaries have registered a number of trademarks with the MOC in KSA and other competent authorities in other jurisdictions.

The following table shows some key details of all trademarks registered in the name of the Company and its Key Group Companies in KSA:

Table (12-11): Details of the registered trademarks of the Company and its Key Group Companies Subsidiaries in KSA with the MOC

Trademark	Trademark Owner	Category	Registration No.	Protection Expiration Date
	ACWA POWER	36	1435016012	18/08/1445H (corresponding to 28/02/2024G)
	ACWA POWER	37	1435016011	18/08/1445H (corresponding to 28/02/2024G)
	ACWA POWER	39	1435016010	18/08/1445H (corresponding to 28/02/2024G)
	ACWA POWER	40	1435016009	18/08/1445H (corresponding to 28/02/2024G)
	ACWA POWER	40	32/684	17/9/1443H (corresponding to 18/4/2022G)
	ACWA POWER INTERNATIONAL	42	143104795	17/5/1451H (corresponding to 26/9/2029G)
	RAWEC		1043/83	19/8/1439H[136]

136 RAWEC, the entity who owns this trademark is currently in the process of renewing its registration.

Trademark	Trademark Owner	Category	Registration No.	Protection Expiration Date
SWEC شركة الشعيبة للمياه والكهرباء	SWEC		1438012121	1/6/1448H
SQWEC	SQWEC		1439012084	26/5/1449H
جواب JWAP	JWAP		142806359	25/6/1448H
RABEC Rabigh Electricity Co. شركة رابغ للكهرباء	RABEC		1437002530	3/2/1447H
Hajr شركة هجر لإنتاج الكهرباء	Hajr		1439026672	26/11/1449H
NOMAC	NOMAC		1437008854	21/4/1447H

Source: Company information.

Pursuant to an agreement executed between the Company and Vision Investment (formerly known as "Arabian Company for Water and Power Development" or "ACWA Holding"), all trademarks owned by Vision Investment, which include the phrase "ACWA Power", were transferred to the Company. The Company is currently working on completing the formalities to record the transfers of ownership of some of the trademarks registered outside the KSA.

It should be noted that the Company has identified an infringement of its trademark, as there is another company registered in the KSA whose name includes the phrase "ACWA Power" and provides consulting services. A request was submitted to His Excellency the Minister of Commerce to request the cancellation of the trade name of this company based on the Trade Names Law, and His Excellency referred the transaction to the Committee for resolution of the similarity of trade names in the Ministry of Commerce. The committee decided that it does not have jurisdiction. Accordingly, the Company registered a complaint with the General Directorate for Combating Commercial Fraud on 7/9/1442H, and the complaint is still under consideration as at the date of this Prospectus. The Company does not consider that this will materially and adversely affect it or its operations if it is not able to complete the procedures of delisting or changing the name of the other company.

The following table sets out the other countries in which the Company's trademark has been registered:

Table (12-12): Other countries in which the Company's trademark has been registered

Trademark	Country of Registration	Category No.	Registration No.	Protection Expiration Date
ACWA POWER	Botswana At the patent, marks and designs registration office	35, 36, 37, 39, 42	BW/M/2/00123	23 February 2025
	Egypt at the Trademarks Office	35, 36, 37, 39, 42	316464 316465 316466 316467 316468	7 April 2025
	European Union At the Office for Internal Market Harmonization (OHIM) - trademark and designs	35, 36, 37, 39, 42	013755632	19 February 2025
	Indonesia At the Ministry of Law and Human Rights	35, 36, 37, 39, 42	IDM000674530	27 February 2025
	Jordan At the trademark registration office	35, 36, 37, 39, 42	138894 138895 138984 138982 138983	19 April 2025
	Morocco, At the commercial intellectual property office	35, 36, 37, 39, 42	165392	18 February 2025
	Mozambique At the Industrial Property Institute	35, 36, 37, 39, 42	2015/29120 2015/29121 2015/29122 2015/29123 2015/29124	2 July 2025
	Namibia At the Business and Intellectual Property Authority	35	NA/T/2015/206	18 February 2025
	Oman At the Intellectual Property Department	35, 36, 37, 39, 42	94372 94375 94376 94374 94373	9 April 2025
	South Africa	35, 36, 37, 39, 42	2015/03810 2015/03811 2015/03812 2015/03813 2015/03814	13 February 2025
	Turkey At the Turkish Patent Institute	35, 36, 37, 39, 42	86732/2001	31 October 2021
	The United Arab Emirates At the Ministry of Economy, the Trademarks Department	35, 36, 37, 39, 40, 42	163968 163972 (36) 163969 (37) 163970 (39) 163971 (40) 330753	18 October 2021 The (40) category expires on 10 June 2030
	Vietnam At the national intellectual property office	35, 36, 37, 39, 42	267404	6 April 2025

Trademark	Country of Registration	Category No.	Registration No.	Protection Expiration Date
ACWA POWER	China At the Trademarks Office	42,35	10240831 10240830	27 January 2023
	United Arab Emirates	39, 36, 37	163971 163969 163970	18 October 2021
	Oman	36, 37, 39, 40	52302 52303 52304 52305	6 July 2028

12-10-2 Other Intellectual Property Rights

The Company has jointly submitted with the King Abdullah University of Science and Technology an application to the Patent Cooperation Treaty of the World Intellectual Property Organization to register a patent related to improving the seawater reverse osmosis process. It is expected that the registration process will complete during the first quarter of 2022. Through this partnership with the King Abdullah University of Science and Technology, the Company will carry out research and development work related to desalination and power generation in accordance with a memorandum of understanding concluded between the two parties on 1 September 2019G, provided that a binding agreement will be concluded later between the parties in this regard.

12-11 Litigation

Other than as disclosed in this section below, the Board members declare that there are no existing or potential judicial disputes, lawsuits, claims, or judicial investigation proceedings raised against the Company or by it which may, individually or collectively, have a material effect on the Company's business or financial position. However, as at the date of this Prospectus, the Group Companies are involved in a number of material court, administrative or arbitration proceedings that have arisen during their ordinary course of business. It should be noted that there will be no direct recourse against the Company in such proceedings given that they have been filed by or against the Group Companies.[137]

For the purposes of this section, any case or claim was deemed material if its value is equivalent to SAR 60 million or more or if the Company deems it material by its nature and the possibility of impacting the Group's reputation.

Table (12-13): Summary of Group Companies' material ongoing litigation/arbitration proceedings as at 31 May 2021G

Claimant	Defendant	Summary	Status	Estimated Claim[138]
Group Company	A member of the European Union	A Group Company claims: (i) that a member of the European Union breached treaty law causing material losses to a project; and (ii) approximately SAR 356,292,800 in damages payable by the member of the European Union.	Arbitration commenced in 2018. Evidentiary hearings are scheduled for June 2021.	Approximately SAR 356,292,800. Of the total claim amount that could potentially be received from the member of the European Union, a substantial part will pay for various external liabilities (including legal expenses). The remaining amount will be available to the Group Company, and would be shared with its shareholders (including the Company). This will not be a loss to the Group Company if it is unsuccessful in its claim.

137 Please note that due to confidentiality obligations on the Group, certain details have not been disclosed in the below table, including the identities of the parties to the claims.
138 The Company is not the 100% owner of some of the Group Companies and, therefore, some of the claim amounts would be shared with other shareholders / co-investors.

Claimant	Defendant	Summary	Status	Estimated Claim[138]
Two Group Companies in KSA	Counterparty	Two (2) Group Companies seek the payment of, collectively, approximately SAR 52,100,000 in respect of separate claims as to the interpretation of an indexation provision based on the consumer price index under the relevant project agreements.	Currently in arbitration. One Group Company has a hearing on preliminary issues scheduled for 9 June 2021 (with a decision on preliminary issues scheduled for July 2021). The second Group Company has a final hearing scheduled for 3 – 5 October 2021.	SAR 52,100,000. The Company's effective ownership in each of the Group Companies is less than 50%. This will not be a loss to the Group Companies if it is unsuccessful as this has already been accounted for.
Total estimated value with respect to claims made by the Group Companies:	SAR 408,392,800			
EPC contractor consortium	Group Company in South Africa	An EPC contractor consortium claims approximately SAR 75,023,580 as alleged performance uplift payments and payments alleged to be due for additional or unpaid works. The Group Company counter-claims approximately SAR 238,000,000 (approximately ZAR 913,200,000) for performance liquidated damages and for defects.	Arbitration commenced in 2018. Evidentiary hearings are scheduled for August / September 2021.	The EPC contractor consortium claim is approximately SAR 75,023,580. The Group Company's counter-claim is approximately SAR 238,000,000 (approximately ZAR 913,200,000). The Company's effective ownership in the Group Company is less than 50% and the claim is non-recourse to the Company.
EPC contractor	Group Company in Morocco	The Group Company rejected certain claims raised by the EPC contractor. As the dispute has been subject to arbitration, the Group Company has submitted several counter-claims.	Referred to arbitration by the EPC contractor on 13 July 2018.	The EPC contractor's current claim amounts to approximately SAR 105,000,000. The Company's effective ownership in the Group Company is more than 50% and the claim is non-recourse to the Company. The Group Company's counter-claim is approximately SAR 480,000,000.
Total estimated value with respect to claims made against the Group Companies:	SAR 180,023,580			
Total estimated value with respect to counter-claims made by the Group Companies (in cases where they are the defendant):	SAR 718,000,000			

Source: Company information.

The following table summarises the other material claims as at 31 May 2021G, including change in law and force majeure claims, that are ongoing and any potential material legal proceedings that may be filed by or against the Group Companies, including two material potential claims against the Company.

Table (12-14): Summary of other material claims or threatened or potential material legal proceedings to be filed by or against the Group Companies as at 31 May 2021G

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Counterparty	The Company	The counterparty is disputing the interpretation of certain contractual provisions and the obligations they impose, arising out of an agreement, which among other things, provides for certain fuel price support in relation a project.	Notice of dispute issued on 23 March 2021 by the counterparty. The Company replied on 11 April 2021 outlining its rejection of the matters raised.	Undetermined amount.
Counterparty (Joint Development Partner)	The Company	Recently the Company reviewed its corporate environmental stewardship commitment within the framework of establishing a clear targeted environmental stewardship, social responsibility and good governance (ESG) strategy and, taking into account the carbon emission reduction objectives that the KSA has set and the wider energy transition underway across the world, the Company decided that by year 2030 the carbon emission intensity of its portfolio of assets needs to be reduced by 50% with the aim of achieving Net Zero by the year 2050. Having regard to this, the Company has decided to refrain from proceeding with the development of any new coal-fired power plant projects and thus has informed the Development Partner and the host Government that it is withdrawing from the Project. While there are sufficient provisions within the joint development agreement that permits the withdrawal of the Company, there is the risk that the Development Partner initiates a claim for breach of contract and damages against the Company and any such claim could include financial compensation, and could also result in reputational damages on the Group, which may have a material adverse effect on its business, financial position and results of operations.	No formal dispute or claim raised to date.	No claim received to date.

139 The Company is not the 100% owner of some of the Group Companies and, therefore, some of the claim amounts (whether a loss or benefit) would be shared with other shareholders / co-investors.

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Group Company in Jordan	Counterparty	In relation to a fuel price claim, a Group Company is claiming that a "Fuel Price Difference" surcharge was introduced as a line item to fuel invoices issued to it by the counterparty and that this qualifies for "Change in Law". In relation to a tariff adjustment claim, the Group Company is claiming that changes made to the tariffs by the counterparty qualify for "Change in Law" compensation.	A notice of dispute was issued by the Group Company to the counterparty in September 2020. Request made to agree on expert to refer matter to be resolved by expert determination.	The fuel price difference claim is worth approximately SAR 5,626,050. The tariff adjustment dispute is worth approximately SAR 154,518,000. The Company's effective ownership in the Group Company is less than 50%.
Group Company in Jordan	Counterparty	Claims in relation to: (i) the repayment of liquidated damages being withheld by the counterparty for Group Company capacity charges; (ii) further payments of deemed capacity charges by the counterparty to the Group Company in respect of delays caused by a certain incident during construction; and (iii) payment of costs incurred / losses suffered by the Group Company as a consequence of the incident and the counterparty's imposition of delay in liquidated damages.	The Group Company issued a notice of dispute to the counterparty on 29 April 2021.	Approximately SAR 182,280,000. The Company's effective ownership in the Group Company is more than 50%.
Group Company in Oman	Counterparty	A Group Company is claiming from a counterparty for an estimated quantum of approximately SAR 322,976,551 in relation to a liquidated damages claim for a commercial operation date delay.	No formal dispute or claim raised to date. However, the counterparty was given notice of the dispute on 14 November 2019.	Approximately SAR 322,976,515. The Company's effective ownership in the Group Company is less than 50%.
Group Company in Oman	Counterparty	A Group Company has an ongoing dispute with a counterparty for an estimated quantum of approximately SAR 213,817,203 in relation to a liquidated damages claim by the counterparty for a commercial operation date delay.	No formal dispute or claim raised to date. However, the Group Company served the relevant notices to the counterparty on 6 August 2018 and 25 February 2019. In April 2021, the parties jointly appointed an independent expert to assess the delay.	Approximately SAR 213,817,203. The Company's effective ownership in the Group Company is less than 50%.
Group Company in Oman	Counterparty	A Group Company has an ongoing dispute for an estimated quantum of SAR 229,197,036 in relation to a claim for delay in supplying natural gas.	In May 2021, the parties jointly appointed an independent expert to assess the delay.	Approximately SAR 229,197,036. The Company's effective ownership in the Group Company is less than 50%.

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Group Company in Morocco	EPC contractor	A Group Company may have a claim for performance shortfall liquidated damages for under-performance.	No formal claim to date. The EPC contractor has not been notified of the potential claim.	Estimated provisional amount is approximately SAR 582,297,500. The Company's effective ownership in the Group Company is more than 50%.
Group Company in KSA	Counterparty	There were outages in certain power units pursuant to which there was a loss of a substation resulting in a total plant blackout. The Group Company notified the counterparty of the occurrence and effect of a natural force majeure event due to the failure of the electrical transmission facilities. The counterparty accepted the claim and granted the Group Company relief from performance only in relation to the outage of one power unit and rejected the claim in relation to the outage of the other power units. The Group Company has contested that decision.	The counterparty has formed an internal committee to consider the matter. The Group Company is currently awaiting a response. To the extent that the matter cannot be settled amicably, the Group Company may refer the dispute to arbitration.	The Group Company's potential financial exposure in respect of this dispute is SAR 14,000,000 to be paid as liquidated damages (based on the Group Company's proposal) or SAR 18,900,000 to be paid as liquidated damages (based on the counterparty's proposal). The Company's effective ownership in the Group Company is less than 50%.
Group Companies (the Operator and the Seller)	Counterparty	As a result of the increase in the price of fuel, the first Group Company, in its capacity as operator (the "Operator") estimated its potential loss for the remaining term of the O&M agreement (i.e. until 2030) to be approximately SAR 20,836,217 and notified the second Group Company, in its capacity as the owner under the O&M agreement, of its intent to raise a claim for increased costs arising out of the change in the law once its actual losses reach the relevant threshold under the O&M agreement. In parallel, that second Group Company (which is the owner under the O&M agreement and the seller under the offtake agreement – the "Seller") made a claim for a political force majeure event ("Change in Law") under the offtake agreement, which has been rejected by the off-taker; the Group Company reserves its rights. To date, the estimated amount of the Operator's loss has not been incurred.	Each of the Operator and the Seller will wait for the losses incurred to reach the threshold provided under the O&M agreement and the offtake agreement, respectively, prior to making a claim for increased costs arising out of the Change in Law against respectively the Seller (as regards the Operator) and the off-taker (as regards the Seller).	SAR 20,836,217. The Company's effective ownership in the Group Company is less than 50% and the claim is non-recourse to the Company.

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Group Companies in KSA	Counterparty	In the middle of 2017G, two Group Companies became subject to the 2017 HCIS Directives. One Group Company notified the counterparty of the 2017 HCIS Directives and conducted a gap analysis study between the existing directives and the 2017 HCIS Directives. Another Group Company made a claim for a political force majeure event ("Change in Law") under the offtake agreement (which has been rejected by the counterparty); this entity reserves its rights.	The first Group Company has had subsequent meetings with the counterparty in respect of the 2017 HCIS Directives, but approval from the counterparty has not yet been received. However, the counterparty has agreed to revisit its position in light of the legal standard, the outcome of which is still pending. For the second Group Company, the claim for increased costs arising out of the Change in Law is on-going (not yet submitted) and the Group Company is about to finalise and confirm the expenditure required to complete the HCIS-related works. This final amount is needed for the purposes of making an increased costs claim against the off-taker pursuant to the offtake agreement.	SAR 91,000,000. The Company's effective ownership in each Group Company is less than 50%.
Group Company in KSA	Counterparty	Dispute relating to insurance claims with respect to damage to gas turbines/VGV repair and replacements.	The Group Company has engaged external counsel to review the merits of the claim with a view to referring the matter to formal dispute resolution.	Approximately SAR 76,900,000. The Company's effective ownership in the Group Company is less than 50%.
Group Company in KSA	Counterparty	Dispute relating to insurance claims with respect to damage to boiler tube leaks/repair and replacement.	The Group Company has engaged external counsel to review the merits of the claim with a view to referring the matter to formal dispute resolution.	Approximately SAR 103,159,155. The Company's effective ownership in the Group Company is less than 50%.

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Group Company in Bahrain	Counterparty	Claim in relation to delays caused by the COVID-19 pandemic.	No formal claim to date. The initial notifications were sent in February 2020, identifying delay impacts due to the outbreak of COVID-19 in China, as well as subsequent notices. A rejection was received from the counterparty on 14 April 2021. The Group Company has written to the counterparty requesting a meeting/ confirmation of the EOT due to COVID-19, but has not received any official response yet. As of the date of this Prospectus, no formal dispute proceeding have been initiated by either EPC, counterparty or Group Company.	Approximately SAR 60,800,000. The Company's effective ownership in the Group Company is more than 50%.
Group Company in Oman	Two Counterparties	Claims in relation to a delay in the project commercial operation date.	Claims have been submitted by the Group Company against two counterparties to the underlying agreements. An independent expert has been jointly appointed to assess the delay.	Approximately SAR 75,750,000. The Company's effective ownership in the Group Company is less than 50%.
Group Company in KSA	Counterparty	Dispute relating to insurance claims with respect to damage to the row 2 vanes and variables guide vanes of the gas turbines of the plant.	No formal claim to date. The counterparty has not been notified of the potential claim.	Approximately SAR 61,965,082. The Company's effective ownership in the Group Company is equal to or more than 50%.
Two Group Companies in KSA	Counterparty	Two Group Companies may potentially incur losses for an aggregate amount of approximately SAR 44,000,000 to comply with the 2010 HCIS Directives, which require physical alterations to the plants.	No formal dispute or claim raised to date. The counterparty has not been notified of the potential dispute or claim.	Approximately SAR 44,000,000. The Company's effective ownership in each Group Company is less than 50%.
Group Company in KSA	Counterparty	Dispute relating to the interpretation of an indexation provision based on the consumer price index under the relevant project agreement.	Dispute subject to expert determination.	Approximately SAR 35,500,000. The Company's effective ownership in the Group Company is less than 50%.
Total estimated value with respect to claims made by the Group Companies:	SAR 2,279,522,754			

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Counterparty	Group Company in the UAE	A Group Company is in a dispute relating to the supply of fuel to the project.	Notice of dispute issued by the counterparty and rejected by the counterparty.	Undetermined amount. The Company's effective ownership in the Group Company is less than 50% and the claim is non-recourse to the Company.
Counterparty	Group Company in the UAE	Delay liquidated damages were applied by the counterparty which were rejected by a Group Company based on certain risk events for which the Group Company claims that it is eligible for a time extension. Liquidated damages were similarly claimed against a third party.	Agreement reached between the parties (subject to lender approval) which will reduce such claims to an immaterial amount.	Liquidated damages applied by the counterparty following the settlement are estimated at approximately SAR 17,250,000. Liquidated damages applied by the Group Company after the settlement are estimated at approximately SAR 225,000,000. The Company's effective ownership in the Group Company is less than 50% and the claim is non-recourse to the Company.
EPC contractor	Group Company in Morocco	A global claim was received from an EPC contractor with respect to a Group Company and includes several separate claims regarding delay, disruption and construction.	The combined claim has not been pursued through formal dispute resolution. Negotiations are ongoing.	The combined quantum of these claims is SAR 134,739,902. The Company's effective ownership in the Group Company is less than 50% and the claim is non-recourse to the Company.
EPC contractor	Group Company in Morocco	There was a potential delay in reaching the commercial operation of the plant, due to additional works, delay and disruption and force majeure events. The EPC contractor has submitted various claims for delay and disruption and additional works (variations) including several force majeure claims.	Negotiations are ongoing.	Undetermined amount. The Company's effective ownership in the Group Company is more than 50% and claim is non-recourse to the Company.
EPC contractor	Group Company in Morocco	A claim for force majeure with regard to the impact of COVID-19 on the rectification of defects during the defect liability period and the performance of the final acceptance tests.	No formal dispute to date.	Undetermined amount. The Company's effective ownership in the Group Company is more than 50% and claim is non-recourse to the Company.
Counterparty	Group Company in Morocco	The counterparty may have a claim for performance shortfall liquidated damages for underperformance of the final tests.	No formal claim to date.	Estimated provisional amount is approximately SAR 88,130,000. The Company's effective ownership in the Group Company is more than 50% and the claim is non-recourse to the Company.

Claimant	Defendant	Summary	Status	Estimated Claim[139]
Total estimated value with respect to claims made against the Group Companies:	SAR 240,119,902			
Total estimated value with respect to counter claims made by the Group Companies (in cases where they are the defendant):	SAR 225,000,000			

Source: Company information.

In light of the above, the following table shows the total estimated values of the claims by and against the Group as of 31 May 2021G:

Table (12-15): Summary of the total estimated values of the claims by and against the Group

Type of Claim	Total Estimated Value (SAR)	Group exposure based on its effective ownership in the relevant Group Company (SAR)
Material ongoing litigation / arbitration proceedings made by the Group Companies (including counter-claims)	1,126,392,800	565,516,976
Material ongoing litigation / arbitration proceedings made against the Group Companies	180,023,580	92,086,060
Material claims and potential material legal proceedings made or that may be made by the Group Companies	2,504,522,754	1,235,449,941
Material claims and potential material legal proceedings made or that may be made against the Group Companies	240,119,902	171,801,301
Non-material ongoing claims and legal proceedings made by the Group Companies	135,000,000	59,786,196
Non-material ongoing claims and legal proceedings made against the Group Companies*	124,000,000	63,370,880

* The largest non-material claim against a Group Company is estimated at SAR 43,000,000

Notwithstanding the above claims involving the Group Companies (by and against the Group Companies), if any decision is made against a Group Company, which results in the payment of amounts pursuant to such claims, there is no direct recourse against the Company given that such claims relate to a Group Company other than the Company. However, these claims may affect the Company's financial position in the event that no judgment is made in favour of the Group Companies.

It should be noted that the plaintiffs in some of the legal claims filed against the Group Companies did not specify the value of their respective claim. Accordingly, the amounts that may be payable by the relevant Group Company as a result will be determined mutually by the parties to the dispute or by the competent court or tribunal hearing the proceedings. As such, the total liability currently valued may be higher or lower upon enforcement.

(For further details on the associated risks, see Section (2-4-15) ("**Risk Factors – Risks relating to the Market, Industry and Legal and Regulatory Environment – Risks related to material disputes and possible litigation**"). Except for the claims described above, the Company confirms that neither the Company nor any of its Group Companies is a party to any current, pending or threatened litigation proceeding or claim or any ongoing investigation that could have a material adverse effect, whether individually or in association with other claims, on the Company's business or financial position.

It should be noted that the above information on the claims of the Company and the Group Companies does not include the amounts of zakat payments that the Company and the Group Companies have objected to. (For further details on zakat payments, see Section (2-4-6) ("**Risk Factors – Risks relating to the Market, Industry and Legal and Regulatory Environment – Risks related to the change, adverse interpretations or inconsistent enforcement of the tax laws and regulations in countries in which the Group's projects operate**")).

12-12 Real Estate

The Company owns the following real estate property:

Table (12-16): Deeds/Certificates of Ownership

Property Title Deed /Certificate	Address	Description and Purpose	Rights of Others / Disputes	Book Value (SAR)
Title Deed No 296426000354 dated 06/11/1441H	As Sulimaniyah in Ad Diriyah, the Kingdom of Saudi Arabia	Purpose: Company Head Office Description: Land No (114), Plan No (M/14) Total Area: 4984,37 Sq. meter.	N/A	19,925,019
Title Deed No 996426000356 dated 06/11/1441H	As Sulimaniyah in Ad Diriyah, the Kingdom of Saudi Arabia	Purpose: Company Head Office Description: Land No (116), Plan No (M/14) Total Area: 3740,5 Sq. meter.	N/A	14,952,648
Title Deed No 796426000355 dated 06/11/1441H	As Sulimaniyah in Ad Diriyah, the Kingdom of Saudi Arabia	Purpose: Company Head Office Description: Land No (115), Plan No (M/14) Total Area: 3770,84 Sq. meter.	N/A	15,073,932
Title Deed No 799016000370 dated 13/11/1442H	As Sahafa in Riyadh, the Kingdom of Saudi Arabia	Purpose: Residential Unit Description: Apartment No. (284/1510), Floor 48, Land No (2459/2466/2121), Plan No. (1863/AB) Burj Rafal Total Area: 142 Sq. meter.	N/A	1,922,325

The Company have entered into six lease contracts for its offices inside and outside the Kingdom of Saudi Arabia, the following table shows the details of these contracts:

Table (12-17): Details of the lease contracts entered into by the Company:

Lessor	Address and Purpose	Lease Term and Renewal Mechanism	Annual Rent	Assignment/Sub -leasing
Riyadh Business Gate	Head office in building No (1), Ground Floor (A1) Business Gate in Cordoba District, Riyadh	• From 1 February 2014G till 31 January 2019G • Automatic Renewal	SAR 743,952	The Company can not assign, with or without consideration, the lease contract, sub-lease the leased property, or assign its rights as a Lessee to a third party without obtaining the prior written approval of the lessor.
Riyadh Business Gate	Head office in building No (1), Ground Floor (A1) Business Gate in Cordoba District, Riyadh	• From 1 February 2019G till 31 January 2024G • Automatic Renewal	SAR 855,582	The Company can not assign, with or without consideration, the lease contract, sub-lease the leased property, or assign its rights as a Lessee to a third party without obtaining the prior written approval of the lessor.
Edarah Real Estate Company for Real Estate	Head office in building No (1), Ground Floor (A1) expanding contract in Business Gate in Cordoba District, Riyadh	• From 1 January 2020G till 1 January 2023G • Automatic Renewal	SAR 633,600	The Company can not assign, with or without consideration, the lease contract, sub-lease the leased property, or assign its rights as a Lessee to a third party without obtaining the prior written approval of the lessor.

Lessor	Address and Purpose	Lease Term and Renewal Mechanism	Annual Rent	Assignment/Sub -leasing
Riyadh Business Gate	Head office in building No (5), appendix to the first floor contract (A5) Business Gate in Cordoba District, Riyadh	• From 15 December 2017G till 14 December 2022G • Automatic Renewal with a 15% increase in the rent	SAR 1,181,500	The Company can not assign, with or without consideration, the lease contract, sub-lease the leased property, or assign its rights as a Lessee to a third party without obtaining the prior written approval of the lessor.
Riyadh Business Gate	Head office in building No (5), appendix to the second floor contract (A5) Business Gate in Cordoba District, Riyadh	• From 1 April 2017G till 31 March 2022G • Automatic Renewal with a 15% increase in the rent	SAR 1,178,256	The Company can not assign, with or without consideration, the lease contract, sub-lease the leased property, or assign its rights as a Lessee to a third party without obtaining the prior written approval of the lessor.
Riyadh Business Gate	Head office in building No (5), Third Floor (A5) Business Gate in Cordoba District, Riyadh	• From 1 November 2011G till 1 April 2017G • Automatic Renewal with a 15% increase in the rent	SAR 1,024,570	The Company may not assign its rights or obligations stated in the contract unless it is responsible for the third party. Also, the Company can not sub-lease the property unless the purpose of the sub-lease is to work in the retail trade.
Riyadh Business Gate	Head office in building No (5), appendix to the third floor contract (A5) Business Gate in Cordoba District, Riyadh	• From 1 April 2012G till 1 April 2017G • Automatic Renewal with a 15% increase in the rent	SAR 1,024,570	The Company may not assign its rights or obligations stated in the contract unless it is responsible for the third party. Also, the Company can not sub-lease the property unless the purpose of the sub-lease is to work in the retail trade.
Rashed Mohammed Abdulla AlMazroui Real Estate Development	Regional office in the One Tower building, Dubai, UAE	• From 19 August 2019G till 18 November 2021G	AED 2,166,467 (SAR 2,212,031)	Cannot assign the leased property or sub-lease it without the Lessor's approval.
PT. Midplaza Prima	Country Office in Mid Plaza Building, Jakarta, Indonesia	• From 1 August 2018G till 31 July 2021G	USD 69,003 (SAR 258,772)	Cannot assign the leased property or sub-lease it without the Lessor's approval.
Marketing Overseas Limited	Regional Office in Liberty House Building, Unit Number (811-B), Dubai, UAE	• From 1 November 2020G till 31 December 2021G • The Lessor has an option to renew. If the Lessee does not accept the renewal, he will be obligated to pay the rent requested by the Lessor.	AED 80,000 (SAR 81,688)	N/A

12-13 The Zakat Status of the Company and its Subsidiaries

The Company and its KSA Subsidiaries are subject to the Zakat / Tax laws and regulations of the KSA. Zakat and Tax are provided on an accrual basis and are computed and charged based on Zakat base / taxable income (in accordance with the applicable laws / regulations). Adjustments, if any, are made to the Zakat / Tax provision when the final assessments are obtained from ZATCA. The Company will appeal against final assessments where it believes such assessment is not in line with the ZATCA rules, regulations and current practices.

The table below indicates the Zakat and Tax provisions of the Company and its consolidated Subsidiaries as at 31 December 2018G, 2019G and 2020G.

Table (12-18): The Zakat and Tax provisions of the Company and its consolidated Subsidiaries as at 31 December 2018G, 2019G and 2020G.

API and its consolidated Subsidiaries (SAR '000)	2018G	2019G	2020G
Tax and Zakat provisions	**113,764**	**183,411**	**276,517**
Total	**113,764**	**183,411**	**276,517**

Source: Company audited financial statements.

Since incorporation and up to 2014, the Company and its wholly owned Subsidiaries filed consolidated Zakat declarations as required under the Zakat guidance issued by the ZATCA (as 100% Saudi shareholders owned companies were only subject to Zakat in KSA). Since incorporation, non-wholly owned Subsidiaries subject to both Zakat and tax were considered as mixed companies and the same were required to file Zakat and tax returns on their standalone (non-consolidated) individual financial statements.

Following the investment of the International Finance Corporation ("**IFC**") in 2014G, the Company and its Subsidiaries were deconsolidated for Zakat purposes given IFC's shares in the Company's profits should not be subject to Zakat (as a non-GCC entity) and is exempt from Tax in KSA. From 2014G up to the end of 2020G, the Saudi Group Companies were considered as mixed companies and were required to file Zakat and tax returns on their standalone (non-consolidated and filed individually) individual financial statements. Following IFC's exit in 2020, the Company has the option to consolidate wholly owned Subsidiaries for Zakat purposes going forward (on the basis it will be subject to Zakat only in KSA). The Company is currently evaluating whether it is beneficial to file consolidated returns (as opposed to individual filings) from the years 2021 onwards.

The Group has filed all Zakat and Tax returns with the ZATCA for all periods (since their incorporation), including 2020 as required under the Zakat regulations, with the exception of one Zakat entity (Aqua Marafiq Water and Electricity Co.) which is delayed for 2020G. The Group is in the process of finalising its Zakat and Tax returns. This delay should not result in a material adverse impact on the Group.

The Company obtained ZATCA certificates for all the years since establishment until 31 December 2020G. All Group Companies subject to Zakat/Tax in KSA except APP, SAKAKA, QIC, QPC and Aqua Marafiq Water and Electricity Co. have obtained Zakat and Tax certificates for all years since establishment until 31 December 2020G. The remainder are in the process of obtaining the certificates for 2020G and in discussion with ZATCA.

The Company has closed all Zakat and Tax assessments from incorporation to and including 2018G. The periods of 2019G and 2020G remain open. The following table sets out the years during which the Zakat / Tax assessments have not been closed and settled for the Key Group Companies only (inside and outside KSA) and the potential Tax and Zakat exposure for each company as at 10 June 2021G.

Table (12-19): The years during which the Zakat and Tax assessments have not been closed and settled for the Key Group Companies (inside and outside KSA) and the potential Tax and Zakat exposure for each company as at 10 June 2021G

No.	Name of Company	Years where the assessment has not been closed and settled[140]	Disputed Amount Total2 (SAR)	Disputed Amount Zakat2 (SAR)	Disputed Amount Tax2 (SAR)	Provisioned Amount (SAR)
KSA Key Group Companies						
1	First National O&M Co. (NOMAC)	2008-2020	10,918,405	10,559,405	359,000	4,100,000
2	RAWEC	2007-2013 2015-2020	15,466,020	1,325,863	14,140,157	13,235,161
3	SWEC	2015-2017, 2019-2020	1,965,113	54,938	1,910,175	0
4	SqWEC	2007-2020	22,047,548	4,004,342	18,043,206	4,000,000

140 This does not include years during which the Zakat/tax assessment has not completed, but have now been time-barred due to the lapse of the limitations period.

2 Excluding time-barred and assessed delay fines.

3 JWAP assessment is draft and has not been finalised by the ZATCA and so is subject to change

No.	Name of Company	Years where the assessment has not been closed and settled[140]	Disputed Amount Total2 (SAR)	Disputed Amount Zakat2 (SAR)	Disputed Amount Tax2 (SAR)	Provisioned Amount (SAR)
5	RABEC	2010-2013, 2015-2020	43,600,065	18,572,434	25,027,631	8,898,222
6	MEPCO	2016-2020	0	0	0	0
7	STPC	2017-2020	0	0	0	0
8	Sudair One Renewable Energy Project Company	2020	0	0	0	0
9	Marafiq Redsea for Energy Company	2020	0	0	0	0
10	Jazan Integrated Gasification and Power Company	2020	0	0	0	0
11	JWAP	2016-2020	0	0	0	0
12	HEPCO	2011-2020	62,767,432	43,607,715	19,159,717	6,483,000
13	First National Holding	2019-2020	0	0	0	0
14	Rabigh Power Company	2015-2020	0	0	0	0
15Non-KSA Key Group Companies						
16	Hassyan	NA	NA	0	0	NA
17	Noor Energy 1	NA	NA	0	0	NA
18	APO	2015-2020	0	0	0	0
19	APO II	2019-2020	0	0	0	0
20	APO III	2019-2020	0	0	0	0
21	ACWA Power Barka SAOG	2013-2020	28,938,369	0	28,938,369	28,938,369
22	Ibri	2018-2020	0	0	0	0
23	SGC	2017-2020	0	0	0	0
24	Haya Power & Desalination Company B.S.C.	NA	NA	0	0	NA
25	Zarqa	2016-2020	0	0	0	0
26	ACWA Güç Isletme Ve Yonetim Sanayi Ve Ticaret AS	2018-2020	9,644,196	0	9,644,196	4,002,193
27	ACWA Power Sirdarya	2020	0	0	0	0
28	Taweelah RO Desalination Company	NA	NA	0	0	NA
29	ACWA Power Bash Wind	2020	0	0	0	0
30	ACWA Power Dzhankeldy Wind	2020	0	0	0	0
Total	**-**	**195,347,148**	**78,124,697**	**117,222,451**	**69,656,945**	

Source: The Company

In addition to the above, as at 10 June 2021G, other Group Companies (companies other than Key Group Companies set out in the above table) disputed a total amount of SAR 52,532,685 (comprising SAR 45,282,295 for Zakat and SAR 7,250,391 for tax), for which a provision of SAR 15,586,573 has been set aside. Most notably, ACWA Power Projects (a wholly owned company of the Group) disputed a total Zakat amount of SAR 41,005,408 claimed by ZATCA for the years 2015G to 2017G and 2018G. ACWA Power Projects has provisioned an amount of SAR 12,500,000 against this. The periods of 2019G and 2020G for ACWA Power Projects remain open for assessment by ZATCA.

For more information, please refer to Section (6-3-6-12) ("**Management's Discussion and Analysis of Financial Position and Results of Operations of ACWA Power - Results of operations–Consolidated Statement of profit or loss and other comprehensive income - Zakat and Tax**").

As at 10 June 2021G, the Group (including the above Key Group Companies and all other consolidated and non-consolidated Group Companies) had a total potential tax and zakat exposure with respect to tax and Zakat claims related to all past periods where assessments have been finalised but remain open amounting to SAR 247,879,833 (SAR 124,472,842 attributable to tax claims and SAR 123,406,992 to Zakat claims) (of which, ACWA Power's share is SAR 56,326,848 for the tax claims and SAR 72,960,541 for the Zakat claims) relating to assessments under appeal (excluding delay fines and time-barred claims subject to the statute of limitations of SAR 68,237,880) and a total provision against this exposure of SAR 85,243,518 (of which, SAR 39,756,095 for the Zakat claims and SAR 45,487,423 for the tax claims).

Additionally, as at 10 June 2021G, the Group had a total potential tax and zakat exposure on draft assessments issued by the ZATCA (that have not been finalised by ZATCA) amounting to SAR 172,736,269 for all past periods (including share of other partners where applicable in the Project Companies), of which ACWA Power's share of this amount is SAR 41,256,401. As the assessments are in draft, they are subject to change from the ZATCA until the final assessment is issued and as such no provisions have been made for these amounts. The Group is currently appealing against the draft assessments and to have these removed. The 2018G draft assessment of JWAP of SAR 160,656,642 makes up the most of the draft assessment total, with smaller immaterial draft assessments on other KSA Group Companies making up the remaining amount.

For further details on Zakat payments and ongoing Zakat and tax assessments, see Section (2-4-6) ("**Risk Factors –Risks related to the change, adverse interpretations or inconsistent enforcement of the tax laws and regulations in countries in which the Group's projects operate**") and Section (2-4-7) ("**Risk Factors – Risks related to the change, adverse interpretations or inconsistent enforcement of the Zakat laws and regulations in countries in which the Group's projects operate**").

12-14 Summary of Company By-Laws

Name of the company:

International Company for Water and Power Projects (a Saudi closed joint stock company).

Objectives of the Company:

The objectives of the Company are:

1. Electric power generation;
2. Distribution and wholesale of electrical energy;
3. Water desalination;
4. Establishment of electric power plants and transformers;
5. Repair and maintenance of electrical power plants and transformers; and
6. Wholesale of desalinated water.

The Company will practice these activities following obtaining the necessary licenses from the competent authorities.

Head Office of the Company:

The head office of the Company is located in Riyadh - Kingdom of Saudi Arabia. The head office may be relocated within the Kingdom by a resolution issued by the Extraordinary General Assembly. The Board may establish branches, offices or agencies of the Company inside or outside the Kingdom. The Board may appoint representatives inside and outside the Kingdom as required or for the benefit of the Company.

Term of the Company:

The term of the Company shall be 99 (ninety-nine) Gregorian years starting from the date of the issuance of the decision of the Minister of Commerce number (G/215) and dated 02/07/1429H announcing its establishment. The term of the

Company may be extended by a resolution issued by the extraordinary general assembly of shareholders at least one year prior to its expiration.

Capital:

The capital of the Company is SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred twenty eight thousand seven hundred eighty Saudi Riyals) divided into 645,762,878 (six hundred forty five million seven hundred and sixty two thousand eight hundred and seventy eight) shares of equal value. The nominal value of each share is SAR 10 (ten Saudi Riyals). All Shares are cash Shares.

Preferred Shares:

The Company's Extraordinary General Assembly may, as per the principles set by the competent authority, issue preferred shares or decide to purchase the same, or convert ordinary shares into preferred shares or convert the preferred shares into ordinary shares. The preferred shares do not grant the right to vote in the General Assemblies. Such shares entitle their holders the right to obtain a higher percentage of the Company's net profits than the holders of the ordinary shares after deducting the amounts to be set aside for the statutory reserve.

Purchasing its own shares, selling them and allocating them to employees:

1. The Company may buy and sell its ordinary or preferred shares and pledge them. The Company may also buy its shares to use them as treasury shares in accordance with the guidelines and conditions issued by the CMA.
2. The Company may sell the treasury shares in one or more stages.
3. The Company may also buy its shares and allocate them to the employees of the Company - or its subsidiaries – as per the employee shares program in accordance with the terms and conditions issued by the CMA.

Issuance of Shares:

Shares are nominal and may not be issued in an amount less than the nominal value. If Shares are issued at a premium, the premium shall be added as a separate item under the shareholders' rights and may not be distributed between the shareholders as profits. The Company cannot have fractional shares. If a Share is jointly owned by several persons, such persons must nominate one of them to represent them to exercise the rights attached to such Share on their behalf but they shall be jointly liable for the obligations arising from the ownership of such Share.

Capital Increase:

1. The Extraordinary General Assembly may resolve to increase the share capital of the Company provided that the original share capital has been paid up in full. However, it shall not be a condition that the share capital is paid in full if the unpaid amount thereof is due to shares issued for converting debt instruments or financing bonds into Shares and the term prescribed for the conversion of such instruments has not yet expired.
2. The Extraordinary General Assembly may, in all cases, allocate the Shares issued upon the increase of the capital or a part thereof for the employees of the Company, its subsidiaries or all or some of them. The Shareholders may not exercise their pre-emptive rights when the Company issues Shares designated for employees.
3. A Shareholder shall, at the time the capital increase resolution was issued by the Extraordinary General Assembly, have a pre-emptive right to subscribe to the new cash Shares. Such Shareholder must be notified of its pre-emptive rights, the capital increase, the terms, subscription conditions and period of subscription, by way of publication in a daily newspaper or by registered mail.
4. The Extraordinary General Assembly may suspend the Shareholders' pre-emptive rights to subscribe to new cash Shares or may offer the pre-emptive rights to non-shareholders in cases that are deemed to be in the best interests of the Company.
5. The Shareholder shall be entitled to sell or assign his pre-emptive rights during the period from the resolution of the General Assembly approving the capital increase up to the last day of the subscription period in accordance with the relevant guidelines imposed by the competent authorities.
6. Subject to the provisions of paragraph 4 above, the new Shares shall be distributed to the holders of the pre-emptive rights that have expressed their desire to subscribe in proportion to their existing rights out of the total pre-emptive rights resulting from the capital increase, provided that the number of Shares distributed to those Shareholders does not exceed the number of new Shares for which they have applied. The remaining new Shares shall be distributed to the holders of the pre-emptive rights that requested more than their respective Shares in proportion to their rights based on the total pre-emptive rights resulting from the capital increase provided that they may not be issued with more new Shares than they applied for. The remaining Shares shall be offered to third parties unless otherwise provided by the Extraordinary General Assembly.

Capital Decrease:

The Extraordinary General Assembly may issue a resolution to reduce the capital of the Company if it exceeds the Company's needs or if the Company sustains losses. In the latter case only, the share capital may be reduced below the limit set in Article 54 of the Companies Law. Such resolution shall only be issued after reading the auditor's report on the reasons for such reduction, considering the Company's obligations, and the effect of the proposed reduction on such obligations.

If the reduction of the Company's capital is due to an excess in capital beyond the Company's needs, the creditors of the Company must be invited to express their objection within 60 days from the date of publishing the resolution for the reduction of the Company's capital in a daily newspaper published in the area where the Company's head office is located. If a creditor's objection is submitted to the Company (along with the relevant documentation) within the said period, the Company should pay the relevant debt if it is due or provide a guarantee in the same amount if it is deferred.

Issue of Bonds:

The Board may approve the issuance of sukuks or bonds either in one or several tranches or through a series of issuances in accordance with one or more programmes issued by the Company. The Company may issue other sukuks or bonds and/or any securities from time to time in accordance with the terms determined by the Board without the need to refer to the General Assembly in that regard. The Board may take all necessary measures to issue such sukuks and bonds and/or securities.

The Board may delegate any and all of their powers, granted to them under this provision, to any person or persons, and the authorized persons may delegate to others some of their powers unless the Board's decision provides otherwise.

The Company may also issue debt instruments or financing sukuk instruments convertible into shares, subject to obtaining the approval of the Extraordinary General Assembly, and the resolution of the Extraordinary General Assembly should specify the maximum number of shares that may be issued in exchange for those instruments or sukuk in accordance with the provisions stipulated in the Companies Law.

Management of the Company:

The Company shall be managed by a Board composed of eleven (11) members elected by the Ordinary General Assembly for a term of no more than three (3) years, and are appointed by the cumulative voting method.

Board Membership Expiration:

Board membership shall expire:

1. upon the lapse of its term;
2. if the relevant member resigns or upon his death;
3. if the member becomes ineligible for the Board membership according to the provisions of any applicable law or instructions in the Kingdom;
4. if the member is convicted in a crime involving fraud, dishonesty or honor; or
5. if the member becomes bankrupt or enters into arrangements or settlements with creditors.

Despite the above, the Ordinary General Assembly may at any time dismiss all or some of the members, without prejudice to the right of a dismissed member to claim compensation from the Company if such dismissal occurs without acceptable justification or at an improper time. A member may resign, provided that such resignation is made at a proper time; otherwise, he will be responsible to the Company for the damages incurred due to such resignation.

Powers of the Board of Directors:

Subject to the powers reserved for the General Assembly, the Board shall have the widest authority in managing the affairs and businesses of the Company within and outside the Kingdom.

The Board may, among other things, represent the Company in its relations with third parties, governmental and private authorities, labour offices, civil rights offices, police centres, Chambers of Commerce and Industry, notary public, private bodies, companies and establishments of all kinds.

The Board is entitled to contract in the name and on behalf of the Company, bind the same, and enter into tenders, make agreements with third parties to form consortiums to apply for projects and to perform all works and actions and to sign all types of contracts, documents and instruments, including but not limited to, articles of association of companies in which the Company participates, with all its amendments, appendices, amendment resolutions, naming the company representatives in the assemblies of partners and shareholders of these companies and to sign agreements and deeds before the notary public and official authorities in addition to loan agreements, guarantees, securities, mortgages and releases thereof, collection of amounts accrued to the Company and to pay its obligations, to sign guarantees in the name of the Company to guarantee third parties or companies in which the Company is a shareholder, and issue financial and performance bonds, issue powers of attorney on behalf of the Company, sale and purchase, receive and handover, lease and rent, collect and pay, open, manage and close accounts, open credits, withdraw and deposit at banks, issue guarantees to banks, funds and government supply institutions, to issue and sign all papers, documents, cheques, promissory notes and bills, all bank transactions, and financial derivatives contracts in favor of the Company or the companies in which the Company is a shareholder.

The Board may sell real estate and other properties owned by the Company, provided that the minutes of the Board resolution and the basis of its decision must consider the following conditions:

1. the board shall determine the reasons and justifications for the decision to sell;
2. the sale shall be similar to the standard market price;
3. the sale shall not be deferred except in the cases determined by the Board with sufficient guarantees; and
4. the sale should not hinder the Company's activities to stop or burden the Company with other obligations.

The Board may also secure loans from governmental financial institutions and commercial and non-commercial entities and present the necessary security irrespective of the tenor of these loans provided that the tenor shall not exceed the Company's term.

The Board may provide financial support to any Company in which the Company is a shareholder, and may guarantee its obligations under any credit facilities which any such Company may obtain and waive the priority of loan payment.

The Board may, within the limits of its competence, delegate any of its powers to any of its members, to a third party or authorize one or more of its members or a third party to take an action or conduct certain work, to appoint and dismiss agents, to issue powers of attorney and to appoint and dismiss legal counsel.

The Board may, at its discretion, release the Company's debtors of their obligations towards the Company provided that it would be in the best interests of the Company.

Further, the By-Laws do not grant any Director or Senior Executive the right to borrow from the Company, noting that Article 73 of the Companies Law prohibits the Company from granting loans to its Directors.

Remuneration of the Board Members:

Each Board member will be paid an attendance allowance of SAR 3,000 (three thousand Saudi Riyals) for attending every Board meeting and SAR 3,000 (three thousand Saudi Riyals) for attending every meeting of the Board's executive committees and an annual remuneration determined by the Board provided that what will be paid to the Board members, in this capacity, will not exceed the maximum limit set by applicable laws, decisions and instructions. The report submitted by the Board to the Ordinary General Assembly shall comprise a statement of all the amounts paid to the members during the financial year as remuneration, allowances, expenses and other benefits. The report shall also comprise statements of what the members had received in their capacities as employees or administrative officers, in return for any technical, administrative or consultancy works, as well as a statement of the number of meetings attended by each member since the date of the last General Assembly meeting.

The By-Laws do not contain any provisions that grant a Director or the CEO any rights to vote on matters concerning his/her respective remuneration.

Chairman and Vice-Chairman of the Board:

The Board shall appoint from among its members a Chairman and a vice-chairman. The Board may also appoint from amongst its members the managing director or a CEO (who does not have to be a member). In addition to the powers granted in the By-Laws, the Board may grant the Chairman other powers and shall determine the powers of the vice-chairman and the managing director/CEO, pursuant to a Board resolution.

Board Meetings:

The Board convenes upon the invitation of its Chairman. The invitation shall be in writing prior to the meeting and the agenda shall be attached to the invitation. The Chairman shall invite the Board to meet if such meeting is requested by two board members. Any waiver of the notice shall be in writing and signed by the members who waived the notice and recorded in the Company's minutes.

Meetings of the Board shall be held at the head office of the Company or at such other place, as agreed by a majority of the members of the Board and may be held by telephone or other electronic means of communication, as agreed by a majority of the members of the Board, that permits all Board members present to be heard by all others.

Quorum and Resolutions of the Board:

The Board meeting shall be duly convened if attended by at least eight (8) members in person or by delegation. Subject to certain conditions, Board members may delegate other members to attend on their behalf.

If a quorum is not present within one (1) hour after the prescribed time, the meeting shall be postponed to another date to be within seven (7) days (unless it is an urgent matter, particularly including meetings called in relation to a bidding process for a project, then the meeting shall be held within 24 hours) from the date of the first meeting at the same venue and with the same agenda. The adjourned meeting shall be duly convened if attended by at least seven (7) members of the Board whether attending in person or by delegation. In all cases, in the event of a tie, the Chairman shall not have a casting vote. Resolutions of the Board are passed by majority of the attending members and representatives.

The Board may issue resolutions by circulation as an alternative to resolutions of the Board being passed at Board meetings, a Board resolution shall be validly passed by way of circulating shall be a written resolution and if the resolution has been signed (in person, by fax or as a scanned copy sent by e-mail) by a majority of the members of the Board. Such resolution shall be sent to each member of the Board and shall require a response within a period specified in the notice of such resolution, being at least two (2) business days after the date of sending (and in the case of an urgent matter within twenty-four (24) hours) and no resolution shall take effect until the expiry of such period, unless at least the majority of the members of the Board have waived this requirement. Notwithstanding the above, if one Board member requests for a meeting in person to vote on the written resolution before signing it, then such written resolution shall not be deemed passed and the resolution will be reconsidered at the Board meeting. In this case, the Chairman of the Board shall call for a Board meeting to be convened by providing a maximum of one (1) business days' notice. The quorum of such meeting shall consist of at least seven (7) members of the Board whether present in person or represented by delegation.

The By-Laws do not contain any provisions that grant a Director or the CEO any rights to vote on a contract or proposal in which he/she has an interest, noting that Article 71 of the Companies Law prohibits Directors from voting on the resolution to be issued in relation to an interest he/she may have during Board and/or General Assembly meetings.

Minutes of Meetings:

Deliberations and resolutions of the Board shall be recorded in minutes to be signed by the Chairman, Board members attending in person and the Secretary. Such minutes shall be entered in a special register which shall be signed by both the Chairman and Secretary.

Board Executive Committee:

The Company shall form an executive committee. The Board shall identify the number of committee members and set the regulations which govern it and regulate its activity. The Board of directors may, by a resolution, amend the formation of the committee and increase or decrease the number of its members in accordance with the regulations.

The executive committee, amongst other matters, will be responsible for receiving and assessing any proposals relating to any project and investment opportunities and will decide whether the Company will undertake or participate in the proposed project or investment opportunity.

The executive committee shall approve the activities of the Company's subsidiaries that complement the Company's objectives, according to the following:

1. The concept of Ancillary Activities includes:
    - a- Activities related to integrated water, steam and/or power (including renewable energy) which include the following systems: potable water, irrigation water, sewage, sewage treatment, waste, telecommunications network, district cooling, energy systems components, storage, generation, transmission and distribution systems, and integrated energy projects including the following systems: waste to energy, biothermal energy, green hydrogen projects generation, gas to power projects, and liquefied natural gas (LNG) supply, receiving storage, regasification and power generation facilities (collectively "Ancillary Activities").
    - b- Provided, with respect to all Ancillary Activities, the following is required:
2. The Company maintains the primary focus of its activities stated in article (3) (Objectives of the Company).
3. The executive committee approves the relevant opportunity prior to submission of any request for qualification with respect to such opportunity.

4. The Ancillary Activities stated in article (3) (Objectives of the Company) remain the main focus and driving factor, comprising around 50 per cent. or more of the total capital expenditure of such project as one measure, unless otherwise approved by the Board.
5. Any specialized expertise required to conduct such Ancillary Activities are employed or engaged solely by the relevant project company and not performed or provided by the Company or its employees.
6. The participation in the Ancillary Activity shall be through an existing or a new subsidiary that is duly authorized to conduct the relevant activity.

Risk Management Committee:

The Company shall set up a risk management committee. The Board shall decide on the number of members of this committee.

Any changes to the approved risk management policy shall require the consent of a majority of the Board members of the Company.

Nomination and Remuneration Committee:

The Company shall set up a nomination and remuneration committee. The Board shall decide on the number of members of this committee.

Any changes to the approved nomination and remuneration policy shall require the consent of a majority of the Board members of the Company.

Attending General Assembly:

A duly convened General Assembly represents all Shareholders and is held in the city where the Company's head office is located.

Every Shareholder may attend the Ordinary or Extraordinary General Assembly. A Shareholder may delegate a person other than the members of the Board or the Company's employees to attend the General Assembly on their behalf.

Ordinary General Assembly:

With the exception of the matters falling within the competencies of the Extraordinary General Assembly, the Ordinary General Assembly is competent in all matters related to the Company and shall be held at least once a year during the six (6) months following the end of the Company's fiscal year. Other Ordinary General Assemblies may be called for as needed.

Extraordinary General Assembly:

The Extraordinary General Assembly shall have the authority to amend the By-Laws except for provisions prohibited to be amended as per the Companies Law. The Extraordinary General Assembly may issue resolutions regarding matters within the competency of the Ordinary General Assembly under the same conditions and manner prescribed for the Ordinary General Assembly.

General Assembly Meetings:

General Assembly meetings shall convene upon an invitation by the Board. The Board must convene a General Assembly meeting if requested to do so by the Company's auditor, audit committee or Shareholders representing at least 5% of the share capital of the Company. The invitation shall be published in a daily newspaper distributed in the area of the Company's head office at least 21 days prior to the date of the meeting.

Alternatively, invitations may be sent directly to each Shareholder via registered mail prior to the aforementioned period, and a copy of the invitation and the agenda is sent to MOC and the CMA during the period specified for publication. General Assembly meetings shall be chaired by the Chairman. Each Shareholder has the right to participate in discussions and submit queries to the Board and the Auditor.

The Quorum of Ordinary General Assemblies:

An Ordinary General Assembly meeting shall not be valid unless attended by Shareholders representing at least 50% of the share capital of the Company. If such quorum cannot be attained during the first meeting, a notice shall be sent for a second assembly meeting to be held within thirty (30) days of the previous assembly. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes refers to the possibility of holding this second meeting. In all cases, the quorum for the second meeting shall be deemed valid regardless of the number of Shareholders represented.

Quorum of Extraordinary General Assemblies:

An Extraordinary General Assembly meeting shall not be valid unless attended by Shareholders representing at least 50% of the share capital of the Company. If such quorum cannot be attained during the first meeting, a notice shall be sent for a second assembly meeting to be held within thirty (30) days of the previous assembly meeting. This notice shall be published in the manner prescribed in Article 34 of the By-Laws. However, the second meeting may be held one hour after the end of the period specified for the first meeting, provided that the invitation to hold the first meeting includes reference to the possibility of holding this second meeting. In all cases, the quorum for the second meeting shall be valid if it is attended by a number of shareholders representing at least 25% of the capital. In case the quorum in the second assembly meeting is also not attained, a notice shall be sent for a third assembly in the same manner prescribed in Article 34 of the By-Laws. The third assembly shall be deemed valid if attended by whatever number of shareholders and upon the approval of the competent authority.

Voting in General Assembly Meetings:

Each Shareholder shall have one vote for each Share held in the general assemblies. Cumulative voting shall be used when electing the Board. The shareholder may vote on the general assembly resolution by means of modern technology, in accordance with the guidelines set by the competent authorities. However, members of the Board shall not participate in the voting on assembly resolutions which relate to matters relating to their discharge of liability or which grant them the required approvals to undertake conflicted activities, to renew such approvals, and generally with respect to any other matter which they are prohibited to vote on under the Companies Law.

General Assembly Resolutions:

Resolutions of the Ordinary General Assembly shall be passed by absolute majority of the Shares represented in the meeting. Resolutions of the Extraordinary General Assembly shall be passed by the majority of two thirds of the Shares represented in the meeting unless the resolution relates to the increase or decrease of the Company's capital, extension of the Company's term, dissolution of the Company before expiry of the term specified in its By-Laws or merging the Company with another Company or establishment where in such case the resolution shall not be valid unless it is passed by the majority of three quarters of the Shares represented in the meeting.

Formation of the Audit Committee:

An audit committee shall be formed by a resolution of the Ordinary General Assembly provided that the number of members of such committee may not be less than three and not more than five members, whether from the Shareholders or otherwise. None of the committee members may be executive Board members.

Audit Committee Quorum:

Meetings of the audit committee shall be duly convened only if they are attended by the majority of its members. The audit committee resolutions shall be adopted by the majority of votes of the members present. The chairman of the audit committee shall have a casting vote in the event of a deadlock.

Powers of the Audit Committee

The audit committee shall be in charge of monitoring the Company's business, and shall have the right to access the Company's records, documents and to request clarifications from the Board or the Senior Executives.

Reports of Committee:

The audit committee shall review the Company's financial statements, reports and notes submitted by the auditor and provide its opinions on the same, if any. In addition, it shall prepare a report setting out its opinion as to the adequacy and efficiency of the Company's internal control systems along with other matters falling in its competency. The Board shall place sufficient copies of the report at the Company's head office at least 21 days prior to the date set for convening the General Assembly in order to provide the Shareholders with a copy thereof, if required. The report shall be read aloud at the General Assembly.

Appointment of Auditor:

The Company shall have one or more auditors from among those licensed to conduct auditing business in the Kingdom that shall be appointed annually by the general assembly, which shall determine the auditor remuneration and the term of his work, and may be reappointed.

Powers of Auditor

The auditor shall have, at any time, the right to access the books, records and other documents of the Company. The auditor may also request particulars and explanations that he sees necessary to verify the assets and liabilities of the Company and other matters which fall within the auditor's scope of work. If the auditor encounters a difficulty in performing his duties, he shall record that in a report submitted to the Board. If the Board does not facilitate the work of the auditor, the auditor shall request the Board to convene an Ordinary General Assembly to consider the matter.

The auditor must submit a report to the annual General Assembly, setting forth the attitude of the Company's management in enabling him to obtain the particulars and clarifications requested by him and any violations of the provisions of the applicable Companies Law and/or the Company's By-Laws that he may have discovered, along with his ruling regarding whether the Company's accounts accurately reflect the facts. The auditor shall read his report at the General Assembly. Any decision to ratify the Board's report and the financial statements without hearing the auditor's report shall be void.

Fiscal Year:

The Company's fiscal year shall start on the first day of January and end on the 31st of December of each year, however, the first fiscal year shall start on the date of the ministerial decision announcing the incorporation of the Company and shall end on the 31st of December of the next year.

Distribution of Profits:

After deducting all general expenses and other costs, and after setting aside the reserves necessary to cover the investment losses and obligations, the Company's annual net profits shall be allocated as follows:

- zakat amounts payable by the Shareholders will be calculated and paid by the Company to the relevant authorities;
- following the zakat deductions, 10% will be set aside for the statutory reserve, provided that the General Assembly may stop such allocation once the statutory reserve reaches 30% of the Company's paid up share capital;
- the General Assembly may, upon the Board's recommendation, set aside 1% of the net profits for the Company's voluntary reserve(s) established for specific purposes;
- the General Assembly may establish other reserves provided it is in the interest of the Company or it guarantees to the extent possible distribution of fixed dividends to the Shareholders. The General Assembly may also set aside certain amounts to establish or contribute to social union corporations for the Company's employees;
- following the above dividends will be distributed to the Shareholders in an amount not less than 1% of the Company's paid up share capital. Also, the General Assembly may, upon the Board's recommendation and as it sees fit, distribute further dividends; and
- if the Company suffers losses, such losses may be carried forward to the following financial year and no profits shall be distributed until the losses are completely recovered.

Entitlement to Profits:

The Shareholders shall be entitled to their share in the profits in accordance with the resolution issued by the General Assembly in this regard. Such resolution shall set out the due and distribution date. Only those Shareholders who are registered in the share register of the Company at the end of the due date will be entitled to receive any profit share. The Board may distribute interim dividends to Shareholders in accordance with the rules and instructions issued by MOC and the CMA from time to time.

Profits for Preferred Shares:

If no profits are distributed in any fiscal year, the profits of the following years may not be distributed until the percentage mentioned in Article 9 of the By-Laws is paid to the owners of preferred shares for such year. If the Company fails to pay this percentage of profits for three (3) consecutive years, the assembly of the owners of these shares may convene in accordance with Article 89 of the Companies Law to either attend the meetings of the Company's general assembly and participate in the voting or to appoint their representatives in the board of directors in a manner proportional to the value of their shares in the capital until the Company is able to pay the full priority profits allocated to the owners of these shares in consideration of the previous years.

Company Losses:

a- If the losses of a joint stock company reach an amount equal to one half of its paid-up capital at any time during the financial year, any of the company's officers or auditors must, upon knowledge of such losses, promptly inform the Chairman who will immediately notify the Board accordingly. The Chairman shall call for a General Assembly within fifteen (15) days from becoming aware. The General Assembly must, within forty-five (45) days from the date on which it was called upon by the Chairman, resolve to increase or decrease the company's capital in accordance with the provisions of the Companies Law to cause the losses to be less than one half of the paid-up capital, or to dissolve the company before the expiry of the term specified in its By-Laws.

b- The Company shall be deemed dissolved automatically pursuant to the Companies Law if the Board fails to hold the General Assembly within the period defined in paragraph (A) above, or if the General Assembly was held but failed to adopt a resolution on this matter, or if the General Assembly resolved to increase the share capital in accordance with the required conditions and the increase was not fully subscribed for within 90 days from such resolution.

Liability Claim:

Each Shareholder shall be entitled to file a liability claim that is granted to the Company against the members of the Board, if wrongful acts committed by them caused a personal damage. A Shareholder may file such claim only if the right of the Company to file a claim is still existing and after notifying the Company of its intention to do so.

Dissolution and Liquidation of the Company:

Upon expiration, the Company shall be put into liquidation and shall preserve its legal entity as long as necessary to complete the liquidation. The voluntary liquidation decision shall be issued by the Extraordinary General Assembly. The resolution of liquidation shall provide for the appointment of a liquidator and the determination of his powers and limitations, compensation, and the duration of the liquidation. The duration of the voluntary liquidation shall not exceed five years, and shall only be extended by a judicial order. Upon dissolution, the powers of the directors of the Company shall cease. However, they shall keep running the Company and shall be considered before third parties as liquidator until a liquidator is appointed. The General Assemblies of the Shareholders shall remain functional during the liquidation period and their roles shall be limited to exercising its powers that do not conflict with the powers of the liquidator.

Company Seal:

The Board of Directors shall create a seal for the Company.

12-15 Description of Shares

Share Capital

As at the date of this Prospectus, the paid-up share capital of the Company is SAR 6,457,628,780 (six billion four hundred and fifty seven million six hundred twenty eight thousand seven hundred eighty Saudi Riyals) divided into 645,762,878 (six hundred forty five million seven hundred and sixty two thousand eight hundred and seventy eight) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per Share fully paid. All Shares are ordinary cash shares.

Shares

The Shares are ordinary and may not be issued in an amount less than the nominal value. If shares are issued at a higher value, the premium shall be added as a separate item under the Shareholders' rights and may not be distributed to the Shareholders as profits. A Share shall be indivisible vis-à-vis the Company. In the event that a Share is owned by several persons, they shall select one person from amongst them to exercise, on their behalf, the rights pertaining thereto, and they shall be jointly responsible for the obligations arising from the ownership of the Share.

Share Re-purchase

In accordance with Article 112 of the Companies Law, a joint stock company may purchase or mortgage its shares in accordance with controls set by the competent authority. The shares purchased by the Company shall not entitle it to votes in the shareholders assemblies.

Rights of the Holders of Ordinary Shares

Pursuant to Article 110 of the Companies Law, a shareholder shall enjoy the rights attached to the shares held thereby, which include in particular the right to receive dividends; the right to a share in the company's assets upon liquidation; the right to dispose of shares; the right to have access to the company's records and documents; the right to supervise the acts of the board of directors; the right to institute proceedings against the directors; and the right to contest the validity of the resolutions adopted at general assemblies in accordance with the conditions and restrictions specified in the Companies Law or in the By-Laws.

Every Shareholder shall have the right to discuss the matters listed in the agenda of the General Assembly, and to address questions to the Directors and the auditor. The Directors or the Auditor shall answer the Shareholders' questions to such an extent as would not jeopardize the Company's interests. If a Shareholder feels that the answer to his/her question is unsatisfactory, he or she may appeal to the General Assembly whose decision shall be final in this respect.

Dividend Distribution

After deducting all general expenses and other costs, and after setting aside the reserves necessary to cover the investment losses and obligations, the Company's annual net profits shall be allocated as follows:

- zakat amounts payable by the Shareholders will be calculated and paid by the Company to the relevant authorities;
- following the zakat deductions, 10% will be set aside for the statutory reserve, provided that the General Assembly may stop such allocation once the statutory reserve reaches 30% of the Company's paid up share capital;
- the General Assembly may, upon the Board's recommendation, set aside 1% of the net profits for the Company's voluntary reserve(s) established for specific purposes;
- the General Assembly may establish other reserves provided it is in the interest of the Company or it guarantees to the extent possible distribution of fixed dividends to the Shareholders. The General Assembly may also set aside certain amounts to establish or contribute to social union corporations for the Company's employees;
- following the above dividends will be distributed to the Shareholders in an amount not less than 1% of the Company's paid up share capital. Also, the General Assembly may, upon the Board's recommendation and as it sees fit, distribute further dividends; and
- if the Company suffers losses, such losses may be carried forward to the following financial year and no profits shall be distributed until the losses are completely recovered.

General Assemblies

A duly convened general assembly represents all shareholders and is held in the city where the Company's head office is located. With the exception of the matters falling within the competencies of the extraordinary general assembly, the ordinary general assembly is competent in all matters related to the Company and shall be held at least once a year during the six (6) months following the end of the Company's fiscal year. Other ordinary general assemblies may be called for as needed.

The extraordinary general assembly shall have the authority to amend the By-Laws except for provisions prohibited to be amended as per the Companies Law. The extraordinary general assembly may issue resolutions regarding matters within the competency of the ordinary general assembly under the same conditions and manners prescribed for the ordinary general assembly.

Every shareholder may attend the ordinary or extraordinary general assembly. The shareholder may delegate a person other than the members of the Board or the Company employees to attend the general assembly.

Voting Rights

Each Shareholder shall have a vote for each Share at the General Assemblies. Cumulative voting shall be used in the elections of the Board of Directors. Votes at the meetings of the General Assembly shall be counted on the basis of one vote per Share represented at the meeting.

Resolutions of the Ordinary General Assembly shall be passed if supported by a majority of the Shares represented at the meeting and resolutions of the Extraordinary General Assembly shall be passed if supported by a majority of at least two-thirds of the Shares represented at the meeting.

If, however, the resolution to be adopted is related to increasing or decreasing the capital, extending the Company's term, dissolving the Company prior to the expiry of the period specified under the By-Laws or merging the Company with another company or establishment, then such resolution shall be valid only if adopted by three-quarters of the Shares represented at the meeting.

Change of Shareholders' Rights

The rights of the Shareholders to receive a share in the Company's profits declared for distribution, receive a share in the Company's asset surplus upon liquidation, attend General Assembly meetings, participate in the deliberations and vote on its resolutions, dispose of the Shares, access the Company's books and documents, supervise the acts of the Board of Directors, bring a liability claim against the Board members and contest the validity of the resolutions adopted at General Assembly meetings (in accordance with the conditions and restrictions set out in the Companies Law and the Bylaws) are granted pursuant to the Companies Law. Accordingly, they may not be changed.

The By-Laws must be amended in order to alter the mechanism of voting and quorum in the General Assemblies. The Bylaws may only be amended through a resolution of the Extraordinary General Assembly.

Transfer of Ownership

Any transfer of Shares shall be recorded in the share register held by the Company. Following the Offering, any transfer of Shares will be subject to the CMA's rules and regulations which apply to the companies listed on Tadawul. The Substantial Shareholders will be subject to the Lock-up Period specified in the 'Summary of the Offering' Section of this Prospectus, during which they may not dispose of their respective Shares.

13- Underwriting

The Company has entered into the Underwriting Agreement dated 28/09/2021 with the Underwriters (the "**Underwriting Agreement**"), under which the Underwriters have agreed to fully underwrite the offering of 81,199,299 Shares, subject to certain terms and conditions of the Underwriting Agreement.

13-1 Underwriters

The name and address of each of the Underwriters are as follows:

Citigroup Saudi Arabia
20th Floor, Kingdom Tower
P.O. Box 301700
Riyadh 11372
Kingdom of Saudi Arabia
Tel: +966 (11) 2246140
Fax: +966 (11) 2110020
Website: www.citigroup.com/citi/about/countries-and-jurisdictions/saudi-arabia.html
Email: projecteclipse@citi.com

J.P. Morgan Saudi Arabia
Al Faisaliyah Center
King Fahd Road
P.O. Box 51907, Riyadh 11553
Kingdom of Saudi Arabia
Tel: +966 (11) 2993800
Fax: +966 (11) 2993840
Website: www.jpmorgansaudiarabia.com
Email: Eclipse_JPM_Core@jpmorgan.com

Riyad Capital
Takhassusi Street – Prestige Centre
PO Box 21116, Riyadh 11475
Kingdom of Saudi Arabia
Tel: +966 (11) 4865649
Fax: +966 (11) 4865908
Website: www.riyadcapital.com
Email: projecteclipse@riyadcapital.com

Natixis Saudi Arabia Investment Company
Servcorp – Al Faisaliah Center
Level 18, Al Faisaliah Tower, King Fahad Highway
Riyadh
Kingdom of Saudi Arabia
Tel: +966 11 490 3946
Fax: +966 11 490 3938
Website: emea.cib.natixis.com/saudi-arabia/en
Email: project.eclipse@natixis.com

EFG Hermes KSA
Third Floor, North Tower
Sky Tower, King Fahd Road
Olaya, Riyadh
Saudi Arabia
Tel: +966 (11) 293 8048
Fax: +966 (11) 293 8032
Website: www.efghermes.com
Email: efg_hermes_IPO@efg-hermes.com

Emirates NBD Capital KSA
Signature Center - Hittin Neighborhood
P.O. Box 341777 Riyadh 11333
Saudi Arabia
Tel: +966 (11) 299 3900
Fax: +966 (11) 299 3955
Website: www.emiratesnbdcapital.com.sa
Email: info@emiratesNBDCapital.com.sa

FAB Capital
Cayan Group Building, 7756-King Fahd Road,
Al Malqa District, Al Malqa,
Riyadh 4181-13524,
Kingdom of Saudi Arabia
Tel: +966 11 283 4372
Website: www.bankfab.com/ar-sa
Email: ECM@bankfab.com

Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)
King Fahd Road, Al-Aqiq District
P.O. Box 442, Jeddah 21411
Saudi Arabia
Tel: +966 (11) 254 7666
Fax: +966 (11) 489 2653
Website: www.icab.com.sa
Email: info@icap.com.sa

SNB Capital
King Saud Road, SNB Regional Building. P. O. Box 2216, Riyadh 11495 – Kingdom of Saudi Arabia
Tel: +966 (11) 874 7106
Fax: +966 (11) 406 0052
Website: www.alahlicapital.com
Email: snbc.cm@alahlicapital.com

Albilad Capital
King Fahd Road
P.O. Box 140, Riyadh 11411
Saudi Arabia
Tel: +966 (11) 920 003 636
Fax: +966 (11) 290 6299
Website: www.albilad-capital.com
Email: clientservices@albilad-capital.com

Aljazira Capital
King Fahd Road
P.O. Box 20428, Riyadh 11455
Saudi Arabia
Tel: +966 (11) 22560000
Fax: +966(11)2256811
Website: www.aljaziracapital.com.sa
Email: contactus@aljaziracapital.com.sa

13-2 Summary of the Underwriting Agreement

The following is a summary of the key terms to be included in the Underwriting Agreement.

The Company undertakes to the Underwriters to do the following on the first business day following the completion of the allocation of the Offer Shares after the end of the offering period:

- Issuance and allocation of Offer Shares to the Participating Parties or Individual Investors whose applications have been accepted by the recipient entities, and
- issuance and allocation the Offer Shares that have not been purchased by the Individual Investors or Participating Parties in the Offering to the Underwriters.

The underwriters of the Company undertake to purchase any Offer Shares that have not been subscribed to by the Individual Investors or the Participating Parties, in accordance with what is mentioned below:

Underwriter	No. of Offer Shares Underwritten	Proportion of Total Offering Underwritten
Citi	7,612,434	9.38%
J.P. Morgan	7,612,434	9.38%
Riyad Capital	15,224,870	18.75%
Natixis	5,074,956	6.25%
EFG Hermes KSA	5,074,956	6.25%
Emirates NBD Capital KSA	5,074,956	6.25%
FAB Capital	5,074,956	6.25%
Alistithmar for Financial Securities and Brokerage Company (Alistithmar Capital)	5,074,956	6.25%
SNB Capital	12,687,391	15.63%
Albilad Capital	5,074,956	6.25%
Aljazira Capital	7,612,434	9.38%
Total	**81,199,299**	**100%**

The Underwriting Agreement contains customary terms, representations and warranties and other conditions precedent. Such conditions include (but are not limited to) regulatory approval of this Prospectus, delivery of customary officers' certificate, absence of an actual prospective material adverse change affecting the Company (and its group) or in relevant financial markets, non-occurrence of customary force majeure events, and receipt by the Underwriters' customary legal opinions, disclosure letters and auditor letters.

The Company has committed to satisfy all the respective terms of the Underwriting Agreement.

13-3 Underwriting Costs

The Company will pay to the Underwriters an underwriting fee based on the total value of the Offering and pay the Underwriters' costs and expenses in connection with the Offering.

14- Expenses

The Company will be responsible for all Offering Expenses, which are estimated to be around SAR 160 million and include the fees of each of the Joint Financial Advisors, Lead Manager and Local Co-ordinator, Bookrunners, Joint Global Co-ordinators, Company Legal Advisors, legal advisors to the Underwriters, Auditor, reporting accountants, marketing, printing and distribution expenses, in addition to underwriting expenses and other Offering related expenses. The Offering Expenses will be deducted from the gross Offering proceeds, the Shareholders will not bear any expenses related to the Offering.

15- Waivers

The Company applied to the Saudi Exchange (Tadawul) for exemption from the requirements of paragraph 2(b) of Article 7 of the Listing Rules, which requires that the Shares that are the subject of the application that will be owned by the public shall not be less than 30% at the time of Listing. Such application was approved by Tadawul After the CMA's consent was obtained on 9 March 2021G.

16- Subscription Terms and Conditions

The Company has submitted an application to the CMA for the registration and offer of the Shares in accordance with the OSCOs and the Listing Rules. The Company has also submitted an application to list the Shares on Tadawul to the Exchange in accordance with the Listing Rules.

All subscribers must read the subscription terms and conditions carefully before completing the Subscription Application Form. Signing the Subscription Application Form and delivering it to the Receiving Agent or Bookrunners or Lead Manager is deemed as acceptance of the subscription terms and conditions.

16-1 Subscription for Offer Shares

The Offering will consist of 81,199,299 (eighty-one million one hundred ninety-nine thousand and two hundred ninety-nine) ordinary shares with a fully paid nominal value of SAR 10 per share. The Offer Shares represent 11.1% of the Company's share capital after the Subscription and are offered at a price of SAR (56) per share with a total value of SAR 4,387,160,744 million. Note that the Offering to Individual Investors and the subsequent Listing of Shares are contingent on the success of the Participating Parties' subscription to all of the Offering Shares. If the Offering is not covered during this period, the Offering will be cancelled. In the event of a material change that would negatively and substantially affect the Company's operations, the CMA may suspend this Offering after the approval of this Prospectus and before registering and accepting Shares for Listing in the Exchange. The Offering is restricted to the following groups of Subscribers:

Tranche (A) Participating Parties: The tranche comprises the parties eligible to participate in the book-building process as specified under the Book-Building Instructions. Participating Parties will initially be allocated 81,199,299 (eighty-one million one hundred ninety-nine thousand and two hundred ninety-nine) Offer Shares, representing 100% of the Offer Shares and the final allocation will be made after the end of the Individual Investor's subscription. In the event that Individual Investors subscribe for the Offer Shares allocated thereto, the Lead Manager and the Bookrunners shall have the right to reduce the number of Offer Shares initially allocated to Participating Parties to -a minimum of- 73,079,370 (seventy-three million and seventy-nine thousand three hundred and seventy), representing 90% of the Offer Shares. The mechanism for allocating the Offered Shares shall be determined according to the Financial Advisors, in consultation with the Company, using the optional allocation mechanism.

Tranche (B): Individual Investors. This tranche comprises Saudi natural persons including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit or in the names of her minor children, on the condition that she proves that she is a divorcee or widow and the mother of her minor children, any non-Saudi national person who is resident in the Kingdom and any GCC person, in each case who has a bank account, and is entitled to open an investment account, with one of the Receiving Agents. A subscription for Shares by a person in the name of his divorcee shall be deemed invalid and if a transaction of this nature is proved to have occurred, the law shall be enforced against the applicant. A maximum of 8,119,929 (eight million one hundred nineteen thousand nine hundred twenty-nine) Offer Shares representing 10% of the Offer Shares shall be allocated to Individual Investors. If the Individual Investors do not subscribe for all of the Shares allocated to them, the Company and the Joint Financial Advisors may reduce the number of Shares allotted to them in proportion to the number of Shares to which they subscribed.

16-2 Book-building for Participating Parties

a- The Joint Financial Advisors, Joint Global Co-ordinators, Local Co-ordinator and the Bookrunners will determine the price range for the purposes of book-building, which will be made available to all Participating Parties.

b- Participating Parties registered in the Kingdom must submit requests to participate in the book-building process by submitting Institutional Subscription Application Forms or Bid/Subscription Orders. Participating Parties not registered in the Kingdom must submit a Bid/Subscription Order to be part of the book-building process with the Bookrunners telephonically or electronically. Participating Parties may change or cancel their application forms at any time during the book-building process, provided such change is made by submitting an amended or additional application form, where applicable, before the end of the book-building period. The number of Offer Shares to be subscribed by each Participating Party shall neither be less than 100,000 Offer Shares nor more than 36,319,621 Offer Shares. Public investment funds must not exceed the maximum amount specified for each participating fund determined in accordance with the Book-Building Instructions. The number of requested Offer Shares shall be subject to allocation. The Bookrunners will notify the Participating Parties of the Offer Price and the number of Offer Shares initially allocated thereto. Subscription by Participating Parties must begin with the Participating Parties (within and outside the Kingdom) filing the Institutional Subscription Application Form during the Offering Period, which also includes Individual Investors, in accordance with the subscription terms and conditions as detailed in the Subscription Application Forms.

c- Following completion of the book-building for the Participating Parties, the Bookrunner will announce the coverage percentage for the Participating Parties.

d- The Joint Financial Advisors, Joint Global Co-ordinators, Local Co-ordinators, the Bookrunners and the Company will have the power to determine the Offer Price based on the forces of supply and demand, provided that it does not exceed the price set out in the Underwriting Agreement and that the Offer Price is in accordance with the tick size applied by Tadawul.

16-3 Subscription by Individual Investors

Each Individual Investor shall subscribe for a minimum of 10 Offer Shares and a maximum of 250,000 Offer Shares. No change or withdrawal of Subscription Application Forms shall be permitted once the Subscription Application Form has been submitted. Retail Subscription Application Forms shall be completed in accordance with the instructions mentioned below. Individual Investors can subscribe through the internet, telephone banking or automated teller machines or any of the Receiving Agents that provide any or all such services to its customers, provided that:

a- The Individual Investor has a bank account at a Receiving Agent which offers such services;

b- No changes have been made to the personal information or data of the Individual Investor since their subscription in the last offering; and

c- Individual Investors who are not Saudi or GCC persons must have an account at one of the Capital Market Institutions which offers such services.

A signed Retail Subscription Application Form represents a legal binding agreement between the Company and the relevant Individual Investor submitting the application to the Receiving Agents.

Individual Investors may obtain a copy of this Prospectus and the Retail Subscription Application Form from the websites of the following Receiving Agents (this Prospectus is also available on the websites of the CMA, the Joint Financial Advisors and the Company).

Name: Riyad Bank Address: Shuhada District P.O. Box 22622 Riyadh 11416 Kingdom of Saudi Arabia Tel: +966 (11) 4013030 Fax: +966 (11) 4865909 Website: www.riyadbank.com Email: customercare@riyadbank.com	بنك الرياض riyad bank
Name: Saudi National Bank Address: Kind Abdulaziz Road P.O. Box 3555 Jeddah 21481 Kingdom of Saudi Arabia Tel: +966126493333 Fax:+ 966126437426 Website: www.alahli.com Email: contactus@alahli.com	SNB
Al Rajhi Bank King Fahd Road, AlMurooj District, Al Rajhi Bank Tower Riyadh 11411 Kingdom of Saudi Arabia Tel: +966 (11) 828 2515 Fax: +966 (11) 279 8190 Website: www.alrajhibank.com.sa Email: contactcenter1@alrajhibank.com.sa	Al Rajhi Bank مصرف الراجحي

Name: Bank Aljazira
Address: Kind Abdulaziz Road
P.O. Box 6277
Jeddah 21442
Kingdom of Saudi Arabia
Tel: +966126098888
Fax: +966126091888
Website: www.baj.com.sa
Email: shakwa@baj.com.sa

16-4 Offering Period for Individual Investors and Conditions for Individual Investors

The Receiving Agents will commence receiving Retail Subscription Application Forms at their branches throughout Saudi Arabia from 22-Safar-1443 H (corresponding to 29-September-2021G) to 24-Safar-1443 H (corresponding to 1- October -2021G). Once the Retail Subscription Application Form is signed and submitted, the Receiving Agent will stamp it and provide the applicant with a copy thereof. In the event the information provided in the Retail Subscription Application Form is incomplete or inaccurate, or not stamped by the Receiving Agent, the Retail Subscription Application Form will be considered void. Each Individual Investor is required to specify the number of Offer Shares applied for in the Retail Subscription Application Form, in addition to sufficient funds in an amount equal to the number of Offer Shares applied for multiplied by the Offer Price SAR (56) per Share.

Subscriptions for less than 10 Offer Shares or fractional numbers will not be accepted. Increments are to be made in multiples of 10. The maximum number of Shares to be applied for by each Individual Investor is 250,000 (two hundred and fifty thousand) Offer Shares.

Retail Subscription Application Forms should be submitted during the Offering Period for Individual Investors and accompanied, where applicable, with the following documents. The Receiving Agents shall verify all copies against the originals and will return the originals to the relevant Subscriber.

- The original and copy of the national civil identification card (Individual Investors).
- The original and copy of the family identification card (when subscribing on behalf of family members).
- The original and copy of a power of attorney (when subscribing on behalf of others).
- The original and copy of certification of guardianship (when subscribing on behalf of orphans).
- The original and copy of the divorce certificate (when subscribing on behalf of the children of a divorced Saudi women).
- The original and copy of the death certificate (when subscribing on behalf of the children of a widowed Saudi woman).
- The original and copy of the birth certificate (when subscribing on behalf of the children of a divorced or widowed Saudi woman).

Powers of attorney are only allowed for family members (parents and children only). In the event an application is made on behalf of an Individual Investor (parents and children only), the name of the person signing on behalf of the Individual Investor should be stated in the Retail Subscription Application Form. The power of attorney must be issued by the notary public for those who are in Saudi Arabia and must be legalised through a Saudi embassy or consulate in the relevant country for a Saudi Individual Investor residing outside Saudi Arabia.

One Retail Subscription Application Form should be completed for each prime Individual Investor applying for himself and members appearing on his family identification card if the family members apply for the same number of Offer Shares as the prime Individual Investor. In this case:

1. all Offer Shares allocated to the prime Subscriber and dependent Subscribers will be registered in the prime Subscriber's name;
2. the prime Subscriber will receive any refund in respect of amounts not allocated and paid for by himself or dependent Subscribers; and
3. the prime Subscriber will receive all dividends distributed in respect of the Offer Shares allocated to himself and dependent Subscribers (in the event the Shares are not sold or transferred).

Separate Retail Subscription Application Forms must be used if:

1. the Offer Shares to be allocated are to be registered in a name other than the name of the prime Subscriber;
2. dependent Subscribers intend to apply for a different number of Offer Shares than the prime Subscriber; and
3. the wife intends to subscribe in her name adding allocated Offer Shares to her account (she must complete a separate Retail Subscription Application Form from the Retail Subscription Application Form completed by the relevant prime Subscriber). In the latter case, applications made by the husband on behalf of their spouses will be cancelled and the wives' independent application will be processed by the Receiving Agent.

A Saudi female divorcee or widow who has minor children from a marriage to a non-Saudi husband may subscribe on behalf of those children provided she submits proof of motherhood. The subscription by a person in the name of his divorced wife shall be deemed invalid and, in such cases, the law shall be enforced against that person. In the event that the prime subscriber subscribes for himself and his family members who are registered in the family identification card, and that family member subscribes for a separate subscription application, only the request of the family member who has submitted a separate application from the request of the prime subscriber will be cancelled.

During the Offering Period for Individual Investors, only a valid Iqama will be an acceptable form of identification for non-Saudi dependents. Passports or birth certificates will not be accepted. Non-Saudi dependents can only be included as dependents with their mother and cannot subscribe as prime Subscribers. The maximum age for non-Saudi dependents to be included with their mother is 18 years old. Any documents issued by the foreign government must be legalised through a Saudi embassy or consulate in the relevant country.

Each Individual Investor agrees to subscribe for and purchase the number of Offer Shares specified in its Retail Subscription Application Form for an amount equal to the number of Offer Shares applied for multiplied by the Offer Price of SAR (56) per Offer Share. Each Individual Investor shall be deemed to have acquired the number of Shares allocated to them upon:

1. delivery by the Individual Investor of the Retail Subscription Application Form to any Receiving Agent; and
2. payment in full by the Individual Investor to the Receiving Agent of the total value of the Offer Shares subscribed for.

The total value of the Offer Shares subscribed for must be paid in full at a branch of the Receiving Agents by depositing the related value into the Individual Investor's account held with the Receiving Agent where the Retail Subscription Application Form is being submitted.

If a submitted Retail Subscription Application Form is not in compliance with the terms and conditions of the Subscription, the Company shall have the right to reject, in full or in part, such application. The applicant shall accept any number of Shares allocated thereto unless the allocated Shares exceed the number of Offer Shares they applied for.

16-5 Allocation of Shares and Refund of Excess Subscription Monies

The Lead Manager shall open and operate escrow accounts named ("IPO Accounts") for the purpose of depositing and preserving subscription amounts collected from the Participating Parties and Receiving Agents (on behalf of Individual Investors). Each of the Receiving Agents shall deposit all amounts received by the Individual Investors into the IPO Accounts. The subscription amounts will be transferred to the Company upon Listing, after deducting some fees and expenses.

The Lead Manager and Receiving Agents, as applicable, shall notify Subscribers informing them of the final number of Offer Shares allocated, together with the amounts to be refunded, as applicable. Excess subscription monies will be refunded to the subscribers without any deductions or fees and will be deposited into the Subscriber's account as specified in the Subscription Application Form (if any). The announcement of the final allocation and refund process shall be made no later than 27 Safar 1443H (corresponding to 4-October -2021G), and Refund to investors by no later than 28-Safar-1443 H (corresponding to 5-October -2021G) . (For more information, see section ("Key Dates and Subscription Procedures"). The Subscriber should communicate with the Lead Manager or Receiving Agents where they submitted their Subscription Application Form, as applicable, for any further information.

16-6 Allocation of Offer Shares to Participating Parties

The final allocation of Offer Shares to Participating Parties will, after completion of the allocation of Offer Shares to Individual Investors, be determined by the Joint Financial Advisors in coordination with the Company at its discretion using optional allocation mechanism, provided that the Offer Shares initially allocated to Participating Parties is not less than 81,199,299 (eighty-one million one hundred ninety-nine thousand two hundred ninety-nine) Shares, representing 100% of the Offer Shares, provided the share allocation ratio for public funds shall be no less than 50% of the total number of Offer Shares in case there is a sufficient demand by the public funds. In the event that Individual Investors subscribe for the Offer Shares allocated thereto, the Lead Manager and the Bookrunners shall have the right to reduce the number of Offer Shares allocated to Participating Parties to 73,079,370 (seventy-three million seventy-nine thousand three hundred seventy) Shares, representing 90% of the Offer Shares after the completion of the subscription process for Individual Investors.

16-7 Allocation of Offer Shares to Individual Investors

The Financial Advisors and Lead Manager shall determine the number and percentage of Offer Shares to be allocated to Individual Investors. There will be an allocation of a maximum of 8,119,929 (eight million one hundred nineteen thousand nine hundred twenty-nine) Shares, representing (10%) of the Offer Shares, to Individual Investors, noting that the minimum allocation per Individual Investor is ten (10) Offer Shares and the maximum allocation per Individual Investor is 250,000 (two hundred and fifty thousand) Offer Shares. The balance of the Offer Shares (if available) will be allocated on a pro-rata basis of each Investors application in proportion to the total number of requested Shares. In the event that the number of Individual Investors exceeds eight hundred and eleven thousand nine hundred and ninety two (811,992) Individual Investors, the minimum allocation cannot be guaranteed by the Company, and allocation will be determined in accordance with the recommendation made by the Company and Financial Advisors. The surplus, if any, would be refunded to Individual Investors without any commissions or deductions by the Receiving Agents.

16-8 Circumstances where Listing may be Suspended or Cancelled.

Power to Suspend or Cancel the Listing

a- The CMA may at any time suspend stock trading or cancel the listing at any time it deems fit, in any of the following circumstances:

- The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.
- The Company fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its implementing regulations or the Exchange rules.
- The Company fails to pay any fees due to the CMA or Tadawul or penalties due to the CMA on time.
- The CMA considers that the Company, its business, the level of its operations or its assets are no longer suitable to warrant the continued listing of its securities on the Exchange.
- When a reverse takeover announcement does not contain sufficient information about the proposed transaction. In the event that the Company has given sufficient information regarding the target and the CMA is convinced, after the announcement of the Company, that sufficient public information is available on the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage.
- When information about the proposed transaction of reverse takeover is leaked and the Company cannot accurately assess its financial position and the Exchange cannot be informed accordingly.
- Upon filing a request for commencing financial reorganization procedures before the court under applicable law, for a company whose accumulated losses amounted to 50% or more of its paid-up capital.
- Upon filing a request for commencing the Company's liquidation procedures or administrative liquidation procedure before the court under the Saudi Bankruptcy Law.
- Upon issuance of a final court ruling to end the Company's financial reorganization procedures and initiate liquidation procedures or the administrative liquidation procedures under the Saudi Bankruptcy Law.
- Upon issuance of a final court ruling to commence liquidation procedures or administrative liquidation procedures of the Company under the Saudi Bankruptcy Law.

b- The suspension of trading mentioned in paragraph (a) above may be lifted based on the following:

1- If the conditions that led to the suspension have been sufficiently remedied and if the suspension is no longer necessary for the protection of investors.

2- If the lifting of the suspension is unlikely to interrupt the normal operation of the Exchange.

3- If the Company complies with any other conditions that the CMA may require;

4- In the event that the suspension is due to the fact the Company's accumulated losses reached 50% or more of its paid-up capital as per applicable law, then the suspension shall be lifted upon the issuance of the final court ruling on the commencement of a financial restructuring procedure for the Company in accordance with the law issued by the competent authority and governing the Company's activities.

5- In the event that the suspension was due to a liquidation procedure or administrative liquidation procedure before the court under the Saudi Bankruptcy Law, the suspension shall be lifted upon the issuance of the final court ruling rejecting the commencement of liquidation procedures or administrative liquidation procedures under the Saudi Bankruptcy Law, unless suspended from the practice of its activities by the relevant competent authority.

c- Tadawul shall suspend the trading of securities of an issuer in any of the following cases:

1- If the Company does not comply with the deadlines for the disclosure of its periodic financial information pursuant with the relevant implementing regulations.

2- If the Auditor's report on the financial statements of the Company contains an adverse opinion or disclaimer of opinion.

3- If the liquidity requirements of Chapter 2 of the Listing Rules are not met after listing by the time limit set by the Exchange for the Company to rectify its conditions, unless the CMA agrees otherwise.

4- The Company's Extraordinary General Assembly issue a decision to reduce its capital, for the two trading days following the issuing date of the decision.

d- The Exchange will lift the suspension referred to in subparagraphs (1) and (2) of paragraph (c) above after the lapse of one trading session following the end of the suspension circumstances, and in the event that the Company's shares are allowed to trade outside the platform, the Exchange shall lift the suspension within a period not exceeding five trading sessions following the end of the suspension circumstances.

e- The Exchange may at any time propose to the CMA to suspend the trading of any listed security or cancel its listing where in its opinion any of the circumstances of paragraph (a) above is likely to occur.

f- The Company must comply with the Capital Market Law, its implementing regulations, and the Exchange rules, if trading of its securities is suspended.

g- In the event that the listing suspension continues for six (6) months with no appropriate procedure made by the Company to correct such suspension, the CMA may cancel the Company's listing.

h- When the Company completes a reverse acquisition, the Company's listed shares are cancelled. If the Company wishes to re-list its shares, it must submit a new application to list its shares in accordance with the Listing Rules and fulfil the relevant requirements stipulated in the OSCOs.

i- The paragraphs in this sub-section (16-8) shall not prejudice the suspension of trading and cancellation of listing resulting from Company losses pursuant to the relevant implementing regulations and Exchange rules.

16-9 Voluntary Cancellation of Listing

a- Following Admission, the Company may not cancel the listing of its securities without the prior approval of the CMA. To obtain the CMA approval, the Company must submit the cancellation application to the CMA, along with a simultaneous notice to Tadawul. The application shall include the following:

1- specific reasons for the cancellation request;

2- a copy of the disclosure (announcement) described in paragraph (d) below;

3- a copy of the relevant documentation and a copy of each related communication to Shareholders if the cancellation is to take place as a result of a takeover or other corporate action by the Company; and

4- names and contact information of the financial and legal advisors appointed pursuant to the relevant implementing regulations.

b- The CMA may, at its discretion, approve or reject the cancellation request.

c- The Company must obtain the consent of the Extraordinary General Assembly on the cancellation of the listing after obtaining the CMA approval.

d- Where cancellation is made at the Company's request, the Company must disclose such to the public as soon as possible. The relevant disclosure announcement must include the reason for the cancellation, the nature of the event in the cancellation, and how it affects the Company's activities.

16-10 Temporary Trading Suspension

a- The Company may request from the Exchange a temporary trading suspension of its securities upon the occurrence of an event during trading hours which requires immediate disclosure under the Capital Market Law, its implementing regulations or the Exchange rules, where the Company cannot maintain the confidentiality of this information until the end of the trading period. The Exchange will suspend trading of the securities of the Company as soon as it receives the request.

b- When trading is temporarily suspended at the Company's request, the Company must disclose as soon as possible the reason for the suspension, its anticipated period and the nature of the event resulting in the suspension and how it affects the Company's activities.

c- The CMA may impose a temporary trading suspension without a request from the Company when the CMA has information, or there are circumstances that affect the Company's activities, which the CMA considers would be likely to interrupt the operation of the Exchange or the protection of investors. If the Company's securities are subject to a temporary trading suspension, it must continue to comply with the Capital Market Law, its implementing Regulations and the Exchange rules.

d- The Exchange may propose that the CMA exercise its authority under paragraph (c) above in case it finds that there is information or circumstances that may affect the Company's activities and that are likely to interrupt the operation of the Exchange or the protection of Investors.

e- The temporary trading suspension will be lifted following the lapse of the period referred to in paragraph (b) above, unless the CMA or the Exchange decide otherwise.

16-11 Declarations and Approvals on the Offering of the Offer Shares

The following are the decisions and approvals pursuant to which the Offer Shares are being offered:

- The Company's Board of Directors Decision regarding the approval of submitting the registration and offering application to the CMA and submitting the listing application to the Tadawul in order to register and list the Company Shares and offer a number of the Shares for public subscription, dated 25/04/1442H (corresponding to 10 December 2020G).
- The Extraordinary General Assembly resolution approving the Offering and the issuance of the Offer Shares by way of a capital increase dated 03/11/1442H (corresponding to 13 June 2021G).
- The CMAs announcement relating to the approval of the securities registration and offering request dated 20 Dhu al-Qidah 1442 (corresponding to 30-June-2021).
- The Saudi Stock Exchange (Tadawul)'s conditional approval regarding the listing of the Shares.

16-12 Subscription Undertakings

16-12-1 Subscription Declarations and Undertakings

By completing and delivering the Subscription Application Form, each Subscriber:

- agrees to subscribe for the Offer Shares in the number of Offer Shares as specified in the retains submitted Subscription Application Form;
- declares that they have read this Prospectus and understood all its contents;
- accepts the Bylaws and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes in the Offer Shares accordingly;
- declares that neither themselves nor any of their family members included in the Subscription Application Form have previously subscribed for Shares and the Company has the right to reject all duplicate applications;
- accepts the number of Offer Shares allocated thereto (to the maximum of the amount subscribed for) as per the Subscription Application Form and all other subscription instructions and terms mentioned in this Prospectus and the Subscription Application Form;
- undertakes not to cancel or amend the Subscription Application Form after submitting it to the Lead Manager or Receiving agent; and
- undertakes to maintain their right to sue the Company for damages caused by incorrect or incomplete information contained in this Prospectus, or by omitting material information that should have been part of this Prospectus and could affect their decision to purchase the Shares For more information, see Section (16-5) ("Allocation of Shares and Refund of Excess Subscription Monies").

16-13 Saudi Stock Exchange (Tadawul)

Tadawul was founded in 2001G as the successor to the Electronic Securities Information system. In 1990G, full electronic trading in the Kingdom was introduced. As of that date, more than 200 companies and Real Estate traded Funds have been listed and traded on Tadawul.

Trading in shares occurs on the "Tadawul" system through a fully integrated trading system covering the entire trading process from execution of the trade transaction through settlement thereof. Trading occurs each business day between 10.00am to 3.00pm, during which orders are executed. However, orders can be entered, amended or cancelled from 9.30am to 10.00am. Trading times are changed in the month of Ramadan as announced on Tadawul.

Transactions take place thought the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders placed at a price limit), provided that if several orders are generated at the same price, they are executed according to the time entry. Tadawul distributes a comprehensive range of information through various channels, including in particular the Tadawul website on the Internet and Tadawul Information Link, which supplies trading data in real time to information providers such as Reuters. Transactions are settled electronically within two (2) days (T+2), i.e., shares ownership transfer takes two working days after the trade transaction is executed.

Listed companies are required to disclose all material information that is important for investors via Tadawul. Surveillance and monitoring are the responsibility of Tadawul as the operator of the market mechanism by which it works to ensure fair trading and the proportionality of trading operations in shares.

16-14 Securities Depository Center Company (Edaa)

Securities Depository Center Company ("Edaa") was established in 2016G as a closed joint stock company in accordance with the Saudi Companies Law issued by Royal Decree No. M/3 dated 28/01/1437H, with a capital of SAR 400,000,000 divided into 40,000,000 shares, with a nominal value of SAR 10 per share, and is fully owned by Saudi Stock Exchange

(Tadawul).

The establishment was upon the CMA Board's approval of Tadawul's Board of Directors' request in relation to converting the Securities Depositary Centre into a joint stock company in accordance with the Capital Market Law issued by Royal Decree No. M/30 dated 02/06/1424H.

Edaa's principal activities are to conduct businesses related to depositing, registering, transferring, settling and clearing securities, and recording any ownership restrictions on deposited securities. Further, it deposits and manages the records of the issuers of securities and organises issuers' general assembles, including remote voting services (e-Voting), reporting, notifications, and information, as well as providing other related services that Edaa may provide in accordance with the Capital Market Law and its Implementing Regulations.

16-15 Trading on Tadawul

It is expected that trading of the Company's Shares will commence on Tadawul after final allocation of the Shares and the announcement of the start date of trading by Tadawul. Saudi nationals, residents in the Kingdom, nationals of other GCC countries, companies, banks and Saudi and GCC investment funds will be permitted to trade in the Shares after their trading starts in Tadawul. In addition, QFIs will be permitted to trade in the Shares in accordance with the QFI Rules. Moreover, Foreign Individual Investors, non-GCC individuals residing outside the Kingdom, and institutions registered outside the Kingdom, will have the right to invest indirectly to acquire economic benefits in the Shares by entering into swap agreements (SWAPs) with Capital Market Institutions licensed by the CMA to purchase, hold and trade listed shares in the Exchange in favor of non-GCC Foreign Investors. It should be noted that Capital Market Institutions shall be deemed the legal owners of the Shares under the swap agreements.

Dates and times included in this Prospectus are only indicative and may be changed or extended subject to the approval of the CMA.

Furthermore, the Offer Shares can only be traded after allocated Offer Shares have been credited to Subscribers' account at Tadawul, the Company has been registered and its shares listed on the Exchange. Pre-trading in shares is strictly prohibited and Subscribers entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

16-16 Miscellaneous

The Subscription Application Form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs; provided that, except as specifically contemplated herein, neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned and delegated by any of the parties to the subscription without the prior written consent of the party.

These instructions, conditions and receipt of any Subscription Application Forms or related contracts are governed, construed and enforced in accordance with the laws of the Kingdom.

The Substantial Shareholders shall be subject to a Lock-up Period of six (6) months from the date on which trading of the Company's shares commences on the Exchange. During such period, the Substantial Shareholders may not dispose of any of their shares. Following the end of this Lock-up Period, the Substantial Shareholders may dispose of their shares. The Company is also prohibited from listing shares of the same class of listed Shares for a period of six (6) months from the date of commencement of trading the shares in the Exchange.

Although the CMA has approved this Prospectus, it may suspend the Offering if the Company, at any time after the approval of this Offering by the CMA and before registration and admission to Listing of the Shares on the Exchange, becomes aware of: (1) a significant change in material matters contained in this Prospectus; and (2) any significant matters which should have been included in this Prospectus.

In these cases, it is incumbent on the Company to submit to the CMA a supplementary prospectus, according to the requirements of the OSCOs and the Listing Rules. The supplementary prospectus must be published and an announcement made about applicable subscription dates.

The distribution of this Prospectus and the sale of Offer Shares in any country other than the Kingdom are expressly prohibited, with the exception of the foreign Participating Parties according to the relevant laws and regulations. The Company, the current Shareholders, the Joint Financial Advisors, the Joint Global Co-ordinators, the Local Co-ordinator and the Lead Manager require recipients of his Prospectus to inform themselves of any regulatory restrictions on the Offer Shares and to observe all such restrictions.

This Prospectus has been issued in Arabic and English. CMA approved the Arabic text only. In the event of a discrepancy between the English and Arabic text, the Arabic text of this Prospectus shall prevail.

17- The Company's Undertakings after being Listed

After being listed, the Company undertakes to:

- Fill out form 8 (regarding the observance of Corporate Governance Regulations). The Company shall provide the relevant justifications if it fails to meet any of the requirements set out in the Corporate Governance Regulations.
- Commence the necessary procedures for electing a Board of Directors and Audit Committee for a new term that meets the independence requirements pursuant of Corporate Governance Regulations, by following these steps:

Event	Details	Time Period
Listing the Company	-	Listing date
Announcement of the commencement of the nomination process	The Company will, through a Board of Directors' resolution, publish an announcement on the commencement of the nomination process on the websites of the Company and Tadawul and in any other means determined by the CMA.	The announcement will be published within a period not exceeding thirty days from the Listing date, and the nomination period will continue for a month from the date of the announcement.
Accepting nominee applications	The Company will receive all applications, from any qualified person, whether from the current members or others.	During the nomination period
Reviewing the nominee applications and CVs	The Nomination and Remuneration Committee will examine the applications submitted in accordance with the provisions of the Companies Law and the CMA regulations in addition to the criteria for selecting Board of Directors policy approved by the Company and will submit its recommendations to the Board of Directors to be submitted to the General Assembly.	During the nomination period until the date of the announcement of the General Assembly meeting.
General Assembly Invitation	An ordinary general assembly meeting will be called to vote to terminate the term of the current Board and to elect new members for a new term. A vote will also be taken to terminate the current audit committee term and appoint new members who are not executive Board members or re-appoint existing members for a new term (in line with the Board's term), provided that there is a sufficient number of independent members among them in accordance with the requirements of the Corporate Governance Regulations.	Within a period not exceeding ten business days from the end of the nomination period
Convening the General Assembly meeting	The General Assembly meeting will be held 21 days after the date of the invitation in accordance with the relevant procedures in connection with listed companies' assembly meetings, including electronic voting matters.	21 days from the date of the General Assembly invitation.
Board meeting to appoint the Company's Committees	The new Board will re-appoint the committees (including the Nomination and Remuneration Committee, the Executive Committee and the Risk Management Committee) in its first meeting after its election.	The first Board meeting will be held after its appointment.

- Inform the CMA at the date of the first post-listing General Assembly meeting, so that representatives thereof may attend said meeting.
- Comply with all mandatory provisions set out in the Corporate Governance Regulations immediately after listing.
- Comply with the provisions of the Listing Rules and the OSCOs regarding the Company's ongoing obligations immediately after listing.
- Comply with Article 71 and Article 72 of the Companies Law.

- Submit the transactions and contracts in which any of the members of the Board of Directors has a direct or indirect interest to the General Assembly for authorization (in accordance with the Companies Law and the Corporate Governance Regulations), provided that the Board member with an interest is prevented from participating in voting on the resolution issued in this regard at the Board meeting and the General Assembly. Accordingly, the members of the Board, after the approval of the Listing, undertake the following:

  1- Record all resolutions and deliberations in the form of written meeting minutes signed by the Chairman and the Secretary.

  2- Disclose any transaction details with Related Parties according to the requirements of the Companies Law and the Corporate Governance Regulations.

- Submit the transactions in which any of the member of the Board of Directors participates that would compete with the Company to the General Assembly for authorization (in accordance with the Companies Law and the Corporate Governance Regulations), provided that the interested Board member is prevented from participating in voting on the resolution issued in this regard at the Board meeting and the General Assembly.

18- Documents available for Inspection

The following documents will be available for inspection at the Company's head office in Riyadh, during the official working hours from 9:00 am to 5:00 pm Sunday to Thursday, from 2 September, 2021 and until the end of the Offering Period, provided that the inspection period shall not be less than 20 (twenty) days prior to the end of the Offering Period:

a- the Company's Bylaws and its amendments;

b- the Company's Articles of Association and its amendments;

c- the Commercial Registration Certificate of the Company;

d- consolidated audited financial statements for the Company for the financial years ended 31 December 2018G, 2019G and 2020G;

e- unaudited interim condensed consolidated financial statements of the Company for the six months ended 30 June 2021

f- letters of consent from the Joint Financial Advisors, Lead Manager, Joint Global Co-ordinators, Bookrunners, Professional Financial Diligence Advisor, Legal Advisors, Underwriters, Auditor, Market Consultant to the Company to the inclusion of their names, logos and statements (where applicable) in this Prospectus;

g- the Market Report approved by the Market Consultant;

h- all other reports, letters, documents or statements by any expert any part of which is extracted of referred to in this Prospectus;

i- publication of the CMA approval of the Offering;

j- the approval of the Tadawul of the Listing of the Company's shares in the Exchange;

k- the contracts disclosed pursuant to the sub-paragraph (i) of paragraph (2) of section (13) of Annex (9) of the OSCOs;

l- the Underwriting Agreement;

m- the Extraordinary General Assembly resolution approving the increase of the Company's capital and the offer of the Offer Shares for public offering;

n- the Board resolution approving the submission of the registration application and offering to the CMA, and the submission of the listing application to the Exchange in order to register and list the Company's Shares and offer a number of them for public subscription

o- the Company's Corporate Governance Manual;

p- document containing certain forward-looking statements in relation to the expected financial performance of the Company in the future; and

q- document containing the mechanism that was relied upon to arrive at the price range used in the book-building / valuation report.

19- Auditor's Report

This Section contains (a) the audited consolidated financial statements of the Company as of and for the financial years ended 31 December 2018G, 2019G, 2020G and the unaudited consolidated financial statements of the Company for the six months ended 30 June 2021 and (b) , and the notes thereto which have been prepared in accordance with (i) IFRS as endorsed in KSA; and (ii) IFRS as issued by the IASB and have been audited or reviewed by the Auditors as stated in their report appearing herein


ACWA POWER
كوا باور





ACWA POWER
كوا باور

International Company for Water and Power Projects and its Subsidiaries
A Saudi Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2018

EY
Building a better working world

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2018 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 omissions, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Group'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 Group 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.

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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

- 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 Audit Committee 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.

for Ernst & Young

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

شركة ارنست ويونغ وشركاهم محاسبون قانونيون
ترخيص مهني رقم ٤٥
PROFESSIONAL LICENCE No. 45
ERNST & YOUNG & Co. PUBLIC ACCOUNTANTS

Riyadh: 21 Rajab 1440 H
(28 March 2019)

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**8,752,084**	16,408,409	11,247,193
Intangible assets	6	**2,014,320**	2,126,820	2,141,875
Equity accounted investees	7	**6,576,574**	4,437,817	2,788,580
Non-current portion of net investment in finance lease	8	**9,114,728**	2,719,116	2,627,075
Due from related parties	22.1	**71,984**	71,984	371,541
Deferred tax asset	20.4	**34,029**	27,771	27,409
Fair value of derivatives	21	**13,273**	64,047	80,555
Strategic fuel inventories		**77,631**	78,055	89,062
Other assets	9	**319,958**	539,639	1,086,127
TOTAL NON-CURRENT ASSETS		**26,974,581**	26,473,658	20,459,417
CURRENT ASSETS				
Inventories	10	**302,409**	370,623	324,165
Current portion of net investment in finance lease	8	**216,891**	67,155	72,488
Due from related parties	22.1	**670,670**	854,899	764,062
Accounts receivable, prepayments and other receivables	11	**2,586,086**	1,655,621	1,886,197
Fair value of derivatives	21	**-**	-	4,246
Restricted cash deposits	12.1	**-**	-	187,405
Cash and cash equivalents	12	**5,498,265**	3,239,229	1,356,099
TOTAL CURRENT ASSETS		**9,274,321**	6,187,527	4,594,662
TOTAL ASSETS		**36,248,902**	32,661,185	25,054,079

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2018
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity				
Share capital	13.1	**6,429,344**	5,466,215	5,466,215
Share premium	13.1	**1,177,031**	97,222	97,222
Statutory reserve		**437,239**	437,239	345,215
Retained earnings		**2,363,259**	3,432,159	2,812,822
Equity attributable to owners of the Company before other reserves		**10,406,873**	9,432,835	8,721,474
Other reserves	13.2	**(717,900)**	(934,092)	(948,060)
Equity attributable to owners of the Company		**9,688,973**	8,498,743	7,773,414
Non-controlling interests	14	**1,385,184**	1,389,385	1,243,262
TOTAL EQUITY		**11,074,157**	9,888,128	9,016,676
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing and funding facilities	15	**17,734,682**	17,838,418	11,451,548
Due to related parties	22.1	**81,176**	142,378	119,599
Equity accounted investees	7	**60,546**	97,277	227,616
Fair value of derivatives	21	**132,598**	126,821	112,401
Deferred tax liability	20.4	**245,776**	255,249	171,400
Deferred revenue	17	**67,108**	83,560	75,352
Other financial liabilities	13.5	**924,195**	211,360	32,588
Employee end of service benefits' liabilities	16	**123,148**	123,980	108,481
Other liabilities	18.4	**201,532**	200,305	41,967
TOTAL NON-CURRENT LIABILITIES		**19,570,761**	19,079,348	12,340,952
CURRENT LIABILITIES				
Payables and accruals	18	**3,842,028**	2,373,915	2,683,164
Short-term financing facilities	19	**618,942**	259,488	255,576
Current portion of long-term financing and funding facilities	15	**1,018,637**	864,400	574,715
Due to related parties	22.1	**-**	-	89,052
Fair value of derivatives	21	**10,613**	85,861	47,702
Zakat and taxation	20.5	**113,764**	110,045	46,242
TOTAL CURRENT LIABILITIES		**5,603,984**	3,693,709	3,696,451
TOTAL LIABILITIES		**25,174,745**	22,773,057	16,037,403
TOTAL EQUITY AND LIABILITIES		**36,248,902**	32,661,185	25,054,079

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2018
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
CONTINUING OPERATIONS				
Revenue	23	**3,554,202**	3,782,899	3,195,317
Operating costs	24	**(2,002,651)**	(2,172,551)	(1,848,398)
GROSS PROFIT		**1,551,551**	1,610,348	1,346,919
Development cost, provision and other write offs, net of reversals	11.4	**4,415**	(94,403)	(125,082)
General and administration expenses	25	**(690,859)**	(730,605)	(607,487)
Share in net results of equity accounted investees, net of tax	7.1	**935,667**	457,024	473,083
Other operating income	26.1	**179,611**	190,256	85,649
OPERATING INCOME BEFORE IMPAIRMENT (LOSS) / REVERSAL AND OTHER EXPENSES, NET		**1,980,385**	1,432,620	1,173,082
Impairment (loss) / reversal and other expenses, net	27	**(623,748)**	48,458	-
OPERATING INCOME AFTER IMPAIRMENT (LOSS) / REVERSAL AND OTHER EXPENSES, NET		**1,356,637**	1,481,078	1,173,082
Other income	26	**77,873**	104,979	97,650
Exchange (loss) / gain, net	28	**(13,816)**	38,331	58,512
Financial charges, net	29	**(771,695)**	(499,555)	(312,336)
PROFIT BEFORE ZAKAT AND INCOME TAX		**648,999**	1,124,833	1,016,908
Zakat and tax	20.1	**(37,474)**	(182,498)	(68,866)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**611,525**	942,335	948,042
DISCONTINUED OPERATIONS				
(Loss) / profit from discontinued operation including loss recognised on loss of control in a subsidiary	31	**(1,510,439)**	85,007	(19,201)
(LOSS) / PROFIT FOR THE YEAR		**(898,914)**	1,027,342	928,841
OTHER COMPREHENSIVE INCOME/ (LOSS)				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation differences		**(193,289)**	35,904	(2,692)
Equity accounted investees – share of OCI	7.1	**315,667**	68,978	245,525
Net change in fair value of cash flow hedge reserve		**111,014**	(93,766)	(12,265)
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit liability	16.1	**7,992**	(3,468)	(5,193)
TOTAL OTHER COMPREHENSIVE INCOME		**241,384**	7,648	225,375
TOTAL COMPREHENSIVE (LOSS)/ INCOME		**(657,530)**	1,034,990	1,154,216
(Loss)/ Profit attributable to:				
Equity holders of the parent		**(773,842)**	920,240	855,908
Non-controlling interests		**(125,072)**	107,102	72,933
		(898,914)	1,027,342	928,841
Total comprehensive (loss)/ income attributable to:				
Equity holders of the parent		**(557,650)**	934,208	1,099,490
Non-controlling interests		**(99,880)**	100,782	54,726
		(657,530)	1,034,990	1,154,216
Basic and diluted (loss) / earnings per share (in SR)	30.2	**(1.30)**	1.68	1.56
Basic and diluted earnings per share for continuing operations (in SR)	30.2	**1.24**	1.53	1.60

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2018
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and tax from continuing operations		**648,999**	1,124,833	1,016,908
(Loss) / profit before zakat and tax from discontinued operation including loss recognised on loss of control in a subsidiary		**(1,746,143)**	84,957	(19,178)
Adjustments for:				
Depreciation on property, plant and equipment	5	**365,675**	274,445	271,359
Financial charges	29,31	**1,014,960**	541,841	312,336
Loss recognised on loss of control in a subsidiary including related unrealized exchange loss	31	**1,559,009**	28,788	17,542
Other unrealised exchange loss / (gain)	28	**8,740**	(51,518)	(16,183)
Share in net results of equity accounted investees, net of tax	7.1	**(935,667)**	(457,024)	(473,083)
Charge for employees' end of service benefits	16.1	**20,024**	29,249	16,959
Fair value of cash flows hedges recycled to profit or loss		**37,110**	(18,562)	(33,162)
Provisions	25	**30,596**	100,639	66,833
Unrealised gain on derivatives	26	**-**	-	(38,172)
Unwinding of discount on financial liabilities		**1,109**	4,647	1,802
Impairment loss / (reversal) in relation to property, plant and equipment	27	**556,437**	(48,458)	-
Gain on partial disposal / step acquisition of equity accounted investee	26	**-**	(65,367)	(37,683)
Loss / (gain) on disposal of property, plant and equipment		**4,039**	(5,735)	(4,168)
Development cost, provision and other write offs, net of reversals	11.4	**(4,415)**	94,403	125,082
Changes in operating assets and liabilities:				
Accounts receivable, prepayments and other receivables		**(1,314,643)**	35,534	(91,393)
Inventories		**43,937**	(46,458)	10,915
Payables and accruals		**745,001**	(312,369)	802,170
Due from related parties		**184,229**	208,720	(641,264)
Strategic fuel inventories		**424**	11,007	(14,360)
Other assets		**219,681**	546,488	(807,960)
Other liabilities		**1,227**	158,338	6,191
Deferred revenue		**(16,452)**	8,208	(29,255)
Net cash from operations		**1,423,877**	2,246,606	442,236
Employees' terminal benefits paid	16.1	**(12,654)**	(17,198)	(5,805)
Zakat and tax paid	20.5	**(46,423)**	(37,029)	(73,401)
Dividends received from equity-accounted investees	7.1	**205,887**	238,087	134,049
Net cash generated from operating activities		**1,570,687**	2,430,466	497,079
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	5	**(3,186,281)**	(5,256,087)	(3,910,575)
Proceeds on disposal of property, plant and equipment		**-**	5,735	4,168
Net investment in finance lease		**302,279**	(86,708)	134,884
Investments in associates and joint ventures		**(209,794)**	(1,532,694)	178,306
Proceeds on partial disposal of equity accounted investees		**-**	106,400	-
Advances for investments		**-**	-	46,992
Acquisition of non-controlling interest	14	**(70,725)**	-	2,571
Cash de-recognised on loss of control in a subsidiary		**(16,687)**	-	-
Net cash used in investing activities		**(3,181,208)**	(6,763,354)	(3,543,654)

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2018
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds received against share capital	13.1	**2,042,938**	-	-
Restricted cash deposits		**-**	187,405	222,935
Financing and funding facilities, net of transaction costs		**3,155,740**	6,623,020	2,849,797
Due to related parties		**(61,202)**	(66,273)	105,044
Other financial liabilities		**-**	174,125	-
Financial charges paid		**(973,369)**	(538,721)	(260,188)
Dividends paid		**(294,550)**	(337,798)	(216,513)
Capital contributions from and other adjustments to non-controlling interest		**-**	174,260	86,855
Net cash from financing activities		**3,869,557**	6,216,018	2,787,930
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**2,259,036**	1,883,130	(258,645)
Cash and cash equivalents at beginning of the year		**3,239,229**	1,356,099	1,614,744
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**5,498,265**	3,239,229	1,356,099

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018
All amounts in Saudi Riyals thousands

	Share capital	*Share premium*	*Statutory reserve*	*Retained earnings*	*Other reserves*	*Equity attributable to owners of the Company*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2016	5,466,215	97,222	264,803	2,119,467	(1,191,642)	6,756,065	968,077	7,724,142
Profit for the year	-	-	-	855,908	-	855,908	72,933	928,841
Other comprehensive income	-	-	-	-	243,582	243,582	(18,207)	225,375
Total comprehensive income	-	-	-	855,908	243,582	1,099,490	54,726	1,154,216
Dividends (note 13.4)	-	-	-	(82,141)	-	(82,141)	(134,372)	(216,513)
Capital contribution	-	-	-	-	-	-	86,855	86,855
Transfer to statutory reserve	-	-	80,412	(80,412)	-	-	-	-
Business combination (note 26.2)	-	-	-	-	-	-	267,976	267,976
Balance at 31 December 2016	5,466,215	97,222	345,215	2,812,822	(948,060)	7,773,414	1,243,262	9,016,676
Balance at 1 January 2017	5,466,215	97,222	345,215	2,812,822	(948,060)	7,773,414	1,243,262	9,016,676
Profit for the year	-	-	-	920,240	-	920,240	107,102	1,027,342
Other comprehensive income	-	-	-	-	13,968	13,968	(6,320)	7,648
Total comprehensive income	-	-	-	920,240	13,968	934,208	100,782	1,034,990
Dividends (note 13.4)	-	-	-	(208,879)	-	(208,879)	(128,919)	(337,798)
Capital contribution	-	-	-	-	-	-	174,260	174,260
Transfer to statutory reserve	-	-	92,024	(92,024)	-	-	-	-
Balance at 31 December 2017	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Balance at 1 January 2018	**5,466,215**	**97,222**	**437,239**	**3,432,159**	**(934,092)**	**8,498,743**	**1,389,385**	**9,888,128**
Loss for the year	**-**	**-**	**-**	**(773,842)**	**-**	**(773,842)**	**(125,072)**	**(898,914)**
Other comprehensive income	**-**	**-**	**-**	**-**	**216,192**	**216,192**	**25,192**	**241,384**
Total comprehensive income / (loss)	**-**	**-**	**-**	**(773,842)**	**216,192**	**(557,650)**	**(99,880)**	**(657,530)**
Acquisition of non-controlling interests (note 14)	**-**	**-**	**-**	**(59,951)**	**-**	**(59,951)**	**(10,774)**	**(70,725)**
Dividends (note 13.4)	**-**	**-**	**-**	**(235,107)**	**-**	**(235,107)**	**(59,443)**	**(294,550)**
Issue of shares (note 13.1)	**963,129**	**1,079,809**	**-**	**-**	**-**	**2,042,938**	**-**	**2,042,938**
Capital contribution	**-**	**-**	**-**	**-**	**-**	**-**	**165,896**	**165,896**
Balance at 31 December 2018	**6,429,344**	**1,177,031**	**437,239**	**2,363,259**	**(717,900)**	**9,688,973**	**1,385,184**	**11,074,157**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

All amounts in Saudi Riyals thousands

1 ACTIVITIES

International Company for Water and Power Projects (the "Company" or "ACWA Power") is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).

The Company and its subsidiaries (collectively the "Group") are engaged in development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries:

Subsidiary	*Country of incorporation*	*Principal activities*	*Effective holding*		
			31 Dec 2018	*31 Dec 2017*	*31 Dec 2016*
ACWA Power Saudi Electricity and Water Development Company ***("APSE")***	Kingdom of Saudi Arabia	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100%**	100%	-
Kahromaa Company ***("KAHROMAA")***	Kingdom of Saudi Arabia	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**100%**	100%	100%
ACWA Power Global Holdings Limited ***("APGH")***	United Arab Emirates (Jebel Ali Free Zone)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services.	**100%**	100%	100%
ACWA Power Reinsurance Co. Ltd. (captive insurance) ***("ACWA Re")***	United Arab Emirates (Dubai International Financial Centre – 'DIFC')	To effect and carry out contracts of insurance restricted to those of a Class 3 Captive Insurer. Under its captive license, ACWA Re can insure a part of its own affiliate's assets and that of third party.	**100%**	100%	100%
Multiple Shares Company ***("MSC")***	Kingdom of Saudi Arabia	Installation, maintenance and operation, contracting of electricity generation and desalination plants.	**100%**	100%	100%
ACWA Power Bahrain Holdings W.L.L. ***("APBH")***	Kingdom of Bahrain	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**99%**	99%	99%
ACWA Power Global Services LLC (***"APGS"***)	United Arab Emirates (DIFC)	Own investments in group of companies, provide financial advisory, book keeping and reporting, tax compliance and related services.	**100%**	100%	100%
ACWA Power Management and Investments One Ltd. ***("APMI One")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100%**	100%	-
ACWA Power Management and Investments Two Ltd. ***("APMI Two")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100%**	100%	-
ACWA Power Renewable Energy Holding Ltd. ***("APRE")***	United Arab Emirates (DIFC)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services.	**100%**	100%	-

Information about other material subsidiaries, associates and joint ventures are provided in note 41 to these financial statements.

2 BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants ("SOCPA") ("IFRS as endorsed in KSA") and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

2.1 BASIS OF PREPARATION

These consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value. These consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Changes in ownership interest in subsidiaries
Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. Retained investment is recorded at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The significant accounting policies adopted are as follows:

Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term bank deposits that have an original maturity of three months or less and excludes restricted cash deposit.

Financial instruments
Initial recognition
The Group records financial asset or a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair values. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification
The Group classifies its financial assets under the following categories:
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group classifies all non-derivative financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Group designates a non-derivative financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued)

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss for the period.

Current versus non-current classification

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into current and a non-current portions only if a reliable allocation can be made.

Accounts receivables

After initial recognition, accounts receivables are stated at amortised cost less allowance for any impairment. The Group recognises an allowance for impairment for expected credit losses. Such impairment allowances are charged to profit or loss and reported under “General and administration expenses”. When an account receivable is uncollectible, it is written-off against the impairment allowance. Any subsequent recoveries of amounts previously written-off are credited against “General and administration expenses” in the consolidated statement of profit or loss and other comprehensive income.

Deferred costs (Projects under development)

Costs incurred on projects under development, which are considered as feasible, are carried on the consolidated statement of financial position. If a project is no longer considered feasible, the accumulated costs relating to that project are charged to the profit or loss in the period in which the determination is made. The Group makes provision against these projects based on expected success rates. Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in consolidated statement of financial position. Proceeds received during the period from successful projects in excess of development cost reimbursements are recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method, except for the inventory held by one of the subsidiaries of the Group and the strategic fuel inventory of the Group, the cost of which is determined using the first-in first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Investments in associates and joint ventures – equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures – equity accounted investees (continued)
The Group's investments in its associates and joint ventures are accounted for using the equity method of accounting from the date that the significant influence or joint-control commences until the date that such influence or joint-control ceases. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group's profit or loss reflects the Group's share of the profit or loss of the associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the associates and joint ventures, the Group recognises its share of such changes in its other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures ("upstream and downstream") are eliminated to the extent of the Group's interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and joint ventures is shown separately in profit or loss under operating income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date the Group determines whether there is an objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate or joint venture and its carrying value, then recognises the loss within 'Share in results of associates and joint ventures' in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in associates or joint ventures, the Group's carrying amount of investments in associate or joint venture is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investee companies.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group increases its ownership interest in an existing associate/ joint venture which remains an associate/ joint venture after that increase, the purchase price paid for the additional interest is added to the existing carrying amount of the associate/ joint venture and the existing share in net assets of the associate or joint venture is not re-measured. The cost of additional investment is allocated between the share of the fair value of net assets and goodwill. Any excess of the additional share in fair value of net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group's share of the associate's/ joint venture's profit or loss after additional acquisition in order to reflect the Group's share in fair value of net assets at the acquisition date, arising from the additional acquisition.

Property, plant and equipment
Property, plant and equipment, except for land and capital work in progress, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work in progress are stated at cost less accumulated impairment loss, if any. Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under relevant category of property, plant and equipment upon completion.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)
The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Business combination
Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discontinued operations
A discontinued operation is a component of the Group's business, the operations and cash flows of which can clearly distinguished from rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from start of the comparative year.

Impairment
Financial assets
IFRS 9 requires the Group to record expected credit losses (ECL) on all of its financial assets excluding equity instruments and those carried at fair value through profit or loss. In case of trade receivables the Group is required to record ECL either on a 12-month or a lifetime basis. The Group applies the simplified approach and records lifetime expected losses on all trade receivables, except for finance lease receivables. The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. At each reporting date, the Group recognises in its profit or loss the amount of the change in lifetime expected credit losses as an impairment loss or reversal thereof. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

For finance lease receivables, the Group has elected for the policy choice to measure the loss allowance at an amount equal to 12 months ECL provided the credit risk on the financial instrument has not increased significantly since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the offtakers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)
Non-financial assets (continued)
For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently re-measured at amortised cost.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. In relation to insurance business, the provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance cost.

Employees' benefits
Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation
The Group operates a post-employment benefit plans driven by the labour laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in profit or loss as employee cost while the unwinding of the liability at discount rates used is recorded in profit or loss as finance charges. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Statutory reserve
In accordance with the Company's By-Laws and Saudi Arabian Regulations for Companies, the Company must set aside 10% of its income after zakat and tax in each year until it has built up a reserve equal to 30% of its capital. The reserve is not available for distribution.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Finance lease

Where the Group determines a long term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease. A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset.

The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Operating lease

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Arrangements which meet the criteria for operating leases are classified as such. Initial direct costs incurred in negotiating a lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Asset retirement obligation

The Group records the present value of estimated costs of legal decommissioning obligations required to restore the site to its original condition in the period in which the obligation is incurred. The nature of these activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related property, plant and equipment to the extent that it was incurred as a result of the development/construction of the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. The estimated future costs of decommissioning, are reviewed annually and adjusted as appropriate. Changes if any, in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

Revenue recognition

Revenue from supply of desalinated water and power is recognised upon satisfaction of performance obligation which in general happens upon delivery of desalinated water and power to the customer. Capacity charge income (excluding receipts for services provided, such as insurance and maintenance) under Power and Water Purchase Agreements ("PWPA") or Power Purchase Agreements ("PPA") or Water Purchase Agreements ("WPA") for each hour during which the plant is available for power generation and/or water desalination is recognised over the lease term or upon actual billing period as appropriate considering the terms of each PWPA or PPA or WPA. The component of billed revenue related to goods or services not delivered or performed are recorded as deferred liability and reported in the consolidated statement of financial position as deferred revenue.

At the inception of the lease, the total unearned finance income i.e. the excess aggregate minimum lease payments plus residual value (guaranteed and unguaranteed), if any, over the cost of the leased assets, is amortised over the term of the lease, and finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding with respect to the lease.

Revenues from rendering technical, operation and maintenance services are recognised when contracted services are performed. Revenue from development is recognised when related services are rendered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Profit on fixed deposits is recognised as the profit accrues. Interest income on deposits is accrued on an effective yield basis.

Dividend income is recognised when the Group's right to receive the dividend is established.

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalisation.

Front end fees, debt acquisition and arrangement fees, other than commitment fee in relation to undrawn facility, that relate to the origination of the long-term loans and facilities are amortised over the period of the loans using the effective interest rate ("EIR"). Loan commitment fee in relation to undrawn portion of loan is treated as service cost. The amortisation on the effective interest basis and the commitment fee on undrawn facility are capitalised as part of projects under construction up to the date of commencement of commercial production and subsequently it is charged to profit or loss.

Expenses

General and administration expenses include direct and indirect costs not specifically forming part of operating costs. Allocations between general and administration expenses and operating costs, when required, are made on a consistent basis.

Zakat and taxation

Zakat and taxation is provided in accordance with the Regulations of the General Authority of Zakat and Tax (the "GAZT") in the Kingdom of Saudi Arabia and on an accruals basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalisation.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with tax regulations of the respective countries.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies
Transactions in foreign currencies are recorded in functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in functional currency at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are taken to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of income or expense are translated in Saudi Riyals at average exchange rates prevailing during the reporting period of related transactions. Exchange differences arising on translation for consolidation, if material, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income for exchange differences relating to that particular foreign operation is recognised in profit or loss.

Value added tax (“VAT”)
VAT receivable represents input tax paid on purchases including purchase of property, plant and equipment. VAT receivable is presented on an undiscounted basis net of any output tax collected on revenue.

Dividends
Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Earnings per share
Earnings per share are calculated by dividing profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

New standards, amendments and interpretations adopted by the Group
A number of new and amended standards and interpretations were applicable to the Group’s consolidated financial statements for the first time during 2018. The Group has adopted all these new and amended standards and interpretations in the preparation of these consolidated financial statements. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 supersedes IAS 11 “Construction Contracts”, IAS 18 “Revenue” and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group has opted to apply IFRS 15 using a modified retrospective approach which has not resulted in any significant adjustment to the consolidated financial statements of the Group as at 1 January 2018.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations
The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any significant impact on the Group's consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments are not relevant to the Group's consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. These amendments are not relevant to the Group's consolidated financial statements.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The Group decided to apply the temporary exemption on insurance contracts issued by one of its subsidiaries.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice
The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters
Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Group's consolidated financial statements.

New standards, amendments and interpretations not yet effective and not early adopted
At the date of authorization of these consolidated financial statements, a number of new and amended accounting standards and interpretations, which are applicable to the Group, were issued by the IASB but are not yet effective and not early adopted by the Group.

The Group is currently evaluating the impact that these new accounting standards, amendments and interpretations may have on the consolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations not yet effective and not early adopted (continued)

IFRS 16 Leases
IFRS 16 was issued in January 2016 and it replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

The Group is currently evaluating the impacts that it may have on the consolidated financial statements.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 "Insurance Contracts" (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 "Insurance Contracts" (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group plans to adopt the new standard on the required effective date. The Group is in the process of assessing the impact of the new standard on profit and equity in presentation and disclosure

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.
The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations not yet effective and not early adopted (continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment (continued)

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. The management believe that the interpretation will not significantly impact the Group's consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. Managements believes that these amendments have no significant impact on the consolidated financial statements of the Group.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to re-measure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to re-measure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations not yet effective and not early adopted (continued)

Amendments to IAS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 "Investments in Associates and Joint Ventures".

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. The management is currently assessing its impact on its consolidated financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)
These improvements include:

- IFRS 3 "Business Combinations"
  The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including re-measuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer re-measures its entire previously held interest in the joint operation.

  An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments will apply on future business combinations of the Group.

- IFRS 11 "Joint Arrangements"
  A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not re-measured.

  An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Group but may apply to future transactions.

- IAS 12 "Income Taxes"
  The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

  An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

- IAS 23 "Borrowing Costs"
  The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

  An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its consolidated financial statements.

4 USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in KSA and IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

(i) Impairment of non-financial assets (including Goodwill)
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the projects' useful lives and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(ii) Fair value of unquoted financial instruments
When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and call options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

Pursuant to certain shareholder agreements, the Group has written put options on non-controlling interests in subsidiaries and on counterparty's ownership interest in an associate. The fair values of these put options are derived from discounted projected cash flow analysis of the respective entities and the redemption amount determined pursuant to contractual agreements. The fair value measurements are performed at each reporting date.

(iii) Impairment of accounts receivable
An estimate of the collectible amount of accounts receivable is made using expected credit loss model which involves evaluation of credit rating and days past due information.

(iv) Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

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4 USE OF ESTIMATES AND ASSUMPTIONS (CONTINUED)

(v) Lease classification

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

The following are the critical assumptions that have been made in the process of applying the Group's accounting policies for determining whether an arrangement contains a lease and have a significant effect on the amounts recognised in the consolidated financial statements:

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the off-taker will pay for the output is neither contractually fixed per unit of output nor is equal to the current market price per unit of output at the time of delivery of the output and accordingly management believes that the arrangement contains a lease.
- If at the end of the term of the PPA or WPA or PWPA, the ownership of the Plant is transferred to the off-taker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of lease as a finance or operating lease.

All amounts in Saudi Riyals thousands

5 PROPERTY, PLANT AND EQUIPMENT

The following rates are used for calculation of depreciation:

Buildings	2% - 7%	Plant, machinery and equipment	2.5% - 25%
Barges	5%	Onshore equipment	30% - 40%
Furniture and fixtures	10% - 25%	Office equipment and computers	25% - 33.3%
Capital spares	3.3% - 12.5%	Motor vehicles	14% - 25%

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	***Total 2018***
Cost:										
At 1 January 2018	**988,304**	**11,158,798**	**232,036**	**16,284**	**55,324**	**115,451**	**33,040**	**35,398**	**8,415,182**	**21,049,817**
Additions	**43,279**	**1,373,155**	**7,123**	**-**	**10,278**	**16,053**	**19,701**	**6,062**	**1,710,630**	**3,186,281**
Transfer from CWIP	**-**	**1,507,599**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,507,599)**	**-**
Disposals	**(84)**	**(7,174)**	**-**	**-**	**(8)**	**(14,648)**	**-**	**(3,178)**	**-**	**(25,092)**
De-recognition on loss of control in a subsidiary (note 31)	**(119,892)**	**(1,981,789)**	**-**	**-**	**(143)**	**(1,006)**	**-**	**(627)**	**2,638**	**(2,100,819)**
Finance lease recognition (note 8)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,847,627)**	**(6,847,627)**
Foreign currency translation	**(49,724)**	**(1,122,568)**	**-**	**-**	**(377)**	**(1,773)**	**(1,840)**	**(1,184)**	**(4,132)**	**(1,181,598)**
At 31 December 2018	**861,883**	**10,928,021**	**239,159**	**16,284**	**65,074**	**114,077**	**50,901**	**36,471**	**1,769,092**	**14,080,962**
Accumulated depreciation and impairment										
At 1 January 2018	**569,705**	**3,796,276**	**109,359**	**16,284**	**36,161**	**66,067**	**19,135**	**28,421**	**-**	**4,641,408**
Depreciation charge for the year (note 5.4)	**16,581**	**322,805**	**4,213**	**-**	**5,574**	**8,703**	**2,189**	**5,610**	**-**	**365,675**
Impairment loss (note 27)	**-**	**373,562**	**70,375**	**-**	**-**	**-**	**-**	**-**	**-**	**443,937**
Relating to disposals	**-**	**(7,174)**	**-**	**-**	**(8)**	**(11,110)**	**-**	**(2,761)**	**-**	**(21,053)**
De-recognition on loss of control in a subsidiary (note 31)	**(3,497)**	**(58,015)**	**-**	**-**	**(11)**	**(405)**	**-**	**(314)**	**-**	**(62,242)**
Foreign currency translation	**(705)**	**(34,220)**	**-**	**-**	**(109)**	**(3,074)**	**(106)**	**(633)**	**-**	**(38,847)**
At 31 December 2018	**582,084**	**4,393,234**	**183,947**	**16,284**	**41,607**	**60,181**	**21,218**	**30,323**	**-**	**5,328,878**
Carrying amount as at 31 December 2018	**279,799**	**6,534,787**	**55,212**	**-**	**23,467**	**53,896**	**29,683**	**6,148**	**1,769,092**	**8,752,084**

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5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2017*
Cost:										
At 1 January 2017	771,560	8,165,611	232,036	16,284	41,615	83,306	32,097	32,638	6,397,046	15,772,193
Additions	223,510	434,077	-	-	13,687	32,140	943	2,464	4,549,266	5,256,087
Disposals	-	(123,490)	-	-	-	-	-	(606)	-	(124,096)
Transfers from CWIP	-	2,478,963	-	-	-	-	-	-	(2,478,963)	-
Foreign currency translation	(6,766)	203,637	-	-	22	5	-	902	(52,167)	145,633
At 31 December 2017	988,304	11,158,798	232,036	16,284	55,324	115,451	33,040	35,398	8,415,182	21,049,817
Accumulated depreciation and impairment										
At 1 January 2017	546,747	3,732,385	98,076	16,284	31,829	56,228	18,117	25,334	-	4,525,000
Depreciation charge for the year (note 5.4)	22,926	221,944	11,283	-	4,291	9,723	1,018	3,260	-	274,445
Relating to disposals	-	(123,490)	-	-	-	-	-	(606)	-	(124,096)
Impairment loss reversal (note 5.3)	-	(63,513)	-	-	-	-	-	-	-	(63,513)
Foreign currency translation	32	28,950	-	-	41	116	-	433	-	29,572
At 31 December 2017	569,705	3,796,276	109,359	16,284	36,161	66,067	19,135	28,421	-	4,641,408
Carrying amount as at 31 December 2017	418,599	7,362,522	122,677	-	19,163	49,384	13,905	6,977	8,415,182	16,408,409

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5 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2016*
Cost:										
At 1 January 2016	761,107	6,790,138	230,956	16,284	39,940	71,544	29,421	29,723	5,488,094	13,457,207
Acquisition of control of a joint venture	3,498	1,310,617	-	-	115	115	-	4,313	-	1,318,658
Additions	8,877	80,980	1,080	-	1,285	10,732	2,676	1,806	3,803,139	3,910,575
Transfer from CWIP	-	52,892	-	-	213	-	-	-	(53,105)	-
Finance lease recognition (note 8)	-	-	-	-	-	-	-	-	(2,834,447)	(2,834,447)
Disposals	-	(15,228)	-	-	-	-	-	(3,204)	-	(18,432)
Foreign currency translations	(1,922)	(53,788)	-	-	62	915	-	-	(6,635)	(61,368)
At 31 December 2016	771,560	8,165,611	232,036	16,284	41,615	83,306	32,097	32,638	6,397,046	15,772,193
Accumulated depreciation and impairment										
At 1 January 2016	528,001	3,522,665	86,828	16,284	27,991	47,837	17,348	25,119	-	4,272,073
Depreciation charge for the year (note 5.4)	18,746	224,948	11,248	-	3,838	8,391	769	3,419	-	271,359
Relating to disposals	-	(15,228)	-	-	-	-	-	(3,204)	-	(18,432)
At 31 December 2016	546,747	3,732,385	98,076	16,284	31,829	56,228	18,117	25,334	-	4,525,000
Carrying amount as at 31 December 2016	224,813	4,433,226	133,960	-	9,786	27,078	13,980	7,304	6,397,046	11,247,193

5.1 Capital work in progress comprises plants under construction in relation to some subsidiaries of the Group as mentioned in note 41.

5.2 Borrowing costs capitalised during the year amounted to SR 274.7 million (Dec 2017: SR 1,009 million, 31 Dec 2016: SR 830 million).

5.3 In 2014, the Group recorded an impairment loss of SR 107.0 million on account of higher risk perception reflected in cost of capital for one of its subsidiaries ("ACWA Power CF Karad PV Park EAD"). During 2017, the Group recorded a reversal in impairment amounting to SR 63.5 million pursuant to successful debt restructuring and favourable outlook which resulted in reduction in cost of capital, hence resulted in partial reversal of impairment (note 27.1).

5.4 Depreciation reflected in profit or loss account is as follows:

	2018	2017	2016
Depreciation charge for the year ended 31 December	**365,675**	274,445	271,359
Less: Depreciation charge for discontinued operation	**(61,146)**	(13,305)	(113)
Depreciation charge from continuing operations for the year ended 31 December	**304,529**	261,140	271,246

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6 INTANGIBLE ASSETS

Intangible assets comprise of goodwill which represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition and arose on account of the following acquisitions:

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Arabian Company for Water and Power Projects (“APP”) (note 6.1)	**1,937,287**	1,937,287	1,937,287
ACWA Power Barka SAOG (“ACWA Barka”) (note 6.2)	**70,524**	183,024	183,024
UPC Renewables S.A. (“UPC”) (note 6.3)	**6,509**	6,509	6,509
Ventis Enerji Yatirimlari Sanayi Ve Ticaret Anonim Sirketi (note 6.4)	**-**	-	8,143
Olimpos Elektric Uretim Anonim Sirketi (note 6.4)	**-**	-	4,162
Efes Elektrik Uretim A.S.A.S. (note 6.4)	**-**	-	2,750
	2,014,320	2,126,820	2,141,875

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

6.1 This relates to goodwill on acquisition of 100% equity stake, in the share capital of APP.

6.2 During prior years, ACWA Power Global Holdings Limited (“APGH”) (one of the Group’s subsidiary), indirectly acquired a 50% equity stake in the share capital of ACWA Barka and 86.19% each in ACWA Power Barka Services 1 and ACWA Power Barka Services 2. In accordance with the terms of the financing structure for the acquisition, the Group has an effective interest of 41.91% in ACWA Barka and 72.25% indirect equity stakes in the two technical service companies, collectively “services companies”. Such acquisition resulted in recognition of goodwill amounting to SR 183 million.

During 2018, the Group performed impairment testing for certain of its cash generating units namely ACWA Power Barka Services 1 and ACWA Power Barka Services 2 (“the Entities”) where the Group, directly or indirectly, holds 86.19% shareholding of each. The Entities are considered as a single cash generating unit for impairment testing purpose and to arrive at the value in use (“VIU”). The Group used discounted cash flows (“DCF”) to calculate the recoverable amount to which goodwill is allocated and estimated that the recoverable amount as at 31 December 2018 is less than the carrying amount and accordingly an impairment loss of SAR 112.5 million was recognised in these consolidated financial statements.

6.3 This represents goodwill on acquisition of 70% equity stake in the share capital of UPC, an entity incorporated in Morocco and engaged in generating renewable energy, by ACWA Power Global Services LLC (“APGS”) (one of the Group’s subsidiary).

6.4 These represent goodwill relating to Group’s investment in certain Turkish entities incorporated during 2015. Objective of these companies was to participate in tenders related to wind power projects. However, during 2017, the Group decided not to participate in such tenders and merged all dormant companies with ACWA Enerji (a holding Company 100% owned by the Group). Accordingly, goodwill related to these entities were fully impaired.

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7 EQUITY-ACCOUNTED INVESTEES

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities. For an entity to be classified as a joint operation, terms of the arrangements including other facts and circumstances must give rise to the Group's rights to the assets, and obligations for the liabilities, of the joint arrangement. While in case of joint venture, the Group has rights to the net assets of the arrangement. Considering the contractual terms of joint arrangements including other facts and circumstances, all of the Group's joint arrangement qualifies for joint venture and are accordingly equity accounted.

7.1 Contribution from equity accounted investees

The table hereafter shows the contribution of each equity accounted investees in the consolidated statement of financial position, income statement, statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the statement of cash flows.

	% of ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Transfer to affiliates	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2018									
Rabigh Arabian Water & Electricity Company – (note 7.2)	74.00%	Saudi Arabia	787,358	1,019,863	-	633,111	-	(32)	2,440,300
SGA/NOVA SGA Marafiq Holdings	33.33%	Bahrain / UAE	456,100	(34,311)	-	43,489	-	48,356	513,634
Shuqaiq International Water and Electricity Company Limited	53.34%	Saudi Arabia	395,908	(12,421)	-	46,416	(12,802)	49,098	466,199
Saudi Malaysian Water and Electricity Company Limited	50.00%	Saudi Arabia	1,112,788	-	-	112,196	(58,269)	41,983	1,208,698
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,135	-	-	17,338	(16,950)	-	27,523
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,139	-	-	17,341	(16,950)	-	27,530
Jordan Biogas Company	50.00%	Jordan	2,777	-	-	(225)	-	-	2,552
Qurayyah Investment Company	35.00%	Saudi Arabia	438,391	700	-	4,083	-	15,246	458,420
Rabigh Electricity Company	40.00%	Saudi Arabia	651,817	2,812	-	62,657	(96,230)	41,577	662,633
Shuaa Energy 1 P.S.C	49.00%	UAE	18,150	62,464	-	6,693	(4,686)	14,050	96,671
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	520,254	2,239	-	4,069	-	21,751	548,313
Dhofar Generating Company	27.00%	UAE	-	(113,092)	218,785	(982)	-	(11,237)	93,474
MAP Power Holding Company Limited ("MAP")	50.00%	UAE	(48,181)	243,864	(218,785)	3,340	-	19,762	-
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(26,525)	-	-	(83)	-	55,302	28,694
MAP Inland Holdings Ltd. (JAFZA)	44.90%	UAE	(8,008)	-	-	(18)	-	9,959	1,933
			4,355,103	1,172,118	-	949,425	(205,887)	305,815	6,576,574
MAP Coastal Holding Company Limited (JAFZA)	44.90%	UAE	(14,563)	2,205	-	(16)	-	9,852	(2,522)
ACWA Power Oasis Three FZ-LLC	70.70%	UAE	-	718	-	(13,742)	-	-	(13,024)
Haya Power & Desalination Company	60.00%	Bahrain	-	(45,000)	-	-	-	-	(45,000)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 31)	70.00%	Turkey	-	-	-	-	-	-	-
			(14,563)	(42,077)	-	(13,758)	-	9,852	(60,546)
			4,340,540	1,130,041	-	935,667	(205,887)	315,667	6,516,028

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2017								
Rabigh Arabian Water & Electricity Company	37.00%	Saudi Arabia	564,960	108,000	114,322	-	76	787,358
SGA/NOVA SGA Marafiq Holdings	33.33%	Bahrain / UAE	68,044	350,000	35,844	(39,359)	41,571	456,100
Shuqaiq International Water and Electricity Company Limited	53.34%	Saudi Arabia	6,019	326,831	40,391	(11,163)	33,830	395,908
Saudi Malaysian Water and Electricity Company Limited	50.00%	Saudi Arabia	1,070,355	-	114,001	(106,003)	34,435	1,112,788
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	23,371	-	14,480	(10,716)	-	27,135
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	23,373	-	14,482	(10,716)	-	27,139
Jordan Biogas Company	50.00%	Jordan	2,968	-	(191)	-	-	2,777
Qurayyah Investment Company	35.00%	Saudi Arabia	404,956	(705)	29,696	-	4,444	438,391
Rabigh Electricity Company	40.00%	Saudi Arabia	612,524	(5,628)	85,489	(57,925)	17,357	651,817
SunE Nomac AD	50.00%	Bulgaria	2,775	(2,775)	-	-	-	-
Shuaa Energy 1 P.S.C	49.00%	UAE	705	18,116	4,817	(2,205)	(3,283)	18,150
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	(189,953)	697,822	9,271	-	3,114	520,254
			2,590,097	1,491,661	462,602	(238,087)	131,544	4,437,817
MAP Power Holding Company Limited (“MAP”)	50.00%	UAE	(33,584)	-	(5,476)	-	(9,121)	(48,181)
MAP Coastal Holding Company Limited (JAFZA)	44.90%	UAE	2,830	-	(27)	-	(17,366)	(14,563)
MAP Inland Holdings Ltd. (JAFZA)	44.90%	UAE	5,700	-	(8)	-	(13,700)	(8,008)
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(4,079)	-	(67)	-	(22,379)	(26,525)
			(29,133)	-	(5,578)	-	(62,566)	(97,277)
			2,560,964	1,491,661	457,024	(238,087)	68,978	4,340,540

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2016								
Rabigh Arabian Water & Electricity Company	37.00%	Saudi Arabia	490,915	-	74,126	-	(81)	564,960
SGA/NOVA SGA Marafiq Holdings	33.33%	Bahrain / UAE	24,000	-	40,842	(41,764)	44,966	68,044
Shuqaiq International Water and Electricity Company Limited	66.67%	Saudi Arabia	(80,262)	638	56,833	(31,255)	60,065	6,019
Saudi Malaysian Water and Electricity Company Limited	50.00%	Saudi Arabia	985,319	-	90,445	(45,313)	39,904	1,070,355
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	13,972	-	17,258	(7,859)	-	23,371
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	13,971	-	17,260	(7,858)	-	23,373
Jordan Biogas Company	50.00%	Jordan	3,080	-	(112)	-	-	2,968
Qurayyah Investment Company	35.00%	Saudi Arabia	395,692	705	8,640	-	(81)	404,956
Rabigh Electricity Company	40.00%	Saudi Arabia	535,366	(134,599)	166,985	-	44,772	612,524
NOMAC IAE Bokpoort Proprietary Limited	70.00%	South Africa	577	(577)	-	-	-	-
SunE Nomac AD	50.00%	Bulgaria	2,082	400	293	-	-	2,775
ACWA Power Solafrica Bokpoort CSP Power Plant Proprietary Limited (RF)	40.00%	South Africa	126,121	(121,837)	8,173	-	(12,457)	-
Shuaa Energy 1 P.S.C	49.00%	UAE	4,636	-	(39)	-	(3,892)	705
MAP Coastal Holding Company Limited (JAFZA)	44.90%	UAE	-	(31,815)	-	-	34,645	2,830
MAP Inland Holdings Ltd. (JAFZA)	44.90%	UAE	-	(28,035)	-	-	33,735	5,700
			2,515,469	(315,120)	480,704	(134,049)	241,576	2,788,580
MAP Power Holding Company Limited ("MAP")	50.00%	UAE	(26,524)	-	(7,562)	-	502	(33,584)
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	(199,940)	-	(30)	-	10,017	(189,953)
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	-	2,520	(29)	-	(6,570)	(4,079)
			(226,464)	2,520	(7,621)	-	3,949	(227,616)
			2,289,005	(312,600)	473,083	(134,049)	245,525	2,560,964

7.2 On 24 May 2018, the Group exercised call option granted through a Call and Put Option Agreement and acquired further 37% interest in Rabigh Arabian Water and Electricity Company ("RAWEC" or "the Investee"). The option exercise resulted in a gain of SR 386.95 million. In accordance with the requirements of IFRS as endorsed in KSA, the gain is included within share in net results of RAWEC.

Pursuant to existing shareholders' agreement the decisions for the relevant activities that most significantly affect the returns of the Investee will be taken jointly by the Group and other shareholders. Accordingly, the Group has continued to account for its investment in RAWEC using equity method.

7.3 During 2017, the Group disposed of certain portion of its interest in Shuqaiq Water and Electricity Company, through Shuqaiq International Water and Electricity Company Limited, for a consideration of SR 106.4 million and recognised a gain of SR 65.4 million as other income (note 26).

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.4 Financial information regarding equity accounted investees

The table below represents the summarised financial information of its material associates and joint ventures:

Information on statement of financial position of material joint ventures and associates:

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investee	Goodwill and other adjustments	Carrying amount
31 December 2018													
Rabigh Arabian Water & Electricity Company	6,395,080	228,730	251,767	-	(207,586)	(4,076,745)	(222,915)	2,368,331	74.00%	1,752,565	110,356	577,379	2,440,300
SGA Marafiq Holdings W.L.L.	1,067,377	325	27	-	(8,891)	-	(799,986)	258,852	33.33%	86,275	315,689	111,670	513,634
Shuqaiq International Water and Electricity Company	672,736	31,832	5	(31,194)	(14,381)	(277,744)	(354,690)	26,564	53.34%	` 14,169	355,284	96,746	466,199
Saudi Malaysian Water and Electricity Company Limited	1,340,056	2,276	139,557	-	(1,051)	-	-	1,480,838	50.00%	740,419	-	468,279	1,208,698
Qurayyah Investment Company	1,360,432	44	26,915	-	(4,226)	-	(29,634)	1,353,531	35.00%	473,736	-	(15,316)	458,420
Rabigh Electricity Company	7,978,462	44,802	209,680	(325,107)	(186,796)	(5,389,023)	(845,247)	1,486,771	40.00%	594,708	-	67,925	662,633
Shuaa Energy 1 P.S.C	1,181,171	9,361	38,026	(21,532)	(138,356)	(990,985)	(7,875)	69,810	49.00%	34,207	62,464	-	96,671
Dhofar Generating Company	2,074,555	99,062	110,712	(68,408)	(64,237)	(1,495,972)	(151,411)	504,301	27.00%	136,161	-	(42,687)	93,474
Al Mourjan for Electricity Production Company	5,698,532	7,439	76,896	(135,252)	(153,952)	(3,985,228)	(238,962)	1,269,473	50.00%	634,737	-	(86,424)	548,313
Hassyan Energy Phase 1 P.S.C	3,663,873	36,964	33,268	-	(23,063)	(3,350,282)	(254,289)	106,471	26.95%	28,694	-	-	28,694
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 31)	2,254,149	16,687	382,274	(345,997)	(174,679)	(2,189,201)	(247,294)	(304,061)	70.0%	-	-	-	-
31 December 2017													
Rabigh Arabian Water & Electricity Company	6,334,590	328,156	300,826	(387,548)	(1,079,225)	(4,159,054)	(34,072)	1,303,673	37.00%	482,359	108,000	196,999	787,358
SGA Marafiq Holdings W.L.L.	1,014,449	5,399	20,845	-	(6,711)	-	(1,052,169)	(18,187)	33.33%	(6,062)	350,000	112,162	456,100
Shuqaiq International Water and Electricity Company	486,549	52,386	-	(23,694)	(11,857)	(296,068)	(367,705)	(160,389)	53.34%	(85,551)	367,705	113,754	395,908
Saudi Malaysian Water and Electricity Company Limited	1,144,679	4,695	29,249	-	(3,842)	-	-	1,174,781	50.00%	587,391	-	525,397	1,112,788
Qurayyah Investment Company	1,309,059	54	26,880	-	(3,110)	-	(29,634)	1,303,249	35.00%	456,137	-	(17,746)	438,391
Rabigh Electricity Company	8,400,209	128,469	225,863	(298,812)	(106,739)	(5,928,854)	(917,637)	1,502,499	40.00%	601,000	-	50,817	651,817
Shuaa Energy 1 P.S.C	1,181,964	24,326	32,919	(175,804)	(11,751)	(1,001,056)	(13,557)	37,041	49.00%	18,150	-	-	18,150
MAP Power Holding Company Limited ("MAP")	2,482,208	28,041	58,940	(37,173)	(35,642)	(2,409,069)	(147,943)	(60,638)	50.00%	(30,319)	-	(17,862)	(48,181)
Al Mourjan for Electricity Production Company	5,718,049	90,543	147,159	(249,608)	(319,921)	(5,405,114)	(157,124)	(176,016)	50.00%	(88,008)	696,925	(88,663)	520,254
Hassyan Energy Phase 1 P.S.C	2,010,466	17,593	18,245	-	(9,170)	(1,764,032)	(371,525)	(98,423)	26.95%	(26,525)	-	-	(26,525)

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.4 Financial information regarding equity accounted investees (continued)

Information on statement of financial position of material joint ventures and associates (continued):

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investee	Goodwill and other adjustments	Carrying amount
31 December 2016													
Rabigh Arabian Water & Electricity Company	6,461,262	279,891	336,541	(1,182,723)	(241,369)	(4,674,439)	(442)	978,721	37.00%	362,127	-	202,833	564,960
SGA Marafiq Holdings W.L.L.	851,848	57,747	12,906	-	(14,537)	-	(1,085,127)	(177,163)	33.33%	(59,048)	-	127,092	68,044
Shuqaiq International Water and Electricity Company	402,761	84,501	-	-	(76,282)	(687,188)	-	(276,208)	66.67%	(184,148)	-	190,167	6,019
Saudi Malaysian Water and Electricity Company Limited	1,057,297	4,917	79	-	(7,289)	-	-	1,055,004	50.00%	527,502	-	542,853	1,070,355
Qurayyah Investment Company	1,226,289	64	26,936	-	(1,998)	-	(29,634)	1,221,657	35.00%	427,580	-	(22,624)	404,956
Rabigh Electricity Company	8,637,041	90,021	216,624	(279,233)	(96,857)	(6,167,306)	(926,169)	1,474,121	40.00%	589,648	-	22,876	612,524
Shuaa Energy 1 P.S.C	790,966	1,007	422	(200,920)	(332,555)	(257,481)	-	1,439	49.00%	705	-	-	705
MAP Power Holding Company Limited ("MAP")	1,412,032	14,480	249,199	-	(296,828)	(1,333,539)	(76,787)	(31,443)	50.00%	(15,722)	-	(17,862)	(33,584)
Al Mourjan for Electricity Production Company	4,791,622	8,406	719	(1,496,186)	(44,194)	(3,276,456)	(184,698)	(200,787)	50.00%	(100,394)	-	(89,559)	(189,953)
Hassyan Energy Phase 1 P.S.C	1,030,058	290,498	501	-	(393,630)	(743,586)	(198,976)	(15,135)	26.95%	(4,079)	-	-	(4,079)

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.4 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates:

	Revenues	Share in results of equity accounted investees	Depreciation	Finance charges	Finance income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
For year ended 31 December 2018								
Rabigh Arabian Water & Electricity Company	**1,146,256**	**-**	**(194,654)**	**(253,429)**	**4,334**	**373,868**	**13**	**373,881**
SGA Marafiq Holdings W.L.L.	**-**	**182,185**	**-**	**(30,425)**	**-**	**144,898**	**145,083**	**289,981**
Shuqaiq International Water and Electricity Company	**-**	**113,724**	**-**	**(29,127)**	**177**	**87,490**	**100,551**	**188,041**
Saudi Malaysian Water and Electricity Company Limited	**-**	**254,254**	**-**	**(27)**	**421**	**246,289**	**92,898**	**339,187**
Qurayyah Investment Company	**-**	**8,117**	**-**	**(112)**	**-**	**7,026**	**43,559**	**50,585**
Rabigh Electricity Company	**923,539**	**-**	**(218,642)**	**(403,735)**	**1,814**	**120,903**	**97,613**	**218,516**
Shuaa Energy 1 P.S.C	**94,452**	**-**	**-**	**(66,386)**	**116**	**13,660**	**28,674**	**42,334**
Dhofar Generating Company	**386,157**	**-**	**(38,152)**	**(72,594)**	**-**	**3,521**	**31,575**	**35,096**
Al Mourjan for Electricity Production Company	**531,959**	**-**	**(138,980)**	**(208,428)**	**1,567**	**10,338**	**38,061**	**48,399**
Hassyan Energy Phase 1 P.S.C	**-**	**-**	**-**	**-**	**-**	**(170)**	**204,821**	**204,651**
For year ended 31 December 2017								
Rabigh Arabian Water & Electricity Company	1,115,641	-	(189,193)	(288,216)	2,042	324,965	205	325,170
SGA Marafiq Holdings W.L.L.	-	152,901	-	(23,181)	40	127,476	124,726	252,202
Shuqaiq International Water and Electricity Company Limited	-	93,094	-	(25,458)	46	66,610	63,424	130,034
Saudi Malaysian Water and Electricity Company Limited	-	234,657	-	(38)	-	273,426	68,870	342,296
Qurayyah Investment Company	-	68,592	-	(112)	-	68,959	12,698	81,657
Rabigh Electricity Company	952,162	-	(218,416)	(430,859)	1,714	154,645	43,391	198,036
Shuaa Energy 1 P.S.C	61,274	-	-	(41,587)	88	9,831	6,609	16,440
MAP Power Holding Company Limited (“MAP”)	151,155	-	-	(20,740)	3,965	(11,424)	(18,241)	(29,665)
Al Mourjan for Electricity Production Company	157,066	-	(31,600)	(58,364)	-	14,894	6,228	21,122
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(142)	(83,039)	(83,181)

** Profit or loss, other comprehensive income and total comprehensive income included in above table is before any intra-group transaction elimination or other group level adjustments.*

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.4 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates (continued):

	Revenues	Share in results of equity accounted investees	Depreciation	Finance charges	Finance income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
31 December 2016								
Rabigh Arabian Water & Electricity Company	887,014	-	(145,230)	(231,316)	1,798	211,075	(219)	210,856
SGA Marafiq Holdings W.L.L.	-	171,870	-	(29,512)	15	142,231	134,911	277,142
Shuqaiq International Water and Electricity Company Limited	-	109,859	-	(27,928)	28	84,783	90,093	174,876
Saudi Malaysian Water and Electricity Company Limited	-	206,485	-	(45)	-	205,735	79,808	285,543
Qurayyah Investment Company	-	17,942	-	(112)	-	16,713	(231)	16,482
Rabigh Electricity Company	898,057	-	(214,405)	(451,242)	599	373,378	111,930	485,308
ACWA Power Solafrica Bokpoort CSP Power Plant Proprietary	18,627	-	(407)	(412)	3,403	20,433	(31,143)	(10,710)
Shuaa Energy 1 P.S.C	-	-	-	-	-	(80)	(7,943)	(8,023)
MAP Power Holding Company Limited (“MAP”)	156,344	-	-	(18,791)	4,305	(15,124)	1,004	(14,120)
Al Mourjan for Electricity Production Company	-	-	-	-	-	(318)	20,034	19,716
Hassyan Energy Phase 1 P.S.C	-	-	-	-	2	(108)	(24,378)	(24,486)

** Profit or loss, other comprehensive income and total comprehensive income included in above table is before any intra-group transaction elimination or other group level adjustments.*

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8 NET INVESTMENT IN FINANCE LEASE

In accordance with the Power Purchase Agreements ("PPA") between the Group's subsidiaries in Morocco and its off-taker, the Group management has concluded that the PPA are within the scope of IFRIC 4, Determining Whether an Arrangement Contains a Lease. Further, management has assessed the lease classification as per the requirements of IAS-17 Leases and concluded that the arrangements are finance lease. Accordingly, finance lease receivable has been recognised in the consolidated financial statements.

The lease cash flows are denominated in multiple currencies. Accordingly, the minimum lease payments are determined separately for each currency involved using interest rate implicit in lease for respective currency.

The lease receivables under the finance lease terms are detailed as follows:

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
a) Net investment in finance leases consist of:			
Gross investment in finance leases (see (b) below)	**15,195,883**	4,702,391	4,402,593
Less: Unearned finance income (see (c) below)	**(5,864,264)**	(1,916,120)	(1,703,030)
	9,331,619	2,786,271	2,699,563
Analysed as:			
Current portion of net investment in finance lease	**216,891**	67,155	72,488
Non-current portion of net investment in finance lease	**9,114,728**	2,719,116	2,627,075
b) The future minimum lease payments to be received consist of:			
Within one year	**617,615**	204,031	192,248
After one year but not more than five years	**2,570,015**	1,030,640	936,396
Five years onwards	**12,008,253**	3,467,720	3,273,949
	15,195,883	4,702,391	4,402,593
c) The maturity of unearned finance income are as follows:			
Within one year	**400,724**	136,876	119,760
After one year but not more than five years	**1,519,103**	632,404	549,942
Five years onwards	**3,944,437**	1,146,840	1,033,328
	5,864,264	1,916,120	1,703,030

Finance income earned on the finance leases during the year was SR 145.2 million (2017: SR 88.8 million, 2016: SR 151 million) (note 23) which is net of loss of SR 116.9 million (2017: SR 49.1 million, 2016: SR Nil) due to fewer lease payments compared to original estimates resulted from lower production.

The total finance lease income in respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency respectively with respect to the lease.

The periodic rate of return used by the Group ranges from 2% to 9.45% (31 Dec 2017: 3.33% to 8.2%, 31 Dec 2016: 3.33% to 8.2%) per annum.

9 OTHER ASSETS

	Notes	**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016
Value Added Tax ("VAT") and other receivables from authorities	9.1	**274,818**	530,635	916,502
Advances to suppliers	9.2	**-**	-	167,375
Others		**45,140**	9,004	2,250
		319,958	539,639	1,086,127

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9 OTHER ASSETS (CONTINUED)

9.1 VAT receivables have been paid on purchases of goods and services and will be utilised against VAT liabilities for future periods. Current portion is included in accounts receivable, prepayments and other receivables.

9.2 As at 31 December 2016, the balance mainly represents advance payment made to suppliers by a subsidiary in Jordan.

10 INVENTORIES

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Spare parts and consumables	**281,815**	339,895	304,797
Diesel	**9,382**	13,821	9,404
Chemicals	**10,540**	15,102	7,585
Goods in transit	**672**	1,805	2,379
	302,409	370,623	324,165

11 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016
Trade accounts receivable		**1,265,963**	783,539	1,139,028
Less: Allowance for impaired receivables	11.1	**(64,334)**	(71,402)	(119,139)
Net trade accounts receivable	11.2	**1,201,629**	712,137	1,019,889
Prepayments, insurance and other receivables	11.3	**1,090,185**	718,510	613,380
Project development cost	11.4	**212,790**	100,178	82,889
Advances to suppliers		**39,735**	57,876	65,577
Dividend receivable	11.5	**-**	456	48,254
Value added tax and other receivables from authorities		**-**	31,354	11,467
Advances to employees		**22,021**	24,934	27,854
Others		**19,726**	10,176	16,887
		2,586,086	1,655,621	1,886,197

11.1 Allowance for impaired receivables is calculated using expected credit loss approach specified in IFRS 9. To measure the expected credit losses, trade receivables are evaluated based on customer credit rating and days past due information. The approach also incorporates forward looking information. Movement in allowance for impaired receivables is disclosed in note 35.1 (c).

11.2 Net trade account receivable includes SR 419.0 million (31 Dec 2017: SR 209.9 million, 31 Dec 2016: SR 241.0 million) receivable of CEGCO that includes SR 312.1 million (31 Dec 2017: SR 130.4 million, 31 Dec 2016: 49.0 million) of fuel revenues receivable on account of electricity supplied to the off-taker, National Electric Power Company ("NEPCO"), which is domiciled in the Hashemite Kingdom of Jordan. The payments of NEPCO are back stopped by the Government of Jordan Guarantee. The Government of Jordan has ownership interest in both CEGCO and NEPCO (note 18.1).

11.3 The balance includes reinsurance assets and premiums receivable amounting to SR 328.5 million (31 Dec 2017: SR 334.9 million, 31 Dec 2016: SR 252.8 million). Related insurance liabilities are included in accrued expenses and other liabilities (note 18.2).

11.4 Project development cost represents costs incurred on projects under development which are considered feasible as of the reporting date. A provision is made against the project costs based on an average project success rate and management's best estimates. During 2018, reversal of SR 4.4 million (31 Dec 2017: additional provision of SR 94.4 million, 31 Dec 2016: additional provision of SR 125.1 million) net of development and other expenses, write-offs were recorded in profit or loss, pursuant to recoveries of development expenses written off in prior periods.

11.5 Balance as of 31 December 2017 and 2016 represents dividend receivable from the Group's joint ventures.

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12 CASH AND CASH EQUIVALENTS

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Cash in hand and at bank	**3,221,133**	1,876,302	1,354,887
Short-term deposits with original maturities of three months or less	**2,277,132**	1,362,927	1,212
	5,498,265	3,239,229	1,356,099

12.1 As at 31 Dec 2018, restricted cash deposits of SR Nil (31 Dec 2017: SR Nil, 31 Dec 2016: SR 187 million) were provided by the Group as call margins for certain funding facilities granted by counterparty lenders to a subsidiary of the Group.

13 SHARE CAPITAL AND RESERVES

13.1 Share capital

The Company's authorised and fully paid up share capital consists of 645,762,878 shares (31 Dec 2017 and 2016: 547,603,721 shares) of SR 10 each.

Transaction cost incurred on issuance of shares is recognised in equity.

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Authorised and fully paid up shares of SR 10 each	**6,457,629**	5,476,037	5,476,037
Transaction cost	**(28,285)**	(9,822)	(9,822)
Share capital	**6,429,344**	5,466,215	5,466,215

During 2018, the Company issued 98,159,157 shares to "Public Investment Fund ("PIF")" at a premium amounting to SR 1,079.8 million. Total proceeds received against the shares issued net of transaction cost amounted to SR 2,042.9 million.

13.2 Other reserves

Movement in other reserve is given below:

	Cash flow hedge reserve	*Currency translation reserve*	*Share in OCI of equity accounted investees (note 7)*	*Actuarial losses*	*Other*	*Total*
Balance as at 1 January 2016	(131,187)	(160,572)	(872,703)	-	(27,180)	(1,191,642)
Changes during the year	(10,225)	13,462	245,525	(5,180)	-	243,582
Balance as at 31 December 2016	(141,412)	(147,110)	(627,178)	(5,180)	(27,180)	(948,060)
Balance as at 1 January 2017	(141,412)	(147,110)	(627,178)	(5,180)	(27,180)	(948,060)
Changes during the year	(50,276)	(2,110)	68,978	(2,624)	-	13,968
Balance as at 31 December 2017	(191,688)	(149,220)	(558,200)	(7,804)	(27,180)	(934,092)
Balance as at 1 January 2018	**(191,688)**	**(149,220)**	**(558,200)**	**(7,804)**	**(27,180)**	**(934,092)**
Changes during the year	**76,311**	**(182,656)**	**315,667**	**6,870**	**-**	**216,192**
Balance as at 31 December 2018	**(115,377)**	**(331,876)**	**(242,533)**	**(934)**	**(27,180)**	**(717,900)**

13 SHARE CAPITAL AND RESERVES (CONTINUED)

13.2 Other reserves (continued)

Cash flow hedge reserve
The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long term loan facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Currency translation reserve
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Share in other comprehensive income of equity accounted investees
Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

Other
This represents amount initially recognised for the put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary (note 13.5 (c)).

13.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit other stakeholders. Management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

13.4 Dividend

During 2018, the Company paid dividend of SR 235.1 million to its shareholders (31 Dec 2017: SR 208.9 million, 31 Dec 2016: SR 82.1 million).

13.5 Other financial liabilities

Other financial liabilities as reported in consolidated statement of financial position as of 31 December 2018 includes:

(a) SR 175.4 million (31 Dec 2017: SR 174.3 million, 31 Dec 2016: Nil) relating to call/put option on shares held by the Group over equity interests of non-controlling shareholders in a subsidiary. The option can be exercised by either party between 23 February 2019 till 23 February 2022.

(b) SR 711.7 million (31 Dec 2017 and 31 Dec 2016: Nil) on account of financial liabilities assumed on loss of control in a subsidiary.

(c) Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The option is likely to be exercised by 2020. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million. Subsequent changes in fair value are recognised in profit or loss with a corresponding increase / decrease in financial liabilities. If the contract expires without delivery, the carrying amount of the financial liability will be adjusted against equity and balance will be reclassified to profit or loss. The related accreted financial liability as at 31 Dec 2018 is SR 37.1 million (31 Dec 2017: SR 37.1 million, 31 Dec 2016: 32.6 million).

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14 NON-CONTROLLING INTEREST (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations:

Information on statement of financial position

	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Others* including eliminations	Total
As at 31 December 2018													
NCI %	**59.07%**	**58.10%**	**25.00%**	**58.00%**	**35.15%**	**60.00%**	**25.00%**	**25.00%**	**25.00%**	**40.00%**	**40.00%**		
Non-current assets	**723,476**	**1,997,339**	**2,548,180**	**451,424**	**111,877**	**1,350,067**	**3,506,550**	**2,808,678**	**655,856**	**1,994**	**1,776,093**		
Current assets	**570,134**	**159,735**	**267,870**	**31,030**	**39,236**	**58,824**	**277,865**	**117,482**	**66,564**	**80,967**	**265,551**		
Non-current liabilities	**(224,831)**	**(792,282)**	**(2,001,200)**	**(470,462)**	**(701)**	**(928,494)**	**(3,259,874)**	**(2,561,428)**	**(558,593)**	**(19,003)**	**(1,192,011)**		
Current liabilities	**(774,193)**	**(314,683)**	**(247,038)**	**(28,851)**	**(47,382)**	**(99,750)**	**(633,314)**	**(377,399)**	**(95,288)**	**(14,432)**	**(385,113)**		
Net assets / (liabilities)	**294,586**	**1,050,109**	**567,812**	**(16,859)**	**103,030**	**380,647**	**(108,773)**	**(12,667)**	**68,539**	**49,526**	**464,520**		
Net assets / (liabilities) attributable to NCI	**174,012**	**610,113**	**141,953**	**(9,778)**	**36,215**	**228,388**	**(27,193)**	**(3,167)**	**17,135**	**19,810**	**185,808**	**11,888**	**1,385,184**
As at 31 December 2017													
NCI %	59.07%	58.10%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%		
Non-current assets	852,540	2,016,365	2,692,371	490,829	119,646	1,606,652	3,265,911	2,421,547	609,730	2,404	1,508,553		
Current assets	355,321	165,953	245,646	55,453	85,371	65,818	163,555	95,887	71,809	64,801	35,409		
Non-current liabilities	(349,272)	(759,953)	(2,626,189)	(558,385)	(637)	(1,103,386)	(3,097,523)	(2,277,615)	(478,013)	(21,653)	(876,149)		
Current liabilities	(490,445)	(311,143)	(382,176)	(65,166)	(46,638)	(107,957)	(307,532)	(221,136)	(127,804)	(11,067)	(232,049)		
Net assets / (liabilities)	368,144	1,111,222	(70,348)	(77,269)	157,742	461,127	24,411	18,683	75,722	34,485	435,764		
Net assets / (liabilities) attributable to NCI	217,463	645,620	(17,587)	(44,816)	55,446	276,676	6,103	4,671	18,931	13,794	174,306	38,778	1,389,385

* *Others also include NCI pertaining to Rabigh Power Company ("RPC"). During 2018, the Group acquired an additional 34% interest in RPC for a consideration amounting to SR 70.7 million and having a carrying amount of SR 10.8 million. Difference between carrying amount and consideration paid is recorded directly within the equity.*

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14 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

Information on statement of financial position (continued)

	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Others* including eliminations	Total
As at 31 December 2016													
NCI %	59.07%	58.10%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	15%		
Non-current assets	914,749	2,069,172	2,652,198	413,152	139,108	1,317,326	2,111,796	1,694,826	194,242	3,124	20,718		
Current assets	383,396	180,096	837,076	75,905	149,785	68,467	58,485	147,899	49,223	79,009	42,459		
Non-current liabilities	(483,559)	(847,186)	(2,401,475)	(499,311)	(516)	(883,881)	(2,014,302)	(1,700,342)	(123,193)	(11,030)	(10,620)		
Current liabilities	(398,050)	(262,211)	(1,126,457)	(75,144)	(69,544)	(93,644)	(124,127)	(117,049)	(45,519)	(39,007)	(52,506)		
Net assets / (liabilities)	416,536	1,139,871	(38,658)	(85,398)	218,833	408,268	31,852	25,334	74,753	32,096	51		
Net assets / (liabilities) attributable to NCI	246,048	662,265	(9,665)	(49,531)	76,920	244,961	7,963	6,334	18,688	12,838	8	26,433	1,243,262

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14 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

Information on statement of profit of loss and other comprehensive income

	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Others including eliminations	Total
For year ended 31 December 2018													
Revenue	**592,441**	**603,980**	**148,563**	**68,631**	**14**	**228,370**	**117,546**	**31,329**	**39,309**	**84,183**	**101,598**		
Profit / (loss)	**15,221**	**(104,700)**	**(25,424)**	**(1,627)**	**(56,263)**	**(4,514)**	**(133,182)**	**(31,350)**	**(6,856)**	**24,514**	**13,359**		
OCI	**3,090**	**-**	**-**	**6,180**	**53**	**27,618**	**-**	**-**	**-**	**526**	**15,397**		
Total comprehensive income / (loss)	**18,311**	**(104,700)**	**(25,424)**	**4,553**	**(56,210)**	**23,104**	**(133,182)**	**(31,350)**	**(6,856)**	**25,040**	**28,756**		
Profit / (loss) allocated to NCI	**8,991**	**(60,831)**	**(6,356)**	**(944)**	**(19,776)**	**(2,708)**	**(33,296)**	**(7,838)**	**(1,714)**	**9,806**	**5,344**	**(15,750)**	**(125,072)**
OCI allocated to NCI	**1,825**	**-**	**-**	**3,584**	**19**	**16,571**	**-**	**-**	**-**	**210**	**6,159**	**(3,176)**	**25,192**
For year ended 31 December 2017													
Revenue	802,725	702,767	207,501	69,194	140,487	220,056	-	-	-	74,255	-		
Profit / (loss)	33,622	41,563	(31,689)	32,686	42,636	(8,466)	(7,830)	(6,651)	968	20,507	(1,853)		
OCI	(2,056)	361	-	(18,339)	(17)	(25,871)	-	-	-	-	(20,950)		
Total comprehensive income / (loss)	31,566	41,924	(31,689)	14,347	42,619	(34,337)	(7,830)	(6,651)	968	20,507	(22,803)		
Profit / (loss) allocated to NCI	19,861	24,148	(7,922)	18,958	14,987	(5,080)	(1,958)	(1,663)	242	8,203	(741)	38,067	107,102
OCI allocated to NCI	(1,214)	210	-	(10,636)	(6)	(15,522)	-	-	-	-	(8,380)	29,228	(6,320)
For year ended 31 December 2016													
Revenue	733,762	654,558	217,477	73,682	138,056	109,995	-	-	-	82,753	-		
Profit / (loss)	41,445	115,449	(43,954)	(21,285)	42,555	(395)	(1,342)	(7,323)	(7,085)	14,414	(569)		
OCI	(696)	2,434	-	1,196	(36)	(47,440)	-	-	-	-	-		
Total comprehensive income / (loss)	40,749	117,883	(43,954)	(20,089)	42,519	(47,835)	(1,342)	(7,323)	(7,085)	14,414	(569)		
Profit / (loss) allocated to NCI	24,482	67,076	(10,989)	(12,345)	14,958	(237)	(335)	(1,831)	(1,771)	5,765	(85)	(11,755)	72,933
OCI allocated to NCI	(411)	1,414	-	694	(13)	(28,464)	-	-	-	-	-	8,573	(18,207)

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15 LONG -TERM FINANCING AND FUNDING FACILITIES

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Bond issues	**2,999,129**	2,995,980	-
Bank borrowings	**15,754,190**	15,706,838	12,026,263
Total financing and funding facilities	**18,753,319**	18,702,818	12,026,263
Less: current portion shown under current liabilities	**(1,018,637)**	(864,400)	(574,715)
Non-current portion shown under non-current liabilities	**17,734,682**	17,838,418	11,451,548

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows and there is no recourse to the Company under any guarantee. The with-recourse facilities are direct borrowings or those guaranteed by the Company. The Group's financial liabilities are either fixed special profit bearing or at a margin above the relevant reference rates. The Group seeks to hedge long term floating exposures using derivatives (note 21).

The table below shows the current and non-current portion of long term financing and funding facilities with a further allocation of debt between corporate and projects. Corporate debt represents borrowings by the Companies listed in note 1 to the consolidated financial statements. While project financing includes direct borrowings by project companies and other holding companies (which are subsidiaries of the Group).

	Notes	***Interest rate***	***Maturity***	***Non-current portion***			***Current portion***		
		Fixed / variable		**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016	**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016
Bonds	*15.1*	Fixed	2039	**2,999,129**	2,995,980	-	**-**	-	-
Project financing:	*15.2*								
Recourse:									
ACWA Power Africa Holdings (Pty) Ltd.		Variable	2019	**-**	223,601	-	**188,051**	-	-
Floating Ships for Water Projects Company Limited ("Floating Ships")		Variable	2018	**-**	-	4,856	**-**	4,632	4,482
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	2020	**581,159**	549,937	345,618	**-**	-	-
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2020	**452,607**	422,090	328,261	**-**	-	-
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	2020	**43,594**	16,849	-	**-**	-	-
UPC Renewables S.A.		Fixed	2021	**59,582**	118,387	-	**-**	-	-
ACWA Power Morocco		Fixed	2019	**-**	-	-	**58,805**	-	-
Shuaibah Two Water Development Project ("Shuaibah II")		Variable	2019	**-**	176,896	-	**176,896**	-	-
Shuaibah National Company for Water & Power ("SNC")		Fixed	2018	**-**	-	304,960	**-**	-	24,288
Sakaka Solar Energy Company ("Sakaka")		Variable	2020	**185,805**	-	-	**-**	-	-
ACWA Power Renewable Energy Holding Limited ("APREH")		Fixed	2023	**1,361,339**	-	-	**-**	-	-
ACWA Power Laayoune		Fixed	2020	**56,160**	19,391	-	**-**	-	-
ACWA Power Boujdour		Fixed	2020	**21,115**	14,870	-	**-**	-	-
				2,761,361	1,542,021	983,695	**423,752**	4,632	28,770

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15 LONG -TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

	Interest rate	*Maturity*	*Non-current portion*			*Current portion*		
	Fixed / variable		**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016	**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016
Non-recourse:								
International Barges Company for Water Desalination ("Bowarege")	Fixed	2017	**-**	-	-	**-**	-	36,226
Floating Ships for Water Projects Company Limited ("Floating Ships")	Variable	2018	**-**	-	2,242	**-**	2,510	2,430
ACWA Power Barka SAOG ("ACWA Barka")	Both	2020-24	**471,580**	589,335	694,960	**122,356**	111,050	106,832
ACWA Power Barka Electric Co LLC ("APBEC")	Fixed	2021	**13,208**	26,415	39,623	**13,208**	13,208	13,208
Central Electricity Generating Company ("CEGCO")	Both	2018-24	**158,909**	287,041	410,478	**132,207**	153,545	123,518
ACWA Power CF Karad PV Park EAD ("Karad PV")	Both	2028-32	**341,015**	376,799	397,253	**12,346**	13,011	31,214
ACWA Power Bokpoort Holdings Proprietary Limited	Variable	2019	**-**	11,240	176,248	**-**	-	-
ACWA Power Ouarzazate S.A. ("APO I")	Fixed	2038	**1,951,602**	2,108,338	1,940,025	**93,791**	87,590	63,016
ACWA Power Ouarzazate II S.A. ("APO II")	Fixed	2040	**2,661,794**	2,593,146	1,643,666	**58,338**	78,273	-
ACWA Power Ouarzazate III S.A. ("APO III")	Fixed	2040	**2,093,386**	1,855,525	1,351,355	**36,604**	20,638	-
ACWA Power Ouarzazate IV S.A. ("APO IV")	Fixed	2035	**217,142**	29,536	-	**12,320**	-	-
ACWA Guc Elektrik Isletme ve Yonetim Sanayi ve Ticaret (note 31)	Both	2032	**-**	2,268,281	1,995,056	**-**	322,046	136,216
ACWA Power Solafrica Bokpoort CSP Power Plant (RF)	Variable	2032	**869,496**	1,016,880	702,102	**-**	17,518	6,862
UPC Renewables S.A.	Variable	2035	**471,666**	342,850	69,475	**22,073**	22,478	-
Shuaibah Two Water Development Project ("Shuaibah II")	Both	2040	**790,131**	111,145	-	**9,906**	-	-
ACWA Power Laayoune	Fixed	2035	**218,863**	16,628	-	**16,037**	-	-
ACWA Power Boujdour	Fixed	2035	**78,255**	4,036	-	**4,590**	-	-
The Local Company for Water And Solar Projects ("MAFRAQ")	Variable	2035	**177,888**	155,488	-	**7,838**	-	-
Al Zarqa Plant for Energy Generation ("ZARQA")	Variable	2035	**1,161,208**	855,847	-	**47,521**	17,150	-
Sakaka Solar Energy Company ("Sakaka")	Variable	2020	**92,086**	-	-	**-**	-	-
Others	Both	2017-21	**6,976**	-	-	**5,000**	-	26,423
			11,775,205	12,648,530	9,422,483	**594,135**	859,017	545,945
Total – project financing			**14,536,566**	14,190,551	10,406,178	**1,017,887**	863,649	574,715
Corporate debt:								
Recourse:								
Revolving Corporate Murabaha Facility and others	Variable	2021-22	**11,487**	464,387	857,870	**750**	751	-
Non-recourse:								
ACWA Power Global Holding	Interest free	2020	**187,500**	187,500	187,500	**-**	-	-
Total – corporate debt			**198,987**	651,887	1,045,370	**750**	751	-
Total financing and funding facilities			**17,734,682**	17,838,418	11,451,548	**1,018,637**	864,400	574,715

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15 LONG-TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

15.1 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814 million. The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039.

The bonds are collateralised by cash flows derived from certain equity accounted investees and subsidiaries of the Group.

15.2 Borrowings by project companies are primarily secured against underlying assets of the respective project companies, except borrowings that are with recourse to the Group amounting to SR 3,185.1 million as of 31 December 2018 (31 Dec 2017: SR 1,546.7 million, 31 Dec 2016: SR 1,012.5 million).

16 EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES

16.1 The movement of employee benefits (end of service) liability (unfunded) is as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Balance at beginning of the year	**123,980**	108,481	92,184
Charge for the year recorded in profit or loss	**20,024**	29,249	16,959
Actuarial (gains) / losses recognised in other comprehensive income	**(7,992)**	3,468	5,193
Paid during the year	**(12,654)**	(17,198)	(5,805)
Derecognised on loss of control in subsidiary	**(57)**	-	-
Currency translation difference	**(153)**	(20)	(50)
Balance at end of the year	**123,148**	123,980	108,481

16.2 Details of employees' end-of-service expense charge to profit or loss is as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Interest cost	**5,188**	5,154	5,415
Current service cost	**14,222**	23,805	11,544
Past service cost	**614**	290	-
Total	**20,024**	29,249	16,959

16.3 The principal actuarial assumptions used are as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Discount rate	**5.25% - 6.5%**	4.25% - 6.5%	4.25% - 6.5%
Increments	**2.5% - 10%**	2.5% - 10%	2.5% - 10%
Resignation rate			
Up to the age of 20 years	**4%-22.5%**	4%-22.5%	4%-22.5%
From the age of 21 to 25 years	**4% - 18.8%**	4% - 18.8%	4% - 18.8%
From the age of 26 to 30 years	**4% - 15%**	4% - 15%	4% - 15%
From the age of 31 to 50 years	**3% - 7.5%**	3% - 7.5%	3% - 7.5%
Above 51	**1% - 3.8%**	1% - 3.8%	1% - 3.8%

16.4 Sensitivity analysis

	Change (bps)	***Increase (decrease)***		
		31 Dec 2018	31 Dec 2017	31 Dec 2016
Discount rate	**+100**	**(10,475)**	(10,612)	(9,969)
	- 100	**11,831**	11,980	11,300
Increments	**+100**	**7,752**	8,326	7,323
	- 100	**(7,118)**	(7,637)	(6,713)

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17 DEFERRED REVENUE

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Balance at beginning of the year	**83,560**	75,352	104,607
Deferred during the year	**52,744**	50,124	11,614
Recognised during the year	**(69,196)**	(41,916)	(40,869)
Balance at end of the year	**67,108**	83,560	75,352

18 PAYABLES AND ACCRUALS

	Notes	31 Dec 2018	31 Dec 2017	31 Dec 2016
Accounts payable	18.1	**1,668,280**	1,282,471	1,807,337
Accrued expenses and other liabilities	18.2	**843,786**	721,146	689,023
Payable to a shareholder of equity accounted investee	18.3	**819,197**	-	-
Salaries and benefits payable		**172,799**	147,053	108,817
Financial charges on letters of guarantee and loans		**190,911**	149,320	8,980
Value added tax payable		**123,898**	7,962	-
Other payables		**23,157**	65,963	69,007
		3,842,028	2,373,915	2,683,164

18.1 Accounts payable include SR 312.1 million (31 Dec 2017: SR 130.4 million, 31 Dec 2016: 49.0 million) on account of fuel charges due to supplier. The fuel cost is a pass through to NEPCO, the off-taker.

The payments by NEPCO are back stopped by a Government of Jordan guarantee. The Government of Jordan has an ownership interest in both CEGCO and NEPCO (note 11.2).

18.2 The balance includes reinsurance liabilities and premiums payable amounting to SR 323.9 million (31 Dec 2017: SR 330.2 million, 31 Dec 2016: 242.9 million). Related insurance receivable is included in prepayments, insurance and other receivables (note 11.3).

18.3 The balance represents payable to a minority shareholder in respect of purchase of additional shareholding in an equity accounted investee and a subsidiary (note 7 & note 14).

18.4 Other liabilities, shown under non-current liabilities, amounting to SR 201.5 million (31 Dec 2017: SR 200.3 million, 31 Dec 2016: SR 42.0 million) primarily includes liability in relation to long-term spares agreement entered in by one of the Group's subsidiaries, First National Operation & Maintenance Company ("NOMAC").

19 SHORT-TERM FINANCING FACILITIES

This represents working capital loans obtained and drawn by subsidiaries and project companies and outstanding at the reporting date amounting to SR 618.9 million (2017: SR 259.5 million, 2016: SR 255.6 million).

20 ZAKAT AND TAXATION

20.1 Amounts recognized in profit or loss

	Notes	31 Dec 2018	31 Dec 2017	31 Dec 2016
Zakat and current tax	20.2 and 20.5	**50,142**	100,832	30,257
Deferred tax	20.4	**(248,372)**	81,616	38,632
Zakat and tax (credit) / charge		**(198,230)**	182,448	68,889
Less: Tax credit / (charge) from discontinued operation	31	**235,704**	50	(23)
Zakat and tax expense reflected in profit or loss		**37,474**	182,498	68,866

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20 ZAKAT AND TAXATION (CONTINUED)

20.2 Zakat

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company is assessed as a mixed entity in Saudi Arabia commencing from 2014. As at 31 December 2018 and 2017, the non-Saudi shareholder owns 4.30% (2017 and 2016: 5.07%) of the Company's shares and the remaining 95.70% (2017 and 2016: 94.93%) is owned by Saudi shareholders.

Prior to 2014, the Group was subject to a consolidated zakat assessment, wherein wholly-owned subsidiaries (either direct subsidiaries or subsidiaries of direct subsidiaries) were consolidated for the purpose of zakat assessment. Pursuant to the change in shareholding in 2014, the Company is assessed on an unconsolidated basis for zakat.

The Company has filed zakat returns for all the years up to 2017. The General Authority for Zakat and Tax ("GAZT") has sought certain clarifications on the years from 2009 to 2016 and the Company has filed the response. However, no final Zakat assessment has been issued yet, in respect of the Zakat returns filed for these years.

The principal elements of the zakat base attributable to Saudi shareholders are as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Shareholder's equity	**7,404,171**	8,097,517	7,521,025
Zakatable / adjusted (loss) profit for the year	**(1,624,263)**	76,623	143,659
Non-current liabilities	**39,810**	28,089	496,867
Book value of long term assets	**(7,028,481)**	(10,614,840)	(7,938,426)
Zakat base	**(1,208,763)**	(2,412,611)	223,125

20.3 Taxation

Taxation summaries of the Company and its major subsidiaries, which are subject to tax in their respective jurisdictions, are set out below:

ACWA Power (the Company)
IFC, non-Saudi shareholder of the Company, is exempt from income tax in the Kingdom of Saudi Arabia as confirmed by GAZT as per letter dated 15/7/1436/H, NO 4954/16/1436 and therefore no tax is levied on the Company in the Kingdom of Saudi Arabia.

ACWA Barka (Oman) ("Barka")
Barka has filed its tax returns for the periods up to 31 December 2017. The assessments for the years 2001 to 2012 were finalised by the Department of Taxation out of which Barka has assessed losses for the years till 2009.

In accordance with Royal Decree No. 54/2000, Barka was exempted from income tax for a period of five years with effect from commencement of operations of the project i.e. from 11 June 2003 to 10 June 2008 (the Tax Holiday Period). At the time of issuance of the Royal Decree, Barka was eligible to carry forward its tax losses indefinitely pursuant to the provisions of the Foreign Capital investment Law. However, the Department of Taxation, ruled that tax losses relating to the Tax Holiday Period cannot be carried forward which was contested by Barka at different Appellate and Court forums through 2008 to 2017 including appeal at the Omani Supreme Court.

During March 2018, the Company received the final written judgment of Supreme Court on the issue of carry forward of tax losses incurred during the tax exemption period (2003 - 2008) and disallowance of the technical services fees. The written decision of the Supreme Court confirmed that Barka is not eligible to carry forward its tax losses related to tax holiday period while on the issue of disallowance of Technical Services Fee, the Supreme Court decided in favour of Barka. Also, the department of tax has, in its assessments for the years 2010 to 2012 allowed fully the technical fees paid by Barka. The impact of this ruling was fully incorporated in the financial statements for the year ended 31 December 2017.

Further during 2018, the tax department also issued Order Giving Effect to the Supreme Court judgment issued for the Tax Years 2006-2009 in which it allowed for the tax depreciation of project development and technical services fees incurred by the Company during the Tax Year 2003 and also allowed for non capitalised technical services fees incurred during respective Tax Years. In view of the Supreme Court verdict, the tax losses incurred during the tax exemption period are not allowed to be carried forward. Revised assessment orders until the Tax Year 2009 show a tax loss position for Barka.

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20 ZAKAT AND TAXATION (CONTINUED)

20.3 Taxation (continued)

ACWA Barka (Oman) ("Barka") (continued)
No other tax related matters are outstanding in Commercial Courts as of the financial statements approval date.

CEGCO (Jordan)
CEGCO has submitted its income tax returns for Aqaba location up to 2017. Final clearance has been received from the Income & Sales Tax Department for Aqaba location up to 2015.

CEGCO has also submitted its income tax returns for all locations other than Aqaba up to 2017. Final clearance has been received from the Income & Sales Tax Department for all locations other than Aqaba for the years up to 2016.

Bokpoort (South Africa)
A favourable Staged Consignment Ruling ("SCR") has been obtained for the Bokpoort project which would enable the classification of all the goods imported in relation to the project as a single unit (one power station) and a lower import duty rate would be applicable. On the corporate income tax side, the Project Company continues to be taxable at 28% as per the domestic tax laws.

Morocco (Project Companies)
Under the investment agreement with the Government of Morocco, a customs duty exemption is available to the Projects. Corporate income tax is payable by the Project Company on its profits at the domestic tax rates (progressive rates and the maximum being 31%).

20.4 Deferred tax - Movement in deferred tax balances

The deferred tax asset / (liability) and deferred tax credit / (charge) in the consolidated financial statements are attributable to the following items:

					As at 31 Dec		
	Net balance at 1 Jan	**Recognised in profit or loss**	**Recognised in OCI including currency translation differences**	**De-recognition on loss of control of a subsidiary**	**Net balance**	**Deferred tax assets**	**Deferred tax liabilities**
2018							
Property, plant and equipment	**(582,478)**	**247,802**	**(34,343)**	**(208,771)**	**(577,790)**	**(337,022)**	**(240,768)**
Unused tax losses	**337,421**	**1,486**	**-**	**-**	**338,907**	**338,907**	**-**
Fair value of derivatives	**8,930**	**-**	**15,048**	**(4,829)**	**19,149**	**19,149**	**-**
End-of-service employee benefit liability	**5,860**	**148**	**254**	**-**	**6,262**	**6,262**	**-**
Accruals, provisions and others	**2,789**	**(1,064)**	**-**	**-**	**1,725**	**6,733**	**(5,008)**
	(227,478)	**248,372**	**(19,041)**	**(213,600)**	**(211,747)**	**34,029**	**(245,776)**
2017							
Property, plant and equipment	(345,888)	(236,590)	-	-	(582,478)	(327,229)	(255,249)
Unused tax losses	181,961	155,460	-	-	337,421	337,421	-
Fair value of derivatives	10,801	-	(1,871)	-	8,930	8,930	-
End-of-service employee benefit liability	5,815	45	-	-	5,860	5,860	-
Accruals, provisions and others	3,320	(531)	-	-	2,789	2,789	-
	(143,991)	(81,616)	(1,871)	-	(227,478)	27,771	(255,249)

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20 ZAKAT AND TAXATION (CONTINUED)

20.4 Deferred tax - Movement in deferred tax balances (continued)

					As at 31 Dec		
2016	Net balance at 1 Jan	Recognised in profit or loss	Recognised in OCI including currency translation differences	De-recognition on loss of control of a subsidiary	Net balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(125,548)	(220,340)	-	-	(345,888)	7,473	(353,361)
Unused tax losses	-	181,961	-	-	181,961	-	181,961
Fair value of derivatives	11,604	-	(803)	-	10,801	10,801	-
End-of-service employee benefit liability	7,967	(2,152)	-	-	5,815	5,815	-
Accruals, provisions and others	1,421	1,899	-	-	3,320	3,320	-
	(104,556)	(38,632)	(803)	-	(143,991)	27,409	(171,400)

20.5 Zakat and current tax provision for the year

The movement in zakat and tax provision for the year was as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
At the beginning of the year	**110,045**	46,242	89,386
Reversal of prior period provision	**-**	-	(17,621)
Charge for the year	**50,142**	100,832	47,878
Payments	**(46,423)**	(37,029)	(73,401)
At the end of the year	**113,764**	110,045	46,242

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21 DERIVATIVES AND CASH FLOW HEDGES

As per the provisions of facility agreements, certain equity accounted investees and subsidiaries are required to hedge the interest rate risk on loans obtained by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate risk and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

Also, under shareholders' agreement, the Group holds put and call options on the equity ownership of another shareholder in an equity accounted investee. These are measured as derivatives with changes in fair value recognised in profit or loss.

The tables below show a summary of the hedged items, the hedging instruments, trading derivatives and their notional amounts and fair values for the Company and its subsidiaries. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of market risk nor credit risk.

		Notional			*Positive fair value*			*Negative fair value*		
		31 Dec 2018	31 Dec 2017	31 Dec 2016	**31 Dec 2018**	31 Dec 2017	31 Dec 2016	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Hedged items	***Hedging instruments***									
Interest payments on floating rate loans	Interest rate swaps	**2,951,658**	4,693,954	3,701,999	**12,817**	-	4,246	**(125,587)**	(180,627)	(125,069)
Highly probable forecast transactions	Forward foreign exchange contracts	**29,776**	145,864	173,368	**-**	-	-	**(17,624)**	(25,774)	(35,034)
Foreign currency interest payments on floating rate loans	Cross-currency interest rate swap	**125,250**	129,849	142,350	**456**	-	16,508	**-**	(6,281)	-
					13,273	-	20,754	**(143,211)**	(212,682)	(160,103)
Trading derivatives										
Equity options - Purchased call option		**-**	550,545	550,545	**-**	64,047	64,047	**-**	-	-
Total					**13,273**	64,047	84,801	**(143,211)**	(212,682)	(160,103)

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity of the Group.

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22 RELATED PARTY TRANSACTIONS AND BALANCES

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

Particulars	***Notes***	***Relationships***	***Transactions for the year ended***		
			31 Dec 2018	31 Dec 2017	31 Dec 2016
Revenue		Affiliates	**1,429,192**	1,557,647	1,186,576
Service fees		Joint ventures	**55,845**	75,135	65,476
Financial charges		Joint venture	**16,942**	10,087	10,563
Financial charges on loan to a related party	29	Affiliates	**4,668**	4,876	5,905
Key management personnel compensation including director's remuneration		-	**32,229**	41,029	33,485

Other transactions with shareholders of the Company and its equity accounted investees are disclosed in note 31 and note 7.2 respectively.

Related parties	***Notes***	***Relationships***	***Balances as at***		
			31 Dec 2018	31 Dec 2017	31 Dec 2016
Due from related parties					
Current :					
Al Mourjan for Electricity Production Company	(a)	Joint venture	**67,084**	165,374	6,635
Rabigh Electricity Company	(a)	Joint venture	**24,239**	22,826	20,232
Rabigh Arabian Water & Electricity Company	(a)	Joint venture	**120,355**	104,104	85,040
Rabigh Arabian Water & Electricity Company – Loans	(d)	Joint venture	**-**	299,557	-
Rakaa and its affiliates	(b)	Affiliates	**-**	53,726	57,224
Shuqaiq Water and Electricity Company	(a)	Joint venture	**27,226**	27,755	24,189
Shuaibah Water and Electricity Company	(a)	Joint venture	**27,758**	21,555	15,082
Shuaibah Expansion Project Company	(a)	Joint venture	**8,361**	8,573	11,113
Hajr for Electricity Production Company	(a)	Joint venture	**71,415**	131,159	271,747
Dhofar O&M Company	(e)	Joint venture	**10,733**	-	-
Hassyan Energy Phase 1 P.S.C	(e)	Joint venture	**11,241**	7,188	272,800
ACWA Power Oasis Three	(e)	Joint venture	**52,530**	-	-
Noor Energy 1 P.S.C	(a)	Joint venture	**82,503**	-	-
Haya Power & Desalination Company	(f)	Joint venture	**120,263**	-	-
Other related parties		Affiliates	**46,962**	13,082	-
			670,670	854,899	764,062
Non-current :					
Hassyan Energy Phase 1 P.S.C	(h)	Joint venture	**61,612**	61,612	61,612
Qurayyah Investment Company	(e)	Joint venture	**10,372**	10,372	10,372
Rabigh Arabian Water & Electricity Company	(d)	Joint venture	**-**	-	299,557
			71,984	71,984	371,541
Due to related parties					
Current:					
Rabigh Arabian Water & Electricity Company	(g)	Joint venture	**-**	-	89,052
Non-current :					
Loans from minority shareholders of subsidiary	(c)	Minority shareholders of a subsidiary	**81,176**	84,795	78,474
Samsung C&T Corporation	(i)	Shareholder of affiliate	**-**	57,583	33,622
Other related parties		Affiliate	**-**	-	7,503
			81,176	142,378	119,599

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22 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Due from project companies mainly include amounts due by project companies to NOMAC (and its subsidiaries) for O&M services provided to these project companies under O&M contracts.

(b) Significant portion of receivable represents invoices outstanding in relation to supply of desalinated water to Saline Water Conversion Corporation ("SWCC"), the ultimate customer, which were billed by Bowarege to Rakaa Saudi Power and Water Company Limited ("Rakaa Saudi"). The balance also includes receivable from Rakaa International Service Company on account of bridge facility repayments made on its behalf by Floating Ships for Water Projects Company Limited.

(c) These represent shareholder loans to ACF Renewable Energy Limited. The loans are due for repayment on 31 August 2024 and carry profit rate at 5.75% per annum.

(d) The amount outstanding as of 31 December 2017 represent the subordinated loan to an equity accounted investee which carried a profit rate of LIBOR plus an agreed margin. During 2018, the entire balance was capitalised as an investment in equity accounted investees.

(e) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.

(f) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of Haya Power & Desalination Company.

(g) The amount represents the subordinated loan to an associate that has no specific repayment date and carries a profit rate of LIBOR plus an agreed margin.

(h) The balance represents sub-ordinated advance provided to related parties that has no specific repayment and bears no profit rate. As per the terms of the agreement the advance repayment will not occur for at least a period of one year. Accordingly, the balance is shown as a non-current asset.

(i) The balance outstanding as of 31 December 2017 and 31 December 2016 represents shareholder loan obtained by ACWA Guc that had a maturity in 2031 and carried a profit rate of LIBOR plus 5% per annum. ACWA Guc is deconsolidated effective from 16 December 2018 (refer note 31).

23 REVENUE

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Services rendered		**1,682,951**	1,733,105	1,260,182
Sale of electricity - Capacity		**1,102,159**	813,311	558,542
Energy		**425,618**	730,603	821,024
Sale of water - Capacity		**152,151**	333,476	326,745
Output		**46,154**	83,641	77,745
Finance lease income	8	**145,169**	88,763	151,079
		3,554,202	3,782,899	3,195,317

Sale of electricity during the period includes SR 0.57 billion (31 Dec 2017: SR 0.80 billion, 31 Dec 2016: SR 0.73 billion) relating to electricity supplied by CEGCO to NEPCO, the off-taker. This includes fuel cost of SR 0.25 billion (31 Dec 2017: SR 0.46 billion, 31 Dec 2016: 0.37 billion) which is currently on a pass through arrangement to NEPCO. The Government of Jordan has an ownership interest in CEGCO and NEPCO.

24 OPERATING COSTS

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Natural gas and fuel cost		**534,082**	787,920	658,898
Direct material cost		**486,127**	403,728	299,769
Staff cost		**360,106**	333,259	315,356
Depreciation	5	**286,788**	242,628	255,061
Operating and technical fee		**206,727**	297,771	197,282
Other direct overheads		**128,821**	107,245	122,032
		2,002,651	2,172,551	1,848,398

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25 GENERAL AND ADMINISTRATION EXPENSES

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Salaries and other employee benefits		**396,365**	357,975	284,714
Provisions		**30,596**	100,639	66,833
Professional and legal fees		**65,157**	72,950	43,866
Rent and utilities expenses		**42,389**	39,248	38,201
Travel expenses		**28,834**	32,730	26,653
Depreciation expense	5	**17,741**	18,512	16,185
Communication and subscription costs		**21,141**	16,483	15,860
Public relation expenses		**14,982**	14,828	24,670
Repairs and maintenance expenses		**9,011**	12,568	5,508
Directors' remuneration		**8,577**	9,618	10,294
Others		**56,066**	55,054	74,703
		690,859	730,605	607,487

26 OTHER INCOME

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Income earned on deposits		**77,873**	33,264	17,684
Gain on partial disposal of equity accounted investee	7.3	**-**	65,367	-
Unrealised gain on derivatives		**-**	-	38,172
Gain on re-measurement of existing equity interest upon acquisition	26.2	**-**	-	37,683
Others		**-**	6,348	4,111
		77,873	104,979	97,650

26.1 In addition to the amounts mentioned in the above table, income in relation to technical, operational, construction and other financial services amounting to SR 179.6 million (31 Dec 2017: SR 190.3 million, 31 Dec 2016: SR 85.6 million) has been presented as other operating income.

26.2 In April 2016, the Group obtained control over ACWA Power Solafrica Bokpoort CSP Power Plant Proprietary Limited ("Bokpoort") upon commencement of commercial operations. Assets and liabilities of the Bokpoort were reflected in the consolidated financial statements for the year ended 31 December 2016 at their carrying amounts.

As required by IFRS as endorsed in KSA, the Group performed a purchase price allocation and recorded a gain of SR 37.7 million. Fair value of net assets and NCI on acquisition date amount to SR 440.0 million and SR 268.0 million respectively.

27 IMPAIRMENT (LOSS) / REVERSAL AND OTHER EXPENSES, NET

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Impairments (loss) / reversal	27.1	**(556,437)**	48,458	-
Liquidated damages, net of recoveries	27.2	**(67,311)**	-	-
		(623,748)	48,458	-

27.1 Impairments

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Impairment (loss) / reversal on property, plant and equipment	27.1.1 / 5.3	**(443,937)**	63,513	-
Impairment loss on goodwill	6	**(112,500)**	(15,055)	-
		(556,437)	48,458	-

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27 IMPAIRMENT (LOSS) / REVERSAL AND OTHER EXPENSES, NET (CONTINUED)

27.1 Impairments (continued)

27.1.1 Impairment loss for 2018 relates to the impairment in the carrying value of property, plant and equipment of the Group's subsidiaries namely Barka, CEGCO and Bowarege located in the Sultanate of Oman, Hashemite Kingdom of Jordan and the Kingdom of Saudi Arabia respectively.

Barka:
During 2018 the Group recognised impairment loss amounting to SR 309.7 million on Barka's MSF water plant with 20 MIGD capacity. Barka was not in a position to assume operations of the MSF Water Desalination Plant from 2022 onwards under the Power 2022 Procurement Process as it is not allowed to do so pursuant to the outcome of the Request for Offer ("RFO") bidding process for the two RO Plants. This impact had to be taken to the profit or loss of the current year as required by IAS 36 "Impairment of Assets".

Recoverable value was estimated based on value in use method as it reflects more accurately the manner in which the economic benefits embodied in the asset expected to be realised by the entity. All future cash flows were based on management's best estimate about the future course of action that Barka would endeavour to carry out. Barka used a pre-tax discount rate of 6.6% in assessing the Present Value (PV) of future cash flows.

CEGCO:
While performing annual impairment testing in one of the Group's subsidiaries, namely CEGCO, management noted an impairment of SR 63.9 million in one of the operating unit, accordingly this amount has been recorded in profit or loss of the year.

Bowarege:
Bowarege's, a Group's subsidiary, off take agreement has expired for which management is currently pursuing renewal option. While performing the impairment testing of plant and equipment ("assets"), the Group noted that carrying amounts of assets was lower than recoverable amount by SR 70.4 million. The impact has been recorded as impairment loss in profit or loss.

27.2 Liquidated damages, net of recoveries

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Liquidated damages expense	**(146,364)**	-	-
Liquidated damages recovery	**79,053**	-	-
	(67,311)	-	-

This represents liquidated damages due to or paid to off taker in accordance with terms of power and water purchase agreements on account of delay in achievement of commercial operation. Liquidated damages presented in profit or loss are net of any liquidated damages negotiated with EPC contractor by the Group's subsidiaries

28 EXCHANGE LOSS / (GAIN), NET

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Realised exchange loss / (gain)	**5,076**	13,187	(42,329)
Unrealised exchange loss / (gain)	**8,740**	(51,518)	(16,183)
	13,816	(38,331)	(58,512)

29 FINANCIAL CHARGES, NET

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Financial charges on borrowings		**700,035**	448,196	247,964
Financial charges on letters of guarantee		**65,209**	41,022	56,475
Financial charges on loans from a related party	22.1	**4,688**	4,876	5,905
Other financial charges		**1,763**	5,461	1,992
		771,695	499,555	312,336

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30 (LOSS) / EARNINGS PER SHARE

30.1 The weighted average number of shares outstanding during the period (in thousands) are as follows:

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Issued ordinary shares as at	**645,763**	547,604	547,604
Weighted average number of ordinary shares outstanding during the year ended	**596,280**	547,604	547,604

30.2 The basic and diluted (loss)/ earnings per share are calculated as follows:

Net (loss) / profit for the year attributable to equity holders of the Parent	**(773,842)**	920,240	855,908
Profit for the year from continuing operations attributable to equity holders of the Parent	**736,597**	835,233	875,109
Basic and diluted (loss) / earnings per share (in SR)	**(1.30)**	1.68	1.56
Basic and diluted earnings per share for continuing operations (in SR)	**1.24**	1.53	1.60

31 DISCONTINUED OPERATION

31.1 On 16th December 2018, certain shareholders of the Company (hereinafter referred as "the Acquirer") acquired an effective 30% interest in a wholly owned subsidiary of the Group, ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") at fair value. As part of the transaction, the Acquirer entered in a joint venture agreement based on which the decisions for the relevant activities that most significantly affect the returns of ACWA GUC will be taken jointly by the Group and the Acquirer. These activities include decisions relating to establishing operating and capital decisions, appointing the key management personnel or other service providers, decisions about capital additions to power plant facilities, decisions on financing agreements, decisions on the operation and maintenance of the power plant and selection of suppliers and the daily decisions on gas supply and on power sales that impact ACWA GUC's returns.

Consequently, the Group lost control in ACWA GUC and deconsolidated its net assets and recognised a loss of SR 672.0 million. Further, at the date of the joint venture agreement, fair value of the Group's remaining 70% ownership in ACWA GUC was assessed as nil by the Group and the management has started to account for ACWA GUC using the equity method of accounting in accordance with the requirements of *IFRS 11 – Joint Arrangements.*

Summary of the loss recognised on loss of control is as follows:

	31 Dec 2018
Carrying amount of net liabilities derecognised	**(390,813)**
Fair value of consideration received	**-**
	(390,813)
Accumulated currency translation loss recycled to profit or loss from OCI	**141,330**
Accumulated hedge reserve recycled to profit or loss from OCI	**47,711**
Additional liabilities assumed on loss of control	**873,726**
Total loss recognised on loss of control	**671,954**

In addition to above the Group has consolidated losses amounting to SAR 1,038.6 million till 16 December 2018 from the date of initial investment in ACWA GUC.

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31 DISCONTINUED OPERATION (CONTINUED)

31.2 Results of discontinued operations for the year 2018, 2017 and 2016 are as follows:

	Notes	**31 Dec 2018**	31 Dec 2017	31 Dec 2016
Revenue		**686,492**	197,805	-
Operating costs		**(748,339)**	(24,583)	-
General and administration expenses		**(19,033)**	(17,498)	(1,701)
Other income		**7,476**	307	65
Liquidated damages recovery		**129,535**	-	-
Exchange loss, net		**(887,055)**	(28,788)	(17,542)
Financial charges, net		**(243,265)**	(42,286)	-
Tax credit / (charge)		**235,704**	50	(23)
(Loss) / profit for the year ended 31 December		**(838,485)**	85,007	(19,201)
Loss recognised on loss of control	31.1	**(671,954)**	-	-
(Loss) / profit from discontinued operations including loss recognised on loss of control in a subsidiary		**(1,510,439)**	85,007	(19,201)

32 CONTINGENCIES AND COMMITMENTS

At 31 December 2018, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 9.0 billion (31 Dec 2017: SR 8.9 billion, 31 Dec 2016: SR 10.8 billion). The amount also includes the Group's share of equity accounted investees' commitments.

Below is the breakdown of contingencies as of the reporting date:

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Guarantees in relation to bridge loans	**990,335**	1,245,255	2,823,961
Guarantees in relation to equity letter of credits	**676,369**	685,019	1,537,536
Other contingencies and commitments	**7,339,355**	6,928,295	6,404,531
	9,006,059	8,858,569	10,766,028

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 527.0 million 2017: SR 504.9 million, 2016: SR 502.6 million, as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by NEPCO. Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO (the off-taker), contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these consolidated financial statements.

33 OPERATING LEASE COMMITMENTS

Payments under operating leases recognised as an expense during the year amounted to SR 17.0 million (2017: SR 14.5 million, 2016: SR 14.5 million). Operating lease payments represent rentals payable by the Group for office rent, the commitment of which will expire within one year.

34 OPERATING SEGMENTS

Consistent with the Group's internal reporting process, business segments have been approved by management in respect of the Group's activities. The Group's operations are structured as follows:

Generation (Power & Water)
This segment comprises of power and water projects that are currently either operational or under construction. Typically, these projects have long term contracts with credit-worthy off-takers (refer note 41 for details of respective off-takers).

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34 OPERATING SEGMENTS (CONTINUED)

Services
This segment comprises of various services to other business segments including operation and maintenance ("O&M") services to the generation segment under long term contracts. The O&M services contracts have the same duration as that of the long term contracts of the project companies under the Generation segment. The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on individual segment's profit or loss.

Inter-segment revenues are eliminated on consolidation.

	Generation (Power& Water)	**Services**	**Discontinued operation ***	**Total**
31 December 2018				
External revenues	**1,932,467**	**1,621,735**	**686,492**	**4,240,694**
Inter-segment revenues	**-**	**289,833**	**-**	**289,833**
Total revenues	**1,932,467**	**1,911,568**	**686,492**	**4,530,527**
Segment (loss) / profit before zakat and tax	**343,144**	**305,855**	**(1,746,143)**	**(1,097,144)**
Income earned on deposits	**36,605**	**41,268**	**7,476**	**85,349**
Financial charges including exchange losses	**508,030**	**277,481**	**1,130,320**	**1,915,831**
Depreciation	**267,472**	**37,057**	**61,146**	**365,675**
Share in net income from associates and joint ventures	**900,465**	**35,202**	**-**	**935,667**
Segment total assets	**18,801,239**	**17,447,663**	**-**	**36,248,902**
Equity accounted investees	**3,983,061**	**2,532,967**	**-**	**6,516,028**
Additions to property, plant and equipment	**3,151,886**	**34,395**	**-**	**3,186,281**
Segment total liabilities	**18,195,171**	**6,979,574**	**-**	**25,174,745**
31 December 2017				
External revenues	2,235,972	1,546,927	197,805	3,980,704
Inter-segment revenues	-	331,099	-	331,099
Total revenues	2,235,972	1,878,026	197,805	4,311,803
Segment profit / (loss) before zakat and tax	950,171	174,662	84,957	1,209,790
Income earned on deposits	7,206	26,058	307	33,571
Financial charges including exchange losses	286,010	175,214	71,074	532,298
Depreciation	238,861	22,279	13,305	274,445
Share in net income from associates and joint ventures	411,869	45,155	-	457,024
Segment total assets	15,887,490	13,079,671	3,694,024	32,661,185
Equity accounted investees	1,564,221	2,776,319	-	4,340,540
Additions to property, plant and equipment	4,523,643	18,761	713,683	5,256,087
Segment total liabilities	14,123,315	5,081,543	3,568,199	22,773,057
31 December 2016				
External revenues	1,935,193	1,260,124	-	3,195,317
Inter-segment revenues	-	208,805	-	208,805
Total revenues	1,935,193	1,468,929	-	3,404,122
Segment profit / (loss) before zakat and tax	545,134	471,774	(19,178)	997,730
Income earned on deposits including unrealized gain on derivatives	4,296	51,560	-	55,856
Financial charges including exchange losses	253,399	425	17,542	271,366
Depreciation	243,607	27,639	113	271,359
Share in net income from associates and joint ventures	439,221	33,862	-	473,083
Segment total assets	12,769,916	9,871,113	2,413,050	25,054,079
Equity accounted investees	1,366,019	1,194,945	-	2,560,964
Additions to property, plant and equipment	2,944,458	24,948	941,169	3,910,575
Segment total liabilities	11,518,744	2,243,785	2,274,874	16,037,403

**This relates to generation (power and water) segment.*

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34 OPERATING SEGMENTS (CONTINUED)

Inter-segment revenues mainly includes revenue on account of operation, maintenance and other technical services. Inter-segment transaction pricing is determined by third party partners on the projects.

The Company is headquartered in the Kingdom of Saudi Arabia. Group's revenue, profit after tax, assets and liabilities contributed by Kingdom of Saudi Arabia and overseas subsidiaries and equity accounted investees including discontinued operation are as follows:

	Revenue	Profit/ (loss) after tax
For the year ended 31 December 2018		
Kingdom of Saudi Arabia	**1,297,630**	**1,389,157**
Overseas	**2,943,064**	**(2,288,071)**
	4,240,694	**(898,914)**
For the year ended 31 December 2017		
Kingdom of Saudi Arabia	1,173,220	708,442
Overseas	2,807,484	318,900
	3,980,704	1,027,342
For the year ended 31 December 2016		
Kingdom of Saudi Arabia	1,298,465	679,941
Overseas	1,896,852	248,900
	3,195,317	928,841

	Total assets	Total liabilities
As at 31 December 2018		
Kingdom of Saudi Arabia	**14,558,838**	**3,224,586**
Overseas	**21,690,064**	**21,950,159**
	36,248,902	**25,174,745**
As at 31 December 2017		
Kingdom of Saudi Arabia	10,253,355	1,864,605
Overseas	22,407,830	20,908,452
	32,661,185	22,773,057
As at 31 December 2016		
Kingdom of Saudi Arabia	10,000,493	2,128,483
Overseas	15,053,586	13,908,920
	25,054,079	16,037,403

35 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by senior management. The most important types of risk are summarised below.

35.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position.

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35 RISK MANAGEMENT (CONTINUED)

35.1 Credit risk (continued)

	Notes	**As at 31 Dec 2018**	As at 31 Dec 2017	As at 31 Dec 2016
Bank balances including restricted cash		**5,497,422**	3,238,833	1,543,087
Finance lease receivable	8	**9,331,619**	2,786,271	2,699,563
Trade receivables	11	**1,201,629**	712,137	1,019,889
Fair value of derivatives	21	**13,273**	64,047	84,801
Due from related parties	22	**742,654**	926,883	1,135,603
Insurance receivables	11.3	**328,514**	334,940	252,800
Other financial assets		**41,748**	35,566	92,995
		17,156,859	8,098,677	6,828,738

Bank balances including restricted cash
Credit risk on bank balances including restricted cash is considered to be limited as these are held with banks with sound credit ratings.

Finance lease receivable
Finance lease receivable represent receivable of Group's subsidiaries in Morocco from the off-taker in accordance with the Power Purchase Agreements ("PPA"). Credit risk attached to the finance lease receivable is limited on strength of government letter of support and sound credit rating of off-taker.

Trade receivables

a. The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Below is the concentration of credit risk by different geographies.

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Hashemite Kingdom of Jordan (covered by government guarantee)	**531,430**	209,975	240,986
Sultanate of Oman (covered by government guarantee)	**56,978**	51,212	55,173
Bulgaria	**1,402**	2,767	685
Morocco (covered by government letter of support)	**227,644**	14,364	19,276
South Africa (covered by government guarantee)	**54,077**	49,903	41,631
Kingdom of Saudi Arabia*	**96,580**	23,535	287,381
Others*	**233,518**	360,381	374,757
	1,201,629	712,137	1,019,889

* *Others mainly represents balances receivables from customers in United Arab Emirates and Turkey. These customers are transacting with the Group for a few years and historically, the Group has suffered no material impairment from these customers. Accordingly the balances due from these customers are assessed to have a strong credit quality and limited credit risk.*

b. As of reporting date, the ageing of trade and other receivables that were not impaired was as follows:

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Neither past due nor impaired	**836,752**	588,156	910,359
Past due 1-90 Days	**35,392**	110,378	17,627
More than 90 Days	**329,485**	13,603	91,903
	1,201,629	712,137	1,019,889

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35 RISK MANAGEMENT (CONTINUED)

35.1 Credit risk (continued)

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on past history and expected credit loss model which involves extensive analysis of credit risk, including customers' credit ratings if they are available.

c. The movement in allowance for impairment, in respect of trade receivables during the year was as follows:

	For the year ended 31 Dec 2018	For the year ended 31 Dec 2017	For the year ended 31 Dec 2016
Opening balance	**71,402**	119,139	112,319
Impairment loss recognised	**13,656**	97,074	6,820
Amount written off	**(20,724)**	(144,811)	-
Closing balance	**64,334**	71,402	119,139

Allowance for impairment as of 1 Jan 2017 mainly relates to CEGCO. CEGCO entered into a Power Purchase Agreements (PPA) with National Electric Power Company (NEPCO) dated 20 September 2007. In April 2012, a dispute occurred between the Company and NEPCO regarding the interpretation of the penalties for repeated availability failures clause in the PPA. During the first half of 2017, CEGCO reached a settlement with NEPCO to settle the issue of availability failures and recorded a further impairment allowance of SR 52.5 million. Pursuant to a final settlement agreement that has been signed on 13 August 2017 an amount of SR 144.8 million was written off against the allowance during 2017.

Derivatives
The derivative are designated as hedging instruments and reflects positive change in fair value of foreign exchange forward ('Forward') and interest rate swap (IRS) contracts. These are entered into with banks or financial institutions with sound credit ratings hence credit risk is expected to be low.

Insurance receivables
The Group cedes 100% of all the insurance risk assumed by ACWA Re, its captive insurance subsidiary. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contracts. The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. ACWA Re manages the credit risk of reinsurers by carefully choosing a panel of well-rated reinsurers (A-) rather than depending on a single reinsurer. Further, ACWA Re has adopted a process in its reinsurance strategy to manage its credit exposure to reinsurers by replacing downgraded reinsurers on its reinsurance panel.

Due from related parties and other financial assets
Other financial assets includes dividend receivable, advances for investments, advances to employees and other receivables. Credit risk attached to related party balances is limited due to sound financial position of the related parties. There is no credit risk attached to advances for investments and advances to employees. Credit risk attached to other financial instruments is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Credit Concentration
Except as disclosed, no significant concentrations of credit risk were identified by the management as at the reporting date.

35.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

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35 RISK MANAGEMENT (CONTINUED)

35.2 Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

				Contractual cash flows		
As at 31 Dec 2018	**Carrying Amount**	**Total**	**No fixed maturity**	**0-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Short term facilities	**618,942**	**637,510**	**-**	**637,510**	**-**	**-**
Term financing and funding facilities	**18,753,319**	**22,979,627**	**-**	**1,724,371**	**7,848,458**	**13,406,798**
Due to related parties	**81,176**	**109,182**	**-**	**4,668**	**18,670**	**85,844**
Other financial liabilities	**4,843,857**	**4,843,857**	**4,843,857**	**-**	**-**	**-**
	24,297,294	**28,570,176**	**4,843,857**	**2,366,549**	**7,867,128**	**13,492,642**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	**143,211**	**272,591**	**-**	**4,058**	**148,375**	**120,158**
As at 31 Dec 2017						
Non-derivative financial liabilities						
Short term facilities	259,488	263,640	-	263,640	-	-
Term financing and funding facilities	18,702,818	26,479,663	-	1,656,795	7,650,218	17,172,650
Due to related parties	142,378	176,508	57,583	4,876	19,503	94,546
Other financial liabilities	2,777,618	2,777,618	2,777,618	-	-	-
	21,882,302	29,697,429	2,835,201	1,925,311	7,669,721	17,267,196
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	212,682	274,515	-	90,341	152,527	31,647
As at 31 Dec 2016						
Non-derivative financial liabilities						
Short term facilities	255,576	259,410	-	259,410	-	-
Term financing and funding facilities	12,026,263	15,821,053	-	776,659	5,992,303	9,052,091
Due to related parties	208,651	244,749	130,177	4,512	18,049	92,011
Other financial liabilities	2,757,719	2,757,719	2,757,719	-	-	-
	15,248,209	19,082,931	2,887,896	1,040,581	6,010,352	9,144,102
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	160,103	377,798	-	69,359	272,454	35,985

The cash flows relating to derivatives disclosed in the above table represent contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rate changes.

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35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income or cash flows. To some extent the project companies consolidated in the Group gets protection in relation to variability in exchange and interest rates within power and water purchase agreements (PWPAs) as the tariffs are usually denominated in functional currencies. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All such transactions are carried out in accordance with Group's policies and practices. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of companies with in the Group. For most of the transactions denominated in US Dollars (USD), the currency risk is limited as exchange rate of USD and respective functional currency is usually pegged. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Equivalent to thousands of Saudi Riyals	**EUR**	**MAD**	**USD**	**JPY**
As at 31 Dec 2018				
Borrowings	**3,759,543**	**1,962,260**	**118,430**	**181,531**
Finance lease receivables	**(3,795,309)**	**(2,537,564)**	**-**	**-**
Net position	**(35,766)**	**(575,304)**	**118,430**	**181,531**
Impact of currency forwards	**-**	**-**	**-**	**(29,776)**
Net exposure	**(35,766)**	**(575,304)**	**118,430**	**151,755**
As at 31 Dec 2017				
Borrowings	1,600,692	91,492	2,724,084	202,397
Finance lease receivables	(1,448,925)	(264,322)	-	-
Net position	151,767	(172,830)	2,724,084	202,397
Impact of currency forwards	-	-	-	(145,864)
Net exposure	151,767	(172,830)	2,724,084	56,533
As at 31 Dec 2016				
Borrowings	1,414,488	84,417	143,838	220,163
Finance lease receivables	(1,066,732)	(278,512)	-	-
Net position	347,756	(194,095)	143,838	220,163
Impact of currency forwards	-	-	-	(173,368)
Net exposure	347,756	(194,095)	143,838	46,795

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35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk (continued)

Foreign currency risk (continued)

Sensitivity analysis
A reasonably possible strengthening (weakening) of respective currencies against Saudi Riyal unless otherwise specified at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Impact - (Profit) or loss Strengthening	Weakening
For the year ended 31 Dec 2018		
EUR (5% movement)	**(1,788)**	**1,788**
MAD (5% movement)	**(28,765)**	**28,765**
USD (5% movement against TRY)	**5,922**	**(5,922)**
JPY (5% movement)	**7,588**	**(7,588)**
For the year ended 31 Dec 2017		
EUR (5% movement)	7,588	(7,588)
MAD (5% movement)	(8,642)	8,642
USD (5% movement against TRY)	136,204	(136,204)
JPY (5% movement)	2,827	(2,827)
For the year ended 31 Dec 2016		
EUR (5% movement)	17,388	(17,388)
MAD (5% movement)	(9,705)	9,705
USD (5% movement against TRY)	7,192	(7,192)
JPY (5% movement)	2,340	(2,340)

Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on future cash flow of its interest bearing assets and liabilities, including bank deposits, finance lease receivables, bank overdrafts, term loans and amounts due from / to related parties. The Group hedges long term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest bearing long term financing and funding facilities as reported to the management of the Group is as follows:

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Financial liabilities			
Fixed rate including interest free	**14,639,088**	12,791,505	7,748,651
Floating rate	**4,114,231**	5,911,313	4,277,612

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, in case of fixed interest rate financial instruments, change in interest rates at the reporting date would not affect profit or loss.

In case of variable interest rate financial instruments, a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk (continued)

Interest rate risk (continued)

	Profit or loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
For the year ended 31 Dec 2018				
Variable rate financial liabilities	**(41,142)**	**41,142**	**(41,142)**	**41,142**
Interest rate swaps	**29,517**	**(29,517)**	**29,517**	**(29,517)**
Net sensitivity	**(11,625)**	**11,625**	**(11,625)**	**11,625**
For the year ended 31 Dec 2017				
Variable rate financial liabilities	(59,113)	59,113	(59,113)	59,113
Interest rate swaps	46,940	(46,940)	46,940	(46,940)
Net sensitivity	(12,173)	12,173	(12,173)	12,173
For the year ended 31 Dec 2016				
Variable rate financial liabilities	(42,776)	42,776	(42,776)	42,776
Interest rate swaps	37,020	(37,020)	37,020	(37,020)
Net sensitivity	(5,756)	5,756	(5,756)	5,756

36 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 in to 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 assets or liabilities 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 input).

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

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36 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As at 31 Dec 2018					
Financial assets					
Fair value of derivatives used for hedging	**13,273**	**-**	**13,273**	**-**	**13,273**
Financial liabilities					
Fair value of derivatives used for hedging	**143,211**	**-**	**143,211**	**-**	**143,211**
Long-term financing and funding facilities	**18,753,319**	**2,883,880**	**15,754,190**	**-**	**18,638,070**
As at 31 Dec 2017					
Financial assets					
Fair value of derivatives	64,047	-	-	64,047	64,047
Financial liabilities					
Fair value of derivatives used for hedging	212,682	-	212,682	-	212,682
Long-term financing and funding facilities	18,702,818	3,128,049	16,033,348	-	19,161,397
As at 31 Dec 2016					
Financial assets					
Fair value of other derivatives	64,047	-	-	64,047	64,047
Fair value of derivatives used for hedging	20,754	-	20,754	-	20,754
Financial liabilities					
Fair value of derivatives used for hedging	160,103	-	160,103	-	160,103
Long-term financing and funding facilities	12,026,263	-	12,275,648	-	12,275,648

Fair value of other financial instruments have been assessed as approximate to the carrying amounts due to frequent re-pricing or their short term nature.

Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

Valuation technique and significant unobservable inputs

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives used for hedging* Bank borrowings **	Discounted cash flows: the valuation model considers the present value of expected payments or receipts discounted using the risk adjusted discount rate or the market discount rate applicable for a recent comparable transaction.	Not applicable	Not applicable
Trading derivatives*	Trading derivatives represent options that are valued using the valuation models wherein fair values are determined through valuation techniques based on discounted cash flows and include a discount for lack of marketability and project specific factors representing the amounts that the Group has determined that market participants would take into account when pricing these instruments.	Contracted capacities and risk adjusted discount rate	The estimated fair value would increase or decrease if: • the actual availabilities are different to contracted capacities; or • the risk adjusted discount rate were higher or lower.

* The instruments were measured at fair value in consolidated statement of financial position.
** The fair value of these instruments were measured for disclosure purpose only.

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37 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main financial indicators, if not disclosed already, used by the Group as well as their reconciliation with the aggregates of the consolidated financial statements.

37.1 Net debt analysis

	Corporate	Bonds	Project	Consolidated	Equity accounted investees
As at 31 Dec 2018					
Recourse debt:					
Long-term financing and funding facilities	**12,237**	**-**	**3,185,113**	**3,197,350**	**-**
Less: Cash and cash equivalents				**(4,469,875)**	**-**
Cash balance net of recourse debt				**(1,272,525)**	**-**
Non-recourse debt:					
Long-term financing and funding facilities	**187,500**	**2,999,129**	**12,369,340**	**15,555,969**	**23,851,250**
Add: Short-term facilities	**-**	**-**	**618,942**	**618,942**	**2,102,658**
Less: Cash and cash equivalents				**(1,028,390)**	**(534,132)**
Net debt without recourse				**15,146,521**	**25,419,776**
As at 31 Dec 2017					
Recourse debt:					
Long-term financing and funding facilities	465,138	-	1,546,653	2,011,791	-
Less: Cash and cash equivalents				(1,995,164)	-
Net debt with recourse				16,627	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,995,980	13,507,547	16,691,027	23,044,976
Add: Short-term facilities	-	-	259,488	259,488	1,172,639
Less: Cash and cash equivalents				(1,244,065)	(689,231)
Net debt without recourse				15,706,450	23,528,384
31 December 2016					
Recourse debt:					
Total financing and funding facilities	857,870	-	1,012,465	1,870,335	-
Less: Cash and cash equivalents				(355,038)	-
Less: Restricted cash deposits				(187,405)	-
Net debt with recourse				1,327,892	-
Non-recourse debt:					
Total financing and funding facilities	187,500	-	9,968,428	10,155,928	21,444,527
Add: Short-term facilities	-	-	255,576	255,576	809,588
Less: Cash and cash equivalents				(1,001,061)	(897,345)
Net debt without recourse				9,410,443	21,356,770

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37 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (CONTINUED)

37.2 Tangible net worth

Tangible net worth, as defined by management of the Group, is total equity of the Group excluding other reserves (comprising of cash flow hedge reserve, currency translation reserve, share in OCI of equity accounted investees, actuarial losses and others - refer note 13.2) less the carrying value of goodwill in the consolidated statement of financial position as of the reporting date. The following table sets out the tangible net worth of the Group (as defined by management):

	As at 31 Dec 2018	As at 31 Dec 2017	As at 31 Dec 2016
Total equity	**11,074,157**	9,888,128	9,016,676
Other reserves	**717,900**	934,092	948,060
Total equity excluding other reserves	**11,792,057**	10,822,220	9,964,736
Less: Goodwill	**(2,014,320)**	(2,126,820)	(2,141,875)
Tangible net worth	**9,777,737**	8,695,400	7,822,861

37.3 Earnings per share on profit from continuing operations before impairments charge / (reversal) and other expenses

	31 Dec 2018	31 Dec 2017	31 Dec 2016
Profit for the year from continuing operations attributable to equity holders of the Parent	**736,597**	835,233	875,109
Add: Impairments charge / (reversal) and other expenses	**623,748**	(48,458)	-
Profit for the year from continuing operations attributable to equity holders of the Parent before impairments and other expenses	**1,360,345**	786,775	875,109
Weighted average number of ordinary shares outstanding during the year ended	**596,280**	547,604	547,604
Earnings per share on profit from continuing operations before impairments and other expenses	**2.28**	1.44	1.60

38 SUBSEQUENT EVENTS

Subsequent to the year-end, the Group in accordance with the nature of its business, has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the consolidated financial position and results as of the reporting date.

39 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors on 25 March 2019, corresponding to 18 Rajab 1440.

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40 COMPARATIVE FIGURES

Certain figures for the prior period have been reclassified to conform to the presentation in the current year. Summary of reclassifications within income statement is as follows:

Caption	As reported in prior year	Reclassified to discontinued operation (note 31)	Impairment loss / (reversals) presented in a separate income statement caption (note 40.1)	Lease payments deficit presented under finance lease income (note 40.2)	Other functional costs reclassifications (note 40.3)	As reported in this financial statements
31 December 2017						
Revenue	4,029,777	(197,805)	-	(49,073)	-	3,782,899
Operating costs	(2,115,086)	24,583	-	-	(82,048)	(2,172,551)
General and administration expenses	(894,279)	17,498	15,055	49,073	82,048	(730,605)
Other income	168,799	(307)	(63,513)	-	-	104,979
Impairments and other expenses	-	-	48,458	-	-	48,458
Financial charges	(541,841)	42,286	-	-	-	(499,555)
Foreign exchange (loss) / gain	9,543	28,788	-	-	-	38,331
Zakat and tax	(182,448)	(50)	-	-	-	(182,498)
31 December 2016						
Operating costs	(1,872,970)	-	-	-	24,572	(1,848,398)
General and administration expenses	(584,616)	1,701	-	-	(24,572)	(607,487)
Other income	97,715	(65)	-	-	-	97,650
Foreign exchange (loss) / gain	40,970	17,542	-	-	-	58,512
Zakat and tax	(68,889)	23	-	-	-	(68,866)

40.1 In 2017, impairment loss was presented under general and administration expenses while reversal of impairment was presented under other income. During the year 2018, impairment losses and related reversals, if any, were shown under a separate caption, "Impairments and other expenses". In order to conform to the current year presentation, 2017 figures have also been reclassified as shown in above table.

40.2 In 2017, loss on account of lower lease payments as compared to original estimates were classified as "Provisions" under "General and administration expenses". However, during 2018 these were presented net of finance lease income and 2017 figures have also been reclassified accordingly.

40.3 This represents reclassifications of certain expenses between "General and administration expenses" and "Operating costs" performed by some of the Group's subsidiaries ("the Subsidiaries"). These were identified when the management of the Subsidiaries revisited the nature of each expense item and categorised or allocated it appropriately and consistently among various functions.

40.4 In addition to above certain balances in statement of financial position were reclassified primarily within non-current assets to conform the current year presentation.

41 MAJOR ULTIMATE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Following are the significant subsidiaries and equity accounted investees of APSE:

Entity	*Subsidiary/ Associate/ Joint venture*	*Contracted capacity*		*Principal activities*	*Group's effective holding*	
		Project's capacity	*ACWA Power's share*		***Dec 2018***	*Dec 2017*
Rabigh Arabian Water & Electricity Company ("RAWEC")	Joint Venture (2017:Associate)	Power: 520 MW Water: 188,400 m^3/day Steam: 2,245 tons/hour	Power: 385 MW Water: 139,416 m^3/day Steam: 1,661 tons/hour	Incorporated in the Kingdom of Saudi Arabia as a captive unit engaged in supplying power, water and steam under a 25 year Water and Energy Conversion Agreement with Rabigh Refining & Petrochemical Company. Commercial operation commenced in June 2008.	74.00%	37.00%
International Barges Company for Water Desalination Limited ("BOWAREGE")	Subsidiary	Water: 50,000m^3/day	Water: 32,425m^3/day	Incorporated in the Kingdom of Saudi Arabia and engaged in production, operation and maintenance of water desalination plants erected on barges and ships. Commercial operations commenced in July 2008.	64.85%	64.85%
Shuaibah Expansion Project Company ("SEPCO")	Joint venture	Water: 150,000m^3/day	Water: 45,000m^3/day	Incorporated in the Kingdom of Saudi Arabia and engaged in a 20 year Water Purchase Agreement ("WPA") with WEC. Commercial operations commenced in November 2009.	30.00%	30.00%
Shuaibah Water & Electricity Company ("SWEC")	Joint venture	Power: 900 MW Water 880,000m^3/day	Power: 270 MW Water 264,000m^3/day	Incorporated in the Kingdom of Saudi Arabia and engaged in supplying power and desalinated water under a 20 year Power and Water Purchase Agreement ("PWPA") with Water & Electricity L.L.C ("WEC"). Commercial operations commenced in January 2010.	30.00%	30.00%
Shuqaiq Water and Electricity Company ("SqWEC")	Joint venture	Power: 850 MW Water: 212,000m^3/day	Power: 272 MW Water 67,840m^3/day	Incorporated in the Kingdom of Saudi Arabia and engaged in supplying power and water under a 20 year PWPA with WEC. Commercial operations commenced in August 2010.	32.00%	32.00%
Jubail Water and Power Company ("JWAP")	Joint venture	Power: 2,744 MW Water: 800,000 m^3/day	Power 549 MW Water: 160,000m^3/day	Incorporated in the Kingdom of Saudi Arabia and engaged in a 20 year PWPA with Marafiq Water and Power Supply Company. Commercial operations commenced in October 2010.	20.00%	20.00%

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41 MAJOR ULTIMATE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

Following are the significant subsidiaries and equity accounted investees of APSE: (continued)

Entity	*Subsidiary/ Joint venture*	*Contracted capacity*		*Principal activities*	*Group's effective holding*	
		Project's capacity	*ACWA Power's share*		***Dec 2018***	*Dec 2017*
Rabigh Electricity Company ("RABEC")	Joint venture	Power: 1,204 MW	Power: 482 MW	Incorporated in the Kingdom of Saudi Arabia and engaged in a 20 year Energy Conversion Agreement with Saudi Electricity Company ("SEC") from project completion. Commercial operations commenced in December 2012.	40.00%	40.00%
Hajr for Electricity Production Company ("HEPCO")	Joint venture	Power: 3,927 MW	Power: 687 MW	Incorporated in Kingdom of Saudi Arabia and engaged in a 20 year Power Purchase Agreement ("PPA") with SEC from project completion. Commercial operations commenced in 2016.	17.50%	17.50%
Al Mourjan for Electricity Production Company ("MEPCO")	Joint venture	Power: 2,060 MW	Power 1,030 MW	Incorporated in the Kingdom of Saudi Arabia and engaged in a 20 year PPA with Saudi Electricity Company. Commercial operations are commenced in 2018.	50.00%	50.00%
First National Operations & Maintenance Company Limited ("NOMAC")	Subsidiary	-	-	Incorporated in the Kingdom of Saudi Arabia in 2005. NOMAC is engaged in providing Operation and Maintenance (O&M) under long term contracts, (direct or as a sub-contractor) to SWEC, SqWEC, SEPCO, SEPCO II, RABEC, HEPCO and Bowarege. NOMAC also owns 40% of the O&M contract of JWAP (through a special purpose vehicle). NOMAC also owns 100% of the O&M of Karad, ACWA Barka, DGC, Ibri and Sohar (refer companies under APGS). NOMAC also retains controlling interests in O&M contractors of Ouarzazate I, Ouarzazate 1I, Ouarzazate III, ACWA GUC and Bokpoort (refer companies under APBH and APAH).	100.00%	100.00%
Shuaibah 2 Water Development Project Company ("SEPCO II")	Subsidiary	Water: 250,000m3/day	Water: 250,000m3/day	Incorporated in the Kingdom of Saudi Arabia and engaged in a 25 year Water Purchase Agreement ("WPA") with Water and Electricity Company ("WEC"). Project is under construction and commercial operations are expected to commence in 2019.	100.00%	100.00%

41 MAJOR ULTIMATE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

Following are the significant subsidiaries and equity accounted investees of APGS:

Entity	Subsidiary	Contracted capacity		Principal activities	Group's effective holding	
		Project's capacity	*ACWA Power's share*		**Dec 2018**	*Dec 2017*
ACWA Power Barka SAOG ("ACWA Barka")	Subsidiary	Power: 427 MW Water: 193,209 m3/ day	Power: 179 MW Water: 80,974 m^3/ day	Incorporated in Sultanate of Oman and engaged in operating a power and water desalination plant. ACWA Barka is a listed company on the Muscat Securities Market ("MSM"). Commercial operations commenced in June 2003. The Company acquired its stake in ACWA Barka in 2010 along with an effective 72.2% interest in various technical services arrangements providing technical services to ACWA Barka. In October 2016, the Group had an internal reorganization resulting in the transfer of ACWA Barka from APGH to APGS at book value.	41.91%	41.91%
Central Electricity Generating Company ("CEGCO")	Subsidiary	Power: 962 MW	Power: 394 MW	Incorporated in Jordan, CEGCO is engaged in generation of power and supply to National Electric Power Company ("NEPCO") under various PPAs. Commercial operations commenced in January 1999. The Company acquired its interest in CEGCO through a series of transactions and holding entities between 2011 and 2012. In October 2016, the Group had an internal reorganization resulting in the transfer of CEGCO from APGH to APGS at book value. CEGCO also provides O&M services to Zarqa and Mafraq.	40.93%	40.93%
Dhofar Generating Company ("DGC")	Joint venture	Power: 273 MW and 445 MW	Power: 123 MW and 200 MW	Incorporated in Sultanate of Oman and engaged in operating a power plant. Commercial operations commenced on 1 May 2003. A consortium consisting of the Company and other shareholders have acquired DGC as of 5 June 2015. In addition, a new power plant is under construction adjacent to the existing plant under a new 15-year PPA with Oman Power and Water Procurement Company SAOC ("OPWP"). NOMAC Oman, a fully owned subsidiary of NOMAC, is responsible for the operations and maintenance of the entire power plant. Commercial operations commenced in 2018.	45.00 %	45.00 %

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41 MAJOR ULTIMATE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

Following are the significant subsidiaries and joint venture of APGS: (continued)

Entity	*Subsidiary/ Joint venture*	*Contracted capacity*		*Principal activities*	*Group's effective holding*	
		Project's capacity	*ACWA Power's share*		***Dec 2018***	*Dec 2017*
Ad-Dhahirah Generating Company S.A.O.C	Joint venture	Power: 1509 MW	Power: 678 MW	Incorporated in January 2016 and is engaged in generation of power and supply to OPWP under a 15 year PPA. Project is under construction and commercial operations are expected to commence in 2019.	44.90%	44.90%
Shinas Generating Company S.A.O.C.	Joint venture	Power: 1710 MW	Power: 768 MW	Incorporated in January 2016 and is engaged in generation of power and supply to OPWP under a 15 year PPA. Project is under construction and commercial operations are expected to commence in 2019.	44.90%	44.90%
Hassyan Energy Phase 1 P.S.C	Joint venture	Power: 2400 MW	Power: 647 MW	Incorporated in the April 2016 and is engaged in generation of power using clean coal and supply to DEWA. Project is under construction and partial commercial operations is expected to commence in 2020, while commercial operations is expected in 2023.	26.95%	26.95%
Al Zarqa Power Plant for Energy Generation	Subsidiary	Power: 485 MW	Power: 291 MW	Incorporated in March 2015 and is engaged in generation of power. Project achieved commercial operations in 2018.	60.00%	60.00%

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41 MAJOR ULTIMATE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

Following are the significant subsidiaries and equity accounted investees of APBH:

		Contracted capacity			*Group's effective holding*	
Entity	***Subsidiary***	***Project's capacity***	***ACWA Power's share***	***Principal activities***	***Dec 2018***	*Dec 2017*
ACWA Power Ouarzazate S.A. ("APO I")	Subsidiary	Power: 160 MW	Power: 117 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology. Commercial operations commenced in January 2016.	73.13%	73.13%
ACWA Power Ouarzazate II S.A. ("APO II")	Subsidiary	Power: 200 MW	Power: 150 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology. Project achieved commercial operations in 2018.	75.00%	75.00%
ACWA Power Ouarzazate III S.A. ("APO III")	Subsidiary	Power: 150 MW	Power: 113 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology with towers. Project has commenced operation in 2018.	75.00%	75.00%
ACWA Power Ouarzazate IV S.A. ("APO IV")	Subsidiary	Power: 135 MW	Power: 101 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using Photovoltaics (PV). Project has commenced operation in 2018.	75.00%	75.00%
ACWA Power Laayoune. ("Laayoune")	Subsidiary	Power: 65 MW	Power: 49 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using Photovoltaics (PV). Project has commenced operation in 2018.	75.00%	75.00%
ACWA Power Boujdour ("Boujdour")	Subsidiary	Power: 15 MW	Power: 11 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using Photovoltaics (PV). Project has commenced operation in 2018.	75.00%	75.00%
ACWA Guc Elektrik Isletme ve Yonetim Sanayi ve Ticaret A.S. ("ACWA GUC")	Joint Venture (2017:Subsidiary)	Power: 950 MW	Power: 665 MW	Incorporated in Turkey and is engaged in generating power using a Combined Cycle Power Plant. Commercial operations commenced in 2017.	70.00%	100.00%

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41 MAJOR ULTIMATE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTINUED)

Following is a significant joint venture of APRE:

Entity	*Joint venture*	*Contracted capacity*		*Principal activities*	*Group's effective holding*	
		Project's capacity	*ACWA Power's share*		***Dec 2018***	*Dec 2017*
Shuaa Energy 1 P.S.C ("Shuaa")	Joint venture	Power: 200 MW under construction	Power: 98 MW under construction	Incorporated in United Arab Emirates and is engaged in generating renewable energy using Photovoltaics (PV) technology. Commercial operations commenced in March 2017.	49.00%	49.00%
ACWA Benban One for Energy	Joint venture	Power: 120 MW under construction	Power: 77 MW under construction	Incorporated in Egypt and is engaged in generating renewable energy using Photovoltaics (PV) technology. Project is under construction and commercial operations is expected to commence in 2019	64.34%	100.00%
ACWA Power Solafrica Bokpoort CSP Power Plant Proprietary Limited (RF) ("Bokpoort")	Subsidiary	Power: 50 MW	Power: 20 MW	Incorporated in the Republic of South Africa and is engaged in generating renewable energy using Concentrated Solar Power (CSP) technology. The Group obtained control over Bokpoort with effect from April 2016 upon commencement of its commercial operations.	40.00%	40.00%
ACWA Power CF Karad PV Park EAD ("Karad PV") (formerly known as ZBE Partners EAD ("ZBE")	Subsidiary	Power: 50 MW	Power: 21 MW	Incorporated in Bulgaria and is engaged in providing renewable electricity to National Electricity Company EAD Bulgaria. Commercial operations commenced in June 2012.	42.00%	42.00%
UPC Renewables S.A. ("Khalladi")	Subsidiary	Power: 120 MW	Power: 90 MW	Incorporated in the Kingdom of Morocco and is engaged in generating renewable energy using onshore wing farms. Project achieved commercial operations during 2018.	75.00%	75.00%
Risha for Solar Power Projects PSC	Subsidiary	Power: 50 MW under construction	Power: 50 MW under construction	Incorporated in Jordan and is engaged in generating renewable energy using Photovoltaics (PV). Project is under construction and commercial operations are expected to commence in 2019.	100.00%	-
The Local Company for Water and Solar Projects	Subsidiary	Power: 50 MW	Power: 50 MW	Incorporated in Jordan and is engaged in generating renewable energy using Photovoltaics (PV). Project commenced commercial operations in 2018.	100.00%	100.00%

All subsidiaries are consolidated in accordance with basis of consolidation as set out in note 2.2. While, associates and joint ventures are accounted for using the equity method of accounting in accordance with the accounting policy as set out in note 3.

International Company for Water and Power Projects and its Subsidiaries
A Saudi Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Certified Public Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 omissions, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Group'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 Group 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.

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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

- 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 Audit Committee 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.

for Ernst & Young

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 14 Sha'ban 1441 H
(7 April 2020)

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**12,036,771**	8,752,084	16,408,409
Intangible assets	6	**2,004,811**	2,014,320	2,126,820
Equity accounted investees	7	**5,293,867**	6,576,574	4,437,817
Non-current portion of net investment in finance lease	8	**10,364,334**	9,114,728	2,719,116
Due from related parties	22.1	**111,258**	71,984	71,984
Deferred tax asset	20.5	**23,460**	34,029	27,771
Fair value of derivatives	21	**-**	13,273	64,047
Strategic fuel inventories		**70,771**	77,631	78,055
Other assets	9	**206,110**	205,778	539,639
TOTAL NON-CURRENT ASSETS		**30,111,382**	26,860,401	26,473,658
CURRENT ASSETS				
Inventories	10	**438,324**	302,409	370,623
Current portion of net investment in finance lease	8	**209,902**	216,891	67,155
Due from related parties	22.1	**714,192**	756,516	854,899
Accounts receivable, prepayments and other receivables	11	**3,000,020**	2,532,680	1,655,621
Cash and cash equivalents	12	**2,798,315**	5,498,265	3,239,229
		7,160,753	9,306,761	6,187,527
Assets held for sale	32.3	**475,402**	-	-
TOTAL CURRENT ASSETS		**7,636,155**	9,306,761	6,187,527
TOTAL ASSETS		**37,747,537**	36,167,162	32,661,185

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity				
Share capital	13.1	**6,429,344**	6,429,344	5,466,215
Share premium	13.1	**1,177,031**	1,177,031	97,222
Statutory reserve		**554,626**	437,239	437,239
Retained earnings		**3,102,108**	2,363,259	3,432,159
Equity attributable to owners of the Company before other reserves		**11,263,109**	10,406,873	9,432,835
Other reserves	13.2	**(1,361,236)**	(717,900)	(934,092)
Equity attributable to owners of the Company		**9,901,873**	9,688,973	8,498,743
Non-controlling interests	14	**703,504**	1,385,184	1,389,385
TOTAL EQUITY		**10,605,377**	11,074,157	9,888,128
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing and funding facilities	15	**17,480,944**	17,734,682	17,838,418
Due to related parties	22.1	**860,202**	81,176	142,378
Equity accounted investees	7	**516,982**	60,546	97,277
Fair value of derivatives	21	**286,442**	132,598	126,821
Deferred tax liability	20.5	**250,552**	245,776	255,249
Deferred revenue	17	**176,045**	67,108	83,560
Other financial liabilities	13.5	**395,724**	924,195	211,360
Employee end of service benefits' liabilities	16	**159,598**	123,148	123,980
Other liabilities	18.4	**252,117**	201,532	200,305
TOTAL NON-CURRENT LIABILITIES		**20,378,606**	19,570,761	19,079,348
CURRENT LIABILITIES				
Accounts payable and accruals	18	**3,439,786**	3,760,288	2,373,915
Short-term financing facilities	19	**444,218**	618,942	259,488
Current portion of long-term financing and funding facilities	15	**2,271,229**	1,018,637	864,400
Fair value of derivatives	21	**51,883**	10,613	85,861
Zakat and taxation	20.4	**183,411**	113,764	110,045
		6,390,527	5,522,244	3,693,709
Liabilities associated with assets held for sale	32.3	**373,027**	-	-
TOTAL CURRENT LIABILITIES		**6,763,554**	5,522,244	3,693,709
TOTAL LIABILITIES		**27,142,160**	25,093,005	22,773,057
TOTAL EQUITY AND LIABILITIES		**37,747,537**	36,167,162	32,661,185

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
CONTINUING OPERATIONS				
Revenue	23	**4,114,999**	3,227,833	3,517,127
Operating costs	24	**(1,925,888)**	(1,918,287)	(2,077,412)
GROSS PROFIT		**2,189,111**	1,309,546	1,439,715
Development cost, provision and write offs, net of reversals	11.4	**(50,790)**	16,368	(94,403)
General and administration expenses	25	**(681,395)**	(610,608)	(687,201)
Share in net results of equity accounted investees, net of tax	7.1	**283,794**	942,716	452,207
Other operating income	26.1	**140,645**	160,325	210,641
OPERATING INCOME BEFORE IMPAIRMENT LOSS AND OTHER EXPENSES		**1,881,365**	1,818,347	1,320,959
Impairment loss and other expenses, net	27	**(919,471)**	(623,748)	(15,055)
OPERATING INCOME AFTER IMPAIRMENT LOSS AND OTHER EXPENSES		**961,894**	1,194,599	1,305,904
Other income	26	**336,820**	64,948	94,719
Exchange (loss) / gain, net	28	**(29,106)**	(8,576)	10,124
Financial charges, net	29	**(869,862)**	(570,655)	(317,950)
PROFIT BEFORE ZAKAT AND INCOME TAX		**399,746**	680,316	1,092,797
Zakat and tax	20.1	**(74,008)**	(39,942)	(194,025)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**325,738**	640,374	898,772
DISCONTINUED OPERATIONS				
Profit / (loss) from discontinued operation including gain / (loss) recognised on loss of control in a subsidiary	32.4	**554,345**	(1,539,288)	128,570
PROFIT / (LOSS) FOR THE YEAR		**880,083**	(898,914)	1,027,342
Profit / (Loss) attributable to:				
Equity holders of the parent		**1,173,865**	(773,842)	920,240
Non-controlling interests		**(293,782)**	(125,072)	107,102
		880,083	(898,914)	1,027,342
Basic and diluted earnings / (loss) per share (in SR)	30.2	**1.82**	(1.30)	1.68
Basic and diluted earnings per share for continuing operations (in SR)	30.2	**0.98**	1.27	1.44

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
PROFIT / (LOSS) FOR THE YEAR		**880,083**	(898,914)	1,027,342
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation differences		**268,481**	(198,257)	35,904
Equity accounted investees – share of OCI	13.2, 7.1	**(729,442)**	315,667	68,978
Net change in fair value of cash flow hedge reserve		**(294,596)**	111,014	(93,766)
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit liability	16.1	**(18,244)**	12,960	(3,468)
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		**(773,801)**	241,384	7,648
TOTAL COMPREHENSIVE INCOME / (LOSS)		**106,282**	(657,530)	1,034,990
Total comprehensive income / (loss) attributable to:				
Equity holders of the parent		**530,529**	(557,650)	934,208
Non-controlling interests		**(424,247)**	(99,880)	100,782
		106,282	(657,530)	1,034,990

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and tax from continuing operations		**399,746**	680,316	1,092,797
Profit / (loss) before zakat and tax from discontinued operation including gain /(loss) recognised on loss of control in a subsidiary		**559,079**	(1,777,460)	116,993
Adjustments for:				
Depreciation on property, plant and equipment and right of use asset	5.4	**418,516**	365,675	274,445
Financial charges	29,32.4	**1,135,151**	1,014,960	541,841
(Gain) / loss recognised on loss of control in a subsidiary including related unrealized exchange loss	32.4	**(554,358)**	1,559,009	28,788
Other unrealised exchange loss / (gain)	28	**40,570**	8,740	(51,518)
Share in net results of equity accounted investees, net of tax	7.1,32.4	**(284,453)**	(935,667)	(457,024)
Charge for employees' end of service benefits	16.1	**32,023**	27,336	29,249
Fair value of cash flows hedges recycled to profit or loss		**(43,826)**	37,110	(18,562)
Provisions	25	**25,475**	30,596	100,639
Unwinding of discount on financial liabilities		**12,993**	1,109	4,647
Impairment loss / (reversal) in relation to property, plant and equipment and goodwill	27,32.4	**880,203**	556,437	(48,458)
Net gain on business combination achieved in stages	26	**(210,673)**	-	-
Gain on partial disposal of equity accounted investee	26	**-**	-	(65,367)
(Gain) / loss on disposal of property, plant and equipment		**(829)**	4,039	(5,735)
Development cost, provision and write offs, net of reversals	11.4	**50,790**	(4,415)	94,403
Changes in operating assets and liabilities:				
Accounts receivable, prepayments and other receivables		**(544,806)**	(1,314,643)	35,534
Inventories		**14,485**	43,937	(46,458)
Payables and accruals		**(1,087,739)**	745,001	(312,369)
Due from related parties		**73,116**	184,229	208,720
Strategic fuel inventories		**6,860**	424	11,007
Other assets		**(43,834)**	219,681	546,488
Other liabilities		**77,192**	1,227	158,338
Deferred revenue		**119,785**	(16,452)	8,208
Net cash from operations		**1,075,466**	1,431,189	2,246,606
Employees' terminal benefits paid	16.1	**(15,312)**	(14,998)	(17,198)
Zakat and tax paid	20.4	**(30,427)**	(46,423)	(37,029)
Dividends received from equity-accounted investees	7.1	**259,027**	205,887	238,087
Net cash generated from operating activities		**1,288,754**	1,575,655	2,430,466
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	5	**(2,045,876)**	(3,186,281)	(5,256,087)
Proceeds on disposal of property, plant and equipment		**3,434**	-	5,735
Net investment in finance lease		**306,862**	302,279	(86,708)
Investments in associates and joint ventures		**(147,967)**	(209,794)	(1,532,694)
Proceeds on partial disposal of equity accounted investees		**-**	-	106,400
Disposals and acquisition of NCI, net		**11,547**	(70,725)	-
Net cash outflow on business acquisition		**(481,695)**	-	-
Cash de-recognised on loss of control in a subsidiary or classification as held for sale		**(206,718)**	(16,687)	-
Net cash used in investing activities		**(2,560,413)**	(3,181,208)	(6,763,354)

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Notes	**31 Dec 2019**	**31 Dec 2018**	31 Dec 2017
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds received against share capital	13.1	**-**	2,042,938	-
Restricted cash deposits		**-**	-	187,405
Financing and funding facilities, net of transaction costs		**703,310**	3,150,772	6,623,020
Due to related parties		**(4,944)**	(61,202)	(66,273)
Other financial liabilities		**(541,464)**	-	174,125
Financial charges paid		**(1,231,446)**	(973,369)	(538,721)
Dividends paid		**(338,584)**	(294,550)	(337,798)
Capital contributions from and other adjustments to non-controlling interest		**(15,163)**	-	174,260
Net cash (used in) / from financing activities		**(1,428,291)**	3,864,589	6,216,018
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**(2,699,950)**	2,259,036	1,883,130
Cash and cash equivalents at beginning of the year		**5,498,265**	3,239,229	1,356,099
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**2,798,315**	5,498,265	3,239,229

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

	Share capital	*Share premium*	*Statutory reserve*	*Retained earnings*	*Other Reserves (note 13.2)*	*Equity attributable to owners of the Company*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2017	5,466,215	97,222	345,215	2,812,822	(948,060)	7,773,414	1,243,262	9,016,676
Profit for the year	-	-	-	920,240	-	920,240	107,102	1,027,342
Other comprehensive income / (loss)	-	-	-	-	13,968	13,968	(6,320)	7,648
Total comprehensive income	-	-	-	920,240	13,968	934,208	100,782	1,034,990
Dividends (note 13.4)	-	-	-	(208,879)	-	(208,879)	(128,919)	(337,798)
Capital contribution	-	-	-	-	-	-	174,260	174,260
Transfer to statutory reserve	-	-	92,024	(92,024)	-	-	-	-
Balance at 31 December 2017	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Balance at 1 January 2018	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Loss for the year	-	-	-	(773,842)	-	(773,842)	(125,072)	(898,914)
Other comprehensive income	-	-	-	-	216,192	216,192	25,192	241,384
Total comprehensive income / (loss)	-	-	-	(773,842)	216,192	(557,650)	(99,880)	(657,530)
Acquisition of non-controlling interests (note 14)	-	-	-	(59,951)	-	(59,951)	(10,774)	(70,725)
Dividends (note 13.4)	-	-	-	(235,107)	-	(235,107)	(59,443)	(294,550)
Issue of shares (note 13.1)	963,129	1,079,809	-	-	-	2,042,938	-	2,042,938
Capital contribution	-	-	-	-	-	-	165,896	165,896
Balance at 31 December 2018	6,429,344	1,177,031	437,239	2,363,259	(717,900)	9,688,973	1,385,184	11,074,157
Balance at 1 January 2019	**6,429,344**	**1,177,031**	**437,239**	**2,363,259**	**(717,900)**	**9,688,973**	**1,385,184**	**11,074,157**
Profit / (loss) for the year	**-**	**-**	**-**	**1,173,865**	**-**	**1,173,865**	**(293,782)**	**880,083**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(643,336)**	**(643,336)**	**(130,465)**	**(773,801)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**1,173,865**	**(643,336)**	**530,529**	**(424,247)**	**106,282**
Changes in non-controlling interest	**-**	**-**	**-**	**5,252**	**-**	**5,252**	**24,122**	**29,374**
Loss of control	**-**	**-**	**-**	**-**	**-**	**-**	**(265,852)**	**(265,852)**
Dividends (note 13.4)	**-**	**-**	**-**	**(322,881)**	**-**	**(322,881)**	**(15,703)**	**(338,584)**
Transfer to statutory reserve	**-**	**-**	**117,387**	**(117,387)**	**-**	**-**	**-**	**-**
Balance at 31 December 2019	**6,429,344**	**1,177,031**	**554,626**	**3,102,108**	**(1,361,236)**	**9,901,873**	**703,504**	**10,605,377**

The attached notes 1 to 41 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

1 ACTIVITIES

International Company for Water and Power Projects (the "Company" or "ACWA Power") is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and is registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).

The Company and its subsidiaries (collectively the "Group") are engaged in the business of development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

Information of the Group direct subsidiaries/investees as of 31 December is included in the below table. Information about other material subsidiaries, associates and joint ventures are provided in note 40 to these consolidated financial statements.

Entity name	Country of incorporation	Principal activities	Direct shareholding		
			2019	2018	2017
ACWA Power Saudi Electricity and Water Development Company ***("APSE")***	Kingdom of Saudi Arabia	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
Kahromaa Company ***("KAHROMAA")***	Kingdom of Saudi Arabia	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**100.0%**	100.0%	100.0%
ACWA Power Global Holdings Ltd. ***("APGH")***	United Arab Emirates (Jebel Ali Free Zone)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. During 2019, the Group transferred its investment in APGH to APGS.	**-**	100.0%	100.0%
ACWA Power Reinsurance Co. Ltd. (captive insurance) ***("ACWA Re")***	United Arab Emirates (Dubai International Financial Centre – 'DIFC')	To effect and carry out contracts of insurance restricted to those of a Class 3 Captive Insurer. Under its captive license, ACWA Re can insure a part of its own affiliate's assets and that of related third party.	**100.0%**	100.0%	100.0%
Multiple Shares Company ***("MSC")***	Kingdom of Saudi Arabia	Installation, maintenance and operation, contracting of electricity generation and desalination plants.	**95.0%**	95.0%	95.0%
ACWA Power Bahrain Holdings W.L.L. ***("APBH")***	Kingdom of Bahrain	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**99.7%**	99.7%	99.7%
ACWA Power Global Services Ltd. (***"APGS"***)	United Arab Emirates (DIFC)	Own investments in group of companies, provide financial advisory, book keeping and reporting, tax compliance and related services.	**100.0%**	100.0%	100.0%
ACWA Power Management and Investments One Ltd. ***("APMI One")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
ACWA Power Capital Management Ltd ***("APCM")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
ACWA Power Renewable Energy Holding Ltd. ***("APREH")***	United Arab Emirates (DIFC)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. On 31 December 2019, Group has disposed-off 49% of its shareholding and consequently lost control in APREH (note 32.1).	**51.0%**	100.0%	100.0%
First National Holding Company **("NOMAC")**	Kingdom of Saudi Arabia	FNHC, incorporated in 2018, is engaged in constructing, owning, buying, managing, operating and investing in industrial, services and construction projects of power stations, electricity, steam stations, water desalination plants and providing operation and maintenance (O&M) under long term contracts.	**100.0%**	100.0%	-

2 BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements of the Group have been prepared in accordance with:

- International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and
- IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Certified Public Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").

2.1 BASIS OF PREPARATION

These consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value. These consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Changes in ownership interest in subsidiaries
Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. Retained investment is recorded at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The significant accounting policies adopted are as follows:

Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term bank deposits that have an original maturity of three months or less and excludes restricted cash deposit.

Financial instruments
Initial recognition
The Group records financial asset or a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair values. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification
The Group classifies its financial assets under the following categories:
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group classifies all non-derivative financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Group designates a non-derivative financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments and hedge accounting (continued)

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss for the period.

Current versus non-current classification

Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into current and a non-current portions only if a reliable allocation can be made.

Accounts receivables

After initial recognition, accounts receivables are stated at amortised cost less allowance for any impairment. The Group recognises an allowance for impairment for expected credit losses. Such impairment allowances are charged to profit or loss and reported under "General and administration expenses". When an account receivable is uncollectible, it is written-off against the impairment allowance. Any subsequent recoveries of amounts previously written-off are credited against "General and administration expenses" in the consolidated statement of profit or loss.

Deferred costs (Projects under development)

Costs incurred on projects under development, which are considered as feasible, are carried on the consolidated statement of financial position. If a project is no longer considered feasible, the accumulated costs relating to that project are charged to the profit or loss in the period in which the determination is made. The Group makes provision against these projects based on expected success rates. Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in consolidated statement of financial position. Proceeds received during the period from successful projects in excess of development cost reimbursements are recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method, except for the inventory held by one of the subsidiaries of the Group and the strategic fuel inventory of the Group, the cost of which is determined using the first-in first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Investments in associates and joint ventures – equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures – equity accounted investees (continued)
The Group's investments in its associates and joint ventures are accounted for using the equity method of accounting from the date that the significant influence or joint-control commences until the date that such influence or joint-control ceases. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group's profit or loss reflects the Group's share of the profit or loss of the associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the associates and joint ventures, the Group recognises its share of such changes in its other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures ("upstream and downstream") are eliminated to the extent of the Group's interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and joint ventures is shown separately in profit or loss under operating income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date the Group determines whether there is an objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate or joint venture and its carrying value, then recognises the loss within 'Share in results of associates and joint ventures' in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in associates or joint ventures, the Group's carrying amount of investments in associate or joint venture is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investee companies.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group increases its ownership interest in an existing associate/ joint venture which remains an associate/ joint venture after that increase, the purchase price paid for the additional interest is added to the existing carrying amount of the associate/ joint venture and the existing share in net assets of the associate or joint venture is not re-measured. The cost of additional investment is allocated between the share of the fair value of net assets and goodwill. Any excess of the additional share in fair value of net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group's share of the associate's/ joint venture's profit or loss after additional acquisition in order to reflect the Group's share in fair value of net assets at the acquisition date, arising from the additional acquisition.

Property, plant and equipment
Property, plant and equipment, except for land and capital work in progress, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work in progress are stated at cost less accumulated impairment loss, if any. Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under relevant category of property, plant and equipment upon completion.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Business combination

Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and: which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from start of the comparative year.

Impairment
Financial assets
IFRS 9 requires the Group to record expected credit losses (ECL) on all of its financial assets excluding equity instruments and those carried at fair value through profit or loss. In case of trade receivables the Group is required to record ECL either on a 12-month or a lifetime basis. The Group applies the simplified approach and records lifetime expected losses on all trade receivables, except for finance lease receivables. The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. At each reporting date, the Group recognises in its profit or loss the amount of the change in lifetime expected credit losses as an impairment loss or reversal thereof. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

For finance lease receivables, the Group has elected for the policy choice to measure the loss allowance at an amount equal to 12 months ECL provided the credit risk on the financial instrument has not increased significantly since initial recognition. If there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the offtakers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-financial assets (continued)

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently re-measured at amortised cost.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. In relation to insurance business, the provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance cost.

Employees' benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation

The Group operates a post-employment benefit plans driven by the labour laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in profit or loss as employee cost while the unwinding of the liability at discount rates used is recorded in profit or loss as finance charges. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' benefits (continued)
Post-employment obligation (continued)
Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Statutory reserve
In accordance with the Company's By-Laws and Saudi Arabian Regulations for Companies, the Company must set aside 10% of its income after zakat and tax in each year until it has built up a reserve equal to 30% of its capital. The reserve is not available for distribution.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold land and building	2-40 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

Finance lease

Where the Group determines a long term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease. A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset.

The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Asset retirement obligation

The Group records the present value of estimated costs of legal decommissioning obligations required to restore the site to its original condition in the period in which the obligation is incurred. The nature of these activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related property, plant and equipment to the extent that it was incurred as a result of the development/construction of the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. The estimated future costs of decommissioning, are reviewed annually and adjusted as appropriate. Changes if any, in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

Revenue recognition

Revenue from supply of desalinated water and power is recognised upon satisfaction of performance obligation which in general happens upon delivery of desalinated water and power to the customer. Capacity charge income (excluding receipts for services provided, such as insurance and maintenance) under Power and Water Purchase Agreements (“PWPA”) or Power Purchase Agreements (“PPA”) or Water Purchase Agreements (“WPA”) for each hour during which the plant is available for power generation and/or water desalination is recognised over the lease term or upon actual billing period as appropriate considering the terms of each PWPA or PPA or WPA. The component of billed revenue related to goods or services not delivered or performed are recorded as deferred liability and reported in the consolidated statement of financial position as deferred revenue.

At the inception of the lease, the total unearned finance income i.e. the excess aggregate minimum lease payments plus residual value (guaranteed and unguaranteed), if any, over the cost of the leased assets, is amortised over the term of the lease, and finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding with respect to the lease.

Revenues from rendering technical, operation and maintenance services are recognised when contracted services are performed. Revenue from development is recognised when related services are rendered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Profit on fixed deposits is recognised as the profit accrues. Interest income on deposits is accrued on an effective yield basis.

Dividend income is recognised when the Group’s right to receive the dividend is established.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs
Borrowing costs directly attributable to the construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalisation.

Front end fees, debt acquisition and arrangement fees, other than commitment fee in relation to undrawn facility, that relate to the origination of the long-term loans and funding facilities are amortised over the period of the loans using the effective interest rate ("EIR"). Loan commitment fee in relation to undrawn portion of loan is treated as service cost. The amortisation on the effective interest basis and the commitment fee on undrawn facility are capitalised as part of projects under construction up to the date of commencement of commercial production and subsequently it is charged to profit or loss.

Expenses
General and administration expenses include direct and indirect costs not specifically forming part of operating costs. Allocations between general and administration expenses and operating costs, when required, are made on a consistent basis.

Zakat and taxation
Zakat and taxation is provided in accordance with the Regulations of the General Authority of Zakat and Tax (the "GAZT") in the Kingdom of Saudi Arabia and on an accruals basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalisation.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with tax regulations of the respective countries.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies
Transactions in foreign currencies are recorded in functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in functional currency at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are taken to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of income or expense are translated in Saudi Riyals at average exchange rates prevailing during the reporting period of related transactions. Exchange differences arising on translation for consolidation, if material, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income for exchange differences relating to that particular foreign operation is recognised in profit or loss.

Value added tax ("VAT")
VAT receivable represents input tax paid on purchases including purchase of property, plant and equipment. VAT receivable is presented on an undiscounted basis net of any output tax collected on revenue.

Dividends
Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Earnings per share
Earnings per share are calculated by dividing profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

New standards, amendments and interpretations adopted by the Group
The Group has adopted all these new and amended standards and interpretations in the preparation of these consolidated financial statements. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 16 Leases
The Group applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

IFRS 16 supersedes IAS 17 leases, IFRIC 4 determining whether an arrangement contains a lease, SIC-15 operating leases-incentives and SIC-27 evaluating the substance of transactions involving the legal form of a lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

IFRS 16 Leases (continued)
At the date of initial application, lease liabilities for leases previously classified as operating lease under IAS 17 are recognized and measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 6%. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment. Below is the summary of effect of adoption IFRS 16 as at 1 January 2019:

	1 Jan 2019
Right of use assets*	**62,005**
Lease liabilities **	**62,005**

** Included within other assets (non-current) (note 9)*
*** Non-current portion of lease liabilities are included within other liabilities (non-current) (note 18.4)*

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately
- the assumptions an entity makes about the examination of tax treatments by taxation authorities
- how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- how an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

Amendments to IFRS
IFRS 9: Prepayment Features with Negative Compensation
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

IAS 19: Plan Amendment, Curtailment or Settlement
The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

These amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the year.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

Amendments to IFRS (continued)

IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation. An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured. An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments had no impact on the consolidated financial statements of the Group.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general
model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach)
• A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The management believe that the interpretation will not significantly impact the Group's consolidated financial statements.

Amendments to IFRS 3: Definition of a Business
In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

4 USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in KSA and IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

4 USE OF ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

(i) Impairment of non-financial assets (including Goodwill)
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the projects' useful lives and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(ii) Fair value of unquoted financial instruments
When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and call options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

Pursuant to certain shareholder agreements, the Group has written put options on non-controlling interests in subsidiaries and on counterparty's ownership interest in an associate. The fair values of these put options are derived from discounted projected cash flow analysis of the respective entities and the redemption amount determined pursuant to contractual agreements. The fair value measurements are performed at each reporting date.

(iii) Impairment of accounts receivable
An estimate of the collectible amount of accounts receivable is made using expected credit loss model which involves evaluation of credit rating and days past due information.

(iv) Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

(v) Lease classification
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

The following are the critical assumptions that have been made in the process of applying the Group's accounting policies for determining whether an arrangement contains a lease and have a significant effect on the amounts recognised in the consolidated financial statements:

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the off-taker will pay for the output is neither contractually fixed per unit of output nor is equal to the current market price per unit of output at the time of delivery of the output and accordingly management believes that the arrangement contains a lease.
- If at the end of the term of the PPA or WPA or PWPA, the ownership of the Plant is transferred to the off-taker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of lease as a finance or operating lease.

All amounts in Saudi Riyals thousands

5 PROPERTY, PLANT AND EQUIPMENT ("PPE")

The following rates are used for calculation of depreciation:

Buildings	2% - 7%	Plant, machinery and equipment	2.5% - 25%
Barges	5%	Office equipment and computers	25% - 33.3%
Furniture and fixtures	10% - 25%	Motor vehicles	14% - 25%
Capital spares	3.3% - 12.5%		

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	***Total 2019***
Cost:										
At 1 January 2019	**861,883**	**10,928,021**	**239,159**	**16,284**	**65,074**	**114,077**	**50,901**	**36,471**	**1,769,092**	**14,080,962**
Additions	**3,612**	**148,328**	**-**	**-**	**8,254**	**16,981**	**1,409**	**6,952**	**1,860,340**	**2,045,876**
Transfer from CWIP	**242,983**	**1,087,885**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,330,868)**	**-**
Disposals	**-**	**-**	**-**	**-**	**(2,914)**	**(2,972)**	**-**	**(216)**	**-**	**(6,102)**
Business combination (note 31)	**6,660**	**6,872,934**	**-**	**-**	**549**	**8,295**	**2,200**	**1,519**	**20,541**	**6,912,698**
De-recognition on loss of control in a subsidiary (note 32.1)	**(31,230)**	**(2,597,098)**	**-**	**-**	**(2,816)**	**(6,506)**	**(19,844)**	**(5,794)**	**-**	**(2,663,288)**
De-recognition on classification as held for sale (note 32.3)	**(15,114)**	**(598,441)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(613,555)**
Finance lease recognition	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**(1,549,479)**	**(1,549,479)**
Foreign currency translation	**-**	**35,119**	**-**	**-**	**-**	**-**	**552**	**154**	**46**	**35,871**
At 31 December 2019	**1,068,794**	**15,876,748**	**239,159**	**16,284**	**68,147**	**129,875**	**35,218**	**39,086**	**769,672**	**18,242,983**
Accumulated depreciation and impairment										
At 1 January 2019	**582,084**	**4,393,234**	**183,947**	**16,284**	**41,607**	**60,181**	**21,218**	**30,323**	**-**	**5,328,878**
Depreciation charge for the year (note 5.4)	**16,874**	**337,459**	**8,770**	**-**	**9,282**	**22,249**	**3,498**	**7,965**	**-**	**406,097**
Impairment loss (note 27)	**-**	**830,761**	**46,442**	**-**	**-**	**-**	**-**	**-**	**-**	**877,203**
Relating to disposals	**-**	**-**	**-**	**-**	**(2,914)**	**(367)**		**(216)**	**-**	**(3,497)**
De-recognition on loss of control in a subsidiary (note 32.1)	**(318)**	**(208,742)**	**-**	**-**	**(1,222)**	**(1,264)**	**(1,597)**	**(5,028)**	**-**	**(218,171)**
De-recognition on classification as held for sale (note 32.3)	**-**	**(191,161)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(191,161)**
Foreign currency translation	**-**	**6,710**	**-**	**-**	**-**	**-**	**45**	**108**		**6,863**
At 31 December 2019	**598,640**	**5,168,261**	**239,159**	**16,284**	**46,753**	**80,799**	**23,164**	**33,152**	**-**	**6,206,212**
Carrying amount as at 31 December 2019	**470,154**	**10,708,487**	**-**	**-**	**21,394**	**49,076**	**12,054**	**5,934**	**769,672**	**12,036,771**

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5 PROPERTY, PLANT AND EQUIPMENT ("PPE") (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2018*
Cost:										
At 1 January 2018	988,304	11,158,798	232,036	16,284	55,324	115,451	33,040	35,398	8,415,182	21,049,817
Additions	43,279	1,373,155	7,123	-	10,278	16,053	19,701	6,062	1,710,630	3,186,281
Transfer from CWIP	-	1,507,599	-	-	-	-	-	-	(1,507,599)	-
Disposals	(84)	(7,174)	-	-	(8)	(14,648)	-	(3,178)	-	(25,092)
De-recognition on loss of control in a subsidiary (note 32.2)	(119,892)	(1,981,789)	-	-	(143)	(1,006)	-	(627)	2,638	(2,100,819)
Finance lease recognition	-	-	-	-	-	-	-	-	(6,847,627)	(6,847,627)
Foreign currency translation	(49,724)	(1,122,568)	-	-	(377)	(1,773)	(1,840)	(1,184)	(4,132)	(1,181,598)
At 31 December 2018	861,883	10,928,021	239,159	16,284	65,074	114,077	50,901	36,471	1,769,092	14,080,962
Accumulated depreciation and impairment										
At 1 January 2018	569,705	3,796,276	109,359	16,284	36,161	66,067	19,135	28,421	-	4,641,408
Depreciation charge for the year (note 5.4)	16,581	322,805	4,213	-	5,574	8,703	2,189	5,610	-	365,675
Impairment loss (note 27)	-	373,562	70,375	-	-	-	-	-	-	443,937
Relating to disposals	-	(7,174)	-	-	(8)	(11,110)	-	(2,761)	-	(21,053)
De-recognition on loss of control in a subsidiary (note 32.2)	(3,497)	(58,015)	-	-	(11)	(405)	-	(314)	-	(62,242)
Foreign currency translation	(705)	(34,220)	-	-	(109)	(3,074)	(106)	(633)	-	(38,847)
At 31 December 2018	582,084	4,393,234	183,947	16,284	41,607	60,181	21,218	30,323	-	5,328,878
Carrying amount as at 31 December 2018	279,799	6,534,787	55,212	-	23,467	53,896	29,683	6,148	1,769,092	8,752,084

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5 PROPERTY, PLANT AND EQUIPMENT ("PPE") (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges*	*Onshore equipment*	*Furniture and fixtures*	*Office equipment and computers*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2017*
Cost:										
At 1 January 2017	771,560	8,165,611	232,036	16,284	41,615	83,306	32,097	32,638	6,397,046	15,772,193
Additions	223,510	434,077	-	-	13,687	32,140	943	2,464	4,549,266	5,256,087
Disposals	-	(123,490)	-	-	-	-	-	(606)	-	(124,096)
Transfers from CWIP	-	2,478,963	-	-	-	-	-	-	(2,478,963)	-
Foreign currency translation	(6,766)	203,637	-	-	22	5	-	902	(52,167)	145,633
At 31 December 2017	988,304	11,158,798	232,036	16,284	55,324	115,451	33,040	35,398	8,415,182	21,049,817
Accumulated depreciation and impairment										
At 1 January 2017	546,747	3,732,385	98,076	16,284	31,829	56,228	18,117	25,334	-	4,525,000
Depreciation charge for the year (note 5.4)	22,926	221,944	11,283	-	4,291	9,723	1,018	3,260	-	274,445
Relating to disposals	-	(123,490)	-	-	-	-	-	(606)	-	(124,096)
Impairment loss reversal (note 5.3)	-	(63,513)	-	-	-	-	-	-	-	(63,513)
Foreign currency translation	32	28,950	-	-	41	116	-	433	-	29,572
At 31 December 2017	569,705	3,796,276	109,359	16,284	36,161	66,067	19,135	28,421	-	4,641,408
Carrying amount as at 31 December 2017	418,599	7,362,522	122,677	-	19,163	49,384	13,905	6,977	8,415,182	16,408,409

5.1 Capital work in progress comprises plants under construction in relation to some subsidiaries of the Group as mentioned in note 40.

5.2 Borrowing costs capitalised during the year amounted to SR 78.2 million (Dec 2018: SR 274.7 million, Dec 2017: SR 1,009 million).

5.3 In 2014, the Group recorded an impairment loss of SR 107.0 million on account of higher risk perception reflected in cost of capital for one of its subsidiaries ("ACWA Power CF Karad PV Park EAD"). During 2017, the Group recorded a reversal in impairment amounting to SR 63.5 million pursuant to successful debt restructuring and favourable outlook which resulted in reduction in cost of capital, hence resulted in partial reversal of impairment.

5.4 Depreciation reflected in profit or loss account is as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Depreciation charge for the year ended 31 December	**406,097**	365,675	274,445
Depreciation charge in relation right of use asset	**12,419**	-	-
Less: Depreciation charge for discontinued operation	**(105,039)**	(144,215)	(71,067)
Depreciation charge from continuing operations for the year ended 31 December	**313,477**	221,460	203,378

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6 INTANGIBLE ASSETS

Intangible assets comprise of goodwill which represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition and arose on account of the following acquisitions:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Arabian Company for Water and Power Projects ("APP") (note 6.1)	**1,937,287**	1,937,287	1,937,287
ACWA Power Barka Services 1 & 2 (note 6.2)	**67,524**	70,524	183,024
UPC Renewables S.A. ("UPC") (note 6.3)	**-**	6,509	6,509
	2,004,811	2,014,320	2,126,820

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

6.1 This relates to goodwill on acquisition of 100% equity stake, in the share capital of APP.

6.2 During prior years, ACWA Power Global Holdings Limited ("APGH") (one of the Group's subsidiary), indirectly acquired a 50% equity stake in the share capital of ACWA Barka and 86.19% each in ACWA Power Barka Services 1 and ACWA Power Barka Services 2. In accordance with the terms of the financing structure for the acquisition, the Group has an effective interest of 41.91% in ACWA Barka and 72.25% indirect equity stakes in the two technical service companies, collectively "services companies". Such acquisition resulted in recognition of goodwill amounting to SR 183 million.

The Group performed impairment testing for certain of its cash generating units namely ACWA Power Barka Services 1 and ACWA Power Barka Services 2 ("the Entities"). The Entities are considered as a single cash generating unit for impairment testing purpose and to arrive at the value in use ("VIU"). The Group used discounted cash flows ("DCF") to calculate the recoverable amount to which goodwill is allocated and estimated that the recoverable amount is less than the carrying amount and accordingly an impairment loss of SR 3.0 million (2018: SR 112.5 million) was recognised in these consolidated financial statements.

6.3 This represents goodwill on acquisition of 70% equity stake in the share capital of UPC, an entity incorporated in Morocco and engaged in generating renewable energy. On 31 December 2019, the Group lost control in APREH (a Parent Company of UPC) and derecognised the Goodwill associated with UPC – refer note 32.1.

7 EQUITY ACCOUNTED INVESTEES

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities. For an entity to be classified as a joint operation, terms of the arrangements including other facts and circumstances must give rise to the Group's rights to the assets, and obligations for the liabilities, of the joint arrangement. While in case of joint venture, the Group has rights to the net assets of the arrangement. Considering the contractual terms of joint arrangements including other facts and circumstances, all of the Group's joint arrangement qualifies for joint venture and are accordingly equity accounted.

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7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees

The table hereafter shows the contribution of each equity accounted investees in the consolidated statement of financial position, income statement, statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the statement of cash flows.

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Business combination / loss of control	Closing balance
31 December 2019									
Rabigh Arabian Water & Electricity Company*	74.00%	Saudi Arabia	2,440,300	(109,978)	209,183	(44,400)	-	(2,495,105)	-
SGA/NOVA SGA Marafiq Holdings ("SGA Marafiq")	33.33%	Bahrain / UAE	513,634	(21,932)	17,023	-	(29,506)	-	479,219
Shuqaiq International Water and Electricity Company Limited ("SIWEC")	53.34%	Saudi Arabia	466,199	(16,326)	32,515	(3,734)	(2,506)	-	476,148
Saudi Malaysian Water and Electricity Company Limited ("SAMAWEC")	50.00%	Saudi Arabia	1,208,698	-	81,382	(150,325)	(4,135)	-	1,135,620
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,523	-	9,832	(10,688)	-	-	26,667
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,530	-	9,829	(10,688)	-	-	26,671
Jordan Biogas Company	50.00%	Jordan	2,552	-	(54)	-	-	-	2,498
Qurayyah Investment Company ("QIC")	35.00%	Saudi Arabia	458,420	700	5,579	(26,124)	(18,558)	-	420,017
Rabigh Electricity Company	40.00%	Saudi Arabia	662,633	2,812	(48,750)	-	(19,117)	-	597,578
Shuaa Energy 1 P.S.C ("Shuaa") **	49.00%	UAE	96,671	(5,089)	5,989	(2,481)	(33,076)	(62,014)	-
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	548,313	2,239	(40,335)	-	(47,261)	-	462,956
Dhofar Generating Company	27.00%	Oman	93,474	1,191	1,071	(10,587)	(10,986)	-	74,163
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	1,933	552,773	1,627	-	(58,563)	-	497,770
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(2,522)	479,625	5,106	-	(60,889)	-	421,320
ACWA Power Oasis Three FZ-LLC ("Oasis 3") **	70.70%	UAE	(13,024)	95,585	(5,330)	-	(20,208)	(57,023)	-
VInh Hao 6 Power Joint Stock	60.00%	Vietnam	-	68,890	-	-	-	-	68,890
ACWA Power Renewable Energy Holding Ltd (refer note 32.1)	51.00%	UAE	-	604,350	-	-	-	-	604,350
									5,293,867
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	28,694	-	(89)	-	(180,711)	-	(152,106)
Haya Power & Desalination Company	60.00%	Bahrain	(45,000)	-	-	-	(30,147)	-	(75,147)
Noor Energy 1 P.S.C.	24.90%	UAE	-	(20,087)	(125)	-	(244,845)	-	(265,057)
Dhofar Desalination Co. SAOC	50.10%	Oman	-	2,637	-	-	(11,709)	-	(9,072)
Taweelah RO Desalination Company LLC	40.00%	UAE	-	(12,000)	-	-	-	-	(12,000)
Naqa'a Desalination Plant LLC	40.00%	UAE	-	(3,600)	-	-	-	-	(3,600)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(516,982)
			6,516,028	1,621,790	284,453	(259,027)	(772,217)	(2,614,142)	4,776,885

** During the year the Group's effective shareholding in RAWEC increased from 74% to 99% - refer note 31.*

*** Share in net results of Shuaa and Oasis 3 totaling to SR 659 thousands (gain) [2018: SR 7.0 million (loss), 2017: SR 4.8 million (gain)] have been presented under discontinued operations refer note 32.4.*

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7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Transfer to affiliates	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2018									
Rabigh Arabian Water & Electricity Company – (note 31)	74.00%	Saudi Arabia	787,358	1,019,863	-	633,111	-	(32)	2,440,300
SGA/NOVA SGA Marafiq Holdings (“SGA Marafiq”)	33.33%	Bahrain / UAE	456,100	(34,311)	-	43,489	-	48,356	513,634
Shuqaiq International Water and Electricity Company Limited (“SIWEC”)	53.34%	Saudi Arabia	395,908	(12,421)	-	46,416	(12,802)	49,098	466,199
Saudi Malaysian Water and Electricity Company Limited (“SAMAWEC”)	50.00%	Saudi Arabia	1,112,788	-	-	112,196	(58,269)	41,983	1,208,698
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,135	-	-	17,338	(16,950)	-	27,523
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,139	-	-	17,341	(16,950)	-	27,530
Jordan Biogas Company	50.00%	Jordan	2,777	-	-	(225)	-	-	2,552
Qurayyah Investment Company (“QIC”)	35.00%	Saudi Arabia	438,391	700	-	4,083	-	15,246	458,420
Rabigh Electricity Company	40.00%	Saudi Arabia	651,817	2,812	-	62,657	(96,230)	41,577	662,633
Shuaa Energy 1 P.S.C	49.00%	UAE	18,150	62,464	-	6,693	(4,686)	14,050	96,671
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	520,254	2,239	-	4,069	-	21,751	548,313
Dhofar Generating Company	27.00%	Oman	-	(113,092)	218,785	(982)	-	(11,237)	93,474
MAP Power Holding Company Limited (“MAP”)	50.00%	UAE	(48,181)	243,864	(218,785)	3,340	-	19,762	-
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(26,525)	-	-	(83)	-	55,302	28,694
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	(8,008)	-	-	(18)	-	9,959	1,933
									6,576,574
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(14,563)	2,205	-	(16)	-	9,852	(2,522)
ACWA Power Oasis Three FZ-LLC	70.70%	UAE	-	718	-	(13,742)	-	-	(13,024)
Haya Power & Desalination Company	60.00%	Bahrain	-	(45,000)	-	-	-	-	(45,000)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) – (note 32.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(60,546)
			4,340,540	1,130,041	-	935,667	(205,887)	315,667	6,516,028

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7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2017								
Rabigh Arabian Water & Electricity Company	37.00%	Saudi Arabia	564,960	108,000	114,322	-	76	787,358
SGA/NOVA SGA Marafiq Holdings (“SGA Marafiq”)	33.33%	Bahrain / UAE	68,044	350,000	35,844	(39,359)	41,571	456,100
Shuqaiq International Water and Electricity Company Limited (“SIWEC”)	53.34%	Saudi Arabia	6,019	326,831	40,391	(11,163)	33,830	395,908
Saudi Malaysian Water and Electricity Company Limited (“SAMAWEC”)	50.00%	Saudi Arabia	1,070,355	-	114,001	(106,003)	34,435	1,112,788
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	23,371	-	14,480	(10,716)	-	27,135
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	23,373	-	14,482	(10,716)	-	27,139
Jordan Biogas Company	50.00%	Jordan	2,968	-	(191)	-	-	2,777
Qurayyah Investment Company (“QIC”)	35.00%	Saudi Arabia	404,956	(705)	29,696	-	4,444	438,391
Rabigh Electricity Company	40.00%	Saudi Arabia	612,524	(5,628)	85,489	(57,925)	17,357	651,817
SunE Nomac AD	50.00%	Bulgaria	2,775	(2,775)	-	-	-	-
Shuaa Energy 1 P.S.C	49.00%	UAE	705	18,116	4,817	(2,205)	(3,283)	18,150
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	(189,953)	697,822	9,271	-	3,114	520,254
								4,437,817
MAP Power Holding Company Limited (“MAP”)	50.00%	UAE	(33,584)	-	(5,476)	-	(9,121)	(48,181)
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	2,830	-	(27)	-	(17,366)	(14,563)
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	5,700	-	(8)	-	(13,700)	(8,008)
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(4,079)	-	(67)	-	(22,379)	(26,525)
								(97,277)
			2,560,964	1,491,661	457,024	(238,087)	68,978	4,340,540

7.2 During 2017, the Group disposed of certain portion of its interest in Shuqaiq Water and Electricity Company, through Shuqaiq International Water and Electricity Company Limited, for a consideration of SR 106.4 million and recognised a gain of SR 65.4 million as other income (note 26).

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees

The table below represents the summarised financial information of its material associates and joint ventures:

Information on statement of financial position of material joint ventures and associates:

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investee	Goodwill and other adjustments	Carrying amount
31 December 2019													
SGA Marafiq Holdings W.L.L.	**1,087,964**	**60,320**	**55**	**-**	**(76,852)**	**-**	**(884,876)**	**186,611**	**33.33%**	**62,198**	**293,757**	**123,264**	**479,219**
Shuqaiq International Water and Electricity Company	**707,732**	**16,107**	**9**	**(16,309)**	**(5,424)**	**(277,744)**	**(337,666)**	**86,705**	**53.34%**	**46,249**	**338,260**	**91,639**	**476,148**
Saudi Malaysian Water and Electricity Company Limited	**1,404,336**	**7,823**	**116**	**-**	**(6,828)**	**-**	**-**	**1,405,447**	**50.00%**	**702,724**	**-**	**432,896**	**1,135,620**
Qurayyah Investment Company	**1,233,128**	**1,040**	**35**	**-**	**(298)**	**-**	**-**	**1,233,905**	**35.00%**	**431,867**	**-**	**(11,850)**	**420,017**
Rabigh Electricity Company	**7,782,080**	**20,086**	**315,906**	**(342,069)**	**(459,746)**	**(5,104,684)**	**(937,074)**	**1,274,499**	**40.00%**	**509,799**	**-**	**87,779**	**597,578**
Dhofar Generating Company	**2,052,475**	**61,548**	**192,492**	**(71,132)**	**(130,019)**	**(1,425,609)**	**(251,390)**	**428,365**	**27.00%**	**115,659**	**-**	**(41,496)**	**74,163**
Al Mourjan for Electricity Production Company	**5,566,848**	**11,188**	**45,041**	**(122,221)**	**(221,349)**	**(3,871,837)**	**(310,952)**	**1,096,718**	**50.00%**	**548,359**	**-**	**(85,403)**	**462,956**
Hassyan Energy Phase 1 P.S.C	**5,416,034**	**439,983**	**106,226**	**-**	**(284,162)**	**(5,375,364)**	**(867,118)**	**(564,401)**	**26.95%**	**(152,106)**	**-**	**-**	**(152,106)**
MAP Inland Holdings Ltd. (JAFZA)	**3,711,518**	**97,289**	**710,144**	**(112,287)**	**(2,065,194)**	**(2,226,294)**	**(184,199)**	**(69,023)**	**47.26%**	**(32,621)**	**552,773**	**(22,382)**	**497,770**
MAP Coastal Holding Company Limited (JAFZA)	**3,847,058**	**135,145**	**578,456**	**(108,819)**	**(1,904,660)**	**(2,280,776)**	**(323,842)**	**(57,438)**	**47.26%**	**(27,145)**	**479,625**	**(31,160)**	**421,320**
Haya Power & Desalination Company	**1,593,634**	**37,502**	**19,916**	**-**	**(323,943)**	**(1,311,126)**	**(66,228)**	**(50,245)**	**60.00%**	**(30,147)**	**-**	**(45,000)**	**(75,147)**
Noor Energy 1 P.S.C.	**3,385,794**	**285,388**	**112,391**	**-**	**(265,098)**	**(3,453,790)**	**(1,048,499)**	**(983,814)**	**24.90%**	**(244,970)**	**-**	**(20,087)**	**(265,057)**
ACWA Power Renewable Energy Holding Ltd	**4,028,391**	**156,144**	**152,375**	**(138,863)**	**(320,803)**	**(3,061,680)**	**(138,948)**	**676,616**	**51.00%**	**345,074**	**-**	**259,276**	**604,350**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	**1,998,175**	**115,005**	**294,575**	**-**	**(169,381)**	**(2,497,753)**	**(578,733)**	**(838,112)**	**70.00%**	**-**	**-**	**-**	**-**
31 December 2018													
Rabigh Arabian Water & Electricity Company	6,395,080	228,730	251,767	-	(207,586)	(4,076,745)	(222,915)	2,368,331	74.00%	1,752,565	110,356	577,379	2,440,300
SGA Marafiq Holdings W.L.L.	1,067,377	325	27	-	(8,891)	-	(799,986)	258,852	33.33%	86,275	315,689	111,670	513,634
Shuqaiq International Water and Electricity Company	672,736	31,832	5	(31,194)	(14,381)	(277,744)	(354,690)	26,564	53.34%	14,169	355,284	96,746	466,199
Saudi Malaysian Water and Electricity Company Limited	1,340,056	2,276	139,557	-	(1,051)	-	-	1,480,838	50.00%	740,419	-	468,279	1,208,698
Qurayyah Investment Company	1,360,432	44	26,915	-	(4,226)	-	(29,634)	1,353,531	35.00%	473,736	-	(15,316)	458,420
Rabigh Electricity Company	7,978,462	44,802	209,680	(325,107)	(186,796)	(5,389,023)	(845,247)	1,486,771	40.00%	594,708	-	67,925	662,633
Shuaa Energy 1 P.S.C	1,181,171	9,361	38,026	(21,532)	(138,356)	(990,985)	(7,875)	69,810	49.00%	34,207	62,464	-	96,671
Dhofar Generating Company	2,074,555	99,062	110,712	(68,408)	(64,237)	(1,495,972)	(151,411)	504,301	27.00%	136,161	-	(42,687)	93,474
Al Mourjan for Electricity Production Company	5,698,532	7,439	76,896	(135,252)	(153,952)	(3,985,228)	(238,962)	1,269,473	50.00%	634,737	-	(86,424)	548,313
Hassyan Energy Phase 1 P.S.C	3,663,873	36,964	33,268	-	(23,063)	(3,350,282)	(254,289)	106,471	26.95%	28,694	-	-	28,694
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	2,254,149	16,687	382,274	(345,997)	(174,679)	(2,189,201)	(247,294)	(304,061)	70.0%	-	-	-	-

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees (continued)

Information on statement of financial position of material joint ventures and associates (continued):

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investee	Goodwill and other adjustments	Carrying amount
31 December 2017													
Rabigh Arabian Water & Electricity Company	6,334,590	328,156	300,826	(387,548)	(1,079,225)	(4,159,054)	(34,072)	1,303,673	37.00%	482,359	108,000	196,999	787,358
SGA Marafiq Holdings W.L.L.	1,014,449	5,399	20,845	-	(6,711)	-	(1,052,169)	(18,187)	33.33%	(6,062)	350,000	112,162	456,100
Shuqaiq International Water and Electricity Company	486,549	52,386	-	(23,694)	(11,857)	(296,068)	(367,705)	(160,389)	53.34%	(85,551)	367,705	113,754	395,908
Saudi Malaysian Water and Electricity Company Limited	1,144,679	4,695	29,249	-	(3,842)	-	-	1,174,781	50.00%	587,391	-	525,397	1,112,788
Qurayyah Investment Company	1,309,059	54	26,880	-	(3,110)	-	(29,634)	1,303,249	35.00%	456,137	-	(17,746)	438,391
Rabigh Electricity Company	8,400,209	128,469	225,863	(298,812)	(106,739)	(5,928,854)	(917,637)	1,502,499	40.00%	601,000	-	50,817	651,817
Shuaa Energy 1 P.S.C	1,181,964	24,326	32,919	(175,804)	(11,751)	(1,001,056)	(13,557)	37,041	49.00%	18,150	-	-	18,150
MAP Power Holding Company Limited ("MAP")	2,482,208	28,041	58,940	(37,173)	(35,642)	(2,409,069)	(147,943)	(60,638)	50.00%	(30,319)	-	(17,862)	(48,181)
Al Mourjan for Electricity Production Company	5,718,049	90,543	147,159	(249,608)	(319,921)	(5,405,114)	(157,124)	(176,016)	50.00%	(88,008)	696,925	(88,663)	520,254
Hassyan Energy Phase 1 P.S.C	2,010,466	17,593	18,245	-	(9,170)	(1,764,032)	(371,525)	(98,423)	26.95%	(26,525)	-	-	(26,525)

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates:

	Revenues	Share in results of equity accounted investees	Depreciation	Finance Charges	Finance Income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
For year ended 31 December 2019								
SGA Marafiq Holdings W.L.L.	**-**	**160,652**	**-**	**(48,833)**	**165**	**59,600**	**(110,587)**	**(50,987)**
Shuqaiq International Water and Electricity Company	**-**	**81,496**	**-**	**(21,200)**	**231**	**62,941**	**3,746**	**66,687**
Saudi Malaysian Water and Electricity Company Limited	**-**	**212,354**	**-**	**(53)**	**1,781**	**181,142**	**777**	**181,919**
Qurayyah Investment Company	**-**	**7,521**	**-**	**(112)**	**-**	**6,540**	**(53,062)**	**(46,522)**
Rabigh Electricity Company	**674,676**	**-**	**(218,779)**	**(401,832)**	**1,254**	**(140,847)**	**(47,793)**	**(188,640)**
Dhofar Generating Company	**391,176**	**-**	**(38,279)**	**(72,769)**	**-**	**3,967**	**(40,688)**	**(36,721)**
Al Mourjan for Electricity Production Company	**474,743**	**-**	**(137,828)**	**(228,040)**	**698**	**(81,591)**	**(94,561)**	**(176,152)**
Hassyan Energy Phase 1 P.S.C	**-**	**-**	**-**	**-**	**-**	**(181)**	**(670,691)**	**(670,872)**
MAP Inland Holdings Ltd. ("MAP Inland") **	**625,217**	**-**	**(58,726)**	**(77,133)**	**-**	**1,836**	**(123,908)**	**(122,072)**
MAP Coastal Holding Company Limited ("MAP Coastal") **	**627,491**	**-**	**(63,897)**	**(81,801)**	**-**	**10,167**	**(129,645)**	**(119,478)**
Haya Power & Desalination Company	**-**	**-**	**-**	**-**	**-**	**-**	**(50,245)**	**(50,245)**
Noor Energy 1 P.S.C.	**-**	**-**	**-**	**-**	**-**	**(254)**	**(979,771)**	**(980,025)**
ACWA Power Renewable Energy Holding (note 32.1)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 32.2)	**687,171**	**-**	**(49,554)**	**(606,296)**	**5,312**	**(648,220)**	**-**	**(648,220)**
For year ended 31 December 2018								
Rabigh Arabian Water & Electricity Company	1,146,256	-	(194,654)	(253,429)	4,334	373,868	13	373,881
SGA Marafiq Holdings W.L.L.	-	182,185	-	(30,425)	-	144,898	145,083	289,981
Shuqaiq International Water and Electricity Company	-	113,724	-	(29,127)	177	87,490	100,551	188,041
Saudi Malaysian Water and Electricity Company Limited	-	254,254	-	(27)	421	246,289	92,898	339,187
Qurayyah Investment Company	-	8,117	-	(112)	-	7,026	43,559	50,585
Rabigh Electricity Company	923,539	-	(218,642)	(403,735)	1,814	120,903	97,613	218,516
Shuaa Energy 1 P.S.C	94,452	-	-	(66,386)	116	13,660	28,674	42,334
Dhofar Generating Company	386,157	-	(38,152)	(72,594)	-	3,521	31,575	35,096
Al Mourjan for Electricity Production Company	531,959	-	(138,980)	(208,428)	1,567	10,338	38,061	48,399
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(170)	204,821	204,651

* *Profit or loss, other comprehensive income and total comprehensive income included in above table are before any intra-group transaction elimination or other group level adjustments.*
** *Net profit or loss of MAP Inland and MAP coastal include delay liquidated damages expense which are due to off-taker. A recovery of the same amounts has also been accrued from EPC contractors in accordance with underlying EPC contracts. Thus, the net impact of liquidated damages on profit or loss of these entities is SR nil.*

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7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.3 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates (continued):

	Revenues	Share in results of equity accounted investees	Depreciation	Finance charges	Finance income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
For year ended 31 December 2017								
Rabigh Arabian Water & Electricity Company	1,115,641	-	(189,193)	(288,216)	2,042	324,965	205	325,170
SGA Marafiq Holdings W.L.L.	-	152,901	-	(23,181)	40	127,476	124,726	252,202
Shuqaiq International Water and Electricity Company Limited	-	93,094	-	(25,458)	46	66,610	63,424	130,034
Saudi Malaysian Water and Electricity Company Limited	-	234,657	-	(38)	-	273,426	68,870	342,296
Qurayyah Investment Company	-	68,592	-	(112)	-	68,959	12,698	81,657
Rabigh Electricity Company	952,162	-	(218,416)	(430,859)	1,714	154,645	43,391	198,036
Shuaa Energy 1 P.S.C	61,274	-	-	(41,587)	88	9,831	6,609	16,440
MAP Power Holding Company Limited ("MAP")	151,155	-	-	(20,740)	3,965	(11,424)	(18,241)	(29,665)
Al Mourjan for Electricity Production Company	157,066	-	(31,600)	(58,364)	-	14,894	6,228	21,122
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(142)	(83,039)	(83,181)

** Profit or loss, other comprehensive income and total comprehensive income included in above table is before any intra-group transaction elimination or other group level adjustments.*

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8 NET INVESTMENT IN FINANCE LEASE

In relation to Power Purchase Agreements ("PPA") between the few of the Group's subsidiaries and their off-taker, the Group management has concluded that the PPA are within the scope of IFRS 16, "Leases". Further, management has assessed the lease classification and concluded that the arrangements are finance lease. Accordingly, finance lease receivable has been recognised in the consolidated financial statements.

The lease cash flows are denominated in multiple currencies. Accordingly, the minimum lease payments are determined separately for each currency involved using interest rate implicit in lease for respective currency.

The lease receivables under the finance lease terms are detailed as follows:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
a) Net investment in finance leases consist of:			
Gross investment in finance leases (see (b) below)	**17,010,748**	15,195,883	4,702,391
Less: Unearned finance income (see (c) below)	**(6,436,512)**	(5,864,264)	(1,916,120)
	10,574,236	9,331,619	2,786,271
Analysed as:			
Current portion of net investment in finance lease	**209,902**	216,891	67,155
Non-current portion of net investment in finance lease	**10,364,334**	9,114,728	2,719,116
b) The future minimum lease payments to be received consist of:			
Within one year	**673,337**	617,615	204,031
After one year but not more than five years	**3,726,464**	2,570,015	1,030,640
Five years onwards	**12,610,947**	12,008,253	3,467,720
	17,010,748	15,195,883	4,702,391
c) The maturity of unearned finance income are as follows:			
Within one year	**463,435**	400,724	136,876
After one year but not more than five years	**2,103,960**	1,519,103	632,404
Five years onwards	**3,869,117**	3,944,437	1,146,840
	6,436,512	5,864,264	1,916,120

Finance income earned on the finance leases during the year was SR 319.9 million (2018: 145.2 million SR 2017: SR 88.8 million) (note 23) which is net of loss of SR 98.8 million (2018: SR 116.9 million, 2017: SR 49.1 million) due to fewer lease payments compared to original estimates resulted from lower production.

The total finance lease income in respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency respectively with respect to the lease.

The periodic rate of return used by the Group ranges from 2.04% to 10.21% (31 Dec 2018: 2.04% to 9.45%, 31 Dec 2017: 3.23% to 7.88%) per annum.

9 OTHER ASSETS

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Value Added Tax ("VAT")	**124,815**	160,638	530,635
Right of use assets	**47,934**	-	-
Others	**33,361**	45,140	9,004
	206,110	205,778	539,639

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10 INVENTORIES

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Spare parts and consumables	**410,413**	281,815	339,895
Chemicals	**16,864**	9,382	13,821
Diesel	**10,409**	10,540	15,102
Goods in transit	**638**	672	1,805
	438,324	302,409	370,623

11 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Trade accounts receivable		**1,242,492**	1,265,963	783,539
Less: Allowance for impaired receivables	11.1	**(31,657)**	(64,334)	(71,402)
Net trade accounts receivable	11.2	**1,210,835**	1,201,629	712,137
Prepayments, insurance and other receivables	11.3	**1,344,640**	1,004,339	718,510
Project development cost	11.4	**240,569**	212,790	100,178
Advances to suppliers		**121,096**	39,735	57,876
Value added tax and other receivables from authorities	11.5	**41,750**	32,440	31,354
Advances to employees		**28,777**	22,021	24,934
Others		**12,353**	19,726	10,632
		3,000,020	2,532,680	1,655,621

11.1 Allowance for impaired receivables is calculated using expected credit loss approach specified in IFRS 9. To measure the expected credit losses, trade receivables are evaluated based on customer credit rating and days past due information. The approach also incorporates forward looking information. Movement in allowance for impaired receivables is disclosed in note 35.1 (c).

11.2 Net trade account receivable includes SR 388.2 million (31 Dec 2018: SR 419.0 million, 31 Dec 2017: SR 209.9 million) receivable of CEGCO that includes SR 306.9 million (31 Dec 2018: 312.1 million, 31 Dec 2017: SR 130.4 million) of fuel revenues receivable on account of electricity supplied to the off-taker, National Electric Power Company ("NEPCO"), which is domiciled in the Hashemite Kingdom of Jordan. The payments of NEPCO are back stopped by the Government of Jordan Guarantee. The Government of Jordan has ownership interest in both CEGCO and NEPCO (note 18.1).

11.3 The balance includes reinsurance assets and premiums receivable amounting to SR 886.5 million (31 Dec 2018: SR 328.5 million, 31 Dec 2017: SR 334.9 million). Related insurance liabilities are included in accrued expenses and other liabilities (note 18.2).

11.4 Project development cost represents costs incurred on projects under development which are considered feasible as of the reporting date. A provision is made against the project development costs based on an average project success rate and management's best estimates. During 2019, SR 50.8 million (31 Dec 2018: reversal of SR 16.4 million, 31 Dec 2017: provision of SR 94.4 million) net of provisions and write-offs were recorded in profit or loss from continued operations.

11.5 VAT receivables have been paid on purchases of goods and services and will be utilised against VAT liabilities for future periods.

12 CASH AND CASH EQUIVALENTS

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Cash in hand and at bank	**1,433,286**	3,221,133	1,876,302
Short-term deposits with original maturities of three months or less	**1,365,029**	2,277,132	1,362,927
	2,798,315	5,498,265	3,239,229

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13 SHARE CAPITAL AND RESERVES

13.1 Share capital

The Company's authorised and fully paid up share capital consists of 645,762,878 shares (31 Dec 2018: 645,762,878 shares, 31 Dec 2017: 547,603,721 shares) of SR 10 each.

Transaction cost incurred on issuance of shares is recognised in equity.

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Authorised and fully paid up shares of SR 10 each	**6,457,629**	6,457,629	5,476,037
Transaction cost	**(28,285)**	(28,285)	(9,822)
Share capital	**6,429,344**	6,429,344	5,466,215

During 2018, the Company issued 98,159,157 shares to "Public Investment Fund ("PIF")" at a premium amounting to SR 1,079.8 million. Total proceeds received against the shares issued net of transaction cost amounted to SR 2,042.9 million.

13.2 Other reserves

Movement in other reserve is given below:

	Cash flow hedge reserve	*Currency translation reserve*	*Share in OCI of equity accounted investees (note 7)*	*Re-measurement of defined benefit liability*	*Other*	*Total*
Balance as at 1 January 2017	(141,412)	(147,110)	(627,178)	(5,180)	(27,180)	(948,060)
Changes during the year	(50,276)	(2,110)	68,978	(2,624)	-	13,968
Balance as at 31 December 2017	(191,688)	(149,220)	(558,200)	(7,804)	(27,180)	(934,092)
Changes during the year	28,600	(323,986)	315,667	6,870	-	27,151
Recycled to profit or loss on loss of control (note 32.2)	47,711	141,330	-	-	-	189,041
Balance as at 31 December 2018	**(115,377)**	**(331,876)**	**(242,533)**	**(934)**	**(27,180)**	**(717,900)**
Changes during the year	**(243,780)**	**228,294**	**(772,217)**	**(18,251)**	**-**	**(805,954)**
Recycled to profit or loss on loss of control (note 32.1)	**45,982**	**73,861**	**42,775**	**-**	**-**	**162,618**
Balance as at 31 December 2019 *	**(313,175)**	**(29,721)**	**(971,975)**	**(19,185)**	**(27,180)**	**(1,361,236)**

* *Currency translation reserve and cash flow hedge reserve as of 31 December 2019 includes SR (20.0) million and SR 4.0 million respectively associated with assets held for sale (note 32.3).*

Cash flow hedge reserve
The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long term loan and funding facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Currency translation reserve
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

13 SHARE CAPITAL AND RESERVES (CONTINUED)

13.2 Other reserves (continued)

Share in other comprehensive income of equity accounted investees
Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

Other
This represents amount initially recognised for the put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary (note 13.5 (c)).

13.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit other stakeholders. Management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

13.4 Dividends

During 2019, the Company paid dividends of SR 322.9 million to its shareholders (31 Dec 2018: SR 235.1 million, 31 Dec 2017: SR 208.9 million).

13.5 Other financial liabilities

Other financial liabilities as reported in consolidated statement of financial position as of 31 December 2019 includes:

(a) As of 31 December 2018, the Group had an outstanding liability of SR 175.4 million (2017: SR 174.3 million) in relation to call/put option on shares held by the Group over equity interests of non-controlling shareholders in a subsidiary. The option was exercised during 2019.

(b) SR 359.8 million (31 Dec 2018: SR 711.7 million, 31 Dec 2017: Nil) on account of financial liabilities assumed on loss of control in a subsidiary.

(c) Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The option is likely to be exercised by 2020. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million. Subsequent changes in fair value are recognised in profit or loss with a corresponding increase / decrease in financial liabilities. If the contract expires without delivery, the carrying amount of the financial liability will be adjusted against equity and balance will be reclassified to profit or loss. The related accreted financial liability as at 31 Dec 2019 is SR 35.9 million (31 Dec 2018: SR 37.1 million, 31 Dec 2017: SR 37.1 million).

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14 NON-CONTROLLING INTEREST (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI. Where necessary, balances in relation assets and liabilities of subsidiaries are adjusted to account for group consolidation adjustments.

Information on statement of financial position

	CEGCO	Barka	APO I	Karad**	Bowarege	Bokpoort*	APOII	APOIII	Khalladi*	ROMCO	Zarqa	Rabigh 3	Others*** including eliminations	Total
As at 31 December 2019														
NCI %	**59.07%**	**58.09%**	**25.00%**	**-**	**35.15%**	**-**	**25.00%**	**25.00%**	**-**	**40.00%**	**40.00%**	**30.00%**		
Non-current assets	**646,910**	**898,573**	**2,504,063**	**-**	**74**	**-**	**3,429,867**	**2,808,136**	**-**	**1,988**	**1,794,621**	**722,422**		
Current assets	**521,073**	**334,858**	**209,423**	**-**	**10,822**	**-**	**301,169**	**74,622**	**-**	**112,488**	**316,510**	**17,331**		
Non-current liabilities	**(198,190)**	**(475,747)**	**(1,757,659)**	**-**	**(5,169)**	**-**	**(2,605,459)**	**(2,003,205)**	**-**	**(15,845)**	**(1,332,459)**	**(858,286)**		
Current liabilities	**(576,325)**	**(427,697)**	**(234,541)**	**-**	**(30,184)**	**-**	**(1,239,848)**	**(1,041,116)**	**-**	**(45,698)**	**(331,270)**	**(11,843)**		
Net assets / (liabilities)	**393,468**	**329,987**	**721,286**	**-**	**(24,457)**	**-**	**(114,271)**	**(161,563)**	**-**	**52,933**	**447,402**	**(130,376)**		
Net assets / (liabilities) attributable to NCI	**232,429**	**191,722**	**180,322**	**-**	**(8,597)**	**-**	**(28,568)**	**(40,391)**	**-**	**21,173**	**178,961**	**(39,113)**	**15,566**	**703,504**
As at 31 December 2018														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Non-current assets	723,476	1,997,339	2,548,180	451,424	111,877	1,350,067	3,506,550	2,808,678	655,856	1,994	1,776,093	-		
Current assets	570,134	159,735	267,870	31,030	39,236	58,824	277,865	117,482	66,564	80,967	265,551	-		
Non-current liabilities	(224,831)	(792,282)	(2,001,200)	(470,462)	(701)	(928,494)	(3,259,874)	(2,561,428)	(558,593)	(19,003)	(1,192,011	-		
Current liabilities	(774,193)	(314,683)	(247,038)	(28,851)	(47,382)	(99,750)	(633,314)	(377,399)	(95,288)	(14,432)	(385,113)	-		
Net assets / (liabilities)	294,586	1,050,109	567,812	(16,859)	103,030	380,647	(108,773)	(12,667)	68,539	49,526	464,520	-		
Net assets / (liabilities) attributable to NCI	174,012	610,113	141,953	(9,778)	36,215	228,388	(27,193)	(3,167)	17,135	19,810	185,808	-	11,888	1,385,184

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14 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

Information on statement of financial position (continued)

As at 31 December 2017	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Others*** including eliminations	Total
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%		
Non-current assets	852,540	2,016,365	2,692,371	490,829	119,646	1,606,652	3,265,911	2,421,547	609,730	2,404	1,508,553		
Current assets	355,321	165,953	245,646	55,453	85,371	65,818	163,555	95,887	71,809	64,801	35,409		
Non-current liabilities	(349,272)	(759,953)	(2,626,189)	(558,385)	(637)	(1,103,386)	(3,097,523)	(2,277,615)	(478,013)	(21,653)	(876,149)		
Current liabilities	(490,445)	(311,143)	(382,176)	(65,166)	(46,638)	(107,957)	(307,532)	(221,136)	(127,804)	(11,067)	(232,049)		
Net assets / (liabilities)	368,144	1,111,222	(70,348)	(77,269)	157,742	461,127	24,411	18,683	75,722	34,485	435,764		
Net assets / (liabilities) attributable to NCI	217,463	645,620	(17,587)	(44,816)	55,446	276,676	6,103	4,671	18,931	13,794	174,306	38,778	1,389,385

* *These entities were held through ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group. During 2019, the Group lost control in APREH and accordingly deconsolidated related net assets and NCI. Refer note 32.1.*

** *On 14 December 2019, the Group entered in to sale and purchase agreement with respect to disposal of its entire shareholding in ACWA Power CF Karad PV Park ("Karad"). Assets and liabilities of Karad are presented as held for sale. Refer note 32.3.*

*** *Others, as of 31 December 2019 and 2018, also include NCI pertaining to Rabigh Power Company ("RPC"). During 2018, the Group acquired an additional 34% interest in RPC for a consideration amounting to SR 70.7 million and having a carrying amount of SR 10.8 million. Difference between carrying amount and consideration paid is recorded directly within the equity. On 10 October 2019, Group has acquired remaining 15% interest in RPC for consideration amounting to SR 28.89 million having a carrying amount of SR 10.1 million. Difference between carrying amount and consideration paid is recorded directly within the equity.*

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14 NON-CONTROLLING INTEREST (NCI) (CONTINUED)

Information on statement of profit of loss and other comprehensive income

	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others	Total
31 December 2019														
NCI %	**59.07%**	**58.09%**	**25.00%**	**58.00%**	**35.15%**	**60.00%**	**25.00%**	**25.00%**	**49.00%**	**40.00%**	**40.00%**	**30.00%**		
Revenue	**423,186**	**546,180**	**158,664**	**65,992**	**-**	**234,467**	**235,603**	**45,886**	**100,682**	**97,089**	**247,978**	**-**		
Profit / (loss)	**113,634**	**(509,196)**	**193**	**4,280**	**(127,486)**	**15,945**	**(5,498)**	**(148,896)**	**3,426**	**23,463**	**27,402**	**(83)**		
OCI	**(12,786)**	**-**	**-**	**(44,520)**	**-**	**(98,375)**	**-**	**-**	**-**	**(216)**	**(44,520)**	**-**		
Total comprehensive income / (loss)	**100,848**	**(509,196)**	**193**	**(40,240)**	**(127,486)**	**(82,430)**	**(5,498)**	**(148,896)**	**3,426**	**23,247**	**(17,118)**	**(83)**		
Profit / (loss) – NCI share	**67,126**	**(295,843)**	**48**	**2,482**	**(44,811)**	**9,567**	**(1,375)**	**(37,224)**	**1,679**	**9,385**	**10,961**	**(25)**	**(15,752)**	**(293,782)**
OCI – NCI share	**(7,553)**	**-**	**-**	**(25,822)**	**-**	**(59,025)**	**-**	**-**	**-**	**(86)**	**(17,808)**	**-**	**(20,171)**	**(130,465)**
31 December 2018														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Revenue	592,441	603,980	148,563	68,631	14	228,370	117,546	31,329	39,309	84,183	101,598	-		
Profit / (loss)	15,221	(104,700)	(25,424)	(1,627)	(56,263)	(4,514)	(133,182)	(31,350)	(6,856)	24,514	13,359	-		
OCI	3,090	-	-	6,180	53	27,618	-	-	-	526	15,397	-		
Total comprehensive income / (loss)	18,311	(104,700)	(25,424)	4,553	(56,210)	23,104	(133,182)	(31,350)	(6,856)	25,040	28,756	-		
Profit / (loss) – NCI share	8,991	(60,831)	(6,356)	(944)	(19,776)	(2,708)	(33,296)	(7,838)	(1,714)	9,806	5,344	-	(15,750)	(125,072)
OCI – NCI share	1,825	-	-	3,584	19	16,571	-	-	-	210	6,159	-	(3,176)	25,192
31 December 2017														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Revenue	802,725	702,767	207,501	69,194	140,487	220,056	-	-	-	74,255	-	-		
Profit / (loss)	33,622	41,563	(31,689)	32,686	42,636	(8,466)	(7,830)	(6,651)	968	20,507	(1,853)	-		
OCI	(2,056)	361	-	(18,339)	(17)	(25,871)	-	-	-	-	(20,950)	-		
Total comprehensive income / (loss)	31,566	41,924	(31,689)	14,347	42,619	(34,337)	(7,830)	(6,651)	968	20,507	(22,803)	-		
Profit / (loss) – NCI share	19,861	24,148	(7,922)	18,958	14,987	(5,080)	(1,958)	(1,663)	242	8,203	(741)	-	38,067	107,102
OCI – NCI share	(1,214)	210	-	(10,636)	(6)	(15,522)	-	-	-	-	(8,380)	-	29,228	(6,320)

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15 LONG -TERM FINANCING AND FUNDING FACILITIES

As at	31 Dec 2019	31 Dec 2018	31 Dec 2017
Recourse debt:			
Financing facilities in relation to projects	**1,825,887**	3,185,113	1,546,653
Corporate facilities	**1,125**	12,237	465,138
Non-Recourse debt:			
Financing facilities in relation to projects	**14,922,544**	12,369,340	13,507,547
APMI One bond	**3,002,617**	2,999,129	2,995,980
Corporate facilities	**-**	187,500	187,500
Total financing and funding facilities	**19,752,173**	18,753,319	18,702,818
Less: current portion shown under current liabilities	**(2,271,229)**	(1,018,637)	(864,400)
Non-current portion shown under non-current liabilities	**17,480,944**	17,734,682	17,838,418

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows and there is no recourse to the Company under any guarantee. The with-recourse facilities are direct borrowings or those guaranteed by the Company. The Group's financial liabilities are either fixed special profit bearing or at a margin above the relevant reference rates. The Group seeks to hedge long term floating exposures using derivatives (note 21).

The table below shows the current and non-current portion of long term financing and funding facilities with a further allocation of debt between corporate and projects. Corporate debt represents borrowings by the Companies listed in note 1 to the consolidated financial statements. While project financing includes direct borrowings by project companies and other holding companies (which are subsidiaries of the Group).

	Notes	*Interest rate*	*Maturity*	*Non-current portion*			*Current portion*		
		Fixed / variable		**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Recourse Debt	*15.2*								
Financing facilities in relation to projects:									
ACWA Power Africa Holdings (Pty) Ltd.		Variable	-	**-**	-	223,601	**-**	188,051	-
Floating Ships for Water Projects Company Limited ("Floating Ships")		Variable	-	**-**	-	-	**-**	-	4,632
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	2020	**-**	581,159	549,937	**581,159**	-	-
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2020	**-**	452,607	422,090	**500,701**	-	-
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	2020	**-**	43,594	16,849	**43,594**	-	-
UPC Renewables S.A.		Fixed	-	**-**	59,582	118,387	**-**	-	-
ACWA Power Morocco		Fixed	-	**-**	-	-	**-**	58,805	-
Shuaibah Two Water Development Project ("Shuaibah II")		Variable	-	**-**	-	176,896	**-**	176,896	-
Rabigh Three Company ("Rabigh 3")		Variable	2021	**424,261**	-	-	**-**	-	-
Sakaka Solar Energy Company ("Sakaka")		Variable	2025	**198,897**	185,805	-	**-**	-	-
ACWA Power Renewable Energy Holding Limited ("APREH")	*32.1, 22.1(b)*	Fixed	2023	**-**	1,361,339	-	**-**	-	-
ACWA Power Laayoune		Fixed	2020	**-**	56,160	19,391	**56,160**	-	-
ACWA Power Boujdour		Fixed	2020	**-**	21,115	14,870	**21,115**	-	-
Total – Financing facilities in relation to projects				**623,158**	2,761,361	1,542,021	**1,202,729**	423,752	4,632

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15 LONG -TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

	Notes	*Interest rate*	*Maturity*	*Non-current portion*			*Current portion*		
		Fixed / variable		**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Corporate facilities:									
Revolving Corporate Murabaha Facility and others		Variable	2021-22	**1,125**	11,487	464,387	**-**	750	751
Total – Recourse Debt				**624,283**	**2,772,848**	**2,006,408**	**1,202,729**	**424,502**	**5,383**
Non-Recourse Debt:									
Financing facilities in relation to projects:									
Floating Ships for Water Projects Company Limited (“Floating Ships”)		Variable	-	**-**	-	-	**-**	-	2,510
ACWA Power Barka SAOG (“ACWA Barka”)		Both	2020-24	**346,816**	471,580	589,335	**129,527**	122,356	111,050
ACWA Power Barka Electric Co LLC (“APBEC”)		Fixed	2020	**-**	13,208	26,415	**13,208**	13,208	13,208
Central Electricity Generating Company (“CEGCO”)		Both	2018-24	**134,023**	158,909	287,041	**26,719**	132,207	153,545
ACWA Power CF Karad PV Park EAD (“Karad PV”)	*32.3*	Both	-	**-**	341,015	376,799	**-**	12,346	13,011
ACWA Power Bokpoort Holdings Proprietary Limited		Variable	-	**-**	-	11,240	**-**	-	-
ACWA Power Ouarzazate S.A. (“APO I”)		Fixed	2038	**1,869,516**	1,951,602	2,108,338	**101,585**	93,791	87,590
ACWA Power Ouarzazate II S.A. (“APO II”)		Fixed	2040	**2,580,586**	2,661,794	2,593,146	**100,783**	58,338	78,273
ACWA Power Ouarzazate III S.A. (“APO III”)		Fixed	2040	**1,987,113**	2,093,386	1,855,525	**73,009**	36,604	20,638
ACWA Power Ouarzazate IV S.A. (“APO IV”)		Fixed	2035	**210,563**	217,142	29,536	**10,153**	12,320	-
ACWA Guc Elektrik Isletme ve Yonetim Sanayi ve Ticaret (note 31)		Both	-	**-**	-	2,268,281	**-**	-	322,046
ACWA Power Solafrica Bokpoort CSP Power Plant (RF)		Variable	-	**-**	869,496	1,016,880	**-**	-	17,518
UPC Renewables S.A.		Variable	-	**-**	471,666	342,850	**-**	22,073	22,478
Shuaibah Two Water Development Project (“Shuaibah II”)		Both	2040	**938,039**	790,131	111,145	**25,640**	9,906	-
ACWA Power Laayoune		Fixed	2035	**264,890**	218,863	16,628	**13,293**	16,037	-
ACWA Power Boujdour		Fixed	2035	**84,157**	78,255	4,036	**3,671**	4,590	-
The Local Company for Water And Solar Projects (“MAFRAQ”)		Variable	-	**-**	177,888	155,488	**-**	7,838	-
Al Zarqa Plant for Energy Generation (“ZARQA”)		Variable	2035	**1,241,932**	1,161,208	855,847	**54,814**	47,521	17,150
Sakaka Solar Energy Company (“Sakaka”)		Variable	2044	**656,315**	92,086	-	**96,651**	-	-
Rabigh Three Company (“Rabigh 3”)		Variable	2045	**302,430**	-	-	**-**	-	-
Rabigh Arabian Water and Electricity Company		Fixed	2023-31	**3,237,664**	-	-	**419,447**	-	-
Others		Both	-	**-**	6,976	-	**-**	5,000	-
Total – Financing facilities in relation to projects				**13,854,044**	11,775,205	12,648,530	**1,068,500**	594,135	859,017
APMI One bond	*15.1*	Fixed	2039	**3,002,617**	2,999,129	2,995,980	**-**	-	-
Corporate facilities:									
ACWA Power Global Holding		Interest free	-	**-**	187,500	187,500	**-**	-	-
Total – Non-Recourse Debt				**16,856,661**	14,961,834	15,832,010	**1,068,500**	594,135	859,017
Total financing and funding facilities				**17,480,944**	17,734,682	17,838,418	**2,271,229**	1,018,637	864,400

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15 LONG-TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

15.1 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814 million. The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039.

The bonds are collateralised by cash flows derived from certain equity accounted investees and subsidiaries of the Group.

15.2 Borrowings by project companies are primarily secured against underlying assets of the respective project companies, except borrowings that are with recourse to the Group amounting to SR 1,825.9 million as of 31 December 2019 (31 Dec 2018: SR 3,185.1 million, 31 Dec 2017: SR 1,546.7 million).

16 EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES

16.1 The movement of employee benefits (end of service) liability (unfunded) is as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Balance at beginning of the year	**123,148**	123,980	108,481
Charge for the year recorded in profit or loss	**32,023**	27,336	29,249
Loss / (gain) on re-measurement of defined benefit liability (OCI)	**18,244**	(12,960)	3,468
Paid during the year	**(15,312)**	(14,998)	(17,198)
Impact of acquiring control / loss of control in a subsidiary	**826**	(57)	-
Currency translation difference	**669**	(153)	(20)
Balance at end of the year	**159,598**	123,148	123,980

16.2 Details of employees' end-of-service expense charge to profit or loss is as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Interest cost	**4,058**	5,188	5,154
Current service cost	**27,965**	21,534	23,805
Past service cost	**-**	614	290
Total	**32,023**	27,336	29,249

16.3 The principal actuarial assumptions used are as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Discount rate	**3.85% - 6.5%**	5.25% - 6.5%	4.25% - 6.5%
Increments	**2.5% - 10%**	2.5% - 10%	2.5% - 10%
Resignation rate			
Up to the age of 20 years	**4%-22.5%**	4%-22.5%	4%-22.5%
From the age of 21 to 25 years	**4% - 18.8%**	4% - 18.8%	4% - 18.8%
From the age of 26 to 30 years	**4% - 15%**	4% - 15%	4% - 15%
From the age of 31 to 50 years	**3% - 7.5%**	3% - 7.5%	3% - 7.5%
Above 51	**1% - 3.8%**	1% - 3.8%	1% - 3.8%

16.4 Sensitivity analysis

	Change (bps)	***Increase (decrease)***		
		31 Dec 2019	31 Dec 2018	31 Dec 2017
Discount rate	**+100**	**(8,849)**	(10,475)	(10,612)
	- 100	**10,502**	11,831	11,980
Increments	**+100**	**11,114**	7,752	8,326
	- 100	**(9,535)**	(7,118)	(7,637)

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17 DEFERRED REVENUE

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Balance at beginning of the year		**68,071**	83,560	75,352
Deferred during the year		**210,254**	52,744	50,124
Recognised during the year		**(39,561)**	(68,233)	(41,916)
Balance at end of the year		**238,764**	68,071	83,560
Less: current portion	18	**(62,719)**	(963)	-
Non-current portion at end of the year		**176,045**	67,108	83,560

18 ACCOUNTS PAYABLES AND ACCRUALS

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Accounts payable	18.1	**1,759,527**	1,668,280	1,282,471
Accrued expenses and other liabilities	18.2	**1,279,101**	843,786	721,146
Payable to a shareholder of equity accounted investee	18.3	**-**	819,197	-
Salaries and benefits payable		**170,247**	172,799	147,053
Financial charges on letters of guarantee and loans		**65,784**	190,911	149,320
Value added tax payable		**49,708**	42,158	7,962
Deferred revenues	17	**62,719**	963	-
Lease liabilities		**4,233**	-	-
Other payables		**48,467**	22,194	65,963
		3,439,786	3,760,288	2,373,915

18.1 Accounts payable include SR 306.9 million (31 Dec 2018: SR 312.1 million, 31 Dec 2017: SR 130.4 million) on account of fuel charges due to supplier. The fuel cost is a pass through to NEPCO, the off-taker.

The payments by NEPCO are back stopped by a Government of Jordan guarantee. The Government of Jordan has an ownership interest in both CEGCO and NEPCO (note 11.2).

18.2 The balance includes reinsurance liabilities and premiums payable amounting to SR 862.4 million (31 Dec 2018: SR 323.9 million, 31 Dec 2017: SR 330.2 million). Related insurance receivable is included in prepayments, insurance and other receivables (note 11.3).

18.3 The balance as of 31 December 2018 represents payable to a minority shareholder in respect of purchase of additional shareholding in an equity accounted investee and a subsidiary (note 7 & note 14).

18.4 Other liabilities, shown under non-current liabilities, amounting to SR 252.1 million (31 Dec 2018: SR 201.5 million, 31 Dec 2017: SR 200.3 million) primarily includes non-current lease liabilities and obligation in relation to long-term spares agreement entered in by one of the Group's subsidiaries, First National Operation & Maintenance Company ("NOMAC").

19 SHORT-TERM FINANCING FACILITIES

This represents working capital loans obtained and drawn by subsidiaries and outstanding at the reporting date amounting to SR 444.2 million (2018: SR 618.9 million, 2017: SR 259.5 million).

20 ZAKAT AND TAXATION

20.1 Amounts recognized in profit or loss

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Zakat and current tax	20.2 and 20.4	**105,160**	50,142	100,832
Deferred tax	20.5	**(26,418)**	(248,372)	81,616
Zakat and tax (credit) / charge		**78,742**	(198,230)	182,448
Less: Tax credit / (charge) from discontinued operation	32.4	**(4,734)**	238,172	11,577
Zakat and tax expense reflected in profit or loss		**74,008**	39,942	194,025

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20 ZAKAT AND TAXATION (CONTINUED)

20.2 Zakat

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company is assessed as a mixed entity in Saudi Arabia commencing from 2014. As at 31 December 2019, the non-Saudi shareholder owns 4.30% (2018: 4.30%, 2017: 5.07%) of the Company's shares and the remaining 95.70 (2018: 95.70%, 2017: 94.93%) is owned by Saudi shareholders.

Prior to 2014, the Group was subject to a consolidated zakat assessment, wherein wholly-owned subsidiaries (either direct subsidiaries or subsidiaries of direct subsidiaries) were consolidated for the purpose of zakat assessment. Pursuant to the change in shareholding in 2014, the Company is assessed on an unconsolidated basis for zakat.

The Company has filed zakat returns for all the years up to 2018. The General Authority for Zakat and Tax ("GAZT") has sought certain clarifications on the years from 2009 to 2016 and the Company has filed the response. However, no final Zakat assessment has been issued yet, in respect of the Zakat returns filed for these years. For the years 2017 and 2018, GAZT is yet to start the process of tax audit.

The principal elements of the zakat base attributable to Saudi shareholders are as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Shareholder's equity	**12,780,787**	7,404,171	8,097,517
Zakatable / adjusted (loss) profit for the year	**151,863**	(1,624,263)	76,623
Non-current liabilities	**49,231**	39,810	28,089
Book value of long term assets	**(12,396,479)**	(7,028,481)	(10,614,840)
Zakat base	**585,402**	(1,208,763)	(2,412,611)

20.3 Taxation

Taxation summaries of the Company and its major subsidiaries, which are subject to tax in their respective jurisdictions, are set out below:

ACWA Power (the Company)
IFC, non-Saudi shareholder of the Company, is exempt from income tax in the Kingdom of Saudi Arabia as confirmed by GAZT as per letter dated 15/7/1436/H, NO 4954/16/1436 and therefore no tax is levied on the Company in the Kingdom of Saudi Arabia.

ACWA Barka (Oman) ("Barka")
Barka has filed its tax returns for the periods up to 31 December 2018. The assessments for the years 2001 to 2012 were finalised by the Department of Taxation out of which Barka has assessed losses for the years till 2009.

In accordance with Royal Decree No. 54/2000, Barka was exempted from income tax for a period of five years with effect from commencement of operations of the project i.e. from 11 June 2003 to 10 June 2008 (the Tax Holiday Period). At the time of issuance of the Royal Decree, Barka was eligible to carry forward its tax losses indefinitely pursuant to the provisions of the Foreign Capital investment Law. However, the Department of Taxation, ruled that tax losses relating to the Tax Holiday Period cannot be carried forward which was contested by Barka at different Appellate and Court forums through 2008 to 2017 including appeal at the Omani Supreme Court.

During March 2018, the Company received the final written judgment of Supreme Court on the issue of carry forward of tax losses incurred during the tax exemption period (2003 - 2008) and disallowance of the technical services fees. The written decision of the Supreme Court confirmed that Barka is not eligible to carry forward its tax losses related to tax holiday period while on the issue of disallowance of Technical Services Fee, the Supreme Court decided in favour of Barka. Also, the department of tax has, in its assessments for the years 2010 to 2012 allowed fully the technical fees paid by Barka. The impact of this ruling was fully incorporated in the financial statements for the year ended 31 December 2017.

Further during 2018, the tax department also issued Order Giving Effect ("OGE") to the Supreme Court judgment issued for the Tax Years 2006-2009 in which it allowed for the tax depreciation of project development and technical services fees incurred by the Company during the Tax Year 2003 and also allowed for non capitalised technical services fees incurred during respective Tax Years. In view of the Supreme Court verdict, the tax losses incurred during the tax exemption period are not allowed to be carried forward. Revised assessment orders until the Tax Year 2009 show a tax loss position for Barka.

All amounts in Saudi Riyals thousands

20 ZAKAT AND TAXATION (CONTINUED)

20.3 Taxation (continued)

ACWA Barka (Oman) ("Barka") (continued)
For the FY 2010-12 the tax department issued the revised OGE and tax demand to pay the outstanding tax liability of SR 21.6 million plus additional tax of SR 4.9 million. The Company settled this tax liability without paying any additional tax and submitted a request to the tax department to reverse the additional tax wrongly imposed in their demand.

Further, the assessment process has started for 2013-2017 started.

No other tax related matters are outstanding in Commercial Courts as of the financial statements approval date.

CEGCO (Jordan)
CEGCO has submitted its income tax returns for Aqaba location up to 2018. Final clearance has been received from the Income & Sales Tax Department for Aqaba location up to 2015.

CEGCO has also submitted its income tax returns separately for operation other than Aqaba up to 2018. Final clearance has been received from the Income & Sales Tax Department up to 2018.

Morocco (Project Companies)
Under the investment agreement with the Government of Morocco, a customs duty exemption is available to the Projects. Corporate income tax is payable by the Project Company on its profits at the domestic tax rates (progressive rates and the maximum being 31%). Moroccan Tax Department has issued notice, seeking clarification to ACWA Power Ouarzazate (APO) on its tax returns for the years 2015-2018. APO has submitted its response, no assessment has yet been completed.

NOMAC Saudi Arabia
During prior years, the Company received an assessment of SR 7.7 million for the years from 2008 until 2012. During 2017, GAZT revised the assessment for the years from 2008 until 2012 resulting in a reduced demand of SR 4.4 million. During 2018, the Company received an assessment of SR 7.6 million for the years from 2013 to 2016. The Company has filed appeals against each of these assessments to the GAZT. Currently, these appeals are raised to the General Secretariat of Tax Committees ("GSTC"). The Company expects a favourable outcome of its appeals filed with GSTC and therefore, no provision has been made for these in the consolidated financial statements. The Company has also submitted its zakat declaration for the years 2017 and 2018, which is still under review by the GAZT.

Nomac Oman
In 2018, The Department of Taxation completed the assessments for tax years 2012 to 2016 by disallowing 50% of the technical service fees paid to ACWA Power Barka Project TSA Company and assessed an additional tax liability amounted to RO 160,575. The Company has filed an appeal against the objection decision. The management is confident of a favorable outcome during the appeal process based on Company's internal and external tax advisors view and similar outcomes that have happened within the Group in same jurisdictions. However, management has provided additional tax provision of RO 226,153 in 2019 (2018: RO Nil) in this regards. The Secretariat General for Taxation ("SGT") has not yet initiated the tax assessments for Tax years 2017 and 2018.

20.4 Zakat and current tax provision for the year

The movement in zakat and tax provision for the year was as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
At the beginning of the year	**113,764**	110,045	46,242
Charge for the year	**105,160**	50,142	100,832
Payments	**(30,427)**	(46,423)	(37,029)
Derecognised on loss of control	**(5,086)**	-	-
At the end of the year	**183,411**	113,764	110,045

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20 ZAKAT AND TAXATION (CONTINUED)

20.5 Deferred tax - Movement in deferred tax balances

The deferred tax asset / (liability) and deferred tax credit / (charge) in the consolidated financial statements are attributable to the following items:

						As at 31 Dec		
	Net balance at 1 Jan	Recognised in profit or loss	Recognised in OCI including currency translation differences	Business Combination	De-recognition on loss of control of a subsidiary or classification as held for sale	Net balance	Deferred tax assets	Deferred tax liabilities
2019								
Property, plant and equipment	**(577,790)**	**13,597**	**-**	**(29,932)**	**343,573**	**(250,552)**	**-**	**(250,552)**
Unused tax losses	**338,907**	**(6,069)**	**-**	**-**	**(332,838)**	**-**	**-**	**-**
Fair value of derivatives	**19,149**	**-**	**4,549**	**-**	**(23,698)**	**-**	**-**	**-**
End-of-service employee benefit liability	**6,262**	**(494)**	**-**	**-**	**-**	**5,768**	**5,768**	**-**
Accruals, provisions and others	**1,725**	**19,384**	**-**	**-**	**(3,417)**	**17,692**	**17,692**	**-**
	(211,747)	**26,418**	**4,549**	**(29,932)**	**(16,380)**	**(227,092)**	**23,460**	**(250,552)**
2018								
Property, plant and equipment	(582,478)	247,802	(34,343)	-	(208,771)	(577,790)	(337,022)	(240,768)
Unused tax losses	337,421	1,486	-	-	-	338,907	338,907	-
Fair value of derivatives	8,930	-	15,048	-	(4,829)	19,149	19,149	-
End-of-service employee benefit liability	5,860	148	254	-	-	6,262	6,262	-
Accruals, provisions and others	2,789	(1,064)	-	-	-	1,725	6,733	(5,008)
	(227,478)	248,372	(19,041)	-	(213,600)	(211,747)	34,029	(245,776)
2017								
Property, plant and equipment	(345,888)	(236,590)	-	-	-	(582,478)	(327,229)	(255,249)
Unused tax losses	181,961	155,460	-	-	-	337,421	337,421	-
Fair value of derivatives	10,801	-	(1,871)	-	-	8,930	8,930	-
End-of-service employee benefit liability	5,815	45	-	-	-	5,860	5,860	-
Accruals, provisions and others	3,320	(531)	-	-	-	2,789	2,789	-
	(143,991)	(81,616)	(1,871)	-	-	(227,478)	27,771	(255,249)

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21 DERIVATIVES AND CASH FLOW HEDGES

As per the provisions of facility agreements, certain equity accounted investees and subsidiaries are required to hedge the interest rate risk on loans obtained by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate risk and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

Also, under shareholders' agreement, the Group holds put and call options on the equity ownership of another shareholder in an equity accounted investee. These are measured as derivatives with changes in fair value recognised in profit or loss.

The tables below show a summary of the hedged items, the hedging instruments, trading derivatives and their notional amounts and fair values for the Company and its subsidiaries. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of market risk nor credit risk.

		Notional			*Positive fair value*			*Negative fair value*		
		31 Dec 2019	31 Dec 2018	31 Dec 2017	**31 Dec 2019**	31 Dec 2018	31 Dec 2017	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Hedged items	***Hedging instruments***									
Interest payments on floating rate loans	Interest rate swaps	**3,556,687**	2,951,658	4,693,954	-	12,817	-	**(325,351)**	(125,587)	(180,627)
Highly probable forecast transactions	Forward foreign exchange contracts	**87,610**	29,776	145,864	-	-	-	**(12,974)**	(17,624)	(25,774)
Foreign currency interest payments on floating rate loans	Cross-currency interest rate swap	-	125,250	129,849	-	456	-	-	-	(6,281)
					-	13,273	-	**(338,325)**	(143,211)	(212,682)
Trading derivatives										
Equity options - Purchased call option		-	-	550,545	-	-	64,047	-	-	-
Total					-	13,273	64,047	**(338,325)**	(143,211)	(212,682)
Less: Current portion					-	-	-	**(51,883)**	(10,613)	(85,861)
Non-current portion					-	13,273	64,047	**(286,442)**	(132,598)	(126,821)

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity of the Group.

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22 RELATED PARTY TRANSACTIONS AND BALANCES

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

Particulars	*Notes*	*Relationships*	*As at / For the year ended*		
			31 Dec 2019	31 Dec 2018	31 Dec 2017
Transactions:**					
Revenue		Affiliates	**2,121,218**	1,429,192	1,557,647
Service fees		Joint ventures	**60,597**	55,845	75,135
Finance income		Joint venture	**2,763**	16,942	10,087
Financial charges on loan to a related party	29	Affiliates	**4,552**	4,668	4,876
Key management personnel compensation including director's remuneration		-	**36,564**	32,229	41,029
Due from related parties					
Current :					
Al Mourjan for Electricity Production Company	(a)	Joint venture	**110,980**	67,084	165,374
Rabigh Electricity Company	(a)	Joint venture	**52,081**	24,239	22,826
Rabigh Arabian Water & Electricity Company	(a)	Joint venture*	**-**	120,355	104,104
Rabigh Arabian Water & Electricity Company – Loan	(d)	Joint venture*	**-**	-	299,557
Rakaa and its affiliates		Affiliates	**-**	-	53,726
Shuqaiq Water and Electricity Company	(a)	Joint venture	**43,817**	27,226	27,755
Shuaibah Water and Electricity Company	(a)	Joint venture	**31,429**	27,758	21,555
Shuaibah Expansion Project Company	(a)	Joint venture	**10,086**	8,361	8,573
Hajr for Electricity Production Company	(a)	Joint venture	**122,751**	71,415	131,159
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	**1,013**	85,846	-
Dhofar O&M Company	(e)	Joint venture	**34,495**	10,733	-
Hassyan Energy Phase 1 P.S.C	(e)	Joint venture	**30,094**	11,241	7,188
ACWA Power Oasis Three	(e)	Joint venture	**7,355**	52,530	-
Noor Energy 1 P.S.C	(a)	Joint venture	**14,617**	82,503	-
Taweelah RO Desalination Company LLC	(f)	Joint venture	**89,548**	-	-
Naqa Desalination Plant LLC	(f)	Joint venture	**50,468**	-	-
Haya Power & Desalination Company	(f)	Joint venture	**2,046**	120,263	-
Ad-Dhahirah Generating Company SAOC	(a),(e)	Joint venture	**10,849**	718	-
Shinas Generating Company SAOC	(a),(e)	Joint venture	**7,124**	705	-
Saudi Malaysia Water and Electricity Company	(e)	Joint venture	**4,272**	51	-
ACWA Power Renewable Energy Holding Company	(e)	Joint venture	**34,889**	-	-
Other related parties		Affiliates	**56,278**	45,488	13,082
			714,192	756,516	854,899
Non-current :					
Hassyan Energy Phase 1 P.S.C	(g)	Joint venture	**61,612**	61,612	61,612
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(i)	Joint venture	**49,646**	-	-
Qurayyah Investment Company	(e)	Joint venture	**-**	10,372	10,372
			111,258	71,984	71,984
Due to related parties					
Non-current :					
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	**781,035**	-	-
Loans from minority shareholders of subsidiary	(c)	-	**79,167**	81,176	84,795
Samsung C&T Corporation	(h)	Shareholder of affiliate	**-**	-	57,583
			860,202	81,176	142,378

* *RAWEC became subsidiary of the Group effective from 10 October 2019 – refer note 31.*

** *Other transactions with shareholders of the Company and its equity accounted investees are disclosed in note 31 and note 32.2 respectively.*

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22 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Due from project companies mainly include amounts due by project companies to NOMAC (and its subsidiaries) for O&M services provided to these project companies under O&M contracts.

(b) During the year 2018, ACWA Renewable Energy Holdings Limited ("APREH") entered in to a convertible loan agreement whereby amounts drawn down under such agreement was advanced to the ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement ('the agreement"). An amount of SAR 1,361.2 million was advanced to APGS and bears a commission rate of 4.3% per anum for first 18 months and 3.4% per anum thereafter on the capital outstanding. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power).

During 2019, an amount of SR 580.6 million adjusted against the advance, which represents a consideration for sale of 49% shares of the Group in APREH – refer note 32.1.

(c) These represent shareholder loans to ACF Renewable Energy Limited. The loans are due for repayment on 31 August 2024 and carry profit rate at 5.75% per annum.

(d) The amount outstanding as of 31 December 2017 represent the subordinated loan to an equity accounted investee which carried a profit rate of LIBOR plus an agreed margin. During 2018, the entire balance was capitalised as an investment in equity accounted investees.

(e) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.

(f) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the Joint Venture.

(g) The balance represents sub-ordinated advance provided to related parties that has no specific repayment and bears no profit rate. As per the terms of the agreement the advance repayment will not occur for at least a period of one year. Accordingly, the balance is shown as a non-current asset.

(h) The balance outstanding as of 31 December 2017 represents shareholder loan obtained by ACWA Guc that had a maturity in 2031 and carried a profit rate of LIBOR plus 5% per annum. ACWA Guc is deconsolidated effective from 16 December 2018 (refer note 31).

(i) This represents amounts payable to NOMAC for O&M services provided to the project company under O&M contracts. The amount will mature in 2023.

23 REVENUE

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Services rendered	23.1	**2,045,639**	1,692,870	1,712,720
Sale of electricity - Capacity	23.2	**891,329**	637,709	567,924
Energy		**425,705**	553,780	730,603
Sale of water - Capacity		**301,126**	152,151	333,476
Output		**131,245**	46,154	83,641
Finance lease income	8	**319,955**	145,169	88,763
		4,114,999	3,227,833	3,517,127

23.1 This primarily includes revenue earned by NOMAC and its group entities, in relation with operation and maintenance services provided. This also includes development revenue together with other technical, project management and construction management services.

23.2 Sale of electricity during the period includes SR 402.5 million (31 Dec 2018: SR 581.6 million, 31 Dec 2017: SR 802.7 million) relating to electricity supplied by CEGCO to NEPCO, the off-taker. This includes fuel cost of SR 58.9 million (31 Dec 2018: SR 247.8 million, 31 Dec 2017: SR 436.7 million) which is currently on a pass through arrangement to NEPCO. The Government of Jordan has an ownership interest in CEGCO and NEPCO.

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24 OPERATING COSTS

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Natural gas and fuel cost		**261,327**	534,082	787,920
Direct material cost		**466,208**	486,127	403,728
Staff cost		**415,151**	360,106	333,259
Depreciation	5.4	**279,683**	205,563	185,308
Operating and technical fee		**352,473**	206,727	297,771
Other direct overheads		**151,046**	125,682	69,426
		1,925,888	1,918,287	2,077,412

25 GENERAL AND ADMINISTRATION EXPENSES

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Salaries and other employee benefits		**413,707**	377,030	335,520
Provisions		**22,350**	22,853	100,639
Professional and legal fees		**71,102**	58,078	64,687
Rent and utilities expenses		**18,768**	40,829	36,744
Travel expenses		**29,882**	26,693	29,448
Depreciation expense	5.4	**33,794**	15,897	18,070
Communication and subscription costs		**16,757**	20,722	15,987
Public relation expenses		**8,475**	2,045	13,865
Repairs and maintenance expenses		**3,778**	8,899	12,386
Directors' remuneration		**8,836**	8,577	9,618
Others		**53,946**	28,985	50,237
		681,395	610,608	687,201

26 OTHER INCOME

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Income earned on deposits		**113,668**	64,948	23,004
Gain on partial disposal of equity accounted investee	7.2	**-**	-	65,367
Net gain on business combination achieved in stages	31	**210,673**	-	-
Others		**12,479**	-	6,348
		336,820	64,948	94,719

26.1 In addition to the amounts mentioned in the above table, income in relation to technical, operational, construction and other financial services amounting to SR 140.6 million (31 Dec 2018: SR 160.3 million, 31 Dec 2017: SR 210.6 million) has been presented as other operating income.

27 IMPAIRMENT LOSS AND OTHER EXPENSES, NET

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Impairments loss	27.1	**880,203**	556,437	15,055
Liquidated damages, net of recoveries	27.2	**39,268**	67,311	-
		919,471	623,748	15,055

27.1 Impairments loss

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Impairment loss on property, plant and equipment	27.1.1 / 5.3	**877,203**	443,937	-
Impairment loss on goodwill	6	**3,000**	112,500	15,055
		880,203	556,437	15,055

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27 IMPAIRMENT LOSS AND OTHER EXPENSES, NET (CONTINUED)

27.1 Impairments loss (continued)

Impairment loss relates to the impairment in the carrying value of property, plant and equipment of the Group's subsidiaries as follows:

Barka:
ACWA Power Barka SAOG's existing PWPA in relation to Power and RO Plants ("Plants") are expiring on 31 December 2021. Considering the uncertainty around contract renewals at this stage, there was an impairment assessment done under IFRS to test the Plants recoverable value against its carrying value. Based on the assessment carried out by the Group, the Plants recoverable value was lower by SR 789.5 million (2018: 309.7 million, 2017: Nil) than its carrying value. This impact was taken to the income statement of the current year as required by IAS 36 "Impairment of Assets".

Recoverable value was estimated based on value in use method as it reflects more accurately the manner in which the economic benefits embodied in the asset are expected to be realised by the entity. All future cash flows were based on management's best estimate about the future course of action Barka may likely carry out. A pre-tax discount rate of 8.2% (2018: 6.6%) was used in assessing the Present Value (PV) of future cash flows.

CEGCO:
During 2018, one of the Group's subsidiaries, namely CEGCO, management noted an impairment of SR 63.9 million in one of the operating unit, accordingly this amount has been recorded in profit or loss of the year.

Bowarege:
Bowarege's off take agreement expired in 2017 and since then the WPA has not been renewed. Accordingly, considering the uncertainty involved with respect to further operations, the management of Bowarege decided to fully impair the assets. Impairment loss recorded in income statement amounts to SAR 87.7 million (2018: SR 70.4 million).

27.2 Liquidated damages, net of recoveries

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Liquidated damages expense	**108,260**	146,364	-
Liquidated damages recovery	**(68,992)**	(79,053)	-
	39,268	67,311	-

This represents liquidated damages due to or paid to off taker in accordance with terms of power and water purchase agreements on account of delay in achievement of commercial operation or generating lower than the required output during peak hours. Liquidated damages presented in profit or loss are net of any liquidated damages negotiated with EPC contractor by the Group's subsidiaries.

28 EXCHANGE (LOSS) / GAIN, NET

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Realised exchange gain / (loss)	**11,464**	164	(41,394)
Unrealised exchange (loss) / gain	**(40,570)**	(8,740)	51,518
	(29,106)	(8,576)	10,124

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29 FINANCIAL CHARGES, NET

	Notes	**31 Dec 2019**	31 Dec 2018	31 Dec 2017
Financial charges on borrowings		**790,514**	498,995	266,591
Financial charges on letters of guarantee		**29,160**	65,209	41,022
Financial charges on loans from a related party	22.1	**4,552**	4,688	4,876
Other financial charges	29.1	**45,636**	1,763	5,461
		869,862	570,655	317,950

29.1 Other financial charges includes interest amortization on long-term liabilities amounting to SR 16.0 million (2018: SR 1.8 million, 2017: SR 5.5 million); and discounting of long term receivables amounting to SR 24.4 million (2018 & 2017: SR nil).

30 EARNINGS / (LOSS) PER SHARE

30.1 The weighted average number of shares outstanding during the period (in thousands) are as follows:

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Issued ordinary shares as at	**645,763**	645,763	547,604
Weighted average number of ordinary shares outstanding during the year ended	**645,763**	596,280	547,604

30.2 The basic and diluted earnings / (loss) per share are calculated as follows:

Net profit / (loss) for the year attributable to equity holders of the Parent	**1,173,865**	(773,842)	920,240
Profit for the year from continuing operations attributable to equity holders of the Parent (note 37.3)	**633,959**	755,945	789,519
Basic and diluted earnings / (loss) per share (in SR)	**1.82**	(1.30)	1.68
Basic and diluted earnings per share for continuing operations (in SR)	**0.98**	1.27	1.44

31 BUSINESS COMBINATION ACHIEVED IN STAGES

On 24 May 2018, the Group exercised call option granted through a Call and Put Option Agreement and acquired 37% interest in Rabigh Arabian Water and Electricity Company ("RAWEC" or "the Investee"). During 2018, the Group continued to account for its Investment in RAWEC using equity method as the Investee was controlled jointly with remaining shareholders. The option exercise resulted in a one-off gain of SR 386.95 million. In accordance with the requirements of IFRS as endorsed in KSA, the gain was included within share in net results of RAWEC for the year ended 31 December 2018.

On 10 October 2019, the Group completed acquisition of further 25% shareholding in RAWEC at an agreed consideration of SAR 560.2 million. Consequently, the Group acquired a control over the Investee and its effective shareholding increased from 74% to 99%.

These consolidated financial statements include the results of RAWEC as the Group's subsidiary with effect from 10 October 2019. If the combination had taken place at the beginning of the year, the net profit after tax would have been higher by SR 77.9 million.

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31 BUSINESS COMBINATION ACHIEVED IN STAGES (CONTINUED)

Fair value of assets acquired and net gain on business combination achieved in stages are as follows:

	Notes	As of 10 Oct 2019
Fair value of net assets as of acquisition date		
Property plant and equipment, net	*5*	**6,912,698**
Inventories		**150,400**
Accounts receivable, prepayments and other receivables		**129,898**
Cash and cash equivalents		**78,524**
Loans and borrowings		**(3,763,260)**
Deferred tax liability	*20.5*	**(29,932)**
Employee benefits		**(826)**
Payable and accruals		**(178,515)**
Fair value of net assets acquired		**3,298,987**

	Notes	For the period ended 10 Oct 2019
Gain on business combination		
Fair value of net assets acquired		**3,298,987**
Less: Carrying amount of existing equity interest	*7.1*	**(2,495,105)**
Fair value of consideration paid		**(560,219)**
Non-controlling interest		**(32,990)**
Net gain on business combination achieved in stages*	*26*	**210,673**
Cash outflow on acquisition		
Net cash acquired with subsidiary		**78,524**
Cash consideration		**(560,219)**
Net cash outflow on acquisition		**(481,695)**

** This includes a one of loss on re-measurement to fair value of the Group's existing 74% interest in RAWEC amounted to SAR 53.507 million.*

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

On acquisition date, the Group has assessed the value of property plant and equipment of acquiree and resulted in fair value uplift of SAR 588.4 million in the consolidated financial statements of the Group. External valuation experts were engaged to determine the fair value.

32 DISCONTINUED OPERATION

32.1 ACWA Power Renewable Energy Holding Limited

During 2018, ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group, entered in to a convertible loan agreement ("the Agreement") with CVXF Inc. (the "Purchaser" or the "Lender"). Under the Agreement, APREH borrowed a sum of SAR 1,361.4 million which provides the Lender an option to convert all or a portion of the loan's principal amount into the shares of APREH at agreed conversion price.

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32 DISCONTINUED OPERATION (CONTINUED)

32.1 ACWA Power Renewable Energy Holding Limited (continued)

Pursuant to the option available under the Agreement, the Purchaser used a portion of loan amount to purchase 49% of the Group's shareholding in APREH at an agreed consideration of SAR 580.65 million. All critical conditions in relation to share purchase were completed by 31 December 2019. As per the new shareholder agreement, the Group and the Purchaser will jointly control APREH. Hence, in accordance with IFRS 10 – Consolidated Financial Statements, the Group lost control in APREH and deconsolidated its net assets. The Group's remaining interest in APREH is retained at fair value and accounted for using equity method effective from the date of loss of control. The Group also recognized a gain of SAR 554.4 million on loss of control as follows:

	31 Dec 2019
Fair value of consideration received	**580,650**
Fair value of retained investment	**604,350**
Carrying amount of non-controlling interest derecognized	**265,852**
Carrying amount of net assets derecognized*	**(733,876)**
Accumulated currency translation loss and other reserves recycled to profit or loss from OCI	**(162,618)**
Net gain on loss of control in APREH	**554,358**

* *This includes goodwill associated with UPC, investment in equity accounted investees and PPE amounting to SR 6.5 million, SR 119.0 million and SR 2,445.1 million respectively.*

Results of APREH for the years 2019, 2018 and 2017 are disclosed in note 32.4

32.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.

On 16th December 2018, certain shareholders of the Company (hereinafter referred as "the Acquirer") acquired an effective 30% interest in a wholly owned subsidiary of the Group, ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") at fair value. As part of the transaction, the Acquirer entered in a joint venture agreement based on which the decisions for the relevant activities that most significantly affect the returns of ACWA GUC will be taken jointly by the Group and the Acquirer. These activities include decisions relating to establishing operating and capital decisions, appointing the key management personnel or other service providers, decisions about capital additions to power plant facilities, decisions on financing agreements, decisions on the operation and maintenance of the power plant and selection of suppliers and the daily decisions on gas supply and on power sales that impact ACWA GUC's returns.

Consequently, the Group lost control in ACWA GUC and deconsolidated its net assets and recognised a loss of SR 672.0 million. Further, at the date of the joint venture agreement, fair value of the Group's remaining 70% ownership in ACWA GUC was assessed as nil by the Group and the management has started to account for ACWA GUC using the equity method of accounting in accordance with the requirements of *IFRS 11 – Joint Arrangements*.

Summary of the loss recognised on loss of control is as follows:

	31 Dec 2018
Carrying amount of net liabilities derecognised	(390,813)
Fair value of consideration received	-
	(390,813)
Accumulated currency translation loss recycled to profit or loss from OCI	141,330
Accumulated hedge reserve recycled to profit or loss from OCI	47,711
Additional liabilities assumed on loss of control	873,726
Total loss recognised on loss of control	671,954

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32 DISCONTINUED OPERATION (CONTINUED)

32.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (continued)

In addition to above the Group has consolidated losses amounting to SAR 1,038.6 million till 16 December 2018 from the date of initial investment in ACWA GUC. Results of ACWA GUC for the year 2019, 2018 and 2017 are disclosed in note 32.4.

32.3 ACWA Power CF Karad PV Park EAD

On 14 December 2019, the Group entered in to sale and purchase agreement, with Energy Development GMBH with respect to disposal of its entire shareholding in ACWA Power CF Karad PV Park ("Karad"). Legal formalities with respect to disposal are not completed as of 31 December 2019.

For the purpose of these consolidated financial statements, assets and liabilities of Karad are presented as held for sale. Statement of financial position of Karad as of 31 December is as follows:

	31 Dec 2019
Assets	
Property plant and equipment, net	**422,394**
Accounts receivable, prepayments and other receivables	**2,434**
Cash and cash equivalents	**50,574**
Assets held for sale	**475,402**
Liabilities	
Loans and borrowings	**328,004**
Deferred tax liability	**9,741**
Deferred revenue	**2,126**
Payable, accruals and other liabilities	**33,156**
Liabilities associated with assets held for sale	**373,027**
Other reserves associated with assets held for sale (note 13.2)	**(16,087)**

Results of Karad for the year 2019, 2018 and 2017 are disclosed in note 32.4.

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32 DISCONTINUED OPERATION (CONTINUED)

32.4 Results of discontinued operations for the years 2019, 2018 and 2017 are as follows:

	Notes	ACWA GUC			APREH			KARAD			Total		
For the year ended 31 December		**2019**	2018	2017	**2019**	2018	2017	**2019**	2018	2017	**2019**	2018	2017
Revenue		**-**	686,492	197,805	**372,471**	267,657	176,193	**65,989**	68,631	69,194	**438,460**	1,022,780	443,192
Operating costs		**-**	(748,339)	(24,583)	**(94,563)**	(60,306)	(44,731)	**(27,177)**	(24,058)	(50,408)	**(121,740)**	(832,703)	(119,722)
Development cost and other write offs		**-**	-	-	**-**	(11,953)	-	**-**	-	-	**-**	(11,953)	-
General and administration expenses		**-**	(19,033)	(17,498)	**(71,722)**	(73,144)	516	**(7,082)**	(7,107)	(43,920)	**(78,804)**	(99,284)	(60,902)
Share in net results of equity accounted investees		**-**	-	-	**659**	(7,049)	4,817	**-**	-	-	**659**	(7,049)	4,817
Other operating income		**-**	-	-	**16,225**	9,367	-	**-**	-	-	**16,225**	9,367	-
Impairment loss reversal		**-**	-	-	**-**	-	-	**-**	-	63,513	**-**	-	63,513
Other income		**-**	7,476	307	**19,786**	12,890	10,046	**-**	35	214	**19,786**	20,401	10,567
Liquidated damages recovery		**-**	129,535	-	**-**	-	-	**-**	-	-	**-**	129,535	-
Exchange loss, net*		**-**	(887,055)	(28,788)	**(2,147)**	(11,403)	47,565	**(2,429)**	6,163	(19,358)	**(4,576)**	(892,295)	(581)
Financial charges, net		**-**	(243,265)	(42,286)	**(240,137)**	(171,106)	(168,536)	**(25,152)**	(29,934)	(13,069)	**(265,289)**	(444,305)	(223,891)
Tax credit / (charge)		**-**	235,704	50	**(4,734)**	2,328	12,944		140	(1,417)	**(4,734)**	238,172	11,577
(Loss) / profit for the year ended 31 December		**-**	(838,485)	85,007	**(4,162)**	(42,719)	38,814	**4,149**	13,870	4,749	**(13)**	(867,334)	128,570
Gain / (loss) recognised on loss of control	32.1,32.2	**-**	(671,954)	-	**554,358**	-	-	**-**	-	-	**554,358**	(671,954)	-
Profit / (loss) from discontinued operations including gain / (loss) recognised on loss of control in a subsidiary		**-**	(1,510,439)	85,007	**550,196**	(42,719)	38,814	**4,149**	13,870	4,749	**554,345**	(1,539,288)	128,570

** Total exchange loss (net) includes unrealized exchange loss of SR nil (2018: SR 887.1 million, 2017: SR 28.8 million).*

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33 CONTINGENCIES AND COMMITMENTS

At 31 December 2019, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 10.6 billion (31 Dec 2018: SR 9.0 billion, 31 Dec 2017: SR 8.9 billion). The amount also includes the Group's share of equity accounted investees' commitments.

Below is the breakdown of contingencies as of the reporting date:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Guarantees in relation to equity bridge loans or equity letters of credits	**2,923,679**	1,666,704	1,930,274
Bonds, letter of credits and other contingencies and commitments	**7,647,665**	7,339,355	6,928,295
	10,571,344	9,006,059	8,858,569

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 554.7 million, 2018: SR 527.0 million, 2017: SR 504.9 million, as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the off-taker ("NEPCO"). Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence, the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these consolidated financial statements.

Further, two of the Group's subsidiaries are in dispute with contractors in relation to performance liquidated damages. The matter has already been referred to arbitration and a favourable outcome is probable. Accordingly, no provision or asset is recognized in these consolidated financial statements.

In relation to certain equity accounted investees ("the Investees") of the Group, GAZT is currently in the process of performing Zakat audits for years from 2009-2018. It is likely that GAZT may raise an additional claim with respect to zakat and taxes for prior years. For the years where GAZT has raised an additional claim, the investees have submitted an objection against these assessments and believe that its positions will be upheld at Appeal level and the Investees will get full relief from any such claim. In few cases, the investees have agreed to settle amounts based on pre-agreed settlement with GAZT and the same is being currently finalised, amounts related to such settlement is already provided for in the investees financial statements. The Group's share in existing zakat and tax charge of the Investees are recorded in profit or loss along with share in net results of the Investees - refer note 7.1.

In one of the Group's Project under advance development stage (where Power Purchase Agreement is signed but financial close on senior debt has not been achieved), there is an uncured event of default as of the date of these consolidated financial statements. The exposure of the Group related to this project is as follows: (i) SR 2.9 million included in contingency and commitments given above; (ii) SR 34.1 million included in prepayments (note 11.3); and (iii) SR 50.6 million is included in project development cost (note 11.4). The off-taker has not called this event as a default and the management assesses a high likelihood that this events will be cured without material adverse impact on the Group, thus, no provision has been made in these consolidated financial statements of the Group as at 31 December 2019.

34 OPERATING SEGMENTS

Consistent with the Group's internal reporting process, business segments have been approved by management in respect of the Group's activities. The Group's operations are structured as follows:

Generation (Power & Water)
This segment comprises of power and water projects that are currently either operational or under construction. Typically, these projects have long term contracts with credit-worthy off-takers.

Services
This segment comprises of various services to other business segments including operation and maintenance ("O&M") services to the generation segment under long term contracts. The O&M services contracts have the same duration as that of the long term contracts of the project companies under the Generation segment. The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

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34 OPERATING SEGMENTS (CONTINUED)

Segment performance is evaluated based on individual segment's profit or loss. Inter-segment revenues are eliminated on consolidation.

	Generation (Power& Water)	Services	Discontinued operation *	Total
31 December 2019				
External revenues	**2,082,410**	**2,032,589**	**438,460**	**4,553,459**
Inter-segment revenues	**-**	**353,043**	**-**	**353,043**
Total revenues	**2,082,410**	**2,385,632**	**438,460**	**4,906,502**
Segment profit before zakat, tax and impairment loss	**699,299**	**580,650**	**559,079**	**1,839,028**
Impairment (loss)	**(880,203)**	**-**	**-**	**(880,203)**
Financial charges, net	**577,947**	**291,915**	**265,289**	**1,135,151**
Exchange loss, net	**13,426**	**15,680**	**4,576**	**33,682**
Depreciation	**288,697**	**12,361**	**105,039**	**406,097**
Share in net results of equity accounted investees	**261,689**	**22,105**	**659**	**284,453**
Segment total assets	**29,995,694**	**7,276,441**	**475,402**	**37,747,537**
Equity accounted investees	**4,723,547**	**53,338**	**-**	**4,776,885**
Additions to property, plant and equipment	**2,009,740**	**36,136**	**-**	**2,045,876**
Segment total liabilities	**21,282,702**	**5,486,431**	**373,027**	**27,142,160**
31 December 2018				
External revenues	1,539,835	1,687,998	1,022,780	4,250,613
Inter-segment revenues	-	289,833	-	289,833
Total revenues	1,539,835	1,977,831	1,022,780	4,540,446
Segment profit / (loss) before zakat, tax and impairment loss	751,194	485,559	(1,777,460)	(540,707)
Impairment (loss)	(556,437)	-	-	(556,437)
Financial charges, net	279,573	291,082	444,305	1,014,960
Exchange loss / (gain), net	16,924	(8,348)	892,295	900,871
Depreciation	184,403	37,057	144,215	365,675
Share in net results of equity accounted investees**	907,514	35,202	(7,049)	935,667
Segment total assets	28,567,054	7,600,108	-	36,167,162
Equity accounted investees	6,460,975	55,053	-	6,516,028
Additions to property, plant and equipment	3,151,886	34,395	-	3,186,281
Segment total liabilities	18,732,559	6,360,446	-	25,093,005
31 December 2017				
External revenues	1,810,421	1,706,706	443,192	3,960,319
Inter-segment revenues		331,099	-	331,099
Total revenues	1,810,421	2,037,805	443,192	4,291,418
Segment profit before zakat, tax and impairment loss	386,597	721,255	116,993	1,224,845
Impairment (loss)	(15,055)	-	-	(15,055)
Financial charges, net	134,252	183,698	223,891	541,841
Exchange loss / (gain), net	7,075	(17,199)	581	(9,543)
Depreciation	181,099	22,279	71,067	274,445
Share in net results of equity accounted investees	407,052	45,155	4,817	457,024
Segment total assets	21,360,617	7,606,544	3,694,024	32,661,185
Equity accounted investees	4,286,266	54,274	-	4,340,540
Additions to property, plant and equipment	4,523,643	18,761	713,683	5,256,087
Segment total liabilities	13,712,621	5,492,237	3,568,199	22,773,057

**This relates to generation (power and water) segment.*
*** This includes one-off gain of SR 386.95 million (refer note 31).*

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34 OPERATING SEGMENTS (CONTINUED)

Inter-segment revenues mainly includes revenue on account of operation, maintenance and other technical services. Inter-segment transaction pricing is determined by third party partners on the projects.

The Company is headquartered in the Kingdom of Saudi Arabia. Group's revenue, profit after tax, assets and liabilities contributed by Kingdom of Saudi Arabia and overseas subsidiaries and equity accounted investees including discontinued operation are as follows:

	Revenue	Profit/ (loss) after tax
For the year ended 31 December 2019		
Kingdom of Saudi Arabia	**1,506,150**	**771,635**
Overseas	**3,047,309**	**108,448**
	4,553,459	**880,083**
For the year ended 31 December 2018		
Kingdom of Saudi Arabia	1,297,630	1,389,157
Overseas	2,952,983	(2,288,071)
	4,250,613	(898,914)
For the year ended 31 December 2017		
Kingdom of Saudi Arabia	1,173,220	708,442
Overseas	2,787,099	318,900
	3,960,319	1,027,342

	Total assets	Total liabilities
As at 31 December 2019		
Kingdom of Saudi Arabia	**19,572,224**	**7,750,195**
Overseas	**18,175,313**	**19,391,965**
	37,747,537	**27,142,160**
As at 31 December 2018		
Kingdom of Saudi Arabia	14,477,098	3,142,846
Overseas	21,690,064	21,950,159
	36,167,162	25,093,005
As at 31 December 2017		
Kingdom of Saudi Arabia	10,253,355	1,864,605
Overseas	22,407,830	20,908,452
	32,661,185	22,773,057

35 RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by senior management. The most important types of risk are summarised below.

35.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position.

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35 RISK MANAGEMENT (CONTINUED)

35.1 Credit risk (continued)

	Notes	**As at 31 Dec 2019**	As at 31 Dec 2018	As at 31 Dec 2017
Bank balances including restricted cash		**2,797,648**	5,497,422	3,238,833
Finance lease receivable	8	**10,574,236**	9,331,619	2,786,271
Trade receivables	11	**1,210,835**	1,201,629	712,137
Fair value of derivatives	21	**-**	13,273	64,047
Due from related parties	22	**825,450**	828,500	926,883
Insurance receivables	11.3	**886,497**	328,514	334,940
Other financial assets		**41,508**	41,748	35,566
		16,336,174	17,242,705	8,098,677

Bank balances including restricted cash
Credit risk on bank balances including restricted cash is considered to be limited as these are held with banks with sound credit ratings.

Finance lease receivable
Finance lease receivable represent receivable of Group's subsidiaries in Morocco and Kingdom of Saudi Arabia from the off-taker in accordance with the Power Purchase Agreements ("PPA"). Credit risk attached to the finance lease receivable is limited on strength of government letter of support or sound credit rating of off-taker.

Trade receivables

a. The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Below is the concentration of credit risk by different geographies.

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Hashemite Kingdom of Jordan (covered by government guarantee)	**517,760**	531,430	209,975
Sultanate of Oman (covered by government guarantee)	**193,526**	56,978	51,212
Morocco (covered by government letter of support)	**173,665**	227,644	14,364
South Africa (covered by government guarantee)	**-**	54,077	49,903
Kingdom of Saudi Arabia ("KSA")	**155,028**	96,580	23,535
United Arab Emirates ("UAE")	**168,989**	229,578	270,596
Others*	**1,867**	5,342	92,552
	1,210,835	1,201,629	712,137

* *Others mainly represents balances receivables from customers in Turkey and Bulgaria.*

The customers in KSA and UAE are transacting with the Group for a few years and historically, the Group has suffered no material impairment from these customers. Accordingly, the balances due from these customers are assessed to have a strong credit quality and limited credit risk.

b. As of reporting date, the ageing of trade and other receivables that were not impaired was as follows:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Neither past due nor impaired	**747,094**	836,752	588,156
Past due 1-90 Days	**75,154**	35,392	110,378
More than 90 Days	**388,587**	329,485	13,603
	1,210,835	1,201,629	712,137

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35 RISK MANAGEMENT (CONTINUED)

35.1 Credit risk (continued)

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on past history and expected credit loss model which involves extensive analysis of credit risk, including customers' credit ratings if they are available.

c. The movement in allowance for impairment, in respect of trade receivables during the year was as follows:

	For the year ended 31 Dec 2019	For the year ended 31 Dec 2018	For the year ended 31 Dec 2017
Opening balance	**64,334**	71,402	119,139
Impairment loss reversal / recognised	**(15,464)**	13,656	97,074
Amount written off	**(9,248)**	(20,724)	(144,811)
Derecognised on loss of control	**(7,965)**	-	-
Closing balance	**31,657**	64,334	71,402

Allowance for impairment as of 1 Jan 2017 mainly relates to CEGCO. CEGCO entered into a Power Purchase Agreements (PPA) with National Electric Power Company (NEPCO) dated 20 September 2007. In April 2012, a dispute occurred between the Company and NEPCO regarding the interpretation of the penalties for repeated availability failures clause in the PPA. During the first half of 2017, CEGCO reached a settlement with NEPCO to settle the issue of availability failures and recorded a further impairment allowance of SR 52.5 million. Pursuant to a final settlement agreement that has been signed on 13 August 2017 an amount of SR 144.8 million was written off against the allowance during 2017.

Derivatives
The derivatives are designated as hedging instruments and reflects positive change in fair value of foreign exchange forward ('Forward') and interest rate swap (IRS) contracts. These are entered into with banks or financial institutions with sound credit ratings hence credit risk is expected to be low.

Insurance receivables
These represents amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, ACWA Power Reinsurance Co. Limited ("ACWA-Re", a 100% owned subsidiary of the Group) in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. The reinsurance is effected under facultative arrangements. Effective from 31 July 2019, ACWA Power is retaining an element of risk within its property reinsurance program which is 7.5% with a maximum cap of USD 1.5 million per project for each and every event and in the aggregate for the relevant policy period for certain projects.

To minimise its exposure to significant losses from reinsurer insolvencies, ACWA Re evaluates the financial condition of its reinsurers. ACWA-Re only deals with reinsurers approved by the Board of Directors.

Due from related parties and other financial assets
Other financial assets includes dividend receivable, advances for investments, advances to employees and other receivables. Credit risk attached to related party balances is limited due to sound financial position of the related parties. There is no credit risk attached to advances for investments and advances to employees. Credit risk attached to other financial instruments is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Credit Concentration
Except as disclosed, no significant concentrations of credit risk were identified by the management as at the reporting date.

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35 RISK MANAGEMENT (CONTINUED)

35.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

				Contractual cash flows		
As at 31 Dec 2019	**Carrying Amount**	**Total**	**No fixed maturity**	**0-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Short term facilities	**444,218**	**457,545**	**-**	**457,545**	**-**	**-**
Term financing and funding facilities	**19,752,173**	**22,408,801**	**-**	**3,189,952**	**6,916,089**	**12,302,760**
Due to related parties	**860,202**	**887,514**	**781,035**	**4,552**	**18,208**	**83,719.00**
Other financial liabilities	**4,037,919**	**4,037,919**	**4,037,919**	**-**	**-**	**-**
	25,094,512	**27,791,779**	**4,818,954**	**3,652,049**	**6,934,297**	**12,386,479**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	**338,325**	**446,207**	**-**	**52,720**	**245,663**	**147,824**
As at 31 Dec 2018						
Non-derivative financial liabilities						
Short term facilities	618,942	637,510	-	637,510	-	-
Term financing and funding facilities	18,753,319	22,979,627	-	1,724,371	7,848,458	13,406,798
Due to related parties	81,176	109,182	-	4,668	18,670	85,844
Other financial liabilities	4,843,857	4,843,857	4,843,857	-	-	-
	24,297,294	28,570,176	4,843,857	2,366,549	7,867,128	13,492,642
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	143,211	272,591	-	4,058	148,375	120,158
As at 31 Dec 2017						
Non-derivative financial liabilities						
Short term facilities	259,488	263,640	-	263,640	-	-
Term financing and funding facilities	18,702,818	26,479,663	-	1,656,795	7,650,218	17,172,650
Due to related parties	142,378	176,508	57,583	4,876	19,503	94,546
Other financial liabilities	2,777,618	2,777,618	2,777,618	-	-	-
	21,882,302	29,697,429	2,835,201	1,925,311	7,669,721	17,267,196
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	212,682	274,515	-	90,341	152,527	31,647

The cash flows relating to derivatives disclosed in the above table represent contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rate changes.

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35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income or cash flows. To some extent the project companies consolidated in the Group gets protection in relation to variability in exchange and interest rates within power and water purchase agreements (PWPAs) as the tariffs are usually denominated in functional currencies. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All such transactions are carried out in accordance with Group's policies and practices. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of companies with in the Group. For most of the transactions denominated in US Dollars (USD), the currency risk is limited as exchange rate of USD and respective functional currency is usually pegged. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Equivalent to thousands of Saudi Riyals	**EUR**	**MAD**	**USD**	**JPY**
As at 31 Dec 2019				
Borrowings and other financial liabilities	**3,619,095**	**2,419,965**	**-**	**157,698**
Finance lease receivables	**(3,643,128)**	**(2,944,294)**	**-**	**-**
Net position	**(24,033)**	**(524,329)**	**-**	**157,698**
Impact of currency forwards	**-**	**-**	**-**	**(87,610)**
Net exposure	**(24,033)**	**(524,329)**	**-**	**70,088**
As at 31 Dec 2018				
Borrowings and other financial liabilities	3,759,543	1,962,260	118,430	181,531
Finance lease receivables	(3,795,309)	(2,537,564)	-	-
Net position	(35,766)	(575,304)	118,430	181,531
Impact of currency forwards	-	-	-	(29,776)
Net exposure	(35,766)	(575,304)	118,430	151,755
As at 31 Dec 2017				
Borrowings and other financial liabilities	1,600,692	91,492	2,724,084	202,397
Finance lease receivables	(1,448,925)	(264,322)	-	-
Net position	151,767	(172,830)	2,724,084	202,397
Impact of currency forwards	-	-	-	(145,864)
Net exposure	151,767	(172,830)	2,724,084	56,533

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35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk (continued)

Foreign currency risk (continued)

Sensitivity analysis
A reasonably possible strengthening (weakening) of respective currencies against Saudi Riyal unless otherwise specified at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Impact - (Profit) or loss	
	Strengthening	Weakening
For the year ended 31 Dec 2019		
EUR (5% movement)	**(1,202)**	**1,202**
MAD (5% movement)	**(26,216)**	**26,216**
JPY (5% movement)	**3,504**	**(3,504)**
For the year ended 31 Dec 2018		
EUR (5% movement)	(1,788)	1,788
MAD (5% movement)	(28,765)	28,765
USD (5% movement against EUR)	5,922	(5,922)
JPY (5% movement)	7,588	(7,588)
For the year ended 31 Dec 2017		
EUR (5% movement)	7,588	(7,588)
MAD (5% movement)	(8,642)	8,642
USD (5% movement against TRY/EUR)	136,204	(136,204)
JPY (5% movement)	2,827	(2,827)

Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on future cash flow of its interest bearing assets and liabilities, including bank deposits, finance lease receivables, bank overdrafts, term loans and amounts due from / to related parties. The Group hedges long term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest bearing long term financing and funding facilities as reported to the management of the Group is as follows:

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Financial liabilities			
Fixed rate including interest free	**16,098,134**	14,639,088	12,791,505
Floating rate	**3,654,039**	4,114,231	5,911,313

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, in case of fixed interest rate financial instruments, change in interest rates at the reporting date would not affect profit or loss.

In case of variable interest rate financial instruments, a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

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35 RISK MANAGEMENT (CONTINUED)

35.3 Market risk (continued)

Interest rate risk (continued)

	Profit or loss		**Equity**	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
For the year ended 31 Dec 2019				
Variable rate financial liabilities	**(36,540)**	**36,540**	**(36,540)**	**36,540**
Interest rate swaps	**35,567**	**(35,567)**	**35,567**	**(35,567)**
Net sensitivity	**(973)**	**973**	**(973)**	**973**
For the year ended 31 Dec 2018				
Variable rate financial liabilities	(41,142)	41,142	(41,142)	41,142
Interest rate swaps	29,517	(29,517)	29,517	(29,517)
Net sensitivity	(11,625)	11,625	(11,625)	11,625
For the year ended 31 Dec 2017				
Variable rate financial liabilities	(59,113)	59,113	(59,113)	59,113
Interest rate swaps	46,940	(46,940)	46,940	(46,940)
Net sensitivity	(12,173)	12,173	(12,173)	12,173

36 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 in to 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 assets or liabilities 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 input).

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

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36 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

		Fair value			
As at 31 Dec 2019	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities					
Fair value of derivatives used for hedging	**338,325**	**-**	**338,325**	**-**	**338,325**
Long-term financing and funding facilities	**19,752,173**	**3,327,225**	**16,749,556**	**-**	**20,076,781**
As at 31 Dec 2018					
Financial assets					
Fair value of derivatives used for hedging	13,273	-	13,273	-	13,273
Financial liabilities					
Fair value of derivatives used for hedging	143,211	-	143,211	-	143,211
Long-term financing and funding facilities	18,753,319	2,883,880	15,754,190	-	18,638,070
As at 31 Dec 2017					
Financial assets					
Fair value of derivatives	64,047	-	-	64,047	64,047
Financial liabilities					
Fair value of derivatives used for hedging	212,682	-	212,682	-	212,682
Long-term financing and funding facilities	18,702,818	3,128,049	16,033,348	-	19,161,397

Fair value of other financial instruments has been assessed as approximate to the carrying amounts due to frequent re-pricing or their short term nature.

Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

Valuation technique and significant unobservable inputs

Type	**Valuation technique**	**Significant unobservable input**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Derivatives used for hedging* Bank borrowings **	Discounted cash flows: the valuation model considers the present value of expected payments or receipts discounted using the risk adjusted discount rate or the market discount rate applicable for a recent comparable transaction.	Not applicable	Not applicable
Trading derivatives*	Trading derivatives represent options that are valued using the valuation models wherein fair values are determined through valuation techniques based on discounted cash flows and include a discount for lack of marketability and project specific factors representing the amounts that the Group has determined that market participants would take into account when pricing these instruments.	Contracted capacities and risk adjusted discount rate	The estimated fair value would increase or decrease if: • the actual availabilities are different to contracted capacities; or • the risk adjusted discount rate were higher or lower.

* The instruments were measured at fair value in consolidated statement of financial position.
** The fair value of these instruments were measured for disclosure purpose only.

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37 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main financial indicators, if not disclosed already, used by the Group as well as their reconciliation with the aggregates of the consolidated financial statements.

37.1 Net debt analysis

	Corporate	Bonds	Projects	Consolidated	Equity accounted investees
As at 31 Dec 2019					
Recourse debt:					
Long-term financing and funding facilities	**1,125**	**-**	**1,825,887**	**1,827,012**	
Other liabilities (note 22.1(b))				**781,035**	
Less: Cash and cash equivalents				**(1,829,206)**	
Cash balance net of recourse debt				**778,841**	
Non-recourse debt:					
Long-term financing and funding facilities	**-**	**3,002,617**	**14,922,544**	**17,925,161**	**33,557,759**
Add: Short-term facilities				**444,218**	**810,656**
Less: Cash and cash equivalents				**(969,109)**	**(1,550,244)**
Net debt without recourse				**17,400,270**	**32,818,171**
As at 31 Dec 2018					
Recourse debt:					
Long-term financing and funding facilities	12,237	-	3,185,113	3,197,350	-
Less: Cash and cash equivalents				(4,469,875)	-
Cash balance net of recourse debt				(1,272,525)	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,999,129	12,369,340	15,555,969	23,851,250
Add: Short-term facilities	-	-	618,942	618,942	2,102,658
Less: Cash and cash equivalents				(1,028,390)	(534,132)
Net debt without recourse				15,146,521	25,419,776
As at 31 Dec 2017					
Recourse debt:					
Long-term financing and funding facilities	465,138	-	1,546,653	2,011,791	-
Less: Cash and cash equivalents				(1,995,164)	-
Net debt with recourse				16,627	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,995,980	13,507,547	16,691,027	23,044,976
Add: Short-term facilities	-	-	259,488	259,488	1,172,639
Less: Cash and cash equivalents				(1,244,065)	(689,231)
Net debt without recourse				15,706,450	23,528,384

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37 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (CONTINUED)

37.2 Tangible net worth

Tangible net worth, as defined by management of the Group, is total equity of the Group excluding other reserves (comprising of cash flow hedge reserve, currency translation reserve, share in OCI of equity accounted investees, actuarial losses and others - refer note 13.2 less the carrying value of goodwill in the consolidated statement of financial position as of the reporting date. The following table sets out the tangible net worth of the Group (as defined by management):

	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2017
Total equity	**10,605,377**	11,074,157	9,888,128
Other reserves	**1,361,236**	717,900	934,092
Total equity excluding other reserves	**11,966,613**	11,792,057	10,822,220
Less: Goodwill	**(2,004,811)**	(2,014,320)	(2,126,820)
Tangible net worth	**9,961,802**	9,777,737	8,695,400

37.3 Earnings per share on profit from continuing operations before impairments charge / (reversal) and other expenses

	31 Dec 2019	31 Dec 2018	31 Dec 2017
Profit / (loss) attributable to equity holders of parent	**1,173,865**	(773,842)	920,240
Less: (Profit) / loss from discontinued operations	**(554,345)**	1,539,287	(128,570)
Add: Profit / (loss) from discontinued operations attributable to non-controlling interest	**14,439**	(9,500)	(2,151)
Profit for the year from continuing operations attributable to equity holders of the Parent (note 32)	**633,959**	755,945	789,519
Add: Impairments charge / (reversal) and other expenses	**919,471**	623,748	15,055
Less: Impairments charge / (reversal) and other expenses attributable to non-controlling interest	**(429,143)**	(234,472)	-
Profit for the year from continuing operations attributable to equity holders of the Parent before impairments and other expenses	**1,124,287**	1,145,221	804,574
Weighted average number of ordinary shares outstanding during the year ended	**645,763**	596,280	547,604
Earnings per share on profit from continuing operations before impairments and other expenses	**1.74**	1.92	1.47

38 SUBSEQUENT EVENTS

Subsequent to the year-end, the Group in accordance with the nature of its business, has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the consolidated financial position and results as of the reporting date.

Further, the outbreak of Novel Coronavirus (“COVID 19”) continues to progress and evolve. The extent and duration of business and economic impact remains uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these financial statements. These developments could impact our future financial results, cash flows and financial condition.

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39 COMPARATIVE FIGURES

Certain figures for the prior period have been reclassified to conform to the presentation in the current year. Summary of reclassifications within income statement is as follows:

Particulars	As reported in prior year	Reclassified to discontinued operation (note 32.4)	Other classification adjustments	As reported in this financial statements
31 December 2018				
Revenue	3,554,202	(336,288)	9,919	3,227,833
Operating costs	(2,002,651)	84,364	-	(1,918,287)
Development cost and other write offs	4,415	11,953	-	16,368
General and administration expenses	(690,859)	80,251	-	(610,608)
Share in net results of equity accounted investees, net of tax	935,667	7,049	-	942,716
Other operating income	179,611	(9,367)	(9,919)	160,325
Other income	77,873	(12,925)	-	64,948
Foreign exchange (loss) / gain	(13,816)	5,240	-	(8,576)
Financial charges	(771,695)	201,040	-	(570,655)
Zakat and tax	(37,474)	(2,468)	-	(39,942)
Loss from discontinued operation including loss recognised on loss of control in a subsidiary	(1,510,439)	(28,849)	-	(1,539,288)
31 December 2017				
Revenue	3,782,899	(245,387)	(20,385)	3,517,127
Operating costs	(2,172,551)	95,139	-	(2,077,412)
General and administration expenses	(730,605)	43,404	-	(687,201)
Share in net results of equity accounted investees, net of tax	457,024	(4,817)	-	452,207
Other operating income	190,256	-	20,385	210,641
Impairments and other expenses	48,458	(63,513)	-	(15,055)
Other income	104,979	(10,260)	-	94,719
Foreign exchange (loss) / gain	38,331	(28,207)	-	10,124
Financial charges	(499,555)	181,605	-	(317,950)
Zakat and tax	(182,498)	(11,527)	-	(194,025)
Profit from discontinued operation including loss recognised on loss of control in a subsidiary	85,007	43,563	-	128,570

39.1 In addition to above certain balances in statement of financial position were reclassified primarily within current assets to conform the current year presentation.

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40 FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES

Financial and other information, by geography, of major project companies of ACWA Power, is disclosed in below table. The information disclosed is based on the information used in group consolidation (audited financial statements of projects under below geographies might have certain adjustments) and is before any elimination or group level adjustment.

			Financial Position					Financial Performance			Cash position
Jurisdiction	**Tech.**	**# of projects**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**	**Revenues**	**Operating income**	**Net income**	**Cash and cash equivalent**
31 December 2019											
Kingdom of Saudi Arabia	CPW, RP, RO	**13**	**2,715,486**	**51,960,743**	**(4,806,336)**	**(37,181,375)**	**12,688,518**	**6,398,303**	**3,396,089**	**833,666**	**606,996**
Sultanate of Oman	CPW, RO	**7**	**2,110,768**	**10,860,170**	**(2,339,772)**	**(9,953,888)**	**677,278**	**2,190,064**	**572,121**	**28,551**	**371,888**
United Arab Emirates	CP, RP	**4**	**991,190**	**9,946,710**	**(588,408)**	**(11,883,842)**	**(1,534,350)**	**73,375**	**62,331**	**11,787**	**742,898**
Hashemite Kingdom of Jordan	CP, RP	**8**	**919,683**	**2,963,039**	**(988,099)**	**(2,502,328)**	**392,295**	**704,243**	**411,834**	**151,302**	**203,761**
Morocco	RP	**7**	**782,275**	**10,067,811**	**(2,682,405)**	**(8,326,390)**	**(158,709)**	**586,544**	**321,100**	**(142,595)**	**325,662**
Egypt	RP	**3**	**45,430**	**702,107**	**(221,008)**	**(536,241)**	**(9,712)**	**26,597**	**14,550**	**372**	**29,846**
Bahrain	CPW	**1**	**57,418**	**1,596,127**	**(323,943)**	**(1,377,354)**	**(47,752)**	**-**	**-**	**-**	**37,502**
Turkey	CP	**1**	**409,580**	**1,998,175**	**(169,381)**	**(3,076,486)**	**(838,112)**	**687,171**	**(72,645)**	**(648,220)**	**115,005**
South Africa	RP	**1**	**68,057**	**1,254,534**	**(123,614)**	**(929,647)**	**269,330**	**234,473**	**151,300**	**18,351**	**12,396**
Others	RP	**1**	**53,040**	**465,767**	**(42,381)**	**(394,638)**	**81,788**	**65,992**	**38,814**	**4,280**	**50,624**
		46	**8,152,927**	**91,815,183**	**(12,285,347)**	**(76,162,189)**	**11,520,574**	**10,966,762**	**4,895,494**	**257,494**	**2,496,578**
31 December 2018											
Kingdom of Saudi Arabia	CPW, RP	12	3,197,383	51,898,358	(4,413,660)	(37,288,114)	13,393,967	6,613,442	3,520,607	1,272,365	1,057,170
Sultanate of Oman	CPW, RO	7	696,767	10,105,904	(3,004,001)	(6,780,636)	1,018,034	989,270	285,029	(162,754)	202,245
United Arab Emirates	CP, RP	2	104,850	4,840,509	(170,181)	(4,603,431)	171,747	76,436	61,941	13,490	31,225
Hashemite Kingdom of Jordan	CP, RP	8	793,630	2,793,378	(1,202,202)	(1,592,275)	792,531	683,162	175,884	29,758	(220,237)
Morocco	RP	7	1,018,393	10,229,213	(2,013,436)	(9,407,192)	(173,022)	287,998	134,364	(220,429)	316,808
Egypt	RP	3	63,931	190,735	(81,878)	(176,819)	(4,031)	-	(208)	(699)	62,338
Turkey	CP	1	133,277	2,526,947	(743,772)	(2,213,400)	(296,948)	686,492	(23,221)	(1,232,856)	16,687
South Africa	RP	1	59,033	1,255,764	(109,417)	(919,036)	286,344	228,370	116,688	1,030	7,965
Others	RP	1	30,519	484,495	(28,880)	(414,464)	71,670	69,458	33,472	1,060	28,292
		42	6,097,783	84,325,303	(11,767,427)	(63,395,367)	15,260,292	9,634,628	4,304,556	(299,035)	1,502,493

Tech. = Technology, CP = Conventional Power, CW = Conventional Water, CPW = Conventional Power and Water, RP = Renewable, RO = Reverse Osmosis

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2019
All amounts in Saudi Riyals thousands

40 FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES (CONTINUED)

			Financial Position					Financial Performance			Cash position
Jurisdiction	Tech.	# of projects	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Operating income	Net income	Cash and cash equivalent
31 December 2017											
Kingdom of Saudi Arabia	CPW	11	3,309,512	52,131,260	(5,369,723)	(38,939,464)	11,131,585	6,596,943	3,762,778	1,486,059	1,158,308
Sultanate of Oman	CPW, RO	6	308,124	7,811,712	(524,091)	(6,495,933)	1,099,812	853,922	223,660	36,872	60,205
United Arab Emirates	CP, RP	2	93,083	3,186,047	(196,725)	(3,148,080)	(65,675)	61,274	51,330	9,689	41,919
Hashemite Kingdom of Jordan	CP, RP	8	448,209	2,533,855	(786,683)	(1,384,734)	810,647	802,725	131,692	32,340	(67,100)
Morocco	RP	7	601,744	9,177,400	(1,105,486)	(8,626,210)	47,448	207,501	169,917	(46,559)	298,872
Egypt	RP	3	8,276	20,536	(22,344)	-	6,468	-	(455)	(834)	3,244
Turkey	CP	1	293,366	3,324,954	(1,182,101)	(2,312,973)	123,246	197,805	8,276	(28,213)	168,887
South Africa	RP	1	65,818	1,512,426	(107,957)	(1,103,386)	366,901	176,147	92,263	(13,939)	6,375
Others	RP	1	52,344	502,448	(60,621)	(473,385)	20,786	70,053	46,704	10,625	49,136
		40	5,180,476	80,200,638	(9,355,731)	(62,484,165)	13,541,218	8,966,370	4,486,165	1,486,040	1,719,846

41 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been approved by the Board of Directors on 30 March 2020, corresponding to 6 Sha'ban 1441H.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

A SAUDI JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2020

Ernst & Young & Co. (Certified Public Accountants)
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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. 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 professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Building a better working world

Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, 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 omissions, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Group'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 Group 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.

Building a better
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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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

- 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 Audit Committee 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.

for Ernst & Young

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 10 Ramadan 1442H
(22 April 2021)

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**12,732,340**	11,982,377	8,713,473
Intangible assets	6	**2,058,678**	2,059,205	2,052,931
Equity accounted investees	7	**5,062,848**	5,293,867	6,576,574
Non-current portion of net investment in finance lease	8	**10,605,337**	10,364,334	9,114,728
Due from related parties	22.1	**86,658**	111,258	71,984
Deferred tax asset	20.4	**135,498**	23,460	34,029
Fair value of derivatives	21	**-**	-	13,273
Strategic fuel inventories		**70,760**	70,771	77,631
Other assets	9	**197,510**	206,110	205,778
TOTAL NON-CURRENT ASSETS		**30,949,629**	30,111,382	26,860,401
CURRENT ASSETS				
Inventories	10	**450,835**	438,324	302,409
Current portion of net investment in finance lease	8	**323,571**	209,902	216,891
Due from related parties	22.1	**745,661**	734,156	756,516
Accounts receivable, prepayments and other receivables	11	**3,020,235**	2,953,802	2,532,680
Cash and cash equivalents	12	**832,668**	2,798,315	5,498,265
		5,372,970	7,134,499	9,306,761
Assets held for sale	33.3	**-**	475,402	-
TOTAL CURRENT ASSETS		**5,372,970**	7,609,901	9,306,761
TOTAL ASSETS		**36,322,599**	37,721,283	36,167,162

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2020

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity				
Share capital	13.1	**6,429,344**	6,429,344	6,429,344
Share premium		**1,410,398**	1,177,031	1,177,031
Statutory reserve		**642,883**	554,626	437,239
Retained earnings		**1,184,908**	3,102,108	2,363,259
Equity attributable to owners of the Company before other reserves		**9,667,533**	11,263,109	10,406,873
Other reserves	13.2	**(2,798,419)**	(1,361,236)	(717,900)
Equity attributable to owners of the Company		**6,869,114**	9,901,873	9,688,973
Non-controlling interests	14	**531,041**	703,504	1,385,184
TOTAL EQUITY		**7,400,155**	10,605,377	11,074,157
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing and funding facilities	15	**17,286,744**	17,480,944	17,734,682
Due to related parties	22.1	**1,577,839**	860,202	81,176
Equity accounted investees	7	**1,244,571**	516,982	60,546
Fair value of derivatives	21	**650,789**	286,442	132,598
Deferred tax liability	20.4	**125,711**	250,552	245,776
Deferred revenue	17	**63,304**	129,827	67,108
Other financial liabilities	23.1	**290,990**	395,724	924,195
Employee end of service benefits' liabilities	16	**178,964**	159,598	123,148
Other liabilities	23.2	**309,422**	252,117	201,532
TOTAL NON-CURRENT LIABILITIES		**21,728,334**	20,332,388	19,570,761

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
CURRENT LIABILITIES				
Accounts payable and accruals	18	**4,116,726**	3,439,786	3,760,288
Short-term financing facilities	19	**364,847**	444,218	618,942
Current portion of long-term financing and funding facilities	15	**1,178,360**	2,271,229	1,018,637
Due to related parties	22.1	**43,280**	19,964	-
Fair value of derivatives	21	**59,584**	51,883	10,613
Zakat and taxation	20.3	**276,517**	183,411	113,764
		6,039,314	6,410,491	5,522,244
Financing and funding facilities classified as current	15.3	**1,154,796**	-	-
Liabilities associated with assets held for sale	33.3	**-**	373,027	-
TOTAL CURRENT LIABILITIES		**7,194,110**	6,783,518	5,522,244
TOTAL LIABILITIES		**28,922,444**	27,115,906	25,093,005
TOTAL EQUITY AND LIABILITIES		**36,322,599**	37,721,283	36,167,162

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
CONTINUING OPERATIONS				
Revenue	24	**4,829,111**	4,114,999	3,227,833
Operating costs	25	**(2,301,362)**	(2,028,804)	(1,965,965)
GROSS PROFIT		**2,527,749**	2,086,195	1,261,868
Development cost, provision and write offs, net of reversals	11.4	**(142,856)**	(50,790)	16,368
General and administration expenses	26	**(818,882)**	(617,747)	(562,930)
Share in net results of equity accounted investees, net of tax	7.1	**231,107**	283,794	942,716
Other operating income	24.5	**151,872**	140,645	160,325
OPERATING INCOME BEFORE IMPAIRMENT LOSS AND OTHER EXPENSES		**1,948,990**	1,842,097	1,818,347
Impairment loss and other expenses, net	28	**(181,051)**	(880,203)	(623,748)
OPERATING INCOME AFTER IMPAIRMENT LOSS AND OTHER EXPENSES		**1,767,939**	961,894	1,194,599
Other income	27	**155,608**	336,820	64,948
Exchange loss, net	29	**(23,460)**	(29,106)	(8,576)
Financial charges	30	**(1,068,448)**	(869,862)	(570,655)
PROFIT BEFORE ZAKAT AND INCOME TAX		**831,639**	399,746	680,316
Zakat and tax credit / (charge)	20.1	**50,950**	(74,008)	(39,942)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**882,589**	325,738	640,374
DISCONTINUED OPERATIONS				
Profit / (loss) from discontinued operations including gain / (loss) recognised on loss of control in a subsidiary, net of tax	33.4	**19,798**	554,345	(1,539,288)
PROFIT / (LOSS) FOR THE YEAR		**902,387**	880,083	(898,914)
Profit / (Loss) attributable to:				
Equity holders of the parent		**882,568**	1,173,865	(773,842)
Non-controlling interests		**19,819**	(293,782)	(125,072)
		902,387	880,083	(898,914)
Basic and diluted earnings / (loss) per share (in SR)	31.2	**1.37**	1.82	(1.30)
Basic and diluted earnings per share for continuing operations (in SR)	31.2	**1.34**	0.98	1.27

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
PROFIT / (LOSS) FOR THE YEAR		**902,387**	880,083	(898,914)
OTHER COMPREHENSIVE (LOSS) / INCOME				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation differences		**23,585**	268,481	(198,257)
Equity accounted investees – share of OCI	13.2, 7.1	**(1,191,366)**	(729,442)	315,667
Net change in fair value of cash flow hedge reserve		**(400,330)**	(294,596)	111,014
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit liability	16.1	**11,506**	(18,244)	12,960
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		**(1,556,605)**	(773,801)	241,384
TOTAL COMPREHENSIVE (LOSS) / INCOME		**(654,218)**	106,282	(657,530)
Total comprehensive (loss) / income attributable to:				
Equity holders of the parent		**(554,615)**	530,529	(557,650)
Non-controlling interests		**(99,603)**	(424,247)	(99,880)
		(654,218)	106,282	(657,530)

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and tax from continuing operations		**831,639**	399,746	680,316
Profit / (loss) before zakat and tax from discontinued operations including gain /(loss) recognised on loss of control in a subsidiary		**15,615**	559,079	(1,777,460)
Adjustments for:				
Depreciation and amortisation	5.3, 6.2	**567,375**	418,516	365,675
Financial charges	30,33.4	**1,089,384**	1,135,151	1,014,960
(Gain) / loss recognised on loss of control in a subsidiary including related unrealized exchange loss	33.4	**9,163**	(554,358)	1,559,009
Unrealised exchange loss	29	**32,613**	40,570	8,740
Share in net results of equity accounted investees, net of zakat and tax	7.1,33.4	**(231,107)**	(284,453)	(935,667)
Charge for employees' end of service benefits	16.1	**39,379**	32,023	27,336
Fair value of cash flow hedges recycled to profit or loss		**(16,166)**	(43,826)	37,110
Provisions		**97,142**	25,475	30,596
Unwinding of discount on financial liabilities		**21,807**	12,993	1,109
Impairment loss in relation to property, plant and equipment and goodwill	28	**137,485**	880,203	556,437
Net gain on business combination achieved in stages	27	**-**	(210,673)	-
(Gain) / loss on disposal of property, plant and equipment		**(9,588)**	(829)	4,039
Development cost, provision and write offs, net of reversals	11.4	**142,856**	50,790	(4,415)
Changes in operating assets and liabilities:				
Accounts receivable, prepayments and other receivables		**(288,813)**	(544,806)	(1,314,643)
Inventories		**(12,511)**	14,485	43,937
Payables and accruals		**(219,574)**	(1,087,739)	745,001
Due from related parties		**13,095**	73,116	184,229
Strategic fuel inventories		**11**	6,860	424
Net investment in finance lease		**(354,672)**	306,862	302,279
Other assets		**(826)**	(43,834)	219,681
Other liabilities		**57,305**	77,192	1,227
Deferred revenue		**(66,523)**	119,785	(16,452)
Net cash from operations		**1,855,089**	1,382,328	1,733,468
Employee end of service benefits' paid	16.1	**(8,507)**	(15,312)	(14,998)
Zakat and tax paid	20.3	**(85,462)**	(30,427)	(46,423)
Dividends received from equity-accounted investees	7.1	**149,203**	259,027	205,887
Net cash generated from operating activities		**1,910,323**	1,595,616	1,877,934

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment, and intangible assets	5,6.2	**(1,457,633)**	(2,045,876)	(3,186,281)
Proceeds on disposal of property, plant and equipment		**21,996**	3,434	-
Investments in associates and joint ventures		**(74,722)**	(147,967)	(209,794)
Disposals and acquisition of NCI, net		**-**	11,547	(70,725)
Net cash outflow on business acquisition		**-**	(481,695)	-
Proceeds on disposal of net assets held for sale		**125,871**	-	-
Cash derecognised on loss of control in a subsidiary or classification as held for sale		**-**	(206,718)	(16,687)
Net cash used in investing activities		**(1,384,488)**	(2,867,275)	(3,483,487)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	13.1	**-**	-	2,042,938
Financing and funding facilities, net of transaction costs		**(252,085)**	703,310	3,150,772
Due to related parties		**47,420**	(4,944)	(61,202)
Other financial liabilities		**(116,807)**	(541,464)	-
Financial charges paid		**(1,087,501)**	(1,231,446)	(973,369)
Dividends paid	13.4	**(1,082,509)**	(338,584)	(294,550)
Capital contributions from and other adjustments to non-controlling interest		**-**	(15,163)	-
Net cash (used in) / from financing activities		**(2,491,482)**	(1,428,291)	3,864,589
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**(1,965,647)**	(2,699,950)	2,259,036
Cash and cash equivalents at beginning of the year		**2,798,315**	5,498,265	3,239,229
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**832,668**	2,798,315	5,498,265

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in Saudi Riyals thousands unless otherwise stated

	Share capital	Share premium	Statutory reserve	Retained earnings	Other Reserves (note 13.2)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2018	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Loss for the year	-	-	-	(773,842)	-	(773,842)	(125,072)	(898,914)
Other comprehensive income	-	-	-	-	216,192	216,192	25,192	241,384
Total comprehensive income / (loss)	-	-	-	(773,842)	216,192	(557,650)	(99,880)	(657,530)
Acquisition of non-controlling interests (note 14)	-	-	-	(59,951)	-	(59,951)	(10,774)	(70,725)
Dividends (note 13.4)	-	-	-	(235,107)	-	(235,107)	(59,443)	(294,550)
Issue of shares (note 13.1)	963,129	1,079,809	-	-	-	2,042,938	-	2,042,938
Capital contribution	-	-	-	-	-	-	165,896	165,896
Balance at 31 December 2018	6,429,344	1,177,031	437,239	2,363,259	(717,900)	9,688,973	1,385,184	11,074,157
Balance at 1 January 2019	6,429,344	1,177,031	437,239	2,363,259	(717,900)	9,688,973	1,385,184	11,074,157
Profit / (loss) for the year	-	-	-	1,173,865	-	1,173,865	(293,782)	880,083
Other comprehensive loss	-	-	-	-	(643,336)	(643,336)	(130,465)	(773,801)
Total comprehensive income / (loss)	-	-	-	1,173,865	(643,336)	530,529	(424,247)	106,282
Changes in non-controlling interest	-	-	-	5,252	-	5,252	24,122	29,374
Loss of control (note 33.1)	-	-	-	-	-	-	(265,852)	(265,852)
Dividends (note 13.4)	-	-	-	(322,881)	-	(322,881)	(15,703)	(338,584)

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated

	Share capital	Share premium	Statutory reserve	Retained earnings	Other Reserves (note 13.2)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Transfer to statutory reserve	-	-	117,387	(117,387)	-	-	-	-
Balance at 31 December 2019	**6,429,344**	**1,177,031**	**554,626**	**3,102,108**	**(1,361,236)**	**9,901,873**	**703,504**	**10,605,377**
Balance at 1 January 2020	**6,429,344**	**1,177,031**	**554,626**	**3,102,108**	**(1,361,236)**	**9,901,873**	**703,504**	**10,605,377**
Profit for the year	**-**	**-**	**-**	**882,568**	**-**	**882,568**	**19,819**	**902,387**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(1,437,183)**	**(1,437,183)**	**(119,422)**	**(1,556,605)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**882,568**	**(1,437,183)**	**(554,615)**	**(99,603)**	**(654,218)**
Acquisition of non-controlling interests (note 14.3)	**-**	**-**	**-**	**(10,530)**	**-**	**(10,530)**	**10,530**	**-**
Dividends (note 13.4)	**-**	**-**	**-**	**(2,700,981)**	**-**	**(2,700,981)**	**(83,390)**	**(2,784,371)**
Other contribution from shareholders (note 22 (i))	**-**	**233,367**	**-**	**-**	**-**	**233,367**	**-**	**233,367**
Transfer to statutory reserve	**-**	**-**	**88,257**	**(88,257)**	**-**	**-**	**-**	**-**
Balance at 31 December 2020	**6,429,344**	**1,410,398**	**642,883**	**1,184,908**	**(2,798,419)**	**6,869,114**	**531,041**	**7,400,155**

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

1- ACTIVITIES

International Company for Water and Power Projects (the "Company" or "ACWA Power") is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and is registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).

The Company and its subsidiaries (collectively the "Group") are engaged in the business of development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

Information of the Group's direct subsidiaries/investees as of 31 December is included in the below table:

Entity name	Country of incorporation	Principal activities	Direct shareholding		
			2020	2019	2018
ACWA Power Saudi Electricity and Water Development Company **("APSE")**	Kingdom of Saudi Arabia	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
Kahromaa Company **("KAHROMAA")**	Kingdom of Saudi Arabia	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**100.0%**	100.0%	100.0%
ACWA Power Global Holdings Ltd. **("APGH")**	United Arab Emirates (Jebel Ali Free Zone)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. During 2019, the Group transferred its investment in APGH to APGS.	**-**	-	100.0%
ACWA Power Reinsurance Co. Ltd. (captive insurance) **("ACWA Re")**	United Arab Emirates (Dubai International Financial Centre – 'DIFC')	To effect and carry out contracts of insurance restricted to those of a Class 3 Captive Insurer. Under its captive license, ACWA Re can insure a part of its own affiliate's assets and that of related third party.	**100.0%**	100.0%	100.0%
Multiple Shares Company **("MSC")**	Kingdom of Saudi Arabia	Installation, maintenance and operation, contracting of electricity generation and desalination plants.	**95.0%**	95.0%	95.0%
ACWA Power Bahrain Holdings W.L.L. **("APBH")**	Kingdom of Bahrain	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**99.7%**	99.7%	99.7%
ACWA Power Global Services Ltd. **("APGS")**	United Arab Emirates (DIFC)	Own investments in group of companies, provide financial advisory, book-keeping and reporting, tax compliance and related services.	**100.0%**	100.0%	100.0%
ACWA Power Management and Investments One Ltd. **("APMI One")**	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
ACWA Power Capital Management Ltd **("APCM")**	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office. During 2020, the Group transferred its investment in APCM to APGS.	**-**	100.0%	100.0%

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

1 ACTIVITIES (continued)

Entity name	Country of incorporation	Principal activities	Direct shareholding		
			2020	2019	2018
ACWA Power Renewable Energy Holding Ltd. **("APREH")**	United Arab Emirates (DIFC)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. On 31 December 2019, Group has disposed-of 49% of its shareholding and consequently lost control in APREH (note 33.1).	**51.0%**	51.0%	100.0%
First National Holding Company **("NOMAC")**	Kingdom of Saudi Arabia	NOMAC, incorporated in 2018, is engaged in constructing, owning, buying, managing, operating and investing in industrial, services and construction projects of power stations, electricity, steam stations, water desalination plants and providing operation and maintenance (O&M) under long term contracts.	**100.0%**	100.0%	100.0%
ACWA Industrialization Company	Kingdom of Saudi Arabia	Power generation, water desalination and distribution or other business related to or ancillary thereto.	**100.0%**	-	-
ACWA Power International L.L.C	United Arab Emirates	Power generation facilities and distribution systems; operation and maintenance; power generation and water desalination.	**100.0%**	ww-	-

2- BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").

2.1 BASIS OF PREPARATION

These consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value. These consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2- BASIS OF PREPARATION AND CONSOLIDATION (continued)

2.2 BASIS OF CONSOLIDATION

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2- BASIS OF PREPARATION AND CONSOLIDATION (continued)

2.2 BASIS OF CONSOLIDATION

Changes in ownership interest in subsidiaries

Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. Retained investment is recorded at fair value.

3- SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The significant accounting policies adopted are as follows:

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current

classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Current versus non-current classification (continued)

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term bank deposits that have an original maturity of three months or less and excludes restricted cash deposit.

Financial instruments

Initial recognition

The Group records a financial asset or a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair values. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification

The Group classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures a financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification (continued)

The Group classifies all non-derivative financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Group designates a non-derivative financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When the Group has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, it continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss for the period.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivables

After initial recognition, accounts receivables are stated at amortised cost less allowance for any impairment. The Group recognises an allowance for impairment for expected credit losses. Such impairment allowances are charged to profit or loss and reported under “General and administration expenses”. When an account receivable is uncollectible, it is written-off against the impairment allowance. Any subsequent recoveries of amounts previously written-off are credited against “General and administration expenses” in the consolidated statement of profit or loss.

Deferred costs (Projects under development)

Costs incurred on projects under development, which are considered as feasible, are recognised as an asset in the consolidated statement of financial position to the extent they are assessed to be recoverable. If a project is no longer considered feasible, the accumulated costs relating to that project are expensed to the profit or loss in the period in which the determination is made. The Group makes provision against these projects based on expected project success rates.

Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in the consolidated statement of financial position. Proceeds received from successful projects in excess of development cost reimbursements are recognised during the year within revenue in the consolidated statement of income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Investments in associates and joint ventures – equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in its associates and joint ventures are accounted for using the equity method of accounting from the date that the significant influence or joint-control commences until the date that such influence or joint-control ceases. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group’s share of net assets of the associates and joint ventures. The Group’s profit or loss reflects the Group’s share of the

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures – equity accounted investees (continued)

profit or loss of the associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the associates and joint ventures, the Group recognises its share of such changes in its other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures ("upstream and downstream") are eliminated to the extent of the Group's interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of associates and joint ventures is shown separately in profit or loss under operating income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date the Group determines whether there is an objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate or joint venture and its carrying value, then recognises the loss within 'Share in results of associates and joint ventures' in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in associates or joint ventures, the Group's carrying amount of investments in associate or joint venture is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investee companies.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group increases its ownership interest in an existing associate/ joint venture which remains an associate/ joint venture after that increase, the purchase price paid for the additional interest is added to the existing carrying amount of the associate/ joint venture and the existing share in net assets of the associate or joint venture is not re-measured. The cost of additional investment is allocated between the share of the fair value of net assets and goodwill. Any excess of the additional share in fair value of net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group's share of the associate's/ joint venture's profit or loss after additional acquisition in order to reflect the Group's share in fair value of net assets at the acquisition date, arising from the additional acquisition.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment, except for land and capital work in progress, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work in progress are stated at cost less accumulated impairment loss, if any. Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under relevant category of property, plant and equipment upon completion.

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Business combination

Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination (continued)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/ transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale and discontinued operations (continued)

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from start of the comparative year.

Impairment

Financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss (FVTPL):

- financial assets that are debt instruments;
- trade receivables and contract assets;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments. The Group measures impairment allowances using the general approach for all financial assets except for trade receivables including short term related party receivables which follows the simplified approach.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

Financial assets (continued)

Under the general approach, the Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL. The Group applies the simplified approach to measure the ECL on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The Group categorizes its financial assets into following three stages in accordance with the IFRS 9 methodology:

- Stage 1 – financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months ECL.
- Stage 2 – financial assets that has significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on lifetime ECL. The impairment allowance is recorded based on lifetime PD.
- Stage 3 – for financial assets that are impaired, the Group recognizes the impairment allowance based on lifetime ECL.

The Group also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECLs.

The forward-looking information will include the elements such as macroeconomic factors (e.g., unemployment, GDP growth, inflation, profit rates and house prices) and economic forecasts obtained through internal and external sources.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

Financial assets (continued)

ECL represent probability-weighted estimates of credit losses. These are measured as follows:

- financial assets that are not credit-impaired at the reporting date: 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);
- financial assets that are credit-impaired at the reporting date: as the difference between the net carrying amount and the present value of estimated future cash flows, which includes amounts recoverable from guarantees and collateral;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less cash flows that the Group expects to receive any.

Expected credit losses are discounted to the reporting date at the effective interest rate (EIR) determined at initial recognition or an approximation thereof and consistent with income recognition.

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists,

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment (continued)

Non-financial assets (continued)

the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently re-measured at amortised cost.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. In relation to insurance business, the provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance cost.

Employees' benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation

The Group operates a post-employment benefit plans driven by the labour laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Employees' benefits (continued)

Post-employment obligation (continued)

Current and past service costs related to post-employment benefits are recognised immediately in profit or loss as employee cost while the unwinding of the liability at discount rates used is recorded in profit or loss as finance charges. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Statutory reserve

In accordance with the Company's By-Laws and Saudi Arabian Regulations for Companies, the Company must set aside 10% of its income after zakat and tax in each year until it has built up a reserve equal to 30% of its capital. The reserve is not available for distribution.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold land and building	2-40 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Where the Group determines a long term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease. A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset.

The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Asset retirement obligation

The Group records the present value of estimated costs of legal decommissioning obligations required to restore the site to its original condition in the period in which the obligation is incurred. The nature of these activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

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3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset retirement obligation (continued)

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related property, plant and equipment to the extent that it was incurred as a result of the development/construction of the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. The estimated future costs of decommissioning, are reviewed annually and adjusted as appropriate. Changes if any, in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

Revenue recognition

Revenue from supply of desalinated water and power is recognised upon satisfaction of performance obligation which in general happens upon delivery of desalinated water and power to the customer. Capacity charge income (excluding receipts for services provided, such as insurance and maintenance) under Power and Water Purchase Agreements ("PWPA") or Power Purchase Agreements ("PPA") or Water Purchase Agreements ("WPA") for each hour during which the plant is available for power generation and/or water desalination is recognised over the lease term or upon actual billing period as appropriate considering the terms of each PWPA or PPA or WPA. The component of billed revenue related to goods or services not delivered or performed are recorded as deferred liability and reported in the consolidated statement of financial position as deferred revenue.

At the inception of the lease, the total unearned finance income i.e. the excess aggregate minimum lease payments plus residual value (guaranteed and unguaranteed), if any, over the cost of the leased assets, is amortised over the term of the lease, and finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding with respect to the lease.

Revenues from rendering technical, operation and maintenance services are recognised when contracted services are performed. Revenue from development is recognised when related services are rendered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Profit on fixed deposits is recognised as the profit accrues. Interest income on deposits is accrued on an effective yield basis.

Dividend income is recognised when the Group's right to receive the dividend is established.

Borrowing costs

Borrowing costs directly attributable to the construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs (continued)

assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalisation.

Front end fees, debt acquisition and arrangement fees, other than commitment fee in relation to undrawn facility, that relate to the origination of the long-term loans and funding facilities are amortised over the period of the loans using the effective interest rate ("EIR"). Loan commitment fee in relation to undrawn portion of loan is treated as service cost. The amortisation on the effective interest basis and the commitment fee on undrawn facility are capitalised as part of projects under construction up to the date of commencement of commercial production and subsequently it is charged to profit or loss.

Expenses

General and administration expenses include direct and indirect costs not specifically forming part of operating costs. Allocations between general and administration expenses and operating costs, when required, are made on a consistent basis.

Zakat and taxation

Zakat and taxation is provided in accordance with the Regulations of the General Authority of Zakat and Tax (the "GAZT") in the Kingdom of Saudi Arabia and on an accruals basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalisation.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with tax regulations of the respective countries.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Zakat and taxation (continued)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Transactions in foreign currencies are recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in the functional currency at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are taken to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of income or expense are translated in Saudi Riyals at average exchange rates prevailing during the reporting period of related transactions. Exchange differences arising on translation for consolidation, if material, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income for exchange differences relating to that particular foreign operation is recognised in profit or loss.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Value added tax ("VAT")

VAT receivable represents input tax paid on purchases including purchase of property, plant and equipment. VAT receivable is presented on an undiscounted basis net of any output tax collected on revenue.

Dividends

Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Earnings per share

Earnings per share are calculated by dividing profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

New standards, amendments and interpretations adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business:

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform:

A fundamental review and reform of major profit rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") is engaged in a two-phase process of amending its guidance to assist in a smoother transition away from Interbank Offered Rates (IBOR).

Phase (1) - The first phase of amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures focused on hedge accounting issues. The final amendments, issued in September 2019, amended specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by IBOR reform. The amendments are effective from 1 January 2020 and are mandatory for all hedge relationships directly affected by IBOR reform. The requirements have no implication on the consolidated financial statements of the Company for the year ended 31 December 2020.

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3- SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, amendments and interpretations adopted by the Group (continued)

Phase (2) – The second phase relates to the replacement of benchmark rates (IBOR) with alternative risk-free rates (RFR). The Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021 and early application is permitted. Now that the Phase 2 Amendments have been finalised, the Group will complete its assessment of the accounting implications of the scenarios it expects to encounter as the transition from IBORs to RFRs in order to accelerate its programmes to implement the new requirements.

Management is running a project on the Group's overall transition activities and continues to engage with various stakeholders to support an orderly transition.

The table below shows the Group's exposure at the year-end to significant IBORs subject to reform that have yet to transition to RFRs. The table excludes exposures to IBOR that will expire before transition is required or that are related to equity accounted investees of the Group:

	In SR 000
Carrying amount of financial liabilities exposed to IBOR	**4,958,755**
Notional of hedges linked to IBOR	**3,871,279**

Equity accounted investees of the Group are also exposed to the IBOR reforms. The Group's share in notional of hedges (linked to IBOR) associated with equity accounted investees amounted to SR 17.5 billion.

Amendments to IAS 1 and IAS 8 Definition of Material:

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018:

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, amendments and interpretations adopted by the Group (continued)

Amendments to IFRS 16 Covid-19 Related Rent Concessions:

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts:

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 1: Classification of Liabilities as Current or Non-current:

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3:

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16:

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16: (continued)

The amendments do not have any impact on the Group as the Group's accounting policy is already consistent with the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37:

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments do not have any impact on the Group.

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3- SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities:

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements:

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

This standard is not applicable to the Group.

4- USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in KSA and IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

i) Impairment of non-financial assets (including Goodwill)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length,

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4- USE OF ESTIMATES AND ASSUMPTIONS (continued)

i) Impairment of non-financial assets (including Goodwill) (continued)

for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the projects' useful lives and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

ii) Impairment of accounts receivable

An estimate of the collectible amount of accounts receivable is made using an expected credit loss model which involves evaluation of credit rating and days past due information.

iii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

During the year, the Group performed a detailed exercise to re-assess the useful life of the plants owned by its subsidiaries and joint ventures. Management categorised and considered all socio-economic, operational, performance and other factors surrounding the technology of the particular asset belongs to.

Based on the analysis, it was concluded that certain plants' economic life was lower than the useful life due to advancement in technology which has resulted in the availability of more efficient new plants in the industry. As a result, the Group decided to align the plants existing useful life to its re-assessed economic life with effect from 1 January 2020 as follows:

Plant Technology	Previous useful life	Revised useful life	Financial impact for the year ended 31 Dec 2020
Photovoltaic	30 years	25 years	**4,266**
Concentrated Solar Power	30-35 years	30 years	**1,320**
Combined Cycle Gas Turbine	35-40 years	35 years	**54,012**
Seawater Reverse Osmosis	30-40 years	30 years	**22,612**

This change in accounting estimate has resulted in SR 82.2 million being expensed in the consolidated statement of profit or loss, which is reflected in the Group operating cost (SR 50.0 million) and through share in net results of equity accounted investees (SR 32.2 million).

Impacts on the profit or loss in future periods will be as follows:

Year (range)	2021	2022-43	2044-53	2054
Impacts in SR millions per annum (range)	79.6	66.2	64.3-16.6	4.1

4- USE OF ESTIMATES AND ASSUMPTIONS (continued)

iv) Fair value of unquoted financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and call options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

Pursuant to certain shareholder agreements, the Group has written put options on non-controlling interests in subsidiaries and on counterparty's ownership interest in an associate. The fair values of these put options are derived from discounted projected cash flow analysis of the respective entities and the redemption amount determined pursuant to contractual agreements. The fair value measurements are performed at each reporting date.

v) Lease classification

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

The following are the critical assumptions that have been made in the process of applying the Group's accounting policies for determining whether an arrangement contains a lease and have a significant effect on the amounts recognised in the consolidated financial statements:

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the off-taker will pay for the output is neither contractually fixed per unit of output nor is equal to the current market price per unit of output at the time of delivery of the output and accordingly management believes that the arrangement contains a lease.
- If at the end of the term of the PPA or WPA or PWPA, the ownership of the Plant is transferred to the off-taker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of lease as a finance or operating lease.

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5- Property, PLANT and equipment ("PPE")

The following rates are used for calculation of depreciation:

Buildings	2% - 7%	Plant, machinery and equipment	2.5% - 25%
Barges and onshore equipment	5% - 40%	Furniture, fixtures and office equipment	10% - 33.3%
Capital spares	3.3% - 12.5%	Motor vehicles	14% - 25%

	Land and buildings	Plant, machinery and equipment	Barges and Onshore equipment	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total 2020
Cost:								
At 1 January 2020	**1,068,794**	**15,871,129**	**255,443**	**113,903**	**35,218**	**39,086**	**769,672**	**18,153,245**
Additions	**49,965**	**144,575**	**-**	**5,174**	**24,075**	**2,982**	**1,213,428**	**1,440,199**
Disposals / write-offs*	**(140,790)**	**(685,745)**	**(255,443)**	**(889)**	**-**	**(2,931)**	**-**	**(1,085,798)**
Foreign currency translation	**-**	**-**	**-**	**(144)**	**-**	**(281)**	**-**	**(425)**
At 31 December 2020	**977,969**	**15,329,959**	**-**	**118,044**	**59,293**	**38,856**	**1,983,100**	**18,507,221**
Accumulated depreciation and impairment								
At 1 January 2020	**598,640**	**5,168,261**	**255,443**	**92,208**	**23,164**	**33,152**	**-**	**6,170,868**
Depreciation charge for the year (note 5.3)	**29,495**	**497,842**	**-**	**12,997**	**3,346**	**3,808**	**-**	**547,488**
Impairment loss (note 28.1)	**-**	**129,985**	**-**	**-**	**-**	**-**	**-**	**129,985**
Relating to disposals / write-offs*	**(140,773)**	**(674,127)**	**(255,443)**	**(267)**	**-**	**(2,780)**	**-**	**(1,073,390)**
Foreign currency translation	**-**	**-**	**-**	**(13)**	**-**	**(57)**	**-**	**(70)**
At 31 December 2020	**487,362**	**5,121,961**	**-**	**104,925**	**26,510**	**34,123**	**-**	**5,774,881**
Carrying amount as at 31 December 2020	**490,607**	**10,207,998**	**-**	**13,119**	**32,783**	**4,733**	**1,983,100**	**12,732,340**

*This includes write-offs of certain fully depreciated assets with a total cost and accumulated depreciation amounting to SR 1,070.3 million.

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5- Property, PLANT and equipment ("PPE") (continued)

	Land and buildings	Plant, machinery and equipment	Barges and Onshore equipment	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total 2019
Cost:								
At 1 January 2019	861,883	10,928,021	255,443	119,564	50,901	36,471	1,769,092	14,021,375
Additions	3,612	148,328	-	8,998	1,409	6,952	1,860,340	2,029,639
Transfer from CWIP	242,983	1,087,885	-	-	-	-	(1,330,868)	-
Disposals / write-offs	-	-	-	(5,886)	-	(216)	-	(6,102)
Business combination (note 32)	6,660	6,867,315	-	549	2,200	1,519	20,541	6,898,784
De-recognition on loss of control in a subsidiary (note 33.1)	(31,230)	(2,597,098)	-	(9,322)	(19,844)	(5,794)	-	(2,663,288)
De-recognition on classification as held for sale (note 33.3)	(15,114)	(598,441)	-	-	-	-	-	(613,555)
Finance lease recognition	-	-	-	-	-	-	(1,549,479)	(1,549,479)
Foreign currency translation	-	35,119	-	-	552	154	46	35,871
At 31 December 2019	1,068,794	15,871,129	255,443	113,903	35,218	39,086	769,672	18,153,245
Accumulated depreciation and impairment								
At 1 January 2019	582,084	4,393,234	200,231	80,812	21,218	30,323	-	5,307,902
Depreciation charge for the year (note 5.3)	16,874	337,459	8,770	17,163	3,498	7,965	-	391,729
Impairment loss (note 28.1)	-	830,761	46,442	-	-	-	-	877,203
Relating to disposals / write-offs	-	-	-	(3,281)		(216)	-	(3,497)
De-recognition on loss of control in a subsidiary (note 33.1)	(318)	(208,742)	-	(2,486)	(1,597)	(5,028)	-	(218,171)

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5- Property, PLANT and equipment ("PPE") (continued)

	Land and buildings	Plant, machinery and equipment	Barges and Onshore equipment	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total 2019
De-recognition on classification as held for sale (note 33.3)	-	(191,161)	-	-	-	-	-	(191,161)
Foreign currency translation	-	6,710	-	-	45	108		6,863
At 31 December 2019	598,640	5,168,261	255,443	92,208	23,164	33,152	-	6,170,868
Carrying amount as at 31 December 2019	470,154	10,702,868	-	21,695	12,054	5,934	769,672	11,982,377

	Land and buildings	Plant, machinery and equipment	Barges and Onshore equipment	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total 2018
Cost:								
At 1 January 2018	988,304	11,158,798	248,320	124,045	33,040	35,398	8,415,182	21,003,087
Additions	43,279	1,373,155	7,123	13,474	19,701	6,062	1,710,630	3,173,424
Transfer from CWIP	-	1,507,599	-	-	-	-	(1,507,599)	-
Disposals / write-offs	(84)	(7,174)	-	(14,656)	-	(3,178)	-	(25,092)
De-recognition on loss of control in a subsidiary (note 33.2)	(119,892)	(1,981,789)	-	(1,149)	-	(627)	2,638	(2,100,819)
Finance lease recognition	-	-	-	-	-	-	(6,847,627)	(6,847,627)
Foreign currency translation	(49,724)	(1,122,568)	-	(2,150)	(1,840)	(1,184)	(4,132)	(1,181,598)
At 31 December 2018	861,883	10,928,021	255,443	119,564	50,901	36,471	1,769,092	14,021,375
Accumulated depreciation and impairment								

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5- Property, PLANT and equipment ("PPE") (continued)

	Land and buildings	Plant, machinery and equipment	Barges and Onshore equipment	Furniture, fixtures and office equipment	Capital spares	Motor vehicles	Capital work in progress (CWIP)	Total 2018
At 1 January 2018	569,705	3,796,276	125,643	89,660	19,135	28,421	-	4,628,840
Depreciation charge for the year (note 5.3)	16,581	322,805	4,213	5,869	2,189	5,610	-	357,267
Impairment loss (note 28.1)	-	373,562	70,375	-	-	-	-	443,937
Relating to disposals / write-offs	-	(7,174)	-	(11,118)	-	(2,761)	-	(21,053)
De-recognition on loss of control in a subsidiary (note 33.2)	(3,497)	(58,015)	-	(416)	-	(314)	-	(62,242)
Foreign currency translation	(705)	(34,220)	-	(3,183)	(106)	(633)	-	(38,847)
At 31 December 2018	582,084	4,393,234	200,231	80,812	21,218	30,323	-	5,307,902
Carrying amount as at 31 December 2018	279,799	6,534,787	55,212	38,752	29,683	6,148	1,769,092	8,713,473

5.1 As of 31 December 2020, the capital work in progress comprises of a plant under construction in relation to Rabigh Three Company ("Rabigh 3"), a subsidiary of the Group.

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5- Property, PLANT and equipment ("PPE") (continued)

5.2 Borrowing costs capitalised during the year amounted to SR 55.2 million (Dec 2019: SR 78.2 million, Dec 2018: SR 274.7 million) which represents the borrowing incurred during construction phase of qualifying assets.

5.3 Depreciation reflected in profit or loss account is as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Depreciation charge for the year ended	**547,488**	391,729	357,267
Depreciation charge in relation right of use asset	**9,426**	12,419	-
Less: Depreciation charge for discontinued operation	**-**	(105,039)	(144,215)
Depreciation charge from continuing operations for the year ended – (refer note 25 & 26)	**556,914**	299,109	213,052

6- INTANGIBLE ASSETS

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Goodwill	6.1	**1,997,311**	2,004,811	2,014,320
Other intangible assets	6.2	**61,367**	54,394	38,611
		2,058,678	2,059,205	2,052,931

6.1 Intangible assets includes goodwill which represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition and arose on account of the following acquisitions:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Arabian Company for Water and Power Projects ("APP") (note 6.1.1)	**1,937,287**	1,937,287	1,937,287
ACWA Power Barka Services 1 & 2 (note 6.1.2)	**60,024**	67,524	70,524
UPC Renewables S.A. ("UPC") (note 6.1.3)	**-**	-	6,509
	1,997,311	2,004,811	2,014,320

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

6- INTANGIBLE ASSETS (continued)

6.1 Intangible assets includes goodwill which represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition and arose on account of the following acquisitions: (continued)

6.1.1 This relates to goodwill on acquisition of 100% equity stake, in the share capital of APP.

At the reporting date, management has determined that the recoverable amount of goodwill related to APP is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of value in use calculations. These calculations use cash flow projections based on financial models approved by management. Cash flows are estimated over the expected period of the relevant projects' lives and discounted using a pre-tax discount rate. The discount rate used represents the current market assessment of the risks specific to the cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The value in use calculation is sensitive to the success rate in securing new projects and the Internal Rate of Return ("IRR") achieved on new projects. However, a reasonably possible change in success rate and IRR will not cause the carrying amount of goodwill to exceed its recoverable amount due to availability of significant headroom.

6.1.2 During prior years, ACWA Power Global Holdings Limited ("APGH") (one of the Group's subsidiaries), indirectly acquired a 50% equity stake in the share capital of ACWA Power Barka SAOG ("Barka") and 86.19% each in ACWA Power Barka Services 1 and ACWA Power Barka Services 2. In accordance with the terms of the financing structure for the acquisition, the Group has an effective interest of 41.91% in ACWA Barka and 72.25% indirect equity stake in the two technical service companies, collectively "services companies". Such acquisition resulted in the recognition of goodwill amounting to SR 183 million.

The Group performed impairment testing for certain of its cash generating units namely ACWA Power Barka Services 1 and ACWA Power Barka Services 2 ("the Entities"). The Entities are considered as a single cash generating unit for impairment testing purpose and to arrive at the value in use. The Group used discounted cash flows to calculate the recoverable amount to which goodwill is allocated and estimated that the recoverable amount was less than the carrying amount and accordingly an impairment loss of SR 7.5 million (2019: SR 3.0 million, 2018: SR 112.5 million) was recognised in these consolidated financial statements.

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6- INTANGIBLE ASSETS (continued)

6.1.3 This represents goodwill on acquisition of a 70% equity stake in the share capital of UPC, an entity incorporated in Morocco and engaged in generating renewable energy. On 31 December 2019, the Group lost control in APREH (a Parent Company of UPC) and derecognised the Goodwill associated with UPC – refer to note 33.1.

6.2 Other intangible assets includes:

computer software which is amortised at the rate of 25% - 33.33% per annum and

the amount paid by one of the Group's subsidiary to secure contracts in respect of the delivery of limestone. These are being amortised over the period of contract.

	2020	2019	2018
Cost:			
At 1 January	**89,738**	59,587	46,730
Additions	**17,434**	16,237	12,857
Business combination (refer to note 32)	**-**	13,914	-
At 31 December	**107,172**	89,738	59,587
Accumulated amortisation			
At 1 January	**35,344**	20,976	12,568
Amortisation charge for the year (refer to note 26)	**10,461**	14,368	8,408
At 31 December	**45,805**	35,344	20,976
Carrying amount as at 31 December	**61,367**	54,394	38,611

7- EQUITY ACCOUNTED INVESTEES

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities. For an entity to be classified as a joint operation, the terms of the arrangements including other facts and circumstances must give rise to the Group's rights to the assets, and obligations for the liabilities, of the joint arrangement. While in case of joint venture, the Group has rights to the net assets of the arrangement. Considering the contractual terms of joint arrangements including other facts and circumstances, all of the Group's joint arrangements qualify as joint ventures and are accordingly equity accounted.

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees

The table below shows the contribution of each equity accounted investees in the consolidated statement of financial position, income statement, statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the statement of cash flows.

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2020								
SGA/NOVA SGA Marafiq Holdings ("SGA Marafiq")	33.33%	Bahrain / UAE	479,219	(42,059)	44,402	-	(41,457)	440,105
Shuqaiq International Water and Electricity Company Limited ("SIWEC")	53.34%	Saudi Arabia	476,148	698	40,233	(14,302)	(40,911)	461,866
Saudi Malaysian Water and Electricity Company Limited ("SAMAWEC") (note 7.1.4)	50.00%	Saudi Arabia	1,135,620	-	51,066	(51,891)	(10,804)	1,123,991
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	26,667	-	12,098	(10,646)	-	28,119
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	26,671	-	12,098	(10,646)	-	28,123
Jordan Biogas Company	50.00%	Jordan	2,498	(2,072)	(426)	-	-	-
Qurayyah Investment Company ("QIC") (note 7.1.1)	44.98%	Saudi Arabia	420,017	93,554	19,007	(17,038)	(33,282)	482,258
Rabigh Electricity Company	40.00%	Saudi Arabia	597,578	3,035	126,908	(51,200)	(39,037)	637,284
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	462,956	2,239	(8,442)	-	(114,470)	342,283
Dhofar Generating Company	27.00%	Oman	74,163	1,191	4,287	(10,518)	(11,636)	57,487
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	497,770	40,663	(2,308)	-	(52,090)	484,035
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	421,320	40,663	(30,809)	-	(52,210)	378,964

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
Vinh Hao 6 Power Joint Stock	60.00%	Vietnam	68,890	268	5,429	-	-	74,587
ACWA Power Renewable Energy Holding Ltd ("APREH")	51.00%	UAE	604,350	-	(35,701)	-	(55,268)	513,381
Dhofar O&M Company LLC	35.00%	Oman	-	6,875	3,490	-	-	10,365
								5,062,848
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(152,106)	-	(10,159)	-	(204,963)	(367,228)
Haya Power & Desalination Company	60.00%	Bahrain	(75,147)	-	-	-	(79,239)	(154,386)
Noor Energy 1 P.S.C.	24.90%	UAE	(265,057)	45,708	(55)	-	(254,464)	(473,868)
Dhofar Desalination Co. SAOC	50.10%	Oman	(9,072)	-	-	-	(12,797)	(21,869)
Taweelah RO Desalination Company LLC	40.00%	UAE	(12,000)	-	-	-	(49,595)	(61,595)
Naqa'a Desalination Plant LLC	40.00%	UAE	(3,600)	-	-	-	(66,416)	(70,016)
Shams Ad-Dhahira Generating Company SAOC	50.00%	Oman	-	(8,152)	-	-	(30,587)	(38,739)
Shuaa Energy 3 P.S.C.	24.00%	UAE	-	(1,597)	(11)	-	(42,140)	(43,748)
Water consortium Holding Company	40.00%	Saudi Arabia	-	(13,122)	-	-	-	(13,122)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") (refer to note 33.2)	70.00%	Turkey	-	-	-	-	-	-
								(1,244,571)
			4,776,885	167,892	231,107	(166,241)	(1,191,366)	3,818,277

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Business combination / loss of control	Closing balance
31 December 2019									
Rabigh Arabian Water & Electricity Company (note 7.1.2)	74.00%	Saudi Arabia	2,440,300	(109,978)	209,183	(44,400)	-	(2,495,105)	-
SGA/NOVA SGA Marafiq Holdings ("SGA Marafiq")	33.33%	Bahrain / UAE	513,634	(21,932)	17,023	-	(29,506)	-	479,219
Shuqaiq International Water and Electricity Company Limited ("SIWEC")	53.34%	Saudi Arabia	466,199	(16,326)	32,515	(3,734)	(2,506)	-	476,148
Saudi Malaysian Water and Electricity Company Limited ("SAMAWEC")	50.00%	Saudi Arabia	1,208,698	-	81,382	(150,325)	(4,135)	-	1,135,620
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,523	-	9,832	(10,688)	-	-	26,667
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,530	-	9,829	(10,688)	-	-	26,671
Jordan Biogas Company	50.00%	Jordan	2,552	-	(54)	-	-	-	2,498
Qurayyah Investment Company ("QIC")	35.00%	Saudi Arabia	458,420	700	5,579	(26,124)	(18,558)	-	420,017
Rabigh Electricity Company	40.00%	Saudi Arabia	662,633	2,812	(48,750)	-	(19,117)	-	597,578
Shuaa Energy 1 P.S.C ("Shuaa") (note 7.1.3)	49.00%	UAE	96,671	(5,089)	5,989	(2,481)	(33,076)	(62,014)	-
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	548,313	2,239	(40,335)	-	(47,261)	-	462,956
Dhofar Generating Company	27.00%	Oman	93,474	1,191	1,071	(10,587)	(10,986)	-	74,163
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	1,933	552,773	1,627	-	(58,563)	-	497,770

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Business combination / loss of control	Closing balance
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(2,522)	479,625	5,106	-	(60,889)	-	421,320
ACWA Power Oasis Three FZ-LLC ("Oasis 3") (note 7.1.3)	70.70%	UAE	(13,024)	95,585	(5,330)	-	(20,208)	(57,023)	-
VInh Hao 6 Power Joint Stock	60.00%	Vietnam	-	68,890	-	-	-	-	68,890
ACWA Power Renewable Energy Holding Ltd (refer to note 33.1)	51.00%	UAE	-	604,350	-	-	-	-	604,350
									5,293,867
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	28,694	-	(89)	-	(180,711)	-	(152,106)
Haya Power & Desalination Company	60.00%	Bahrain	(45,000)	-	-	-	(30,147)	-	(75,147)
Noor Energy 1 P.S.C.	24.90%	UAE	-	(20,087)	(125)	-	(244,845)	-	(265,057)
Dhofar Desalination Co. SAOC	50.10%	Oman	-	2,637	-	-	(11,709)	-	(9,072)
Taweelah RO Desalination Company LLC	40.00%	UAE	-	(12,000)	-	-	-	-	(12,000)
Naqa'a Desalination Plant LLC	40.00%	UAE	-	(3,600)	-	-	-	-	(3,600)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(516,982)
			6,516,028	1,621,790	284,453	(259,027)	(772,217)	(2,614,142)	4,776,885

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions/ (disposals) / other adjustments	Transfer to affiliates	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2018									
Rabigh Arabian Water & Electricity Company – (refer to note 32)	74.00%	Saudi Arabia	787,358	1,019,863	-	633,111	-	(32)	2,440,300
SGA/NOVA SGA Marafiq Holdings	33.33%	Bahrain / UAE	456,100	(34,311)	-	43,489	-	48,356	513,634
Shuqaiq International Water and Electricity Company Limited	53.34%	Saudi Arabia	395,908	(12,421)	-	46,416	(12,802)	49,098	466,199
Saudi Malaysian Water and Electricity Company Limited	50.00%	Saudi Arabia	1,112,788	-	-	112,196	(58,269)	41,983	1,208,698
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,135	-	-	17,338	(16,950)	-	27,523
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,139	-	-	17,341	(16,950)	-	27,530
Jordan Biogas Company	50.00%	Jordan	2,777	-	-	(225)	-	-	2,552
Qurayyah Investment Company	35.00%	Saudi Arabia	438,391	700	-	4,083	-	15,246	458,420
Rabigh Electricity Company	40.00%	Saudi Arabia	651,817	2,812	-	62,657	(96,230)	41,577	662,633
Shuaa Energy 1 P.S.C	49.00%	UAE	18,150	62,464	-	6,693	(4,686)	14,050	96,671
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	520,254	2,239	-	4,069	-	21,751	548,313
Dhofar Generating Company	27.00%	Oman	-	(113,092)	218,785	(982)	-	(11,237)	93,474
MAP Power Holding Company Limited (“MAP”)	50.00%	UAE	(48,181)	243,864	(218,785)	3,340	-	19,762	-

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions/ (disposals) / other ad-justments	Transfer to affiliates	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(26,525)	-	-	(83)	-	55,302	28,694
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	(8,008)	-	-	(18)	-	9,959	1,933
									6,576,574
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(14,563)	2,205	-	(16)	-	9,852	(2,522)
ACWA Power Oasis Three FZ-LLC	70.70%	UAE	-	718	-	(13,742)	-	-	(13,024)
Haya Power & Desalination Company	60.00%	Bahrain	-	(45,000)	-	-	-	-	(45,000)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(60,546)
			4,340,540	1,130,041	-	935,667	(205,887)	315,667	6,516,028

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.1 Contribution from equity accounted investees (continued)

7.1.1 On 31 May 2020, the Group entered into sale and purchase agreement with Samsung C&T in relation to the purchase of 9.98% of the share capital of Samsung in QIC, through it's fully owned subsidiary ("Qurayyah Project Company" or "QPC") for a consideration of SR 93.75 million and recognised a gain of SR 16.75 million. Post-acquisition of said shares, the Group owns 44.98% of interest in QIC and effectively owns 22.49% interest in Hajr for Electricity Production Company ("HEPCO"). The shareholders of QIC will continue to share the control and the Group has continued to account for its investment in QIC using equity method (note 18.3).

7.1.2 During 2019, the Group acquired control in RAWEC and its effective shareholding increased from 74% to 99%. Consequently, effective from the date of acquiring control, the Group started to consolidate RAWEC while the carrying amount of its investment in equity accounted investees was derecognised. A gain on acquisition of RAWEC was recorded in other income (refer to note 27, 32 and 18.3).

7.1.3 Share in net results of Shuaa and Oasis 3 for the year 2019 and 2018 totaling to SR 659 thousands (gain) and SR 7.0 million (loss) respectively have been presented under discontinued operations - refer to note 33.4.

7.1.4 Share in net results of SAMAWEC for the year 2020 includes the Group's share in impairment of property, plant and equipment amounting to SR 30.0 million.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees

The table below represents the summarised financial information of its material equity accounted investees:

Information on statement of financial position of material equity accounted investees:

	Non-current assets (note 7.3)	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees**	Goodwill and other adjustments***	Carrying amount
31 December 2020													
SGA Marafiq Holdings W.L.L. (SGA Marafiq)*	1,055,028	8,423	10	-	(19,637)	-	(769,602)	274,222	33.33%	91,398	251,698	97,009	440,105
Shuqaiq International Water and Electricity Company (SIWEC)*	695,207	11,995	3,428	(16,309)	(12,980)	(278,483)	(337,666)	65,192	53.34%	34,773	338,260	88,833	461,866
Saudi Malaysian Water and Electricity Company Limited (SAMAWEC)*	1,460,365	1,610	220	-	-	-	-	1,462,195	50.00%	731,098	-	392,893	1,123,991
Qurayyah Investment Company (QIC)*	1,112,873	169	50,152	-	(49,360)	-	-	1,113,834	44.98%	501,003	-	(18,745)	482,258
Rabigh Electricity Company	7,568,748	236,378	104,337	(259,692)	(354,565)	(4,897,241)	(1,027,870)	1,370,095	40.00%	548,038	-	89,246	637,284
Dhofar Generating Company	1,942,991	45,731	357,285	(68,196)	(288,629)	(1,358,288)	(262,783)	368,111	27.00%	99,390	-	(41,903)	57,487
Al Mourjan for Electricity Production Company	5,406,768	22,296	61,412	(130,580)	(294,365)	(3,741,257)	(460,115)	864,159	50.00%	432,080		(89,797)	342,283

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

	Non-current assets (note 7.3)	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees**	Goodwill and other adjustments***	Carrying amount
Hassyan Energy Phase 1 P.S.C	7,318,550	242,445	256,496	-	(209,198)	(7,191,209)	(1,779,711)	(1,362,627)	26.95%	(367,228)	-	-	(367,228)
MAP Inland Holdings Ltd. (JAFZA)	3,595,411	136,973	963,997	(110,084)	(1,175,064)	(2,116,138)	(1,370,607)	(75,512)	47.26%	(35,687)	552,773	(33,051)	484,035
MAP Coastal Holding Company Limited (JAFZA)	3,629,482	19,181	1,106,460	(105,452)	(1,129,958)	(2,175,286)	(1,487,695)	(143,268)	47.26%	(67,708)	479,625	(32,953)	378,964
Haya Power & Desalination Company	2,894,469	9,969	13,729	-	(120,130)	(2,797,620)	(182,727)	(182,310)	60.00%	(109,386)	-	(45,000)	(154,386)
Noor Energy 1 P.S.C.	7,318,185	375,851	75,584	-	(359,902)	(7,410,161)	(1,998,310)	(1,998,753)	24.99%	(499,488)	62,252	(36,632)	(473,868)
ACWA Power Renewable Energy Holding Ltd ("APREH")	2,476,911	382,241	926,847	(78,150)	(216,985)	(2,805,405)	(206,863)	478,596	51.00%	244,084	-	269,297	513,381
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 33.2)	1,795,784	169,598	228,352	-	(143,772)	(2,091,202)	(713,870)	(755,110)	70.00%	-	-	-	-

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

	Non-current assets (note 7.3)	Cash and cash equiva-lents	Other current assets	Short-term financ-ing and funding facilities	Other current liabilities	Long-term financ-ing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attrib-utable to the Group	Other long term interest in invest-ees**	Good-will and other adjust-ments***	Car-rying amount
31 December 2019													
SGA Marafiq Holdings W.L.L. *	1,087,964	60,320	55	-	(76,852)	-	(884,876)	186,611	33.33%	62,198	293,757	123,264	479,219
Shuqaiq International Water and Electricity Company *	707,732	16,107	9	(16,309)	(5,424)	(277,744)	(337,666)	86,705	53.34%	46,249	338,260	91,639	476,148
Saudi Malaysian Water and Electricity Company Limited *	1,404,336	7,823	116	-	(6,828)	-	-	1,405,447	50.00%	702,724	-	432,896	1,135,620
Qurayyah Investment Company *	1,233,128	1,040	35	-	(298)	-	-	1,233,905	35.00%	431,867	-	(11,850)	420,017
Rabigh Electricity Company	7,782,080	20,086	315,906	(342,069)	(459,746)	(5,104,684)	(937,074)	1,274,499	40.00%	509,799	-	87,779	597,578
Dhofar Generating Company	2,052,475	61,548	192,492	(71,132)	(130,019)	(1,425,609)	(251,390)	428,365	27.00%	115,659	-	(41,496)	74,163
Al Mourjan for Electricity Production Company	5,566,848	11,188	45,041	(122,221)	(221,349)	(3,871,837)	(310,952)	1,096,718	50.00%	548,359	-	(85,403)	462,956
Hassyan Energy Phase 1 P.S.C	5,416,034	439,983	106,226	-	(284,162)	(5,375,364)	(867,118)	(564,401)	26.95%	(152,106)	-	-	(152,106)
MAP Inland Holdings Ltd. (JAFZA)	3,711,518	97,289	710,144	(112,287)	(2,065,194)	(2,226,294)	(184,199)	(69,023)	47.26%	(32,621)	552,773	(22,382)	497,770

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

	Non-current assets (note 7.3)	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees**	Goodwill and other adjustments***	Carrying amount
MAP Coastal Holding Company Limited (JAFZA)	3,847,058	135,145	578,456	(108,819)	(1,904,660)	(2,280,776)	(323,842)	(57,438)	47.26%	(27,145)	479,625	(31,160)	421,320
Haya Power & Desalination Company	1,593,634	37,502	19,916	-	(323,943)	(1,311,126)	(66,228)	(50,245)	60.00%	(30,147)	-	(45,000)	(75,147)
Noor Energy 1 P.S.C.	3,385,794	285,388	112,391	-	(265,098)	(3,453,790)	(1,048,499)	(983,814)	24.99%	(244,970)	-	(20,087)	(265,057)
ACWA Power Renewable Energy Holding Ltd ("APREH")	4,028,391	156,144	152,375	(138,863)	(320,803)	(3,061,680)	(138,948)	676,616	51.00%	345,074	-	259,276	604,350
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 33.2)	1,998,175	115,005	294,575	-	(169,381)	(2,497,753)	(578,733)	(838,112)	70.00%	-	-	-	-

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

Information on statement of financial position of material equity accounted investees (continued):

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees*	Goodwill and other adjustments**	Carrying amount
31 December 2018													
Rabigh Arabian Water & Electricity Company	6,395,080	228,730	251,767	-	(207,586)	(4,076,745)	(222,915)	2,368,331	74.00%	1,752,565	110,356	577,379	2,440,300
SGA Marafiq Holdings W.L.L. *	1,067,377	325	27	-	(8,891)	-	(799,986)	258,852	33.33%	86,275	315,689	111,670	513,634
Shuqaiq International Water and Electricity Company *	672,736	31,832	5	(31,194)	(14,381)	(277,744)	(354,690)	26,564	53.34%	14,169	355,284	96,746	466,199
Saudi Malaysian Water and Electricity Company Limited *	1,340,056	2,276	139,557	-	(1,051)	-	-	1,480,838	50.00%	740,419	-	468,279	1,208,698
Qurayyah Investment Company *	1,360,432	44	26,915	-	(4,226)	-	(29,634)	1,353,531	35.00%	473,736	-	(15,316)	458,420
Rabigh Electricity Company	7,978,462	44,802	209,680	(325,107)	(186,796)	(5,389,023)	(845,247)	1,486,771	40.00%	594,708	-	67,925	662,633
Shuaa Energy 1 P.S.C	1,181,171	9,361	38,026	(21,532)	(138,356)	(990,985)	(7,875)	69,810	49.00%	34,207	62,464	-	96,671
Dhofar Generating Company	2,074,555	99,062	110,712	(68,408)	(64,237)	(1,495,972)	(151,411)	504,301	27.00%	136,161	-	(42,687)	93,474
Al Mourjan for Electricity Production Company	5,698,532	7,439	76,896	(135,252)	(153,952)	(3,985,228)	(238,962)	1,269,473	50.00%	634,737	-	(86,424)	548,313

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees*	Goodwill and other adjustments**	Carrying amount
Hassyan Energy Phase 1 P.S.C	3,663,873	36,964	33,268	-	(23,063)	(3,350,282)	(254,289)	106,471	26.95%	28,694	-	-	28,694
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 33.2)	2,254,149	16,687	382,274	(345,997)	(174,679)	(2,189,201)	(247,294)	(304,061)	70.00%	-	-	-	-

* Financial information of project companies owned by these equity accounted investees is included in note 38.3.

** Other long-term interest in investees represents shareholder loans / advances (as an investment) provided to the investee by the Group.

*** Goodwill and other adjustments includes downstream / upstream consolidation adjustments, purchase price allocation and other group level consolidation adjustments.

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates:

	Revenues	Share in results of equity accounted investees	Depreciation	Finance Charges	Finance Income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
For year ended 31 December 2020								
SGA Marafiq Holdings W.L.L.	-	202,620	-	(24,621)	(11,436)	156,796	(120,796)	36,000
Shuqaiq International Water and Electricity Company	-	108,498	-	(34,175)	66	77,229	(68,194)	9,035
Saudi Malaysian Water and Electricity Company Limited	-	195,059	-	(93)	107	188,721	(13,259)	175,462

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

	Revenues	Share in results of equity accounted investees	Depreciation	Finance Charges	Finance Income	Net profit or loss *	Other com-prehensive income *	Total com-prehensive income *
Qurayyah Investment Company	-	13,079	-	-	-	10,789	(75,985)	(65,196)
Rabigh Electricity Company	930,489	-	(222,066)	(358,886)	150	310,791	(95,888)	214,903
Dhofar Generating Company	401,981	-	(39,503)	(68,740)	2,468	20,331	(43,097)	(22,766)
Al Mourjan for Electricity Production Company	566,518	-	(141,709)	(233,250)	412	3,705	(228,942)	(225,237)
Hassyan Energy Phase 1 P.S.C	34,816	-	(2)	(15,287)	3	(37,695)	(760,530)	(798,225)
MAP Inland Holdings Ltd. ("MAP Inland")	837,146	-	(89,408)	(107,746)	65	8,370	(110,213)	(101,843)
MAP Coastal Holding Company Limited ("MAP Coastal")	929,900	-	(95,341)	(113,687)	1	(51,939)	(110,466)	(162,405)
Haya Power & Desalination Company	-	-	-	-	-	-	(132,065)	(132,065)
Noor Energy 1 P.S.C.	-	-	-	-	-	(219)	(1,018,263)	(1,018,482)
ACWA Power Renewable Energy Holding ("APREH") (note 7.2.2)	365,138	(25,609)	(95,151)	(203,345)	43,700	(37,949)	(105,700)	(143,649)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2 & 7.1)	915,438	-	(54,385)	(878,610)	6,932	(705,346)	-	(705,346)
For year ended 31 December 2019								
SGA Marafiq Holdings W.L.L.	-	160,652	-	(48,833)	165	59,600	(110,587)	(50,987)
Shuqaiq International Water and Electricity Company	-	81,496	-	(21,200)	231	62,941	3,746	66,687
Saudi Malaysian Water and Electricity Company Limited	-	212,354	-	(53)	1,781	181,142	777	181,919

(All amounts in Saudi Riyals thousands unless otherwise stated)

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

	Revenues	Share in results of equity accounted investees	Depreciation	Finance Charges	Finance Income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
Qurayyah Investment Company	-	7,521	-	(112)	-	6,540	(53,062)	(46,522)
Rabigh Electricity Company	674,676	-	(218,779)	(401,832)	1,254	(140,847)	(47,793)	(188,640)
Dhofar Generating Company	391,176	-	(38,279)	(72,769)	-	3,967	(40,688)	(36,721)
Al Mourjan for Electricity Production Company	474,743	-	(137,828)	(228,040)	698	(81,591)	(94,561)	(176,152)
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(181)	(670,691)	(670,872)
MAP Inland Holdings Ltd. (“MAP Inland”) (note 7.2.1)	625,217	-	(58,726)	(77,133)	-	1,836	(123,908)	(122,072)
MAP Coastal Holding Company Limited (“MAP Coastal”) (note 7.2.1)	627,491	-	(63,897)	(81,801)	-	10,167	(129,645)	(119,478)
Haya Power & Desalination Company	-	-	-	-	-	-	(50,245)	(50,245)
Noor Energy 1 P.S.C.	-	-	-	-	-	(254)	(979,771)	(980,025)
ACWA Power Renewable Energy Holding (refer to note 33.1)	-	-	-	-	-	-	-	-
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) – (refer to note 33.2 & 7.1)	687,171	-	(49,554)	(606,296)	5,312	(648,220)	-	(648,220)

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7- EQUITY ACCOUNTED INVESTEES (continued)

7.2 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates (continued):

	Revenues	Share in results of equity accounted investees	Depreciation	Finance charges	Finance income	Net profit or loss *	Other comprehensive income	Total comprehensive income
For year ended 31 December 2018								
Rabigh Arabian Water & Electricity Company	1,146,256	-	(194,654)	(253,429)	4,334	373,868	13	373,881
SGA Marafiq Holdings W.L.L.	-	182,185	-	(30,425)	-	144,898	145,083	289,981
Shuqaiq International Water and Electricity Company	-	113,724	-	(29,127)	177	87,490	100,551	188,041
Saudi Malaysian Water and Electricity Company Limited	-	254,254	-	(27)	421	246,289	92,898	339,187
Qurayyah Investment Company	-	8,117	-	(112)	-	7,026	43,559	50,585
Rabigh Electricity Company	923,539	-	(218,642)	(403,735)	1,814	120,903	97,613	218,516
Shuaa Energy 1 P.S.C	94,452	-	-	(66,386)	116	13,660	28,674	42,334
Dhofar Generating Company	386,157	-	(38,152)	(72,594)	-	3,521	31,575	35,096
Al Mourjan for Electricity Production Company	531,959	-	(138,980)	(208,428)	1,567	10,338	38,061	48,399
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(170)	204,821	204,651

* Profit or loss, other comprehensive income and total comprehensive income included in above table are before any intra-group transaction elimination or other group level adjustments.

7- EQUITY ACCOUNTED INVESTEES (continued)

7.2.1 Net profit or loss in 2019 of MAP Inland and MAP coastal included delay liquidated damages expenses which were due to the off-taker. Receivables balances of equivalent amounts were accounted for as due from EPC contractors in accordance with underlying EPC contracts. Thus, the net impact of liquidated damages on profit or loss of these entities was nil in 2019. Liquidated damages receivable and payable in relation to MAP inland was settled during 2020 and resulted in a net gain of SR 36.5 million recognised in income statement.

7.2.2 The results of APREH comprise of the consolidated results of a portfolio of renewable project companies located in South Africa, Egypt, Morocco, Jordan and the United Arab Emirates.

7.3 During the year certain oil-fired plant and equipment of the Group's equity accounted investees in the Kingdom of Saudi Arabia ("the Assets") were tested for impairment. The impairment testing was performed by comparing the carrying amount of each asset to the recoverable amount which has been determined based on a value in use calculation using relevant cash flow projections, based on financial forecasts covering a period ranging from 11 to 22 years, discounted at WACC of 5%. The Management noted an impairment loss on one of the Assets. The Group's share in impairment loss amounts to SR 30.0 million – refer to note 7.1.4.

The calculation of value in use is most sensitive to the assumptions on weighted average cost of capital ("WACC"). An increase in WACC by 1% will result in additional impairment loss of SR 20.1 million.

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8- NET INVESTMENT IN FINANCE LEASE

In relation to certain Power Purchase Agreements ("PPA") between the few of the Group's subsidiaries and their off-taker, the Group management has concluded that the PPA are within the scope of IFRS 16, "Leases". Further, management has assessed the lease classification and concluded that the arrangements are finance leases. Accordingly, a finance lease receivable has been recognised in the consolidated financial statements.

The lease cash flows are denominated in multiple currencies. Accordingly, the minimum lease payments are determined separately for each currency involved using the interest rate implicit in the lease for each respective currency.

The lease receivables under the finance lease terms are detailed as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
a) Net investment in finance leases consist of:			
Gross investment in finance leases (see (b) below)	**17,099,678**	17,010,748	15,195,883
Less: Unearned finance income (see (c) below)	**(6,170,770)**	(6,436,512)	(5,864,264)
	10,928,908	10,574,236	9,331,619
Analysed as:			
Current portion of net investment in finance lease	**323,571**	209,902	216,891
Non-current portion of net investment in finance lease	**10,605,337**	10,364,334	9,114,728
b) The future minimum lease payments to be received consist of:			
Within one year	**792,955**	673,337	617,615
After one year but not more than five years	**3,950,823**	3,726,464	2,570,015
Five years onwards	**12,355,900**	12,610,947	12,008,253
	17,099,678	17,010,748	15,195,883
c) The maturity of unearned finance income are as follows:			
Within one year	**469,384**	463,435	400,724
After one year but not more than five years	**2,140,611**	2,103,960	1,519,103
Five years onwards	**3,560,775**	3,869,117	3,944,437
	6,170,770	6,436,512	5,864,264

Finance income earned on the finance leases during the year was SR 258.9 million (2019: SR 319.9 million, 2018: SR 145.2 million) (note 23) which is net of loss of SR 202.2 million (2019: SR 98.8 million, 2018: SR 116.9 million) due to fewer lease payments compared to original estimates resulted from lower production.

The total finance lease income in each respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency respectively with respect to the lease.

The periodic rate of return used by the Group ranges from 2.04% to 10.21% (31 Dec 2019: 2.04% to 10.21%, 31 Dec 2018: 2.04% to 9.45%) per annum.

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9- OTHER ASSETS

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Value Added Tax ("VAT") receivable	**129,443**	124,815	160,638
Right of use assets	**52,526**	47,934	-
Others	**15,541**	33,361	45,140
	197,510	206,110	205,778

10- INVENTORIES

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Spare parts and consumables	**421,156**	410,413	281,815
Chemicals	**21,982**	16,864	9,382
Diesel	**7,308**	10,409	10,540
Goods in transit	**389**	638	672
	450,835	438,324	302,409

11- ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Trade accounts receivable		**1,333,872**	1,242,492	1,265,963
Less: Allowance for impaired receivables	11.1	**(28,795)**	(31,657)	(64,334)
Net trade accounts receivable	11.2	**1,305,077**	1,210,835	1,201,629
Prepayments, insurance and other receivables	11.3	**957,218**	1,298,422	1,004,339
Project development cost	11.4	**313,187**	240,569	212,790
Advances to suppliers		**310,219**	121,096	39,735
Dividend receivable		**17,618**	-	-
Value added tax and other receivables from authorities	11.5	**80,943**	41,750	32,440
Advances to employees		**29,102**	28,777	22,021
Others		**6,871**	12,353	19,726
		3,020,235	2,953,802	2,532,680

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11- ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES (continued)

11.1 Allowance for impaired receivables is calculated using the expected credit loss approach specified in IFRS 9. To measure the expected credit losses, trade receivables are evaluated based on customer credit rating and expected probability of defaults. Movement in allowance for impaired receivables is disclosed in note 36.1 (c).

11.2 Net trade account receivable includes SR 455.5 million (31 Dec 2019: SR 388.2 million, 31 Dec 2018: SR 419.0 million) receivable of CEGCO that includes SR 306.9 million (31 Dec 2019: SR 306.9 million, 31 Dec 2018: 312.1 million) of fuel revenues receivable on account of electricity supplied to the off-taker, National Electric Power Company ("NEPCO"), which is domiciled in the Hashemite Kingdom of Jordan. The payments of NEPCO are back stopped by the Government of Jordan Guarantee. The Government of Jordan has shareholding in both CEGCO and NEPCO (note 18.1).

11.3 The balance includes reinsurance assets and premiums receivable amounting to SR 516.7 million (31 Dec 2019: SR 886.5 million, 31 Dec 2018: SR 328.5 million). Related insurance liabilities are included in accrued expenses and other liabilities (note 18.2).

11.4 Project development cost represents costs incurred on projects under development which are considered feasible as of the reporting date. A provision is made against the project development costs based on an average project success rate and management's best estimates. During 2020, SR 142.9 million (31 Dec 2019: provision of SR 50.8 million, 31 Dec 2018: reversal of SR 16.4 million) were recorded in profit or loss from continued operations on account of provisions and write-offs. These include a one-off write-off of project development costs amounting to SR 80.86 million (2019: nil and 2018: reversal of SR 21 million) relating to a coal project in Asia which the Group decided to withdraw from due to the Group's decision to not pursue any new coal project investments.

11.5 VAT receivables have been paid on purchases of goods and services and will be utilised against VAT liabilities for future periods.

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12- CASH AND CASH EQUIVALENTS

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Cash in hand and at bank	**798,263**	1,433,286	3,221,133
Short-term deposits with original maturities of three months or less	**34,405**	1,365,029	2,277,132
	832,668	2,798,315	5,498,265

13- SHARE CAPITAL AND RESERVES

13.1 Share capital

The Company's authorised and fully paid up share capital consists of 645,762,878 shares (31 Dec 2019: 645,762,878 shares, 31 Dec 2018: 645,762,878 shares) of SR 10 each.

Transaction cost incurred on issuance of shares is recognised in equity.

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Authorised and fully paid up shares of SR 10 each	**6,457,629**	6,457,629	6,457,629
Transaction cost	**(28,285)**	(28,285)	(28,285)
Share capital	**6,429,344**	6,429,344	6,429,344

During 2018, the Company issued 98,159,157 shares to "Public Investment Fund ("PIF")" at a premium amounting to SR 1,079.8 million. Total proceeds received against the shares issued net of transaction cost amounted to SR 2,042.9 million.

13.2 Other reserves

Movement in other reserve is given below:

	Cash flow hedge reserve*	Currency translation reserve*	Share in OCI of equity accounted investees (note 7)	Re-measurement of defined benefit liability	Other	Total
Balance as at 1 January 2018	(191,688)	(149,220)	(558,200)	(7,804)	(27,180)	(934,092)
Changes during the year	28,600	(323,986)	315,667	6,870	-	27,151
Recycled to profit or loss on loss of control (note 33.2)	47,711	141,330	-	-	-	189,041
Balance as at 31 December 2018	(115,377)	(331,876)	(242,533)	(934)	(27,180)	(717,900)
Changes during the year	(243,780)	228,294	(772,217)	(18,251)	-	(805,954)
Recycled to profit or loss on loss of control (note 33.1)	45,982	73,861	42,775	-	-	162,618

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13- SHARE CAPITAL AND RESERVE (continued)

13.2 Other reserves (continued)

	Cash flow hedge reserve*	Currency translation reserve*	Share in OCI of equity accounted investees (note 7)	Re-measurement of defined benefit liability	Other	Total
Balance as at 31 December 2019	(313,175)	(29,721)	(971,975)	(19,185)	(27,180)	(1,361,236)
Changes during the year	**(258,464)**	**2,192**	**(1,191,366)**	**8,574**	**-**	**(1,439,064)**
Recycled to profit or loss on loss of control (note 33.3)	**(19,477)**	**21,358**	**-**	**-**	**-**	**1,881**
Balance as at 31 December 2020	**(591,116)**	**(6,171)**	**(2,163,341)**	**(10,611)**	**(27,180)**	**(2,798,419)**

* Currency translation reserve and cash flow hedge reserve as of 31 December 2019 includes SR (20.0) million and SR 4.0 million respectively associated with assets held for sale (note 33.3).

Cash flow hedge reserve

The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long term loan and funding facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Currency translation reserve

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Share in other comprehensive income of equity accounted investees

Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

Other

This represents amount initially recognised for the put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary (note 23.1 (c)).

13- SHARE CAPITAL AND RESERVE (continued)

13.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit other stakeholders. Management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

13.4 Dividends

On 16 November 2020, in an extraordinary general assembly meeting, shareholders of the Company declared a one-off dividend of SR 2,701.0 million equivalent to SR 4.18 per share (31 Dec 2019: SR 322.9 million at SR 0.50 per share, 31 Dec 2018: SR 235.1 million at SR 0.43 per share). The dividend was unanimously agreed by the shareholders of the Company prior to the Public Investment Fund of Saudi Arabia increasing its shareholding in the Company from 33.36% to 50% on 19 November 2020.

Of the total dividends declared during the year, the Company paid SR 1,000.0 million during 2020 and another SR 800.0 million will be paid during 2021. A portion of the total dividends for 2020 amounting to SR 901.0 million was converted into a long-term non-interest-bearing loan through a wholly owned subsidiary of a shareholder. Refer to note 22.1 (i).

Furthermore during 2020, certain subsidiaries of the Group distributed dividends of SR 83.4 million (31 Dec 2019: SR 15.7 million, 31 Dec 2018: SR 59.4 million) to the non-controlling interest shareholders.

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14- NON-CONTROLLING INTEREST ("NCI")

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI. Where necessary, balances in relation assets and liabilities of subsidiaries are adjusted to account for group consolidation adjustments.

Information on statement of financial position

	CEGCO	Barka	APO I	Bowarege (note 14.3)	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others** including elimina-tions (note 14.2)	Total
As at 31 December 2020												
NCI %	59.07%	58.09%	25.00%	-	25.00%	25.00%	-	40.00%	40.00%	30.00%		
Non-current assets	580,198	597,827	3,221,999	-	3,585,994	2,967,581	-	1,419	2,151,031	1,948,381		
Current assets	554,104	332,516	266,870	-	239,895	186,047	-	94,043	252,797	19,697		
Non-current liabilities	(170,110)	(336,554)	(2,340,750)	-	(3,260,011)	(2,665,814)	-	(7,227)	(1,752,847)	(2,189,470)		
Current liabilities	(571,289)	(425,766)	(304,189)	-	(711,691)	(807,358)	-	(56,686)	(229,848)	(111,149)		
Net assets / (liabilities)	392,903	168,023	843,930	-	(145,813)	(319,544)	-	31,549	421,133	(332,541)		
Net assets / (liabilities) attribut-able to NCI	232,096	97,621	210,983	-	(36,453)	(79,886)	-	12,620	168,453	(99,762)	25,369	531,041
As at 31 December 2019												
NCI %	59.07%	58.09%	25.00%	35.15%	25.00%	25.00%	-	40.00%	40.00%	30.00%		
Non-current assets	646,910	898,573	2,504,063	74	3,429,867	2,808,136	-	1,988	1,794,621	722,422		
Current assets	521,073	334,858	209,423	10,822	301,169	74,622	-	112,488	316,510	17,331		

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14- NON-CONTROLLING INTEREST ("NCI") (continued)

	CEGCO	Barka	APO I	Bowarege (note 14.3)	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others** including elimina-tions (note 14.2)	Total
Non-current liabilities	(198,190)	(475,747)	(1,757,659)	(5,169)	(2,605,459)	(2,003,205)	-	(15,845)	(1,332,459)	(858,286)		
Current liabilities	(576,325)	(427,697)	(234,541)	(30,184)	(1,239,848)	(1,041,116)	-	(45,698)	(331,270)	(11,843)		
Net assets / (liabilities)	393,468	329,987	721,286	(24,457)	(114,271)	(161,563)	-	52,933	447,402	(130,376)		
Net assets / (liabilities) attributable to NCI	232,429	191,722	180,322	(8,597)	(28,568)	(40,391)	-	21,173	178,961	(39,113)	15,566	703,504

Information on statement of financial position (continued)

	CEGCO	Barka	APO I	ACF Re-newable Energy ("Karad")	Bowarege	Bok-poort (note 14.1)	APOII	APOIII	Khalladi (note 14.1)	ROMCO	Zarqa	Others** including elimi-nations (note 14.2)	Total
As at 31 December 2018													
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-	
Non-current assets	723,476	1,997,339	2,548,180	451,424	111,877	1,350,067	3,506,550	2,808,678	655,856	1,994	1,776,093	-	
Current assets	570,134	159,735	267,870	31,030	39,236	58,824	277,865	117,482	66,564	80,967	265,551	-	
Non-current liabilities	(224,831)	(792,282)	(2,001,200)	(470,462)	(701)	(928,494)	(3,259,874)	(2,561,428)	(558,593)	(19,003)	(1,192,011)	-	
Current liabilities	(774,193)	(314,683)	(247,038)	(28,851)	(47,382)	(99,750)	(633,314)	(377,399)	(95,288)	(14,432)	(385,113)	-	

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14- NON-CONTROLLING INTEREST ("NCI") (continued)

	CEGCO	Barka	APO I	ACF Re-newable Energy ("Karad")	Bowarege	Bok-poort (note 14.1)	APOII	APOIII	Khalladi (note 14.1)	ROMCO	Zarqa	Others** including elimi-nations (note 14.2)	Total
Net assets / (liabilities)	294,586	1,050,109	567,812	(16,859)	103,030	380,647	(108,773)	(12,667)	68,539	49,526	464,520	-	
Net assets / (liabilities) attributable to NCI	174,012	610,113	141,953	(9,778)	36,215	228,388	(27,193)	(3,167)	17,135	19,810	185,808	11,888	1,385,184

14.1 These entities were held through ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group. During 2019, the Group lost control in APREH and accordingly deconsolidated related net assets and NCI. Refer note 33.1

14.2 Others, as of 31 December 2019 and 2018, also include NCI pertaining to Rabigh Power Company ("RPC"). During 2018, the Group acquired an additional 34% interest in RPC for a consideration amounting to SR 70.7 million and having a carrying amount of SR 10.8 million. Difference between carrying amount and consideration paid is recorded directly within the equity. On 10 October 2019, Group has acquired remaining 15% interest in RPC for consideration amounting to SR 28.89 million having a carrying amount of SR 10.1 million. Difference between carrying amount and consideration paid is recorded directly within the equity (note 18.3).

14.3 On 30 June 2020, the Group acquired the 35.15% additional interest from the Bowarege minority shareholder for zero consideration. The additional interest had a carrying amount of SR (10.5) million. The difference between the carrying amount and consideration paid is recorded directly within the equity.

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14- NON-CONTROLLING INTEREST ("NCI") (continued)w

Information on statement of profit of loss and other comprehensive income

	CEGCO	Barka	APO I	Karad	Bowarege	Bok-poort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others	Total
31 December 2020														
NCI %	**59.07%**	**58.09%**	**25.00%**	**58.00%**	**35.15%**	**-**	**25.00%**	**25.00%**	**-**	**40.00%**	**40.00%**	**30.00%**		
Revenue	**383,573**	**498,619**	**199,785**	**-**	**-**	**-**	**132,969**	**9,703**	**-**	**83,513**	**249,249**	**-**		
Profit / (loss)	**53,567**	**(61,449)**	**114,339**	**-**	**-**	**-**	**(31,542)**	**(157,982)**	**-**	**23,659**	**38,978**	**(165)**		
OCI	**(2,790)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(65,247)**	**(202,154)**		
Total comprehensive income / (loss)	**50,777**	**(61,449)**	**114,339**	**-**	**-**	**-**	**(31,542)**	**(157,982)**	**-**	**23,659**	**(26,269)**	**(202,319)**		
Profit / (loss) – NCI share	**31,643**	**(35,702)**	**28,585**	**-**	**-**	**-**	**(7,886)**	**(39,496)**	**-**	**9,464**	**15,591**	**(50)**	**17,670**	**19,819**
OCI – NCI share	**(1,648)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(26,099)**	**(60,646)**	**(31,029)**	**(119,422)**
31 December 2019														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	49.00%	40.00%	40.00%	30.00%		
Revenue	423,186	546,180	158,664	65,992	-	234,467	235,603	45,886	100,682	97,089	247,978	-		
Profit / (loss)	113,634	(509,196)	193	4,280	(127,486)	15,945	(5,498)	(148,896)	3,426	23,463	27,402	(83)		
OCI	(12,786)	-	-	(44,520)	-	(98,375)	-	-	-	(216)	(44,520)	-		
Total comprehensive income / (loss)	100,848	(509,196)	193	(40,240)	(127,486)	(82,430)	(5,498)	(148,896)	3,426	23,247	(17,118)	(83)		
Profit / (loss) – NCI share	67,126	(295,843)	48	2,482	(44,811)	9,567	(1,375)	(37,224)	1,679	9,385	10,961	(25)	(15,752)	(293,782)
OCI – NCI share	(7,553)	-	-	(25,822)	-	(59,025)	-	-	-	(86)	(17,808)	-	(20,171)	(130,465)

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14- NON-CONTROLLING INTEREST ("NCI") (continued)

	CEGCO	Barka	APO I	Karad	Bowarege	Bok-poort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others	Total
31 December 2018														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Revenue	592,441	603,980	148,563	68,631	14	228,370	117,546	31,329	39,309	84,183	101,598	-		
Profit / (loss)	15,221	(104,700)	(25,424)	(1,627)	(56,263)	(4,514)	(133,182)	(31,350)	(6,856)	24,514	13,359	-		
OCI	3,090	-	-	6,180	53	27,618	-	-	-	526	15,397	-		
Total comprehensive income / (loss)	18,311	(104,700)	(25,424)	4,553	(56,210)	23,104	(133,182)	(31,350)	(6,856)	25,040	28,756	-		
Profit / (loss) – NCI share	8,991	(60,831)	(6,356)	(944)	(19,776)	(2,708)	(33,296)	(7,838)	(1,714)	9,806	5,344	-	(15,750)	(125,072)
OCI – NCI share	1,825	-	-	3,584	19	16,571	-	-	-	210	6,159	-	(3,176)	25,192

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15- LONG -TERM FINANCING AND FUNDING FACILITIES

As at	31 Dec 2020	31 Dec 2019	31 Dec 2018
Recourse debt:			
Financing facilities in relation to projects	**753,314**	1,825,887	3,185,113
Corporate facilities	**113,630**	1,125	12,237
Non-Recourse debt:			
Financing facilities in relation to projects	**15,746,631**	14,922,544	12,369,340
APMI One bond	**3,006,325**	3,002,617	2,999,129
Corporate facilities	**-**	-	187,500
Total financing and funding facilities	**19,619,900**	19,752,173	18,753,319
Less: Current portion of long-term financing and funding facilities	**(1,178,360)**	(2,271,229)	(1,018,637)
Less: Financing and funding facilities classified as current (note 15.3)	**(1,154,796)**	-	-
Non-current portion shown under non-current liabilities	**17,286,744**	17,480,944	17,734,682

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows and there is no recourse to the Company under any guarantee. The with-recourse facilities are direct borrowings or those guaranteed by the Company. The Group's financial liabilities are either fixed special profit bearing or at a margin above the relevant reference rates. The Group seeks to hedge long term floating exposures using derivatives (note 21).

The table below shows the current and non-current portion of long-term financing and funding facilities with a further allocation of debt between corporate and projects. Corporate debt represents borrowings by the Companies listed in note 1 to the consolidated financial statements. While project financing includes direct borrowings by project companies and other holding companies (which are subsidiaries of the Group).

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15- LONG -TERM FINANCING AND FUNDING FACILITIES (continued)

		Interest rate		Non-current portion			Current portion		
	Notes	Fixed / variable	Maturity	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Recourse Debt									
Financing facilities in relation to projects:	15.2								
ACWA Power Africa Holdings (Pty) Ltd.		Variable	-	**-**	-	-	**-**	-	188,051
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	-	**-**	-	581,159	**-**	581,159	-
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2023	**130,156**	-	452,607	**-**	500,701	-
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	-	**-**	-	43,594	**-**	43,594	-
UPC Renewables S.A.		Fixed	-	**-**	-	59,582	**-**	-	-
ACWA Power Morocco		Fixed	-	**-**	-	-	**-**	-	58,805
Shuaibah Two Water Development Project ("Shuaibah II")		Variable	-	**-**	-	-	**-**	-	176,896
Rabigh Three Company ("Rabigh 3")		Variable	2024	**424,261**	424,261	-	**-**	-	-
Qara Solar Energy / Sakaka Solar Energy Company ("Sakaka")		Variable	2025	**198,897**	198,897	185,805	**-**	-	-
ACWA Power Renewable Energy Holding Limited ("APREH")	33.1, 22.1(b)	Fixed	-	**-**	-	1,361,339	**-**	-	-
ACWA Power Laayoune		Fixed	-	**-**	-	56,160	**-**	56,160	-
ACWA Power Boujdour		Fixed	-	**-**	-	21,115	**-**	21,115	-
Total – Financing facilities in relation to projects				**753,314**	623,158	2,761,361	**-**	1,202,729	423,752

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15- LONG -TERM FINANCING AND FUNDING FACILITIES (continued)

	Notes	Interest rate	Maturity	Non-current portion			Current portion		
		Fixed / variable		As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Corporate facilities:									
Revolving Corporate Murabaha Facility and others		Variable	2022-23	**113,630**	1,125	11,487	**-**	-	750
Total – Recourse Debt				**866,944**	624,283	2,772,848	**-**	1,202,729	424,502
Non-Recourse Debt:									
Financing facilities in relation to projects:	15.2								
ACWA Power Barka SAOG ("ACWA Barka")		Both	2020-24	**232,389**	346,816	471,580	**116,630**	129,527	122,356
ACWA Power Barka Electric Co LLC ("APBEC")		Fixed	-	**-**	-	13,208	**-**	13,208	13,208
Central Electricity Generating Company ("CEGCO")		Both	2018-24	**113,135**	134,023	158,909	**28,182**	26,719	132,207
ACWA Power CF Karad PV Park EAD ("Karad PV")	33.3	Both	-	**-**	-	341,015	**-**	-	12,346
ACWA Power Ouarzazate S.A. ("APO I")		Fixed	2038	**1,849,781**	1,869,516	1,951,602	**135,348**	101,585	93,791
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	2040	**2,717,596**	2,580,586	2,661,794	**105,011**	100,783	58,338
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2040	**2,075,387**	1,987,113	2,093,386	**155,591**	73,009	36,604
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	2035	**171,894**	210,563	217,142	**38,201**	10,153	12,320
ACWA Power Solafrica Bokpoort CSP Power Plant (RF)		Variable	-	**-**	-	869,496	**-**	-	-
UPC Renewables S.A.		Variable	-	**-**	-	471,666	**-**	-	22,073
Shuaibah Two Water Development Project ("Shuaibah II")		Both	2040	**914,316**	938,039	790,131	**27,274**	25,640	9,906
ACWA Power Laayoune		Fixed	2035	**263,499**	264,890	218,863	**847**	13,293	16,037

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15- LONG -TERM FINANCING AND FUNDING FACILITIES (continued)

		Interest rate		Non-current portion			Current portion		
	Notes	Fixed / variable	Maturity	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
ACWA Power Boujdour		Fixed	2035	**79,983**	84,157	78,255	**4,777**	3,671	4,590
The Local Company for Water And Solar Projects (“MAFRAQ”)		Variable	-	**-**	-	177,888	**-**	-	7,838
Al Zarqa Plant for Energy Generation (“ZARQA”)	15.3	Variable	2035	**1,154,796**	1,241,932	1,161,208	**78,332**	54,814	47,521
Sakaka Solar Energy Company (“Sakaka”)		Variable	2044	**779,914**	656,315	92,086	**23,930**	96,651	-
Rabigh Three Company (“Rabigh 3”)		Variable	2045	**1,464,683**	302,430	-	**-**	-	-
Rabigh Arabian Water and Electricity Company		Fixed	2023-31	**2,756,698**	3,237,664	-	**458,437**	419,447	-
Others		Both	-	**-**	-	6,976	**-**	-	5,000
Total – Financing facilities in relation to projects				**14,574,071**	13,854,044	11,775,205	**1,172,560**	1,068,500	594,135
APMI One bond	15.1	Fixed	2039	**3,000,525**	3,002,617	2,999,129	**5,800**	-	-
Corporate facilities:									
ACWA Power Global Holding		Interest free	-	**-**	-	187,500	**-**	-	-
Total – Non-Recourse Debt				**17,574,596**	16,856,661	14,961,834	**1,178,360**	1,068,500	594,135
Total financing and funding facilities				**18,441,540**	17,480,944	17,734,682	**1,178,360**	2,271,229	1,018,637
Less: Financing and funding facilities classified as current	15.3			**(1,154,796)**	-	-	**-**	-	-
				17,286,744	17,480,944	17,734,682	**1,178,360**	2,271,229	1,018,637

15- LONG -TERM FINANCING AND FUNDING FACILITIES (continued)

15.1 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814 million. The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039. The bonds are collateralised by cash flows derived from certain equity accounted investees and subsidiaries of the Group.

15.2 Borrowings by project companies are primarily secured against underlying assets of the respective project companies, except borrowings that are with recourse to the Group amounting to SR 753.3 million as of 31 December 2020 (31 Dec 2019: SR 1,825.9 million, 31 Dec 2018: SR 3,185.1 million).

15.3 Due to Covid 19 related issues, the delay in contractual payments from the off-taker in one of the Group's subsidiaries ("the Subsidiary") has resulted in a technical covenant breach under the power purchase agreement leading to a cross default under the financing documents. The cumulative amount withheld during the year amounted to SR 42.4 million. While the project benefits from a Government Guarantee on the receivables from the off-taker, the project company has not called on the Guarantee to cover these partially withheld payments as the off-taker has reached a settlement agreement to clear the overdue amounts in 4 equal monthly instalments starting from 31 January 2021.

On 9 February 2021, the Subsidiary received a covenant waiver from the lenders, with an effective date of 31 December 2020. Despite receipt of the waiver, the breach under the financing documents has resulted in reclassification of the loan amounting to SR 1,155.0 million, from non-current liabilities to current liabilities, in accordance with the requirements of International Financial Reporting Standards. Pursuant to the waiver received, this loan balance classified as current liabilities is not payable within 12 months from 31 December 2020 and will be reclassified to non-current liabilities in the next reporting period.

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16- EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES

16.1 The movement of employee benefits (end of service) liability (unfunded) is as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Balance at beginning of the year	**159,598**	123,148	123,980
Charge for the year recorded in profit or loss	**39,379**	32,023	27,336
Loss / (gain) on re-measurement of defined benefit liability (OCI)	**(11,506)**	18,244	(12,960)
Paid during the year	**(8,507)**	(15,312)	(14,998)
Impact of acquiring control / loss of control in a subsidiary	**-**	826	(57)
Currency translation difference	**-**	669	(153)
Balance at end of the year	**178,964**	159,598	123,148

16.2 Details of employees' end-of-service expense charge to profit or loss is as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Interest cost	**3,749**	4,058	5,188
Current service cost	**35,630**	27,965	21,534
Past service cost	**-**	-	614
Total	**39,379**	32,023	27,336

16.3 The principal actuarial assumptions used are as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Discount rate	**2.80% - 6.5%**	3.85% - 6.5%	5.25% - 6.5%
Increments	**1.45% - 10%**	2.5% - 10%	2.5% - 10%
Withdrawal rate			
Up to the age of 20 years	**4%-22.5%**	4%-22.5%	4%-22.5%
From the age of 21 to 25 years	**4% - 18.8%**	4% - 18.8%	4% - 18.8%
From the age of 26 to 30 years	**4% - 15%**	4% - 15%	4% - 15%
From the age of 31 to 50 years	**3% - 7.5%**	3% - 7.5%	3% - 7.5%
Above 51	**1% - 3.8%**	1% - 3.8%	1% - 3.8%

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16- EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES (continued)

16.4 Sensitivity analysis

	Change (bps)	Increase (decrease)		
		31 Dec 2020	31 Dec 2019	31 Dec 2018
Discount rate	+100	**(8,489)**	(8,849)	(10,475)
	- 100	**9,837**	10,502	11,831
Increments	+100	**10,413**	11,114	7,752
	- 100	**(9,137)**	(9,535)	(7,118)

17- DEFERRED REVENUE

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Balance at beginning of the year		**192,546**	68,071	83,560
Deferred during the year		**272,985**	164,036	52,744
Recognised during the year		**(176,378)**	(39,561)	(68,233)
Balance at end of the year		**289,153**	192,546	68,071
Less: current portion	18	**(225,849)**	(62,719)	(963)
Non-current portion at end of the year		**63,304**	129,827	67,108

18- ACCOUNTS PAYABLES AND ACCRUALS

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Accounts payable	18.1	**1,700,028**	1,759,527	1,668,280
Accrued expenses and other liabilities	18.2	**976,798**	1,279,101	843,786
Dividend payable		**800,881**	-	-
Payable to a shareholder of equity accounted investee	18.3	**93,750**	-	819,197
Salaries and benefits payable		**194,317**	170,247	172,799
Financial charges on letters of guarantee and loans		**46,731**	65,784	190,911
Value added tax payable		**75,599**	49,708	42,158
Deferred revenues	17	**225,849**	62,719	963
Lease liabilities		**2,513**	4,233	-
Others		**260**	48,467	22,194
		4,116,726	3,439,786	3,760,288

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18.1 Accounts payable includes SR 306.9 million (31 Dec 2019: SR 306.9 million, 31 Dec 2018: SR 312.1 million) on account of fuel charges due to supplier. The fuel cost is a pass through to NEPCO, the off-taker.

The payments by NEPCO are back stopped by a Government of Jordan guarantee. The Government of Jordan has an ownership interest in both CEGCO and NEPCO (note 11.2).

18.2 The balance includes reinsurance liabilities and premiums payable amounting to SR 501.8 million (31 Dec 2019: SR 862.4 million, 31 Dec 2018: SR 323.9 million). Related insurance receivable is included in prepayments, insurance and other receivables (note 11.3).

18.3 The balance represents payable to a non-controlling shareholder in respect of purchase of additional shareholding in an equity accounted investee and a subsidiary (note 7 & note 14).

19- SHORT-TERM FINANCING FACILITIES

This represents working capital loans obtained and drawn by subsidiaries and outstanding at the reporting date amounting to SR 364.9 million (2019: SR 444.2 million, 2018: SR 618.9 million).

20- ZAKAT AND TAXATION

20.1 Amounts recognized in profit or loss

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Zakat and current tax	20.2 and 20.3	**178,568**	105,160	50,142
Deferred tax *	20.4	**(233,701)**	(26,418)	(248,372)
Zakat and tax (credit) / charge		**(55,133)**	78,742	(198,230)
Less: Tax credit / (charge) from discontinued operation	33.4	**4,183**	(4,734)	238,172
Zakat and tax (credit) / charge reflected in profit or loss		**(50,950)**	74,008	39,942

* Deferred tax charge disclosed in note 20.4 does not include deferred tax charge or credit associated with assets held for sale.

20- ZAKAT AND TAXATION (continued)

20.2 Significant zakat and tax assessments

The Company

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company was assessed as a mixed entity in Saudi Arabia commencing from 2014. During the year, IFC disposed of its shares to a Saudi shareholder which increased the shareholding of Saudi Shareholder's in the

The Company (continuation)

Company to 100% (31 Dec 2019: 95.7%, 31 Dec 2018: 95.7%). However, for the purpose of zakat and tax filing, the Company will continue to comply with its obligation under Zakat law as a mixed entity for the year 2020.

Prior to 2014, the Group was subject to a consolidated zakat assessment, wherein wholly-owned subsidiaries (either direct subsidiaries or subsidiaries of direct subsidiaries) were consolidated for the purpose of zakat assessment. Pursuant to the change in shareholding in 2014, the Company is assessed on an unconsolidated basis for zakat.

The Company has filed zakat and tax returns for all the years up to 2019. During July 2020, the Company received an assessment from the General Authority of Zakat and Tax (the "GAZT") claiming additional zakat in relation to years 2009 to 2018. During 2020, the Company made a provision, based on settlement with the GAZT, of SR 87.0 million (31 Dec 2019: SR 29.0 million) against these assessments.

Rabigh Arabian Water & Electricity Company ("RAWEC")

RAWEC has filed zakat and tax returns for all the years up to 2019. The GAZT raised 2 assessments in relation to years 2007-2013 and 2017 claiming additional tax, zakat and withholding tax including penalties for delayed payments. RAWEC has submitted objections against both assessments issued. Total provisions of SR 13.4 million have been made against these assessments in prior years.

NOMAC Saudi Arabia ("NOMAC")

NOMAC has filed the zakat returns for all the years up to 2019. During the prior years, the Company received two zakat assessments from GAZT for the years 2008-2012 and 2013-2016, claiming additional zakat for the assessed years. NOMAC has filed appeals against these assessments. During 2020, a provision of SR 4.1 million has been recognised against both assessments. Additionally, during 2020, a provision of SR 3.0 million has been made for open years 2017 and 2018.

Others

With its multi-national operations, the Group is subject to taxation in multiple jurisdictions around the world with complex tax laws. The Group has matters in relation to other zakat or tax assessments. However, based on the best estimates of management, the Company has adequately provided for all tax assessments, where appropriate.

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20- ZAKAT AND TAXATION (continued)

20.3 Zakat and current tax provision for the year

The movement in zakat and tax provision for the year was as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
At the beginning of the year	**183,411**	113,764	110,045
Charge - for the current year	**78,057**	72,369	50,142
Charge - for prior year assessments	**100,511**	32,791	-
Payments	**(85,462)**	(30,427)	(46,423)
Derecognised on loss of control	**-**	(5,086)	-
At the end of the year	**276,517**	183,411	113,764

20.4 Deferred tax - Movement in deferred tax balances

The deferred tax asset / (liability) and deferred tax credit / (charge) in the consolidated financial statements are attributable to the following items:

						As at 31 Dec		
	Net balance at 1 Jan	Recognised in profit or loss	Recognised in OCI including currency translation differences	Business Combination	De-recognition on loss of control of a subsidiary classification as held for sale	Net balance	Deferred tax assets	Deferred tax liabilities
2020								
Property, plant and equipment	(250,552)	17,609	-	-	-	(232,943)	(51,521)	(181,422)
Unused tax losses	-	198,302	-	-	-	198,302	159,354	38,948
Fair value of derivatives	-	562	7,361	-	-	7,923	(585)	8,508
End-of-service employee benefit liability	5,768	220	-	-	-	5,988	3,747	2,241
Accruals, provisions and others	17,692	12,825	-	-	-	30,517	24,503	6,014
	(227,092)	229,518	7,361	-	-	9,787	135,498	(125,711)
2019								
Property, plant and equipment	(577,790)	13,597	-	(29,932)	343,573	(250,552)	-	(250,552)
Unused tax losses	338,907	(6,069)	-	-	(332,838)	-	-	-
Fair value of derivatives	19,149	-	4,549	-	(23,698)	-	-	-

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20- ZAKAT AND TAXATION (continued)

20.4 Deferred tax - Movement in deferred tax balances (continued)

						As at 31 Dec		
	Net balance at 1 Jan	Recognised in profit or loss	Recognised in OCI including currency translation differences	Business Combination	De-recognition on loss of control of a subsidiary classification as held for sale	Net balance	Deferred tax assets	Deferred tax liabilities
End-of-service employee benefit liability	6,262	(494)	-	-	-	5,768	5,768	-
Accruals, provisions and others	1,725	19,384	-	-	(3,417)	17,692	17,692	-
	(211,747)	26,418	4,549	(29,932)	(16,380)	(227,092)	23,460	(250,552)
2018								
Property, plant and equipment	(582,478)	247,802	(34,343)	-	(208,771)	(577,790)	(337,022)	(240,768)
Unused tax losses	337,421	1,486	-	-	-	338,907	338,907	-
Fair value of derivatives	8,930	-	15,048	-	(4,829)	19,149	19,149	-
End-of-service employee benefit liability	5,860	148	254	-	-	6,262	6,262	-
Accruals, provisions and others	2,789	(1,064)	-	-	-	1,725	6,733	(5,008)
	(227,478)	248,372	(19,041)	-	(213,600)	(211,747)	34,029	(245,776)

21- DERIVATIVES AND CASH FLOW HEDGES

As per the provisions of facility agreements, certain equity accounted investees and subsidiaries are required to hedge the interest rate risk on loans obtained by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate risk and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

Also, under shareholders' agreement, the Group holds put and call options on the equity ownership of another shareholder in an equity accounted investee. These are measured as derivatives with changes in fair value recognised in profit or loss.

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21- DERIVATIVES AND CASH FLOW HEDGES (continued)

The tables below show a summary of the hedged items, the hedging instruments, trading derivatives and their notional amounts and fair values for the Company and its subsidiaries. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of market risk nor credit risk.

		Notional			Positive fair value			Negative fair value		
		31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2020	31 Dec 2019	31 Dec 2018	31 Dec 2020	31 Dec 2019	31 Dec 2018
Hedged items	**Hedging instruments**									
Interest payments on floating rate loans	Interest rate swaps	**3,871,279**	3,556,687	2,951,658	**-**	-	12,817	**(707,047)**	(325,351)	(125,587)
Highly probable forecast transactions	Forward foreign exchange contracts	**53,898**	87,610	29,776	**-**	-	-	**(3,326)**	(12,974)	(17,624)
Foreign currency interest payments on floating rate loans	Cross-currency interest rate swap	**-**	-	125,250	**-**	-	456		-	-
					-	-	13,273	**(710,373)**	(338,325)	(143,211)
Less: Current portion					**-**	-	-	**(59,584)**	(51,883)	(10,613)
Non-current portion					**-**	-	13,273	**(650,789)**	(286,442)	(132,598)

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22- RELATED PARTY TRANSACTIONS AND BALANCES

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity of the Group.

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

Particulars	Notes	Relation-ships	As at / For the year ended		
			31 Dec 2020	31 Dec 2019	31 Dec 2018
Transactions:**					
Revenue		Joint ventures and affiliates	**1,992,154**	2,045,639	1,692,870
Service fees		Joint ventures	**151,872**	140,645	160,325
Finance income		Joint venture	**35,287**	2,763	16,942
Financial charges on loan from related party	30	Affiliates	**3,471**	4,552	4,688
Corporate social responsibility cost	28.3	Shareholder's subsidiary	**52,500**	-	-
Key management personnel compensation including director's remuneration		-	**32,537**	36,564	32,229
Due from related parties					
Current:					
Al Mourjan for Electricity Production Company	(a)	Joint venture	**144,910**	110,980	67,084
Rabigh Electricity Company	(a)	Joint venture	**41,557**	52,081	24,239
Rabigh Arabian Water & Electricity Company	(a)	Joint venture*	**-**	-	120,355
Shuqaiq Water and Electricity Company	(a)	Joint venture	**47,181**	43,817	27,226
Shuaibah Water and Electricity Company	(a)	Joint venture	**43,462**	31,429	27,758
Shuaibah Expansion Project Company	(a)	Joint venture	**12,482**	10,086	8,361
Hajr for Electricity Production Company	(a)	Joint venture	**113,883**	122,751	71,415
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	**-**	1,013	85,846
Dhofar O&M Company	(d)	Joint venture	**27,607**	34,495	10,733
Hassyan Energy Phase 1 P.S.C	(a)	Joint venture	**149,158**	30,094	11,241
ACWA Power Oasis Three	(d)	Joint venture	**7,810**	7,355	52,530
Noor Energy 1 P.S.C	(a)	Joint venture	**13,653**	14,617	82,503
Taweelah RO Desalination Company LLC	(e)	Joint venture	**223**	89,548	-
Naqa Desalination Plant LLC	(e)	Joint venture	**9,761**	50,468	-
UPC Renewables S.A	(a)	Joint venture	**37,061**	27,431	-
Risha for Solar Energy Projects	(a)	Joint venture	**889**	5,619	-

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22- RELATED PARTY TRANSACTIONS AND BALANCES (continued)

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows: (continued)

Particulars	Notes	Relation-ships	As at / For the year ended		
			31 Dec 2020	31 Dec 2019	31 Dec 2018
ACWA Power Solafrica Bokpoort CSP Ltd	(a)	Joint venture	**15,344**	6,624	-
Haya Power & Desalination Company	(e)	Joint venture	**2,450**	2,046	120,263
Ad-Dhahirah Generating Company SAOC	(d)	Joint venture	**21,780**	10,849	718
Shinas Generating Company SAOC	(d)	Joint venture	**16,872**	7,124	705
Shams Ad-Dhahira Generating Company SAOC	(d)	Joint venture	**315**	-	-
Saudi Malaysia Water and Electricity Company	(d)	Joint venture	**1,197**	4,272	51
Other related parties		Affiliates	**38,066**	71,457	45,488
			745,661	734,156	756,516
Non-current:					
Hassyan Energy Phase 1 P.S.C	(f)	Joint venture	**61,612**	61,612	61,612
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(g)	Joint venture	**25,046**	49,646	-
Qurayyah Investment Company	(d)	Joint venture	**-**	-	10,372
			86,658	111,258	71,984
Due to related parties					
Non-current:					
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	**773,060**	781,035	-
Water and Electricity Holding Company CJSC	(i)	Shareholder's subsidiary	**677,966**	-	-
Loans from minority shareholders of subsidiary	(c)	-	**126,813**	79,167	81,176
			1,577,839	860,202	81,176

	Notes	Relation-ships	As at		
			31 Dec 2020	31 Dec 2019	31 Dec 2018
Due to related parties					
Current:					
ACWA Power Africa Holdings (Pty) Ltd	(h)	Joint venture	**21,306**	19,964	-
Others		Affiliates	**21,974**	-	-
			43,280	19,964	-

* RAWEC became a subsidiary of the Group effective from 10 October 2019 – refer to note 32.

** Other transactions with shareholders of the Company and its equity accounted investees are disclosed in note 32 and note 33.2 respectively.

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22- RELATED PARTY TRANSACTIONS AND BALANCES (continued)

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows: (continued)

a) These balances mainly include amounts due from related parties to First National Holding Company ("NOMAC") (and its subsidiaries) for O&M services provided to the related parties under O&M contracts.

In certain cases, the balance also includes advances provided to related parties that has no specific repayment date.

b) During the year 2018, ACWA Renewable Energy Holdings Limited ("APREH") entered into a convertible loan agreement whereby amounts drawn down under such agreement was advanced to the ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement ('the agreement"). An amount of SR 1,361.2 million was advanced to APGS and bears a commission rate of 4.3% per annum for first 18 months and 3.4% per annum thereafter on the principal outstanding. The total outstanding loan balance is repayable within 60 months from first utilization in the event of non-conversion. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power).

During 2019, an amount of SR 580.6 million adjusted against the advance, which represents a consideration for sale of 49% shares of the Group in APREH – refer to note 33.1.

c) These includes:

- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 41.6 million (2019: SR 79.2 million, 2018: SR 81.2 million); and
- Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SR 85.2 million (2019: nil, 2018: nil). The loans are due for repayment in 2024 and carry profit rate at Libor + 1.3% per annum.

d) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.

e) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the Joint Venture.

f) The balance represents sub-ordinated advance provided to related parties that has no specific repayment and bears no profit rate. As per the terms of the agreement the advance repayment will not occur for at least a period of one year. Accordingly, the balance is shown as a non-current asset.

g) This represents amounts payable to NOMAC for O&M services provided to the project company under O&M contracts. During the year ended 31 December 2020, the Group has provided SR 28.5 million provision against this balance.

h) This represents amounts payable to an equity accounted investee for transfer of project development cost

22- RELATED PARTY TRANSACTIONS AND BALANCES (continued)

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows: (continued)

i) During 2020, the Group declared a one-off dividend of SR 2,701.0 million (refer to note 13.4). A portion of such declared dividend, payable to the Public Investment Fund of Saudi Arabia (the "Shareholder"), was converted into a long-term non-interest-bearing loan amounting to SR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030 unless the repayment or settlement period is mutually extended by both parties. The Group has recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term loans of a similar nature. The difference between the nominal value of the loan and its discounted value has been recognised as other contribution from shareholder within share premium.

23- OTHER NON-CURRENT LIABILITIES

23.1 Other financial liabilities

Other financial liabilities as reported in consolidated statement of financial position as of 31 December 2020 includes:

a) As of 31 December 2018, the Group had an outstanding liability of SR 175.4 million in relation to call/put option on shares held by the Group over equity interests of non-controlling shareholders in a subsidiary. The option was exercised during 2019.

b) SR 291.0 million (31 Dec 2019: SR 359.8 million, 31 Dec 2018: SR 711.7 million) on account of financial liabilities assumed on loss of control in a subsidiary.

c) Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The option is likely to be exercised / expired by 2021. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million. Subsequent changes in fair value are recognised in profit or loss with a corresponding increase / decrease in financial liabilities. If the contract expires without delivery, the carrying amount of the financial liability will be adjusted against equity and balance will be reclassified to profit or loss. The related accreted financial liability as at 31 December 2020 is SR 11.25 million (31 Dec 2019: SR 35.9 million, 31 Dec 2018: SR 37.1 million). The liability as of 31 December 2020 is presented under other current liabilities as it will be exercised / expired by 2021.

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23- OTHER NON-CURRENT LIABILITIES (continued)

23.2 Other liabilities

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Liabilities in relation to long term spares agreement	**130,339**	139,742	137,736
Asset retirement obligations	**130,464**	81,231	63,796
Lease liabilities	**48,619**	31,144	-
	309,422	252,117	201,532

24- REVENUE

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Services rendered				
Operation and maintenance	24.1	**1,505,206**	1,483,690	1,361,139
Development and construction management services	24.2	**460,779**	537,826	312,429
Others		**26,169**	24,123	19,302
Sale of electricity				
Capacity	24.3	**1,219,489**	891,329	637,709
Energy	24.3	**286,725**	425,705	553,780
Finance lease income	8	**258,870**	319,955	145,169
Sale of water - Capacity				
Capacity	24.4	**969,958**	389,156	152,151
Output	24.4	**101,915**	43,215	46,154
		4,829,111	4,114,999	3,227,833

24.1 Revenue earned by NOMAC and its group entities, from rendering technical, operation and maintenance services.

24.2 Revenue earned by the Group for project development services provided in relation to the development of the projects, as well as project management and construction management services provided in relation to the construction of the projects. Recognition of the development revenues commences upon financial close of the project (being the point in time at which committed funding for the project has been achieved), and recognition of project management and construction management revenues is over the construction period.

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24- REVENUE (continued)

24.3 Sale of electricity during the year includes SR 326.8 million (2019: SR 402.5 million, 2018: SR 581.6 million) relating to electricity supplied by CEGCO to NEPCO, the off-taker. This includes fuel cost of SR 74.1 million (2019: SR 58.9 million, 2018: SR 247.8 million) which is currently on a pass through arrangement to NEPCO. The Government of Jordan has a shareholding in CEGCO and NEPCO.

24.4 Includes revenue from sale of steam of SR 389.4 million during the year (2019: SR 95.9 million, 2018: nil).

24.5 In addition to the amounts mentioned in the above table, income in relation to management advisory services, and ancillary support services provided to certain Group companies amounting to SR 151.9 million (31 Dec 2019: SR 140.6 million, 31 Dec 2018: SR 160.3 million) has been presented as other operating income.

25- OPERATING COSTS

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Natural gas and fuel cost		**229,487**	261,327	534,082
Direct material cost		**493,528**	503,666	514,694
Staff cost		**515,306**	467,751	403,394
Depreciation	5.3	**533,182**	279,683	205,563
Operating and technical fee		**363,566**	352,473	206,727
Direct insurance cost		**82,318**	59,395	28,523
Peak liquidated damages		**5,610**	39,268	-
Other direct overheads		**78,365**	65,241	72,982
		2,301,362	2,028,804	1,965,965

26- GENERAL AND ADMINISTRATION EXPENSES

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Salaries and other employee benefits		**438,399**	361,107	333,742
Provisions	26.1	**97,142**	22,350	22,853
Professional and legal fees		**127,137**	71,102	58,078
Rent and utilities expenses		**18,975**	18,768	40,829

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26- GENERAL AND ADMINISTRATION EXPENSES (continued)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Travel expenses		**14,732**	29,882	26,693
Depreciation expense	5.3	**23,732**	19,426	7,489
Amortisation of intangible assets	6.2	**10,461**	14,368	8,408
Communication and subscription costs		**18,824**	16,757	20,722
Public relations cost		**10,084**	8,475	2,045
Repairs and maintenance expenses		**4,128**	3,778	8,899
Directors' remuneration		**7,847**	8,836	8,577
Others		**47,421**	42,898	24,595
		818,882	617,747	562,930

26.1 Provisions includes impairment allowance recorded against:

- Trade receivables, related party balances and other assets amounting to SR 79.3 million (2019: SR 0.8 million, 2018: SR 11.6 million); and
- Inventories amounting to SR 17.8 million (2019: SR 21.6 million, 2018: SR 11.2 million).

27- OTHER INCOME

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Income earned on deposits		**55,146**	113,668	64,948
Gain on remeasurement of options	23.1 (c)	**24,651**	-	-
Insurance recoveries		**59,193**	11,649	-
Net gain on business combination achieved in stages	32	**-**	210,673	-
Others *		**16,618**	830	-
		155,608	336,820	64,948

* Others include gain on disposal of barges amounting to SR 9.6 million for the year 2020 - refer note 28.1.

28- IMPAIRMENT LOSS AND OTHER EXPENSES, NET

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Impairments loss	28.1	**137,485**	880,203	556,437
Liquidated damages, net of recoveries	28.2	**(8,934)**	-	67,311
Corporate social responsibility	28.3	**52,500**	-	-
		181,051	880,203	623,748

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28- IMPAIRMENT LOSS AND OTHER EXPENSES, NET (continued)

28.1 Impairments loss

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Impairment loss on property, plant and equipment	5	**129,985**	877,203	443,937
Impairment loss on goodwill	6.1	**7,500**	3,000	112,500
		137,485	880,203	556,437

Impairment loss relates to the impairment in the carrying value of property, plant and equipment of the Group's subsidiaries as follows:

Barka:

ACWA Power Barka SAOG's existing PWPA in relation to Power and RO Plants ("Plants") are expiring on 31 December 2021. Considering the uncertainty around contract renewals at this stage as well as the operation of the merchant market, an impairment assessment was performed under IFRS to test the Plants recoverable value against its carrying value. Based on the assessment carried out by the Group, the Plants recoverable value was lower by SR 130.0 million (2019: SR 789.5 million, 2018: SR 309.7 million) than its carrying value. This impact was taken to the income statement of the current year as required by IAS 36 "Impairment of Assets".

Recoverable value was estimated based on value in use method as it reflects more accurately the manner in which the economic benefits embodied in the asset are expected to be realised by the entity. All future cash flows were based on management's best estimate about the future course of action Barka may likely carry out. A pre-tax discount rate of 7.6% (2019: 8.2%, 2018: 6.6%) was used in assessing the Present Value (PV) of future cash flows.

The value in use calculation is sensitive to the discount rate and the expected period over which Plants will operate and generate cashflows. Increase in discount rate by 1% will result in additional impairment loss of SR 28.5 million. Further, a reduction of 1 year in the expected period over which Plants will operate and generate cashflows will result in additional impairment loss of SR 8.0 million.

CEGCO:

During 2018, one of the Group's subsidiaries, namely CEGCO, management noted an impairment of SR 63.9 million in one of the operating unit, accordingly this amount was recorded in profit or loss of the year.

Bowarege:

Bowarege's off take agreement expired in 2017 and since then the WPA was not renewed. Considering the uncertainty involved with respect to further operations, the management of Bowarege decided to fully impair the assets during 2019. Impairment loss recorded in income statement amounts to nil (2019: SR 87.7 million, 2018: SR 70.4 million). During 2020, the Group entered into a sale purchase agreement whereby the barges were sold for SR 9.6 million. Gain on disposal of barges amounting to SR 9.6 million is recorded under other income – refer note 27.

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28- IMPAIRMENT LOSS AND OTHER EXPENSES, NET (continued)

28.2 Liquidated damages, net of recoveries

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Liquidated damages expense	**-**	68,992	146,364
Liquidated damages recovery	**(8,934)**	(68,992)	(79,053)
	(8,934)	-	67,311

This represents liquidated damages due to or paid to off taker in accordance with terms of power and water purchase agreements on account of delay in achievement of commercial operation. Liquidated damages presented in profit or loss are net of any liquidated damages negotiated with EPC contractor by the Group's subsidiaries.

28.3 Represents the Group's contribution amounting to SR 52.5 million (2019: nil, 2018: nil) to support national health efforts in Saudi Arabia to contain the impact of the Covid-19 pandemic. Funds were utilised to build an integrated mobile hospital with a 100-bed capacity in cooperation with a local construction company that is a wholly owned subsidiary of a shareholder. The new mobile hospital was fully resourced with the medical equipment and supplies required to treat Covid-19 cases.

29- EXCHANGE LOSS, NET

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Realised exchange gain	**9,153**	11,464	164
Unrealised exchange loss	**(32,613)**	(40,570)	(8,740)
	(23,460)	(29,106)	(8,576)

30- FINANCIAL CHARGES

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Financial charges on borrowings		**968,047**	790,514	498,995
Financial charges on letters of guarantee		**35,866**	29,160	65,209
Financial charges on loans from a related party	22.1	**3,471**	4,552	4,688
Other financial charges	30.1	**61,064**	45,636	1,763
		1,068,448	869,862	570,655

30- FINANCIAL CHARGES (continued)

30.1 Other financial charges includes interest amortisation on long-term liabilities amounting to SR 27.1 million (2019: SR 16.0 million, 2018: SR 1.8 million); and discounting of long term receivables amounting to nil (2019: SR 24.4 million, 2018: nil).

31- EARNINGS / (LOSS) PER SHARE

31.1 The weighted average number of shares outstanding during the period (in thousands) are as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Issued ordinary shares as at	**645,763**	645,763	645,763
Weighted average number of ordinary shares outstanding during the year ended	**645,763**	645,763	596,280

31.2 The basic and diluted earnings / (loss) per share are calculated as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Net profit / (loss) for the year attributable to equity holders of the Parent	**882,568**	1,173,865	(773,842)
Profit for the year from continuing operations attributable to equity holders of the Parent	**866,843**	633,959	755,946
Basic and diluted earnings / (loss) per share (in SR)	**1.37**	1.82	(1.30)
Basic and diluted earnings per share for continuing operations (in SR)	**1.34**	0.98	1.27

32- BUSINESS COMBINATION ACHIEVED IN STAGES

On 24 May 2018, the Group exercised a call option granted through a Call and Put Option Agreement and acquired 37% interest in Rabigh Arabian Water and Electricity Company (“RAWEC” or “the Investee”). During 2018, the Group continued to account for its Investment in RAWEC using the equity method as the Investee was controlled jointly with remaining shareholders. The option exercise resulted in a one-off gain of SR 386.95 million. In accordance with the requirements of IFRS as endorsed in KSA, the gain was included within share in net results of RAWEC for the year ended 31 December 2018.

On 10 October 2019, the Group completed acquisition of further 25% shareholding in RAWEC at an agreed consideration of SR 560.2 million. Consequently, the Group acquired control over the Investee and its effective shareholding increased from 74% to 99%.

These consolidated financial statements include the results of RAWEC as the Group’s subsidiary with effect from 10 October 2019. If the combination had taken place at the beginning of the year, the profit after zakat and income tax would have been higher by SR 77.9 million.

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32- BUSINESS COMBINATION ACHIEVED IN STAGES (continued)

Fair value of assets acquired and net gain on business combination achieved in stages are as follows:

	Notes	As of 10 Oct 2019
Fair value of net assets as of acquisition date		
Property plant and equipment, net	5	6,912,698
Inventories		150,400
Accounts receivable, prepayments and other receivables		129,898
Cash and cash equivalents		78,524
Loans and borrowings		(3,763,260)
Deferred tax liability	20.4	(29,932)
Employee benefits		(826)
Payable and accruals		(178,515)
Fair value of net assets acquired		3,298,987
		For the period ended 10 Oct 2019
Gain on business combination		
Fair value of net assets acquired		3,298,987
Less: Carrying amount of existing equity interest	7.1	(2,495,105)
Less: Fair value of consideration paid		(560,219)
Less: Non-controlling interest		(32,990)
Net gain on business combination achieved in stages*	27	210,673
Cash outflow on acquisition		
Net cash acquired with subsidiary		78,524
Cash consideration		(560,219)
Net cash outflow on acquisition		(481,695)

* This includes a one of loss on re-measurement to fair value of the Group's existing 74% interest in RAWEC amounted to SR 53.5 million.

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

On acquisition date, the Group engaged external valuation experts to determine fair value of plant for the purpose of purchase price allocation. Based on the valuation exercise, the entire fair value uplift in relation to share purchased during 2018 and 2019 was allocated to property, plant and equipment. During the year, the Group recognised incremental depreciation of SR 18.3 million (2019: SR 18.5 million, 2018: SR 6.0 million) on account of fair value allocated to property, plant and equipment.

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33- DISCONTINUED OPERATION

33.1 ACWA Power Renewable Energy Holding Limited

During 2018, ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group, entered in a convertible loan agreement ("the Agreement") with CVXF Inc. (the "Purchaser" or the "Lender"). Under the Agreement, APREH borrowed a sum of SR 1,361.4 million which provides the Lender an option to convert all or a portion of the loan's principal amount into the shares of APREH at agreed conversion price.

Pursuant to the option available under the Agreement, the Purchaser used a portion of loan amount to purchase 49% of the Group's shareholding in APREH at an agreed consideration of SR 580.65 million. All critical conditions in relation to share purchase were completed by 31 December 2019. As per the new shareholder agreement, the Group and the Purchaser will jointly control APREH. Hence, in accordance with IFRS 10 – Consolidated Financial Statements, the Group lost control in APREH and deconsolidated its net assets. The Group's remaining interest in APREH is retained at fair value and accounted for using equity method effective from the date of loss of control. The Group also recognised a gain of SR 554.4 million on loss of control as follows:

	31 Dec 2019
Fair value of consideration received	580,650
Fair value of retained investment *	604,350
Carrying amount of non-controlling interest derecognized	265,852
Carrying amount of net assets derecognized**	(733,876)
Accumulated currency translation loss and other reserves recycled to profit or loss from OCI	(162,618)
Net gain on loss of control in APREH	554,358

* Unrealised gain on fair value of retained investment amounted to SR 282.7 million. The entire fair value uplift was allocated to property, plant and equipment of APREH's subsidiaries and joint ventures. During the year, the Group recorded its share in incremental depreciation amounting to SR 16.3 million (2019: nil, 2018: nil) on account of this fair value uplift.

** This includes goodwill associated with UPC, investment in equity accounted investees and PPE amounting to SR 6.5 million, SR 119.0 million and SR 2,445.1 million respectively.

Results of APREH for the years 2019 and 2018 are disclosed in note 33.4.

During the year, the Group recorded a further gain of SR 12.8 million on account of additional consideration agreed with the Purchaser.

33.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.

On 16 December 2018, certain shareholders of the Company (hereinafter referred as "the Acquirer") acquired an effective 30% interest in a wholly owned subsidiary of the Group, ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") at fair value. As part of the transaction, the Acquirer entered in a joint venture agreement based on which the decisions for the relevant activities that most significantly affect the returns of ACWA GUC will be taken jointly by the Group and the Acquirer. These activities include decisions relating to establishing operating and capital decisions, appointing the key management personnel or other service providers, decisions about capital additions to power plant facilities, decisions on financing agreements, decisions on the operation and maintenance of the power plant and selection of suppliers and the daily decisions on gas supply and on power sales that impact ACWA GUC's returns.

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33- DISCONTINUED OPERATION (continued

33.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (continued)

Consequently, the Group lost control in ACWA GUC and deconsolidated its net assets and recognised a loss of SR 672.0 million. Further, at the date of the joint venture agreement, fair value of the Group's remaining 70% ownership in ACWA GUC was assessed as nil by the Group and the management has started to account for ACWA GUC using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements.

Summary of the loss recognised on loss of control is as follows:

	31 Dec 2018
Carrying amount of net liabilities derecognised	(390,813)
Fair value of consideration received	-
	(390,813)
Accumulated currency translation loss recycled to profit or loss from OCI	141,330
Accumulated hedge reserve recycled to profit or loss from OCI	47,711
Additional liabilities assumed on loss of control	873,726
Total loss recognised on loss of control	671,954

In addition to above the Group has consolidated losses amounting to SR 1,038.6 million till 16 December 2018 from the date of initial investment in ACWA GUC. Results of ACWA GUC for the year 2019 and 2018 are disclosed in note 33.4.

33.3 ACWA Power CF Karad PV Park EAD

On 14 December 2019, the Group entered in to sale and purchase agreement with a third party buyer with respect to disposal of its entire shareholding in ACWA Power CF Karad PV Park ("Karad"). Legal formalities with respect to disposal were completed on 10 September 2020.

As of 10 September 2020, assets, liabilities and other reserves associated with Karad amounted to SR 499.6 million (31 December 2019: SR 475.4 million), SR 433.4 million (31 December 2019: SR 373.0 million) and SR 1.9 million (2019: SR 16.1 million) respectively. The Group recorded a loss of SR 21.9 million on this disposal which has been accounted for as assets held for sale in the consolidated statement of profit or loss.

Results of Karad for the year 2020, 2019 and 2018 are disclosed in note 33.4.

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33 DISCONTINUED OPERATION (continued)

33.4 Results of discontinued operations for the years 2020, 2019 and 2018 are as follows:

For the year ended 31 December	Notes	ACWA GUC			APREH			KARAD			Total		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
Revenue		-	-	686,492	-	372,471	267,657	**63,004**	65,989	68,631	**63,004**	438,460	1,022,780
Operating costs		-	-	(748,339)	-	(94,563)	(60,306)	**(18,337)**	(27,177)	(24,058)	**(18,337)**	(121,740)	(832,703)
Development cost and other write offs		-	-	-	-	-	(11,953)	**-**	-	-	**-**	-	(11,953)
General and administration expenses		-	-	(19,033)	-	(71,722)	(73,144)	**(5,501)**	(7,082)	(7,107)	**(5,501)**	(78,804)	(99,284)
Share in net results of equity accounted investees		-	-	-	-	659	(7,049)	**-**	-	-	**-**	659	(7,049)
Other operating income		-	-	-	-	16,225	9,367	**-**	-	-	**-**	16,225	9,367
Other income		-	-	7,476	-	19,786	12,890	**-**	-	35	**-**	19,786	20,401
Liquidated damages recovery		-	-	129,535	-	-	-	**-**	-	-	**-**	-	129,535
Exchange loss, net*		-	-	(887,055)	-	(2,147)	(11,403)	**6,548**	(2,429)	6,163	**6,548**	(4,576)	(892,295)
Financial charges, net		-	-	(243,265)	-	(240,137)	(171,106)	**(20,936)**	(25,152)	(29,934)	**(20,936)**	(265,289)	(444,305)
Tax credit / (charge)		-	-	235,704	-	(4,734)	2,328	**4,183**		140	**4,183**	(4,734)	238,172

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33 DISCONTINUED OPERATION (CONTINUED)

33.4 Results of discontinued operations for the years 2020, 2019 and 2018 are as follows: (continued)

For the year ended 31 December	Notes	ACWA GUC			APREH			KARAD			Total		
		2020	2019	2018	2020	2019	2018	2020	2019	2018	2020	2019	2018
(Loss) / profit for the year ended 31 December		-	-	(838,485)	-	(4,162)	(42,719)	**28,961**	4,149	13,870	**28,961**	(13)	(867,334)
Gain / (loss) recognised on loss of control	33.1,33.2	-	-	(671,954)	12,776	554,358	-	**(21,939)**	-	-	**(9,163)**	554,358	(671,954)
Profit / (loss) from discontinued operations including gain / (loss) recognised on loss of control in a subsidiary		-	-	(1,510,439)	12,776	550,196	(42,719)	**7,022**	4,149	13,870	**19,798**	554,345	(1,539,288)
Profit / (loss) attributable to:													
Equity holders of the parent		-	-	(1,510,439)	12,776	538,239	(25,174)	**2,949**	1,667	5,825	**15,725**	539,906	(1,529,788)
Non-controlling interest		-	-	-	-	11,957	(17,545)	**4,073**	2,482	8,045	**4,073**	14,439	(9,500)
		-	-	(1,510,439)	12,776	550,196	(42,719)	**7,022**	4,149	13,870	**19,798**	554,345	(1,539,288)
Earnings / (loss) per share											**0.02**	0.86	(2.58)

* Total exchange loss (net) includes unrealized exchange loss of nil (2019: nil, 2018: SR 887.1 million).

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34- CONTINGENCIES AND COMMITMENTS

At 31 December 2020, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 11.3 billion (31 Dec 2019: SR 10.6 billion, 31 Dec 2018: SR 9.0 billion). The amount also includes the Group's share of equity accounted investees' commitments.

Below is the breakdown of contingencies as of the reporting date:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Guarantees in relation to bridge loans or equity letters of credits	**3,803,049**	2,923,679	1,666,704
Bonds, letter of credits and other contingencies and commitments	**7,541,811**	7,647,665	7,339,355
	11,344,860	10,571,344	9,006,059

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 582.4 million (2019: SR 554.7 million, 2018: SR 527.0 million, 2017: SR 504.9 million), as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the off-taker ("NEPCO"). Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence, the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these consolidated financial statements.

Further, certain of the Group's subsidiaries and joint ventures are in dispute with contractors in relation to performance liquidated damages. The matter has already been referred to arbitration and a favourable outcome is probable. Accordingly, no provision or asset is recognized in these consolidated financial statements

35- OPERATING SEGMENTS

The Group has determined that the Management Committee, chaired by the Chief Executive Officer, is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'.

During the year, the Group amended its reportable operating segments. In line with its continued focus on environment and sustainability, the Group continues to see increasing growth in the renewables part of its business. This has resulted in a change in the information provided regularly to the chief operating decision maker, to include discrete information on results from renewable power activities, as well as thermal and water desalination activities combined. This information is used to make decisions about resources to be allocated to each segment and to assess segmental performance. Revenue is attributed to each operating segment based on the type of plant or equipment from which the revenue is derived.

The Group's measure of segment profit or loss is based on profit or loss for the year from continuing operations adjusted for non-recurring or non-operational items, per operating segment. The Group also monitors operating income before impairment and other expenses per operating segment. Segment liabilities are not reported to the chief operating decision maker on a segmental basis and are therefore not disclosed.

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35 OPERATING SEGMENTS (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. All intercompany transactions within the reportable segments have been appropriately eliminated. There were no inter-segment sales in the years presented below. Details of the Group's operating and reportable segments are as follows:

i)	Thermal and Water Desalination	The term Thermal refers to the power and water desalination plants which use fossil fuel (oil, coal, gas) as the main source of fuel for the generation of electricity and production of water whereas water desalination refers to the stand-alone reverse osmosis desalination plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize). These plants include IPPs (Independent Power Plants), IWPPs (Independent Water and Power Plants) and IWPs (Independent Water Plants).
ii)	Renewables	This includes the Group's business line which comprises of PV (Photovoltaic), CSP (Concentrated Solar Power) and Wind plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize).
iii)	Others	Comprises certain activities of corporate functions and other items that are not allocated to the reportable operating segments and the results of the ACWA Power reinsurance business.

Key indicators by reportable segment

Total assets

	31 Dec 2020	31 Dec 2019	31 Dec 2018
i) Thermal and Water Desalination	**22,036,065**	22,898,275	16,638,323
ii) Renewables	**12,590,039**	12,640,731	14,133,466
iii) Others	**527,921**	901,147	355,212
Total	**35,154,025**	36,440,153	31,127,001
Unallocated corporate assets	**1,168,574**	1,281,130	5,040,161
Total assets	**36,322,599**	37,721,283	36,167,162

During 2020, impairment charges of SR 137.4 million were recorded in the Thermal and Water Desalination operating segment (2019: SR 880.2 million, 2018: SR 556.4 million).

Revenue

	31 Dec 2020	31 Dec 2019	31 Dec 2018
i) Thermal and Water Desalination	**3,986,292**	3,267,423	2,821,521
ii) Renewables	**816,650**	823,453	387,010
iii) Others	**26,169**	24,123	19,302
Total revenue	**4,829,111**	4,114,999	3,227,833

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35- OPERATING SEGMENTS (continued)

Key indicators by reportable segment (continued)

Operating income before impairment and other expenses

	31 Dec 2020	31 Dec 2019	31 Dec 2018
i) Thermal and Water Desalination	**1,947,480**	1,698,038	1,894,190
ii) Renewables	**348,163**	464,788	208,966
iii) Others	**25,625**	23,500	19,173
Total	**2,321,268**	2,186,326	2,122,329
Unallocated corporate operating income / (expenses)			
General and administration expenses	**(422,344)**	(398,482)	(373,816)
Depreciation and amortisation	**(23,598)**	(25,380)	(12,026)
Restructuring costs*	**(9,403)**	(1,875)	-
Other operating income	**83,067**	81,508	81,860
Total operating income before impairment and other expenses	**1,948,990**	1,842,097	1,818,347

Segment profit / (loss)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
i) Thermal and Water Desalination		**1,579,927**	1,450,690	1,549,614
ii) Renewables		**134,850**	93,558	(122,631)
iii) Others		**25,819**	23,495	19,148
Total		**1,740,596**	1,567,743	1,446,131
Reconciliation to profit for the year from continuing operations				
General and administration expenses		**(422,344)**	(398,482)	(373,816)
Impairments in relation to subsidiaries	28	**(137,485)**	(880,203)	(556,437)
Impairments in relation to equity accounted investees	7.1.4	**(30,000)**	-	-
Provision for zakat and tax on prior year assessments	20.3	**(100,511)**	(32,791)	-
Corporate social responsibility contribution	28.3	**(52,500)**	-	-
Provision / (reversal) on project development cost	11.4	**(80,867)**	-	21,000
Provision / discounting on due from related party	22 (g), 30.1	**(28,500)**	(24,456)	-
Gain on remeasurement of options	27	**24,651**	-	-
Discounting impact on loan from shareholder subsidiary	22 (i)	**(9,734)**	-	-
Restructuring costs*		**(9,403)**	(1,875)	-
Gain on disposal of barges	27	**9,603**	-	-

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35- OPERATING SEGMENTS (continued)

	Notes	31 Dec 2020	31 Dec 2019	31 Dec 2018
Depreciation and amortization**	4 (iii)	**(105,808)**	(25,380)	(12,026)
Other operating income		**83,067**	81,508	81,860
Other income		**32,265**	78,662	59,530
Financial charges and exchange loss, net		**(13,281)**	(26,744)	(25,868)
Zakat and tax charge		**(17,160)**	(12,244)	-
Profit for the year from continuing operations		**882,589**	325,738	640,374

*Costs relating to a restructuring of the Group's business into a new matrix organizational design under a new regional structure effective during 2020. Costs pertain to professional consultancy fees.

**Includes additional depreciation charge of SR 82.2 million in 2020 on account of revision in PPE useful life of certain assets. Refer to note 4 (iii).

Geographical concentration

The Company is headquartered in the Kingdom of Saudi Arabia. The geographical concentration of the Group's revenue and property, plant and equipment ("PPE") is shown below.

	Revenue from continuing and discontinued operations			PPE		
	2020	2019	2018	2020	2019	2018
Kingdom of Saudi Arabia	**2,253,549**	1,513,985	1,310,292	**9,831,278**	8,773,903	1,479,361
Oman	**791,958**	799,814	742,477	**570,190**	716,911	1,560,199
Jordan	**608,561**	681,349	694,194	**2,193,676**	2,401,065	2,815,202
Morocco	**394,711**	592,518	293,835	**55,350**	17,447	1,118,309
South Africa	**44,710**	234,473	229,223	**-**	-	1,323,216
United Arab Emirates	**600,859**	579,432	224,658	**64,653**	59,830	56,293
Rest of world	**197,767**	151,888	755,934	**17,193**	13,221	360,893
	4,892,115	4,553,459	4,250,613	**12,732,340**	11,982,377	8,713,473

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35- OPERATING SEGMENTS (continued)

Information about major customers

During the period, three customers (2019: three, 2018: two) individually accounted for more than 10% of the Group's revenues. The related revenue figures for these major customers, the identity of which may vary by period, were as follows:

	Revenue		
	2020	2019	2018
Customer A	**1,154,863**	648,271	694,216
Customer B	**608,561**	546,180	603,113
Customer C	**497,605**	586,062	-

The revenue from these customers is attributable to the Thermal and Water Desalination, and Renewables reportable operating segments.

36- RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by senior management. The most important types of risk are summarised below.

36.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position.

	Notes	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Bank balances		**832,000**	2,797,648	5,497,422
Finance lease receivable	8	**10,928,908**	10,574,236	9,331,619
Trade receivables	11	**1,305,077**	1,210,835	1,201,629
Fair value of derivatives	21	**-**	-	13,273
Due from related parties	22	**832,319**	845,414	828,500
Insurance receivables	11.3	**516,748**	886,497	328,514
Other financial assets		**46,720**	41,508	41,748
		14,461,772	16,356,138	17,242,705

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36 RISK MANAGEMENT (continued)

36.1 Credit risk (continued)

Bank balances

Credit risk on bank balances is considered to be limited as these are held with banks with appropriate credit ratings.

Finance lease receivable

Finance lease receivable represent receivable of Group's subsidiaries in Morocco and Kingdom of Saudi Arabia from the off-taker in accordance with the Power Purchase Agreements ("PPA"). Credit risk attached to the finance lease receivable is limited due to the strength of government letter of support or appropriate credit rating of off-taker.

Trade receivables

a) The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Below is the concentration of credit risk by different geographies.

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Hashemite Kingdom of Jordan (covered by government guarantee)	**627,087**	517,760	531,430
Sultanate of Oman (covered by government guarantee)	**178,064**	193,526	56,978
Morocco (covered by government letter of support)	**165,958**	173,665	227,644
South Africa (covered by government guarantee)	**-**	-	54,077
Kingdom of Saudi Arabia ("KSA")	**196,371**	155,028	96,580
United Arab Emirates ("UAE")	**137,469**	168,989	229,578
Others	**128**	1,867	5,342
	1,305,077	1,210,835	1,201,629

The customers in KSA and UAE are transacting with the Group for a few years and historically, the Group has suffered no material impairment from these customers. Accordingly, the balances due from these customers are assessed to have a strong credit quality and limited credit risk.

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36 RISK MANAGEMENT (continued)

36.1 Credit risk (continued)

b) As of reporting date, the ageing of trade and other receivables that were not impaired was as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Neither past due nor impaired	**597,309**	747,094	836,752
Past due 1-90 Days	**135,774**	75,154	35,392
More than 90 Days	**571,994**	388,587	329,485
	1,305,077	1,210,835	1,201,629

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on past history and expected credit loss model which involves extensive analysis of credit risk, including customers' credit ratings if they are available.

c) The movement in allowance for impairment, in respect of trade receivables during the year was as follows:

	For the year ended 31 Dec 2020	For the year ended 31 Dec 2019	For the year ended 31 Dec 2018
Opening balance	**31,657**	64,334	71,402
Impairment loss (reversal) / recognised	**(2,862)**	(15,464)	13,656
Amount written off	**-**	(9,248)	(20,724)
Derecognised on loss of control	**-**	(7,965)	-
Closing balance	**28,795**	31,657	64,334

Derivatives

The derivatives are designated as hedging instruments and reflects positive change in fair value of foreign exchange forward ('Forward') and interest rate swap (IRS) contracts. These are entered into with banks or financial institutions with sound credit ratings hence credit risk is expected to be low.

Insurance receivables

These represents amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, ACWA Power Reinsurance Co. Limited ("ACWA-Re", a 100% owned subsidiary of the Group) in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential

36- RISK MANAGEMENT (continued)

36.1 Credit risk (continued)

losses arising from large risks, and provide additional capacity for growth. The reinsurance is effected under facultative arrangements. Between 31 July 2019 and 30 July 2020, ACWA Power retained an element of risk within its property reinsurance program with a maximum cap of USD 1.5 million per project for each and every event and in the aggregate for the relevant policy period for certain projects.

To minimise its exposure to significant losses from reinsurer insolvencies, ACWA-Re evaluates the financial condition of its reinsurers. ACWA-Re only deals with reinsurers of a minimum rating of Standard and Poor's (S&P) A- ("A minus") or equivalent from other rating agencies.

Due from related parties and other financial assets

Other financial assets includes dividend receivable, advances for investments, advances to employees and other receivables. Credit risk attached to related party balances is limited due to sound financial position of the related parties. There is no credit risk attached to advances for investments and advances to employees. Credit risk attached to other financial instruments is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Credit concentration

Except as disclosed, no significant concentrations of credit risk were identified by the management as at the reporting date.

36.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

The Group's ratio of current assets to current liabilities ("current ratio") at 31 December 2020 was below one, mainly due to the reduction in current assets on account of the cash dividend paid in 2020 of SR 1,000.0 million combined with increase in current liabilities mainly due to the reclassification of a long-term loan amounting to SR 1,155.0 million, from non-current liabilities to current liabilities (refer to note 15.2). In addition, current liabilities increased due to the dividend payable balance of SR 800.0 million at year end. Excluding the loan balance, which will be reclassified to non-current liabilities in the next reporting period, and the dividend payable, the current ratio was above one.

As at 31 December 2020, the Group had SR 1,642 million remaining undrawn from its Revolving Corporate Murabaha Facility and other corporate revolver facilities.

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36- RISK MANAGEMENT (continued)

36.2 Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

				Contractual cash flows		
As at 31 Dec 2020	Carrying Amount	Total	No fixed maturity	0-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities						
Short term facilities	364,847	375,792	-	375,792	-	-
Term financing and funding facilities	18,465,104	27,860,037	-	2,017,828	9,047,860	16,794,349
Due to related parties	1,621,119	1,675,713	823,667	34,832	139,866	677,348
Other financial liabilities	4,506,133	4,506,133	4,506,133	-	-	-
	24,957,203	34,417,675	5,329,800	2,428,452	9,187,726	17,471,697
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	710,373	938,709	-	104,387	394,943	439,379
As at 31 Dec 2019						
Non-derivative financial liabilities						
Short term facilities	444,218	457,545	-	457,545	-	-
Term financing and funding facilities	19,752,173	27,439,750	-	3,371,576	8,049,260	16,018,914
Due to related parties	880,166	907,478	781,035	4,552	18,208	103,683
Other financial liabilities	4,037,919	4,037,919	4,037,919	-	-	-
	25,114,476	32,842,692	4,818,954	3,833,673	8,067,468	16,122,597
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	338,325	446,207	-	52,720	245,663	147,824
As at 31 Dec 2018						
Non-derivative financial liabilities						
Short term facilities	618,942	637,510	-	637,510	-	-
Term financing and funding facilities	18,753,319	26,666,492	-	1,857,532	8,322,077	16,486,883
Due to related parties	81,176	109,182	-	4,668	18,670	85,844
Other financial liabilities	4,843,857	4,843,857	4,843,857	-	-	-
	24,297,294	32,257,041	4,843,857	2,499,710	8,340,747	16,572,727
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	143,211	272,591	-	4,058	148,375	120,158

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36- RISK MANAGEMENT (continued)

36.2 Liquidity risk (continued)

The cash flows relating to derivatives disclosed in the above table represent contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rate changes.

36.3 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income or cash flows. To some extent the project companies consolidated in the Group gets protection in relation to variability in exchange and interest rates within power and water purchase agreements (PWPAs) as the tariffs are usually denominated in functional currencies. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group uses derivatives to manage market risks. All such transactions are carried out in accordance with Group's policies and practices. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of companies within the Group. For most of the transactions denominated in US Dollars (USD), the currency risk is limited as exchange rate of USD and respective functional currency is usually pegged. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Equivalent to thousands of Saudi Riyals As at 31 Dec 2020	EUR	MAD	USD	JPY
Borrowings and other financial liabilities	3,826,870	2,591,525	-	141,318
Finance lease receivables	(3,874,007)	(3,001,992)	-	-
Net position	(47,137)	(410,467)	-	141,318
Impact of currency forwards	-	-		(53,898)
Net exposure	(47,137)	(410,467)	-	87,420
As at 31 Dec 2019 Borrowings and other financial liabilities	3,619,095	2,419,965	-	157,698
Finance lease receivables	(3,643,128)	(2,944,294)	-	-
Net position	(24,033)	(524,329)	-	157,698
Impact of currency forwards	-	-	-	(87,610)
Net exposure	(24,033)	(524,329)	-	70,088

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36- RISK MANAGEMENT (continued)

36.3 Market risk (continued)

Foreign currency risk (continued)

Equivalent to thousands of Saudi Riyals As at 31 Dec 2020	EUR	MAD	USD	JPY
As at 31 Dec 2018				
Borrowings and other financial liabilities	3,759,543	1,962,260	118,430	181,531
Finance lease receivables	(3,795,309)	(2,537,564)	-	-
Net position	(35,766)	(575,304)	118,430	181,531
Impact of currency forwards	-	-	-	(29,776)
Net exposure	(35,766)	(575,304)	118,430	151,755

Sensitivity analysis

A reasonably possible strengthening (weakening) of respective currencies against Saudi Riyal unless otherwise specified at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Impact - (Profit) or loss	
	Strengthening	Weakening
For the year ended 31 Dec 2020		
EUR (5% movement)	(2,357)	2,357
MAD (5% movement)	(20,523)	20,523
JPY (5% movement)	4,371	(4,371)
For the year ended 31 Dec 2019		
EUR (5% movement)	(1,202)	1,202
MAD (5% movement)	(26,216)	26,216
JPY (5% movement)	3,504	(3,504)
For the year ended 31 Dec 2018		
EUR (5% movement)	(1,788)	1,788
MAD (5% movement)	(28,765)	28,765
USD (5% movement against EUR)	5,922	(5,922)
JPY (5% movement)	7,588	(7,588)

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36- RISK MANAGEMENT (continued)

36.3 Market risk (continued)

Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on future cash flow of its interest bearing assets and liabilities, including bank deposits, finance lease receivables, bank overdrafts, term loans and amounts due from/to related parties. The Group hedges long term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest-bearing long-term financing and funding facilities as reported to the management of the Group is as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Financial liabilities			
Fixed rate including interest free	**14,661,145**	16,098,134	14,639,088
Floating rate	**4,958,755**	3,654,039	4,114,231

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, in case of fixed interest rate financial instruments, change in interest rates at the reporting date would not affect profit or loss.

In case of variable interest rate financial instruments, a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
For the year ended 31 Dec 2020				
Variable rate financial liabilities	(49,588)	49,588	(49,588)	49,588
Interest rate swaps	38,713	(38,713)	38,713	(38,713)
Net sensitivity	(10,875)	10,875	(10,875)	10,875
For the year ended 31 Dec 2019				
Variable rate financial liabilities	(39,565)	39,565	(39,565)	39,565
Interest rate swaps	35,567	(35,567)	35,567	(35,567)
Net sensitivity	(3,998)	3,998	(3,998)	3,998
For the year ended 31 Dec 2018				
Variable rate financial liabilities	(41,142)	41,142	(41,142)	41,142
Interest rate swaps	29,517	(29,517)	29,517	(29,517)
Net sensitivity	(11,625)	11,625	(11,625)	11,625

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37- FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 in to 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 assets or liabilities 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 input).

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

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As at 31 Dec 2020					
Financial liabilities					
Fair value of derivatives used for hedging	710,373	-	710,373	-	710,373
Long-term financing and funding facilities	19,619,900	3,648,439	15,462,487	-	19,110,926
As at 31 Dec 2019					
Financial liabilities					
Fair value of derivatives used for hedging	338,325	-	338,325	-	338,325
Long-term financing and funding facilities	19,752,173	3,327,225	16,749,556	-	20,076,781
As at 31 Dec 2018					
Financial assets					
Fair value of derivatives used for hedging	13,273	-	13,273	-	13,273
Financial liabilities					
Fair value of derivatives used for hedging	143,211	-	143,211	-	143,211
Long-term financing and funding facilities	18,753,319	2,883,880	15,754,190	-	18,638,070

Fair value of other financial instruments has been assessed as approximate to the carrying amounts due to frequent re-pricing or their short term nature.

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37- FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

Valuation technique and significant unobservable inputs

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives used for hedging* Bank borrowings **	Discounted cash flows: the valuation model considers the present value of expected payments or receipts discounted using the risk adjusted discount rate or the market discount rate applicable for a recent comparable transaction.	Not applicable	Not applicable
Trading derivatives*	Trading derivatives represent options that are valued using the valuation models wherein fair values are determined through valuation techniques based on discounted cash flows and include a discount for lack of marketability and project specific factors representing the amounts that the Group has determined that market participants would take into account when pricing these instruments.	Contracted capacities and risk adjusted discount rate	The estimated fair value would increase or decrease if: the actual availabilities are different to contracted capacities; or the risk adjusted discount rate were higher or lower.

* The instruments were measured at fair value in consolidated statement of financial position.

** The fair value of these instruments were measured for disclosure purpose only.

38- FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main financial indicators, if not disclosed already, used by the Group as well as their reconciliation with the aggregates of the consolidated financial statements.

38.1 Net debt analysis

	Corporate	Bonds	Projects	Consolidated	Equity accounted investees
As at 31 Dec 2020 **Recourse debt:**					
Long-term financing and funding facilities	113,630	-	753,314	866,944	
Other liabilities (note 22.1(b), (i))				1,451,026	
Less: Free cash and cash equivalents				(78,803)	
Net recourse debt				2,239,167	
Non-recourse debt:					

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38- FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (continued)

38.1 Net debt analysis (continued)

	Corporate	Bonds	Projects	Consolidated	Equity accounted investees
Long-term financing and funding facilities	-	3,006,325	15,746,631	18,752,956	42,149,822
Add: Short-term facilities				364,847	944,752
Less: Free cash and cash equivalents				(753,865)	(2,011,778)
Net debt without recourse				18,363,938	41,082,796
As at 31 Dec 2019 Recourse debt:					
Long-term financing and funding facilities	1,125	-	1,825,887	1,827,012	
Other liabilities (note 22.1(b))				781,035	
Less: Free cash and cash equivalents				(1,829,206)	
Net recourse debt				778,841	
Non-recourse debt:					
Long-term financing and funding facilities	-	3,002,617	14,922,544	17,925,161	35,143,064
Add: Short-term facilities				444,218	926,454
Less: Free cash and cash equivalents				(969,109)	(1,659,203)
Net debt without recourse				17,400,270	34,410,315
As at 31 Dec 2018 **Recourse debt:**					
Long-term financing and funding facilities	12,237	-	3,185,113	3,197,350	-
Less: Free cash and cash equivalents				(4,469,875)	-
Net recourse debt				(1,272,525)	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,999,129	12,369,340	15,555,969	23,883,236
Add: Short-term facilities	-	-	618,942	618,942	2,874,540
Less: Free cash and cash equivalents				(1,028,390)	(534,376)
Net debt without recourse				15,146,521	26,223,400

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38- FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (continued)

38.2 Tangible net worth

Tangible net worth, as defined by management of the Group, is total equity of the Group excluding other reserves (comprising of cash flow hedge reserve, currency translation reserve, share in OCI of equity accounted investees, actuarial losses and others - refer to note 13.2 less the carrying value of goodwill in the consolidated statement of financial position as of the reporting date. The following table sets out the tangible net worth of the Group (as defined by management):

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Total equity	**7,400,155**	10,605,377	11,074,157
Other reserves	**2,798,419**	1,361,236	717,900
Total equity excluding other reserves	**10,198,574**	11,966,613	11,792,057
Less: Goodwill	**(1,997,311)**	(2,004,811)	(2,014,320)
Tangible net worth	**8,201,263**	9,961,802	9,777,737

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38- FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (continued)

38.3 Financial information of material joint ventures (project companies) owned by the Group's equity accounted investees

Name of Project Company	Equity accounted investee having ownership in the Project Company (note 7)	Non-current assets	Cash and cash equiva-lents	Other cur-rent assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Revenue	Net profit / (loss)
31 December 2020										
Jubail Water and Power Company	SGA Marafiq	8,264,444	133,938	412,637	(555,272)	(404,594)	(5,608,219)	(486,511)	1,121,073	337,700
Shuaibah Water & Electricity Company	SAMAWEC	5,933,677	154,903	189,584	(433,559)	(198,957)	(2,772,127)	(689,045)	1,051,478	297,603
Shuaibah Expansion Project Company	SAMAWEC	621,199	9,605	28,136	(43,036)	(30,136)	(293,243)	(129,841)	152,964	28,138
Shuqaiq Water and Electricity Company	SIWEC	5,089,424	4,457	175,525	(312,986)	(64,980)	(2,813,351)	(919,025)	777,459	180,830
Hajr for Electricity Production Company	QIC	8,926,424	196,993	137,392	(287,367)	(466,136)	(5,470,494)	(811,067)	999,845	26,159
31 December 2019										
Jubail Water and Power Company	SGA Marafiq	8,759,353	134,944	305,189	(521,143)	(353,980)	(6,163,491)	(259,623)	1,145,857	260,023
Shuaibah Water & Electricity Company	SAMAWEC	6,160,305	188,969	217,010	(492,200)	(230,109)	(3,105,636)	(695,561)	1,050,563	306,103
Shuaibah Expansion Project Company	SAMAWEC	646,992	11,184	24,289	(40,453)	(27,764)	(335,816)	(128,159)	143,277	21,436
Shuqaiq Water and Electricity Company	SIWEC	5,235,697	5,602	208,015	(134,427)	(243,747)	(3,270,882)	(624,252)	696,989	135,674

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38- FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (continued)

38.1 Financial information of material joint ventures (project companies) owned by the Group's equity accounted investees (continued)

Name of Project Company	Equity accounted investee having ownership in the Project Company (note 7)	Non-current assets	Cash and cash equiva-lents	Other cur-rent assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Revenue	Net profit / (loss)
Hajr for Electricity Production Company	QIC	9,196,818	34,564	260,952	(278,537)	(258,806)	(5,757,862)	(742,525)	963,974	15,042
31 December 2018										
Jubail Water and Power Company	SGA Marafiq	9,175,645	183,812	140,151	(492,465)	(200,877)	(6,684,634)	(121,108)	1,163,075	312,200
Shuaibah Water & Electricity Company	SAMAWEC	6,343,750	565,845	198,000	(457,057)	(301,431)	(3,598,847)	(682,055)	1,097,151	362,059
Shuaibah Expansion Project Company	SAMAWEC	673,317	23,002	26,326	-	(36,803)	(413,738)	(123,366)	148,868	30,090
Shuqaiq Water and Electricity Company	SIWEC	5,388,981	6,118	150,781	(256,029)	(151,767)	(3,405,309)	(614,291)	798,700	189,541
Hajr for Electricity Production Company	QIC	9,369,841	110,212	348,636	(343,684)	(172,990)	(5,950,979)	(644,186)	829,829	16,234

39- OTHER SIGNIFICANT DEVELOPMENTS DURING THE YEAR

39.1 In response to the outbreak of the Novel Coronavirus ("Covid-19") pandemic since early 2020 and its spread across the world which caused disruptions to businesses and economic activities, Management proactively took a series of measures, including the creation of a Covid-19 Committee to monitor the impact of the pandemic and take precautionary and remedial actions, as necessary, to minimize any adverse impacts on the Group and to ensure the health and safety of its employees.

During the year ended 31 December 2020, Management assessed the overall impact of Covid-19 on the Group's operations and business aspects, and considered a range of factors including effects on supply chain, operating capacity/generation of its plants, additional costs in supply chain, and the health and safety of employees. Based on this assessment, no significant adjustments were required in the consolidated financial statements for the year ended 31 December 2020, except as disclosed otherwise (refer to note 15.3). However, in view of the ongoing uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and/or liabilities in future periods. Management will continue to assess the impact based on prospective developments which could affect the Group's future financial results, cash flows and financial position.

39.2 The Group's Board of Directors approved the Company to pursue accessing debt and equity capital markets and the management has appointed respective advisors to carry out the work.

40- SUBSEQUENT EVENTS

During February 2021, one of the Group's wholly owned subsidiaries entered into a refinancing arrangement whereby existing term facilities will be replaced by a mix of a new commercial term facility and private placements from local and international market. The refinancing has no impact on the Group's consolidated results and financial position as reported in these consolidated financial statements.

Furthermore, subsequent to the year-end, the Group, in accordance with the nature of its business, has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the consolidated financial position and results as of the reporting date.

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41- COMPARATIVE FIGURES

Certain figures for the prior periods have been reclassified to conform to the presentation in the current year. Summary of reclassifications are as follows:

Particulars	As previously reported	Reclassifica-tions	As reported in these financial statements
Non-current assets			
Property, plant and equipment	12,036,771	(54,394)	11,982,377
Intangible assets	2,004,811	54,394	2,059,205
Current assets			
Accounts receivable, prepayments and other receivables	3,000,020	(46,218)	2,953,802
Due from related parties	714,192	19,964	734,156
Non-current liabilities			
Deferred revenue	176,045	(46,218)	129,827
Current liabilities			
Due to related parties	-	19,964	19,964
Operating costs	(1,925,888)	(102,916)	(2,028,804)
Impairment loss and other expenses, net	(919,471)	39,268	(880,203)
General and administration expenses	(681,395)	63,648	(617,747)

In addition to the above, changes in net investment in finance lease for the year 2019 amounting to SR 306.9 million (2018: SR 302.3 million) have been reclassified from cash flows from investing activities to cash flows from operating activities in the consolidated statement of cash flows.

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42- FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES

Financial and other information, by geography, of major project companies of ACWA Power, is disclosed in below table. The information disclosed is based on the information used in group consolidation (audited financial statements of projects under below geographies might have certain adjustments) and is before any elimination or group level adjustment.

			Financial Position					Financial Performance			Cash position
Jurisdiction	Tech.	# of projects	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Operating income	Net income	Cash and cash equivalent
31 December 2020											
Kingdom of Saudi Arabia	CPW, RP, RO	13	2,828,180	51,870,110	(4,623,662)	(37,685,496)	12,389,132	6,974,988	4,245,875	1,615,642	951,026
Sultanate of Oman	CPW, RO	9	2,989,871	10,301,409	(3,488,897)	(9,591,491)	210,892	2,666,632	488,122	(128,409)	293,167
United Arab Emirates	CP, RP	6	1,277,280	19,058,655	(872,066)	(23,352,190)	(3,888,321)	110,679	(114)	(22,791)	837,354
Hashemite Kingdom of Jordan	CP, RP	7	839,725	2,736,753	(829,348)	(2,456,044)	291,086	692,932	282,093	78,604	95,892
Morocco	RP	7	909,510	10,450,014	(1,979,466)	(9,621,281)	(241,223)	485,904	161,301	(94,805)	259,160
Egypt	RP	3	39,498	676,740	(86,830)	(706,078)	(76,670)	94,566	53,913	(45,929)	28,422
Bahrain	CPW	1	23,698	2,896,963	(120,130)	(2,980,347)	(179,816)	-	-	-	9,969
Turkey	CP	1	372,922	1,682,839	(803,665)	(1,959,713)	(707,617)	784,292	21,590	(604,298)	158,932
South Africa	RP	1	246,043	1,180,921	(133,834)	(1,312,422)	(19,292)	203,435	123,092	15,364	167,785
Others	RP	1	42,655	182,105	(14,081)	(113,957)	96,722	21,769	23,612	9,049	15,603
		49	9,569,382	101,036,509	(12,951,979)	(89,779,019)	7,874,893	12,035,197	5,399,484	822,427	2,817,310

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

(All amounts in Saudi Riyals thousands unless otherwise stated)

42- FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES (continued)

			Financial Position					Financial Performance			Cash position
Jurisdiction	Tech.	# of projects	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Operating income	Net income	Cash and cash equivalent
31 December 2019											
Kingdom of Saudi Arabia	CPW, RP, RO	13	2,715,486	51,960,743	(4,806,336)	(37,181,375)	12,688,518	6,398,303	3,396,089	833,666	606,996
Sultanate of Oman	CPW, RO	9	2,110,768	10,860,170	(2,339,772)	(9,953,888)	677,278	2,190,064	572,121	28,551	371,888
United Arab Emirates	CP, RP	4	991,190	9,946,710	(588,408)	(11,883,842)	(1,534,350)	73,375	62,331	11,787	742,898
Hashemite Kingdom of Jordan	CP, RP	8	919,683	2,963,039	(988,099)	(2,502,328)	392,295	704,243	411,834	151,302	203,761
Morocco	RP	7	782,275	10,067,811	(2,682,405)	(8,326,390)	(158,709)	586,544	321,100	(142,595)	325,662
Egypt	RP	3	45,430	702,107	(221,008)	(536,241)	(9,712)	26,597	14,550	372	29,846
Bahrain	CPW	1	57,418	1,596,127	(323,943)	(1,377,354)	(47,752)	-	-	-	37,502
Turkey	CP	1	409,580	1,998,175	(169,381)	(3,076,486)	(838,112)	687,171	(72,645)	(648,220)	115,005
South Africa	RP	1	68,057	1,254,534	(123,614)	(929,647)	269,330	234,473	151,300	18,351	12,396
Others	RP	1	53,040	465,767	(42,381)	(394,638)	81,788	65,992	38,814	4,280	50,624
		48	8,152,927	91,815,183	(12,285,347)	(76,162,189)	11,520,574	10,966,762	4,895,494	257,494	2,496,578

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

42- FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES (continued)

			Financial Position					Financial Performance			Cash position
Jurisdiction	Tech.	# of projects	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Operating income	Net in-come	Cash and cash equivalent
31 December 2018											
Kingdom of Saudi Arabia	CPW, RP	12	3,197,383	51,898,358	(4,413,660)	(37,288,114)	13,393,967	6,613,442	3,520,607	1,272,365	1,057,170
Sultanate of Oman	CPW, RO	7	696,767	10,105,904	(3,004,001)	(6,780,636)	1,018,034	989,270	285,029	(162,754)	202,245
United Arab Emirates	CP, RP	2	104,850	4,840,509	(170,181)	(4,603,431)	171,747	76,436	61,941	13,490	31,225
Hashemite Kingdom of Jordan	CP, RP	8	793,630	2,793,378	(1,202,202)	(1,592,275)	792,531	683,162	175,884	29,758	(220,237)
Morocco	RP	7	1,018,393	10,229,213	(2,013,436)	(9,407,192)	(173,022)	287,998	134,364	(220,429)	316,808
Egypt	RP	3	63,931	190,735	(81,878)	(176,819)	(4,031)	-	(208)	(699)	62,338
Turkey	CP	1	133,277	2,526,947	(743,772)	(2,213,400)	(296,948)	686,492	(23,221)	(1,232,856)	16,687
South Africa	RP	1	59,033	1,255,764	(109,417)	(919,036)	286,344	228,370	116,688	1,030	7,965
Others	RP	1	30,519	484,495	(28,880)	(414,464)	71,670	69,458	33,472	1,060	28,292
		42	6,097,783	84,325,303	(11,767,427)	(63,395,367)	15,260,292	9,634,628	4,304,556	(299,035)	1,502,493

Tech. = Technology, CP = Conventional Power, CW = Conventional Water, CPW = Conventional Power and Water, RP = Renewable, RO = Reverse Osmosis

43- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 April 2021, corresponding to 2 Ramadan 1442.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REVIEW REPORT

FOR THE THREE AND SIX MONTHS PERIODS ENDED 30 JUNE 2021

Ernst & Young & Co. (Certified Public Accountants)
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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS (A SAUDI JOINT STOCK COMPANY)

Introduction:

We have reviewed the accompanying interim consolidated statement of financial position of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2021, the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim consolidated statements of cashflows and changes in equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" endorsed in the Kingdom of Saudi Arabia. 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 that are endorsed in the Kingdom of Saudi Arabia 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 International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young

Ahmed I. Reda
Certified Public Accountant
License No. (356)

Riyadh: 14 Muhurram 1443H
(22 August 2021)

شركة ارنست ويونغ وشركاهم (محاسبون قانونيون)
ERNST & YOUNG & Co. (CERTIFIED PUBLIC ACCOUNTANTS)
ترخيص مهني رقم ٤٥
PROFESSIONAL LICENSE No. 45

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	As at 30 Jun 2021	As at 31 Dec 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**13,609,971**	12,732,340
Intangible assets		**2,000,645**	2,058,678
Equity accounted investees	4	**5,630,954**	5,062,848
Non-current portion of net investment in finance lease		**10,359,167**	10,605,337
Due from related parties	7	**70,490**	86,658
Deferred tax asset		**168,093**	135,498
Strategic fuel inventories		**70,743**	70,760
Other assets		**188,647**	197,510
TOTAL NON-CURRENT ASSETS		**32,098,710**	30,949,629
CURRENT ASSETS			
Inventories		**450,106**	450,835
Current portion of net investment in finance lease		**332,967**	323,571
Due from related parties	7	**711,397**	745,661
Accounts receivable, prepayments and other receivables		**2,995,821**	3,020,235
Cash and cash equivalents	5	**3,758,794**	832,668
TOTAL CURRENT ASSETS		**8,249,085**	5,372,970
TOTAL ASSETS		**40,347,795**	36,322,599
EQUITY AND LIABILITIES			
EQUITY			
Shareholders' equity			
Share capital		**6,429,344**	6,429,344
Share premium		**1,410,398**	1,410,398
Statutory reserve		**642,883**	642,883
Retained earnings		**1,631,793**	1,184,908
Equity attributable to owners of the Company before other reserves		**10,114,418**	9,667,533
Other reserves	8	**(1,940,886)**	(2,798,419)

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	As at 30 Jun 2021	As at 31 Dec 2020
Equity attributable to owners of the Company		**8,173,532**	6,869,114
Non-controlling interest		**551,349**	531,041
TOTAL EQUITY		**8,724,881**	7,400,155
LIABILITIES **NON-CURRENT LIABILITIES**			
Long-term financing and funding facilities	6	**21,077,230**	17,286,744
Due to related parties	7	**1,588,903**	1,577,839
Equity accounted investees	4	**721,743**	1,244,571
Fair value of derivatives		**423,161**	650,789
Deferred tax liability		**141,878**	125,711
Deferred revenue		**77,491**	63,304
Other financial liabilities		**296,155**	290,990
Employee end of service benefits’ liabilities		**195,882**	178,964
Other liabilities		**335,348**	309,422
TOTAL NON-CURRENT LIABILITIES		**24,857,791**	21,728,334
CURRENT LIABILITIES			
Accounts payable and accruals		**3,922,104**	4,116,726
Short-term financing facilities		**357,641**	364,847
Current portion of long-term financing and funding facilities	6	**1,052,162**	1,178,360
Due to related parties	7	**66,842**	43,280
Fair value of derivatives		**55,751**	59,584
Zakat and taxation		**174,417**	276,517
		5,628,917	6,039,314
Financing and funding facilities classified as current	6.4	**1,136,206**	1,154,796
TOTAL CURRENT LIABILITIES		**6,765,123**	7,194,110
TOTAL LIABILITIES		**31,622,914**	28,922,444
TOTAL EQUITY AND LIABILITIES		**40,347,795**	36,322,599

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021	2020	2021	2020
CONTINUING OPERATIONS					
Revenue	10	**1,283,440**	1,208,092	**2,560,072**	2,270,861
Operating costs		**(568,099)**	(496,726)	**(1,175,008)**	(1,091,425)
GROSS PROFIT		**715,341**	711,366	**1,385,064**	1,179,436
Development cost, provision and write offs, net of reversals		**(19,386)**	(85,916)	**(49,056)**	(89,637)
General and administration expenses		**(227,901)**	(270,215)	**(458,507)**	(438,562)
Share in net results of equity accounted investees, net of tax	4	**136,209**	143,073	**137,298**	154,905
Other operating income	10.6	**33,735**	42,176	**59,512**	62,591
OPERATING INCOME BEFORE IMPAIRMENT LOSS AND OTHER EXPENSES		**637,998**	540,484	**1,074,311**	868,733
Impairment loss and other expenses	11	**(60,024)**	(32,761)	**(60,024)**	(32,761)
OPERATING INCOME AFTER IMPAIRMENT LOSS AND OTHER EXPENSES		**577,974**	507,723	**1,014,287**	835,972
Other income		**15,653**	43,911	**28,460**	60,564
Exchange gain / (loss), net		**7,432**	(15,475)	**6,691**	(17,300)
Financial charges, net	12	**(266,626)**	(278,618)	**(553,976)**	(548,305)
PROFIT BEFORE ZAKAT AND INCOME TAX		**334,433**	257,541	**495,462**	330,931
Zakat and tax	9.1	**(24,872)**	2,757	**(39,592)**	29,170
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**309,561**	260,298	**455,870**	360,101
DISCONTINUED OPERATIONS					
Profit from discontinued operations		**-**	16,591	**-**	21,238
PROFIT FOR THE PERIOD		**309,561**	276,889	**455,870**	381,339
Profit attributable to:					
Equity holders of the parent		**307,847**	221,024	**446,885**	325,649
Non-controlling interests		**1,714**	55,865	**8,985**	55,690
		309,561	276,889	**455,870**	381,339
Basic and diluted earnings per share to equity holders of the parent (in SR)	13.2	**0.48**	0.34	**0.69**	0.50
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	13.2	**0.48**	0.33	**0.69**	0.49

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021	2020	2021	2020
PROFIT FOR THE PERIOD		**309,561**	276,889	**455,870**	381,339
OTHER COMPREHENSIVE INCOME / (LOSS)					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		**31**	21,209	**(345)**	14,119
Equity accounted investees – share of OCI	8	**(116,097)**	(365,212)	**698,873**	(1,657,996)
Net change in fair value of cash flow hedge reserve		**(111,456)**	23,187	**235,528**	(599,648)
Items that will not be reclassified to profit or loss					
Re-measurement of defined benefit liability		**(325)**	12,486	**(6,158)**	9,588
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		**(227,847)**	(308,330)	**927,898**	(2,233,937)
TOTAL COMPREHENSIVE INCOME / (LOSS)		**81,714**	(31,441)	**1,383,768**	(1,852,598)
Total comprehensive income / (loss) attributable to:					
Equity holders of the parent		**117,511**	(89,430)	**1,304,418**	(1,732,314)
Non-controlling interests		**(35,797)**	57,989	**79,350**	(120,284)
		81,714	(31,441)	**1,383,768**	(1,852,598)

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the six months period ended 30 June	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and tax from continuing operations		**495,462**	330,931
Profit before zakat and tax from discontinued operations		**-**	16,943
Adjustments for:			
Depreciation and amortisation		**308,964**	284,871
Financial charges including discount on financial liabilities	12	**553,976**	548,305
Unrealised exchange (gain) / loss		**(10,882)**	12,505
Share in net results of equity accounted investees, net of zakat and tax	4	**(137,298)**	(154,905)
Charge for employees' end of service benefits		**24,547**	25,154
Provisions and write-offs		**23,659**	85,424
Development cost, provision and write-offs, net of reversals		**49,056**	89,637
Loss on disposal / write-off of property, plant and equipment		**7,648**	10,411
Impairment loss on goodwill	11	**60,024**	-
Changes in operating assets and liabilities:			
Accounts receivable, prepayments and other receivables		**(40,424)**	(73,682)
Inventories		**(10,937)**	(36,465)
Payables and accruals		**(66,439)**	(107,482)
Due from related parties		**47,234**	(94,776)
Net investment on finance lease		**236,774**	49,721
Strategic fuel inventories		**17**	6
Other assets		**(2,877)**	5,019
Other liabilities		**25,926**	45,106
Deferred revenue		**14,187**	26,787
Net cash flows from operations		**1,578,617**	1,063,510
Employees' terminal benefits paid		**(13,787)**	(3,815)
Zakat and tax paid		**(167,400)**	(23,595)
Dividends received from equity accounted investees		**48,202**	37,125
Net cash from operating activities		**1,445,632**	1,073,225
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		**(1,209,985)**	(739,438)
Investments in equity accounted investees		**(386,328)**	(81,599)

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the six months period ended 30 June	
		2021	2020
Proceeds on disposal of property, plant and equipment		**21,924**	-
Changes in non-controlling interest		**3,991**	-
Assets held for sale		**-**	(15,203)
Net cash used in investing activities		**(1,570,398)**	(836,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing and funding facilities, net of proceeds, repayments and transaction costs		**3,649,374**	353,480
Due to related parties		**20,176**	214
Financial charges paid		**(555,625)**	(537,919)
Dividends paid		**(63,033)**	(62,757)
Net cash from / (used in) financing activities		**3,050,892**	(246,982)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		**2,926,126**	(9,997)
Cash and cash equivalents at beginning of the period		**832,668**	2,798,315
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	**3,758,794**	2,788,318

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES

(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Share premium	Statutory reserve	Retained earnings	Other Reserves (note 8)	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 January 2020	6,429,344	1,177,031	554,626	3,102,108	(1,361,236)	9,901,873	703,504	10,605,377
Profit for the period	-	-	-	325,649	-	325,649	55,690	381,339
Other comprehensive loss	-	-	-	-	(2,057,963)	(2,057,963)	(175,974)	(2,233,937)
Total comprehensive income / (loss)	-	-	-	325,649	(2,057,963)	(1,732,314)	(120,284)	(1,852,598)
Changes to non-controlling interest	-	-	-	(10,530)	-	(10,530)	10,530	-
Dividends	-	-	-	-	-	-	(62,757)	(62,757)
Balance at 30 June 2020	**6,429,344**	**1,177,031**	**554,626**	**3,417,227**	**(3,419,199)**	**8,159,029**	**530,993**	**8,690,022**
Balance at 1 January 2021	6,429,344	1,410,398	642,883	**1,184,908**	**(2,798,419)**	**6,869,114**	**531,041**	**7,400,155**
Profit for the period	-	-	-	**446,885**	**-**	**446,885**	**8,985**	**455,870**
Other comprehensive income	-	-	-	**-**	**857,533**	**857,533**	**70,365**	**927,898**
Total comprehensive income	-	-	-	**446,885**	**857,533**	**1,304,418**	**79,350**	**1,383,768**
Changes to non-controlling interest	-	-	-	**-**	**-**	**-**	**3,991**	**3,991**
Dividends	-	-	-	**-**	**-**	**-**	**(63,033)**	**(63,033)**
Balance at 30 June 2021	**6,429,344**	**1,410,398**	**642,883**	**1,631,793**	**(1,940,886)**	**8,173,532**	**551,349**	**8,724,881**

The attached notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERNATIONAL COMPANY FOR WATER AND POWER PROJECTS AND ITS SUBSIDIARIES
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Saudi Riyals thousands unless otherwise stated)

1- ACTIVITIES

International Company for Water and Power Projects (the "Company" or "ACWA Power") is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).

The Company and its subsidiaries (collectively the "Group") are engaged in the business of development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

2- BASIS OF PREPARATION AND CHANGES TO GROUP ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements for the three and six months periods ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred as "IAS 34 as endorsed in KSA"). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. These interim condensed consolidated financial statements for the three and six months periods ended 30 June 2021 are not affected significantly by seasonality of results. The results shown in these interim condensed consolidated financial statements may not be indicative of the annual results of the Group's operations.

The interim condensed consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments (including written put options) which are measured at fair value. These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2- BASIS OF PREPARATION AND CHANGES TO GROUP ACCOUNTING POLICIES (continued)

2.2 SIGNIFICANT ACCOUNTING POLICIES

Amendments to IFRS

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods as they become applicable.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES

Use of estimates and assumptions

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34 as endorsed in KSA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those used in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020 except as explained below.

Provisions

Management continually monitors and assesses provisions recognised to cover contractual obligations and claims raised against the Group. Estimates of provisions, which depend on future events that are uncertain by nature, are updated periodically and provided for by the management. The estimates are based on expectations including timing and scope of obligation, probabilities, future cost level and includes a legal assessment where relevant.

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2- BASIS OF PREPARATION AND CHANGES TO GROUP ACCOUNTING POLICIES (continued)

2.3 SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Useful economic lives of property, plant and equipment

During the period ended 30 June 2021, the Group re-assessed the useful life of certain plants, based on oil fired technology, in its portfolio and decided to align the plants existing useful life to its re-assessed economic life as per the term of Power and Water Purchase Agreements ("PWPA") with effect from 1 January 2021. This change in accounting estimate has resulted in SR 99.2 million being expensed, representing the Group's share in incremental depreciation, in the interim condensed consolidated statement of profit or loss, which is reflected through share in net results of equity accounted investees.

The change in estimate will have annual impact of SR 198.4 million on profit or loss in future periods till expiry of underlying PWPAs.

3- PROPERTY, PLANT AND EQUIPMENT

	30 Jun 2021	31 Dec 2020
At the beginning of the period / year	**12,732,340**	11,982,377
Additions for the period / year	**1,204,032**	1,440,199
Depreciation charge for the period / year	**(296,662)**	(547,488)
Impairment loss for the period / year	**-**	(129,985)
Disposals / write-offs	**(29,572)**	(12,408)
Foreign currency translation	**(167)**	(355)
At the end of the period / year	**13,609,971**	12,732,340

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4- EQUITY-ACCOUNTED INVESTEES

Set out below is the contribution of equity accounted investees in the interim condensed consolidated statement of financial position, the interim condensed statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the interim condensed consolidated statement of cash flows.

	30 Jun 2021	31 Dec 2020
At the beginning of the period / year	**3,818,277**	4,776,885
Share of results for the period / year (note 4.1)	**137,298**	231,107
Share of other comprehensive income / (loss) for the period / year	**698,873**	(1,191,366)
Additions during the period / year, net	**292,578**	167,892
Dividends for the period / year	**(37,815)**	(166,241)
At the end of the period / year	**4,909,211**	3,818,277
Equity accounted investees shown under non-current assets	**5,630,954**	5,062,848
Equity accounted investees shown under non-current liabilities	**(721,743)**	(1,244,571)
	4,909,211	3,818,277

4.1 Share of results for the period ended 30 June 2021 includes the Group's share in additional depreciation of property, plant and equipment amounting to SR 99.2 million (refer note 2.3).

Further, share in net results for the period ended 30 June 2021 includes the Group's share of SR 30.0 million in impairment reversal of property, plant and equipment of an equity accounted investee.

5- CASH AND CASH EQUIVALENTS

	As at 30 Jun 2021	As at 31 Dec 2020
Cash in hand and at bank	**1,352,942**	798,263
Short-term deposits with original maturities of three months or less	**2,405,852**	34,405
	3,758,794	832,668

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6- LONG-TERM FINANCING AND FUNDING FACILITIES

	Notes	As at 30 Jun 2021	As at 31 Dec 2020
Recourse debt:			
Financing facilities in relation to projects		**2,088,802**	753,314
Corporate facilities		**1,130**	113,630
Corporate bond	6.1	**2,787,321**	-
Non-Recourse debt:			
Financing facilities in relation to projects		**14,762,064**	15,746,631
ACWA Power Management and Investments One Ltd (“APMI One”)	6.2	**3,004,997**	3,006,325
ACWA Power Capital Management Ltd (“APCM”)	6.3	**621,284**	-
Total financing and funding facilities		**23,265,598**	19,619,900
Less: current portion shown under current liabilities		**(1,052,162)**	(1,178,360)
Less: Financing and funding facilities classified as current	6.4	**(1,136,206)**	(1,154,796)
Non-current portion shown under non-current liabilities		**21,077,230**	17,286,744

Financing and funding facilities as reported in the Group’s interim consolidated statement of financial position are classified as ‘non-recourse’ or ‘recourse’ debt. Non-recourse debt are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows and there is no recourse to the Company under any guarantee. The recourse debt are direct borrowings or those guaranteed by the Company. The Group’s financial liabilities are either fixed special commission bearing or at a margin above the relevant reference rates. The Group seeks to hedge long term floating exposures using derivatives.

6- LONG-TERM FINANCING AND FUNDING FACILITIES (continued)

6.1 On 14 June 2021, the Group issued an Islamic bond (Sukuk) amounting to SR 2,800 million at par (sak) value of SR 1 million each, without discount or premium. The Sukuk issuance bears a return based on Saudi Arabia Interbank Offered Rate (SIBOR) plus a pre-determined margin payable semi-annually in arrears. The Sukuk will be redeemed at par on its date of maturity on 14 June 2028.

6.2 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814 million. The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039. The bonds are collateralised by cash flows from certain equity accounted investees and subsidiaries of the Group.

6.3 During the period ended 30 June 2021, the Group (through a subsidiary, APCM) issued Notes with an aggregate principal of USD 166.18 million. The Notes carry a fixed interest at 3.7% per annum and the principal is due to be repaid in semi-annual variable instalment commencing from 31 May 2021, with final instalment due on 27 May 2044. The Notes were issued to refinance an existing long-term facility of one of the Group's wholly owned subsidiaries, Shuaibah Two Water Development Project ("Shuaibah II").

6- LONG-TERM FINANCING AND FUNDING FACILITIES (continued)

6.4 Due to Covid 19 related issues, a delay in contractual payments from the off-taker in one of the Group's subsidiaries ("the Subsidiary") resulted in a technical covenant breach as at 31 December 2020, under the power purchase agreement which led to a cross default under the financing documents. The cumulative amount withheld during 2020 was SR 42.4 million. While the project benefits from a Government Guarantee on the receivables from the off-taker, the project company did not call on the Government Guarantee to cover these partially withheld payments as the off-taker reached a settlement agreement and subsequently cleared all overdue balances by 30 June 2021.

On 9 February 2021, the Subsidiary received a covenant waiver from the lenders, with an effective date of 31 December 2020. Despite receipt of the waiver, the breach under the financing documents resulted in reclassification of the loan amounting to SR 1,154.8 million, from non-current liabilities to current liabilities as at 31 December 2020. Pursuant to the waiver received, this loan balance was reclassified to non-current liabilities as at 31 March 2021.

Further, on 29 April 2021, the same Subsidiary, with endorsement of the lenders, issued a notice of dispute to the off-taker in relation to its payment obligations. The dispute constitutes a covenant breach under the financing documents. The notice of dispute was issued to claim the withheld liquidated damages amounting to SR 78.5 million and non-payment of deemed capacity charges (capacity charges for the period following deemed commissioning on 16 December 2017, until the commercial operation date for phase 1 on 1 July 2018) amounting to SR 84.7 million. The breach resulted in reclassification of the loan amounting to SR 1,136 million, from non-current liabilities to current liabilities. The Subsidiary is in process of securing waiver from the lenders.

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7- RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties during the period and significant period-end balances are as follows:

	Notes	Relation-ships	For the three months period ended 30 Jun		For the six months period ended 30 Jun	
			2021	2020	2021	2020
Transactions:						
Revenue		Affiliates	**530,265**	391,512	**1,134,763**	850,160
Service fees		Joint ventures	**33,735**	42,176	**59,512**	62,591
Finance income		Joint venture	**19,638**	8,988	**26,889**	19,095
Financial charges on loan to a related party	12	Joint venture	**6,990**	10,138	**13,296**	24,692
Key management personnel compensation including director's remuneration			**7,308**	4,721	**15,849**	12,662

	Notes	Relation-ships	As at	
			30 Jun 2021	31 Dec 2020
Due from related parties				
Current :				
Al Mourjan for Electricity Production Company	(a)	Joint venture	**142,743**	144,910
Rabigh Electricity Company	(a)	Joint venture	**37,852**	41,557
Shuqaiq Water and Electricity Company	(a)	Joint venture	**48,333**	47,181
Shuaibah Water & Electricity Company	(a)	Joint venture	**53,759**	43,462
Shuaibah Expansion Project Company	(a)	Joint venture	**13,115**	12,482
Hajr for Electricity Production Company	(a)	Joint venture	**116,081**	113,883
Dhofar O&M Company	(d)	Joint venture	**34,839**	27,607
Hassyan Energy Phase 1 P.S.C	(a)	Joint venture	**27,654**	149,158
ACWA Power Oasis Three	(d)	Joint venture	**7,850**	7,810
Noor Energy 1 P.S.C	(a)	Joint venture	**13,438**	13,653
Naqa Desalination Plant LLC	(e)	Joint venture	**12,170**	9,761
Ad-Dhahirah Generating Company SAOC	(a), (d)	Joint venture	**34,728**	21,780
Shinas Generating Company SAOC	(a), (d)	Joint venture	**27,051**	16,872
Saudi Malaysia Water and Electricity Company	(d)	Joint venture	**1,760**	1,197
UPC Renewables S.A	(a)	Joint venture	**31,098**	37,061
Risha for Solar Energy Projects	(a)	Joint venture	**229**	889
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	**8,488**	15,344
Haya Power & Desalination Company	(a), (e)	Joint venture	**9,275**	2,450
Shams Ad-Dhahira Generating Company SAOC	(d)	Joint venture	**1,592**	315
ACWA Power Solarreserve Redstone Solar TPP	(e)	Joint venture	**36,193**	-

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7- RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Notes	Relation-ships	As at 30 Jun 2021	As at 31 Dec 2020
Other related parties		Affiliates	**53,149**	38,289
			711,397	745,661
Due from related parties				
Non-current :				
Hassyan Energy Phase 1 P.S.C	(f)	Joint venture	**61,616**	61,612
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(g)	Joint venture	**8,874**	25,046
			70,490	86,658
Due to related parties				
Non-current :				
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	**769,243**	773,060
Water and Electricity Holding Company CJSC	(i)	Shareholder's subsidiary	**692,416**	677,966
Loans from minority shareholders of subsidiaries	(c)	-	**127,244**	126,813
			1,588,903	1,577,839
Due to related parties				
Current:				
ACWA Power Africa Holdings (Pty) Ltd	(h)	Joint venture	**21,442**	21,306
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(j)	Joint venture	**24,707**	-
Others		Affiliates	**20,693**	21,974
			66,842	43,280

a) These balances mainly include amounts due from related parties to First National Holding Company ("NOMAC") (and its subsidiaries) for O&M services provided to the related parties under O&M contracts. In certain cases, the balance also includes advances provided to related parties that have no specific repayment date.

b) During the year 2018, ACWA Renewable Energy Holdings Limited ("APREH") entered into a convertible loan agreement whereby amounts drawn down under such agreement was advanced to the ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement ("the agreement"). An amount of SR 1,361.2 million was advanced to APGS and bore a commission rate of 4.3% per annum for first 18 months and 3.4% per annum thereafter on the principal outstanding. On 31 December 2019, pursuant to the option available under the Agreement, a portion of loan amounting to SR 580.65 million was converted as sales consideration against the sale of 49% of the Group's shareholding in APREH. In addition, during 2020, the Group have agreed an additional consideration of SR 7.9 million as part of adjustments with respect to the sale of 49% of Group's shareholding in APREH.

The outstanding loan balance is repayable within 60 months from first utilization in the event of non-conversion. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power).

7- RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c) This includes:

i. Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 42.0 million (2020: SR 41.6 million). The loans are due for repayment in 2024 and carry profit rate at 5.75% per annum; and

ii. Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SR 85.2 million (2020: SR 85.2 million). The loans are due for repayment in 2024 and carry profit rate at Libor + 1.3% per annum.

d) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.

e) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the equity accounted investee.

f) The balance represents sub-ordinated advance provided to related parties that has no specific repayment and bears no profit rate. As per the terms of the agreement the advance repayment will not occur for at least a period of one year. Accordingly, the balance is shown as a non-current asset.

g) This represents amounts payable to NOMAC for O&M services provided to the project company under O&M contracts. The amount will mature in 2023. During the period ended 30 June 2021, the Group has provided SR 3.6 million (31 Dec 2020: SR 28.5 million) provision against this balance.

h) This represents amounts payable to an equity accounted investee for transfer of project development cost.

i) During 2020, the Group declared a one-off dividend of SR 2,701.0 million. A portion of such declared dividend, payable to the Public Investment Fund of Saudi Arabia (the "Shareholder"), was converted into a long-term non-interest-bearing loan amounting to SR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030 unless the repayment or settlement period is mutually extended by both parties. The Group recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term loans of a similar nature. The difference between the nominal value of the loan and its discounted value was recognised as other contribution from shareholder within share premium.

During the period ended 30 June 2021, SR 14.5 million (31 Dec 2020: SR 9.7 million) finance charge was amortised on the outstanding loan balance.

j) This represents advance received from equity accounted investee on account of future O&M services. This will be paid to an external supplier within next 12 months.

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8- OTHER RESERVES

Movement in other reserves is given below:

	Cash flow hedge reserve (note 8.1)	Currency translation reserve	Share in OCI of equity accounted investees (note 4)	Re-measurement of defined benefit liability	Other	Total
Balance as at 1 January 2020	(313,175)	(29,721)	(971,975)	(19,185)	(27,180)	(1,361,236)
Changes during the year	(277,941)	23,550	(1,191,366)	8,574	-	(1,437,183)
Balance as at 31 December 2020	(591,116)	(6,171)	(2,163,341)	(10,611)	(27,180)	(2,798,419)
Balance as at 1 January 2021	**(591,116)**	**(6,171)**	**(2,163,341)**	**(10,611)**	**(27,180)**	**(2,798,419)**
Changes during the period	**163,506**	**(345)**	**698,873**	**(4,501)**	**-**	**857,533**
Balance as at 30 June 2021	**(427,610)**	**(6,516)**	**(1,464,468)**	**(15,112)**	**(27,180)**	**(1,940,886)**

8.1 This mainly represents movements in mark to market valuation of hedging instruments net of deferred taxation in relation to the Group's subsidiaries.

9- ZAKAT AND TAX

9.1 Amounts recognized in profit or loss

	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
Zakat and current tax *	**29,797**	73,232	**65,300**	89,591
Deferred tax	**(4,925)**	(80,792)	**(25,708)**	(123,056)
Zakat and tax charge / (credit)	**24,872**	(7,560)	**39,592**	(33,465)
Less: Tax credit from discontinued operation	**-**	4,803	**-**	4,295
Zakat and tax charge / (credit) reflected in profit or loss	**24,872**	(2,757)	**39,592**	(29,170)

*Zakat and current tax charge for the six months period ended 30 June 2021 includes SR 10.5 million (30 June 2020: SR 30.0 million) provision on prior year assessments.

The Company

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company was assessed as a mixed entity in Saudi Arabia commencing from 2014. During the year 2020, IFC disposed of its shares to a Saudi shareholder which increased the shareholding of Saudi Shareholders in the Company to 100%. However, for the purpose of zakat and tax filing, the Company continued to comply with its obligation under Zakat law as a mixed entity for the year 2020. For the year 2021, as the Company is now held wholly by Saudi shareholders, it will only be subject to zakat.

9- ZAKAT AND TAX (continued)

The Company has filed zakat and tax returns for all the years up to 2020. During July 2020, the Company received an assessment from the Zakat, Tax & Customs Authority (the "ZATCA") assessing additional zakat in relation to years 2009 to 2018 for which the Company has paid SR 116.0 million to the ZATCA and finalized its position for these years. The ZATCA is yet to assess the years 2019 and 2020.

ACWA Power Projects ("APP")

APP has filed its zakat and tax returns for all the years up to 2020. APP had finalized its position with the ZATCA up to the year 2014.

During 2020, APP received an assessment from the ZATCA for the year 2018 with an additional zakat liability of SR 31 million. Further, during April 2021, APP received an assessment from the ZATCA for the years 2015 to 2017 with an additional zakat liability of SR 39.7 million. An appeal has been filed by APP against these assessments and adequate provisions have already been recognised based on advice from tax advisors.

NOMAC Saudi Arabia ("NOMAC")

NOMAC has filed its zakat returns for all the years up to 2020. During the prior years, the Company received two zakat assessments from the ZATCA for the years 2008-2012 and 2013-2016, assessing an additional zakat liability of SR 12 million for these assessed years. NOMAC has filed appeals against these assessments and adequate provisions have already been recognised based on advice from tax advisors.

Rabigh Arabian Water & Electricity Company ("RAWEC")

RAWEC has filed its zakat and tax returns for all the years up to 2020. The ZATCA raised 2 assessments in relation to years 2007-2013 and 2017 claiming additional tax, zakat and withholding tax including penalties for delayed payments. RAWEC has submitted objections against both assessments issued and adequate provisions have already been recognised based on advice from tax advisors.

Others

With its multi-national operations, the Group is subject to taxation in multiple jurisdictions around the world with complex tax laws. The Group has ongoing matters in relation to tax assessments in the various jurisdictions in which it operates. However, based on the best estimates of management, the Company has adequately provided for all tax assessments, where appropriate.

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10- REVENUE

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021	2020	2021	2020
Services rendered					
Operation and maintenance	10.1	**404,368**	279,781	**832,921**	683,359
Development and construction management services	10.2	**121,601**	100,117	**296,080**	148,417
Others		**4,296**	11,614	**5,762**	18,384
Sale of electricity	10.3				
Capacity		**250,077**	275,882	**507,751**	522,052
Energy		**107,384**	154,011	**182,972**	222,869
Finance lease income	10.5	**118,875**	122,636	**193,038**	153,340
Sale of water					
Capacity	10.3 & 10.4	**244,586**	232,708	**482,152**	468,841
Output	10.3 & 10.4	**32,253**	31,343	**59,396**	53,599
		1,283,440	1,208,092	**2,560,072**	2,270,861

Refer note 15 for the geographical distribution of revenue.

10.1 Revenue earned by NOMAC and its group entities, from rendering technical, operation and maintenance services. This includes technical service agreements ("TSA") fee of SR 90.6 million for the six months and SR 45.4 million for the three months period ended 30 June 2021 (30 June 2020: six months SR 69.6 million and three months SR 35.9 million).

10.2 Revenue earned by the Group for project development services provided in relation to the development of the projects which is recognised upon financial close of the project (being the point in time at which committed funding for the project has been achieved). Revenue from project management, consultancy services, and construction management services provided in relation to the construction of the projects are recognised as services are rendered.

10- REVENUE (continued)

Costs incurred on projects under development (the "Project Development Cost"), which are considered as feasible, are recognised as a current asset to the extent they are assessed to be recoverable. The Project Development Cost as of 30 June 2021 amounts to SR 325.5 million (31 December 2020: SR 313.2 million). Proceeds received from successful projects in excess of the Project Development Cost reimbursements are recognised during the period within revenue earned by the project development services.

10.3 Revenue from supply of desalinated water and electricity is recognised upon satisfaction of performance obligations which in general happens for, capacity revenues upon making available the production capacity of power or desalinated water, and for output or energy revenues on delivery of desalinated water and power, respectively, to the customer in accordance with underlying Power and Water Purchase Agreements ("PWPA") or Power Purchase Agreements ("PPA") or Water Purchase Agreements ("WPA").

10.4 Includes revenue from sale of steam amounting to SR 198.3 million for the six months and SR 99.9 million for the three months periods ended 30 June 2021 (30 June 2020: six months SR 185.8 million and three months SR 93.3 million).

10.5 Finance lease income is amortised over the term of the lease and is allocated to the accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding with respect to the lease.

10.6 In addition to the amounts mentioned in the above table, income in relation to management support services, and ancillary support services provided to certain Group companies amounting to SR 59.5 million (30 Jun 2020: SR 62.6 million) has been presented as other operating income.

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11- IMPAIRMENT LOSS AND OTHER EXPENSES, NET

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021	2020	2021	2021
Impairment loss on goodwill	11.1	**60,024**	-	**60,024**	-
Corporate social responsibility	11.2	**-**	32,761	**-**	32,761
		60,024	32,761	**60,024**	32,761

11.1 Considering the uncertainty regarding the renewal of certain PWPAs, the Group performed impairment testing for certain of its cash generating units namely ACWA Power Barka Services 1 and ACWA Power Barka Services 2 ("the Entities"). The Entities are considered as a single cash generating unit for impairment testing purposes and to determine the value in use. The Group used discounted cash flows to calculate the recoverable amount to which goodwill is allocated and estimated that the recoverable amount was lower than the carrying amount and accordingly an impairment loss of SR 60.0 million (30 June 2020: nil) was recognised in these interim condensed consolidated financial statements.

11.2 During 2020, the Group contributed SR 52.5 million to support national health efforts in Saudi Arabia to contain the impact of the Covid-19 pandemic. Funds were utilised to build an integrated mobile hospital with a 100-bed capacity in cooperation with a local construction company that is a wholly owned subsidiary of a shareholder. The new mobile hospital was fully resourced with the medical equipment and supplies required to treat Covid-19 cases. During the period ended 30 June 2020, the Group paid SR 32.8 million and the remaining amount was paid in the second half of 2020.

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12- FINANCIAL CHARGES, NET

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2021	2020	2021	2020
Financial charges on borrowings		**219,076**	242,581	**461,169**	480,460
Financial charges on letters of guarantee		**24,148**	1,705	**46,409**	14,475
Financial charges on loans from a related party	7.1	**6,990**	10,138	**13,296**	24,692
Other financial charges		**16,412**	24,194	**33,102**	28,678
		266,626	278,618	**553,976**	548,305

13- EARNINGS PER SHARE

13.1 The weighted average number of shares outstanding during the period (in thousands) are as follows:

	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
Issued ordinary shares	**645,763**	645,763	**645,763**	645,763
Weighted average number of ordinary shares outstanding during the period	**645,763**	645,763	**645,763**	645,763

13.2 The basic and diluted earnings per share are calculated as follows:

	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
Net profit for the period attributable to equity holders of the Parent	**307,847**	221,024	**446,885**	325,649
Profit for the period from continuing operations attributable to equity holders of the Parent	**307,847**	214,056	**446,885**	316,729
Basic and diluted earnings per share to equity holders of the Parent (in SR)	**0.48**	0.34	**0.69**	0.50
Basic and diluted earnings per share for continuing operations to equity holders of the Parent (in SR)	**0.48**	0.33	**0.69**	0.49

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14- CONTINGENCIES AND COMMITMENTS

At 30 June 2021, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 12.85 billion (31 December 2020: SR 11.34 billion). The amount also includes the Group's share of equity accounted investees' commitments.

Below is the breakdown of contingencies as of the reporting date:

	As at 30 Jun 2021	As at 31 Dec 2020
Performance/development securities and completion support Letters of Credit ("LCs")	**5,595,452**	5,104,362
Guarantees in relation to bridge loans and equity LCs	**4,280,290**	3,803,049
Guarantees on behalf of joint ventures and subsidiaries	**1,564,036**	1,082,764
Debt service reserve account ("DSRA") standby LCs	**1,214,534**	1,146,903
Bid bonds for projects under development stage	**152,793**	154,022
Guarantees to funded facilities of joint ventures	**42,240**	53,760
	12,849,345	11,344,860

In addition to commitments disclosed above, the Group has also committed to contribute SR 131.0 million towards the equity of an equity accounted investee.

The Group also has a loan commitment amounting to SR 592.9 million in relation to mezzanine debt facilities ("the Facilities") taken by certain of the Group's equity accounted investees. This loan commitment arises due to symmetrical call and put options entered in by the Group with the lenders of the Facilities. Liabilities in relation to certain other call and put options are recognised under non-current and current liabilities amounting to SR 296.1 million (31 Dec 2020: SR 290.9 million) and SR 11.25 million (31 Dec 2020: SR 11.25 million) respectively.

Further, in relation to an independent power plant (IPP) held by one of the Group's equity accounted investees, the Group has entered into a long-term coal supply agreement with a third party supplier where the Group has committed to cover the difference or take up the surplus between two agreed prices with the coal supplier during the IPP's 25-year period of operations. Pursuant to the agreement, for any difference between two agreed prices (i.e. reference under the coal supply agreement as opposed to the coal supplier's actual prices agreed on sourcing of such coal) the Group may be obliged to pay the difference when the coal is procured. The relevant coal prices shall be determined on arm's length basis with reference to certain coal price indices which act as a market reference for coal trading in Europe and Asia.

The Group also has a commitment to contribute SR 75.0 million towards corporate social responsibility initiatives in Uzbekistan during the year 2021 and 2022.

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 596.1 million (31 Dec 2020: SR 582.4 million) as interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the off-taker ("NEPCO"). Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has

14- CONTINGENCIES AND COMMITMENTS (continued)

no basis to claim for any delay interest from CEGCO. Hence, the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these interim condensed consolidated financial statements.

In addition to above, the Group also has contingent assets and liabilities with respect to certain disputed matters, including claims by and against contractors and arbitrations involving a variety of issues. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

15- OPERATING SEGMENTS

The Group has determined that the Management Committee, chaired by the Chief Executive Officer, is the chief operating decision maker in accordance with the requirements of IFRS 8 ‘Operating Segments’.

During the year ended 31 December 2020, the Group amended its reportable operating segments. In line with its continued focus on environment and sustainability, the Group continues to see increasing growth in the renewables part of its business. This has resulted in a change in the information provided regularly to the chief operating decision maker, to include discrete information on results from renewable power activities, as well as thermal and water desalination activities combined. This information is used to make decisions about resources to be allocated to each segment and to assess segmental performance. The Group is in the process of further refining and revising the operating segment information including the allocation of intangible assets across the operating segments.

Revenue is attributed to each operating segment based on the type of plant or equipment from which the revenue is derived. The accounting policies of the operating segments are the same as the Group’s accounting policies. All intercompany transactions within the reportable segments have been appropriately eliminated. There were no inter-segment sales in the years presented below. Details of the Group’s operating and reportable segments are as follows:

i)	Thermal and Water Desalination	The term Thermal refers to the power and water desalination plants which use fossil fuel (oil, coal, gas) as the main source of fuel for the generation of electricity and production of water whereas water desalination refers to the stand-alone reverse osmosis desalination plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize). These plants include IPPs (Independent Power Plants), IWPPs (Independent Water and Power Plants) and IWPs (Independent Water Plants).
i)	Renewables	This includes the Group’s business line which comprises of PV (Photovoltaic), CSP (Concentrated Solar Power) and Wind plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize).
i)	Others	Comprises certain activities of corporate functions and other items that are not allocated to the reportable operating segments and the results of the ACWA Power reinsurance business.

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15- OPERATING SEGMENTS (continued)

Key indicators by reportable segments

Revenue	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
i) Thermal and Water Desalination	**976,368**	932,921	**2,050,619**	1,862,832
i) Renewables	**302,776**	263,557	**503,691**	389,645
i) Others	**4,296**	11,614	**5,762**	18,384
Total revenue	**1,283,440**	1,208,092	**2,560,072**	2,270,861

Operating income before impairment loss and other expenses

(i) Thermal and Water Desalination	**583,580**	579,385	**1,094,446**	970,369
(ii) Renewables	**207,370**	114,711	**285,181**	138,379
(iii) Others	**4,754**	11,532	**5,829**	18,196
Total*	**795,704**	705,628	**1,385,456**	1,126,944
Unallocated corporate operating income / (expenses)				
General and administration expenses	**(167,412)**	(174,773)	**(287,097)**	(272,035)
Depreciation and amortisation	**3,951**	(2,183)	**(9,637)**	(11,047)
Provision for long term incentive plan	**(8,672)**	-	**(43,308)**	-
Restructuring cost	**-**	(9,403)	**-**	(9,403)
Other operating income	**14,427**	21,215	**28,897**	34,274
Total operating income before impairment loss and other expenses	**637,998**	540,484	**1,074,311**	868,733

*The segment total operating income does not necessarily tally with the statement of profit or loss, as these are based on information reported to the Management Committee.

Segment profit

	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
i) Thermal and Water Desalination	**490,946**	459,815	**862,029**	724,895
i) Renewables	**110,035**	60,930	**128,753**	586
i) Others	**4,732**	11,532	**5,807**	18,196
Total	**605,713**	532,277	**996,589**	743,677

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15- OPERATING SEGMENTS (continued)

Segment profit (continued)

	For the three months period ended 30 June		For the six months period ended 30 June	
	2021	2020	2021	2020
Reconciliation to profit for the year from continuing operations				
General and administration expenses	**(167,412)**	(174,773)	**(287,097)**	(272,035)
Impairment of goodwill in subsidiaries	**(60,024)**	-	**(60,024)**	-
Impairment reversal in relation to equity accounted investees	**-**	-	**30,000**	-
Provision for long term incentive plan	**(8,672)**	-	**(43,308)**	-
Corporate social responsibility contribution	**-**	(32,761)	**-**	(32,761)
Provision for zakat and tax on prior year assessments	**-**	(30,000)	**(10,500)**	(30,000)
Provision / discounting on due from related party	**(1,900)**	(22,600)	**(3,600)**	(22,600)
Restructuring cost	**-**	(9,403)	**-**	(9,403)
Gain on remeasurement of options	**-**	24,651	**-**	24,651
Discounting impact on loan from shareholder subsidiary	**(7,553)**	-	**(14,450)**	-
Loss on disposal / write-off of property, plant and equipment	**131**	-	**(7,648)**	-
Depreciation and amortisation*	**(66,179)**	(22,733)	**(149,897)**	(52,147)
Other operating income	**14,427**	21,215	**28,897**	34,274
Other income	**35,681**	18,142	**41,892**	32,604
Financial charges and exchange loss, net	**(20,816)**	(18,853)	**(48,381)**	(26,475)
Zakat and tax charge	**(13,835)**	(24,864)	**(16,603)**	(29,684)
Profit for the year from continuing operations	**309,561**	260,298	**455,870**	360,101

*Includes additional depreciation charge of SR 140.3 million (30 June 2020: SR 41.3 million) on account of revision in PPE useful life of certain assets.

(All amounts in Saudi Riyals thousands unless otherwise stated)

15- OPERATING SEGMENTS (continued)

Geographical concentration

The Company is headquartered in the Kingdom of Saudi Arabia. The geographical concentration of the Group's revenue and property, plant and equipment ("PPE") is shown below.

	Revenue from continuing and discontinued operations		PPE	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	31 Dec 2020
Kingdom of Saudi Arabia	**1,147,797**	1,063,600	**9,960,232**	9,831,278
Oman	**307,450**	366,665	**545,128**	570,190
Jordan	**297,274**	287,461	**2,086,079**	2,193,676
Morocco	**301,346**	225,559	**54,512**	55,350
United Arab Emirates	**389,677**	258,900	**60,349**	64,653
South Africa	**23,358**	20,240	**-**	-
Uzbekistan	**-**	-	**867,213**	-
Rest of world	**93,170**	93,073	**36,458**	17,193
	2,560,072	2,315,498	**13,609,971**	12,732,340

The 30 June 2020 numbers presented above include revenue from discontinued operations.

Information about major customers

During the period, three customers (2020: three) individually accounted for more than 10% of the Group's revenues. The related revenue figures for these major customers, the identity of which may vary by period, were as follows:

	For the six months period ended 30 June	
	2021	2020
Customer A	**576,491**	555,353
Customer B	**297,275**	287,460
Customer C	**278,108**	237,448

The revenue from these customers is attributable to the Thermal and Water Desalination, and Renewables reportable operating segments.

(All amounts in Saudi Riyals thousands unless otherwise stated)

16- FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 in to 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 assets or liabilities 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 input).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. It is management's assessment the fair value of assets and liabilities that are not measured at fair value would qualify for a Level 2 classification.

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As at 30 Jun 2021					
Financial liabilities					
Fair value of derivatives used for hedging	**478,912**	**-**	**478,912**	**-**	**478,912**
Long-term financing and funding facilities	**23,265,598**	**3,566,846**	**20,260,601**	**-**	**23,827,447**
As at 31 Dec 2020					
Financial liabilities					
Fair value of derivatives used for hedging	710,373	-	710,373	-	710,373
Long-term financing and funding facilities	19,619,900	3,648,439	15,462,487	-	19,110,926

Fair value of other financial instruments has been assessed as approximate the carrying amounts due to frequent re-pricing or their short-term nature.Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

17- SIGNIFICANT MATTERS DURING THE PERIOD

17.1 In response to novel Coronavirus ("COVID-19"), which has caused global economic disruption, the Group has implemented active prevention programs at its sites and contingency plans in order to minimize the risks related to COVID-19, safeguard the continuity of business operations and to ensure the health and safety of its employees.

During the period, management assessed the overall impact of Covid-19 on the Group's operations and business aspects, and considered a range of factors including effects on supply chain, operating capacity/generation of its plants, additional costs in supply chain, and the health and safety of employees. Based on this assessment, no significant adjustments were required in the interim condensed consolidated financial statements for the period ended 30 June 2021. However, in view of the ongoing uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and/or liabilities in future periods. Management will continue to assess the impact based on prospective developments which could affect the Group's future financial results, cash flows and financial position.

17.2 On 30 June 2021, the Capital Market Authority in Saudi Arabia has approved the Company's application for the offering of 81,199,299 shares through an initial public offering (IPO), which will be offered by increasing the Company's share capital. The Company's prospectus will be published in due course.

17- SIGNIFICANT MATTERS DURING THE PERIOD (continued

17.3 On 30 March 2021, the Board of Directors approved an incentive plan comprising of shares and cash benefits (the "Plan") for eligible employees payable upon a successful listing of the Company subject to other performance conditions. On 13 June 2021, the shareholders of the Company approved the Plan. No provision has been recognised in the interim condensed consolidated financial statements as the Plan has yet to be granted to eligible employees and allocation of cash and share award benefits under the Plan have yet to be determined and approved by a subcommittee appointed by the Board of Directors.

17.4 During the period, the Board of Directors approved a cash based long term incentive plan (the "LTIP") which was granted to certain members of key management personnel. The LTIP covers a nine-year period in total effective from 1 January 2020 and comprises three separate performance periods of three years each. Cash awards will vest pursuant to the LTIP at the end of each performance period subject to the achievement of performance conditions. Accordingly, a provision of SR 43.3 million has been recognised within general and administration expenses representing the performance periods for the 2020 year and the six months period ended 30 June 2021.

18- SUBSEQUENT EVENTS

Effective from 31 July 2021, ACWA Power Reinsurance Company ("ACWA Re") (a 100% owned subsidiary of the Group) will retain risk on certain reinsurance programs, with a total combined maximum exposure of up to SR 37.5 million during the policy period until 30 July 2022, with a sublimit of SR 9.4 million per incident or claim.

Furthermore, subsequent to the period-end, the Group in accordance with the nature of its business, has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the interim condensed consolidated financial position and results as of the reporting date.

19- APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 Muhurram 1443H, corresponding to 22 August 2021G.


ACWA POWER
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