

ACWA POWER COMPANY
and its subsidiaries
(Saudi Listed Joint Stock Company)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REVIEW REPORT**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2022



Ernst & Young Professional Services (Professional LLC)
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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ACWA POWER
COMPANY (A SAUDI LISTED JOINT STOCK COMPANY)**

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of ACWA POWER Company (A Saudi Listed Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2022, the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month period then ended, and the interim condensed consolidated statements of cashflows and changes in equity for the three-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 Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)

Riyadh: 16 Shawwal 1443H
(17 May 2022)

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	As at 31 Mar 2022	As at 31 Dec 2021
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	3	11,830,297	11,815,728
Intangible assets		1,984,766	1,997,430
Equity accounted investees	4	9,888,400	9,433,199
Net investment in finance lease		12,095,718	12,372,474
Deferred tax asset		134,840	165,004
Fair value of derivatives		320,894	45,540
Strategic fuel inventories		30,332	54,086
Other assets		156,903	156,923
TOTAL NON-CURRENT ASSETS		<u>36,442,150</u>	<u>36,040,384</u>
CURRENT ASSETS			
Inventories		387,985	425,299
Net investment in finance lease		371,075	375,821
Due from related parties	7	821,793	780,656
Accounts receivable, prepayments and other receivables		3,003,196	2,913,617
Cash and cash equivalents	5	8,535,997	5,172,921
TOTAL CURRENT ASSETS		<u>13,120,046</u>	<u>9,668,314</u>
TOTAL ASSETS		<u><u>49,562,196</u></u>	<u><u>45,708,698</u></u>

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	As at 31 Mar 2022	As at 31 Dec 2021
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Shareholders' equity			
Share capital		7,134,143	7,134,143
Share premium		5,335,893	5,335,893
Statutory reserve		718,763	718,763
Retained earnings		1,459,677	1,307,826
Proposed dividends		560,000	560,000
Equity attributable to owners of the Company before other reserves		15,208,476	15,056,625
Other reserves	8	131,240	(1,572,279)
Equity attributable to owners of the Company		15,339,716	13,484,346
Non-controlling interest		1,028,156	835,799
TOTAL EQUITY		16,367,872	14,320,145
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing and funding facilities	6	25,358,889	22,856,753
Due to related parties	7	1,602,140	1,594,852
Equity accounted investees	4	165,606	443,167
Fair value of derivatives		63,405	362,890
Deferred tax liability		148,217	120,404
Deferred revenue		47,771	54,331
Other financial liabilities	9	278,013	265,295
Employee end of service benefits' liabilities		191,738	196,025
Other liabilities		431,776	408,953
TOTAL NON-CURRENT LIABILITIES		28,287,555	26,302,670
CURRENT LIABILITIES			
Accounts payable, accruals and other financial liabilities		3,165,213	3,597,981
Short-term financing facilities		300,374	186,381
Current portion of long-term financing and funding facilities	6	1,037,150	958,476
Due to related parties	7	92,006	83,485
Fair value of derivatives		55,023	44,058
Zakat and taxation		257,003	215,502
TOTAL CURRENT LIABILITIES		4,906,769	5,085,883
TOTAL LIABILITIES		33,194,324	31,388,553
TOTAL EQUITY AND LIABILITIES		49,562,196	45,708,698

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
(Saudi Listed 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 31 Mar	
		2022	2021
<u>CONTINUING OPERATIONS</u>			
Revenue	11	1,178,991	1,242,755
Operating costs		(567,769)	(581,306)
GROSS PROFIT		611,222	661,449
Development cost, provision and other write offs, net of reversals		(23,716)	(29,670)
General and administration expenses		(219,169)	(228,892)
Share in net results of equity accounted investees, net of tax	4, 14.2	46,438	3,826
Other operating income	11.3	101,912	25,777
OPERATING INCOME		516,687	432,490
Other income		45,850	12,807
Exchange loss, net		(17,238)	(741)
Financial charges, net	12	(281,467)	(287,262)
PROFIT BEFORE ZAKAT AND INCOME TAX		263,832	157,294
Zakat and tax charge	10.1	(99,208)	(14,720)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		164,624	142,574
<u>DISCONTINUED OPERATIONS</u>			
(Loss) / profit from discontinued operations	14.2	(21,233)	3,735
PROFIT FOR THE PERIOD		143,391	146,309
Profit / (loss) attributable to:			
Equity holders of the parent		151,851	139,038
Non-controlling interests		(8,460)	7,271
		143,391	146,309
Basic and diluted earnings per share to equity holders of the parent (in SR)			
	13	0.21	0.22
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)			
	13	0.24	0.21

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(All amounts in Saudi Riyals thousands unless otherwise stated)

		For the three months period ended 31 Mar	
	<i>Notes</i>	2022	2021
PROFIT FOR THE PERIOD		143,391	146,309
<u>OTHER COMPREHENSIVE INCOME</u>			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		680	(376)
Equity accounted investees – share of OCI	8	1,235,192	814,970
Change in fair value of cash flow hedge reserve		711,977	358,627
Settlement of cash flow hedges transferred to profit or loss		(21,011)	(11,643)
Cash flow hedge reserve recycled to profit or loss on sale of an equity accounted investee	14	(128,638)	-
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability		(1,826)	(5,833)
TOTAL OTHER COMPREHENSIVE INCOME		<u>1,796,374</u>	<u>1,155,745</u>
TOTAL COMPREHENSIVE INCOME		<u>1,939,765</u>	<u>1,302,054</u>
Total comprehensive income attributable to:			
Equity holders of the parent		1,855,370	1,186,907
Non-controlling interests		84,395	115,147
		<u>1,939,765</u>	<u>1,302,054</u>

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the three months period ended 31 Mar	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and tax from continuing operations		263,832	157,294
Loss / (profit) before zakat and tax from discontinued operations		(21,233)	3,735
<i>Adjustments for:</i>			
Depreciation and amortisation		115,488	139,158
Financial charges	12, 14.2	281,467	287,350
Unrealised exchange loss		17,482	5,855
Share in net results of equity accounted investees, net of zakat and tax		(46,438)	(1,089)
Charge for employees' end of service benefits		7,328	9,514
Fair value of cash flows hedges recycled to consolidated statement of income		2,677	-
Provisions		5,437	16,880
Provision for long term incentive plan		5,193	34,636
Development cost, provision and write offs, net of reversals		23,716	29,670
(Gain) / loss on disposal / write-off of property, plant and equipment		(890)	7,778
Finance income from shareholder loans and deposits		(45,950)	(19,324)
Net loss on disposal on an equity accounted investee and loss of control in a subsidiary	14	17,179	-
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable, prepayments and other receivables		(149,675)	(65,659)
Inventories		(5,023)	(9,880)
Payables and accruals		(429,836)	(238,456)
Due from related parties		(6,740)	93,202
Net investment in finance lease		281,502	301,797
Strategic fuel inventories		23,754	2
Other assets		(2,891)	(6,377)
Other liabilities		17,630	30,207
Deferred revenue		(6,560)	8,982
Net cash from operations		347,449	785,275
Employees' terminal benefits paid		(8,245)	(4,243)
Zakat and tax paid		(3,953)	(111,352)
Dividends received from equity accounted investees		10,795	22,877
<i>Net cash generated from operating activities</i>		346,046	692,557
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		(128,391)	(678,545)
Investments in equity accounted investees, net of repayments		182,071	(38,304)
Proceeds on disposal of equity accounted investee and partial disposal of a subsidiary	14	391,440	-
Proceeds on disposal of property, plant and equipment		890	-
Finance income from shareholder loans and deposits received		11,553	13,123
Cash deconsolidated on loss of control	14	(469)	-
<i>Net generated from / (used) in investing activities</i>		457,094	(703,726)

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	For the three months period ended 31 Mar	
		2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financing and funding facilities, net of transaction cost		2,773,554	1,714,975
Repayment of financing and funding facilities		(96,233)	(916,151)
Due to related parties		8,605	59,504
Other financial liabilities		9,592	-
Financial charges paid		(241,633)	(245,204)
Dividends paid		(13,043)	-
Capital contributions from and other adjustments to non-controlling interest	8.2	119,094	-
<i>Net cash generated from financing activities</i>		<u>2,559,936</u>	<u>613,124</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
		3,363,076	601,955
Cash and cash equivalents at beginning of the period		5,172,921	832,668
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	<u>8,535,997</u>	<u>1,434,623</u>

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Saudi Riyals thousands unless otherwise stated)

	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Proposed dividends</i>	<i>Other Reserves (note 8)</i>	<i>Equity attributable to owners of the Company</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
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	-	-	-	139,038	-	-	139,038	7,271	146,309
Other comprehensive income	-	-	-	-	-	1,047,869	1,047,869	107,876	1,155,745
Total comprehensive income	-	-	-	139,038	-	1,047,869	1,186,907	115,147	1,302,054
Balance at 31 March 2021	<u>6,429,344</u>	<u>1,410,398</u>	<u>642,883</u>	<u>1,323,946</u>	<u>-</u>	<u>(1,750,550)</u>	<u>8,056,021</u>	<u>646,188</u>	<u>8,702,209</u>
Balance at 1 January 2022	7,134,143	5,335,893	718,763	1,307,826	560,000	(1,572,279)	13,484,346	835,799	14,320,145
Profit for the period	-	-	-	151,851	-	-	151,851	(8,460)	143,391
Other comprehensive income	-	-	-	-	-	1,703,519	1,703,519	92,855	1,796,374
Total comprehensive income	-	-	-	151,851	-	1,703,519	1,855,370	84,395	1,939,765
Changes to non-controlling interests (note 8.2)	-	-	-	-	-	-	-	119,700	119,700
Dividends	-	-	-	-	-	-	-	(11,738)	(11,738)
Balance at 31 March 2022	<u>7,134,143</u>	<u>5,335,893</u>	<u>718,763</u>	<u>1,459,677</u>	<u>560,000</u>	<u>131,240</u>	<u>15,339,716</u>	<u>1,028,156</u>	<u>16,367,872</u>

The attached notes 1 to 21 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries (Saudi Listed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 ACTIVITIES

ACWA POWER Company (the “Company” or “ACWA POWER”) (formerly known as International Company for Water and Power Projects) 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’s formal name changed from International Company for Water and Power Projects to ACWA POWER Company (the “Company” or “ACWA Power”) after obtaining the approval of the Extraordinary General Assembly held on 5 January 2022 and fulfilling all relevant regulatory requirements.

On 11 October 2021, the Company completed its Initial Public Offering, and its ordinary shares were listed on the Saudi Stock Exchange (Tadawul).

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 months period ended 31 March 2022 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 2021. These interim condensed consolidated financial statements for the three months period ended 31 March 2022 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 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 adopted 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 2021. There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2022 that have been explained in Group’s annual consolidated financial statements, but they do not have a material effect on the interim condensed consolidated financial statements of the Group.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES

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 2021.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	<i>Notes</i>	31 Mar 2022	31 Dec 2021
At the beginning of the period / year		11,815,728	12,732,340
Additions for the period / year		125,904	2,288,450
Depreciation charge for the period / year		(110,026)	(592,312)
Finance lease recognition for the period / year		-	(2,582,422)
Disposals / write-offs		-	(29,671)
Derecognition on loss of control	<i>14.1</i>	(968)	-
Foreign currency translation		(341)	(657)
At the end of the period / year		<u>11,830,297</u>	<u>11,815,728</u>

4 EQUITY-ACCOUNTED INVESTEEES

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.

	<i>Notes</i>	31 Mar 2022	31 Dec 2021
At the beginning of the period / year		8,990,032	3,879,889
(Disposal) / additions during the period / year, net	<i>4.1</i>	(401,837)	4,078,154
Share of results for the period / year		38,840	225,606
Share of other comprehensive income for the period / year		1,106,554	997,786
Dividends for the period / year		(10,795)	(191,403)
At the end of the period / year		<u>9,722,794</u>	<u>8,990,032</u>
Equity accounted investees shown under non-current assets		9,888,400	9,433,199
Equity accounted investees shown under non-current liabilities		(165,606)	(443,167)
		<u>9,722,794</u>	<u>8,990,032</u>

4.1 On 7 September 2021, the Group entered into a sale and purchase agreement (the “SPA”) with a third-party buyer with respect to sale of the following assets (the “Assets”):

- The Group sold its 32% effective ownership (its entire shareholding) in Shuqaiq Water and Electricity Company (“Shuqaiq”), along with its related holding companies and
- 32% interest in the operations and maintenance (“O&M”) contract associated with Shuqaiq (partial shareholding). Currently O&M services are provided by First National Operation and Maintenance Company (“NOMAC”), a wholly owned subsidiary of the Group.

The transaction was completed on 17 March 2022 (refer to note 14). The carrying amount of investment in Shuqaiq amounted to SR 378.9 million as of the transaction completion date.

5 CASH AND CASH EQUIVALENTS

	As at 31 Mar 2022	As at 31 Dec 2021
Cash at bank	2,048,617	1,728,067
Short-term deposits with original maturities of three months or less	6,487,380	3,444,854
	<u>8,535,997</u>	<u>5,172,921</u>

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 LONG-TERM FINANCING AND FUNDING FACILITIES

	<i>Notes</i>	As at 31 Mar 2022	As at 31 Dec 2021
<u>Recourse debt:</u>			
Financing facilities in relation to projects		2,501,074	2,479,306
Corporate facilities		1,539	1,130
Corporate bond		2,789,269	2,789,269
<u>Non-Recourse debt:</u>			
Financing facilities in relation to projects	<i>6.1</i>	17,484,455	14,926,843
ACWA Power Management and Investments One Ltd (“APMI One”)		3,005,481	3,004,460
ACWA Power Capital Management Ltd (“APCM”)		614,221	614,221
Total financing and funding facilities		26,396,039	23,815,229
Less: Current portion of long-term financing and funding facilities		(1,037,150)	(958,476)
Non-current portion shown under non-current liabilities		25,358,889	22,856,753

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 is 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.

6.1 During the period ended 31 March 2022, a subsidiary of the Group (“Rabigh Arabian Water and Electricity Company” or “RAWEC”) concluded the phase 2 of its debt refinancing. A new facility amounting to SR 2,231.2 million was drawn down. The new facility was obtained in 2 Tranches as follows:

- Commercial Loan Part 1 - USD 125.0 million equivalent to SR 468.7 million, repayable on a semi-annual basis from June 2022 with the final instalment to be paid in June 2034. The fixed margin on the loan is 4%; and
- Commercial Loan Part 2 - USD 470.0 million equivalent to SR 1,762.5 million, repayable on a semi-annual basis from June 2022 with the final instalment to be paid in June 2034. The fixed margin on the loan is 4%.

ACWA POWER Company and its Subsidiaries
(Saudi Listed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 RELATED PARTY TRANSACTIONS AND BALANCES

The transactions with related parties are made on mutually agreed terms and approved by the board as necessary. Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

<i>Transactions:</i>	<i>Notes</i>	<i>Relationships</i>	For the three months period ended 31 Mar	
			2022	2021
Revenue		Joint ventures / (Affiliates)	441,147	473,641
Service fees		Joint ventures	36,028	25,777
Finance income		Joint ventures	34,397	6,201
Financial charges on loan from related parties	12	Affiliates	14,228	13,822
Key management personnel compensation including director's remuneration			12,439	11,260
	<i>Notes</i>	<i>Relationships</i>	<i>As at</i>	
			31 Mar 2022	31 Dec 2021
<i>Due from related parties</i>				
<i>Current:</i>				
Hajr for Electricity Production Company	(a)	Joint venture	118,788	166,859
Al Mourjan for Electricity Production Company	(a)	Joint venture	100,103	109,282
Hassyan Energy Phase 1 P.S.C	(a)	Joint venture	61,482	74,766
Noor Energy 1 P.S.C	(a)	Joint venture	58,647	15,054
Dhofar O&M Company	(a)	Joint venture	58,387	61,695
Jazan Integrated Gasification and Power Company	(f)	Joint venture	52,090	23,237
Shuaibah Water & Electricity Company	(a)	Joint venture	48,752	45,026
Rabigh Electricity Company	(a)	Joint venture	42,092	28,709
ACWA Power Solarreserve Redstone Solar TPP	(e)	Joint venture	38,526	39,873
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	33,042	35,267
UPC Renewables S.A	(a)	Joint venture	26,951	26,952
Shuqaiq Services Company for Maintenance	(a)	Joint venture	25,518	-
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	19,302	8,604
Ad-Dhahirah Generating Company SAOC	(a)	Joint venture	15,859	14,048
Naqa Desalination Plant LLC	(a)	Joint venture	14,320	32,688
Shinas Generating Company SAOC	(a)	Joint venture	12,873	4,870
Shuaibah Expansion Project Company	(a)	Joint venture	16,706	11,363
Haya Power & Desalination Company	(a)	Joint venture	12,140	3,055
ACWA Power Oasis Three	(a)	Joint venture	8,106	8,022
Shams Ad-Dhahira Generating Company SAOC	(d), (e)	Joint venture	2,372	3,200
Saudi Malaysia Water and Electricity Company	(d)	Joint venture	2,055	395
Risha for Solar Energy Projects	(a)	Joint venture	208	204
Shuqaiq Water and Electricity Company	(a)	Joint venture	-	27,001
Other related parties		Joint venture	53,474	40,486
			821,793	780,656
	<i>Notes</i>	<i>Relationships</i>	<i>As at</i>	
			31 Mar 2022	31 Dec 2021
<i>Due to related parties</i>				
<i>Non-current:</i>				
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	760,873	760,873
Water and Electricity Holding Company CJSC	(g)	Shareholder's subsidiary	715,259	707,410
Loans from minority shareholders of subsidiaries	(c)	-	126,008	126,569
			1,602,140	1,594,852

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7 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Notes	Relationships	As at	
			31 Mar 2022	31 Dec 2021
<i>Due to related parties</i>				
<i>Current:</i>				
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(h)	Joint venture	56,262	44,746
Others	(i)	Joint venture	35,744	38,739
			<u>92,006</u>	<u>83,485</u>

- (a) These balances mainly include amounts due from related parties to First National Holding Company (“NOMAC”) (and its subsidiaries) for operation and maintenance services provided to the related parties under operation and maintenance contracts. In certain cases, the balance also includes advances provided to related parties that have no specific repayment date.
- (b) During 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 580.6 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).
- (c) This includes:
- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 40.8 million (2021: SR 41.4 million). The loans are due for repayment in 2024 and carry profit rate at 5.75% per annum; and
 - Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SR 85.2 million (2021: 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 interest receivable from an equity accounted investee on account of shareholder loan.
- (g) 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 31 March 2022, SR 7.5 million (2021: SR 9.7 million) finance charge was amortised on the outstanding loan balance.
- (h) This represents advance received from an equity accounted investee on account of operation and maintenance services to be rendered. This will be paid to an external supplier within the next 12 months.
- (i) These represent non-interest bearing payables to equity accounted investees with no fixed maturity.

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8 OTHER RESERVES

Movement in other reserve is given below:

	<i>Cash flow hedge reserve (note 8.1)</i>	<i>Currency translation reserve</i>	<i>Share in OCI of equity accounted investees (note 4)</i>	<i>Re- measurement of defined benefit liability</i>	<i>Other</i>	<i>Total</i>
Balance as at 1 January 2021	(591,116)	(6,171)	(2,163,341)	(10,611)	(27,180)	(2,798,419)
Changes during the year	247,149	(278)	997,786	(18,517)	-	1,226,140
Balance as at 31 December 2021	<u>(343,967)</u>	<u>(6,449)</u>	<u>(1,165,555)</u>	<u>(29,128)</u>	<u>(27,180)</u>	<u>(1,572,279)</u>
Balance as at 1 January 2022	(343,967)	(6,449)	(1,165,555)	(29,128)	(27,180)	(1,572,279)
Changes during the period	599,210	45	1,235,192	(2,290)	-	1,832,157
Recycled to profit or loss on sale of an equity accounted investee (note 14)	-	-	(128,638)	-	-	(128,638)
Balance as at 31 March 2022	<u>255,243</u>	<u>(6,404)</u>	<u>(59,001)</u>	<u>(31,418)</u>	<u>(27,180)</u>	<u>131,240</u>

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.

8.2 During the period, minority shareholders of ACWA Power Harbin Holdings Limited have provided additional capital contribution amounting to SR 119.7 million.

9 OTHER NON-CURRENT LIABILITIES

9.1 Other financial liabilities

Other financial liabilities as reported in the interim condensed consolidated statement of financial position as of 31 March 2022 includes:

- (a) SR 219.8 million (31 December 2021: SR 217.1 million) on account of financial liabilities assumed on loss of control in a subsidiary during 2018.
- (b) SR 5.2 million (31 December 2021: SR 5.2 million), liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. 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 interim condensed consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million (note 8).
- (c) The Group has entered into a coal supply agreement (the "Ancillary Agreement") with a third party supplier, in relation to an independent power plant (IPP) owned by an equity accounted investee, 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 period of operations. Pursuant to the agreement, for any difference between two agreed price formulas (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 is obliged to pay or receive the difference when the coal is procured. The coal prices are determined with reference to coal price indices which act as a market reference for coal trading in Europe and Asia. Thus, the Ancillary Agreement has an embedded commodity swap (the "Derivative") that needs to be separated and carried at fair value.

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9 OTHER NON-CURRENT LIABILITIES (CONTINUED)

9.1 Other financial liabilities (continued)

The Group has recognised a liability of SR 181.5 million (SR 53.0 million non-current and SR 128.4 million current liabilities) in the interim condensed consolidated statement of financial position as of 31 March 2022 (SR 171.4 million as of 31 December 2021 – SR 43.0 million non-current and SR 128.4 million current).

The impact on the fair value of the liability due to independent changes in key assumptions are as follows. The actual impact on the financial statements would be the cumulative effect of different variables.

+/-10% change in coal consumption quantity	SR 19.7 million / (SR 19.7 million)
+/-10% change in coal price	SR 19.7 million / (SR 19.7 million)
+/- 50 bps change in discount rate	(SR 2.4 million) / SR 2.4 million

10 ZAKAT AND TAX

10.1 Amounts recognized in profit or loss

	For the three months period ended 31 Mar	
	2022	2021
Zakat and current tax	45,454	35,503
Deferred tax charge / (reversal)	53,754	(20,783)
Total Zakat and tax charge	<u>99,208</u>	<u>14,720</u>

10.2 Zakat and tax assessments

The Company

The Company has filed zakat and tax returns for all the years up to 2020. The company has closed its position with Zakat, Tax & Customs Authority (the “ZATCA”) until year 2018. The ZATCA is yet to assess the years 2019 and 2020. The Company is only subject to zakat.

ACWA Power Projects (“APP”)

APP has filed its zakat and tax returns for all the years up to 2020. APP had finalised 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. The company closed out the revised zakat liability at an amount of SR 1.3 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. The assessments are now under review by the General Secretariat of Tax Committees (“GSTC”).

NOMAC Saudi Arabia (“NOMAC”)

NOMAC has filed its zakat returns for all the years up to 2020. During the prior years, NOMAC received two zakat assessments from the ZATCA for the years 2008-2012 and 2013-2016, assessing an additional zakat liability of SR 5.3 million and SR 6.7 million respectively for these assessed years. The assessments for the years 2008-2012 closed in favour of NOMAC by the Tax Violations and Dispute Appeal Committee (“TVDAC”). The assessment for years 2013-2016 under review by the TVDAC.

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10 ZAKAT AND TAX (CONTINUED)

10.2 Zakat and tax assessments (continued)

Rabigh Arabian Water & Electricity Company ("RAWEC")

RAWEC has filed its zakat and tax returns for all the years up to 2020. The ZATCA raised an assessment in related to 2007 to 2013 claiming additional tax, zakat, withholding tax amounting to SR 10.7 million. RAWEC filed an objection with the General Secretariat of Tax Committees ("GSTC") Tax Violations and Dispute Resolution Committee ("TVDRC"). During 2021, TVDRC has issued its ruling partially in favour of the RAWEC reducing the liability to SR 1.85 million. The ZATCA appealed the TVDRC ruling to the Tax Violations and Dispute Appeal Committee ("TVDAC"). The case yet to be reviewed by the TVDAC.

During 2018, the ZATCA issued an assessment for the year 2017, claiming additional tax, zakat liabilities amounting to SR 47 million. Subsequently the ZATCA raised a revised assessment reducing the liability to SR 2.5 million. The case is now under review by the GSTC.

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. Based on the best estimates of management, the Company has adequately provided for all tax assessments, where appropriate.

11 REVENUE

		For the three months period ended 31 Mar	
	<i>Notes</i>	2022	2021
Services rendered			
Operation and maintenance		401,633	394,676
Development and construction management services		147,713	174,479
Others		35,601	1,466
Sale of electricity			
Capacity charges		212,014	257,674
Energy output		56,478	75,588
Finance lease income	11.1	(448)	74,163
Sale of water			
Capacity charges	11.2	227,931	237,566
Water output	11.2	71,805	27,143
Finance lease income		26,264	-
		<u>1,178,991</u>	<u>1,242,755</u>

11.1 The finance lease income is presented net of energy generation shortfalls amounting to SR 109.5 million (2021: SR 41.4 million). Energy generation shortfalls represent lower production as compared to original estimated production levels due to non-operational periods of certain plants accounted for as finance leases.

11.2 Includes revenue from sale of steam of SR 96.6 million during the period (2021: SR 98.3 million).

11.3 In addition to the amounts mentioned in the above table, income in relation to management advisory services, and ancillary support services provided to equity accounted investees amounting to SR 36.0 million (2021: SR 25.8 million) has been presented as other operating income.

Further, other operating income for the period ended 31 March 2022 includes liquidated damages recovery of SR 65.9 million (2021: nil).

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12 FINANCIAL CHARGES, NET

	Note	For the three months period ended 31 Mar	
		2022	2021
Financial charges on borrowings		252,074	242,425
Financial charges on letters of guarantee		9,069	22,261
Financial charges on loans from related parties	7	14,228	13,822
Other financial charges		6,096	8,754
		<u>281,467</u>	<u>287,262</u>

13 EARNINGS PER SHARE

13.1 The weighted average number of shares outstanding during the period (in thousands) are as follows:

	31 Mar 2022	31 Mar 2021
Issued ordinary shares as at	<u>731,100</u>	<u>645,763</u>
Weighted average number of ordinary shares outstanding during the period	<u>731,100</u>	<u>645,763</u>

13.2 The basic and diluted earnings per share are calculated as follows:

	31 Mar 2022	31 Mar 2021
Net profit for the period attributable to equity holders of the Parent	<u>151,851</u>	<u>139,038</u>
Profit for the period from continuing operations attributable to equity holders of the Parent	<u>173,084</u>	<u>135,303</u>
Basic and diluted earnings per share to equity holders of the Parent (in SR)	<u>0.21</u>	<u>0.22</u>
Basic and diluted earnings per share for continuing operations to equity holders of the Parent (in SR)	<u>0.24</u>	<u>0.21</u>

14 DISCONTINUED OPERATIONS

The Group sold its 32% effective shareholding (its entire shareholding) in Shuqaiq Water and Electricity Company (“Shuqaiq”), along with its related holding companies, and 32% interest (partial shareholding) in the related O&M contract (the “O&M entity” or “Shuqaiq Services Company for Maintenance”), which was previously with the Group’s wholly owned subsidiary, First National Operations and Maintenance Company (“NOMAC”), effective from 17 March 2022 (“the Closing Date”). On the Closing Date, the shares were transferred to the Buyer. The sale consideration of SR 391.4 million has been settled by the Buyer.

Consequently, the Group derecognised its entire investment in Shuqaiq and deconsolidated net assets related to the O&M entity. The Group’s remaining 68% interest in the O&M entity is retained at fair value and accounted for using equity method effective from the Closing Date. The Group recognised a net loss of SR 17.2 million on the transaction as follows:

	Note	As at 17 March 2022
Fair value of consideration received		391,440
Fair value of retained investment in the O&M entity		159,859
Derecognition of investment in Shuqaiq		(378,925)
Carrying amount of net assets derecognised related to the O&M entity	14.1	(44,322)
Goodwill allocated to Shuqaiq		(12,600)
Accumulated other reserves recycled to profit or loss from OCI		(128,638)
Transaction cost		(3,993)
Net loss on disposal		<u>(17,179)</u>

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14 DISCONTINUED OPERATIONS (CONTINUED)

14.1 Statement of financial position of the O&M entity as of the Closing Date is as follows:

	As at 17 March 2022
Assets	
Cash and cash equivalents	469
Inventories	39,305
Accounts receivable, prepayments and other receivables	37,968
Property, plant and equipment	968
	<u>78,710</u>
Liabilities	
Accounts payable and accruals	25,086
Deferred revenue	4,106
Employee end of service benefits' liabilities	5,196
	<u>34,388</u>
Net assets	<u><u>44,322</u></u>

14.2 Results of discontinued operations

	For the period from 1 January 2022 to 17 March 2022	For the three months period ended 31 March 2021
O&M Entity		
Revenue	22,360	33,877
Operating costs	(17,678)	(25,603)
General and administration expenses	(1,138)	(1,714)
Financial charges, net	-	(88)
Net income	<u>3,544</u>	6,472
<u>Shuqaiq</u> – share in net results	<u>(7,598)</u>	<u>(2,737)</u>
	<u>(4,054)</u>	3,735
Loss on disposal	(17,179)	-
(Loss) / profit from discontinued operations	<u><u>(21,233)</u></u>	<u><u>3,735</u></u>

14.3 Cash flows of discontinued operations

	For the period from 1 January 2022 to 17 March 2022	For the three months period ended 31 March 2021
O&M Entity		
Cash flows from operating activities	4,165	3,823

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15 COMMITMENTS AND CONTINGENCIES

As at 31 March 2022, 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 12.95 billion (31 December 2021: SR 13.67 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 Mar 2022	As at 31 Dec 2021
Performance/development securities and completion support Letters of Credit ("LCs")	4,937,378	5,440,657
Guarantees in relation to bridge loans and equity LCs	4,840,644	4,988,118
Guarantees on behalf of joint ventures and subsidiaries	1,823,042	1,915,977
Debt service reserve account ("DSRA") standby LCs	1,185,780	1,193,726
Bid bonds for projects under development stage	163,684	136,018
	<u>12,950,528</u>	<u>13,674,496</u>

In addition to commitments and contingencies disclosed above, the Group has also committed to contribute SR 131.0 million towards the equity of an equity accounted investee during 2023.

The Group also has a loan commitment amounting to SR 598.2 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.

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 610.0 million (31 Dec 2021: SR 610.0 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 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 interim condensed consolidated financial statements.

The Group also has a commitment to contribute SR 75.0 million towards corporate social responsibility initiatives in Uzbekistan during 2022.

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 to these interim condensed consolidated financial statements will result from these contingencies.

16 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'.

Revenue is attributed to each operating segment based on the type of plant or equipment from which the revenue is derived. Segment assets and liabilities are not reported to the chief operating decision maker on a segmental basis and are therefore not disclosed.

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 period presented below. Details of the Group's operating and reportable segments are as follows:

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16 OPERATING SEGMENTS (CONTINUED)

- (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), Wind plants and Hydrogen. 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 segments

Revenue

	For the three months period ended 31 Mar	
	2022	2021
(i) Thermal and Water Desalination	1,000,132	1,040,374
(ii) Renewables	170,773	200,915
(iii) Others	8,086	1,466
Total revenue	1,178,991	1,242,755

Operating income

(i) Thermal and Water Desalination	533,926	502,405
(ii) Renewables	105,445	77,811
(iii) Others	7,903	1,075
Total*	647,274	581,291

Unallocated corporate operating income / (expenses)

General and administration expenses	(135,482)	(119,685)
Depreciation and amortisation	(8,673)	(7,250)
Provision for long term incentive plan	(5,193)	(34,636)
Provision on due from related party	(3,090)	(1,700)
Other operating income	21,851	14,470
Total operating income	516,687	432,490

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16 OPERATING SEGMENTS (CONTINUED)

Segment profit / (loss)

	For the three months period ended 31 Mar	
	2022	2021
(i) Thermal and Water Desalination	359,614	278,708
(ii) Renewables	(46,245)	7,458
(iii) Others	7,882	1,075
Total*	321,251	287,241
<i>Reconciliation to profit for the period from continuing operations</i>		
General and administration expenses	(135,482)	(119,685)
Impairment reversal in relation to equity accounted investees	-	30,000
Provision on due from related party	(3,090)	(1,700)
Provision for long term incentive plan	(5,193)	(34,636)
Discounting impact on loan from shareholder subsidiary	(7,516)	(6,897)
Depreciation and amortisation	(8,673)	(7,250)
Other operating income	21,851	14,470
Other income	16,316	6,211
Financial charges and exchange loss, net	(8,083)	(11,912)
Zakat and tax charge	(26,757)	(13,268)
Profit for the period from continuing operations	164,624	142,574

*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.

Geographical concentration

The Company is headquartered in the Kingdom of Saudi Arabia. The geographical concentration of the Group's revenue and non-current assets is shown below.

	Revenue		Non-current assets	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Dec 2021
Kingdom of Saudi Arabia	571,489	519,995	19,899,938	20,253,954
Middle East and Asia	577,228	598,856	7,375,430	6,382,012
Africa	30,274	123,904	9,166,782	9,404,418
	1,178,991	1,242,755	36,442,150	36,040,384

Information about major customers

During the period, two customers (2021: 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:

	For the three months period ended	
	31 Mar 2022	31 Mar 2021
Customer A	285,060	284,976
Customer B	158,969	145,797

The revenue from these customers is attributable to the Thermal and Water Desalination reportable operating segment.

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17 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
<u>As at 31 Mar 2022</u>					
<i>Financial (assets) / liabilities</i>					
Fair value of derivatives used for hedging	(202,466)	-	(202,466)	-	(202,466)
Long-term financing and funding facilities	26,396,039	3,225,272	23,390,558	-	26,615,830
Other financial liabilities	406,413	-	-	406,413	406,413
<u>As at 31 Dec 2021</u>					
<i>Financial (assets) / liabilities</i>					
Fair value of derivatives used for hedging	361,408	-	361,408	-	361,408
Long-term financing and funding facilities	23,815,229	3,619,044	20,810,769	-	24,429,813
Other financial liabilities	393,654	-	-	393,654	393,654

The fair value of other financial instruments has been assessed as approximately equal 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 amount because the lease relates to a specialised nature of asset whereby the carrying amount of net investment in finance lease is the best proxy of its fair value.

ACWA POWER Company and its Subsidiaries (Saudi Listed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

18 OTHER SIGNIFICANT DEVELOPMENTS DURING THE PERIOD

- 18.1 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 these interim condensed consolidated financial statements for the period ended 31 March 2022. 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.

19 SUBSEQUENT EVENTS

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.

20 COMPARATIVE FIGURES

Certain figures for the prior periods have been reclassified as per the requirements of IFRS 5 – Non-current assets held for sale and discontinued operations (refer to note 14.2). A summary of reclassifications is as follows:

Particulars	As previously reported	Reclassifications	As reported in these financial statements
<u>Continuing operations</u>			
Revenue	1,276,632	(33,877)	1,242,755
Operating costs	(606,909)	25,603	(581,306)
General and administration expenses	(230,606)	1,714	(228,892)
Share in net results of equity accounted investees, net of tax	1,089	2,737	3,826
Financial charges, net	(287,350)	88	(287,262)
<u>Discontinued operations</u>			
Profit from discontinued operations	-	3,735	3,735

21 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 16 Shawwal 1443H, corresponding to 17 May 2022G.