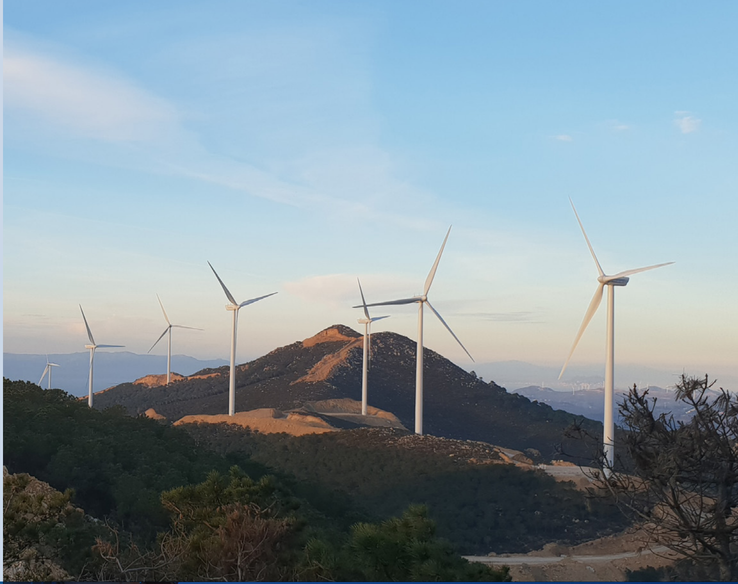

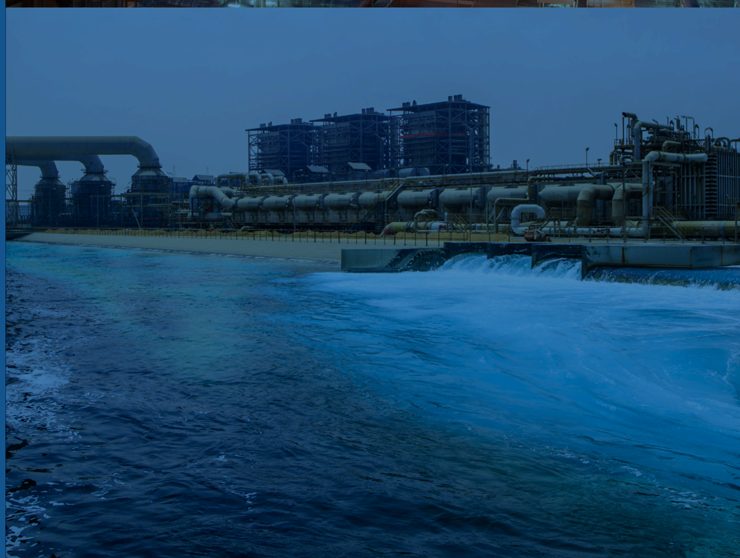

ACWA POWER Company (ACWA Power)

Investor Report
For the the three and six months periods ended 30 June 2022 “Second Quarter and Six-month 2022”

CEO's Letter

Dear stakeholders,

During the three months ended 30 June 2022 (the "Current Quarter"), we have been busy delivering on several important milestones particularly in the Develop and Operate cycles of our Develop-Invest-Operate-Optimize business model. On the financial side, robust results in the Current Quarter carried our six-month consolidated operating profit before impairment loss and other expenses to SAR 1,153 million (9 percent ahead of the comparable six months of 2021) and the consolidated net profit attributable to equity holders of the parent to SAR 542 million (21 percent ahead of the comparable six months of 2021). After the adjustments pertaining to both periods, our adjusted net profit attributable to equity holders of the parent for the current six-month period was SAR 516 million, and flat versus SAR 520 million of the first six months of 2021.

The business environment in which we operate did not manifest any unexpected new turn of events or major shifts in the geopolitical or macroeconomic landscapes. However, the continuing Russia – Ukraine war, the persistent increasing costs, and a Covid-triggered supply chain constraint out of China continued to demand notable effort from our teams across the organization to navigate through the ensuing issues for our projects in advanced stages of their development.

As for the performance of our share price on the Tadawul, we are honored to see ourselves become a constituent of the MSCI Emerging Markets Index as one of the three largest additions measured by full company market capitalization, following May 2022 index review.

Let me elaborate on these, leaving an in-depth analysis of our financial performance to the accompanying MD&A section and the Interim Condensed Consolidated Financial Statements and Independent Auditor's Review Report.

Develop

Our teams have been engaged in action in a wide spectrum ranging from new bids to arranging funding and financing for existing projects as well as signing several Power or Water Purchase Agreements ("PPA" or "WPA").

New bids

Following a slow start to the year by virtue of unexpected global geopolitical and economic disturbances, I am glad to see acceleration in the bidding space. While we are in the process of bid preparation and submission for the competitive 500MW PV IPP in Uzbekistan and 600,000 m3 per day Rabigh 4 IWP in Saudi Arabia in response to requests for proposal put forward by the respective offtakers, we submitted in Saudi Arabia for the PIF's evaluation a proposal for the development of the next mega renewable energy projects in the PIF Renewable Energy deployment pipeline.

In Saudi Arabia, we are at final stages of submitting our bid for the development of the fully integrated utilities infrastructure and the operation of the Amaala Utilities PPP, the second mega-tourism project on the northwest coast of the country between Neom and the Red Sea Project.

Preferred bidder in Indonesia PV projects

In the meantime, in late April we received the notification letter from Perusahaan Listrik Negara (PLN), a state-owned company in Indonesia tasked with distribution of electricity, and the Offtaker, as the preferred bidder to develop two solar PV projects, namely the Singkarak Floating PV 50 MWac, located in Sumatera and the Saguling Floating PV 60 MWac, located in Java. We are currently working with the relevant stakeholders to take these projects toward final award stage.

Power or Water Purchase Agreements ("PPA" or "WPA") signed

In June, we signed three purchase agreements, namely the PPA for the Egypt 1,100MW Wind IPP, and the PPA for the 91MW Layla PV IPP and the WPA for the Shuaibah 3 IWP. With the PPA for Ar Rass PV IPP that we signed in March, total number of new project agreements we signed reached four in the first six months of this year.

In Egypt, the 1,100MW Wind IPP is the largest single contracted wind farm in the Middle East region and one of the largest onshore wind farms in the world. This project marks our expansion in Egypt to three projects, and when completed, it will mitigate the impact of 2.4 million tonnes of carbon dioxide emissions per year while providing electricity to 1,080,000 households.

The 91MW Layla PV IPP is in Al Al-Aflaj governorate in Riyadh province in Saudi Arabia. By submitting the lowest bid of 11.2 halala/KWh, ACWA Power has won this project as the preferred bidder, which was tendered as part of Round Three of the National Renewable Energy Program of the Ministry of Energy of Saudi Arabia.

In June, we also signed the WPA for Shuaibah 3 IWP Project, located in the Makkah province in Saudi Arabia. The Project is part of the conversion of our existing Shuaibah 3 IWPP plant (the "Old Plant") from an oil-fired asset with thermal water desalination and power generation capacity of 880,000 m3 per day and 900MW, respectively, to a 600,000 m3 per day seawater reverse osmosis desalination plant (the "RO Plant"). The RO Plant, which will be "fueled" by electricity, will use 20 percent of its energy from renewable sources. In addition to providing support to the Kingdom toward its Vision 2030, the conversion will reduce ACWA Power's Scope 1 carbon emissions by 9.5 million tons per year, bringing ACWA Power a step closer to our target of reducing carbon intensity of our fleet by 50 percent by 2030 compared to 2020 levels and achieving net zero emissions by 2050.

NEOM and Green hydrogen

While the construction in the world's largest "green hydrogen production project under construction" is progressing following the signing in 1Q2022 of the Limited Notice to Proceed ("LNTP") agreement of $900 million by the NEOM Green Hydrogen Company, we are closing in toward signing the respective EPC contract as well as completing the final stages for an expected financial close latest in 4Q22.

As we iterated several times, this green hydrogen at-scale lighthouse project in Saudi Arabia is a source of inspiration for other developers and governments of the world. Early in July, we signed a joint development agreement (JDA) together with Oman's state-owned energy company OQ and Air Products to set up the H2Oman Project in Dhofar to produce 1 million tons of green ammonia annually. We were also glad to witness the Egyptian Government's desire and consideration to produce green hydrogen in Egypt displayed during the high-level talks between our Chairman, Mr. Abunayyan, and the Egyptian government officials led by the Prime Minister of Egypt himself.

Russia-Ukraine war and other global stresses

As I mentioned above, although there was not a noteworthy acceleration of the adverse circumstances by virtue of the continuing war, high-cost environment and supply chain constrictions, prevailing situation is affecting our projects under construction or in advanced development in Saudi Arabia and particularly five projects in the war region; the 1,500MW Sirdarya CCGT IPP under construction in Uzbekistan and four other assets in advanced development, namely the 500MW Bash, 500MW Dzhankeldy and 100MW Nukus Wind IPPs in Uzbekistan; and the 240MW Wind IPP in Azerbaijan.

The most challenging issue being faced by our EPC contractor is in moving the gas and wind turbines from their places of manufacture to the location of use in the respective countries. Active engagement by all stakeholders to bring solutions ranging from offtakers' flexibility in project deadlines to instituting inter-governmental schemes in an effort to ease movement of goods have started to bear fruit, and we still believe we would not incur significant delays in either the targeted financial closes of these advanced-development projects currently planned for 4Q2022 or the commercial operation date of Sirdarya in 2024.

Having said that, it is likely that we may end up with some additional costs associated with these delays. It is too early to say whether these would result in material deviations from our base case projections, and we will certainly update you as soon as we have clarity.

Although expected and already at levels not seen for decades across the globe, higher interest rates to curb a still increasing inflation rate is a business dynamic that we very closely monitor in our line of business that requires vast amounts of funding. The impact of higher financing cost, in addition to other economic and supply-related factors, is already visible in the new bids submitted by not only us but all in our industry, where tariffs are higher than they were in the past. For our existing commitments, I am glad to say that, thanks to our business model, majority of our debt at the parent (recourse) or project level (non-recourse to parent) is protected against the current interest rate hikes because they are either at fixed rates or hedged. Accordingly, whereas our direct exposure at parent level is limited to less than 30 percent of our total on- and off-balance sheet parent debt, at project company level nearly all debt commitments are hedged. Within the parent level debt, our Sukuk of SAR 2,789 million is the most significant amount that is largely unhedged.

Operate

Al Dur II IWPP, Bahrain (1,500MW of power and 227,000 m3 per day of water)

Haya Power & Desalination Company, the project company of Al Dur II IWPP has also started operations for power generation and water desalination following the completion of all Power Facility and Desalination Facility Acceptance Tests. Subject to final acceptance tests by the offtaker, the full financial impact is expected from 3Q2022 financial results onwards. ACWA Power owns an effective stake of 60 percent in this project.

Taweelah IWP, UAE (909,000 m3 per day of water)

In Abu Dhabi, The Taweelah IWP commenced the first phase of operations at 50 percent capacity of the plant, producing 100 million gallons of desalinated water per day. When Taweelah eventually reaches its full capacity at 200 million gallons per day expected in 4Q2022, it will be the world's largest seawater reverse osmosis ("SWRO") facility. ACWA Power owns an effective stake of 40 percent in this project.

Jizan Integrated Gasification Combined Cycle ("JIGCC"), Saudi Arabia (3,800MW of power and 184,000 nM3 per hour of hydrogen)

JIGCC project is a joint venture between Saudi Aramco, ACWA Power, Air Products and Air Products Qudra (the "JV") to supply power, steam, hydrogen, and other utilities for Aramco's Jazan refinery, under a 25-year contract with Aramco.

The project involves the acquisition of the SAR45 billion IGCC plant from Aramco in phases, whereby the Group 1 assets were transferred in October last year and the JV currently undertakes the commissioning and testing of the transferred assets.

Transfer of the Group 2 assets will commence in October 2022

Plant outages

As undesirable as they are, unplanned outages are normal in our plants' operations, availability of which depend on complex machinery and equipment that arduously keep running around the clock at very high speeds and mostly under extreme weather conditions. While we maintained 86 and 96 percent availability in power generation and water desalination, respectively, for the first six months of the year, the extended outages in Morocco Noor III CSP and two other power plants in Saudi Arabia resulted in lower performance than our best, ultimately impacting our financial results for the period too.

In addressing these outages and bringing the affected plants in operation in the shortest term possible, our O&M teams together with the support of the original equipment manufacturers (OEMs) are working as hard and fast as possible. But more importantly, to be one step ahead of all these failures as reasonably as we can, we have already embarked on initiatives to establish stronger structural foundations in the mid- to long-term horizon.

One such initiative is a drive to improve reliability of supply of our plants. Led by the CTO, CPMO and COMO and focusing on the plants that experience outage more often than average mostly and increasingly on account of failure of equipment supplied by world renowned OEMs, the reliability of supply drive comprises a number of areas and engages the OEMs as well as our own technical teams.

Another initiative is our digital transformation drive that will also support the reliability of supply by using technology more efficiently than today. Internally dubbed as our "Digitalization" drive, this initiative has turned a critical corner when our Board approved a Digital Journey plan together with its associated budget in late March 2022. I am glad to report that we are advancing fast in pursuing our agenda to deploy 10+ technological and business platforms across our business model from bidding to operations and maintenance to corporate and enabling functions, including building a resilient and automated cyber security program.

Leaving you with the MD&A that follows these pages, I would like to thank you all for your continuing support to grow our business and to keep delivering sustainable value for all our stakeholders.

Paddy Padmanathan

Vice Chairman and CEO

Highlights

Asset Portfolio

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ASSETS

ACWA Power's portfolio consists of 41operational, 12 under construction and 14 advanced development assets. Gross power generation and water desalination capacity of the portfolio reached 42.7 GW and 6.2 million cubic meters per day, with a portfolio value of SAR 249.3 billion at Total Investment Cost (TIC).

Renewable and Low Co_2

At 15.7 GW, renewable assets represented 36.7% of gross power capacity, and, including natural gas projects, the ratio of low CO2 emitting assets constituted 85% of ACWA Power's gross power generation capacity as at 30 June 2022. A pioneer in globally landmark large-scale initiatives such as green hydrogen and giga-cities together with its JV partners, ACWA Power is dedicated to reduce its carbon intensity gradually targeting to reach net zero emissions status by 2050.

15.7 GW
renewable assets capacity

36.7%
gross power capacity

net zero emissions by 2050

Financial Highlights

Operating income before impairment loss and other expenses	Adjusted profit attributable to equity holders of parent	Parent Operating Cash Flow (POCF)	Parent Net Leverage to POCF ratio
1,153 SAR mn	516 SAR mn	2,119 SAR mn	2.27 Times
9% ↗	0.8% ↘	880% ↗	↘ 3.95 Times
			Improved from 6.22 times as at December 31, 2021

Operational Highlights

86% (6M2021: 88%) Power Availability

96% (6M2021: 92%) Water Availability

0.01 (6M2021: 0.00) Loss Time Injury

ACWA POWER COMPANY AND ITS SUBSIDIARIES (Saudi Listed Joint Stock Company) ("ACWA Power" or the "Company")

Management's discussion and analysis of the financial results for the three- and six-months periods ended 30 June 2022

1- Introduction

This section provides an analytical review of the financial results and operational performance of ACWA Power for the three- and six-months periods ended 30 June 2022 (collectively the "first half of 2022" or "1H2022"), and it should be read in conjunction with the Company's Interim Condensed Consolidated Financial Statements and Independent Auditor's Review Report for the Three- and Six-months Periods Ended 30 June 2022 issued by Ernst & Young & Co. (Certified Public Accountants).

All amounts are in SAR (or SR) thousand, unless stated herein otherwise. Percentages have also been rounded up to available number of digits presented in the tables. A calculation of the percentage increase/decrease based on the amounts presented in the tables may not therefore be exactly equivalent to the corresponding percentages as stated.

"Current Quarter" or "2Q2022" or "the second quarter of 2022" corresponds to the three-months period ended 30 Jun 2022 whereas "2Q2021" or "the second quarter of 2021" corresponds to the three-months period ended 30 June 2021. "Year-to-date" or "6M2022" or "6M2021" corresponds to the six-months period ended 30 June of the year mentioned.

In the Company's Interim Condensed Consolidated Financial Statements and Independent Auditor's Review Report for the Three- and Six-months Periods Ended 30 June 2022 issued by Ernst & Young & Co. (Certified Public Accountants), certain figures for the prior periods have been reclassified to conform to the presentation in the current period. Please refer to the Company's Interim Condensed Consolidated Financial Statements Note 23.

This section may contain data and statements of forward-looking nature that may entail risks and uncertainties. The Company's actual results could differ materially from those expressed or implied in such data and statements as a result of various factors.

2- Key factors affecting the comparability of operational and financial results between reporting periods

Although the Company's business model of Develop, Invest, Operate, Optimize allows it to generate and capture returns over the full life cycle of a project, these returns may differ from one reporting period to another, depending on the number of projects in the Company's portfolio and where these projects are in their project life cycles (i.e., in advanced development, under construction or in operation). Projects achieving financial close ("FC") and projects achieving either initial or final commercial operation dates ("ICOD" or "PCOD" respectively) are typical examples that may lead to such variances in the values presented on the financial statements from one period to another, potentially rendering analysis of these variations unreasonable without additional transparency.

The Company considers this or similar type of transactions as "ordinary course of business." Accordingly, the financial value of these transactions does not lead into any "financial adjustment" in the Company's reported consolidated net profit for the period attributable to equity holders of the parent ("Reported Net Profit"). Material ordinary-course-of-business transactions that did not result in adjustment to the Reported Net Profit for the Current Quarter are disclosed in Section 2.1 below.

In addition to above, there may be transactions that the management would consider as non-routine or non-operational as they are non-recurring in nature insofar as they are not expected to repeat in the future. The impact of such transactions on the Reported Net Profit are adjusted in the respective period of their realizations to arrive at adjusted net profit attributable to equity holders of the parent ("Adjusted Net Profit") for the concerned period. Material transactions that resulted in adjustment to the Reported Net Profit for the Current Quarter are disclosed in Section 2.2 below.

Moreover, there may be certain transactions that have occurred for the first time in the current reporting period and are expected to repeat in future periods. The management normalizes the impact of such transactions in the period in which they are first-time realized to establish a common comparison platform to past periods for a meaningful variance analysis. Material transactions that the Company normalized below its Adjusted Net Profit of the Current Quarter are disclosed in Section 2.3 below.

A summary table for all transactions that the Company considered within the above-defined framework during the past 18 months (from 1 January 2021 to 30 June 2022), excluding lists of FCs and ICODs that are separately covered in Section 2.1, is provided below for ease of reference. Transactions that have affected the Current Quarter, if any, are separately discussed and analyzed in sections 2.1, 2.2 and 2.3. For all other transactions in prior periods please refer to the summary table below, the Company's Investor Report for the corresponding period or to the IPO Prospectus.

		2021				2022	
Nature	Transaction	Q1	Q2	Q3	Q4	Q1	Q2
No adjustment to reported net profit	STPC bond issuance	✓					
	Sukuk issuance		✓				
	RAWEC Refinancing				✓	✓	
	IPO proceeds				✓		
	Hassyan coal agreement				✓		
	Declared dividends				✓		
	Sqwec sell down					✓	
	SWEC Restructuring						✓
Adjustment to reported net profit	SWEC impairment reversal	✓					
	LTIP provision	✓					
	Kirikkale provision/reversal	✓	✓	✓	✓	✓	✓
	Impairment of Barka goodwill		✓				
	Provision for zakat and tax on prior year assessments		✓		✓		
	IPO bonus and incentive plan			✓			
	SQWEC Impairment			✓	✓		
	Gain on remeasurement of [call] options the Group has on projects				✓		
	Nam Dinh reversal of provision						✓

Source: Company information. Shaded column depicts Current Quarter.

2.1 Material ordinary-course-of-business transactions that did not result in adjustment to the Reported Net Profit for the Current Quarter

2.1.1 Projects achieving financial close

When a project has access to funding from lenders, it achieves its FC and the Company becomes entitled to recognize development fees as revenue and recover its project development and bidding costs and reverse any related provisions. Following the FC, the project typically earns additional service fees such as project and construction management fees, which are recognized during the construction period that a project embarks upon as soon as the FC has been achieved.

The following table lists all projects that achieved their respective FCs in the past 18 months to 30 June 2022.

Financial Closes in the past 18 months (June 2022—Jan 2021)						
Month	Project	Location	Project Cost SAR Million	Contracted Capacity (Power: MW / Water: Thousand m3/day))	Accounting Type	Acwa Power's Share
Dec'21	The Red Sea Project	Saudi Arabia	5,966	340 MW / 33 m3/day	EAI	35.00%
Oct'21	Jizan IGCC	Saudi Arabia	45,000	3800 MW	EAI	21.25%
Sep'21	Sirdarya CCGT IPP	Uzbekistan	4,500	1500 MW	Subsidiary	100.00%
Jul'21	Sudair PV IPP	Saudi Arabia	3,563	1500 MW	EAI	35.00%
May'21	Redstone CSP IPP	South Africa	3,000	100 MW	EAI	49.00%

Source: Company information

There was no FC completed in the Current Quarter. The Company completed one FC— Redstone CSP IPP—in the comparable 2Q2021. There was no FC completed in 6M2022 compared to one completed FC in the comparable 6M2021.

2.1.2 Projects achieving commercial operation dates

A project starts providing power and water under the Offtake Agreement to the Offtaker in the year it achieves its ICOD or PCOD and begins recognizing revenue and charging costs in profit or loss statement.

The following table lists all projects that achieved their respective ICOD or PCOD in the past 18 months to 30 June 2022.

ICOD/PCOD in the past 18 months (June 2022—Jan 2021)						
ICOD	PCOD	Project	Location	Online Capacity[1] (Power: MW / Water: Thousand m3/day))	Accounting Type	ACWA Power's Share
	Jun'22	Al Dur 2 (Power)	Bahrain	1500 MW	EAI	60.00%
	Jun'22	Al Dur 2 (Water)	Bahrain	227 M3/day	EAI	60.00%
Jun-22		Taweelah IWP	UAE	455 M3/day	EAI	40.00%
May-22		DEWA V PV (partial)	UAE	400MW	EAI	24.00%
Dec-21		UAQ IWP (partial)	UAE	227 M3/day	EAI	40.00%
Dec-21		Noor Energy 1 (PV-1) (partial)	UAE	217 MW	EAI	24.99%
	Dec-21	Rabigh 3 IWP	Saudi Arabia	600 M3/day	Subsidiary	70.00%
Oct-21		Jizan IGCC (partial)	Saudi Arabia	1500 MW	EAI	21.25%
Sep-21		Hassyan IPP (Unit 2)	UAE	600 MW	EAI	26.95%
	Aug-21	Ibri 2 PV IPP	Oman	500 MW	EAI	50.00%
Jul-21		DEWA V PV (partial)	UAE	300 MW	EAI	24.00%
May-21		Al Dur 2 (Power)	Bahrain	1500 MW	EAI	60.00%
	Mar-21	Salalah IWP	Oman	114 M3/day	EAI	50.10%
Feb-21		Al Dur 2 (Water) (partial)	Bahrain	114 M3/day	EAI	60.00%

Source: Company information.

[1] Online capacity that is in operation as at the stated date.

Following projects contributed incrementally into the financial results of the Current Quarter:

- 3 projects—Taweelah IWP (Water), Al Dur 2 IWPP (Water and Power) and DEWA V PV (additional 100 MW capacity)—that started operations or brought additional new capacity into operation in the Current Quarter;
- 7 projects—DEWA V PV (1st phase of 300 MW capacity), Ibri 2 PV, Hassyan IPP Unit 2, Jizan IGCC Group 1, Rabigh 3 IWP, Noor Energy 1 PV 1st phase and UAQ IWP 1st phase—that achieved commercial operations between July and December 2021.

Details for the Company's entire portfolio of projects can be found on the Company's website (www.acwapower.com).

2.1.3 Restructuring of Shuaibah Water and Electricity Company's PWPA

On 20 June 2022, Shuaibah Water and Electricity Company ("Shuaibah 3 IWPP") signed the WPA to amend and restructure the existing PWPA as part of the conversion of the existing plant (the "Old Plant") from an oil-fired asset to a seawater reverse osmosis desalination plant (the "RO Plant"). See further discussion above in CEO's Letter.

The RO plant, at estimated total investment cost of around SAR 3 billion, will be developed under a concession period of 25 years, with commercial operation date ("COD") scheduled for 2Q2025, until when the Old Plant shall continue to operate. Upon achieving the COD, the Old Plant shall be decommissioned although the underlying project company will continue to receive the capacity payments, as adjusted for the average availability based on last 3 years' performance before decommissioning, until the expiry of the original PWPA term of 1Q2030.

As at 30 June 2022, the project company has accounted for the above transaction under IFRS16 for lease modifications. The transaction has no impact on the interim condensed statement of profit or loss or financial position of the Company as at and for the period ended 30 June 2022.

2.2 Material transactions that resulted in adjustment to the Reported Net Profit for the Current Quarter

The discussion and analysis in this section should be read in conjunction with the Section 3.2 Adjusted profit attributable to equity holders of parent (Adjusted Net Profit) below.

2.2.1 Provision/reversal of provision for due from related party

Kirikkale CCGT IPP ("Kirikkale") is an equity accounted investee of the Company situated in Turkey, for which the O&M operator is NOMAC, a wholly owned subsidiary of the Company. In 2019, a financial restructuring was agreed between the lenders and Kirikkale, whereby the Company recorded a provision for impaired receivables against the remaining receivable balance (please refer to the Company's IPO Prospectus for details).

The Company assesses the existing provision regularly and either provides more or reverses depending on Kirikkale's operational and financial performance. In the Current Quarter, the Company reversed SAR 14.6 million (recorded in General and administrative expenses line on the Interim Condensed Consolidated Statement of Profit or Loss) and posted an adjustment of SAR (14.6) million for this transaction in arriving at Adjusted Net Profit for the Current Quarter. Year-to-date adjustment stood at SAR (11.5) million. See below Section 3.2 Adjusted profit attributable to equity holders of the parent.

2.2.2 Provision/(reversal) of provision for project development cost

In 2020, 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 to-date incurred project development and related costs of Nam Dinh 1 IPP coal project in Vietnam amounting to SAR 80.9 million.

Following successful completion of the transfer of the Company's effective shareholding to a new partner, the Company reversed SAR 14.3 million of the existing provision (recorded in Development cost, provision and write offs, net of reversals line on the Interim Condensed Consolidated Statement of Profit or Loss), which is no more required to be paid, and posted an adjustment of the same amount in arriving at Adjusted Net Profit for the Current Quarter. See below section 3.2.

2.3 Material transactions that the Company normalized below its Adjusted Net Profit of the Current Quarter

There was no transaction in the Current Quarter that the Company normalized its Adjusted Net Profit with.

3- Discussion and analysis of management's key financial indicators

ACWA Power's management uses several key performance metrics internally to review the Group's financial performance. These metrics are defined and analyzed below.

Operating income before impairment loss and other expenses	Consolidated Operating income before impairment loss and other expenses which also includes share in net results of equity accounted investees
Adjusted profit / (loss) attributable to equity holders of the parent	Adjusted profit / (loss) attributable to equity holders of the parent represent profit / (loss) after adjusting for non-routine & non-operational items
Parent Operating Cash Flow (POCF)	(i) Distributions from the project companies and NOMAC; (ii) technical and other management fees and development revenues; and (iii) cash generated by sell-downs and/or disposals of the Company's investments including refinancing. 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.
Total parent net leverage	(i) Borrowings with recourse to the parent and (ii) Off-balance sheet guarantees in relation to Equity Bridge Loans (EBLs) and Equity LCs; equity-related commitments and guarantees on behalf of its JVs and subsidiaries; options entered with the lenders of mezzanine debt facilities taken by the Company's JVs and subsidiaries, net of cash on hand.
Parent net leverage ratio	• Parent level debt to net tangible equity attributable to owners of the Company • Parent net debt to POCF

3.1 Operating income before impairment loss and other expenses

SAR in millions	Second quarter (2Q)			Six months (6M)		
	2022	2021	% change	2022	2021	% change
Operating income before impairment loss and other expenses	**642**	629	2.1%	**1,153**	1,062	8.6%

3.1.1 For the six-months period ended 30 June 2022 ("6M2022")

Operating income before impairment loss and other expenses for 6M2022 was SAR 1,153 million, growing by 8.6%, or SAR 91 million, from SAR 1,062 million in 6M2021. The higher variance was mainly due to: (i) new contribution from projects that achieved their ICOD/PCODs during or after 1H2021 and the O&M income from the same projects (see 2.1.2 Projects achieving ICOD/PCOD); (ii) recognition of performance liquidated damages recovery of SAR 66 million in NOOR III project in Morocco; and (iii) higher employee long-term incentive plan (LTIP) expense in 1H2021 that was recognized for both full year 2020 and 1H2021. These were partially offset by: (i) reversal of an impairment loss of SWEC thus resulting in higher operating income in 1H2021; (ii) lower finance lease income and share in net results of equity accounted investees excluding those from new operations, net of tax, mainly due to the extended outage and plant shut down.

3.1.2 For the three-months period ended 30 June 2022 (“2Q2022”)

Operating income before impairment loss and other expenses for 2Q2022 was SAR 642 million, growing by 2.1%, or SAR 13 million, from SAR 629 million in 2Q2021. Main drivers of this increase were new contribution from projects that achieved their ICOD/PCODs during or after 2Q2021 and the O&M income from the same projects (see 2.1.2 Projects achieving ICOD/PCOD), further supported by higher development and construction management fees, partially offset by the impact of lower availability due to plant outages during the Current Quarter.

3.2 Adjusted profit attributable to equity holders of parent (Adjusted Net Profit)

SAR in millions	Second quarter (2Q)			Six months (6M)		
	2022	2021	% change	2022	2021	% change
Profit attributable to equity holders of the parent (“Reported Net Profit”)	**390**	**308**	**26.6%**	**542**	**447**	**21.2%**
Adjustments:						
Impairment in relation to subsidiaries and equity accounted investees, net		60			30	
Provision for zakat and tax on prior year assessments		11			11	
Provision/(reversal) on due from related party	(15)	2		(12)	4	
Provision for long-term incentive plan					29	
Provision/(reversal) on Vietnam coal project development costs	(14)			(14)		
Total adjustments	**(29)**	**72**		**(26)**	**73**	
Adjusted profit attributable to equity holders of the parent (“Adjusted net profit”)	**361**	**380**	**-5.1%**	**516**	**520**	**-0.8%**

Source: Company information

3.2.1 For the six-months period ended 30 June 2022 (“6M2022”)

Adjusted Net Profit for 6M2022 was SAR 516 million, marginally decreasing by 0.8%, or SAR 4 million, from SAR 520 million in 6M2021. There were two transactions resulting in a reduction in the consolidated Reported Net Profit by SAR 26 million in comparison to four transactions resulting in an increase of SAR 73 million in the consolidated Reported Net Profit in 6M2021.

Management’s discussion and analysis on transactions resulting in adjustments to the consolidated Reported Net Profit for the Current Quarter is provided above in Section 2.2 Material transactions that resulted in adjustment to the Reported Net Profit for the Current Quarter. For discussion and analysis on all other transactions in prior periods resulting in adjustments to the consolidated Reported Net Profit, please refer to the Company’s Investor Report for the corresponding period available at https://www.acwapower.com/en/investor-relations/results-reports-and-presentations/results-and-reports/.

Consolidated Reported Net Profit for 6M2022 was SAR 542 million, increasing by 21.2% or SAR 95 million, from SAR 447 million in 6M2021. In addition to higher operating income before impairment loss and other expenses by SAR 91 million (as discussed above in Section 3.1 Operating income before impairment loss and other expenses), the variance was mostly driven by:

- lower Impairment Loss and Other Expenses by SAR 9 million, mainly because of the goodwill impairment that was recognized in 6M2021, which is partly offset by the arbitration claim and supplier settlement in 6M2022;

- higher Other Income by SAR 141 million mainly because of higher income earned on deposits in addition to finance income from a related party and gain on change in fair value of derivatives; and

- higher net loss attributable to Non-controlling Interests (NCI) by SAR 29 million,

which were partly offset by higher Zakat and Tax expenses by SAR 143 million (see below 3.2.1 Zakat & tax expenses) and Loss from Discontinued Operations by SAR 33 million pertaining to the disposal of SQWEC in 1Q2022.

3.2.1.1 Zakat & tax expenses

SAR in millions	Second quarter (2Q)			Six months (6M)		
	2022	2021	% change	2022	2021	% change
Zakat and tax charge	(84)	(25)	236.9%	(183)	(40)	362.2%

Source: Reviewed financial statements.

Zakat and tax charges for 6M2022 were SAR (183) million, increasing by 362%, or SAR 143 million, from SAR (40) million in 6M2021. Main driver of this increase was the deferred tax expense of SAR (90) million in 6M2022 because of the depreciation of the Moroccan Dirham (MAD) versus the United States Dollar (USD) during the period, against the deferred tax credit of SAR 35 million in 6M2021, resulting in SAR (125) million of higher tax charges.

Had above temporary deferred tax charges been neutralized, the Company's Reported Net Profit and Adjusted Net Profit in 6M2022 would post 54% and 25% growth, respectively, versus 6M2021.

3.2.2 For the three-months period ended 30 June 2022 ("2Q2022")

Adjusted Net Profit for 2Q2022 was SAR 361 million, decreasing by 5.1%, or SAR 19 million, from SAR 380 million in 2Q2021. There were two transactions resulting in a reduction in the consolidated Reported Net Profit by SAR 29 million in comparison to three transactions resulting in an increase of SAR 72 million in the consolidated Reported Net Profit in 2Q2021.

3.3 Sources and uses of parent level cash

Parent Operating Cash Flow ("POCF")	Six months (6M) SAR in millions		% change
	2022	2021	
Distributions	545	302	80.2%
Development and construction management services	260	225	15.7%
Fees and other services	133	127	4.6%
Capital recycling	1,649	-	0.0%
Total cash inflow	**2,587**	**654**	**295.5%**
G&A, Zakat expenses and CAPEX	(375)	(344)	9.1%
Financial expenses[1]	(93)	(94)	-1.5%
Total cash outflow	**(468)**	**(438)**	**6.8%**
Total parent operating cash flow	**2,119**	**216**	**879.6%**
Total discretionary cash	**7,051**	**3,324**	**112.1%**
Total uses of cash	3	(507)	-100.5%
Period end cash balance	**7,054**	**2,817**	**150.4%**

Source: Company information.

[1] Financial expenses pertaining to the non-recourse ACWA39 bond issued by APMI One, a wholly owned subsidiary of the Company.

3.3.1 Parent operating cash flow ("POCF")

POCF for 6M2022 was SAR 2,119 million, increasing by 880%, or SAR 1,903 million, from SAR 216 million in 6M2021, on account of higher cash inflows by SAR 1,933 million partially offset by a marginal SAR 30 million increase in cash outflows.

The increase in cash flows was mainly driven by i) higher distribution and higher development and construction management services fees from the projects in addition to a partial repayment of, and interest earned on, a shareholder loan; and ii) capital recycling proceeds from RAWEC following the refinancing of its then outstanding debt (see the Company's investor reports for FY2021 and 1Q2022) and from the divestment of SQWEC (see the Company's investor report for 1Q2022). The marginal increase in cash outflows was mainly driven by higher G&A, Zakat expenses and Capex.

3.3.2 Total discretionary cash ("TDC") and period end cash

Total Discretionary Cash comprises the opening cash of the period, the POCF and new equity or debt capital raised by the Company, if any.

TDC for 6M2022 of SAR 7,051 million was higher by 112%, or SAR 3,727 million, than SAR 3,324 million of 6M2021, mainly as a result of higher POCF (see above 3.3.1 Parent operating cash flow ("POCF")) and higher opening cash balance mostly because of the proceeds from the Company's IPO in October 2021. During 6M2022, the Company used SAR 468 million of its available TDC for i) SAR 78 million of debt service, ii) SAR 322 million for investment in its projects, and iii) SAR 68 million for other advances. Combined with the SAR 470 million collection of an advance from a supplier for a project (netted off against uses of cash), total period end cash stood at SAR 7,054 million as at 30 June 2022, 150%, or SAR 4,237 million higher than 30 June 2021.

3.3.2.1 Equity commitments

The Company as a lead investor; co-invests in all its projects with a view to maintaining technical and operational control over the performance of these projects; and aims to invest 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 ("EBL"). By bridging its equity injection during the construction period (and sometimes beyond the construction period) with an EBL, the Company is able to optimize the tariff towards the offtaker. Additionally, the Company seeks continuous capital optimization through re-financing of EBLs with the objective of generating incremental return on its investments.

The Company's equity commitments are based on successful bidder announcement, or where a bid is negotiated based on project award agreements (collectively "Advanced Development Projects") and represent ACWA Power's share of base equity and EBLs for each project, as approved by the Board Executive Committee (BEC) of the Company. The equity commitment amount does not represent the amount of equity invested but what the Company is committed to contribute.

Total equity commitments by the Company during 6M2022 in aggregate was SAR 1,166 million for the Advanced Development Projects. Please note that equity commitments are subject to change until underlying projects achieve their respective financial closes, which may take longer than a full financial year in some circumstances.

3.4 Parent level leverage

Parent level leverage	SAR in millions		
	30-Jun-22	31-Dec-21	% change
Corporate borrowings (incl. CRF)	2,791	2,790	0.0%
Project recourse borrowings	3,301	2,479	33.1%
Other financial liabilities	1,639	1,640	0.0%
Total on-balance sheet leverage	**7,731**	**6,909**	**11.9%**
Guarantees in relation to equity letter of credits & EBL	4,732	4,988	-5.1%
Guarantees on behalf of joint ventures and subsidiaries	1,831	1,916	-4.4%
Other equity commitments	729	729	0.0%
Total off-balance sheet leverage	**7,293**	**7,633**	**-4.5%**
Total parent leverage	**15,024**	**14,543**	**3.3%**
Less: Period end cash balance	(7,054)	(4,520)	56.0%
Parent net leverage	**7,970**	**10,022**	**-20.5%**
Net tangible equity [1]	12,866	12,892	-0.2%
Parent net leverage to POCF[2] ratio	**2.27x**	**6.22x**	**-3.95x**
Parent net leverage to Net tangible equity ratio	**0.62x**	**0.78x**	**0.16x**

Source: Company information

[1] Equity attributable to owners of the Company before other reserves, net of intangible assets such as Goodwill and project development costs.

[2] POCF on LTM basis is SAR 3,514 million.

3.4.1 Leverage

Parent Net Leverage stood at SAR 7,970 million as at 30 June 2022, decreasing by 20.5%, or SAR 2,052 million, from SAR 10,022 million as at 31 December 2021, driven by marginally higher total parent leverage (3.3%, or SAR 481 million) more than offset by higher period end cash balance than 31 December 2021 (56%, or SAR 2,534 million).

Total on-balance sheet leverage stood at SAR 7,731 million, increasing by 12%, or SAR 822 million, from SAR 6,909 million as at 31 December 2021, mainly on account of higher recourse borrowings pertaining to financing facilities in relation to the Company's projects, including NEOM Green Hydrogen project for which we have already arranged the EBLs and are disbursing and using for the LNTP that has been committed. Total off-balance sheet leverage stood at SAR 7,293 million, decreasing by 5%, or SAR 340 million, from SAR 7,633 million as at 31 December 2021, mainly on account of lower Equity Bridge Loans ("EBL") commitments and Equity LCs pertaining mainly to the Red Sea and Hassyan projects; and other equity-related commitments and guarantees on behalf of its JVs and subsidiaries mainly for Rabigh 3.

3.4.2 Leverage ratios

The Company's management monitors two ratios with respect to its leverage position, namely Parent Net Leverage to POCF ratio and Parent Net Leverage to Net Tangible Equity ratio.

3.4.2.1 Parent Net Leverage to POCF ratio

At 2.27x, Parent Net Leverage to POCF ratio dropped significantly from 6.22x as at 31 December 2021 mainly due to lower net parent leverage and significantly higher POCF (on LTM basis) (see above 3.3.1 Parent operating cash flow ("POCF") and 3.4.1 Leverage).

3.4.2.2 Parent Net Leverage to Net Tangible Equity ratio

At 0.62x, Parent Net Leverage to Net tangible equity ratio dropped by 0.16x from 0.78x as at 31 December 2021 mainly due to lower net parent leverage (see above 3.4.1 Leverage) and a flat Net Tangible Equity.

4- Operational and ESG highlights

4.1 Operational performance

Most of the Company's base-load conventional power generation and water desalination projects conduct business under long-term sales contracts, with offtakers mostly 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. Additionally, once the capacity is available, the project earns fixed operation and maintenance revenues as part of the capacity payments from the Offtaker. Plant availability is therefore the single most important key performance indicator as far as the operations are concerned.

A plant's available capacity is affected by unplanned interruptions (outages) as a result of critical equipment failure or other factors. In 6M2022, overall plant availability for power and water plants in operation was 86% (6M2021: 88%) and 96% (6M2021: 92%), respectively. Major forced outages affecting 6M2022 were Noor III CSP in Morocco (leak in molten salt storage tank); and Hajr and Mourjan IPPs (failure of equipment) in Saudi Arabia. The Company is in the process of executing a number of initiatives to improve reliability of supply in particular of those plants that experience outage more often than average mostly and increasingly on account of failure of equipment supplied by world renowned OEMs, in addition to a digital transformation drive that will also support the reliability of supply by using technology more efficiently than today.

On health and safety, despite all our efforts to provide and maintain the safest possible working environment in our complex operational and construction sites, we are still facing incidents that cause lost time as defined by the OSHA USA standard, based on which we monitor and report our lost-time incident rate (LTIR). Accordingly, overall LTI rate for ACWA Power during 6M2022 was 0.01. Inconsolably however, we had two fatalities in two of our projects, one operational and one under construction, and we feel the loss of our colleagues in our hearts.

4.2 ESG highlights

On the Governance side, ACWA Power Company held its Ordinary General Assembly ("OGA") on 30 June 2022. In the presence of 75.13% of attending shareholders by their voting rights and full Board of Directors of the Company, the OGA, among other agenda items, has approved the distribution of SAR 0.77 per share cash dividends for the year 2021 amounting to SAR 562,946,791, which was subsequently paid in full in July 2022.

On the Environment front, our focus on renewables and transitional low CO2 emitting assets with the objective of fulfilling the net-zero emissions target by year 2050 is augmented by the addition of four new projects in advanced development projects during 6M2022, namely Layla and Ar Rass PV IPPs in Saudi Arabia and Saguling and Singkarak Floating PV IPPs in Indonesia as well as by the divestment of SQWEC IWPP in Saudi Arabia, an oil-fired asset. As a result, share of renewable energy capacity in our total portfolio has increased by 200 basis points from 35% at the end of 2021 to 37% as at 30 June 2022.

Apart from the Company's ongoing and regular community support activities, there was not any material exclusive CSR event or activity undertaken during 6M2022.

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 AND SIX MONTHS PERIODS ENDED 30 JUNE 2022

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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 30 June 2022, the related interim condensed consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the interim condensed 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 Professional Services

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

Riyadh: 12 Muharram 1444H
(10 August 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)

	Notes	**As at 30 Jun 2022**	As at 31 Dec 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	**11,940,457**	11,815,728
Intangible assets		**1,983,924**	1,997,430
Equity accounted investees	4	**11,166,310**	9,433,199
Net investment in finance lease		**11,723,798**	12,372,474
Deferred tax asset		**130,778**	165,004
Fair value of derivatives	19	**953,780**	45,540
Strategic fuel inventories		**29,933**	54,086
Other assets		**396,139**	156,923
TOTAL NON-CURRENT ASSETS		**38,325,119**	36,040,384
CURRENT ASSETS			
Inventories		**403,485**	425,299
Net investment in finance lease		**366,048**	375,821
Fair value of derivatives	19	**28,769**	-
Due from related parties	7	**874,631**	780,656
Accounts receivable, prepayments and other receivables		**2,697,078**	2,913,617
Cash and cash equivalents	5	**8,847,657**	5,172,921
TOTAL CURRENT ASSETS		**13,217,668**	9,668,314
TOTAL ASSETS		**51,542,787**	45,708,698

The attached notes 1 to 24 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)

	Notes	**As at 30 Jun 2022**	As at 31 Dec 2021
EQUITY AND LIABILITIES			
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		**1,846,599**	1,307,826
Proposed dividends		**-**	560,000
Equity attributable to owners of the Company before other reserves		**15,035,398**	15,056,625
Other reserves	8	**1,546,350**	(1,572,279)
Equity attributable to owners of the Company		**16,581,748**	13,484,346
Non-controlling interest		**1,182,052**	835,799
TOTAL EQUITY		**17,763,800**	14,320,145
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing and funding facilities	6	**25,573,857**	22,856,753
Due to related parties	7	**1,608,036**	1,594,852
Equity accounted investees	4	**11,593**	443,167
Fair value of derivatives	19	**6,245**	362,890
Deferred tax liability		**173,655**	120,404
Deferred revenue		**53,315**	54,331
Employee end of service benefits' liabilities		**181,207**	196,025
Other liabilities	9	**707,788**	674,248
TOTAL NON-CURRENT LIABILITIES		**28,315,696**	26,302,670
CURRENT LIABILITIES			
Accounts payable, accruals and other financial liabilities		**3,730,177**	3,597,981
Short-term financing facilities		**316,725**	186,381
Current portion of long-term financing and funding facilities	6	**1,108,568**	958,476
Due to related parties	7	**57,046**	83,485
Fair value of derivatives	19	**10,631**	44,058
Zakat and taxation		**240,144**	215,502
TOTAL CURRENT LIABILITIES		**5,463,291**	5,085,883
TOTAL LIABILITIES		**33,778,987**	31,388,553
TOTAL EQUITY AND LIABILITIES		**51,542,787**	45,708,698

The attached notes 1 to 24 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 30 June		For the six months period ended 30 June	
		2022	2021	**2022**	2021
CONTINUING OPERATIONS					
Revenue	11	**1,293,723**	1,251,756	**2,444,995**	2,494,511
Operating costs		**(622,656)**	(551,102)	**(1,168,862)**	(1,132,408)
GROSS PROFIT		**671,067**	700,654	**1,276,133**	1,362,103
Development cost, provision and write offs, net of reversals		**(11,018)**	(19,386)	**(34,734)**	(49,056)
General and administration expenses		**(215,994)**	(219,539)	**(435,163)**	(448,431)
Share in net results of equity accounted investees, net of tax	4, 16.2	**169,690**	142,537	**216,128**	146,363
Other operating income	12	**28,416**	24,908	**130,328**	50,685
OPERATING INCOME BEFORE IMPAIRMENT LOSS AND OTHER EXPENSES		**642,161**	629,174	**1,152,692**	1,061,664
Impairment loss and other expenses	13	**(35,819)**	(66,013)	**(57,382)**	(66,013)
OPERATING INCOME AFTER IMPAIRMENT LOSS AND OTHER EXPENSES		**606,342**	563,161	**1,095,310**	995,651
Other income		**95,489**	15,653	**169,058**	28,460
Exchange gain / (loss), net		**15,599**	7,432	**(1,639)**	6,691
Financial charges, net	14	**(255,813)**	(259,472)	**(537,280)**	(546,734)
PROFIT BEFORE ZAKAT AND INCOME TAX		**461,617**	326,774	**725,449**	484,068
Zakat and tax charge	10.1	**(83,789)**	(24,872)	**(182,997)**	(39,592)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**377,828**	301,902	**542,452**	444,476
DISCONTINUED OPERATIONS					
Profit / (loss) from discontinued operations	16.2	**-**	7,659	**(21,233)**	11,394
PROFIT FOR THE PERIOD		**377,828**	309,561	**521,219**	455,870
Profit / (loss) attributable to:					
Equity holders of the parent		**389,869**	307,847	**541,720**	446,885
Non-controlling interests		**(12,041)**	1,714	**(20,501)**	8,985
		377,828	309,561	**521,219**	455,870
Basic and diluted earnings per share to equity holders of the parent (in SR)	15.2	**0.53**	0.48	**0.74**	0.69
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	15.2	**0.53**	0.46	**0.77**	0.67

The attached notes 1 to 24 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)

	Notes	For the three months period ended 30 June		For the six months period ended 30 June	
		2022	2021	**2022**	2021
PROFIT FOR THE PERIOD		**377,828**	309,561	**521,219**	455,870
OTHER COMPREHENSIVE INCOME / (LOSS)					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		**(981)**	31	**(301)**	(345)
Equity accounted investees – share of OCI	8	**721,587**	(116,097)	**1,956,779**	698,873
Change in fair value of cash flow hedge reserve		**767,365**	(100,543)	**1,479,342**	258,084
Settlement of cash flow hedges transferred to profit or loss		**(4,987)**	(10,913)	**(25,998)**	(22,556)
Cash flow hedge reserve recycled to profit or loss on sale of an equity accounted investee	16.2	**-**	-	**(128,638)**	-
Items that will not be reclassified to profit or loss					
Re-measurement of defined benefit liability		**6,776**	(325)	**4,950**	(6,158)
TOTAL OTHER COMPREHENSIVE INCOME /(LOSS)		**1,489,760**	(227,847)	**3,286,134**	927,898
TOTAL COMPREHENSIVE INCOME		**1,867,588**	81,714	**3,807,353**	1,383,768
Total comprehensive income / (loss) attributable to:					
Equity holders of the parent		**1,804,979**	117,511	**3,660,349**	1,304,418
Non-controlling interests		**62,609**	(35,797)	**147,004**	79,350
		1,867,588	81,714	**3,807,353**	1,383,768

The attached notes 1 to 24 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)

		For the six months period ended 30 Jun	
	Notes	**2022**	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and tax from continuing operations		**725,449**	484,068
(Loss) / profit before zakat and tax from discontinued operations		**(21,233)**	11,394
Adjustments for:			
Depreciation and amortisation		**230,294**	308,964
Financial charges	14, 16.2	**537,280**	553,976
Unrealised exchange gain		**(5,762)**	(10,882)
Share in net results of equity accounted investees, net of zakat and tax		**(208,530)**	(137,298)
Charge for employees' end of service benefits		**13,739**	24,547
Fair value of cash flows hedges recycled to consolidated statement of income		**2,487**	3,257
Provisions / (reversal) and write-offs, net		**(595)**	23,659
Provision for long term incentive plan		**10,890**	43,308
Development cost, provision and write offs, net of reversals		**34,734**	49,056
(Gain) / loss on disposal / write-off of property, plant and equipment		**(4,692)**	7,648
Finance income from shareholder loans and deposits		**(110,318)**	(22,482)
Net loss on disposal on an equity accounted investee and loss of control in a subsidiary	16	**17,179**	-
Impairment loss on goodwill		**-**	60,024
Fair value change in derivative liabilities	9.2	**(27,900)**	-
Changes in operating assets and liabilities:			
Accounts receivable, prepayments and other receivables		**147,456**	(40,424)
Inventories		**(16,896)**	(10,937)
Payables and accruals		**(259,297)**	(69,696)
Due from related parties		**(68,909)**	53,435
Net investment in finance lease		**212,006**	236,774
Strategic fuel inventories		**24,153**	17
Other assets		**(18,351)**	(2,877)
Other liabilities		**(5,185)**	(17,382)
Deferred revenue		**(1,016)**	14,187
Net cash from operations		**1,206,983**	1,562,336
Employees' terminal benefits paid		**(18,411)**	(13,787)
Zakat and tax paid		**(80,295)**	(167,400)
Dividends received from equity accounted investees		**97,629**	48,202
Net cash generated from operating activities		**1,205,906**	1,429,351
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		**(693,683)**	(1,209,985)
Investments in equity accounted investees, net of repayments		**(445,409)**	(386,328)
Proceeds on disposal of equity accounted investee and disposal of subsidiaries	16	**391,440**	-
Proceeds on disposal of property, plant and equipment		**5,514**	21,924
Finance income from shareholder loans and deposits received		**84,454**	16,281
Cash deconsolidated on loss of control	16	**(469)**	-
Net cash used in investing activities		**(658,153)**	(1,558,108)

The attached notes 1 to 24 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)

		For the six months period ended 30 Jun	
	Notes	**2022**	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financing and funding facilities, net of transaction cost		**4,329,258**	5,018,802
Repayment of financing and funding facilities		**(879,513)**	(1,369,428)
Due to related parties		**(28,642)**	20,176
Financial charges paid		**(497,464)**	(555,625)
Dividends paid		**(46,998)**	(63,033)
Capital contributions from and other adjustments to non-controlling interest	20.2	**250,342**	3,991
Net cash generated from financing activities		**3,126,983**	3,054,883
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		**3,674,736**	2,926,126
Cash and cash equivalents at beginning of the period		**5,172,921**	832,668
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	**8,847,657**	3,758,794

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
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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*	*Proposed dividends*	*Other Reserves (note 8)*	*Equity attributable to owners of the Company*	*Non-controlling interest*	*Total equity*
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 (note 20.2)	-	-		-	-	-	-	3,991	3,991
Dividends (note 21)	-	-	-	-	-	-	-	(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
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	**-**	**-**	**-**	**541,720**	**-**	**-**	**541,720**	**(20,501)**	**521,219**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**3,118,629**	**3,118,629**	**167,505**	**3,286,134**
Total comprehensive income	**-**	**-**	**-**	**541,720**	**-**	**3,118,629**	**3,660,349**	**147,004**	**3,807,353**
Changes to non-controlling interests (note 20.2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**250,342**	**250,342**
Dividends (note 21)	**-**	**-**	**-**	**(2,947)**	**(560,000)**	**-**	**(562,947)**	**(51,093)**	**(614,040)**
Balance at 30 June 2022	**7,134,143**	**5,335,893**	**718,763**	**1,846,599**	**-**	**1,546,350**	**16,581,748**	**1,182,052**	**17,763,800**

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

ACWA POWER Company and its Subsidiaries
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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") 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 and six months periods ended 30 June 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 and six months periods ended 30 June 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
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(All amounts in Saudi Riyals thousands unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT

	Note	**30 Jun 2022**	31 Dec 2021
At the beginning of the period / year		**11,815,728**	12,732,340
Additions for the period / year		**343,255**	2,288,450
Depreciation charge for the period / year		**(216,337)**	(592,312)
Finance lease recognition for the period / year		**-**	(2,582,422)
Disposals / write-offs		**(822)**	(29,671)
Derecognition on loss of control	*16.1*	**(968)**	-
Foreign currency translation		**(399)**	(657)
At the end of the period / year		**11,940,457**	11,815,728

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.

	Notes	**30 Jun 2022**	31 Dec 2021
At the beginning of the period / year		**8,990,032**	3,879,889
Additions during the period / year, net	*4.1*	**225,643**	4,078,154
Share of results for the period / year		**208,530**	225,606
Share of other comprehensive income for the period / year	8	**1,828,141**	997,786
Dividends for the period / year		**(97,629)**	(191,403)
At the end of the period / year		**11,154,717**	8,990,032
Equity accounted investees shown under non-current assets		**11,166,310**	9,433,199
Equity accounted investees shown under non-current liabilities		**(11,593)**	(443,167)
		11,154,717	8,990,032

4.1 This includes additional investments and repayments of shareholder loans in certain equity accounted investees.

In addition, 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 16). 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 30 Jun 2022	As at 31 Dec 2021
Cash at bank	**2,216,469**	1,728,067
Short-term deposits with original maturities of three months or less	**6,631,188**	3,444,854
	8,847,657	5,172,921

ACWA POWER Company and its Subsidiaries
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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

	Note	As at 30 Jun 2022	As at 31 Dec 2021
Recourse debt:			
Financing facilities in relation to projects		**3,300,747**	2,479,306
Corporate facilities		**1,129**	1,130
Corporate bond		**2,790,146**	2,789,269
Non-Recourse debt:			
Financing facilities in relation to projects	*6.1*	**16,978,376**	14,926,843
ACWA Power Management and Investments One Ltd (“APMI One”)		**3,006,209**	3,004,460
ACWA Power Capital Management Ltd (“APCM”)		**605,818**	614,221
Total financing and funding facilities		**26,682,425**	23,815,229
Less: Current portion of long-term financing and funding facilities		**(1,108,568)**	(958,476)
Non-current portion shown under non-current liabilities		**25,573,857**	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 30 June 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%.

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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 of Directors as necessary. Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

	Note	***Relationships***	**For the three months period ended 30 Jun**		**For the six months period ended 30 Jun**	
			2022	2021	**2022**	2021
Transactions:						
Revenue		Affiliates	**486,764**	392,988	**927,911**	866,629
Service fees		Joint ventures	**28,416**	24,908	**64,444**	50,685
Finance income		Joint ventures	**36,197**	7,740	**70,594**	13,941
Financial charges on loan to related parties	14	Affiliates	**14,168**	14,505	**28,396**	28,327
Key management personnel compensation including director's remuneration			**9,856**	7,308	**22,295**	18,568

	Notes	***Relationships***	***As at***	
			30 Jun 2022	31 Dec 2021
Due from related parties				
Current:				
Hajr for Electricity Production Company	(a)	Joint venture	**175,163**	166,859
Al Mourjan for Electricity Production Company	(a)	Joint venture	**111,548**	109,282
Hassyan Energy Phase 1 P.S.C	(a)	Joint venture	**36,897**	74,766
Noor Energy 1 P.S.C	(a)	Joint venture	**45,894**	15,054
Dhofar O&M Company	(a)	Joint venture	**64,867**	61,695
Jazan Integrated Gasification and Power Company	(f)	Joint venture	**25,864**	23,237
Shuaibah Water & Electricity Company	(a)	Joint venture	**33,561**	45,026
Rabigh Electricity Company	(a)	Joint venture	**38,217**	28,709
ACWA Power Solar reserve Redstone Solar TPP	(e)	Joint venture	**36,832**	39,873
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	**20,301**	35,267
UPC Renewables S.A	(a)	Joint venture	**27,440**	26,952
Shuqaiq Services Company for Maintenance	(a)	Joint venture	**100,589**	-
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	**9,318**	8,604
Ad-Dhahirah Generating Company SAOC	(a)	Joint venture	**18,747**	14,048
Naqa Desalination Plant LLC	(a)	Joint venture	**12,308**	32,688
Shinas Generating Company SAOC	(a)	Joint venture	**23,163**	4,870
Shuaibah Expansion Project Company	(a)	Joint venture	**14,096**	11,363
Haya Power & Desalination Company	(a)	Joint venture	**21,454**	3,055
ACWA Power Oasis Three	(a)	Joint venture	**8,117**	8,022
Shams Ad-Dhahira Generating Company SAOC	(a)	Joint venture	**3,358**	3,200
Saudi Malaysia Water and Electricity Company	(d)	Joint venture	**3,130**	395
Risha for Solar Energy Projects	(a)	Joint venture	**213**	204
Shuqaiq Water and Electricity Company	(a)	Joint venture	**-**	27,001
Other related parties		Joint venture	**43,554**	40,486
			874,631	780,656

	Notes	***Relationships***	***As at***	
			30 Jun 2022	31 Dec 2021
Due to related parties				
Non-current:				
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	**760,873**	760,873
Water and Electricity Holding Company CJSC	(g)	Shareholder's subsidiary	**723,109**	707,410
Loans from minority shareholders of subsidiaries	(c)	-	**124,054**	126,569
			1,608,036	1,594,852

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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7 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Notes	*Relationships*	*As at*	
			30 Jun 2022	31 Dec 2021
Due to related parties				
Current:				
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(h)	Joint venture	**21,326**	44,746
Others	(i)	Joint venture	**35,720**	38,739
			57,046	83,485

(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. Effective interest rate is 3.67% per annum. 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, the Group has agreed an additional net consideration of SR 19.8 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:

i. Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 38.8 million (2021: SR 41.4 million). The loans are due for repayment in 2024 and carry profit rate at 5.75% per annum; and

ii. 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 London Interbank Offered Rate (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 30 June 2022, SR 15.7 million (2021: SR 14.5 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.

(i) These represent non-interest bearing payables to equity accounted investees with no fixed maturity.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
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8 OTHER RESERVES

Movement in other reserve 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 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	(343,967)	(6,449)	(1,165,555)	(29,128)	(27,180)	(1,572,279)
Balance as at 1 January 2022	**(343,967)**	**(6,449)**	**(1,165,555)**	**(29,128)**	**(27,180)**	**(1,572,279)**
Changes during the period	**1,285,494**	**528**	**1,956,779**	**4,466**	**-**	**3,247,267**
Recycled to profit or loss on sale of an equity accounted investee (note 16)	**-**	**-**	**(128,638)**	**-**	**-**	**(128,638)**
Balance as at 30 June 2022	**941,527**	**(5,921)**	**662,586**	**(24,662)**	**(27,180)**	**1,546,350**

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 OTHER LIABILITIES

	Notes	**As at 30 Jun 2022**	As at 31 Dec 2021
Financial liabilities assumed on loss of control	9.1	**222,507**	217,076
Coal derivative liabilities	9.2	**47,837**	43,044
Put options	9.3	**5,175**	5,175
Other liabilities		**432,269**	408,953
		707,788	674,248

9.1 This represents financial liabilities assumed on loss of control in a subsidiary during 2018, together with unwinding of interest.

9.2 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.

As of 30 June 2022, the Group carries a liability of SR 155.2 million (SR 47.8 million non-current liabilities and SR 107.4 million current liabilities) in the interim condensed consolidated statement of financial position (31 December 2021: SR 171.4 million classified as SR 43.0 million non-current liabilities and SR 128.4 million current liabilities). During the six months period ended 30 June 2022, the Group recognised a gain on change in fair value of the Derivative amounting to SR 27.9 million (30 June 2021: nil).

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9 OTHER FINANCIAL LIABILITIES (CONTINUED)

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 4.2 million / (SR 4.2 million)
+/-10% change in coal price	SR 4.2 million / (SR 4.2 million)
+/- 50 bps change in discount rate	(SR 2.1 million) / SR 2.1 million

9.3 This represents 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).

10 ZAKAT AND TAX

10.1 Amounts recognized in profit or loss

	For the three months period ended 30 June		For the six months period ended 30 June	
	2022	2021	**2022**	2021
Zakat and current tax*	**59,483**	29,797	**104,937**	65,300
Deferred tax**	**24,306**	(4,925)	**78,060**	(25,708)
Zakat and tax charge reflected in profit or loss	**83,789**	24,872	**182,997**	39,592

**Zakat and current tax charge for the six months period ended 30 June 2022 includes nil (30 June 2021: SR 10.5 million) provision on prior year assessments.*

***Deferred tax expense for the six months period ended 30 June 2022 includes impact from foreign exchange rate movements of SR 89.6 million (30 June 2021: reversal of SR 35.5 million).*

10.2 Zakat and tax assessments

The Company
The Company has filed zakat and tax returns for all the years up to 2021. The company has closed its position with Zakat, Tax & Customs Authority (the "ZATCA") until year 2018. The ZATCA is yet to assess the years 2019-2021.

ACWA Power Projects ("APP")
APP has filed its zakat and tax returns for all the years up to 2021. APP had finalised its position with the ZATCA up to the year 2014.

During 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 2021. The assessment for the period 2008-2012 has been closed in favour of NOMAC by the Tax Violations and Dispute Appeal Committee ("TVDAC"). For the years 2013-2016, ZATCA has assessed an additional zakat liability of SR 6.7 million. The case is currently under review by the TVDAC.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(All amounts in Saudi Riyals thousands unless otherwise stated)

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

During 2018, the ZATCA issued an assessment for the year 2017, claiming additional tax and 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.

During 2021, the ZATCA issued an assessment for the year 2015, claiming additional tax, zakat and delay penalties amounting to SR 15.3 million. RAWEC has registered the objection case with the GSTC in October 2021. The case is yet to be reviewed by the GSTC.

During April 2022, ZATCA issued an assessment for the year 2016, claiming additional tax and zakat liabilities amounting to SR 23.6 million, including a delay penalty. RAWEC has submitted an objection during June 2022 and is awaiting response.

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

	Notes	**For the three months period ended 30 June**		**For the six months period ended 30 June**	
		2022	2021	**2022**	2021
Services rendered					
Operation and maintenance		**464,816**	372,684	**866,449**	767,360
Development and construction management services		**147,714**	121,601	**295,427**	296,080
Others	11.1	**(18,362)**	4,296	**(10,480)**	5,762
Sale of electricity					
Capacity		**195,306**	250,077	**407,320**	507,751
Energy		**91,902**	107,384	**148,380**	182,972
Finance lease income	11.2	**72,281**	118,875	**71,833**	193,038
Sale of water					
Capacity	11.3	**233,907**	244,586	**461,838**	482,152
Output	11.3	**79,481**	32,253	**151,286**	59,396
Finance lease income	11.2	**26,678**	-	**52,942**	-
		1,293,723	1,251,756	**2,444,995**	2,494,511

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11 REVENUE (CONTINUED)

11.1 This represents net underwriting insurance income / (deficit) from ACWA Power Reinsurance business (Captive Insurer).

11.2 The finance lease income is presented net of energy generation shortfalls amounting to SR 144.2 million for the six months and SR 34.7 million for the three months periods ended 30 June 2022 (30 June 2021: six months SR 39.6 million and three months nil). 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.

Finance lease principal amortisation for the six months and three months periods ended 30 June 2022 is SR 178.8 million and SR 84.7 million respectively (30 June 2021: six months SR 163.4 million and three months SR 85.4 million).

11.3 Includes revenue from sale of steam amounting to SR 197.8 million for the six months and SR 101.2 million for the three months periods ended 30 June 2022 (30 June 2021: six months SR 198.3 million and three months SR 99.9 million).

12 OTHER OPERATING INCOME

	Note	**For the three months period ended 30 June**		**For the six months period ended 30 June**	
		2022	2021	**2022**	2021
Group services	12.1	**28,416**	24,908	**64,444**	50,685
Performance liquidated damages recovery		**-**	-	**65,884**	-
		28,416	24,908	**130,328**	50,685

12.1 This represents income in relation to management advisory services, and ancillary support services provided to equity accounted investees.

13 IMPAIRMENT LOSS AND OTHER EXPENSES, NET

	Notes	**For the three months period ended 30 June**		**For the six months period ended 30 June**	
		2022	2021	**2022**	2021
Impairment loss on goodwill	13.1	**-**	60,024	**-**	60,024
Arbitration claim and supplier settlement	13.2	**33,545**	-	**55,108**	-
Corporate social responsibility		**2,274**	5,989	**2,274**	5,989
		35,819	66,013	**57,382**	66,013

13.1 During the period ended 30 June 2021, 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 was recognised in these interim condensed consolidated financial statements. As of 30 June 2022, the Group does not carry any goodwill related to the Entities.

13.2 This represents expenses pertaining to an arbitration claim, recognised by a Group’s subsidiary based on the outcome from an Arbitration Tribunal and settlement with supplier on account of procurement cancellation.

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14 FINANCIAL CHARGES, NET

	Note	**For the three months period ended 30 June**		**For the six months period ended 30 June**	
		2022	2021	**2022**	2021
Financial charges on borrowings		**199,063**	213,992	**451,137**	456,417
Financial charges on letters of guarantee		**25,174**	16,906	**34,243**	39,167
Financial charges on loans from related parties	7	**14,168**	14,505	**28,396**	28,327
Other financial charges		**17,408**	14,069	**23,504**	22,823
		255,813	259,472	**537,280**	546,734

15 EARNINGS PER SHARE

15.1 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**	
	2022	2021	**2022**	2021
Issued ordinary shares	**731,100**	645,763	**731,100**	645,763
Weighted average number of ordinary shares outstanding during the period	**731,100**	645,763	**731,100**	645,763

15.2 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**	
	2022	2021	**2022**	2021
Net profit for the period attributable to equity holders of the Parent	**389,869**	307,847	**541,720**	446,885
Profit for the period from continuing operations attributable to equity holders of the Parent	**389,869**	300,188	**562,953**	435,491
Basic and diluted earnings per share to equity holders of the Parent (in SR)	**0.53**	0.48	**0.74**	0.69
Basic and diluted earnings per share for continuing operations to equity holders of the Parent (in SR)	**0.53**	0.46	**0.77**	0.67

16 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 the equity method effective from the Closing Date. The Group recognised a net loss of SR 17.2 million on the transaction as follows:

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16 DISCONTINUED OPERATIONS (CONTINUED)

	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	*16.1*	**(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		**(17,179)**

16.1 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**
	78,710
Liabilities	
Accounts payable and accruals	**25,086**
Deferred revenue	**4,106**
Employee end of service benefits' liabilities	**5,196**
	34,388
Net assets	**44,322**

16.2 Results of discontinued operations

	For the period from 1 January 2022 to 17 March 2022	For the six months period ended 30 June 2021
O&M Entity		
Revenue	**22,360**	65,561
Operating costs	**(17,678)**	(42,600)
General and administration expenses	**(1,138)**	(4,087)
Other operating income	**-**	8,827
Financial charges, net	**-**	(7,242)
Net income	**3,544**	20,459
Shuqaiq – share in net results	**(7,598)**	(9,065)
	(4,054)	11,394
Loss on disposal	**(17,179)**	-
(Loss) / profit from discontinued operations	**(21,233)**	11,394

16.3 Cash flows of discontinued operations

O&M Entity		
Cash flows from operating activities	**4,165**	16,258

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17 COMMITMENTS AND CONTINGENCIES

As at 30 June 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 11.69 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 30 Jun 2022	As at 31 Dec 2021
Performance/development securities and completion support Letters of Credit ("LCs")	**3,711,661**	5,440,657
Guarantees in relation to bridge loans and equity LCs	**4,732,462**	4,988,118
Guarantees on behalf of joint ventures and subsidiaries	**1,830,898**	1,915,977
Debt service reserve account ("DSRA") standby LCs	**1,220,030**	1,193,726
Bid bonds for projects under development stage	**198,269**	136,018
	11,693,320	13,674,496

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, Central Electricity Generating Company ("CEGCO"), the fuel supplier Jordan Petrol Refinery PLC ("the Supplier") 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 date. 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 that 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 has assessed the potential impact of the Russia-Ukraine war on its projects under construction, which has included consideration of potential impact on supply chain, logistics, material costs, construction timelines and other factors. As of the reporting date of these interim condensed consolidated financial statements, the Group has determined there has been no significant adverse impact. The Group will continue to monitor the situation and will take mitigating actions as necessary. All of the Group's under construction projects include contingencies for unexpected developments and insurance coverage.

During the next 12 months, the Group has a commitment to contribute SR 75.0 million towards corporate social responsibility initiatives in Uzbekistan.

In addition to the 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.

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18 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 periods 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), 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

	For the three months period ended 30 June		For the six months period ended 30 June	
Revenue	**2022**	2021	**2022**	2021
(i) Thermal and Water Desalination	**1,042,921**	944,684	**2,015,334**	1,985,058
(ii) Renewables	**269,368**	302,776	**440,141**	503,691
(iii) Others	**(18,566)**	4,296	**(10,480)**	5,762
Total revenue	**1,293,723**	1,251,756	**2,444,995**	2,494,511
Operating income before impairment loss and other expenses				
(i) Thermal and Water Desalination	**670,517**	588,009	**1,198,287**	1,090,414
(ii) Renewables	**144,665**	207,370	**250,110**	285,181
(iii) Others	**(18,687)**	4,754	**(10,784)**	5,829
Total*	**796,495**	800,133	**1,437,613**	1,381,424
Unallocated corporate operating income / (expenses)				
General and administration expenses	**(176,929)**	(167,412)	**(312,411)**	(287,097)
Depreciation and amortisation	**(6,131)**	(7,402)	**(14,804)**	(14,652)
Provision for long term incentive plan	**(5,697)**	(8,672)	**(10,890)**	(43,308)
Provision on due from related party	**14,591**	(1,900)	**11,501**	(3,600)
Other operating income	**19,832**	14,427	**41,683**	28,897
Total operating income before impairment loss and other expenses	**642,161**	629,174	**1,152,692**	1,061,664

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18 OPERATING SEGMENTS (CONTINUED)

Segment profit	For the three months period ended 30 June		For the six months period ended 30 June	
	2022	2021	**2022**	2021
(i) Thermal and Water Desalination	**564,881**	417,097	**946,058**	695,805
(ii) Renewables	**41,866**	105,886	**(4,379)**	113,344
(iii) Others	**(18,677)**	4,732	**(10,795)**	5,807
Total	**588,070**	527,715	**930,884**	814,956
Reconciliation to profit for the period from continuing operations				
General and administration expenses	**(176,929)**	(167,412)	**(312,411)**	(287,097)
Arbitration claim and supplier settlement	**(33,545)**	-	**(55,108)**	-
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	**(5,697)**	(8,672)	**(10,890)**	(43,308)
Corporate social responsibility contribution	**(2,274)**	(5,989)	**(2,274)**	(5,989)
Provision for zakat and tax on prior year assessments	**-**	(10,500)	**-**	(10,500)
Provision / discounting on due from related party	**14,591**	(1,900)	**11,501**	(3,600)
Discounting impact on loan from shareholder subsidiary	**(7,565)**	(7,553)	**(15,081)**	(14,450)
Depreciation and amortisation	**(6,131)**	(7,402)	**(14,804)**	(14,652)
Other operating income	**19,832**	14,427	**41,683**	28,897
Other income	**35,256**	35,681	**51,572**	41,892
Financial charges and exchange loss, net	**(14,637)**	(3,134)	**(22,720)**	(15,046)
Zakat and tax charge	**(33,143)**	(3,335)	**(59,900)**	(16,603)
Profit for the period from continuing operations	**377,828**	301,902	**542,452**	444,476

**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	
	30 Jun 2022	30 Jun 2021	**30 Jun 2022**	31 Dec 2021
Kingdom of Saudi Arabia	**1,179,626**	1,082,236	**20,789,734**	20,253,954
Middle East and Asia	**1,107,291**	1,083,927	**8,567,338**	6,382,012
Africa	**158,078**	328,348	**8,968,047**	9,404,418
	2,444,995	2,494,511	**38,325,119**	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 six months period ended	
	30 Jun 2022	30 Jun 2021
Customer A	**579,402**	576,491
Customer B	**295,044**	297,275

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

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19 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.

		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
As at 30 Jun 2022					
Financial (assets) / liabilities					
Fair value of derivatives used for hedging	**(965,673)**	**-**	**(965,673)**	**-**	**(965,673)**
Long-term financing and funding facilities	**26,682,425**	**3,037,238**	**23,676,216**	**-**	**26,713,454**
Other financial liabilities	**382,852**	**-**	**-**	**382,852**	**382,852**
As at 31 Dec 2021					
Financial (assets) / liabilities					
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.

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20 OTHER SIGNIFICANT DEVELOPMENTS DURING THE PERIOD

20.1 On 20 June 2022, the Group and the off taker of Shuaibah Water and Electricity Company ("Shuaibah 3 IWPP") signed an agreement to amend and restructure the Power and Water Purchase Agreement ("PWPA") of Shuaibah 3 IWPP, to replace it with a new reverse osmosis seawater desalination plant ("RO plant") and corresponding independent water plant ("Shuaibah 3 IWP").

The RO plant will be developed under a 25 year agreement, with commercial operations date ("COD") for the plant scheduled for the second quarter of 2025. Shuaibah 3 IWPP shall continue to operate until the COD of the RO plant. Upon achieving COD of the RO plant, Shuaibah 3 IWPP shall be decommissioned. The project company which is an equity accounted investee, Shuaibah 3 IWPP, will continue to receive the capacity payments until the expiry of the original PWPA term in 2030.

As of 30 June 2022, the project company has accounted for the above restructuring under IFRS 16 for lease modifications. The restructuring has no impact on the interim condensed statement of profit or loss or the interim condensed statement of financial position as of and for the period ended 30 June 2022.

20.2 During the period ended 30 June 2022, the minority shareholders of ACWA Power Harbin Holdings Limited and ACWA Power Redstone Holding have provided an additional capital contribution amounting to SR 249.7 million and SR 0.6 million respectively (30 June 2021: SR 3.9 million, minority shareholders of ACWA Power Redstone Holding).

21 DIVIDENDS

The Board of Directors approved a cash dividend payment of SR 562.9 million (SR 0.77 per share) for the year 2021. The proposed dividends were approved by the shareholders at the ordinary general assembly meeting held on 30 June 2022 and accrued as a payable in the interim condensed consolidated statement of financial position. The dividend was subsequently paid on 21 July 2022.

Furthermore, during the period ended 30 June 2022, certain subsidiaries of the Group distributed dividends of SR 51.1 million (30 June 2021: SR 63.0 million) to the non-controlling interest shareholders.

22 SUBSEQUENT EVENTS

Subsequent to the period ended 30 June 2022, 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.

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23 COMPARATIVE FIGURES

Certain figures for the prior periods have been reclassified to conform to the presentation in the current period, and as per the requirements of IFRS 5 – Non-current assets held for sale and discontinued operations (refer to note 16.2). A summary of reclassifications is as follows:

Six months period ended 30 June 2021	As previously Reported	Reclassifications due to discontinued operations (refer to note 16.2)	Reclassification due to conform to the presentation in the current period	As reported in these financial statements
Continuing operations				
Revenue	2,560,072	(65,561)	-	2,494,511
Operating costs	(1,175,008)	42,600	-	(1,132,408)
General and administration expenses	(458,507)	4,087	5,989	(448,431)
Share in net results of equity accounted investees, net of tax	137,298	9,065	-	146,363
Other operating income	59,512	(8,827)	-	50,685
Impairment loss and other expenses	(60,024)	-	(5,989)	(66,013)
Financial charges, net	(553,976)	7,242	-	(546,734)
Discontinued operations				
Profit from discontinued operations	-	11,394	-	11,394

Three months period ended 30 June 2021	As previously Reported	Reclassifications due to discontinued operations	Reclassification due to conform to the presentation in the current period	As reported in these financial statements
Continuing operations				
Revenue	1,283,440	(31,684)	-	1,251,756
Operating costs	(568,099)	16,997	-	(551,102)
General and administration expenses	(227,901)	2,373	5,989	(219,539)
Share in net results of equity accounted investees, net of tax	136,209	6,328	-	142,537
Other operating income	33,735	(8,827)	-	24,908
Impairment loss and other expenses	(60,024)	-	(5,989)	(66,013)
Financial charges, net	(266,626)	7,154	-	(259,472)
Discontinued operations				
Profit from discontinued operations	-	7,659	-	7,659

As at 31 December 2021	As previously Reported	Reclassification due to conform to the presentation in the current period	As reported in these financial statements
Non-current liabilities			
Other financial liabilities	265,295	(265,295)	-
Other liabilities	408,953	265,295	674,248

24 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 12 Muharram 1444H, corresponding to 10 August 2022G.