International Company for Water and Power Projects and its Subsidiaries
A Saudi Joint Stock Company

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

31 DECEMBER 2020

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company)

Opinion

We have audited the consolidated financial statements of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with professional code of conduct and ethics endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants and the provisions of Companies' Law and Company's By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Independent Auditor's Report
To the Shareholders of International Company for Water and Power Projects
(A Saudi Joint Stock Company) (continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

for Ernst & Young

Fahad M. Al-Toaimi
Certified Public Accountant
License No. 354

Riyadh: 10 Ramadan 1442H
(22 April 2021)

شركة ارنست ويونغ وشركاهم محاسبون قانونيون
EY
ترخيص مهني رقم ٤٥
PROFESSIONAL LICENCE No. 45
ERNST & YOUNG & Co. PUBLIC ACCOUNTANTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	**12,732,340**	11,982,377	8,713,473
Intangible assets	6	**2,058,678**	2,059,205	2,052,931
Equity accounted investees	7	**5,062,848**	5,293,867	6,576,574
Non-current portion of net investment in finance lease	8	**10,605,337**	10,364,334	9,114,728
Due from related parties	22.1	**86,658**	111,258	71,984
Deferred tax asset	20.4	**135,498**	23,460	34,029
Fair value of derivatives	21	**-**	-	13,273
Strategic fuel inventories		**70,760**	70,771	77,631
Other assets	9	**197,510**	206,110	205,778
TOTAL NON-CURRENT ASSETS		**30,949,629**	30,111,382	26,860,401
CURRENT ASSETS				
Inventories	10	**450,835**	438,324	302,409
Current portion of net investment in finance lease	8	**323,571**	209,902	216,891
Due from related parties	22.1	**745,661**	734,156	756,516
Accounts receivable, prepayments and other receivables	11	**3,020,235**	2,953,802	2,532,680
Cash and cash equivalents	12	**832,668**	2,798,315	5,498,265
		5,372,970	7,134,499	9,306,761
Assets held for sale	33.3	**-**	475,402	-
TOTAL CURRENT ASSETS		**5,372,970**	7,609,901	9,306,761
TOTAL ASSETS		**36,322,599**	37,721,283	36,167,162

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES				
EQUITY				
Shareholders' equity				
Share capital	13.1	**6,429,344**	6,429,344	6,429,344
Share premium		**1,410,398**	1,177,031	1,177,031
Statutory reserve		**642,883**	554,626	437,239
Retained earnings		**1,184,908**	3,102,108	2,363,259
Equity attributable to owners of the Company before other reserves		**9,667,533**	11,263,109	10,406,873
Other reserves	13.2	**(2,798,419)**	(1,361,236)	(717,900)
Equity attributable to owners of the Company		**6,869,114**	9,901,873	9,688,973
Non-controlling interests	14	**531,041**	703,504	1,385,184
TOTAL EQUITY		**7,400,155**	10,605,377	11,074,157
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term financing and funding facilities	15	**17,286,744**	17,480,944	17,734,682
Due to related parties	22.1	**1,577,839**	860,202	81,176
Equity accounted investees	7	**1,244,571**	516,982	60,546
Fair value of derivatives	21	**650,789**	286,442	132,598
Deferred tax liability	20.4	**125,711**	250,552	245,776
Deferred revenue	17	**63,304**	129,827	67,108
Other financial liabilities	23.1	**290,990**	395,724	924,195
Employee end of service benefits' liabilities	16	**178,964**	159,598	123,148
Other liabilities	23.2	**309,422**	252,117	201,532
TOTAL NON-CURRENT LIABILITIES		**21,728,334**	20,332,388	19,570,761
CURRENT LIABILITIES				
Accounts payable and accruals	18	**4,116,726**	3,439,786	3,760,288
Short-term financing facilities	19	**364,847**	444,218	618,942
Current portion of long-term financing and funding facilities	15	**1,178,360**	2,271,229	1,018,637
Due to related parties	22.1	**43,280**	19,964	-
Fair value of derivatives	21	**59,584**	51,883	10,613
Zakat and taxation	20.3	**276,517**	183,411	113,764
		6,039,314	6,410,491	5,522,244
Financing and funding facilities classified as current	15.3	**1,154,796**	-	-
Liabilities associated with assets held for sale	33.3	**-**	373,027	-
TOTAL CURRENT LIABILITIES		**7,194,110**	6,783,518	5,522,244
TOTAL LIABILITIES		**28,922,444**	27,115,906	25,093,005
TOTAL EQUITY AND LIABILITIES		**36,322,599**	37,721,283	36,167,162

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
CONTINUING OPERATIONS				
Revenue	24	**4,829,111**	4,114,999	3,227,833
Operating costs	25	**(2,301,362)**	(2,028,804)	(1,965,965)
GROSS PROFIT		**2,527,749**	2,086,195	1,261,868
Development cost, provision and write offs, net of reversals	11.4	**(142,856)**	(50,790)	16,368
General and administration expenses	26	**(818,882)**	(617,747)	(562,930)
Share in net results of equity accounted investees, net of tax	7.1	**231,107**	283,794	942,716
Other operating income	24.5	**151,872**	140,645	160,325
OPERATING INCOME BEFORE IMPAIRMENT LOSS AND OTHER EXPENSES		**1,948,990**	1,842,097	1,818,347
Impairment loss and other expenses, net	28	**(181,051)**	(880,203)	(623,748)
OPERATING INCOME AFTER IMPAIRMENT LOSS AND OTHER EXPENSES		**1,767,939**	961,894	1,194,599
Other income	27	**155,608**	336,820	64,948
Exchange loss, net	29	**(23,460)**	(29,106)	(8,576)
Financial charges	30	**(1,068,448)**	(869,862)	(570,655)
PROFIT BEFORE ZAKAT AND INCOME TAX		**831,639**	399,746	680,316
Zakat and tax credit / (charge)	20.1	**50,950**	(74,008)	(39,942)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**882,589**	325,738	640,374
DISCONTINUED OPERATIONS				
Profit / (loss) from discontinued operations including gain / (loss) recognised on loss of control in a subsidiary, net of tax	33.4	**19,798**	554,345	(1,539,288)
PROFIT / (LOSS) FOR THE YEAR		**902,387**	880,083	(898,914)
Profit / (Loss) attributable to:				
Equity holders of the parent		**882,568**	1,173,865	(773,842)
Non-controlling interests		**19,819**	(293,782)	(125,072)
		902,387	880,083	(898,914)
Basic and diluted earnings / (loss) per share (in SR)	31.2	**1.37**	1.82	(1.30)
Basic and diluted earnings per share for continuing operations (in SR)	31.2	**1.34**	0.98	1.27

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
PROFIT / (LOSS) FOR THE YEAR		**902,387**	880,083	(898,914)
<u>OTHER COMPREHENSIVE (LOSS) / INCOME</u>				
Items that are or may be reclassified subsequently to profit or loss				
Foreign operations – foreign currency translation differences		**23,585**	268,481	(198,257)
Equity accounted investees – share of OCI	13.2, 7.1	**(1,191,366)**	(729,442)	315,667
Net change in fair value of cash flow hedge reserve		**(400,330)**	(294,596)	111,014
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit liability	16.1	**11,506**	(18,244)	12,960
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME		**(1,556,605)**	(773,801)	241,384
TOTAL COMPREHENSIVE (LOSS) / INCOME		**(654,218)**	106,282	(657,530)
Total comprehensive (loss) / income attributable to:				
Equity holders of the parent		**(554,615)**	530,529	(557,650)
Non-controlling interests		**(99,603)**	(424,247)	(99,880)
		(654,218)	106,282	(657,530)

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before zakat and tax from continuing operations		**831,639**	399,746	680,316
Profit / (loss) before zakat and tax from discontinued operations including gain /(loss) recognised on loss of control in a subsidiary		**15,615**	559,079	(1,777,460)
Adjustments for:				
Depreciation and amortisation	5.3, 6.2	**567,375**	418,516	365,675
Financial charges	30,33.4	**1,089,384**	1,135,151	1,014,960
(Gain) / loss recognised on loss of control in a subsidiary including related unrealized exchange loss	33.4	**9,163**	(554,358)	1,559,009
Unrealised exchange loss	29	**32,613**	40,570	8,740
Share in net results of equity accounted investees, net of zakat and tax	7.1,33.4	**(231,107)**	(284,453)	(935,667)
Charge for employees' end of service benefits	16.1	**39,379**	32,023	27,336
Fair value of cash flow hedges recycled to profit or loss		**(16,166)**	(43,826)	37,110
Provisions		**97,142**	25,475	30,596
Unwinding of discount on financial liabilities		**21,807**	12,993	1,109
Impairment loss in relation to property, plant and equipment and goodwill	28	**137,485**	880,203	556,437
Net gain on business combination achieved in stages	27	**-**	(210,673)	-
(Gain) / loss on disposal of property, plant and equipment		**(9,588)**	(829)	4,039
Development cost, provision and write offs, net of reversals	11.4	**142,856**	50,790	(4,415)
Changes in operating assets and liabilities:				
Accounts receivable, prepayments and other receivables		**(288,813)**	(544,806)	(1,314,643)
Inventories		**(12,511)**	14,485	43,937
Payables and accruals		**(219,574)**	(1,087,739)	745,001
Due from related parties		**13,095**	73,116	184,229
Strategic fuel inventories		**11**	6,860	424
Net investment in finance lease		**(354,672)**	306,862	302,279
Other assets		**(826)**	(43,834)	219,681
Other liabilities		**57,305**	77,192	1,227
Deferred revenue		**(66,523)**	119,785	(16,452)
Net cash from operations		**1,855,089**	1,382,328	1,733,468
Employee end of service benefits' paid	16.1	**(8,507)**	(15,312)	(14,998)
Zakat and tax paid	20.3	**(85,462)**	(30,427)	(46,423)
Dividends received from equity-accounted investees	7.1	**149,203**	259,027	205,887
Net cash generated from operating activities		**1,910,323**	1,595,616	1,877,934
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment, and intangible assets	5,6.2	**(1,457,633)**	(2,045,876)	(3,186,281)
Proceeds on disposal of property, plant and equipment		**21,996**	3,434	-
Investments in associates and joint ventures		**(74,722)**	(147,967)	(209,794)
Disposals and acquisition of NCI, net		**-**	11,547	(70,725)
Net cash outflow on business acquisition		**-**	(481,695)	-
Proceeds on disposal of net assets held for sale		**125,871**	-	-
Cash derecognised on loss of control in a subsidiary or classification as held for sale		**-**	(206,718)	(16,687)
Net cash used in investing activities		**(1,384,488)**	(2,867,275)	(3,483,487)

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	13.1	**-**	-	2,042,938
Financing and funding facilities, net of transaction costs		**(252,085)**	703,310	3,150,772
Due to related parties		**47,420**	(4,944)	(61,202)
Other financial liabilities		**(116,807)**	(541,464)	-
Financial charges paid		**(1,087,501)**	(1,231,446)	(973,369)
Dividends paid	13.4	**(1,082,509)**	(338,584)	(294,550)
Capital contributions from and other adjustments to non-controlling interest		**-**	(15,163)	-
Net cash (used in) / from financing activities		**(2,491,482)**	(1,428,291)	3,864,589
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**(1,965,647)**	(2,699,950)	2,259,036
Cash and cash equivalents at beginning of the year		**2,798,315**	5,498,265	3,239,229
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12	**832,668**	2,798,315	5,498,265

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

International Company for Water and Power Projects and its Subsidiaries
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020
(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	*Share premium*	*Statutory reserve*	*Retained earnings*	*Other Reserves (note 13.2)*	*Equity attributable to owners of the Company*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2018	5,466,215	97,222	437,239	3,432,159	(934,092)	8,498,743	1,389,385	9,888,128
Loss for the year	-	-	-	(773,842)	-	(773,842)	(125,072)	(898,914)
Other comprehensive income	-	-	-	-	216,192	216,192	25,192	241,384
Total comprehensive income / (loss)	-	-	-	(773,842)	216,192	(557,650)	(99,880)	(657,530)
Acquisition of non-controlling interests (note 14)	-	-	-	(59,951)	-	(59,951)	(10,774)	(70,725)
Dividends (note 13.4)	-	-	-	(235,107)	-	(235,107)	(59,443)	(294,550)
Issue of shares (note 13.1)	963,129	1,079,809	-	-	-	2,042,938	-	2,042,938
Capital contribution	-	-	-	-	-	-	165,896	165,896
Balance at 31 December 2018	6,429,344	1,177,031	437,239	2,363,259	(717,900)	9,688,973	1,385,184	11,074,157
Balance at 1 January 2019	6,429,344	1,177,031	437,239	2,363,259	(717,900)	9,688,973	1,385,184	11,074,157
Profit / (loss) for the year	-	-	-	1,173,865	-	1,173,865	(293,782)	880,083
Other comprehensive loss	-	-	-	-	(643,336)	(643,336)	(130,465)	(773,801)
Total comprehensive income / (loss)	-	-	-	1,173,865	(643,336)	530,529	(424,247)	106,282
Changes in non-controlling interest	-	-	-	5,252	-	5,252	24,122	29,374
Loss of control (note 33.1)	-	-	-	-	-	-	(265,852)	(265,852)
Dividends (note 13.4)	-	-	-	(322,881)	-	(322,881)	(15,703)	(338,584)
Transfer to statutory reserve	-	-	117,387	(117,387)	-	-	-	-
Balance at 31 December 2019	6,429,344	1,177,031	554,626	3,102,108	(1,361,236)	9,901,873	703,504	10,605,377
Balance at 1 January 2020	**6,429,344**	**1,177,031**	**554,626**	**3,102,108**	**(1,361,236)**	**9,901,873**	**703,504**	**10,605,377**
Profit for the year	**-**	**-**	**-**	**882,568**	**-**	**882,568**	**19,819**	**902,387**
Other comprehensive loss	**-**	**-**	**-**	**-**	**(1,437,183)**	**(1,437,183)**	**(119,422)**	**(1,556,605)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**882,568**	**(1,437,183)**	**(554,615)**	**(99,603)**	**(654,218)**
Acquisition of non-controlling interests (note 14.3)	**-**	**-**	**-**	**(10,530)**	**-**	**(10,530)**	**10,530**	**-**
Dividends (note 13.4)	**-**	**-**	**-**	**(2,700,981)**	**-**	**(2,700,981)**	**(83,390)**	**(2,784,371)**
Other contribution from shareholders (note 22 (i))	**-**	**233,367**	**-**	**-**	**-**	**233,367**	**-**	**233,367**
Transfer to statutory reserve	**-**	**-**	**88,257**	**(88,257)**	**-**	**-**	**-**	**-**
Balance at 31 December 2020	**6,429,344**	**1,410,398**	**642,883**	**1,184,908**	**(2,798,419)**	**6,869,114**	**531,041**	**7,400,155**

The attached notes 1 to 43 form an integral part of these consolidated financial statements.

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 ACTIVITIES

International Company for Water and Power Projects (the "Company" or "ACWA Power") is a Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and is registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).

The Company and its subsidiaries (collectively the "Group") are engaged in the business of development, construction, acquisition, generation and sale of electricity and desalinated water, leasing, operation and maintenance of power generation, water desalination and steam plants, and other related or auxiliary business activities complimentary to it.

Information of the Group's direct subsidiaries/investees as of 31 December is included in the below table:

Entity name	**Country of incorporation**	**Principal activities**	**Direct shareholding**		
			2020	2019	2018
ACWA Power Saudi Electricity and Water Development Company ***("APSE")***	Kingdom of Saudi Arabia	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
Kahromaa Company ***("KAHROMAA")***	Kingdom of Saudi Arabia	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**100.0%**	100.0%	100.0%
ACWA Power Global Holdings Ltd. ***("APGH")***	United Arab Emirates (Jebel Ali Free Zone)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. During 2019, the Group transferred its investment in APGH to APGS.	**-**	-	100.0%
ACWA Power Reinsurance Co. Ltd. (captive insurance) ***("ACWA Re")***	United Arab Emirates (Dubai International Financial Centre – 'DIFC')	To effect and carry out contracts of insurance restricted to those of a Class 3 Captive Insurer. Under its captive license, ACWA Re can insure a part of its own affiliate's assets and that of related third party.	**100.0%**	100.0%	100.0%
Multiple Shares Company ***("MSC")***	Kingdom of Saudi Arabia	Installation, maintenance and operation, contracting of electricity generation and desalination plants.	**95.0%**	95.0%	95.0%
ACWA Power Bahrain Holdings W.L.L. ***("APBH")***	Kingdom of Bahrain	Installation, maintenance and operation contracting of electricity generation and desalination plants.	**99.7%**	99.7%	99.7%
ACWA Power Global Services Ltd. (***"APGS"***)	United Arab Emirates (DIFC)	Own investments in group of companies, provide financial advisory, book-keeping and reporting, tax compliance and related services.	**100.0%**	100.0%	100.0%
ACWA Power Management and Investments One Ltd. ***("APMI One")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office.	**100.0%**	100.0%	100.0%
ACWA Power Capital Management Ltd ***("APCM")***	United Arab Emirates (DIFC)	Investment in industrial enterprises and management, investment in commercial enterprises and management; and managing office. During 2020, the Group transferred its investment in APCM to APGS.	**-**	100.0%	100.0%
ACWA Power Renewable Energy Holding Ltd. ***("APREH")***	United Arab Emirates (DIFC)	Power generation, water desalination and distribution or other business related to or ancillary thereto, development and management of such companies and provision of technical, commercial, administrative services. On 31 December 2019, Group has disposed-of 49% of its shareholding and consequently lost control in APREH (note 33.1).	**51.0%**	51.0%	100.0%
First National Holding Company **("NOMAC")**	Kingdom of Saudi Arabia	NOMAC, incorporated in 2018, is engaged in constructing, owning, buying, managing, operating and investing in industrial, services and construction projects of power stations, electricity, steam stations, water desalination plants and providing operation and maintenance (O&M) under long term contracts.	**100.0%**	100.0%	100.0%

1 ACTIVITIES (CONTINUED)

Entity name	**Country of incorporation**	**Principal activities**	**Direct shareholding**		
			2020	2019	2018
ACWA Industrialization Company	Kingdom of Saudi Arabia	Power generation, water desalination and distribution or other business related to or ancillary thereto.	**100.0%**	-	-
ACWA Power International L.L.C	United Arab Emirates	Power generation facilities and distribution systems; operation and maintenance; power generation and water desalination.	**100.0%**	**-**	**-**

2 BASIS OF PREPARATION AND CONSOLIDATION

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), (collectively referred as "IFRS as endorsed in KSA").

2.1 BASIS OF PREPARATION

These consolidated financial statements are prepared under the historical cost convention except for derivative financial instruments which are measured at fair value. These consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

These consolidated financial statements comprise the assets, liabilities and the results of operations of the Group. Subsidiaries are entities that are controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- the contractual arrangement with other vote holders of the investee;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

2 BASIS OF PREPARATION AND CONSOLIDATION (CONTINUED)

2.2 BASIS OF CONSOLIDATION (CONTINUED)

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interest in subsidiaries
Changes in Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the shareholders of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. Retained investment is recorded at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The significant accounting policies adopted are as follows:

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Cash and cash equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents consists of bank balances, cash on hand and short-term bank deposits that have an original maturity of three months or less and excludes restricted cash deposit.

Financial instruments
Initial recognition
The Group records a financial asset or a financial liability in its consolidated statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument.

At initial recognition, financial assets or financial liabilities are measured at their fair values. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Classification
The Group classifies its financial assets under the following categories:
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

These classifications are on the basis of business model of the Group for managing the financial assets, and contractual cash flow characteristics.

The Group measures a financial asset at amortised cost when it is within the business model to hold assets in order to collect contractual cash flows, and contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group classifies all non-derivative financial liabilities as subsequently measured at amortised cost using the effective interest rate method except for financial liabilities at fair value through profit or loss.

The Group designates a non-derivative financial liability at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistency or where a group of financial liabilities is managed and its performance is evaluated on a fair value basis.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When the Group has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, it continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

When the Group discontinues hedge accounting for a cash flow hedge, the amount that has been accumulated in the cash flow hedge reserve remains in other comprehensive income if the hedged future cash flows are still expected to occur, until such cash flows occur. If the hedged future cash flows are no longer expected to occur, that amount is immediately reclassified to profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover (as part of the hedging strategy), or when the hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is retained separately in other comprehensive income until the forecasted transaction occurs.

If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss for the period.

Accounts receivables
After initial recognition, accounts receivables are stated at amortised cost less allowance for any impairment. The Group recognises an allowance for impairment for expected credit losses. Such impairment allowances are charged to profit or loss and reported under "General and administration expenses". When an account receivable is uncollectible, it is written-off against the impairment allowance. Any subsequent recoveries of amounts previously written-off are credited against "General and administration expenses" in the consolidated statement of profit or loss.

Deferred costs (Projects under development)
Costs incurred on projects under development, which are considered as feasible, are recognised as an asset in the consolidated statement of financial position to the extent they are assessed to be recoverable. If a project is no longer considered feasible, the accumulated costs relating to that project are expensed to the profit or loss in the period in which the determination is made. The Group makes provision against these projects based on expected project success rates.

Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in the consolidated statement of financial position. Proceeds received from successful projects in excess of development cost reimbursements are recognised during the year within revenue in the consolidated statement of income.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise purchase cost, and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Investments in associates and joint ventures – equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associates and joint ventures are accounted for using the equity method of accounting from the date that the significant influence or joint-control commences until the date that such influence or joint-control ceases. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group's profit or loss reflects the Group's share of the profit or loss of the associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the associates and joint ventures, the Group recognises its share of such changes in its other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate or joint ventures (“upstream and downstream”) are eliminated to the extent of the Group’s interest in the associate or joint venture.

The aggregate of the Group’s share of profit or loss of associates and joint ventures is shown separately in profit or loss under operating income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policies in line with those of the Group.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date the Group determines whether there is an objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate or joint venture and its carrying value, then recognises the loss within ‘Share in results of associates and joint ventures’ in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in associates or joint ventures, the Group's carrying amount of investments in associate or joint venture is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investee companies.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group increases its ownership interest in an existing associate/ joint venture which remains an associate/ joint venture after that increase, the purchase price paid for the additional interest is added to the existing carrying amount of the associate/ joint venture and the existing share in net assets of the associate or joint venture is not re-measured. The cost of additional investment is allocated between the share of the fair value of net assets and goodwill. Any excess of the additional share in fair value of net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group’s share of the associate’s/ joint venture’s profit or loss after additional acquisition in order to reflect the Group’s share in fair value of net assets at the acquisition date, arising from the additional acquisition.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment, except for land and capital work in progress, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and capital work in progress are stated at cost less accumulated impairment loss, if any. Capital work in progress represents all costs relating directly or indirectly to the projects in progress and will be accounted for under relevant category of property, plant and equipment upon completion.

The cost less estimated residual value of other items of property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Business combination

Business combinations, excluding business combination involving entities under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Subsequently, for the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination (continued)
Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed off in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

For business combinations involving entities under common control the assets and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are made to the carrying amounts in order to incorporate any differences arising due to differences in accounting policies used by the combining entities. No goodwill or gain is recognised as a result of the combination and any difference between the consideration paid/transferred and the equity acquired is reflected within the equity of the Group. The consolidated statement of profit or loss and other comprehensive income reflects the results of the combining entities from the date when the combination took place.

Non-current assets held for sale and discontinued operations
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and which:
- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from start of the comparative year.

Impairment
Financial assets
The Group recognizes loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss (FVPL):
- financial assets that are debt instruments;
- trade receivables and contract assets;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments. The Group measures impairment allowances using the general approach for all financial assets except for trade receivables including short term related party receivables which follows the simplified approach.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)
Financial assets (continued)

Under the general approach, the Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:
- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Under the simplified approach, impairment allowances are always measured at an amount equal to lifetime ECL. The Group applies the simplified approach to measure the ECL on trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs into the measurement of ECL are the term structure of the following variables:
- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The Group categorizes its financial assets into following three stages in accordance with the IFRS 9 methodology:
- Stage 1 – financial assets that are not significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on 12 months ECL.
- Stage 2 – financial assets that has significantly deteriorated in credit quality since origination. The impairment allowance is recorded based on lifetime ECL. The impairment allowance is recorded based on lifetime PD.
- Stage 3 – for financial assets that are impaired, the Group recognizes the impairment allowance based on lifetime ECL.

The Group also considers the forward-looking information in its assessment of significant deterioration in credit risk since origination as well as the measurement of ECLs.

The forward-looking information will include the elements such as macroeconomic factors (e.g., unemployment, GDP growth, inflation, profit rates and house prices) and economic forecasts obtained through internal and external sources.

ECL represent probability-weighted estimates of credit losses. These are measured as follows:
- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the net carrying amount and the present value of estimated future cash flows, which includes amounts recoverable from guarantees and collateral;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less cash flows that the Group expects to receive any.

Expected credit losses are discounted to the reporting date at the effective interest rate (EIR) determined at initial recognition or an approximation thereof and consistent with income recognition.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. Except for goodwill, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss. Impairment loss recorded against the carrying value of goodwill is not reversed in subsequent periods.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. These are initially recognised at fair value and subsequently re-measured at amortised cost.

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably. In relation to insurance business, the provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognized as finance cost.

Employees' benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligation

The Group operates a post-employment benefit plans driven by the labour laws of the countries in which the Group entities operate.

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employees' benefits (continued)
Current and past service costs related to post-employment benefits are recognised immediately in profit or loss as employee cost while the unwinding of the liability at discount rates used is recorded in profit or loss as finance charges. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Statutory reserve
In accordance with the Company's By-Laws and Saudi Arabian Regulations for Companies, the Company must set aside 10% of its income after zakat and tax in each year until it has built up a reserve equal to 30% of its capital. The reserve is not available for distribution.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Lease hold land and building	2-40 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)
iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor
Where the Group determines a long term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease. A finance lease is presented as net investment in finance lease and is recognised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments received are apportioned between finance income and the reduction of the net investment in finance lease so as to achieve a constant rate of return on the remaining balance of the asset.

The amount of net investment in finance lease is recorded in the consolidated statement of financial position as an asset at the gross amount receivable under the finance lease less unearned finance income.

Asset retirement obligation
The Group records the present value of estimated costs of legal decommissioning obligations required to restore the site to its original condition in the period in which the obligation is incurred. The nature of these activities includes dismantling and removing structures, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related property, plant and equipment to the extent that it was incurred as a result of the development/construction of the asset.

Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs. The estimated future costs of decommissioning, are reviewed annually and adjusted as appropriate. Changes if any, in the estimated future costs or in the discount rate applied are added or deducted from the cost of the asset.

Revenue recognition
Revenue from supply of desalinated water and power is recognised upon satisfaction of performance obligation which in general happens upon delivery of desalinated water and power to the customer. Capacity charge income (excluding receipts for services provided, such as insurance and maintenance) under Power and Water Purchase Agreements (“PWPA”) or Power Purchase Agreements (“PPA”) or Water Purchase Agreements (“WPA”) for each hour during which the plant is available for power generation and/or water desalination is recognised over the lease term or upon actual billing period as appropriate considering the terms of each PWPA or PPA or WPA. The component of billed revenue related to goods or services not delivered or performed are recorded as deferred liability and reported in the consolidated statement of financial position as deferred revenue.

At the inception of the lease, the total unearned finance income i.e. the excess aggregate minimum lease payments plus residual value (guaranteed and unguaranteed), if any, over the cost of the leased assets, is amortised over the term of the lease, and finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding with respect to the lease.

Revenues from rendering technical, operation and maintenance services are recognised when contracted services are performed. Revenue from development is recognised when related services are rendered.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)
Profit on fixed deposits is recognised as the profit accrues. Interest income on deposits is accrued on an effective yield basis.

Dividend income is recognised when the Group's right to receive the dividend is established.

Borrowing costs
Borrowing costs directly attributable to the construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the financial charges eligible for capitalisation.

Front end fees, debt acquisition and arrangement fees, other than commitment fee in relation to undrawn facility, that relate to the origination of the long-term loans and funding facilities are amortised over the period of the loans using the effective interest rate ("EIR"). Loan commitment fee in relation to undrawn portion of loan is treated as service cost. The amortisation on the effective interest basis and the commitment fee on undrawn facility are capitalised as part of projects under construction up to the date of commencement of commercial production and subsequently it is charged to profit or loss.

Expenses
General and administration expenses include direct and indirect costs not specifically forming part of operating costs. Allocations between general and administration expenses and operating costs, when required, are made on a consistent basis.

Zakat and taxation
Zakat and taxation is provided in accordance with the Regulations of the General Authority of Zakat and Tax (the "GAZT") in the Kingdom of Saudi Arabia and on an accruals basis. Zakat and income tax related to the Company and its subsidiaries is charged to profit or loss. Differences, if any, resulting from final assessments are adjusted in the period of their finalisation.

For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with tax regulations of the respective countries.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Zakat and taxation (continued)

Deferred tax (continued)
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Foreign currencies
Transactions in foreign currencies are recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated in the functional currency at the rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary assets and liabilities are taken to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

On consolidation, assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of income or expense are translated in Saudi Riyals at average exchange rates prevailing during the reporting period of related transactions. Exchange differences arising on translation for consolidation, if material, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income for exchange differences relating to that particular foreign operation is recognised in profit or loss.

Value added tax ("VAT")
VAT receivable represents input tax paid on purchases including purchase of property, plant and equipment. VAT receivable is presented on an undiscounted basis net of any output tax collected on revenue.

Dividends
Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim dividends are recorded as and when approved by the Board of Directors.

Earnings per share
Earnings per share are calculated by dividing profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

New standards, amendments and interpretations adopted by the Group
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business:
The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

(All amounts in Saudi Riyals thousands unless otherwise stated)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform:
A fundamental review and reform of major profit rate benchmarks is being undertaken globally. The International Accounting Standards Board ("IASB") is engaged in a two-phase process of amending its guidance to assist in a smoother transition away from Interbank Offered Rates (IBOR).

Phase (1) - The first phase of amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures focused on hedge accounting issues. The final amendments, issued in September 2019, amended specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by IBOR reform. The amendments are effective from 1 January 2020 and are mandatory for all hedge relationships directly affected by IBOR reform. The requirements have no implication on the consolidated financial statements of the Company for the year ended 31 December 2020.

Phase (2) – The second phase relates to the replacement of benchmark rates (IBOR) with alternative risk-free rates (RFR). The Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021 and early application is permitted. Now that the Phase 2 Amendments have been finalised, the Group will complete its assessment of the accounting implications of the scenarios it expects to encounter as the transition from IBORs to RFRs in order to accelerate its programmes to implement the new requirements.

Management is running a project on the Group's overall transition activities and continues to engage with various stakeholders to support an orderly transition.

The table below shows the Group's exposure at the year-end to significant IBORs subject to reform that have yet to transition to RFRs. The table excludes exposures to IBOR that will expire before transition is required or that are related to equity accounted investees of the Group:

	In SR 000
Carrying amount of financial liabilities exposed to IBOR	**4,958,755**
Notional of hedges linked to IBOR	**3,871,279**

Equity accounted investees of the Group are also exposed to the IBOR reforms. The Group's share in notional of hedges (linked to IBOR) associated with equity accounted investees amounted to SR 17.5 billion.

Amendments to IAS 1 and IAS 8 Definition of Material:
The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018:
The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New standards, amendments and interpretations adopted by the Group (continued)

Amendments to IFRS 16 Covid-19 Related Rent Concessions:
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued but not yet effective
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts:
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:
- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current:
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3:
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The IASB also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the IASB decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16:
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments do not have any impact on the Group as the Group's accounting policy is already consistent with the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37:
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter:
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments do not have any impact on the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards issued but not yet effective (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities:
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

IAS 41 Agriculture – Taxation in fair value measurements:
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

This standard is not applicable to the Group.

4 USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS as endorsed in KSA and IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, may differ from the related actual results.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

(i) Impairment of non-financial assets (including Goodwill)
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the projects' useful lives and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the asset or cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(ii) Impairment of accounts receivable
An estimate of the collectible amount of accounts receivable is made using an expected credit loss model which involves evaluation of credit rating and days past due information.

(iii) Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear.

Management reviews the useful lives annually and future depreciation charges would be adjusted where the management believes the useful lives differ from previous estimates.

(All amounts in Saudi Riyals thousands unless otherwise stated)

4 USE OF ESTIMATES AND ASSUMPTIONS (CONTINUED)

(iii) Useful lives of property, plant and equipment (continued)

During the year, the Group performed a detailed exercise to re-assess the useful life of the plants owned by its subsidiaries and joint ventures. Management categorised and considered all socio-economic, operational, performance and other factors surrounding the technology of the particular asset belongs to.

Based on the analysis, it was concluded that certain plants' economic life was lower than the useful life due to advancement in technology which has resulted in the availability of more efficient new plants in the industry. As a result, the Group decided to align the plants existing useful life to its re-assessed economic life with effect from 1 January 2020 as follows:

Plant Technology	**Previous useful life**	**Revised useful life**	**Financial impact for the year ended 31 Dec 2020**
Photovoltaic	30 years	25 years	**4,266**
Concentrated Solar Power	30-35 years	30 years	**1,320**
Combined Cycle Gas Turbine	35-40 years	35 years	**54,012**
Seawater Reverse Osmosis	30-40 years	30 years	**22,612**

This change in accounting estimate has resulted in SR 82.2 million being expensed in the consolidated statement of profit or loss, which is reflected in the Group operating cost (SR 50.0 million) and through share in net results of equity accounted investees (SR 32.2 million).

Impacts on the profit or loss in future periods will be as follows:

Year (range)	**2021**	**2022-43**	**2044-53**	**2054**
Impacts in SR millions per annum (range)	79.6	66.2	64.3-16.6	4.1

(iv) Fair value of unquoted financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forward contracts and call options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the foreign exchange spot and forward rates and interest rate curves.

Pursuant to certain shareholder agreements, the Group has written put options on non-controlling interests in subsidiaries and on counterparty's ownership interest in an associate. The fair values of these put options are derived from discounted projected cash flow analysis of the respective entities and the redemption amount determined pursuant to contractual agreements. The fair value measurements are performed at each reporting date.

4 USE OF ESTIMATES AND ASSUMPTIONS (CONTINUED)

(v) Lease classification

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Where an arrangement is determined to contain a lease, the arrangement is accounted for as either an operating or a finance lease.

The following are the critical assumptions that have been made in the process of applying the Group's accounting policies for determining whether an arrangement contains a lease and have a significant effect on the amounts recognised in the consolidated financial statements:

- The Power and Water Purchase Agreements ("PPA" or "WPA" or "PWPA") are not from public-to-private and the Group does not have any direct responsibility towards the public, and accordingly management believes that this should not be accounted for as "Service Concession Arrangements".
- The price that the off-taker will pay for the output is neither contractually fixed per unit of output nor is equal to the current market price per unit of output at the time of delivery of the output and accordingly management believes that the arrangement contains a lease.
- If at the end of the term of the PPA or WPA or PWPA, the ownership of the Plant is transferred to the off-taker, the lease is classified as finance lease otherwise other factors are considered by management which affect the classification of lease as a finance or operating lease.

(All amounts in Saudi Riyals thousands unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT ("PPE")

The following rates are used for calculation of depreciation:

Buildings	2% - 7%	Plant, machinery and equipment	2.5% - 25%
Barges and onshore equipment	5% - 40%	Furniture, fixtures and office equipment	10% - 33.3%
Capital spares	3.3% - 12.5%	Motor vehicles	14% - 25%

	Land and buildings	*Plant, machinery and equipment*	*Barges and Onshore equipment*	*Furniture, fixtures and office equipment*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2020*
Cost:								
At 1 January 2020	**1,068,794**	**15,871,129**	**255,443**	**113,903**	**35,218**	**39,086**	**769,672**	**18,153,245**
Additions	**49,965**	**144,575**	**-**	**5,174**	**24,075**	**2,982**	**1,213,428**	**1,440,199**
Disposals / write-offs*	**(140,790)**	**(685,745)**	**(255,443)**	**(889)**	**-**	**(2,931)**	**-**	**(1,085,798)**
Foreign currency translation	**-**	**-**	**-**	**(144)**	**-**	**(281)**	**-**	**(425)**
At 31 December 2020	**977,969**	**15,329,959**	**-**	**118,044**	**59,293**	**38,856**	**1,983,100**	**18,507,221**
Accumulated depreciation and impairment								
At 1 January 2020	**598,640**	**5,168,261**	**255,443**	**92,208**	**23,164**	**33,152**	**-**	**6,170,868**
Depreciation charge for the year (note 5.3)	**29,495**	**497,842**	**-**	**12,997**	**3,346**	**3,808**	**-**	**547,488**
Impairment loss (note 28.1)	**-**	**129,985**	**-**	**-**	**-**	**-**	**-**	**129,985**
Relating to disposals / write-offs*	**(140,773)**	**(674,127)**	**(255,443)**	**(267)**	**-**	**(2,780)**	**-**	**(1,073,390)**
Foreign currency translation	**-**	**-**	**-**	**(13)**	**-**	**(57)**	**-**	**(70)**
At 31 December 2020	**487,362**	**5,121,961**	**-**	**104,925**	**26,510**	**34,123**	**-**	**5,774,881**
Carrying amount as at 31 December 2020	**490,607**	**10,207,998**	**-**	**13,119**	**32,783**	**4,733**	**1,983,100**	**12,732,340**

**This includes write-offs of certain fully depreciated assets with a total cost and accumulated depreciation amounting to SR 1,070.3 million.*

(All amounts in Saudi Riyals thousands unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT ("PPE") (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges and Onshore equipment*	*Furniture, fixtures and office equipment*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2019*
Cost:								
At 1 January 2019	861,883	10,928,021	255,443	119,564	50,901	36,471	1,769,092	14,021,375
Additions	3,612	148,328	-	8,998	1,409	6,952	1,860,340	2,029,639
Transfer from CWIP	242,983	1,087,885	-	-	-	-	(1,330,868)	-
Disposals / write-offs	-	-	-	(5,886)	-	(216)	-	(6,102)
Business combination (note 32)	6,660	6,867,315	-	549	2,200	1,519	20,541	6,898,784
De-recognition on loss of control in a subsidiary (note 33.1)	(31,230)	(2,597,098)	-	(9,322)	(19,844)	(5,794)	-	(2,663,288)
De-recognition on classification as held for sale (note 33.3)	(15,114)	(598,441)	-	-	-	-	-	(613,555)
Finance lease recognition	-		-	-	-	-	(1,549,479)	(1,549,479)
Foreign currency translation	-	35,119	-	-	552	154	46	35,871
At 31 December 2019	1,068,794	15,871,129	255,443	113,903	35,218	39,086	769,672	18,153,245
Accumulated depreciation and impairment								
At 1 January 2019	582,084	4,393,234	200,231	80,812	21,218	30,323	-	5,307,902
Depreciation charge for the year (note 5.3)	16,874	337,459	8,770	17,163	3,498	7,965	-	391,729
Impairment loss (note 28.1)	-	830,761	46,442	-	-	-	-	877,203
Relating to disposals / write-offs	-	-	-	(3,281)		(216)	-	(3,497)
De-recognition on loss of control in a subsidiary (note 33.1)	(318)	(208,742)	-	(2,486)	(1,597)	(5,028)	-	(218,171)
De-recognition on classification as held for sale (note 33.3)	-	(191,161)	-	-	-	-	-	(191,161)
Foreign currency translation	-	6,710	-	-	45	108		6,863
At 31 December 2019	598,640	5,168,261	255,443	92,208	23,164	33,152	-	6,170,868
Carrying amount as at 31 December 2019	470,154	10,702,868	-	21,695	12,054	5,934	769,672	11,982,377

(All amounts in Saudi Riyals thousands unless otherwise stated)

5 PROPERTY, PLANT AND EQUIPMENT ("PPE") (CONTINUED)

	Land and buildings	*Plant, machinery and equipment*	*Barges and Onshore equipment*	*Furniture, fixtures and office equipment*	*Capital spares*	*Motor vehicles*	*Capital work in progress (CWIP)*	*Total 2018*
Cost:								
At 1 January 2018	988,304	11,158,798	248,320	124,045	33,040	35,398	8,415,182	21,003,087
Additions	43,279	1,373,155	7,123	13,474	19,701	6,062	1,710,630	3,173,424
Transfer from CWIP	-	1,507,599	-	-	-	-	(1,507,599)	-
Disposals / write-offs	(84)	(7,174)	-	(14,656)	-	(3,178)	-	(25,092)
De-recognition on loss of control in a subsidiary (note 33.2)	(119,892)	(1,981,789)	-	(1,149)	-	(627)	2,638	(2,100,819)
Finance lease recognition	-	-	-	-	-	-	(6,847,627)	(6,847,627)
Foreign currency translation	(49,724)	(1,122,568)	-	(2,150)	(1,840)	(1,184)	(4,132)	(1,181,598)
At 31 December 2018	861,883	10,928,021	255,443	119,564	50,901	36,471	1,769,092	14,021,375
Accumulated depreciation and impairment								
At 1 January 2018	569,705	3,796,276	125,643	89,660	19,135	28,421	-	4,628,840
Depreciation charge for the year (note 5.3)	16,581	322,805	4,213	5,869	2,189	5,610	-	357,267
Impairment loss (note 28.1)	-	373,562	70,375	-	-	-	-	443,937
Relating to disposals / write-offs	-	(7,174)	-	(11,118)	-	(2,761)	-	(21,053)
De-recognition on loss of control in a subsidiary (note 33.2)	(3,497)	(58,015)	-	(416)	-	(314)	-	(62,242)
Foreign currency translation	(705)	(34,220)	-	(3,183)	(106)	(633)	-	(38,847)
At 31 December 2018	582,084	4,393,234	200,231	80,812	21,218	30,323	-	5,307,902
Carrying amount as at 31 December 2018	279,799	6,534,787	55,212	38,752	29,683	6,148	1,769,092	8,713,473

5.1 As of 31 December 2020, the capital work in progress comprises of a plant under construction in relation to Rabigh Three Company ("Rabigh 3"), a subsidiary of the Group.
5.2 Borrowing costs capitalised during the year amounted to SR 55.2 (Dec 2019: SR 78.2 million, Dec 2018: SR 274.7 million) which represents the borrowing incurred during construction phase of qualifying assets.
5.3 Depreciation reflected in profit or loss account is as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Depreciation charge for the year ended	**547,488**	391,729	357,267
Depreciation charge in relation right of use asset	**9,426**	12,419	-
Less: Depreciation charge for discontinued operation	**-**	(105,039)	(144,215)
Depreciation charge from continuing operations for the year ended – (refer note 25 & 26)	**556,914**	299,109	213,052

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 INTANGIBLE ASSETS

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Goodwill	6.1	**1,997,311**	2,004,811	2,014,320
Other intangible assets	6.2	**61,367**	54,394	38,611
		2,058,678	2,059,205	2,052,931

6.1 Intangible assets includes goodwill which represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition and arose on account of the following acquisitions:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Arabian Company for Water and Power Projects (“APP”) (note 6.1.1)	**1,937,287**	1,937,287	1,937,287
ACWA Power Barka Services 1 & 2 (note 6.1.2)	**60,024**	67,524	70,524
UPC Renewables S.A. (“UPC”) (note 6.1.3)	**-**	-	6,509
	1,997,311	2,004,811	2,014,320

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

6.1.1 This relates to goodwill on acquisition of 100% equity stake, in the share capital of APP.

At the reporting date, management has determined that the recoverable amount of goodwill related to APP is higher than the carrying amount of goodwill. The recoverable amount was determined on the basis of value in use calculations. These calculations use cash flow projections based on financial models approved by management. Cash flows are estimated over the expected period of the relevant projects’ lives and discounted using a pre-tax discount rate. The discount rate used represents the current market assessment of the risks specific to the cash generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The value in use calculation is sensitive to the success rate in securing new projects and the Internal Rate of Return (“IRR”) achieved on new projects. However, a reasonably possible change in success rate and IRR will not cause the carrying amount of goodwill to exceed its recoverable amount due to availability of significant headroom.

6.1.2 During prior years, ACWA Power Global Holdings Limited (“APGH”) (one of the Group’s subsidiaries), indirectly acquired a 50% equity stake in the share capital of ACWA Power Barka SAOG (“Barka”) and 86.19% each in ACWA Power Barka Services 1 and ACWA Power Barka Services 2. In accordance with the terms of the financing structure for the acquisition, the Group has an effective interest of 41.91% in ACWA Barka and 72.25% indirect equity stake in the two technical service companies, collectively “services companies”. Such acquisition resulted in the recognition of goodwill amounting to SR 183 million.

The Group performed impairment testing for certain of its cash generating units namely ACWA Power Barka Services 1 and ACWA Power Barka Services 2 (“the Entities”). The Entities are considered as a single cash generating unit for impairment testing purpose and to arrive at the value in use. The Group used discounted cash flows to calculate the recoverable amount to which goodwill is allocated and estimated that the recoverable amount was less than the carrying amount and accordingly an impairment loss of SR 7.5 million (2019: SR 3.0 million, 2018: SR 112.5 million) was recognised in these consolidated financial statements.

6.1.3 This represents goodwill on acquisition of a 70% equity stake in the share capital of UPC, an entity incorporated in Morocco and engaged in generating renewable energy. On 31 December 2019, the Group lost control in APREH (a Parent Company of UPC) and derecognised the Goodwill associated with UPC – refer to note 33.1.

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 INTANGIBLE ASSETS (CONTINUED)

6.2 Other intangible assets includes:

- computer software which is amortised at the rate of 25% - 33.33% per annum and
- the amount paid by one of the Group's subsidiary to secure contracts in respect of the delivery of limestone. These are being amortised over the period of contract.

	2020	2019	2018
Cost:			
At 1 January	**89,738**	59,587	46,730
Additions	**17,434**	16,237	12,857
Business combination (refer to note 32)	**-**	13,914	-
At 31 December	**107,172**	89,738	59,587
Accumulated amortisation			
At 1 January	**35,344**	20,976	12,568
Amortisation charge for the year (refer to note 26)	**10,461**	14,368	8,408
At 31 December	**45,805**	35,344	20,976
Carrying amount as at 31 December	**61,367**	54,394	38,611

7 EQUITY ACCOUNTED INVESTEES

Classifying a joint arrangement requires the Group to use its judgment to determine whether the entity in question is a joint venture or a joint operation. IFRS 11 requires an analysis of "other facts and circumstances" when determining the classification of jointly controlled entities. For an entity to be classified as a joint operation, the terms of the arrangements including other facts and circumstances must give rise to the Group's rights to the assets, and obligations for the liabilities, of the joint arrangement. While in case of joint venture, the Group has rights to the net assets of the arrangement. Considering the contractual terms of joint arrangements including other facts and circumstances, all of the Group's joint arrangements qualify as joint ventures and are accordingly equity accounted.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees

The table below shows the contribution of each equity accounted investees in the consolidated statement of financial position, income statement, statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the statement of cash flows.

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2020								
SGA/NOVA SGA Marafiq Holdings ("SGA Marafiq")	**33.33%**	**Bahrain / UAE**	**479,219**	**(42,059)**	**44,402**	**-**	**(41,457)**	**440,105**
Shuqaiq International Water and Electricity Company Limited ("SIWEC")	**53.34%**	**Saudi Arabia**	**476,148**	**698**	**40,233**	**(14,302)**	**(40,911)**	**461,866**
Saudi Malaysian Water and Electricity Company Limited ("SAMAWEC") (note 7.1.4)	**50.00%**	**Saudi Arabia**	**1,135,620**	**-**	**51,066**	**(51,891)**	**(10,804)**	**1,123,991**
Suez Nomac O&M Holdings Company W.L.L.	**40.00%**	**Bahrain**	**26,667**	**-**	**12,098**	**(10,646)**	**-**	**28,119**
Jubail Operations Holdings Company W.L.L.	**40.00%**	**Bahrain**	**26,671**	**-**	**12,098**	**(10,646)**	**-**	**28,123**
Jordan Biogas Company	**50.00%**	**Jordan**	**2,498**	**(2,072)**	**(426)**	**-**	**-**	**-**
Qurayyah Investment Company ("QIC") (note 7.1.1)	**44.98%**	**Saudi Arabia**	**420,017**	**93,554**	**19,007**	**(17,038)**	**(33,282)**	**482,258**
Rabigh Electricity Company	**40.00%**	**Saudi Arabia**	**597,578**	**3,035**	**126,908**	**(51,200)**	**(39,037)**	**637,284**
Al Mourjan for Electricity Production Company	**50.00%**	**Saudi Arabia**	**462,956**	**2,239**	**(8,442)**	**-**	**(114,470)**	**342,283**
Dhofar Generating Company	**27.00%**	**Oman**	**74,163**	**1,191**	**4,287**	**(10,518)**	**(11,636)**	**57,487**
MAP Inland Holdings Ltd. (JAFZA)	**47.26%**	**UAE**	**497,770**	**40,663**	**(2,308)**	**-**	**(52,090)**	**484,035**
MAP Coastal Holding Company Limited (JAFZA)	**47.26%**	**UAE**	**421,320**	**40,663**	**(30,809)**	**-**	**(52,210)**	**378,964**
Vinh Hao 6 Power Joint Stock	**60.00%**	**Vietnam**	**68,890**	**268**	**5,429**	**-**	**-**	**74,587**
ACWA Power Renewable Energy Holding Ltd ("APREH")	**51.00%**	**UAE**	**604,350**	**-**	**(35,701)**	**-**	**(55,268)**	**513,381**
Dhofar O&M Company LLC	**35.00%**	**Oman**	**-**	**6,875**	**3,490**	**-**	**-**	**10,365**
								5,062,848
Hassyan Energy Phase 1 P.S.C	**26.95%**	**UAE**	**(152,106)**	**-**	**(10,159)**	**-**	**(204,963)**	**(367,228)**
Haya Power & Desalination Company	**60.00%**	**Bahrain**	**(75,147)**	**-**	**-**	**-**	**(79,239)**	**(154,386)**
Noor Energy 1 P.S.C.	**24.90%**	**UAE**	**(265,057)**	**45,708**	**(55)**	**-**	**(254,464)**	**(473,868)**
Dhofar Desalination Co. SAOC	**50.10%**	**Oman**	**(9,072)**	**-**	**-**	**-**	**(12,797)**	**(21,869)**
Taweelah RO Desalination Company LLC	**40.00%**	**UAE**	**(12,000)**	**-**	**-**	**-**	**(49,595)**	**(61,595)**
Naqa'a Desalination Plant LLC	**40.00%**	**UAE**	**(3,600)**	**-**	**-**	**-**	**(66,416)**	**(70,016)**
Shams Ad-Dhahira Generating Company SAOC	**50.00%**	**Oman**	**-**	**(8,152)**	**-**	**-**	**(30,587)**	**(38,739)**
Shuaa Energy 3 P.S.C.	**24.00%**	**UAE**	**-**	**(1,597)**	**(11)**	**-**	**(42,140)**	**(43,748)**
Water consortium Holding Company	**40.00%**	**Saudi Arabia**	**-**	**(13,122)**	**-**	**-**	**-**	**(13,122)**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2)	**70.00%**	**Turkey**	**-**	**-**	**-**	**-**	**-**	**-**
								(1,244,571)
			4,776,885	**167,892**	**231,107**	**(166,241)**	**(1,191,366)**	**3,818,277**

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Share in net income / (loss)	Dividends received	Share in OCI	Business combination / loss of control	Closing balance
31 December 2019									
Rabigh Arabian Water & Electricity Company (note 7.1.2)	74.00%	Saudi Arabia	2,440,300	(109,978)	209,183	(44,400)	-	(2,495,105)	-
SGA/NOVA SGA Marafiq Holdings (“SGA Marafiq”)	33.33%	Bahrain / UAE	513,634	(21,932)	17,023	-	(29,506)	-	479,219
Shuqaiq International Water and Electricity Company Limited (“SIWEC”)	53.34%	Saudi Arabia	466,199	(16,326)	32,515	(3,734)	(2,506)	-	476,148
Saudi Malaysian Water and Electricity Company Limited (“SAMAWEC”)	50.00%	Saudi Arabia	1,208,698	-	81,382	(150,325)	(4,135)	-	1,135,620
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,523	-	9,832	(10,688)	-	-	26,667
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,530	-	9,829	(10,688)	-	-	26,671
Jordan Biogas Company	50.00%	Jordan	2,552	-	(54)	-	-	-	2,498
Qurayyah Investment Company (“QIC”)	35.00%	Saudi Arabia	458,420	700	5,579	(26,124)	(18,558)	-	420,017
Rabigh Electricity Company	40.00%	Saudi Arabia	662,633	2,812	(48,750)	-	(19,117)	-	597,578
Shuaa Energy 1 P.S.C (“Shuaa”) (note 7.1.3)	49.00%	UAE	96,671	(5,089)	5,989	(2,481)	(33,076)	(62,014)	-
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	548,313	2,239	(40,335)	-	(47,261)	-	462,956
Dhofar Generating Company	27.00%	Oman	93,474	1,191	1,071	(10,587)	(10,986)	-	74,163
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	1,933	552,773	1,627	-	(58,563)	-	497,770
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(2,522)	479,625	5,106	-	(60,889)	-	421,320
ACWA Power Oasis Three FZ-LLC (“Oasis 3”) (note 7.1.3)	70.70%	UAE	(13,024)	95,585	(5,330)	-	(20,208)	(57,023)	-
VInh Hao 6 Power Joint Stock	60.00%	Vietnam	-	68,890	-	-	-	-	68,890
ACWA Power Renewable Energy Holding Ltd (refer to note 33.1)	51.00%	UAE	-	604,350	-	-	-	-	604,350
									5,293,867
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	28,694	-	(89)	-	(180,711)	-	(152,106)
Haya Power & Desalination Company	60.00%	Bahrain	(45,000)	-	-	-	(30,147)	-	(75,147)
Noor Energy 1 P.S.C.	24.90%	UAE	-	(20,087)	(125)	-	(244,845)	-	(265,057)
Dhofar Desalination Co. SAOC	50.10%	Oman	-	2,637	-	-	(11,709)	-	(9,072)
Taweelah RO Desalination Company LLC	40.00%	UAE	-	(12,000)	-	-	-	-	(12,000)
Naqa’a Desalination Plant LLC	40.00%	UAE	-	(3,600)	-	-	-	-	(3,600)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (“ACWA GUC”) – (refer to note 33.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(516,982)
			6,516,028	1,621,790	284,453	(259,027)	(772,217)	(2,614,142)	4,776,885

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY ACCOUNTED INVESTEES (CONTINUED)

7.1 Contribution from equity accounted investees (continued)

	% of effective ownership	Country of domicile	Opening balance	Additions / (disposals) / other adjustments	Transfer to affiliates	Share in net income / (loss)	Dividends received	Share in OCI	Closing balance
31 December 2018									
Rabigh Arabian Water & Electricity Company – (refer to note 32)	74.00%	Saudi Arabia	787,358	1,019,863	-	633,111	-	(32)	2,440,300
SGA/NOVA SGA Marafiq Holdings	33.33%	Bahrain / UAE	456,100	(34,311)	-	43,489	-	48,356	513,634
Shuqaiq International Water and Electricity Company Limited	53.34%	Saudi Arabia	395,908	(12,421)	-	46,416	(12,802)	49,098	466,199
Saudi Malaysian Water and Electricity Company Limited	50.00%	Saudi Arabia	1,112,788	-	-	112,196	(58,269)	41,983	1,208,698
Suez Nomac O&M Holdings Company W.L.L.	40.00%	Bahrain	27,135	-	-	17,338	(16,950)	-	27,523
Jubail Operations Holdings Company W.L.L.	40.00%	Bahrain	27,139	-	-	17,341	(16,950)	-	27,530
Jordan Biogas Company	50.00%	Jordan	2,777	-	-	(225)	-	-	2,552
Qurayyah Investment Company	35.00%	Saudi Arabia	438,391	700	-	4,083	-	15,246	458,420
Rabigh Electricity Company	40.00%	Saudi Arabia	651,817	2,812	-	62,657	(96,230)	41,577	662,633
Shuaa Energy 1 P.S.C	49.00%	UAE	18,150	62,464	-	6,693	(4,686)	14,050	96,671
Al Mourjan for Electricity Production Company	50.00%	Saudi Arabia	520,254	2,239	-	4,069	-	21,751	548,313
Dhofar Generating Company	27.00%	Oman	-	(113,092)	218,785	(982)	-	(11,237)	93,474
MAP Power Holding Company Limited ("MAP")	50.00%	UAE	(48,181)	243,864	(218,785)	3,340	-	19,762	-
Hassyan Energy Phase 1 P.S.C	26.95%	UAE	(26,525)	-	-	(83)	-	55,302	28,694
MAP Inland Holdings Ltd. (JAFZA)	47.26%	UAE	(8,008)	-	-	(18)	-	9,959	1,933
									6,576,574
MAP Coastal Holding Company Limited (JAFZA)	47.26%	UAE	(14,563)	2,205	-	(16)	-	9,852	(2,522)
ACWA Power Oasis Three FZ-LLC	70.70%	UAE	-	718	-	(13,742)	-	-	(13,024)
Haya Power & Desalination Company	60.00%	Bahrain	-	(45,000)	-	-	-	-	(45,000)
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2)	70.00%	Turkey	-	-	-	-	-	-	-
									(60,546)
			4,340,540	1,130,041	-	935,667	(205,887)	315,667	6,516,028

7.1.1 On 31st May 2020, the Group entered into sale and purchase agreement with Samsung C&T in relation to the purchase of 9.98% of the share capital of Samsung in QIC, through it's fully owned subsidiary ("Qurayyah Project Company" or "QPC") for a consideration of SR 93.75 million and recognised a gain of SR 16.75 million. Post-acquisition of said shares, the Group owns 44.98% of interest in QIC and effectively owns 22.49% interest in Hajr for Electricity Production Company ("HEPCO"). The shareholders of QIC will continue to share the control and the Group has continued to account for its investment in QIC using equity method (note 18.3).

7.1.2 During 2019, the Group acquired control in RAWEC and its effective shareholding increased from 74% to 99%. Consequently, effective from the date of acquiring control, the Group started to consolidate RAWEC while the carrying amount of its investment in equity accounted investees was derecognised. A gain on acquisition of RAWEC was recorded in other income (refer to note 27, 32 and 18.3).

7.1.3 Share in net results of Shuaa and Oasis 3 for the year 2019 and 2018 totaling to SR 659 thousands (gain) and SR 7.0 million (loss) respectively have been presented under discontinued operations - refer to note 33.4.

7.1.4 Share in net results of SAMAWEC for the year 2020 includes the Group's share in impairment of property, plant and equipment amounting to SR 30.0 million.

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.2 Financial information regarding equity accounted investees

The table below represents the summarised financial information of its material equity accounted investees:

Information on statement of financial position of material equity accounted investees:

	Non-current assets (note 7.3)	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees**	Goodwill and other adjustments ***	Carrying amount
31 December 2020													
SGA Marafiq Holdings W.L.L. (SGA Marafiq)*	**1,055,028**	**8,423**	**10**	**-**	**(19,637)**	**-**	**(769,602)**	**274,222**	**33.33%**	**91,398**	**251,698**	**97,009**	**440,105**
Shuqaiq International Water and Electricity Company (SIWEC)*	**695,207**	**11,995**	**3,428**	**(16,309)**	**(12,980)**	**(278,483)**	**(337,666)**	**65,192**	**53.34%**	**34,773**	**338,260**	**88,833**	**461,866**
Saudi Malaysian Water and Electricity Company Limited (SAMAWEC)*	**1,460,365**	**1,610**	**220**	**-**	**-**	**-**	**-**	**1,462,195**	**50.00%**	**731,098**	**-**	**392,893**	**1,123,991**
Qurayyah Investment Company (QIC)*	**1,112,873**	**169**	**50,152**	**-**	**(49,360)**	**-**	**-**	**1,113,834**	**44.98%**	**501,003**	**-**	**(18,745)**	**482,258**
Rabigh Electricity Company	**7,568,748**	**236,378**	**104,337**	**(259,692)**	**(354,565)**	**(4,897,241)**	**(1,027,870)**	**1,370,095**	**40.00%**	**548,038**	**-**	**89,246**	**637,284**
Dhofar Generating Company	**1,942,991**	**45,731**	**357,285**	**(68,196)**	**(288,629)**	**(1,358,288)**	**(262,783)**	**368,111**	**27.00%**	**99,390**	**-**	**(41,903)**	**57,487**
Al Mourjan for Electricity Production Company	**5,406,768**	**22,296**	**61,412**	**(130,580)**	**(294,365)**	**(3,741,257)**	**(460,115)**	**864,159**	**50.00%**	**432,080**		**(89,797)**	**342,283**
Hassyan Energy Phase 1 P.S.C	**7,318,550**	**242,445**	**256,496**	**-**	**(209,198)**	**(7,191,209)**	**(1,779,711)**	**(1,362,627)**	**26.95%**	**(367,228)**	**-**	**-**	**(367,228)**
MAP Inland Holdings Ltd. (JAFZA)	**3,595,411**	**136,973**	**963,997**	**(110,084)**	**(1,175,064)**	**(2,116,138)**	**(1,370,607)**	**(75,512)**	**47.26%**	**(35,687)**	**552,773**	**(33,051)**	**484,035**
MAP Coastal Holding Company Limited (JAFZA)	**3,629,482**	**19,181**	**1,106,460**	**(105,452)**	**(1,129,958)**	**(2,175,286)**	**(1,487,695)**	**(143,268)**	**47.26%**	**(67,708)**	**479,625**	**(32,953)**	**378,964**
Haya Power & Desalination Company	**2,894,469**	**9,969**	**13,729**	**-**	**(120,130)**	**(2,797,620)**	**(182,727)**	**(182,310)**	**60.00%**	**(109,386)**	**-**	**(45,000)**	**(154,386)**
Noor Energy 1 P.S.C.	**7,318,185**	**375,851**	**75,584**	**-**	**(359,902)**	**(7,410,161)**	**(1,998,310)**	**(1,998,753)**	**24.99%**	**(499,488)**	**62,252**	**(36,632)**	**(473,868)**
ACWA Power Renewable Energy Holding Ltd ("APREH")	**2,476,911**	**382,241**	**926,847**	**(78,150)**	**(216,985)**	**(2,805,405)**	**(206,863)**	**478,596**	**51.00%**	**244,084**	**-**	**269,297**	**513,381**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 33.2)	**1,795,784**	**169,598**	**228,352**	**-**	**(143,772)**	**(2,091,202)**	**(713,870)**	**(755,110)**	**70.00%**	**-**	**-**	**-**	**-**
31 December 2019													
SGA Marafiq Holdings W.L.L. *	1,087,964	60,320	55	-	(76,852)	-	(884,876)	186,611	33.33%	62,198	293,757	123,264	479,219
Shuqaiq International Water and Electricity Company *	707,732	16,107	9	(16,309)	(5,424)	(277,744)	(337,666)	86,705	53.34%	46,249	338,260	91,639	476,148
Saudi Malaysian Water and Electricity Company Limited *	1,404,336	7,823	116	-	(6,828)	-	-	1,405,447	50.00%	702,724	-	432,896	1,135,620
Qurayyah Investment Company *	1,233,128	1,040	35	-	(298)	-	-	1,233,905	35.00%	431,867	-	(11,850)	420,017
Rabigh Electricity Company	7,782,080	20,086	315,906	(342,069)	(459,746)	(5,104,684)	(937,074)	1,274,499	40.00%	509,799	-	87,779	597,578
Dhofar Generating Company	2,052,475	61,548	192,492	(71,132)	(130,019)	(1,425,609)	(251,390)	428,365	27.00%	115,659	-	(41,496)	74,163
Al Mourjan for Electricity Production Company	5,566,848	11,188	45,041	(122,221)	(221,349)	(3,871,837)	(310,952)	1,096,718	50.00%	548,359	-	(85,403)	462,956
Hassyan Energy Phase 1 P.S.C	5,416,034	439,983	106,226	-	(284,162)	(5,375,364)	(867,118)	(564,401)	26.95%	(152,106)	-	-	(152,106)
MAP Inland Holdings Ltd. (JAFZA)	3,711,518	97,289	710,144	(112,287)	(2,065,194)	(2,226,294)	(184,199)	(69,023)	47.26%	(32,621)	552,773	(22,382)	497,770
MAP Coastal Holding Company Limited (JAFZA)	3,847,058	135,145	578,456	(108,819)	(1,904,660)	(2,280,776)	(323,842)	(57,438)	47.26%	(27,145)	479,625	(31,160)	421,320
Haya Power & Desalination Company	1,593,634	37,502	19,916	-	(323,943)	(1,311,126)	(66,228)	(50,245)	60.00%	(30,147)	-	(45,000)	(75,147)
Noor Energy 1 P.S.C.	3,385,794	285,388	112,391	-	(265,098)	(3,453,790)	(1,048,499)	(983,814)	24.99%	(244,970)	-	(20,087)	(265,057)
ACWA Power Renewable Energy Holding Ltd ("APREH")	4,028,391	156,144	152,375	(138,863)	(320,803)	(3,061,680)	(138,948)	676,616	51.00%	345,074	-	259,276	604,350
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 33.2)	1,998,175	115,005	294,575	-	(169,381)	(2,497,753)	(578,733)	(838,112)	70.00%	-	-	-	-

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.2 Financial information regarding equity accounted investees (continued)

Information on statement of financial position of material equity accounted investees (continued):

31 December 2018	Non-current assets	Cash and cash equivalents	Other current assets	Short-term financing and funding facilities	Other current liabilities	Long-term financing and funding facilities	Other non-current liabilities	Total equity	Group's effective holding	Total equity attributable to the Group	Other long term interest in investees*	Goodwill and other adjustments**	Carrying amount
Rabigh Arabian Water & Electricity Company	6,395,080	228,730	251,767	-	(207,586)	(4,076,745)	(222,915)	2,368,331	74.00%	1,752,565	110,356	577,379	2,440,300
SGA Marafiq Holdings W.L.L. *	1,067,377	325	27	-	(8,891)	-	(799,986)	258,852	33.33%	86,275	315,689	111,670	513,634
Shuqaiq International Water and Electricity Company *	672,736	31,832	5	(31,194)	(14,381)	(277,744)	(354,690)	26,564	53.34%	14,169	355,284	96,746	466,199
Saudi Malaysian Water and Electricity Company Limited *	1,340,056	2,276	139,557	-	(1,051)	-	-	1,480,838	50.00%	740,419	-	468,279	1,208,698
Qurayyah Investment Company *	1,360,432	44	26,915	-	(4,226)	-	(29,634)	1,353,531	35.00%	473,736	-	(15,316)	458,420
Rabigh Electricity Company	7,978,462	44,802	209,680	(325,107)	(186,796)	(5,389,023)	(845,247)	1,486,771	40.00%	594,708	-	67,925	662,633
Shuaa Energy 1 P.S.C	1,181,171	9,361	38,026	(21,532)	(138,356)	(990,985)	(7,875)	69,810	49.00%	34,207	62,464	-	96,671
Dhofar Generating Company	2,074,555	99,062	110,712	(68,408)	(64,237)	(1,495,972)	(151,411)	504,301	27.00%	136,161	-	(42,687)	93,474
Al Mourjan for Electricity Production Company	5,698,532	7,439	76,896	(135,252)	(153,952)	(3,985,228)	(238,962)	1,269,473	50.00%	634,737	-	(86,424)	548,313
Hassyan Energy Phase 1 P.S.C	3,663,873	36,964	33,268	-	(23,063)	(3,350,282)	(254,289)	106,471	26.95%	28,694	-	-	28,694
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (note 33.2)	2,254,149	16,687	382,274	(345,997)	(174,679)	(2,189,201)	(247,294)	(304,061)	70.00%	-	-	-	-

** Financial information of project companies owned by these equity accounted investees is included in note 38.3.*
*** Other long-term interest in investees represents shareholder loans / advances (as an investment) provided to the investee by the Group.*
**** Goodwill and other adjustments includes downstream / upstream consolidation adjustments, purchase price allocation and other group level consolidation adjustments.*

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.2 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates:

	Revenues	Share in results of equity accounted investees	Depreciation	Finance Charges	Finance Income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
<u>For year ended 31 December 2020</u>								
SGA Marafiq Holdings W.L.L.	**-**	**202,620**	**-**	**(24,621)**	**(11,436)**	**156,796**	**(120,796)**	**36,000**
Shuqaiq International Water and Electricity Company	**-**	**108,498**	**-**	**(34,175)**	**66**	**77,229**	**(68,194)**	**9,035**
Saudi Malaysian Water and Electricity Company Limited	**-**	**195,059**	**-**	**(93)**	**107**	**188,721**	**(13,259)**	**175,462**
Qurayyah Investment Company	**-**	**13,079**	**-**	**-**	**-**	**10,789**	**(75,985)**	**(65,196)**
Rabigh Electricity Company	**930,489**	**-**	**(222,066)**	**(358,886)**	**150**	**310,791**	**(95,888)**	**214,903**
Dhofar Generating Company	**401,981**	**-**	**(39,503)**	**(68,740)**	**2,468**	**20,331**	**(43,097)**	**(22,766)**
Al Mourjan for Electricity Production Company	**566,518**	**-**	**(141,709)**	**(233,250)**	**412**	**3,705**	**(228,942)**	**(225,237)**
Hassyan Energy Phase 1 P.S.C	**34,816**	**-**	**(2)**	**(15,287)**	**3**	**(37,695)**	**(760,530)**	**(798,225)**
MAP Inland Holdings Ltd. ("MAP Inland")	**837,146**	**-**	**(89,408)**	**(107,746)**	**65**	**8,370**	**(110,213)**	**(101,843)**
MAP Coastal Holding Company Limited ("MAP Coastal")	**929,900**	**-**	**(95,341)**	**(113,687)**	**1**	**(51,939)**	**(110,466)**	**(162,405)**
Haya Power & Desalination Company	**-**	**-**	**-**	**-**	**-**	**-**	**(132,065)**	**(132,065)**
Noor Energy 1 P.S.C.	**-**	**-**	**-**	**-**	**-**	**(219)**	**(1,018,263)**	**(1,018,482)**
ACWA Power Renewable Energy Holding ("APREH") (note 7.2.2)	**365,138**	**(25,609)**	**(95,151)**	**(203,345)**	**43,700**	**(37,949)**	**(105,700)**	**(143,649)**
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2 & 7.1)	**915,438**	**-**	**(54,385)**	**(878,610)**	**6,932**	**(705,346)**	**-**	**(705,346)**
<u>For year ended 31 December 2019</u>								
SGA Marafiq Holdings W.L.L.	-	160,652	-	(48,833)	165	59,600	(110,587)	(50,987)
Shuqaiq International Water and Electricity Company	-	81,496	-	(21,200)	231	62,941	3,746	66,687
Saudi Malaysian Water and Electricity Company Limited	-	212,354	-	(53)	1,781	181,142	777	181,919
Qurayyah Investment Company	-	7,521	-	(112)	-	6,540	(53,062)	(46,522)
Rabigh Electricity Company	674,676	-	(218,779)	(401,832)	1,254	(140,847)	(47,793)	(188,640)
Dhofar Generating Company	391,176	-	(38,279)	(72,769)	-	3,967	(40,688)	(36,721)
Al Mourjan for Electricity Production Company	474,743	-	(137,828)	(228,040)	698	(81,591)	(94,561)	(176,152)
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(181)	(670,691)	(670,872)
MAP Inland Holdings Ltd. ("MAP Inland") (note 7.2.1)	625,217	-	(58,726)	(77,133)	-	1,836	(123,908)	(122,072)
MAP Coastal Holding Company Limited ("MAP Coastal") (note 7.2.1)	627,491	-	(63,897)	(81,801)	-	10,167	(129,645)	(119,478)
Haya Power & Desalination Company	-	-	-	-	-	-	(50,245)	(50,245)
Noor Energy 1 P.S.C.	-	-	-	-	-	(254)	(979,771)	(980,025)
ACWA Power Renewable Energy Holding (refer to note 33.1)	-	-	-	-	-	-	-	-
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") – (refer to note 33.2 & 7.1)	687,171	-	(49,554)	(606,296)	5,312	(648,220)	-	(648,220)

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 EQUITY-ACCOUNTED INVESTEES (CONTINUED)

7.2 Financial information regarding equity accounted investees (continued)

Information on statement of profit or loss and other comprehensive income of material joint ventures and associates (continued):

	Revenues	Share in results of equity accounted investees	Depreciation	Finance charges	Finance income	Net profit or loss *	Other comprehensive income *	Total comprehensive income *
For year ended 31 December 2018								
Rabigh Arabian Water & Electricity Company	1,146,256	-	(194,654)	(253,429)	4,334	373,868	13	373,881
SGA Marafiq Holdings W.L.L.	-	182,185	-	(30,425)	-	144,898	145,083	289,981
Shuqaiq International Water and Electricity Company	-	113,724	-	(29,127)	177	87,490	100,551	188,041
Saudi Malaysian Water and Electricity Company Limited	-	254,254	-	(27)	421	246,289	92,898	339,187
Qurayyah Investment Company	-	8,117	-	(112)	-	7,026	43,559	50,585
Rabigh Electricity Company	923,539	-	(218,642)	(403,735)	1,814	120,903	97,613	218,516
Shuaa Energy 1 P.S.C	94,452	-	-	(66,386)	116	13,660	28,674	42,334
Dhofar Generating Company	386,157	-	(38,152)	(72,594)	-	3,521	31,575	35,096
Al Mourjan for Electricity Production Company	531,959	-	(138,980)	(208,428)	1,567	10,338	38,061	48,399
Hassyan Energy Phase 1 P.S.C	-	-	-	-	-	(170)	204,821	204,651

* *Profit or loss, other comprehensive income and total comprehensive income included in above table are before any intra-group transaction elimination or other group level adjustments.*

7.2.1 Net profit or loss in 2019 of MAP Inland and MAP coastal included delay liquidated damages expenses which were due to the off-taker. Receivables balances of equivalent amounts were accounted for as due from EPC contractors in accordance with underlying EPC contracts. Thus, the net impact of liquidated damages on profit or loss of these entities was SR nil in 2019. Liquidated damages receivable and payable in relation to MAP inland was settled during 2020 and resulted in a net gain of SR 36.5 million recognised in income statement.

7.2.2 The results of APREH comprise of the consolidated results of a portfolio of renewable project companies located in South Africa, Egypt, Morocco, Jordan and the United Arab Emirates.

7.3 During the year certain oil-fired plant and equipment of the Group's equity accounted investees in the Kingdom of Saudi Arabia ("the Assets") were tested for impairment. The impairment testing was performed by comparing the carrying amount of each asset to the recoverable amount which has been determined based on a value in use calculation using relevant cash flow projections, based on financial forecasts covering a period ranging from 11 to 22 years, discounted at WACC of 5%. The Management noted an impairment loss on one of the Assets. The Group's share in impairment loss amounts to SR 30.0 million – refer to note 7.1.4.

The calculation of value in use is most sensitive to the assumptions on weighted average cost of capital ("WACC"). An increase in WACC by 1% will result in additional impairment loss of SR 20.1 million.

(All amounts in Saudi Riyals thousands unless otherwise stated)

8 NET INVESTMENT IN FINANCE LEASE

In relation to certain Power Purchase Agreements ("PPA") between the few of the Group's subsidiaries and their off-taker, the Group management has concluded that the PPA are within the scope of IFRS 16, "Leases". Further, management has assessed the lease classification and concluded that the arrangements are finance leases. Accordingly, a finance lease receivable has been recognised in the consolidated financial statements.

The lease cash flows are denominated in multiple currencies. Accordingly, the minimum lease payments are determined separately for each currency involved using the interest rate implicit in the lease for each respective currency.

The lease receivables under the finance lease terms are detailed as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
a) Net investment in finance leases consist of:			
Gross investment in finance leases (see (b) below)	**17,099,678**	17,010,748	15,195,883
Less: Unearned finance income (see (c) below)	**(6,170,770)**	(6,436,512)	(5,864,264)
	10,928,908	10,574,236	9,331,619
Analysed as:			
Current portion of net investment in finance lease	**323,571**	209,902	216,891
Non-current portion of net investment in finance lease	**10,605,337**	10,364,334	9,114,728
b) The future minimum lease payments to be received consist of:			
Within one year	**792,955**	673,337	617,615
After one year but not more than five years	**3,950,823**	3,726,464	2,570,015
Five years onwards	**12,355,900**	12,610,947	12,008,253
	17,099,678	17,010,748	15,195,883
c) The maturity of unearned finance income are as follows:			
Within one year	**469,384**	463,435	400,724
After one year but not more than five years	**2,140,611**	2,103,960	1,519,103
Five years onwards	**3,560,775**	3,869,117	3,944,437
	6,170,770	6,436,512	5,864,264

Finance income earned on the finance leases during the year was SR 258.9 million (2019: SR 319.9 million, 2018: 145.2 million) (note 23) which is net of loss of SR 202.2 million (2019: SR 98.8 million, 2018: SR 116.9 million) due to fewer lease payments compared to original estimates resulted from lower production.

The total finance lease income in each respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency respectively with respect to the lease.

The periodic rate of return used by the Group ranges from 2.04% to 10.21% (31 Dec 2019: 2.04% to 10.21%, 31 Dec 2018: 2.04% to 9.45%) per annum.

9 OTHER ASSETS

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Value Added Tax ("VAT") receivable	**129,443**	124,815	160,638
Right of use assets	**52,526**	47,934	-
Others	**15,541**	33,361	45,140
	197,510	206,110	205,778

(All amounts in Saudi Riyals thousands unless otherwise stated)

10 INVENTORIES

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Spare parts and consumables	**421,156**	410,413	281,815
Chemicals	**21,982**	16,864	9,382
Diesel	**7,308**	10,409	10,540
Goods in transit	**389**	638	672
	450,835	438,324	302,409

11 ACCOUNTS RECEIVABLE, PREPAYMENTS AND OTHER RECEIVABLES

	Notes	**As at 31 Dec 2020**	As at 31 Dec 2019	As at 31 Dec 2018
Trade accounts receivable		**1,333,872**	1,242,492	1,265,963
Less: Allowance for impaired receivables	11.1	**(28,795)**	(31,657)	(64,334)
Net trade accounts receivable	11.2	**1,305,077**	1,210,835	1,201,629
Prepayments, insurance and other receivables	11.3	**957,218**	1,298,422	1,004,339
Project development cost	11.4	**313,187**	240,569	212,790
Advances to suppliers		**310,219**	121,096	39,735
Dividend receivable		**17,618**	-	-
Value added tax and other receivables from authorities	11.5	**80,943**	41,750	32,440
Advances to employees		**29,102**	28,777	22,021
Others		**6,871**	12,353	19,726
		3,020,235	2,953,802	2,532,680

11.1 Allowance for impaired receivables is calculated using the expected credit loss approach specified in IFRS 9. To measure the expected credit losses, trade receivables are evaluated based on customer credit rating and expected probability of defaults. Movement in allowance for impaired receivables is disclosed in note 36.1 (c).

11.2 Net trade account receivable includes SR 455.5 million (31 Dec 2019: SR 388.2 million, 31 Dec 2018: SR 419.0 million) receivable of CEGCO that includes SR 306.9 million (31 Dec 2019: SR 306.9 million, 31 Dec 2018: 312.1 million) of fuel revenues receivable on account of electricity supplied to the off-taker, National Electric Power Company ("NEPCO"), which is domiciled in the Hashemite Kingdom of Jordan. The payments of NEPCO are back stopped by the Government of Jordan Guarantee. The Government of Jordan has shareholding in both CEGCO and NEPCO (note 18.1).

11.3 The balance includes reinsurance assets and premiums receivable amounting to SR 516.7 million (31 Dec 2019: SR 886.5 million, 31 Dec 2018: SR 328.5 million). Related insurance liabilities are included in accrued expenses and other liabilities (note 18.2).

11.4 Project development cost represents costs incurred on projects under development which are considered feasible as of the reporting date. A provision is made against the project development costs based on an average project success rate and management's best estimates. During 2020, SR 142.9 million (31 Dec 2019: provision of SR 50.8 million, 31 Dec 2018: reversal of SR 16.4 million) were recorded in profit or loss from continued operations on account of provisions and write-offs. These include a one-off write-off of project development costs amounting to SR 80.86 million (2019: nil and 2018: reversal of SR 21 million) relating to a coal project in Asia which the Group decided to withdraw from due to the Group's decision to not pursue any new coal project investments.

11.5 VAT receivables have been paid on purchases of goods and services and will be utilised against VAT liabilities for future periods.

(All amounts in Saudi Riyals thousands unless otherwise stated)

12 CASH AND CASH EQUIVALENTS

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Cash in hand and at bank	**798,263**	1,433,286	3,221,133
Short-term deposits with original maturities of three months or less	**34,405**	1,365,029	2,277,132
	832,668	2,798,315	5,498,265

13 SHARE CAPITAL AND RESERVES

13.1 Share capital

The Company's authorised and fully paid up share capital consists of 645,762,878 shares (31 Dec 2019: 645,762,878 shares, 31 Dec 2018: 645,762,878 shares) of SR 10 each.

Transaction cost incurred on issuance of shares is recognised in equity.

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Authorised and fully paid up shares of SR 10 each	**6,457,629**	6,457,629	6,457,629
Transaction cost	**(28,285)**	(28,285)	(28,285)
Share capital	**6,429,344**	6,429,344	6,429,344

During 2018, the Company issued 98,159,157 shares to "Public Investment Fund ("PIF")" at a premium amounting to SR 1,079.8 million. Total proceeds received against the shares issued net of transaction cost amounted to SR 2,042.9 million.

13.2 Other reserves

Movement in other reserve is given below:

	*Cash flow hedge reserve**	*Currency translation reserve**	*Share in OCI of equity accounted investees (note 7)*	*Re-measurement of defined benefit liability*	*Other*	*Total*
Balance as at 1 January 2018	(191,688)	(149,220)	(558,200)	(7,804)	(27,180)	(934,092)
Changes during the year	28,600	(323,986)	315,667	6,870	-	27,151
Recycled to profit or loss on loss of control (note 33.2)	47,711	141,330	-	-	-	189,041
Balance as at 31 December 2018	(115,377)	(331,876)	(242,533)	(934)	(27,180)	(717,900)
Changes during the year	(243,780)	228,294	(772,217)	(18,251)	-	(805,954)
Recycled to profit or loss on loss of control (note 33.1)	45,982	73,861	42,775	-	-	162,618
Balance as at 31 December 2019	(313,175)	(29,721)	(971,975)	(19,185)	(27,180)	(1,361,236)
Changes during the year	**(258,464)**	**2,192**	**(1,191,366)**	**8,574**	**-**	**(1,439,064)**
Recycled to profit or loss on loss of control (note 33.3)	**(19,477)**	**21,358**	**-**	**-**	**-**	**1,881**
Balance as at 31 December 2020	**(591,116)**	**(6,171)**	**(2,163,341)**	**(10,611)**	**(27,180)**	**(2,798,419)**

* *Currency translation reserve and cash flow hedge reserve as of 31 December 2019 includes SR (20.0) million and SR 4.0 million respectively associated with assets held for sale (note 33.3).*

13 SHARE CAPITAL AND RESERVES (CONTINUED)

13.2 Other reserves (continued)

Cash flow hedge reserve
The cash flow hedge reserve represents the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss. Under the terms of the long term loan and funding facilities, the hedges are required to be held until maturity. Changes in the fair value of the undesignated portion of the hedged item, if any, are recognised in profit or loss.

Currency translation reserve
On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates prevailing during the reporting period of related transactions. The exchange differences arising on translation for consolidation are recognised as currency translation reserve in equity. On disposal of a foreign operation, the component of currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Share in other comprehensive income of equity accounted investees
Under the equity method of accounting the Group has also taken its share in other comprehensive income of the equity accounted investees which includes movement in cash flow hedge reserves, deferred tax on cash flow hedge reserve and actuarial gains or losses in relation to employee end of service benefit obligation of equity accounted investees.

Other
This represents amount initially recognised for the put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary (note 23.1 (c)).

13.3 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and benefit other stakeholders. Management's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

13.4 Dividends

On 16 November 2020, in an extraordinary general assembly meeting, shareholders of the Company declared a one-off dividend of SR 2,701.0 million equivalent to SR 4.18 per share (31 Dec 2019: SR 322.9 million at 0.50 per share, 31 Dec 2018: SR 235.1 million at 0.43 per share). The dividend was unanimously agreed by the shareholders of the Company prior to the Public Investment Fund of Saudi Arabia increasing its shareholding in the Company from 33.36% to 50% on 19 November 2020.

Of the total dividends declared during the year, the Company paid SR 1,000.0 million during 2020 and another SR 800.0 million will be paid during 2021. A portion of the total dividends for 2020 amounting to SR 901.0 million was converted into a long-term non-interest-bearing loan through a wholly owned subsidiary of a shareholder. Refer to note 22.1 (i).

Furthermore during 2020, certain subsidiaries of the Group distributed dividends of SR 83.4 million (31 Dec 2019: SR 15.7 million, 31 Dec 2018: SR 59.4 million) to the non-controlling interest shareholders.

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 NON-CONTROLLING INTEREST ("NCI")

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI. Where necessary, balances in relation assets and liabilities of subsidiaries are adjusted to account for group consolidation adjustments.

Information on statement of financial position

	CEGCO	Barka	APO I	Bowarege (note 14.3)	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others** including eliminations (note 14.2)	Total
As at 31 December 2020												
NCI %	**59.07%**	**58.09%**	**25.00%**	**-**	**25.00%**	**25.00%**	**-**	**40.00%**	**40.00%**	**30.00%**		
Non-current assets	**580,198**	**597,827**	**3,221,999**	**-**	**3,585,994**	**2,967,581**	**-**	**1,419**	**2,151,031**	**1,948,381**		
Current assets	**554,104**	**332,516**	**266,870**	**-**	**239,895**	**186,047**	**-**	**94,043**	**252,797**	**19,697**		
Non-current liabilities	**(170,110)**	**(336,554)**	**(2,340,750)**	**-**	**(3,260,011)**	**(2,665,814)**	**-**	**(7,227)**	**(1,752,847)**	**(2,189,470)**		
Current liabilities	**(571,289)**	**(425,766)**	**(304,189)**	**-**	**(711,691)**	**(807,358)**	**-**	**(56,686)**	**(229,848)**	**(111,149)**		
Net assets / (liabilities)	**392,903**	**168,023**	**843,930**	**-**	**(145,813)**	**(319,544)**	**-**	**31,549**	**421,133**	**(332,541)**		
Net assets / (liabilities) attributable to NCI	**232,096**	**97,621**	**210,983**	**-**	**(36,453)**	**(79,886)**	**-**	**12,620**	**168,453**	**(99,762)**	**25,369**	**531,041**
As at 31 December 2019												
NCI %	59.07%	58.09%	25.00%	35.15%	25.00%	25.00%	-	40.00%	40.00%	30.00%		
Non-current assets	646,910	898,573	2,504,063	74	3,429,867	2,808,136	-	1,988	1,794,621	722,422		
Current assets	521,073	334,858	209,423	10,822	301,169	74,622	-	112,488	316,510	17,331		
Non-current liabilities	(198,190)	(475,747)	(1,757,659)	(5,169)	(2,605,459)	(2,003,205)	-	(15,845)	(1,332,459	(858,286)		
Current liabilities	(576,325)	(427,697)	(234,541)	(30,184)	(1,239,848	(1,041,116)	-	(45,698)	(331,270)	(11,843)		
Net assets / (liabilities)	393,468	329,987	721,286	(24,457)	(114,271)	(161,563)	-	52,933	447,402	(130,376)		
Net assets / (liabilities) attributable to NCI	232,429	191,722	180,322	(8,597)	(28,568)	(40,391)	-	21,173	178,961	(39,113)	15,566	703,504

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 NON-CONTROLLING INTEREST ("NCI") (CONTINUED)

Information on statement of financial position (continued)

As at 31 December 2018	CEGCO	Barka	APO I	ACF Renewable Energy ("Karad")	Bowarege	Bokpoort (note 14.1)	APOII	APOIII	Khalladi (note 14.1)	ROMCO	Zarqa	Others** including eliminations (note 14.2)	Total
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-	
Non-current assets	723,476	1,997,339	2,548,180	451,424	111,877	1,350,067	3,506,550	2,808,678	655,856	1,994	1,776,093	-	
Current assets	570,134	159,735	267,870	31,030	39,236	58,824	277,865	117,482	66,564	80,967	265,551	-	
Non-current liabilities	(224,831)	(792,282)	(2,001,200)	(470,462)	(701)	(928,494)	(3,259,874)	(2,561,428)	(558,593)	(19,003)	(1,192,011)	-	
Current liabilities	(774,193)	(314,683)	(247,038)	(28,851)	(47,382)	(99,750)	(633,314)	(377,399)	(95,288)	(14,432)	(385,113)	-	
Net assets / (liabilities)	294,586	1,050,109	567,812	(16,859)	103,030	380,647	(108,773)	(12,667)	68,539	49,526	464,520	-	
Net assets / (liabilities) attributable to NCI	174,012	610,113	141,953	(9,778)	36,215	228,388	(27,193)	(3,167)	17,135	19,810	185,808	11,888	1,385,184

14.1 These entities were held through ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group. During 2019, the Group lost control in APREH and accordingly deconsolidated related net assets and NCI. Refer note 33.1.

14.2 Others, as of 31 December 2019 and 2018, also include NCI pertaining to Rabigh Power Company ("RPC"). During 2018, the Group acquired an additional 34% interest in RPC for a consideration amounting to SR 70.7 million and having a carrying amount of SR 10.8 million. Difference between carrying amount and consideration paid is recorded directly within the equity. On 10 October 2019, Group has acquired remaining 15% interest in RPC for consideration amounting to SR 28.89 million having a carrying amount of SR 10.1 million. Difference between carrying amount and consideration paid is recorded directly within the equity (note 18.3).

14.3 On 30 June 2020, the Group acquired the 35.15% additional interest from the Bowarege minority shareholder for zero consideration. The additional interest had a carrying amount of SR (10.5) million. The difference between the carrying amount and consideration paid is recorded directly within the equity.

(All amounts in Saudi Riyals thousands unless otherwise stated)

14 NON-CONTROLLING INTEREST ("NCI") (CONTINUED)

Information on statement of profit of loss and other comprehensive income

	CEGCO	Barka	APO I	Karad	Bowarege	Bokpoort	APOII	APOIII	Khalladi	ROMCO	Zarqa	Rabigh 3	Others	Total
31 December 2020														
NCI %	**59.07%**	**58.09%**	**25.00%**	**58.00%**	**35.15%**	-	**25.00%**	**25.00%**	-	**40.00%**	**40.00%**	**30.00%**		
Revenue	**383,573**	**498,619**	**199,785**	-	-	-	**132,969**	**9,703**	-	**83,513**	**249,249**	-		
Profit / (loss)	**53,567**	**(61,449)**	**114,339**	-	-	-	**(31,542)**	**(157,982)**	-	**23,659**	**38,978**	**(165)**		
OCI	**(2,790)**	-	-	-	-	-	-	-	-	-	**(65,247)**	**(202,154)**		
Total comprehensive income / (loss)	**50,777**	**(61,449)**	**114,339**	-	-	-	**(31,542)**	**(157,982)**	-	**23,659**	**(26,269)**	**(202,319)**		
Profit / (loss) – NCI share	**31,643**	**(35,702)**	**28,585**	-	-	-	**(7,886)**	**(39,496)**	-	**9,464**	**15,591**	**(50)**	**17,670**	**19,819**
OCI – NCI share	**(1,648)**	-	-	-	-	-	-	-	-	-	**(26,099)**	**(60,646)**	**(31,029)**	**(119,422)**
31 December 2019														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	49.00%	40.00%	40.00%	30.00%		
Revenue	423,186	546,180	158,664	65,992	-	234,467	235,603	45,886	100,682	97,089	247,978	-		
Profit / (loss)	113,634	(509,196)	193	4,280	(127,486)	15,945	(5,498)	(148,896)	3,426	23,463	27,402	(83)		
OCI	(12,786)	-	-	(44,520)	-	(98,375)	-	-	-	(216)	(44,520)	-		
Total comprehensive income / (loss)	100,848	(509,196)	193	(40,240)	(127,486)	(82,430)	(5,498)	(148,896)	3,426	23,247	(17,118)	(83)		
Profit / (loss) – NCI share	67,126	(295,843)	48	2,482	(44,811)	9,567	(1,375)	(37,224)	1,679	9,385	10,961	(25)	(15,752)	(293,782)
OCI – NCI share	(7,553)	-	-	(25,822)	-	(59,025)	-	-	-	(86)	(17,808)	-	(20,171)	(130,465)
31 December 2018														
NCI %	59.07%	58.09%	25.00%	58.00%	35.15%	60.00%	25.00%	25.00%	25.00%	40.00%	40.00%	-		
Revenue	592,441	603,980	148,563	68,631	14	228,370	117,546	31,329	39,309	84,183	101,598	-		
Profit / (loss)	15,221	(104,700)	(25,424)	(1,627)	(56,263)	(4,514)	(133,182)	(31,350)	(6,856)	24,514	13,359	-		
OCI	3,090	-	-	6,180	53	27,618	-	-	-	526	15,397	-		
Total comprehensive income / (loss)	18,311	(104,700)	(25,424)	4,553	(56,210)	23,104	(133,182)	(31,350)	(6,856)	25,040	28,756	-		
Profit / (loss) – NCI share	8,991	(60,831)	(6,356)	(944)	(19,776)	(2,708)	(33,296)	(7,838)	(1,714)	9,806	5,344	-	(15,750)	(125,072)
OCI – NCI share	1,825	-	-	3,584	19	16,571	-	-	-	210	6,159	-	(3,176)	25,192

All amounts in Saudi Riyals thousands

15 LONG -TERM FINANCING AND FUNDING FACILITIES

As at	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Recourse debt:			
Financing facilities in relation to projects	**753,314**	1,825,887	3,185,113
Corporate facilities	**113,630**	1,125	12,237
Non-Recourse debt:			
Financing facilities in relation to projects	**15,746,631**	14,922,544	12,369,340
APMI One bond	**3,006,325**	3,002,617	2,999,129
Corporate facilities	**-**	-	187,500
Total financing and funding facilities	**19,619,900**	19,752,173	18,753,319
Less: Current portion of long-term financing and funding facilities	**(1,178,360)**	(2,271,229)	(1,018,637)
Less: Financing and funding facilities classified as current (note 15.3)	**(1,154,796)**	-	-
Non-current portion shown under non-current liabilities	**17,286,744**	17,480,944	17,734,682

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows and there is no recourse to the Company under any guarantee. The with-recourse facilities are direct borrowings or those guaranteed by the Company. The Group's financial liabilities are either fixed special profit bearing or at a margin above the relevant reference rates. The Group seeks to hedge long term floating exposures using derivatives (note 21).

The table below shows the current and non-current portion of long-term financing and funding facilities with a further allocation of debt between corporate and projects. Corporate debt represents borrowings by the Companies listed in note 1 to the consolidated financial statements. While project financing includes direct borrowings by project companies and other holding companies (which are subsidiaries of the Group).

	Notes	*Interest rate*	*Maturity*	*Non-current portion*			*Current portion*		
		Fixed / variable		**As at 31 Dec 2020**	As at 31 Dec 2019	As at 31 Dec 2018	**As at 31 Dec 2020**	As at 31 Dec 2019	As at 31 Dec 2018
Recourse Debt									
Financing facilities in relation to projects:	*15.2*								
ACWA Power Africa Holdings (Pty) Ltd.		Variable	-	**-**	-	-	**-**	-	188,051
ACWA Power Ouarzazate II S.A. ("APO II")		Fixed	-	**-**	-	581,159	**-**	581,159	-
ACWA Power Ouarzazate III S.A. ("APO III")		Fixed	2023	**130,156**	-	452,607	**-**	500,701	-
ACWA Power Ouarzazate IV S.A. ("APO IV")		Fixed	-	**-**	-	43,594	**-**	43,594	-
UPC Renewables S.A.		Fixed	-	**-**	-	59,582	**-**	-	-
ACWA Power Morocco		Fixed	-	**-**	-	-	**-**	-	58,805
Shuaibah Two Water Development Project ("Shuaibah II")		Variable	-	**-**	-	-	**-**	-	176,896
Rabigh Three Company ("Rabigh 3")		Variable	2024	**424,261**	424,261	-	**-**	-	-
Qara Solar Energy / Sakaka Solar Energy Company ("Sakaka")		Variable	2025	**198,897**	198,897	185,805	**-**	-	-
ACWA Power Renewable Energy Holding Limited ("APREH")	*33.1, 22.1(b)*	Fixed	-	**-**	-	1,361,339	**-**	-	-
ACWA Power Laayoune		Fixed	-	**-**	-	56,160	**-**	56,160	-
ACWA Power Boujdour		Fixed	-	**-**	-	21,115	**-**	21,115	-
Total – Financing facilities in relation to projects				**753,314**	623,158	2,761,361	**-**	1,202,729	423,752

All amounts in Saudi Riyals thousands

15 LONG -TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

	Notes	*Interest rate*	*Maturity*	*Non-current portion*			*Current portion*		
		Fixed / variable		**As at 31 Dec 2020**	As at 31 Dec 2019	As at 31 Dec 2018	**As at 31 Dec 2020**	As at 31 Dec 2019	As at 31 Dec 2018
Corporate facilities:									
Revolving Corporate Murabaha Facility and others		Variable	2022-23	**113,630**	1,125	11,487	**-**	-	750
Total – Recourse Debt				**866,944**	624,283	2,772,848	**-**	1,202,729	424,502
Non-Recourse Debt:									
Financing facilities in relation to projects:	*15.2*								
ACWA Power Barka SAOG (“ACWA Barka”)		Both	2020-24	**232,389**	346,816	471,580	**116,630**	129,527	122,356
ACWA Power Barka Electric Co LLC (“APBEC”)		Fixed	-	**-**	-	13,208	**-**	13,208	13,208
Central Electricity Generating Company (“CEGCO”)		Both	2018-24	**113,135**	134,023	158,909	**28,182**	26,719	132,207
ACWA Power CF Karad PV Park EAD (“Karad PV”)	*33.3*	Both	-	**-**	-	341,015	**-**	-	12,346
ACWA Power Ouarzazate S.A. (“APO I”)		Fixed	2038	**1,849,781**	1,869,516	1,951,602	**135,348**	101,585	93,791
ACWA Power Ouarzazate II S.A. (“APO II”)		Fixed	2040	**2,717,596**	2,580,586	2,661,794	**105,011**	100,783	58,338
ACWA Power Ouarzazate III S.A. (“APO III”)		Fixed	2040	**2,075,387**	1,987,113	2,093,386	**155,591**	73,009	36,604
ACWA Power Ouarzazate IV S.A. (“APO IV”)		Fixed	2035	**171,894**	210,563	217,142	**38,201**	10,153	12,320
ACWA Power Solafrica Bokpoort CSP Power Plant (RF)		Variable	-	**-**	-	869,496	**-**	-	-
UPC Renewables S.A.		Variable	-	**-**	-	471,666	**-**	-	22,073
Shuaibah Two Water Development Project (“Shuaibah II”)		Both	2040	**914,316**	938,039	790,131	**27,274**	25,640	9,906
ACWA Power Laayoune		Fixed	2035	**263,499**	264,890	218,863	**847**	13,293	16,037
ACWA Power Boujdour		Fixed	2035	**79,983**	84,157	78,255	**4,777**	3,671	4,590
The Local Company for Water And Solar Projects (“MAFRAQ”)		Variable	-	**-**	-	177,888	**-**	-	7,838
Al Zarqa Plant for Energy Generation (“ZARQA”)	*15.3*	Variable	2035	**1,154,796**	1,241,932	1,161,208	**78,332**	54,814	47,521
Sakaka Solar Energy Company (“Sakaka”)		Variable	2044	**779,914**	656,315	92,086	**23,930**	96,651	-
Rabigh Three Company (“Rabigh 3”)		Variable	2045	**1,464,683**	302,430	-	**-**	-	-
Rabigh Arabian Water and Electricity Company		Fixed	2023-31	**2,756,698**	3,237,664	-	**458,437**	419,447	-
Others		Both	-	**-**	-	6,976	**-**	-	5,000
Total – Financing facilities in relation to projects				**14,574,071**	13,854,044	11,775,205	**1,172,560**	1,068,500	594,135
APMI One bond	*15.1*	Fixed	2039	**3,000,525**	3,002,617	2,999,129	**5,800**	-	-
Corporate facilities:									
ACWA Power Global Holding		Interest free	-	**-**	-	187,500	**-**	-	-
Total – Non-Recourse Debt				**17,574,596**	16,856,661	14,961,834	**1,178,360**	1,068,500	594,135
Total financing and funding facilities				**18,441,540**	17,480,944	17,734,682	**1,178,360**	2,271,229	1,018,637
Less: Financing and funding facilities classified as current	*15.3*			**(1,154,796)**	-	-	**-**	-	-
				17,286,744	17,480,944	17,734,682	**1,178,360**	2,271,229	1,018,637

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 LONG-TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

15.1 In May 2017, the Group (through one of its subsidiaries, APMI One) issued bonds with an aggregate principal of USD 814 million. The bonds carry a fixed rate of interest at 5.95% per annum due for settlement on a semi-annual basis. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021, with the final instalment due in December 2039. The bonds are collateralised by cash flows derived from certain equity accounted investees and subsidiaries of the Group.

15.2 Borrowings by project companies are primarily secured against underlying assets of the respective project companies, except borrowings that are with recourse to the Group amounting to SR 753.3 million as of 31 December 2020 (31 Dec 2019: SR 1,825.9 million, 31 Dec 2018: SR 3,185.1 million).

15.3 Due to Covid 19 related issues, the delay in contractual payments from the off-taker in one of the Group's subsidiaries ("the Subsidiary") has resulted in a technical covenant breach under the power purchase agreement leading to a cross default under the financing documents. The cumulative amount withheld during the year amounted to SR 42.4 million. While the project benefits from a Government Guarantee on the receivables from the off-taker, the project company has not called on the Guarantee to cover these partially withheld payments as the off-taker has reached a settlement agreement to clear the overdue amounts in 4 equal monthly instalments starting from 31 January 2021.

On 9 February 2021, the Subsidiary received a covenant waiver from the lenders, with an effective date of 31 December 2020. Despite receipt of the waiver, the breach under the financing documents has resulted in reclassification of the loan amounting to SR 1,155.0 million, from non-current liabilities to current liabilities, in accordance with the requirements of International Financial Reporting Standards. Pursuant to the waiver received, this loan balance classified as current liabilities is not payable within 12 months from 31 December 2020 and will be reclassified to non-current liabilities in the next reporting period.

16 EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES

16.1 The movement of employee benefits (end of service) liability (unfunded) is as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Balance at beginning of the year	**159,598**	123,148	123,980
Charge for the year recorded in profit or loss	**39,379**	32,023	27,336
Loss / (gain) on re-measurement of defined benefit liability (OCI)	**(11,506)**	18,244	(12,960)
Paid during the year	**(8,507)**	(15,312)	(14,998)
Impact of acquiring control / loss of control in a subsidiary	**-**	826	(57)
Currency translation difference	**-**	669	(153)
Balance at end of the year	**178,964**	159,598	123,148

16.2 Details of employees' end-of-service expense charge to profit or loss is as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Interest cost	**3,749**	4,058	5,188
Current service cost	**35,630**	27,965	21,534
Past service cost	**-**	-	614
Total	**39,379**	32,023	27,336

16.3 The principal actuarial assumptions used are as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Discount rate	**2.80% - 6.5%**	3.85% - 6.5%	5.25% - 6.5%
Increments	**1.45% - 10%**	2.5% - 10%	2.5% - 10%
Withdrawal rate			
Up to the age of 20 years	**4%-22.5%**	4%-22.5%	4%-22.5%
From the age of 21 to 25 years	**4% - 18.8%**	4% - 18.8%	4% - 18.8%
From the age of 26 to 30 years	**4% - 15%**	4% - 15%	4% - 15%
From the age of 31 to 50 years	**3% - 7.5%**	3% - 7.5%	3% - 7.5%
Above 51	**1% - 3.8%**	1% - 3.8%	1% - 3.8%

(All amounts in Saudi Riyals thousands unless otherwise stated)

16 EMPLOYEE END OF SERVICE BENEFITS' LIABILITIES (CONTINUED)

16.4 Sensitivity analysis

	Change (bps)	*Increase (decrease)*		
		31 Dec 2020	31 Dec 2019	31 Dec 2018
Discount rate	**+100**	**(8,489)**	(8,849)	(10,475)
	- 100	**9,837**	10,502	11,831
Increments	**+100**	**10,413**	11,114	7,752
	- 100	**(9,137)**	(9,535)	(7,118)

17 DEFERRED REVENUE

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Balance at beginning of the year		**192,546**	68,071	83,560
Deferred during the year		**272,985**	164,036	52,744
Recognised during the year		**(176,378)**	(39,561)	(68,233)
Balance at end of the year		**289,153**	192,546	68,071
Less: current portion	18	**(225,849)**	(62,719)	(963)
Non-current portion at end of the year		**63,304**	129,827	67,108

18 ACCOUNTS PAYABLES AND ACCRUALS

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Accounts payable	18.1	**1,700,028**	1,759,527	1,668,280
Accrued expenses and other liabilities	18.2	**976,798**	1,279,101	843,786
Dividend payable		**800,881**	-	-
Payable to a shareholder of equity accounted investee	18.3	**93,750**	-	819,197
Salaries and benefits payable		**194,317**	170,247	172,799
Financial charges on letters of guarantee and loans		**46,731**	65,784	190,911
Value added tax payable		**75,599**	49,708	42,158
Deferred revenues	17	**225,849**	62,719	963
Lease liabilities		**2,513**	4,233	-
Others		**260**	48,467	22,194
		4,116,726	3,439,786	3,760,288

18.1 Accounts payable includes SR 306.9 million (31 Dec 2019: SR 306.9 million, 31 Dec 2018: SR 312.1 million) on account of fuel charges due to supplier. The fuel cost is a pass through to NEPCO, the off-taker.

The payments by NEPCO are back stopped by a Government of Jordan guarantee. The Government of Jordan has an ownership interest in both CEGCO and NEPCO (note 11.2).

18.2 The balance includes reinsurance liabilities and premiums payable amounting to SR 501.8 million (31 Dec 2019: SR 862.4 million, 31 Dec 2018: SR 323.9 million). Related insurance receivable is included in prepayments, insurance and other receivables (note 11.3).

18.3 The balance represents payable to a non-controlling shareholder in respect of purchase of additional shareholding in an equity accounted investee and a subsidiary (note 7 & note 14).

19 SHORT-TERM FINANCING FACILITIES

This represents working capital loans obtained and drawn by subsidiaries and outstanding at the reporting date amounting to SR 364.9 million (2019: SR 444.2 million, 2018: SR 618.9 million).

(All amounts in Saudi Riyals thousands unless otherwise stated)

20 ZAKAT AND TAXATION

20.1 Amounts recognized in profit or loss

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Zakat and current tax	20.2 and 20.3	**178,568**	105,160	50,142
Deferred tax *	20.4	**(233,701)**	(26,418)	(248,372)
Zakat and tax (credit) / charge		**(55,133)**	78,742	(198,230)
Less: Tax credit / (charge) from discontinued operation	33.4	**4,183**	(4,734)	238,172
Zakat and tax (credit) / charge reflected in profit or loss		**(50,950)**	74,008	39,942

** Deferred tax charge disclosed in note 20.4 does not include deferred tax charge or credit associated with assets held for sale.*

20.2 Significant zakat and tax assessments

The Company

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company was assessed as a mixed entity in Saudi Arabia commencing from 2014. During the year, IFC disposed of its shares to a Saudi shareholder which increased the shareholding of Saudi Shareholder's in the Company to 100% (31 Dec 2019: 95.7%, 31 Dec 2018: 95.7%). However, for the purpose of zakat and tax filing, the Company will continue to comply with its obligation under Zakat law as a mixed entity for the year 2020.

Prior to 2014, the Group was subject to a consolidated zakat assessment, wherein wholly-owned subsidiaries (either direct subsidiaries or subsidiaries of direct subsidiaries) were consolidated for the purpose of zakat assessment. Pursuant to the change in shareholding in 2014, the Company is assessed on an unconsolidated basis for zakat.

The Company has filed zakat and tax returns for all the years up to 2019. During July 2020, the Company received an assessment from the General Authority of Zakat and Tax (the "GAZT") claiming additional zakat in relation to years 2009 to 2018. During 2020, the Company made a provision, based on settlement with the GAZT, of SR 87.0 million (31 Dec 2019: SR 29.0 million) against these assessments.

Rabigh Arabian Water & Electricity Company ("RAWEC")

RAWEC has filed zakat and tax returns for all the years up to 2019. The GAZT raised 2 assessments in relation to years 2007-2013 and 2017 claiming additional tax, zakat and withholding tax including penalties for delayed payments. RAWEC has submitted objections against both assessments issued. Total provisions of SR 13.4 million have been made against these assessments in prior years.

NOMAC Saudi Arabia ("NOMAC")

NOMAC has filed the zakat returns for all the years up to 2019. During the prior years, the Company received two zakat assessments from GAZT for the years 2008-2012 and 2013-2016, claiming additional zakat for the assessed years. NOMAC has filed appeals against these assessments. During 2020, a provision of SR 4.1 million has been recognised against both assessments. Additionally, during 2020, a provision of SR 3.0 million has been made for open years 2017 and 2018.

Others

With its multi-national operations, the Group is subject to taxation in multiple jurisdictions around the world with complex tax laws. The Group has matters in relation to other zakat or tax assessments. However, based on the best estimates of management, the Company has adequately provided for all tax assessments, where appropriate.

(All amounts in Saudi Riyals thousands unless otherwise stated)

20 ZAKAT AND TAXATION (CONTINUED)

20.3 Zakat and current tax provision for the year

The movement in zakat and tax provision for the year was as follows:

	31 Dec 2020	31 Dec 2019	31 Dec 2018
At the beginning of the year	**183,411**	113,764	110,045
Charge - for the current year	**78,057**	72,369	50,142
for prior year assessments	**100,511**	32,791	-
Payments	**(85,462)**	(30,427)	(46,423)
Derecognised on loss of control	**-**	(5,086)	-
At the end of the year	**276,517**	183,411	113,764

20.4 Deferred tax - Movement in deferred tax balances

The deferred tax asset / (liability) and deferred tax credit / (charge) in the consolidated financial statements are attributable to the following items:

						As at 31 Dec		
	Net balance at 1 Jan	**Recognised in profit or loss**	**Recognised in OCI including currency translation differences**	**Business Combination**	**De-recognition on loss of control of a subsidiary or classification as held for sale**	**Net balance**	**Deferred tax assets**	**Deferred tax liabilities**
2020								
Property, plant and equipment	**(250,552)**	**17,609**	**-**	**-**	**-**	**(232,943)**	**(51,521)**	**(181,422)**
Unused tax losses	**-**	**198,302**	**-**	**-**	**-**	**198,302**	**159,354**	**38,948**
Fair value of derivatives	**-**	**562**	**7,361**	**-**	**-**	**7,923**	**(585)**	**8,508**
End-of-service employee benefit liability	**5,768**	**220**	**-**	**-**	**-**	**5,988**	**3,747**	**2,241**
Accruals, provisions and others	**17,692**	**12,825**	**-**	**-**	**-**	**30,517**	**24,503**	**6,014**
	(227,092)	**229,518**	**7,361**	**-**	**-**	**9,787**	**135,498**	**(125,711)**
2019								
Property, plant and equipment	(577,790)	13,597	-	(29,932)	343,573	(250,552)	-	(250,552)
Unused tax losses	338,907	(6,069)	-	-	(332,838)	-	-	-
Fair value of derivatives	19,149	-	4,549	-	(23,698)	-	-	-
End-of-service employee benefit liability	6,262	(494)	-	-	-	5,768	5,768	-
Accruals, provisions and others	1,725	19,384	-	-	(3,417)	17,692	17,692	-
	(211,747)	26,418	4,549	(29,932)	(16,380)	(227,092)	23,460	(250,552)
2018								
Property, plant and equipment	(582,478)	247,802	(34,343)	-	(208,771)	(577,790)	(337,022)	(240,768)
Unused tax losses	337,421	1,486	-	-	-	338,907	338,907	-
Fair value of derivatives	8,930	-	15,048	-	(4,829)	19,149	19,149	-
End-of-service employee benefit liability	5,860	148	254	-	-	6,262	6,262	-
Accruals, provisions and others	2,789	(1,064)	-	-	-	1,725	6,733	(5,008)
	(227,478)	248,372	(19,041)	-	(213,600)	(211,747)	34,029	(245,776)

(All amounts in Saudi Riyals thousands unless otherwise stated)

21 DERIVATIVES AND CASH FLOW HEDGES

As per the provisions of facility agreements, certain equity accounted investees and subsidiaries are required to hedge the interest rate risk on loans obtained by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate risk and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves, subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

Also, under shareholders' agreement, the Group holds put and call options on the equity ownership of another shareholder in an equity accounted investee. These are measured as derivatives with changes in fair value recognised in profit or loss.

The tables below show a summary of the hedged items, the hedging instruments, trading derivatives and their notional amounts and fair values for the Company and its subsidiaries. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of market risk nor credit risk.

		Notional			*Positive fair value*			*Negative fair value*		
		31 Dec 2020	31 Dec 2019	31 Dec 2018	**31 Dec 2020**	31 Dec 2019	31 Dec 2018	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Hedged items	***Hedging instruments***									
Interest payments on floating rate loans	Interest rate swaps	**3,871,279**	3,556,687	2,951,658	**-**	-	12,817	**(707,047)**	(325,351)	(125,587)
Highly probable forecast transactions	Forward foreign exchange contracts	**53,898**	87,610	29,776	**-**	-	-	**(3,326)**	(12,974)	(17,624)
Foreign currency interest payments on floating rate loans	Cross-currency interest rate swap	**-**	-	125,250	**-**	-	456		-	-
					-	-	13,273	**(710,373)**	(338,325)	(143,211)
Less: Current portion					**-**	-	-	**(59,584)**	(51,883)	(10,613)
Non-current portion					**-**	-	13,273	**(650,789)**	(286,442)	(132,598)

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are very volatile. A relatively small movement in the value of the rate underlying a derivative contract may have a significant impact on the income or equity of the Group.

(All amounts in Saudi Riyals thousands unless otherwise stated)

22 RELATED PARTY TRANSACTIONS AND BALANCES

22.1 Significant transactions with related parties during the period and significant balances at the reporting date are as follows:

Particulars	*Notes*	*Relationships*	*As at / For the year ended*		
			31 Dec 2020	31 Dec 2019	31 Dec 2018
Transactions:**					
Revenue		Joint ventures and affiliates	**1,992,154**	2,045,639	1,692,870
Service fees		Joint ventures	**151,872**	140,645	160,325
Finance income		Joint venture	**35,287**	2,763	16,942
Financial charges on loan from related party	30	Affiliates	**3,471**	4,552	4,688
Corporate social responsibility cost	28.3	Shareholder's subsidiary	**52,500**	-	-
Key management personnel compensation including director's remuneration		-	**32,537**	36,564	32,229
Due from related parties					
Current:					
Al Mourjan for Electricity Production Company	(a)	Joint venture	**144,910**	110,980	67,084
Rabigh Electricity Company	(a)	Joint venture	**41,557**	52,081	24,239
Rabigh Arabian Water & Electricity Company	(a)	Joint venture*	**-**	-	120,355
Shuqaiq Water and Electricity Company	(a)	Joint venture	**47,181**	43,817	27,226
Shuaibah Water and Electricity Company	(a)	Joint venture	**43,462**	31,429	27,758
Shuaibah Expansion Project Company	(a)	Joint venture	**12,482**	10,086	8,361
Hajr for Electricity Production Company	(a)	Joint venture	**113,883**	122,751	71,415
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	**-**	1,013	85,846
Dhofar O&M Company	(d)	Joint venture	**27,607**	34,495	10,733
Hassyan Energy Phase 1 P.S.C	(a)	Joint venture	**149,158**	30,094	11,241
ACWA Power Oasis Three	(d)	Joint venture	**7,810**	7,355	52,530
Noor Energy 1 P.S.C	(a)	Joint venture	**13,653**	14,617	82,503
Taweelah RO Desalination Company LLC	(e)	Joint venture	**223**	89,548	-
Naqa Desalination Plant LLC	(e)	Joint venture	**9,761**	50,468	-
UPC Renewables S.A	(a)	Joint venture	**37,061**	27,431	-
Risha for Solar Energy Projects	(a)	Joint venture	**889**	5,619	-
ACWA Power Solafrica Bokpoort CSP Ltd	(a)	Joint venture	**15,344**	6,624	-
Haya Power & Desalination Company	(e)	Joint venture	**2,450**	2,046	120,263
Ad-Dhahirah Generating Company SAOC	(d)	Joint venture	**21,780**	10,849	718
Shinas Generating Company SAOC	(d)	Joint venture	**16,872**	7,124	705
Shams Ad-Dhahira Generating Company SAOC	(d)	Joint venture	**315**	-	-
Saudi Malaysia Water and Electricity Company	(d)	Joint venture	**1,197**	4,272	51
Other related parties		Affiliates	**38,066**	71,457	45,488
			745,661	734,156	756,516
Non-current:					
Hassyan Energy Phase 1 P.S.C	(f)	Joint venture	**61,612**	61,612	61,612
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(g)	Joint venture	**25,046**	49,646	-
Qurayyah Investment Company	(d)	Joint venture	**-**	-	10,372
			86,658	111,258	71,984
Due to related parties					
Non-current:					
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	**773,060**	781,035	-
Water and Electricity Holding Company CJSC	(i)	Shareholder's subsidiary	**677,966**	-	-
Loans from minority shareholders of subsidiary	(c)	-	**126,813**	79,167	81,176
			1,577,839	860,202	81,176

(All amounts in Saudi Riyals thousands unless otherwise stated)

22 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Notes	*Relationships*	*As at*		
			31 Dec 2020	31 Dec 2019	31 Dec 2018
Due to related parties					
Current:					
ACWA Power Africa Holdings (Pty) Ltd	(h)	Joint venture	**21,306**	19,964	-
Others		Affiliates	**21,974**	-	-
			43,280	19,964	-

* *RAWEC became a subsidiary of the Group effective from 10 October 2019 – refer to note 32.*
** *Other transactions with shareholders of the Company and its equity accounted investees are disclosed in note 32 and note 33.2 respectively.*

(a) These balances mainly include amounts due from related parties to First National Holding Company ("NOMAC") (and its subsidiaries) for O&M services provided to the related parties under O&M contracts.

In certain cases, the balance also includes advances provided to related parties that has no specific repayment date.

(b) During the year 2018, ACWA Renewable Energy Holdings Limited ("APREH") entered into a convertible loan agreement whereby amounts drawn down under such agreement was advanced to the ACWA Power Global Services ("APGS"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement ('the agreement"). An amount of SR 1,361.2 million was advanced to APGS and bears a commission rate of 4.3% per annum for first 18 months and 3.4% per annum thereafter on the principal outstanding. The total outstanding loan balance is repayable within 60 months from first utilization in the event of non-conversion. The debt is guaranteed by ACWA Power (i.e. recourse to ACWA Power).

During 2019, an amount of SR 580.6 million adjusted against the advance, which represents a consideration for sale of 49% shares of the Group in APREH – refer to note 33.1.

(c) These includes:
- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 41.6 million (2019: SR 79.2 million, 2018: SR 81.2 million); and
- Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SR 85.2 million (2019: nil, 2018: nil). The loans are due for repayment in 2024 and carry profit rate at Libor + 1.3% per annum.

(d) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.

(e) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the Joint Venture.

(f) The balance represents sub-ordinated advance provided to related parties that has no specific repayment and bears no profit rate. As per the terms of the agreement the advance repayment will not occur for at least a period of one year. Accordingly, the balance is shown as a non-current asset.

(g) This represents amounts payable to NOMAC for O&M services provided to the project company under O&M contracts. During the year ended 31 December 2020, the Group has provided SR 28.5 million provision against this balance.

(h) This represents amounts payable to an equity accounted investee for transfer of project development cost.

(i) During 2020, the Group declared a one-off dividend of SR 2,701.0 million (refer to note 13.4). A portion of such declared dividend, payable to the Public Investment Fund of Saudi Arabia (the "Shareholder"), was converted into a long-term non-interest-bearing loan amounting to SR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030 unless the repayment or settlement period is mutually extended by both parties. The Group has recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term loans of a similar nature. The difference between the nominal value of the loan and its discounted value has been recognised as other contribution from shareholder within share premium.

(All amounts in Saudi Riyals thousands unless otherwise stated)

23 OTHER NON-CURRENT LIABILITIES

23.1 Other financial liabilities

Other financial liabilities as reported in consolidated statement of financial position as of 31 December 2020 includes:

(a) As of 31 December 2018, the Group had an outstanding liability of SR 175.4 million in relation to call/put option on shares held by the Group over equity interests of non-controlling shareholders in a subsidiary. The option was exercised during 2019.

(b) SR 291.0 million (31 Dec 2019: SR 359.8 million, 31 Dec 2018: SR 711.7 million) on account of financial liabilities assumed on loss of control in a subsidiary.

(c) Liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The option is likely to be exercised / expired by 2021. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount being SR 27.2 million. Subsequent changes in fair value are recognised in profit or loss with a corresponding increase / decrease in financial liabilities. If the contract expires without delivery, the carrying amount of the financial liability will be adjusted against equity and balance will be reclassified to profit or loss. The related accreted financial liability as at 31 December 2020 is SR 11.25 million (31 Dec 2019: SR 35.9 million, 31 Dec 2018: SR 37.1 million). The liability as of 31 December 2020 is presented under other current liabilities as it will be exercised / expired by 2021.

23.2 Other liabilities

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Liabilities in relation to long term spares agreement	**130,339**	139,742	137,736
Asset retirement obligations	**130,464**	81,231	63,796
Lease liabilities	**48,619**	31,144	-
	309,422	252,117	201,532

24 REVENUE

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Services rendered				
Operation and maintenance	24.1	**1,505,206**	1,483,690	1,361,139
Development and construction management services	24.2	**460,779**	537,826	312,429
Others		**26,169**	24,123	19,302
Sale of electricity				
Capacity	24.3	**1,219,489**	891,329	637,709
Energy	24.3	**286,725**	425,705	553,780
Finance lease income	8	**258,870**	319,955	145,169
Sale of water				
Capacity	24.4	**969,958**	389,156	152,151
Output	24.4	**101,915**	43,215	46,154
		4,829,111	4,114,999	3,227,833

24.1 Revenue earned by NOMAC and its group entities, from rendering technical, operation and maintenance services.

24.2 Revenue earned by the Group for project development services provided in relation to the development of the projects, as well as project management and construction management services provided in relation to the construction of the projects. Recognition of the development revenues commences upon financial close of the project (being the point in time at which committed funding for the project has been achieved), and recognition of project management and construction management revenues is over the construction period.

(All amounts in Saudi Riyals thousands unless otherwise stated)

24 REVENUE (CONTINUED)

24.3 Sale of electricity during the year includes SR 326.8 million (2019: SR 402.5 million, 2018: SR 581.6 million) relating to electricity supplied by CEGCO to NEPCO, the off-taker. This includes fuel cost of SR 74.1 million (2019: SR 58.9 million, 2018: SR 247.8 million) which is currently on a pass through arrangement to NEPCO. The Government of Jordan has a shareholding in CEGCO and NEPCO.

24.4 Includes revenue from sale of steam of SR 389.4 million during the year (2019: SR 95.9 million, 2018: nil).

24.5 In addition to the amounts mentioned in the above table, income in relation to management advisory services, and ancillary support services provided to certain Group companies amounting to SR 151.9 million (31 Dec 2019: SR 140.6 million, 31 Dec 2018: SR 160.3 million) has been presented as other operating income.

25 OPERATING COSTS

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Natural gas and fuel cost		**229,487**	261,327	534,082
Direct material cost		**493,528**	503,666	514,694
Staff cost		**515,306**	467,751	403,394
Depreciation	5.3	**533,182**	279,683	205,563
Operating and technical fee		**363,566**	352,473	206,727
Direct insurance cost		**82,318**	59,395	28,523
Peak liquidated damages		**5,610**	39,268	-
Other direct overheads		**78,365**	65,241	72,982
		2,301,362	2,028,804	1,965,965

26 GENERAL AND ADMINISTRATION EXPENSES

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Salaries and other employee benefits		**438,399**	361,107	333,742
Provisions	26.1	**97,142**	22,350	22,853
Professional and legal fees		**127,137**	71,102	58,078
Rent and utilities expenses		**18,975**	18,768	40,829
Travel expenses		**14,732**	29,882	26,693
Depreciation expense	5.3	**23,732**	19,426	7,489
Amortisation of intangible assets	6.2	**10,461**	14,368	8,408
Communication and subscription costs		**18,824**	16,757	20,722
Public relations cost		**10,084**	8,475	2,045
Repairs and maintenance expenses		**4,128**	3,778	8,899
Directors' remuneration		**7,847**	8,836	8,577
Others		**47,421**	42,898	24,595
		818,882	617,747	562,930

26.1 Provisions includes impairment allowance recorded against:

- Trade receivables, related party balances and other assets amounting to SR 79.3 million (2019: SR 0.8 million, 2018: SR 11.6 million); and
- Inventories amounting to SR 17.8 million (2019: SR 21.6 million, 2018: SR 11.2 million).

27 OTHER INCOME

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Income earned on deposits		**55,146**	113,668	64,948
Gain on remeasurement of options	23.1 (c)	**24,651**	-	-
Insurance recoveries		**59,193**	11,649	-
Net gain on business combination achieved in stages	32	**-**	210,673	-
Others *		**16,618**	830	-
		155,608	336,820	64,948

** Others include gain on disposal of barges amounting to SR 9.6 million for the year 2020 - refer note 28.1.*

(All amounts in Saudi Riyals thousands unless otherwise stated)

28 IMPAIRMENT LOSS AND OTHER EXPENSES, NET

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Impairments loss	28.1	**137,485**	880,203	556,437
Liquidated damages, net of recoveries	28.2	**(8,934)**	-	67,311
Corporate social responsibility	28.3	**52,500**	-	-
		181,051	880,203	623,748

28.1 Impairments loss

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Impairment loss on property, plant and equipment	5	**129,985**	877,203	443,937
Impairment loss on goodwill	6.1	**7,500**	3,000	112,500
		137,485	880,203	556,437

Impairment loss relates to the impairment in the carrying value of property, plant and equipment of the Group's subsidiaries as follows:

Barka:
ACWA Power Barka SAOG's existing PWPA in relation to Power and RO Plants ("Plants") are expiring on 31 December 2021. Considering the uncertainty around contract renewals at this stage as well as the operation of the merchant market, an impairment assessment was performed under IFRS to test the Plants recoverable value against its carrying value. Based on the assessment carried out by the Group, the Plants recoverable value was lower by SR 130.0 million (2019: SR 789.5 million, 2018: 309.7 million) than its carrying value. This impact was taken to the income statement of the current year as required by IAS 36 "Impairment of Assets".

Recoverable value was estimated based on value in use method as it reflects more accurately the manner in which the economic benefits embodied in the asset are expected to be realised by the entity. All future cash flows were based on management's best estimate about the future course of action Barka may likely carry out. A pre-tax discount rate of 7.6% (2019: 8.2%, 2018: 6.6%) was used in assessing the Present Value (PV) of future cash flows.

The value in use calculation is sensitive to the discount rate and the expected period over which Plants will operate and generate cashflows. Increase in discount rate by 1% will result in additional impairment loss of SR 28.5 million. Further, a reduction of 1 year in the expected period over which Plants will operate and generate cashflows will result in additional impairment loss of SR 8.0 million.

CEGCO:
During 2018, one of the Group's subsidiaries, namely CEGCO, management noted an impairment of SR 63.9 million in one of the operating unit, accordingly this amount was recorded in profit or loss of the year.

Bowarege:
Bowarege's off take agreement expired in 2017 and since then the WPA was not renewed. Considering the uncertainty involved with respect to further operations, the management of Bowarege decided to fully impair the assets during 2019. Impairment loss recorded in income statement amounts to SR nil million (2019: SR 87.7 million, 2018: SR 70.4 million). During 2020, the Group entered into a sale purchase agreement whereby the barges were sold for SR 9.6 million. Gain on disposal of barges amounting to SR 9.6 million is recorded under other income – refer note 27.

28.2 Liquidated damages, net of recoveries

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Liquidated damages expense	**-**	68,992	146,364
Liquidated damages recovery	**(8,934)**	(68,992)	(79,053)
	(8,934)	-	67,311

This represents liquidated damages due to or paid to off taker in accordance with terms of power and water purchase agreements on account of delay in achievement of commercial operation. Liquidated damages presented in profit or loss are net of any liquidated damages negotiated with EPC contractor by the Group's subsidiaries.

28 IMPAIRMENT LOSS AND OTHER EXPENSES (CONTINUED)

28.3 Represents the Group's contribution amounting to SR 52.5 million (2019: nil, 2018: nil) to support national health efforts in Saudi Arabia to contain the impact of the Covid-19 pandemic. Funds were utilised to build an integrated mobile hospital with a 100-bed capacity in cooperation with a local construction company that is a wholly owned subsidiary of a shareholder. The new mobile hospital was fully resourced with the medical equipment and supplies required to treat Covid-19 cases.

29 EXCHANGE LOSS, NET

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Realised exchange gain	**9,153**	11,464	164
Unrealised exchange loss	**(32,613)**	(40,570)	(8,740)
	(23,460)	(29,106)	(8,576)

30 FINANCIAL CHARGES

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
Financial charges on borrowings		**968,047**	790,514	498,995
Financial charges on letters of guarantee		**35,866**	29,160	65,209
Financial charges on loans from a related party	22.1	**3,471**	4,552	4,688
Other financial charges	30.1	**61,064**	45,636	1,763
		1,068,448	869,862	570,655

30.1 Other financial charges includes interest amortisation on long-term liabilities amounting to SR 27.1 million (2019: SR 16.0 million, 2018: SR 1.8 million); and discounting of long term receivables amounting to SR nil (2019: SR 24.4 million, 2018: SR nil).

31 EARNINGS / (LOSS) PER SHARE

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

	31 Dec 2020	31 Dec 2019	31 Dec 2018
Issued ordinary shares as at	**645,763**	645,763	645,763
Weighted average number of ordinary shares outstanding during the year ended	**645,763**	645,763	596,280

31.2 The basic and diluted earnings / (loss) per share are calculated as follows:

Net profit / (loss) for the year attributable to equity holders of the Parent	**882,568**	1,173,865	(773,842)
Profit for the year from continuing operations attributable to equity holders of the Parent	**866,843**	633,959	755,946
Basic and diluted earnings / (loss) per share (in SR)	**1.37**	1.82	(1.30)
Basic and diluted earnings per share for continuing operations (in SR)	**1.34**	0.98	1.27

(All amounts in Saudi Riyals thousands unless otherwise stated)

32 BUSINESS COMBINATION ACHIEVED IN STAGES

On 24 May 2018, the Group exercised a call option granted through a Call and Put Option Agreement and acquired 37% interest in Rabigh Arabian Water and Electricity Company ("RAWEC" or "the Investee"). During 2018, the Group continued to account for its Investment in RAWEC using the equity method as the Investee was controlled jointly with remaining shareholders. The option exercise resulted in a one-off gain of SR 386.95 million. In accordance with the requirements of IFRS as endorsed in KSA, the gain was included within share in net results of RAWEC for the year ended 31 December 2018.

On 10 October 2019, the Group completed acquisition of further 25% shareholding in RAWEC at an agreed consideration of SR 560.2 million. Consequently, the Group acquired control over the Investee and its effective shareholding increased from 74% to 99%.

These consolidated financial statements include the results of RAWEC as the Group's subsidiary with effect from 10 October 2019. If the combination had taken place at the beginning of the year, the profit after zakat and income tax would have been higher by SR 77.9 million.

Fair value of assets acquired and net gain on business combination achieved in stages are as follows:

	Notes	As of 10 Oct 2019
Fair value of net assets as of acquisition date		
Property plant and equipment, net	*5*	6,912,698
Inventories		150,400
Accounts receivable, prepayments and other receivables		129,898
Cash and cash equivalents		78,524
Loans and borrowings		(3,763,260)
Deferred tax liability	*20.4*	(29,932)
Employee benefits		(826)
Payable and accruals		(178,515)
Fair value of net assets acquired		3,298,987

		For the period ended 10 Oct 2019
Gain on business combination		
Fair value of net assets acquired		3,298,987
Less: Carrying amount of existing equity interest	*7.1*	(2,495,105)
Less: Fair value of consideration paid		(560,219)
Less: Non-controlling interest		(32,990)
Net gain on business combination achieved in stages*	*27*	210,673
Cash outflow on acquisition		
Net cash acquired with subsidiary		78,524
Cash consideration		(560,219)
Net cash outflow on acquisition		(481,695)

** This includes a one of loss on re-measurement to fair value of the Group's existing 74% interest in RAWEC amounted to SR 53.5 million.*

The Group has elected to measure the non-controlling interests in the acquiree at fair value.

On acquisition date, the Group engaged external valuation experts to determine fair value of plant for the purpose of purchase price allocation. Based on the valuation exercise, the entire fair value uplift in relation to share purchased during 2018 and 2019 was allocated to property, plant and equipment. During the year, the Group recognised incremental depreciation of SR 18.3 million (2019: SR 18.5 million, 2018: SR 6.0 million) on account of fair value allocated to property, plant and equipment.

(All amounts in Saudi Riyals thousands unless otherwise stated)

33 DISCONTINUED OPERATION

33.1 ACWA Power Renewable Energy Holding Limited

During 2018, ACWA Power Renewable Energy Holding Limited ("APREH"), a 100% owned subsidiary of the Group, entered in a convertible loan agreement ("the Agreement") with CVXF Inc. (the "Purchaser" or the "Lender"). Under the Agreement, APREH borrowed a sum of SR 1,361.4 million which provides the Lender an option to convert all or a portion of the loan's principal amount into the shares of APREH at agreed conversion price.

Pursuant to the option available under the Agreement, the Purchaser used a portion of loan amount to purchase 49% of the Group's shareholding in APREH at an agreed consideration of SR 580.65 million. All critical conditions in relation to share purchase were completed by 31 December 2019. As per the new shareholder agreement, the Group and the Purchaser will jointly control APREH. Hence, in accordance with IFRS 10 – Consolidated Financial Statements, the Group lost control in APREH and deconsolidated its net assets. The Group's remaining interest in APREH is retained at fair value and accounted for using equity method effective from the date of loss of control. The Group also recognised a gain of SR 554.4 million on loss of control as follows:

	31 Dec 2019
Fair value of consideration received	580,650
Fair value of retained investment *	604,350
Carrying amount of non-controlling interest derecognized	265,852
Carrying amount of net assets derecognized**	(733,876)
Accumulated currency translation loss and other reserves recycled to profit or loss from OCI	(162,618)
Net gain on loss of control in APREH	554,358

* *Unrealised gain on fair value of retained investment amounted to SR 282.7 million. The entire fair value uplift was allocated to property, plant and equipment of APREH's subsidiaries and joint ventures. During the year, the Group recorded its share in incremental depreciation amounting to SR 16.3 million (2019: SR nil, 2018: nil) on account of this fair value uplift.*

** *This includes goodwill associated with UPC, investment in equity accounted investees and PPE amounting to SR 6.5 million, SR 119.0 million and SR 2,445.1 million respectively.*

Results of APREH for the years 2019 and 2018 are disclosed in note 33.4.

During the year, the Group recorded a further gain of SR 12.8 million on account of additional consideration agreed with the Purchaser.

33.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.

On 16 December 2018, certain shareholders of the Company (hereinafter referred as "the Acquirer") acquired an effective 30% interest in a wholly owned subsidiary of the Group, ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. ("ACWA GUC") at fair value. As part of the transaction, the Acquirer entered in a joint venture agreement based on which the decisions for the relevant activities that most significantly affect the returns of ACWA GUC will be taken jointly by the Group and the Acquirer. These activities include decisions relating to establishing operating and capital decisions, appointing the key management personnel or other service providers, decisions about capital additions to power plant facilities, decisions on financing agreements, decisions on the operation and maintenance of the power plant and selection of suppliers and the daily decisions on gas supply and on power sales that impact ACWA GUC's returns.

Consequently, the Group lost control in ACWA GUC and deconsolidated its net assets and recognised a loss of SR 672.0 million. Further, at the date of the joint venture agreement, fair value of the Group's remaining 70% ownership in ACWA GUC was assessed as nil by the Group and the management has started to account for ACWA GUC using the equity method of accounting in accordance with the requirements of *IFRS 11 – Joint Arrangements.*

(All amounts in Saudi Riyals thousands unless otherwise stated)

33 DISCONTINUED OPERATION (CONTINUED)

33.2 ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S. (continued)

Summary of the loss recognised on loss of control is as follows:

	31 Dec 2018
Carrying amount of net liabilities derecognised	(390,813)
Fair value of consideration received	-
	(390,813)
Accumulated currency translation loss recycled to profit or loss from OCI	141,330
Accumulated hedge reserve recycled to profit or loss from OCI	47,711
Additional liabilities assumed on loss of control	873,726
Total loss recognised on loss of control	671,954

In addition to above the Group has consolidated losses amounting to SR 1,038.6 million till 16 December 2018 from the date of initial investment in ACWA GUC. Results of ACWA GUC for the year 2019 and 2018 are disclosed in note 33.4.

33.3 ACWA Power CF Karad PV Park EAD

On 14 December 2019, the Group entered in to sale and purchase agreement with a third party buyer with respect to disposal of its entire shareholding in ACWA Power CF Karad PV Park ("Karad"). Legal formalities with respect to disposal were completed on 10 September 2020.

As of 10 September 2020, assets, liabilities and other reserves associated with Karad amounted to SR 499.6 million (31 December 2019: SR 475.4 million), SR 433.4 million (31 December 2019: 373.0 million) and SR 1.9 (2019: SR 16.1 million) respectively. The Group recorded a loss of SR 21.9 million on this disposal which has been accounted for as assets held for sale in the consolidated statement of profit or loss.

Results of Karad for the year 2020, 2019 and 2018 are disclosed in note 33.4.

(All amounts in Saudi Riyals thousands unless otherwise stated)

33 DISCONTINUED OPERATION (CONTINUED)

33.4 Results of discontinued operations for the years 2020, 2019 and 2018 are as follows:

	Notes	ACWA GUC			APREH			KARAD			Total		
For the year ended 31 December		**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018	**2020**	2019	2018
Revenue		-	-	686,492	-	372,471	267,657	**63,004**	65,989	68,631	**63,004**	438,460	1,022,780
Operating costs		-	-	(748,339)	-	(94,563)	(60,306)	**(18,337)**	(27,177)	(24,058)	**(18,337)**	(121,740)	(832,703)
Development cost and other write offs		-	-	-	-	-	(11,953)	-	-	-	-	-	(11,953)
General and administration expenses		-	-	(19,033)	-	(71,722)	(73,144)	**(5,501)**	(7,082)	(7,107)	**(5,501)**	(78,804)	(99,284)
Share in net results of equity accounted investees		-	-	-	-	659	(7,049)	-	-	-	-	659	(7,049)
Other operating income		-	-	-	-	16,225	9,367	-	-	-	-	16,225	9,367
Other income		-	-	7,476	-	19,786	12,890	-	-	35	-	19,786	20,401
Liquidated damages recovery		-	-	129,535	-	-	-	-	-	-	-	-	129,535
Exchange loss, net*		-	-	(887,055)	-	(2,147)	(11,403)	**6,548**	(2,429)	6,163	**6,548**	(4,576)	(892,295)
Financial charges, net		-	-	(243,265)	-	(240,137)	(171,106)	**(20,936)**	(25,152)	(29,934)	**(20,936)**	(265,289)	(444,305)
Tax credit / (charge)		-	-	235,704	-	(4,734)	2,328	**4,183**		140	**4,183**	(4,734)	238,172
(Loss) / profit for the year ended 31 December		-	-	(838,485)	-	(4,162)	(42,719)	**28,961**	4,149	13,870	**28,961**	(13)	(867,334)
Gain / (loss) recognised on loss of control	33.1,33.2	-	-	(671,954)	**12,776**	554,358	-	**(21,939)**	-	-	**(9,163)**	554,358	(671,954)
Profit / (loss) from discontinued operations including gain / (loss) recognised on loss of control in a subsidiary		-	-	(1,510,439)	**12,776**	550,196	(42,719)	**7,022**	4,149	13,870	**19,798**	554,345	(1,539,288)
Profit / (loss) attributable to:													
Equity holders of the parent		-	-	(1,510,439)	**12,776**	538,239	(25,174)	**2,949**	1,667	5,825	**15,725**	539,906	(1,529,788)
Non-controlling interest		-	-	-	-	11,957	(17,545)	**4,073**	2,482	8,045	**4,073**	14,439	(9,500)
		-	-	(1,510,439)	**12,776**	550,196	(42,719)	**7,022**	4,149	13,870	**19,798**	554,345	(1,539,288)
Earnings / (loss) per share											**0.02**	0.86	(2.58)

** Total exchange loss (net) includes unrealized exchange loss of SR nil (2019: SR nil, 2018: SR 887.1 million).*

(All amounts in Saudi Riyals thousands unless otherwise stated)

34 CONTINGENCIES AND COMMITMENTS

At 31 December 2020, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 11.3 billion (31 Dec 2019: SR 10.6 billion, 31 Dec 2018: SR 9.0 billion). The amount also includes the Group's share of equity accounted investees' commitments.

Below is the breakdown of contingencies as of the reporting date:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Guarantees in relation to bridge loans or equity letters of credits	**3,803,049**	2,923,679	1,666,704
Bonds, letter of credits and other contingencies and commitments	**7,541,811**	7,647,665	7,339,355
	11,344,860	10,571,344	9,006,059

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 582.4 million (2019: SR 554.7 million, 2018: SR 527.0 million, 2017: SR 504.9 million), as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the off-taker ("NEPCO"). Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence, the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these consolidated financial statements.

Further, certain of the Group's subsidiaries and joint ventures are in dispute with contractors in relation to performance liquidated damages. The matter has already been referred to arbitration and a favourable outcome is probable. Accordingly, no provision or asset is recognized in these consolidated financial statements

35 OPERATING SEGMENTS

The Group has determined that the Management Committee, chaired by the Chief Executive Officer, is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'.

During the year, the Group amended its reportable operating segments. In line with its continued focus on environment and sustainability, the Group continues to see increasing growth in the renewables part of its business. This has resulted in a change in the information provided regularly to the chief operating decision maker, to include discrete information on results from renewable power activities, as well as thermal and water desalination activities combined. This information is used to make decisions about resources to be allocated to each segment and to assess segmental performance. Revenue is attributed to each operating segment based on the type of plant or equipment from which the revenue is derived.

The Group's measure of segment profit or loss is based on profit or loss for the year from continuing operations adjusted for non-recurring or non-operational items, per operating segment. The Group also monitors operating income before impairment and other expenses per operating segment. Segment liabilities are not reported to the chief operating decision maker on a segmental basis and are therefore not disclosed.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. All intercompany transactions within the reportable segments have been appropriately eliminated. There were no inter-segment sales in the years presented below. Details of the Group's operating and reportable segments are as follows:

(i) Thermal and Water Desalination — The term Thermal refers to the power and water desalination plants which use fossil fuel (oil, coal, gas) as the main source of fuel for the generation of electricity and production of water whereas water desalination refers to the stand-alone reverse osmosis desalination plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize). These plants include IPPs (Independent Power Plants), IWPPs (Independent Water and Power Plants) and IWPs (Independent Water Plants).

(All amounts in Saudi Riyals thousands unless otherwise stated)

35 OPERATING SEGMENTS (CONTINUED)

(ii) Renewables	This includes the Group's business line which comprises of PV (Photovoltaic), CSP (Concentrated Solar Power) and Wind plants. The segment includes all four parts of the business cycle of the business line (i.e. develop, invest, operate and optimize).
(iii) Others	Comprises certain activities of corporate functions and other items that are not allocated to the reportable operating segments and the results of the ACWA Power reinsurance business.

Key indicators by reportable segment

Total assets

	31 Dec 2020	31 Dec 2019	31 Dec 2018
(i) Thermal and Water Desalination	**22,036,065**	22,898,275	16,638,323
(ii) Renewables	**12,590,039**	12,640,731	14,133,466
(iii) Others	**527,921**	901,147	355,212
Total	**35,154,025**	36,440,153	31,127,001
Unallocated corporate assets	**1,168,574**	1,281,130	5,040,161
Total assets	**36,322,599**	37,721,283	36,167,162

During 2020, impairment charges of SR 137.4 million were recorded in the Thermal and Water Desalination operating segment (2019: SR 880.2 million, 2018: SR 556.4 million).

Revenue

	31 Dec 2020	31 Dec 2019	31 Dec 2018
(i) Thermal and Water Desalination	**3,986,292**	3,267,423	2,821,521
(ii) Renewables	**816,650**	823,453	387,010
(iii) Others	**26,169**	24,123	19,302
Total revenue	**4,829,111**	4,114,999	3,227,833

Operating income before impairment and other expenses

(i) Thermal and Water Desalination	**1,947,480**	1,698,038	1,894,190
(ii) Renewables	**348,163**	464,788	208,966
(iii) Others	**25,625**	23,500	19,173
Total	**2,321,268**	2,186,326	2,122,329
Unallocated corporate operating income / (expenses)			
General and administration expenses	**(422,344)**	(398,482)	(373,816)
Depreciation and amortisation	**(23,598)**	(25,380)	(12,026)
Restructuring costs*	**(9,403)**	(1,875)	-
Other operating income	**83,067**	81,508	81,860
Total operating income before impairment and other expenses	**1,948,990**	1,842,097	1,818,347

(All amounts in Saudi Riyals thousands unless otherwise stated)

35 OPERATING SEGMENTS (CONTINUED)

Key indicators by reportable segment (continued)

Segment profit / (loss)

	Notes	**31 Dec 2020**	31 Dec 2019	31 Dec 2018
(i) Thermal and Water Desalination		**1,579,927**	1,450,690	1,549,614
(ii) Renewables		**134,850**	93,558	(122,631)
(iii) Others		**25,819**	23,495	19,148
Total		**1,740,596**	1,567,743	1,446,131
Reconciliation to profit for the year from continuing operations				
General and administration expenses		**(422,344)**	(398,482)	(373,816)
Impairments in relation to subsidiaries	28	**(137,485)**	(880,203)	(556,437)
Impairments in relation to equity accounted investees	7.1.4	**(30,000)**	-	-
Provision for zakat and tax on prior year assessments	20.3	**(100,511)**	(32,791)	-
Corporate social responsibility contribution	28.3	**(52,500)**	-	-
Provision / (reversal) on project development cost	11.4	**(80,867)**	-	21,000
Provision / discounting on due from related party	22 (g), 30.1	**(28,500)**	(24,456)	-
Gain on remeasurement of options	27	**24,651**	-	-
Discounting impact on loan from shareholder subsidiary	22 (i)	**(9,734)**	-	-
Restructuring costs*		**(9,403)**	(1,875)	-
Gain on disposal of barges	27	**9,603**	-	-
Depreciation and amortization**	4 (iii)	**(105,808)**	(25,380)	(12,026)
Other operating income		**83,067**	81,508	81,860
Other income		**32,265**	78,662	59,530
Financial charges and exchange loss, net		**(13,281)**	(26,744)	(25,868)
Zakat and tax charge		**(17,160)**	(12,244)	-
Profit for the year from continuing operations		**882,589**	325,738	640,374

**Costs relating to a restructuring of the Group's business into a new matrix organizational design under a new regional structure effective during 2020. Costs pertain to professional consultancy fees.*
***Includes additional depreciation charge of SR 82.2 million in 2020 on account of revision in PPE useful life of certain assets. Refer to note 4 (iii).*

Geographical concentration

The Company is headquartered in the Kingdom of Saudi Arabia. The geographical concentration of the Group's revenue and property, plant and equipment ("PPE") is shown below.

	Revenue from continuing and discontinued operations			**PPE**		
	2020	2019	2018	**2020**	2019	2018
Kingdom of Saudi Arabia	**2,253,549**	1,513,985	1,310,292	**9,831,278**	8,773,903	1,479,361
Oman	**791,958**	799,814	742,477	**570,190**	716,911	1,560,199
Jordan	**608,561**	681,349	694,194	**2,193,676**	2,401,065	2,815,202
Morocco	**394,711**	592,518	293,835	**55,350**	17,447	1,118,309
South Africa	**44,710**	234,473	229,223	**-**	-	1,323,216
United Arab Emirates	**600,859**	579,432	224,658	**64,653**	59,830	56,293
Rest of world	**197,767**	151,888	755,934	**17,193**	13,221	360,893
	4,892,115	4,553,459	4,250,613	**12,732,340**	11,982,377	8,713,473

(All amounts in Saudi Riyals thousands unless otherwise stated)

35 OPERATING SEGMENTS (CONTINUED)

Information about major customers

During the period, three customers (2019: three, 2018: two) individually accounted for more than 10% of the Group's revenues. The related revenue figures for these major customers, the identity of which may vary by period, were as follows:

	Revenue		
	2020	2019	2018
Customer A	**1,154,863**	648,271	694,216
Customer B	**608,561**	546,180	603,113
Customer C	**497,605**	586,062	-

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

36 RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by senior management. The most important types of risk are summarised below.

36.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The table below shows the Group's maximum exposure to credit risk for components of the consolidated statement of financial position.

	Notes	**As at 31 Dec 2020**	As at 31 Dec 2019	As at 31 Dec 2018
Bank balances		**832,000**	2,797,648	5,497,422
Finance lease receivable	8	**10,928,908**	10,574,236	9,331,619
Trade receivables	11	**1,305,077**	1,210,835	1,201,629
Fair value of derivatives	21	**-**	-	13,273
Due from related parties	22	**832,319**	845,414	828,500
Insurance receivables	11.3	**516,748**	886,497	328,514
Other financial assets		**46,720**	41,508	41,748
		14,461,772	16,356,138	17,242,705

Bank balances
Credit risk on bank balances is considered to be limited as these are held with banks with appropriate credit ratings.

Finance lease receivable
Finance lease receivable represent receivable of Group's subsidiaries in Morocco and Kingdom of Saudi Arabia from the off-taker in accordance with the Power Purchase Agreements ("PPA"). Credit risk attached to the finance lease receivable is limited due to the strength of government letter of support or appropriate credit rating of off-taker.

(All amounts in Saudi Riyals thousands unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

36.1 Credit risk (continued)

Trade receivables

a. The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Below is the concentration of credit risk by different geographies.

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Hashemite Kingdom of Jordan (covered by government guarantee)	**627,087**	517,760	531,430
Sultanate of Oman (covered by government guarantee)	**178,064**	193,526	56,978
Morocco (covered by government letter of support)	**165,958**	173,665	227,644
South Africa (covered by government guarantee)	**-**	-	54,077
Kingdom of Saudi Arabia ("KSA")	**196,371**	155,028	96,580
United Arab Emirates ("UAE")	**137,469**	168,989	229,578
Others	**128**	1,867	5,342
	1,305,077	1,210,835	1,201,629

The customers in KSA and UAE are transacting with the Group for a few years and historically, the Group has suffered no material impairment from these customers. Accordingly, the balances due from these customers are assessed to have a strong credit quality and limited credit risk.

b. As of reporting date, the ageing of trade and other receivables that were not impaired was as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Neither past due nor impaired	**597,309**	747,094	836,752
Past due 1-90 Days	**135,774**	75,154	35,392
More than 90 Days	**571,994**	388,587	329,485
	1,305,077	1,210,835	1,201,629

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on past history and expected credit loss model which involves extensive analysis of credit risk, including customers' credit ratings if they are available.

c. The movement in allowance for impairment, in respect of trade receivables during the year was as follows:

	For the year ended 31 Dec 2020	For the year ended 31 Dec 2019	For the year ended 31 Dec 2018
Opening balance	**31,657**	64,334	71,402
Impairment loss (reversal) / recognised	**(2,862)**	(15,464)	13,656
Amount written off	**-**	(9,248)	(20,724)
Derecognised on loss of control	**-**	(7,965)	-
Closing balance	**28,795**	31,657	64,334

Derivatives

The derivatives are designated as hedging instruments and reflects positive change in fair value of foreign exchange forward ('Forward') and interest rate swap (IRS) contracts. These are entered into with banks or financial institutions with sound credit ratings hence credit risk is expected to be low.

36 RISK MANAGEMENT (CONTINUED)

36.1 Credit risk (continued)

Insurance receivables
These represents amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, ACWA Power Reinsurance Co. Limited ("ACWA-Re", a 100% owned subsidiary of the Group) in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. The reinsurance is effected under facultative arrangements. Between 31 July 2019 and 30 July 2020, ACWA Power retained an element of risk within its property reinsurance program with a maximum cap of USD 1.5 million per project for each and every event and in the aggregate for the relevant policy period for certain projects.

To minimise its exposure to significant losses from reinsurer insolvencies, ACWA-Re evaluates the financial condition of its reinsurers. ACWA-Re only deals with reinsurers of a minimum rating of Standard and Poor's (S&P) A- ("A minus") or equivalent from other rating agencies.

Due from related parties and other financial assets
Other financial assets includes dividend receivable, advances for investments, advances to employees and other receivables. Credit risk attached to related party balances is limited due to sound financial position of the related parties. There is no credit risk attached to advances for investments and advances to employees. Credit risk attached to other financial instruments is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Credit concentration
Except as disclosed, no significant concentrations of credit risk were identified by the management as at the reporting date.

36.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation. Accordingly, the Group ensures that sufficient bank facilities are always available.

The Group's ratio of current assets to current liabilities ("current ratio") at 31 December 2020 was below one, mainly due to the reduction in current assets on account of the cash dividend paid in 2020 of SR 1,000.0 million combined with increase in current liabilities mainly due to the reclassification of a long-term loan amounting to SR 1,155.0 million, from non-current liabilities to current liabilities (refer to note 15.2). In addition, current liabilities increased due to the dividend payable balance of SR 800.0 million at year end. Excluding the loan balance, which will be reclassified to non-current liabilities in the next reporting period, and the dividend payable, the current ratio was above one.

As at 31 December 2020, the Group had SR 1,642 million remaining undrawn from its Revolving Corporate Murabaha Facility and other corporate revolver facilities.

(All amounts in Saudi Riyals thousands unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

36.2 Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments:

				Contractual cash flows		
As at 31 Dec 2020	**Carrying Amount**	**Total**	**No fixed maturity**	**0-12 months**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Short term facilities	**364,847**	**375,792**	**-**	**375,792**	**-**	**-**
Term financing and funding facilities	**18,465,104**	**27,860,037**	**-**	**2,017,828**	**9,047,860**	**16,794,349**
Due to related parties	**1,621,119**	**1,675,713**	**823,667**	**34,832**	**139,866**	**677,348**
Other financial liabilities	**4,506,133**	**4,506,133**	**4,506,133**	**-**	**-**	**-**
	24,957,203	**34,417,675**	**5,329,800**	**2,428,452**	**9,187,726**	**17,471,697**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	**710,373**	**938,709**	**-**	**104,387**	**394,943**	**439,379**
As at 31 Dec 2019						
Non-derivative financial liabilities						
Short term facilities	444,218	457,545	-	457,545	-	-
Term financing and funding facilities	19,752,173	27,439,750	-	3,371,576	8,049,260	16,018,914
Due to related parties	880,166	907,478	781,035	4,552	18,208	103,683
Other financial liabilities	4,037,919	4,037,919	4,037,919	-	-	-
	25,114,476	32,842,692	4,818,954	3,833,673	8,067,468	16,122,597
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	338,325	446,207	-	52,720	245,663	147,824
As at 31 Dec 2018						
Non-derivative financial liabilities						
Short term facilities	618,942	637,510	-	637,510	-	-
Term financing and funding facilities	18,753,319	26,666,492	-	1,857,532	8,322,077	16,486,883
Due to related parties	81,176	109,182	-	4,668	18,670	85,844
Other financial liabilities	4,843,857	4,843,857	4,843,857	-	-	-
	24,297,294	32,257,041	4,843,857	2,499,710	8,340,747	16,572,727
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	143,211	272,591	-	4,058	148,375	120,158

The cash flows relating to derivatives disclosed in the above table represent contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rate changes.

36.3 Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income or cash flows. To some extent the project companies consolidated in the Group gets protection in relation to variability in exchange and interest rates within power and water purchase agreements (PWPAs) as the tariffs are usually denominated in functional currencies. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

36 RISK MANAGEMENT (CONTINUED)

36.3 Market risk (continued)

The Group uses derivatives to manage market risks. All such transactions are carried out in accordance with Group's policies and practices. Generally, the Group seeks to apply hedge accounting to manage volatility in profit or loss.

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of companies within the Group. For most of the transactions denominated in US Dollars (USD), the currency risk is limited as exchange rate of USD and respective functional currency is usually pegged. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Equivalent to thousands of Saudi Riyals	**EUR**	**MAD**	**USD**	**JPY**
As at 31 Dec 2020				
Borrowings and other financial liabilities	**3,826,870**	**2,591,525**	**-**	**141,318**
Finance lease receivables	**(3,874,007)**	**(3,001,992)**	**-**	**-**
Net position	**(47,137)**	**(410,467)**	**-**	**141,318**
Impact of currency forwards	**-**	**-**		**(53,898)**
Net exposure	**(47,137)**	**(410,467)**	**-**	**87,420**
As at 31 Dec 2019				
Borrowings and other financial liabilities	3,619,095	2,419,965	-	157,698
Finance lease receivables	(3,643,128)	(2,944,294)	-	-
Net position	(24,033)	(524,329)	-	157,698
Impact of currency forwards	-	-	-	(87,610)
Net exposure	(24,033)	(524,329)	-	70,088
As at 31 Dec 2018				
Borrowings and other financial liabilities	3,759,543	1,962,260	118,430	181,531
Finance lease receivables	(3,795,309)	(2,537,564)	-	-
Net position	(35,766)	(575,304)	118,430	181,531
Impact of currency forwards	-	-	-	(29,776)
Net exposure	(35,766)	(575,304)	118,430	151,755

(All amounts in Saudi Riyals thousands unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

36.3 Market risk (continued)

Sensitivity analysis
A reasonably possible strengthening (weakening) of respective currencies against Saudi Riyal unless otherwise specified at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss as shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Foreign currency risk (continued)

	Impact - (Profit) or loss	
	Strengthening	Weakening
For the year ended 31 Dec 2020		
EUR (5% movement)	**(2,357)**	**2,357**
MAD (5% movement)	**(20,523)**	**20,523**
JPY (5% movement)	**4,371**	**(4,371)**
For the year ended 31 Dec 2019		
EUR (5% movement)	(1,202)	1,202
MAD (5% movement)	(26,216)	26,216
JPY (5% movement)	3,504	(3,504)
For the year ended 31 Dec 2018		
EUR (5% movement)	(1,788)	1,788
MAD (5% movement)	(28,765)	28,765
USD (5% movement against EUR)	5,922	(5,922)
JPY (5% movement)	7,588	(7,588)

Interest rate risk:

Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in the market interest rates. The Group is subject to interest rate risk on future cash flow of its interest bearing assets and liabilities, including bank deposits, finance lease receivables, bank overdrafts, term loans and amounts due from/ to related parties. The Group hedges long term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest-bearing long-term financing and funding facilities as reported to the management of the Group is as follows:

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Financial liabilities			
Fixed rate including interest free	**14,661,145**	16,098,134	14,639,088
Floating rate	**4,958,755**	3,654,039	4,114,231

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, in case of fixed interest rate financial instruments, change in interest rates at the reporting date would not affect profit or loss.

In case of variable interest rate financial instruments, a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(All amounts in Saudi Riyals thousands unless otherwise stated)

36 RISK MANAGEMENT (CONTINUED)

36.3 Market risk (continued)

Interest rate risk (continued)

	Profit or loss		Equity	
	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
For the year ended 31 Dec 2020				
Variable rate financial liabilities	**(49,588)**	**49,588**	**(49,588)**	**49,588**
Interest rate swaps	**38,713**	**(38,713)**	**38,713**	**(38,713)**
Net sensitivity	**(10,875)**	**10,875**	**(10,875)**	**10,875**
For the year ended 31 Dec 2019				
Variable rate financial liabilities	(39,565)	39,565	(39,565)	39,565
Interest rate swaps	35,567	(35,567)	35,567	(35,567)
Net sensitivity	(3,998)	3,998	(3,998)	3,998
For the year ended 31 Dec 2018				
Variable rate financial liabilities	(41,142)	41,142	(41,142)	41,142
Interest rate swaps	29,517	(29,517)	29,517	(29,517)
Net sensitivity	(11,625)	11,625	(11,625)	11,625

37 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable input).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(All amounts in Saudi Riyals thousands unless otherwise stated)

37 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
As at 31 Dec 2020					
Financial liabilities					
Fair value of derivatives used for hedging	**710,373**	**-**	**710,373**	**-**	**710,373**
Long-term financing and funding facilities	**19,619,900**	**3,648,439**	**15,462,487**	**-**	**19,110,926**
As at 31 Dec 2019					
Financial liabilities					
Fair value of derivatives used for hedging	338,325	-	338,325	-	338,325
Long-term financing and funding facilities	19,752,173	3,327,225	16,749,556	-	20,076,781
As at 31 Dec 2018					
Financial assets					
Fair value of derivatives used for hedging	13,273	-	13,273	-	13,273
Financial liabilities					
Fair value of derivatives used for hedging	143,211	-	143,211	-	143,211
Long-term financing and funding facilities	18,753,319	2,883,880	15,754,190	-	18,638,070

Fair value of other financial instruments has been assessed as approximate to the carrying amounts due to frequent re-pricing or their short term nature.

Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

Valuation technique and significant unobservable inputs

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives used for hedging* Bank borrowings **	Discounted cash flows: the valuation model considers the present value of expected payments or receipts discounted using the risk adjusted discount rate or the market discount rate applicable for a recent comparable transaction.	Not applicable	Not applicable
Trading derivatives*	Trading derivatives represent options that are valued using the valuation models wherein fair values are determined through valuation techniques based on discounted cash flows and include a discount for lack of marketability and project specific factors representing the amounts that the Group has determined that market participants would take into account when pricing these instruments.	Contracted capacities and risk adjusted discount rate	The estimated fair value would increase or decrease if: • the actual availabilities are different to contracted capacities; or • the risk adjusted discount rate were higher or lower.

* The instruments were measured at fair value in consolidated statement of financial position.
** The fair value of these instruments were measured for disclosure purpose only.

(All amounts in Saudi Riyals thousands unless otherwise stated)

38 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION

The purpose of this note is to present the main financial indicators, if not disclosed already, used by the Group as well as their reconciliation with the aggregates of the consolidated financial statements.

38.1 Net debt analysis

	Corporate	Bonds	Projects	Consolidated	Equity accounted investees
As at 31 Dec 2020					
Recourse debt:					
Long-term financing and funding facilities	**113,630**	**-**	**753,314**	**866,944**	
Other liabilities (note 22.1(b), (i))				**1,451,026**	
Less: Free cash and cash equivalents				**(78,803)**	
Net recourse debt				**2,239,167**	
Non-recourse debt:					
Long-term financing and funding facilities	**-**	**3,006,325**	**15,746,631**	**18,752,956**	**42,149,822**
Add: Short-term facilities				**364,847**	**944,752**
Less: Free cash and cash equivalents				**(753,865)**	**(2,011,778)**
Net debt without recourse				**18,363,938**	**41,082,796**
As at 31 Dec 2019					
Recourse debt:					
Long-term financing and funding facilities	1,125	-	1,825,887	1,827,012	
Other liabilities (note 22.1(b))				781,035	
Less: Free cash and cash equivalents				(1,829,206)	
Net recourse debt				778,841	
Non-recourse debt:					
Long-term financing and funding facilities	-	3,002,617	14,922,544	17,925,161	35,143,064
Add: Short-term facilities				444,218	926,454
Less: Free cash and cash equivalents				(969,109)	(1,659,203)
Net debt without recourse				17,400,270	34,410,315
As at 31 Dec 2018					
Recourse debt:					
Long-term financing and funding facilities	12,237	-	3,185,113	3,197,350	-
Less: Free cash and cash equivalents				(4,469,875)	-
Net recourse debt				(1,272,525)	-
Non-recourse debt:					
Long-term financing and funding facilities	187,500	2,999,129	12,369,340	15,555,969	23,883,236
Add: Short-term facilities	-	-	618,942	618,942	2,874,540
Less: Free cash and cash equivalents				(1,028,390)	(534,376)
Net debt without recourse				15,146,521	26,223,400

(All amounts in Saudi Riyals thousands unless otherwise stated)

38 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (CONTINUED)

38.2 Tangible net worth

Tangible net worth, as defined by management of the Group, is total equity of the Group excluding other reserves (comprising of cash flow hedge reserve, currency translation reserve, share in OCI of equity accounted investees, actuarial losses and others - refer to note 13.2 less the carrying value of goodwill in the consolidated statement of financial position as of the reporting date. The following table sets out the tangible net worth of the Group (as defined by management):

	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2018
Total equity	**7,400,155**	10,605,377	11,074,157
Other reserves	**2,798,419**	1,361,236	717,900
Total equity excluding other reserves	**10,198,574**	11,966,613	11,792,057
Less: Goodwill	**(1,997,311)**	(2,004,811)	(2,014,320)
Tangible net worth	**8,201,263**	9,961,802	9,777,737

(All amounts in Saudi Riyals thousands unless otherwise stated)

38 FINANCIAL INDICATORS USED IN FINANCIAL COMMUNICATION (CONTINUED)

38.3 Financial information of material joint ventures (project companies) owned by the Group's equity accounted investees

Name of Project Company	Equity accounted investee having ownership in the Project Company (note 7)	Non-current assets	Cash and cash equivalents	Other current assets	Short-term borrowings	Other current liabilities	Long-term borrowings	Other non-current liabilities	Revenue	Net profit / (loss)
31 December 2020										
Jubail Water and Power Company	SGA Marafiq	**8,264,444**	**133,938**	**412,637**	**(555,272)**	**(404,594)**	**(5,608,219)**	**(486,511)**	**1,121,073**	**337,700**
Shuaibah Water & Electricity Company	SAMAWEC	**5,933,677**	**154,903**	**189,584**	**(433,559)**	**(198,957)**	**(2,772,127)**	**(689,045)**	**1,051,478**	**297,603**
Shuaibah Expansion Project Company	SAMAWEC	**621,199**	**9,605**	**28,136**	**(43,036)**	**(30,136)**	**(293,243)**	**(129,841)**	**152,964**	**28,138**
Shuqaiq Water and Electricity Company	SIWEC	**5,089,424**	**4,457**	**175,525**	**(312,986)**	**(64,980)**	**(2,813,351)**	**(919,025)**	**777,459**	**180,830**
Hajr for Electricity Production Company	QIC	**8,926,424**	**196,993**	**137,392**	**(287,367)**	**(466,136)**	**(5,470,494)**	**(811,067)**	**999,845**	**26,159**
31 December 2019										
Jubail Water and Power Company	SGA Marafiq	8,759,353	134,944	305,189	(521,143)	(353,980)	(6,163,491)	(259,623)	1,145,857	260,023
Shuaibah Water & Electricity Company	SAMAWEC	6,160,305	188,969	217,010	(492,200)	(230,109)	(3,105,636)	(695,561)	1,050,563	306,103
Shuaibah Expansion Project Company	SAMAWEC	646,992	11,184	24,289	(40,453)	(27,764)	(335,816)	(128,159)	143,277	21,436
Shuqaiq Water and Electricity Company	SIWEC	5,235,697	5,602	208,015	(134,427)	(243,747)	(3,270,882)	(624,252)	696,989	135,674
Hajr for Electricity Production Company	QIC	9,196,818	34,564	260,952	(278,537)	(258,806)	(5,757,862)	(742,525)	963,974	15,042
31 December 2018										
Jubail Water and Power Company	SGA Marafiq	9,175,645	183,812	140,151	(492,465)	(200,877)	(6,684,634)	(121,108)	1,163,075	312,200
Shuaibah Water & Electricity Company	SAMAWEC	6,343,750	565,845	198,000	(457,057)	(301,431)	(3,598,847)	(682,055)	1,097,151	362,059
Shuaibah Expansion Project Company	SAMAWEC	673,317	23,002	26,326	-	(36,803)	(413,738)	(123,366)	148,868	30,090
Shuqaiq Water and Electricity Company	SIWEC	5,388,981	6,118	150,781	(256,029)	(151,767)	(3,405,309)	(614,291)	798,700	189,541
Hajr for Electricity Production Company	QIC	9,369,841	110,212	348,636	(343,684)	(172,990)	(5,950,979)	(644,186)	829,829	16,234

(All amounts in Saudi Riyals thousands unless otherwise stated)

39 OTHER SIGNIFICANT DEVELOPMENTS DURING THE YEAR

39.1 In response to the outbreak of the Novel Coronavirus ("Covid-19") pandemic since early 2020 and its spread across the world which caused disruptions to businesses and economic activities, Management proactively took a series of measures, including the creation of a Covid-19 Committee to monitor the impact of the pandemic and take precautionary and remedial actions, as necessary, to minimize any adverse impacts on the Group and to ensure the health and safety of its employees.

During the year ended 31 December 2020, Management assessed the overall impact of Covid-19 on the Group's operations and business aspects, and considered a range of factors including effects on supply chain, operating capacity/generation of its plants, additional costs in supply chain, and the health and safety of employees. Based on this assessment, no significant adjustments were required in the consolidated financial statements for the year ended 31 December 2020, except as disclosed otherwise (refer to note 15.3). However, in view of the ongoing uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and/or liabilities in future periods. Management will continue to assess the impact based on prospective developments which could affect the Group's future financial results, cash flows and financial position.

39.2 The Group's Board of Directors approved the Company to pursue accessing debt and equity capital markets and the management has appointed respective advisors to carry out the work.

40 SUBSEQUENT EVENTS

During February 2021, one of the Group's wholly owned subsidiaries entered into a refinancing arrangement whereby existing term facilities will be replaced by a mix of a new commercial term facility and private placements from local and international market. The refinancing has no impact on the Group's consolidated results and financial position as reported in these consolidated financial statements.

Furthermore, subsequent to the year-end, the Group, in accordance with the nature of its business, has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the consolidated financial position and results as of the reporting date.

41 COMPARATIVE FIGURES

Certain figures for the prior periods have been reclassified to conform to the presentation in the current year. Summary of reclassifications are as follows:

Particulars	**As previously reported**	**Reclassifications**	**As reported in these financial statements**
Non-current assets			
Property, plant and equipment	12,036,771	(54,394)	11,982,377
Intangible assets	2,004,811	54,394	2,059,205
Current assets			
Accounts receivable, prepayments and other receivables	3,000,020	(46,218)	2,953,802
Due from related parties	714,192	19,964	734,156
Non-current liabilities			
Deferred revenue	176,045	(46,218)	129,827
Current liabilities			
Due to related parties	-	19,964	19,964
Operating costs	(1,925,888)	(102,916)	(2,028,804)
Impairment loss and other expenses, net	(919,471)	39,268	(880,203)
General and administration expenses	(681,395)	63,648	(617,747)

In addition to the above, changes in net investment in finance lease for the year 2019 amounting to SR 306.9 million (2018: SR 302.3 million) have been reclassified from cash flows from investing activities to cash flows from operating activities in the consolidated statement of cash flows.

(All amounts in Saudi Riyals thousands unless otherwise stated)

42 FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES

Financial and other information, by geography, of major project companies of ACWA Power, is disclosed in below table. The information disclosed is based on the information used in group consolidation (audited financial statements of projects under below geographies might have certain adjustments) and is before any elimination or group level adjustment.

			Financial Position					Financial Performance			Cash position
Jurisdiction	**Tech.**	**# of projects**	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**	**Equity**	**Revenues**	**Operating income**	**Net income**	**Cash and cash equivalent**
31 December 2020											
Kingdom of Saudi Arabia	CPW, RP, RO	**13**	**2,828,180**	**51,870,110**	**(4,623,662)**	**(37,685,496)**	**12,389,132**	**6,974,988**	**4,245,875**	**1,615,642**	**951,026**
Sultanate of Oman	CPW, RO	**9**	**2,989,871**	**10,301,409**	**(3,488,897)**	**(9,591,491)**	**210,892**	**2,666,632**	**488,122**	**(128,409)**	**293,167**
United Arab Emirates	CP, RP	**6**	**1,277,280**	**19,058,655**	**(872,066)**	**(23,352,190)**	**(3,888,321)**	**110,679**	**(114)**	**(22,791)**	**837,354**
Hashemite Kingdom of Jordan	CP, RP	**7**	**839,725**	**2,736,753**	**(829,348)**	**(2,456,044)**	**291,086**	**692,932**	**282,093**	**78,604**	**95,892**
Morocco	RP	**7**	**909,510**	**10,450,014**	**(1,979,466)**	**(9,621,281)**	**(241,223)**	**485,904**	**161,301**	**(94,805)**	**259,160**
Egypt	RP	**3**	**39,498**	**676,740**	**(86,830)**	**(706,078)**	**(76,670)**	**94,566**	**53,913**	**(45,929)**	**28,422**
Bahrain	CPW	**1**	**23,698**	**2,896,963**	**(120,130)**	**(2,980,347)**	**(179,816)**	**-**	**-**	**-**	**9,969**
Turkey	CP	**1**	**372,922**	**1,682,839**	**(803,665)**	**(1,959,713)**	**(707,617)**	**784,292**	**21,590**	**(604,298)**	**158,932**
South Africa	RP	**1**	**246,043**	**1,180,921**	**(133,834)**	**(1,312,422)**	**(19,292)**	**203,435**	**123,092**	**15,364**	**167,785**
Others	RP	**1**	**42,655**	**182,105**	**(14,081)**	**(113,957)**	**96,722**	**21,769**	**23,612**	**9,049**	**15,603**
		49	**9,569,382**	**101,036,509**	**(12,951,979)**	**(89,779,019)**	**7,874,893**	**12,035,197**	**5,399,484**	**822,427**	**2,817,310**
31 December 2019											
Kingdom of Saudi Arabia	CPW, RP, RO	13	2,715,486	51,960,743	(4,806,336)	(37,181,375)	12,688,518	6,398,303	3,396,089	833,666	606,996
Sultanate of Oman	CPW, RO	9	2,110,768	10,860,170	(2,339,772)	(9,953,888)	677,278	2,190,064	572,121	28,551	371,888
United Arab Emirates	CP, RP	4	991,190	9,946,710	(588,408)	(11,883,842)	(1,534,350)	73,375	62,331	11,787	742,898
Hashemite Kingdom of Jordan	CP, RP	8	919,683	2,963,039	(988,099)	(2,502,328)	392,295	704,243	411,834	151,302	203,761
Morocco	RP	7	782,275	10,067,811	(2,682,405)	(8,326,390)	(158,709)	586,544	321,100	(142,595)	325,662
Egypt	RP	3	45,430	702,107	(221,008)	(536,241)	(9,712)	26,597	14,550	372	29,846
Bahrain	CPW	1	57,418	1,596,127	(323,943)	(1,377,354)	(47,752)	-	-	-	37,502
Turkey	CP	1	409,580	1,998,175	(169,381)	(3,076,486)	(838,112)	687,171	(72,645)	(648,220)	115,005
South Africa	RP	1	68,057	1,254,534	(123,614)	(929,647)	269,330	234,473	151,300	18,351	12,396
Others	RP	1	53,040	465,767	(42,381)	(394,638)	81,788	65,992	38,814	4,280	50,624
		48	8,152,927	91,815,183	(12,285,347)	(76,162,189)	11,520,574	10,966,762	4,895,494	257,494	2,496,578

(All amounts in Saudi Riyals thousands unless otherwise stated)

42 FINANCIAL AND OTHER INFORMATION OF PROJECT COMPANIES (CONTINUED)

			Financial Position					Financial Performance			Cash position
Jurisdiction	Tech.	# of projects	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenues	Operating income	Net income	Cash and cash equivalent
31 December 2018											
Kingdom of Saudi Arabia	CPW, RP	12	3,197,383	51,898,358	(4,413,660)	(37,288,114)	13,393,967	6,613,442	3,520,607	1,272,365	1,057,170
Sultanate of Oman	CPW, RO	7	696,767	10,105,904	(3,004,001)	(6,780,636)	1,018,034	989,270	285,029	(162,754)	202,245
United Arab Emirates	CP, RP	2	104,850	4,840,509	(170,181)	(4,603,431)	171,747	76,436	61,941	13,490	31,225
Hashemite Kingdom of Jordan	CP, RP	8	793,630	2,793,378	(1,202,202)	(1,592,275)	792,531	683,162	175,884	29,758	(220,237)
Morocco	RP	7	1,018,393	10,229,213	(2,013,436)	(9,407,192)	(173,022)	287,998	134,364	(220,429)	316,808
Egypt	RP	3	63,931	190,735	(81,878)	(176,819)	(4,031)	-	(208)	(699)	62,338
Turkey	CP	1	133,277	2,526,947	(743,772)	(2,213,400)	(296,948)	686,492	(23,221)	(1,232,856)	16,687
South Africa	RP	1	59,033	1,255,764	(109,417)	(919,036)	286,344	228,370	116,688	1,030	7,965
Others	RP	1	30,519	484,495	(28,880)	(414,464)	71,670	69,458	33,472	1,060	28,292
		42	6,097,783	84,325,303	(11,767,427)	(63,395,367)	15,260,292	9,634,628	4,304,556	(299,035)	1,502,493

Tech. = Technology, CP = Conventional Power, CW = Conventional Water, CPW = Conventional Power and Water, RP = Renewable, RO = Reverse Osmosis

43 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 April 2021, corresponding to 2 Ramadan 1442.