

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

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF INTERNATIONAL COMPANY FOR WATER
AND POWER PROJECTS
(A SAUDI JOINT STOCK COMPANY)**

Introduction:

We have reviewed the accompanying interim consolidated statement of financial position of International Company for Water and Power Projects (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2021, and the related interim consolidated statements of profit or loss, other comprehensive income, cashflows and changes in equity for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review:

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

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") that is endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young



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

Riyadh: 14 Muhurram 1443H
(22 August 2021)



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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	31 Mar 2021	31 Dec 2020
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	3	13,268,685	12,732,340
Intangible assets		2,056,086	2,058,678
Equity accounted investees	4	5,273,208	5,062,848
Non-current portion of net investment in finance lease		10,268,424	10,605,337
Due from related parties	7	72,832	86,658
Deferred tax asset		149,005	135,498
Strategic fuel inventories		70,758	70,760
Other assets		197,963	197,510
TOTAL NON-CURRENT ASSETS		<u>31,356,961</u>	<u>30,949,629</u>
CURRENT ASSETS			
Inventories		460,715	450,835
Current portion of net investment in finance lease		358,687	323,571
Due from related parties	7	666,285	745,661
Accounts receivable, prepayments and other receivables		3,040,790	3,020,235
Cash and cash equivalents	5	1,434,623	832,668
TOTAL CURRENT ASSETS		<u>5,961,100</u>	<u>5,372,970</u>
TOTAL ASSETS		<u>37,318,061</u>	<u>36,322,599</u>

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

As at 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Mar 2021	31 Dec 2020
<u>EQUITY AND LIABILITIES</u>			
EQUITY			
Shareholders' equity			
Share capital		6,429,344	6,429,344
Share premium		1,410,398	1,410,398
Statutory reserve		642,883	642,883
Retained earnings		1,323,946	1,184,908
Equity attributable to owners of the Company before other reserves		9,806,571	9,667,533
Other reserves	8	(1,750,550)	(2,798,419)
Equity attributable to owners of the Company		8,056,021	6,869,114
Non-controlling interest		646,188	531,041
TOTAL EQUITY		8,702,209	7,400,155
LIABILITIES			
NON-CURRENT LIABILITIES			
Long-term financing and funding facilities	6	19,347,815	17,286,744
Due to related parties	7	1,579,879	1,577,839
Equity accounted investees	4	699,577	1,244,571
Fair value of derivatives		309,164	650,789
Deferred tax liability		128,830	125,711
Deferred revenue		72,286	63,304
Other financial liabilities		293,556	290,990
Employee end of service benefits' liabilities		190,068	178,964
Other liabilities		339,629	309,422
TOTAL NON-CURRENT LIABILITIES		22,960,804	21,728,334
CURRENT LIABILITIES			
Accounts payable and accruals		3,861,418	4,116,726
Short-term financing facilities		369,463	364,847
Current portion of long-term financing and funding facilities	6	1,072,148	1,178,360
Due to related parties	7	107,641	43,280
Fair value of derivatives		43,710	59,584
Zakat and taxation		200,668	276,517
		5,655,048	6,039,314
Financing and funding facilities classified as current	6.2	-	1,154,796
TOTAL CURRENT LIABILITIES		5,655,048	7,194,110
TOTAL LIABILITIES		28,615,852	28,922,444
TOTAL EQUITY AND LIABILITIES		37,318,061	36,322,599

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Mar 2021	31 Mar 2020
<u>CONTINUING OPERATIONS</u>			
Revenue	10	1,276,632	1,062,769
Operating costs		<u>(606,909)</u>	<u>(594,699)</u>
GROSS PROFIT		669,723	468,070
Development cost, provision and other write offs, net of reversals		(29,670)	(3,721)
General and administration expenses		(230,606)	(168,347)
Share in net results of equity accounted investees, net of tax	4	1,089	11,832
Other operating income		<u>25,777</u>	<u>20,415</u>
OPERATING INCOME		436,313	328,249
Other income		12,807	16,653
Exchange loss, net		(741)	(1,825)
Financial charges, net	11	<u>(287,350)</u>	<u>(269,687)</u>
PROFIT BEFORE ZAKAT AND INCOME TAX		161,029	73,390
Zakat and tax (charge) / credit	9.1	<u>(14,720)</u>	26,413
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		146,309	99,803
<u>DISCONTINUED OPERATIONS</u>			
Profit from discontinued operations		-	4,647
PROFIT FOR THE PERIOD		146,309	104,450
Profit / (loss) attributable to:			
Equity holders of the parent		139,038	104,625
Non-controlling interests		<u>7,271</u>	<u>(175)</u>
		146,309	104,450
Basic and diluted earnings per share to equity holders of the parent (in SR)	12	0.22	0.16
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	12	0.22	0.16

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

	<i>Notes</i>	31 Mar 2021	31 Mar 2020
PROFIT FOR THE PERIOD		146,309	104,450
<u>OTHER COMPREHENSIVE INCOME / (LOSS)</u>			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		(376)	(7,090)
Equity accounted investees – share of OCI	8	814,970	(1,292,784)
Net change in fair value of cash flow hedge reserve		346,984	(622,835)
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability		(5,833)	(2,898)
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS)		<u>1,155,745</u>	<u>(1,925,607)</u>
TOTAL COMPREHENSIVE INCOME / (LOSS)		<u>1,302,054</u>	<u>(1,821,157)</u>
Total comprehensive income / (loss) attributable to:			
Equity holders of the parent		1,186,907	(1,642,884)
Non-controlling interests		115,147	(178,273)
		<u>1,302,054</u>	<u>(1,821,157)</u>

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Notes	31 Mar 2021	31 Mar 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before zakat and tax from continuing operations		161,029	73,390
Profit before zakat and tax from discontinued operations		-	4,139
<i>Adjustments for:</i>			
Depreciation and amortisation		139,158	139,786
Financial charges	11	287,350	269,687
Unrealised exchange loss		5,855	4,660
Share in net results of equity accounted investees, net of zakat and tax	4	(1,089)	(11,832)
Charge for employees' end of service benefits		9,514	9,121
Provisions		16,880	6,352
Unwinding of discount on financial liabilities		9,463	3,345
Development cost, provision and write offs, net of reversals		29,670	3,721
Loss on disposal / write-off of property, plant and equipment		7,778	-
<i>Changes in operating assets and liabilities:</i>			
Accounts receivable, prepayments and other receivables		(81,323)	87,110
Inventories		(9,880)	(12,336)
Payables and accruals		(203,820)	(55,943)
Due from related parties		93,202	(84,223)
Net investment in finance lease		301,797	175,525
Strategic fuel inventories		2	-
Other assets		(6,377)	(18,573)
Other liabilities		30,207	54,803
Deferred revenue		8,982	47,364
Net cash flows from operations		798,398	696,096
Employees' terminal benefits paid		(4,243)	(7,040)
Zakat and tax paid		(111,352)	(11,385)
Dividends received from equity accounted investees		22,877	5,293
<i>Net cash from operating activities</i>		<u>705,680</u>	<u>682,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		(678,545)	(270,711)
Investments in equity accounted investees		(38,304)	(32,808)
Assets held for sale		-	(6,662)
<i>Net cash used in investing activities</i>		<u>(716,849)</u>	<u>(310,181)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing and funding facilities, net of proceeds, repayments and transaction costs		798,824	(66,007)
Due to related parties		59,504	(1,193)
Financial charges paid		(245,204)	(181,901)
<i>Net cash from / (used in) financing activities</i>		<u>613,124</u>	<u>(249,101)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
		601,955	123,682
Cash and cash equivalents at beginning of the period		832,668	2,798,315
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	<u>1,434,623</u>	<u>2,921,997</u>

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

	<i>Share capital</i>	<i>Share premium</i>	<i>Statutory reserve</i>	<i>Retained earnings</i>	<i>Other Reserves (note 8)</i>	<i>Equity attributable to owners of the Company</i>	<i>Non-controlling interest</i>	<i>Total equity</i>
Balance at 1 January 2020	6,429,344	1,177,031	554,626	3,102,108	(1,361,236)	9,901,873	703,504	10,605,377
Profit/(loss) for the period	-	-	-	104,625	-	104,625	(175)	104,450
Other comprehensive loss	-	-	-	-	(1,747,509)	(1,747,509)	(178,098)	(1,925,607)
Total comprehensive income / (loss)	-	-	-	104,625	(1,747,509)	(1,642,884)	(178,273)	(1,821,157)
Balance at 31 March 2020	6,429,344	1,177,031	554,626	3,206,733	(3,108,745)	8,258,989	525,231	8,784,220
Balance at 1 January 2021	6,429,344	1,410,398	642,883	1,184,908	(2,798,419)	6,869,114	531,041	7,400,155
Profit for the period	-	-	-	139,038	-	139,038	7,271	146,309
Other comprehensive income	-	-	-	-	1,047,869	1,047,869	107,876	1,155,745
Total comprehensive income	-	-	-	139,038	1,047,869	1,186,907	115,147	1,302,054
Balance at 31 March 2021	6,429,344	1,410,398	642,883	1,323,946	(1,750,550)	8,056,021	646,188	8,702,209

The attached notes 1 to 17 form an integral part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

1 ACTIVITIES

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

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

2 BASIS OF PREPARATION AND CHANGES TO GROUP ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements for the three months period ended 31 March 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred as “IAS 34 as endorsed in KSA”). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2020. These interim condensed consolidated financial statements for the three months period ended 31 March 2021 are not affected significantly by seasonality of results. The results shown in these interim condensed consolidated financial statements may not be indicative of the annual results of the Group’s operations.

The interim condensed consolidated financial statements are prepared under the historical cost except for derivative financial instruments (including written put options) which are measured at fair value. These interim condensed consolidated financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR’000), except when otherwise indicated.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

2 BASIS OF PREPARATION AND CHANGES TO GROUP ACCOUNTING POLICIES (CONTINUED)

2.3 SIGNIFICANT ACCOUNTING ESTIMATES

Use of estimates and assumptions

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34 as endorsed in KSA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those used in preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020 except as explained below.

Provisions

Management continually monitors and assesses provisions recognised to cover contractual obligations and claims raised against the Group. Estimates of provisions, which depend on future events that are uncertain by nature, are updated periodically and provided for by the management. The estimates are based on expectations including timing and scope of obligation, probabilities, future cost level and includes a legal assessment where relevant.

Useful economic lives of property, plant and equipment

During the period ended 31 March 2021, the Group re-assessed the useful life of certain plants, based on oil fired technology, in its portfolio and decided to align the plants existing useful life to its re-assessed economic life as per the term of Power and Water Purchase Agreements ("PWPA") with effect from 1 January 2021. This change in accounting estimate has resulted in SR 49.6 million being expensed in the interim condensed consolidated statement of profit or loss, which is reflected through share in net results of equity accounted investees.

The change in estimate will have annual impact of SR 198.4 million on profit or loss in future periods till expiry of underlying PWPAs.

3 PROPERTY, PLANT AND EQUIPMENT

	31 Mar 2021	31 Dec 2020
At the beginning of the period / year	12,732,340	11,982,377
Additions for the period / year	678,056	1,440,199
Depreciation charge for the period / year	(133,553)	(547,488)
Impairment loss for the period / year	-	(129,985)
Disposals / write-offs	(7,778)	(12,408)
Foreign currency translation	(380)	(355)
At the end of the period / year	<u>13,268,685</u>	<u>12,732,340</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

4 EQUITY-ACCOUNTED INVESTEEES

Set out below is the contribution of equity accounted investees in the interim condensed consolidated statement of financial position, the interim condensed statement of profit or loss and other comprehensive income, and the "Dividends received from companies accounted for using the equity method" line of the interim condensed consolidated statement of cash flows.

	31 Mar 2021	31 Dec 2020
At the beginning of the period / year	3,818,277	4,776,885
Share of results for the period / year (note 4.1)	1,089	231,107
Share of other comprehensive income / (loss) for the period / year	814,970	(1,191,366)
(Repayments) / additions during the period / year, net	(55,446)	167,892
Dividends for the period / year	(5,259)	(166,241)
At the end of the period / year	<u>4,573,631</u>	<u>3,818,277</u>
Equity accounted investees shown under non-current assets	5,273,208	5,062,848
Equity accounted investees shown under non-current liabilities	(699,577)	(1,244,571)
	<u>4,573,631</u>	<u>3,818,277</u>

- 4.1** Share of results for the period ended 31 March 2021 includes the Group's share in additional depreciation of property, plant and equipment amounting to SR 49.6 million (refer to note 2.3).

Further, share in net results of for the period ended 31 March 2021 includes the Group's share of SR 30.0 million in impairment reversal of property, plant and equipment.

5 CASH AND CASH EQUIVALENTS

	As at 31 Mar 2021	As at 31 Dec 2020
Cash in hand and at bank	1,231,110	798,263
Short-term deposits with original maturities of three months or less	203,513	34,405
	<u>1,434,623</u>	<u>832,668</u>

6 LONG-TERM FINANCING AND FUNDING FACILITIES

	Notes	As at 31 Mar 2021	As at 31 Dec 2020
<u>Recourse debt:</u>			
Financing facilities in relation to projects		752,416	753,314
Corporate facilities		488,630	113,630
<u>Non-Recourse debt:</u>			
Financing facilities in relation to projects		15,548,448	15,746,631
APMI One bond		3,007,294	3,006,325
APCM Notes	6.1	623,175	-
Total financing and funding facilities		<u>20,419,963</u>	<u>19,619,900</u>
Less: current portion shown under current liabilities		(1,072,148)	(1,178,360)
Less: Financing and funding facilities classified as current	6.2	-	(1,154,796)
Non-current portion shown under non-current liabilities		<u>19,347,815</u>	<u>17,286,744</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 LONG-TERM FINANCING AND FUNDING FACILITIES (CONTINUED)

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

- 6.1** During the period ended 31 March 2021, the Group (through a subsidiary, "ACWA Power Capital Management Ltd" or "APCM") issued Notes with an aggregate principal of USD 166.18 million. The Notes carry a fixed interest at 3.7% per annum and the principal is due to be repaid in semi-annual variable instalment commencing from 31 May 2021, with final instalment due on 27 May 2044. The Notes were issued to refinance an existing long-term facility of one of the Group's wholly owned subsidiaries, Shuaibah Two Water Development Project ("Shuaibah II").
- 6.2** Due to Covid 19 related issues, a delay in contractual payments from the off-taker in one of the Group's subsidiaries ("the Subsidiary") resulted in a technical covenant breach as at 31 December 2020, under the power purchase agreement which led to a cross default under the financing documents. The cumulative amount withheld during 2020 was SR 42.4 million. While the project benefits from a Government Guarantee on the receivables from the off-taker, the project company did not call on the Government Guarantee to cover these partially withheld payments as the off-taker reached a settlement agreement 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 resulted in reclassification of the loan amounting to SR 1,154.8 million, from non-current liabilities to current liabilities as at 31 December 2020, in accordance with the requirements of International Financial Reporting Standards. Pursuant to the waiver received, this loan balance was reclassified to non-current liabilities as at 31 March 2021.

7 RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties during the period and significant period-end balances are as follows:

<i>Related parties</i>	<i>Notes</i>	<i>Relationships</i>	<i>Transactions</i>	
			31 Mar 2021	31 Mar 2020
Revenue		Affiliates	604,498	458,648
Service fees		Joint ventures	25,777	20,415
Finance income		Joint venture	7,251	10,107
Financial charges on loan to a related party	11	Affiliates	332	1,139
Key management personnel compensation including director's remuneration			8,541	7,941

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

For the three months period ended 31 March 2021

(All amounts in Saudi Riyals thousands unless otherwise stated)

7 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

<i>Related parties</i>	<i>Notes</i>	<i>Relationships</i>	<i>Balances</i>	
			31 Mar 2021	31 Dec 2020
<i>Due from related parties</i>				
<i>Current :</i>				
Al Mourjan for Electricity Production Company	(a)	Joint venture	143,852	144,910
Rabigh Electricity Company	(a)	Joint venture	35,930	41,557
Shuqaiq Water and Electricity Company	(a)	Joint venture	32,263	47,181
Shuaibah Water & Electricity Company	(a)	Joint venture	35,507	43,462
Shuaibah Expansion Project Company	(a)	Joint venture	11,657	12,482
Hajr for Electricity Production Company	(a)	Joint venture	95,930	113,883
Dhofar O&M Company	(d)	Joint venture	26,357	27,607
Hassyan Energy Phase 1 P.S.C	(a)	Joint venture	121,686	149,158
ACWA Power Oasis Three	(d)	Joint venture	7,821	7,810
Noor Energy 1 P.S.C	(a)	Joint venture	8,078	13,653
Taweelah RO Desalination Company LLC	(e)	Joint venture	224	223
Naqa Desalination Plant LLC	(e)	Joint venture	10,372	9,761
Ad-Dhahirah Generating Company SAOC	(d)	Joint venture	24,513	21,780
Shinas Generating Company SAOC	(d)	Joint venture	19,062	16,872
Saudi Malaysia Water and Electricity Company	(d)	Joint venture	2,470	1,197
UPC Renewables S.A	(a)	Joint venture	36,515	37,061
Risha for Solar Energy Projects	(a)	Joint venture	349	889
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	7,709	15,344
Haya Power & Desalination Company	(e)	Joint venture	2,389	2,450
Shams Ad-Dhahira Generating Company SAOC	(d)	Joint venture	2,929	315
Other related parties		Affiliates	40,672	38,066
			<u>666,285</u>	<u>745,661</u>
<i>Due from related parties</i>				
<i>Non-current :</i>				
Hassyan Energy Phase 1 P.S.C	(f)	Joint venture	61,616	61,612
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(g)	Joint venture	11,216	25,046
			<u>72,832</u>	<u>86,658</u>
<i>Due to related parties</i>				
<i>Non-current :</i>				
ACWA Power Renewable Energy Holding Company	(b)	Joint venture	768,339	773,060
Water and Electricity Holding Company CJSC	(i)	Shareholder's subsidiary	684,863	677,966
Loans from minority shareholders of subsidiaries	(c)	-	126,677	126,813
			<u>1,579,879</u>	<u>1,577,839</u>
<i>Current:</i>				
ACWA Power Africa Holdings (Pty) Ltd	(h)	Joint venture	21,085	21,306
Shams Ad-Dhahira Generating Company SAOC	(j)	Joint venture	68,815	-
Others		Affiliates	17,741	21,974
			<u>107,641</u>	<u>43,280</u>

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

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

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7 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

- (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).
- (c) This includes:
- i. Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SR 41.4 million (2020: SR 41.6 million); and
 - ii. Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SR 85.2 million (2020: SR 85.2 million). The loans are due for repayment in 2024 and carry profit rate at Libor + 1.3% per annum.
- (d) The balance represents advance provided to related parties that has no specific repayment and bears no profit rate.
- (e) This represents receivable on account of development fee and reimbursement of cost incurred on behalf of the 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. The amount will mature in 2023. During the period ended 31 March 2021, the Group has provided SR 1.7 million (31 March 2020: nil) provision against this balance.
- (h) This represents amounts payable to an equity accounted investee for transfer of project development cost.
- (i) During 2020, the Group declared a one-off dividend of SR 2,701.0 million. A portion of such declared dividend, payable to the Public Investment Fund of Saudi Arabia (the “Shareholder”), was converted into a long-term non-interest-bearing loan amounting to SR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030 unless the repayment or settlement period is mutually extended by both parties. The Group recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long-term loans of a similar nature. The difference between the nominal value of the loan and its discounted value was recognised as other contribution from shareholder within share premium.
- (j) This represents amount payable to an equity accounted investee on account of receipt of funding on behalf of the investee.

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8 OTHER RESERVES

Movement in other reserve is given below:

	<i>Cash flow hedge reserve (note 8.1)</i>	<i>Currency translation reserve</i>	<i>Share in OCI of equity accounted investees (note 4)</i>	<i>Re- measurement of defined benefit liability</i>	<i>Other</i>	<i>Total</i>
Balance as at 1 January 2020	(313,175)	(29,721)	(971,975)	(19,185)	(27,180)	(1,361,236)
Changes during the year	(277,941)	23,550	(1,191,366)	8,574	-	(1,437,183)
Balance as at 31 December 2020	<u>(591,116)</u>	<u>(6,171)</u>	<u>(2,163,341)</u>	<u>(10,611)</u>	<u>(27,180)</u>	<u>(2,798,419)</u>
Balance as at 1 January 2021	(591,116)	(6,171)	(2,163,341)	(10,611)	(27,180)	(2,798,419)
Changes during the period	238,802	(376)	814,970	(5,527)	-	1,047,869
Balance as at 31 March 2021	<u>(352,314)</u>	<u>(6,547)</u>	<u>(1,348,371)</u>	<u>(16,138)</u>	<u>(27,180)</u>	<u>(1,750,550)</u>

- 8.1 This mainly represents movements in mark to market valuation of hedging instruments net of deferred taxation in relation to the Group's subsidiaries.

9 ZAKAT AND TAX

9.1 Amounts recognized in profit or loss

	For the three months period ended	
	31 Mar 2021	31 Mar 2020
Zakat and current tax	35,503	16,359
Deferred tax	(20,783)	(42,264)
Zakat and tax charge / (credit)	14,720	(25,905)
Less: Tax credit from discontinued operations	-	(508)
Zakat and tax charge / (credit) reflected in profit or loss	<u>14,720</u>	<u>(26,413)</u>

The Company

Pursuant to the investment by International Finance Corporation ("IFC") in the Company on 17 September 2014; the Company was assessed as a mixed entity in Saudi Arabia commencing from 2014. During the year 2020, IFC disposed of its shares to a Saudi shareholder which increased the shareholding of Saudi Shareholder's in the Company to 100%. However, for the purpose of zakat and tax filing, the Company continued to comply with its obligation under Zakat law as a mixed entity for the year 2020. For the year 2021, as the Company now held wholly by Saudi shareholders, it will only be subject to zakat.

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 2020. During July 2020, the Company received an assessment from the Zakat, Tax & Customs Authority (the "ZATCA") assessing additional zakat in relation to years 2009 to 2018 for which the Company has reached a settlement with the ZATCA and finalized its position for these years. The ZATCA is yet to assess the years 2019 and 2020.

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9 ZAKAT AND TAX (CONTINUED)

ACWA Power Projects ("APP")

APP has filed its zakat and tax returns for all the years up to 2020. APP had finalized its position with the ZATCA up to the year 2014.

During March 2020, APP received an assessment from the ZATCA for the year 2018 with an additional zakat liability of SR 31 million. APP fundamentally disagrees with this assessment and filed an appeal with the ZATCA and subsequently escalated the appeal to first level appeal committee, Tax Violation and Dispute Resolution Committee (TVDRC). APP is currently in discussion with the ZATCA to reach a settlement to finalize this year. APP had made a provision of SR 2 million against this assessment.

During April 2021, APP received an assessments from the ZATCA for the years 2015 to 2017 with an additional zakat liability of SR 39.7 million. APP is in the process of submitting an objection against the assessment and has made a provision of SAR 10.5 million against this assessment during the period ended 31 March 2021.

The management believes that the Company has adequately provided for zakat assessments in relation to APP.

NOMAC Saudi Arabia ("NOMAC")

NOMAC has filed the zakat returns for all the years up to 2020. During the prior years, the Company received two zakat assessments from the ZATCA for the years 2008-2012 and 2013-2016, assessing an additional zakat liability of SR 12 million for these assessed years. NOMAC has filed appeals against these assessments.

During 2020, NOMAC escalated these appeals to the first level appeal committee, Tax Violation and Dispute Resolution Committee (TVDRC) through the General Secretariat for Tax Committees (GSTC). The total revised zakat liability as of 31 December 2020 was SR 11.6 million. NOMAC has recorded a provision of SR 4.1 million against the above assessments.

Additionally, during 2020, a provision of SR 3.0 million has been made for open years 2017 and 2018 on account of zakat on foreign investments. The management believes that the Company has adequately provided for zakat and tax assessments in relation to NOMAC.

Rabigh Arabian Water & Electricity Company ("RAWEC")

RAWEC has filed zakat and tax returns for all the years up to 2020. 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. The management believes that the Company has adequately provided for zakat and tax assessments in relation to RAWEC.

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.

10 REVENUE

	Notes	For the three months period ended	
		31 Mar 2021	31 Mar 2020
Services rendered	10.1 & 10.2	604,498	458,648
Sale of electricity	10.3	333,262	315,028
Sale of water	10.3 & 10.4	264,709	258,389
Finance lease income	10.5	74,163	30,704
		1,276,632	1,062,769

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10 REVENUE (CONTINUED)

- 10.1** Revenue earned by NOMAC and its group entities, from rendering technical, operation and maintenance services.
- 10.2** Revenue earned by the Group for project development services provided in relation to the development of the projects, as well as project management, consultancy services 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.
- 10.3** Revenue from supply of desalinated water and electricity is recognised upon satisfaction of performance obligations which in general happens for, capacity revenues upon making available the production capacity of power or desalinated water, and for output or energy revenues on delivery of desalinated water and power, respectively, to the customer in accordance with underlying Power and Water Purchase Agreements ("PWPA") or Power Purchase Agreements ("PPA") or Water Purchase Agreements ("WPA").
- 10.4** Includes revenue from sale of steam of SR 98.3 million during the period ended 31 March 2021 (31 March 2020: SR 92.5 million).
- 10.5** Finance lease income is amortised over the term of the lease and is allocated to the accounting periods to reflect a constant periodic rate of return on the Group's net investment outstanding with respect to the lease.
- 10.6** In addition to the amounts mentioned in the above table, income in relation to management support services, and ancillary support services provided to certain Group companies amounting to SR 25.8 million (31 March 2020: SR 20.4 million) has been presented as other operating income.

11 FINANCIAL CHARGES, NET

	Notes	For the three months period ended	
		31 Mar 2021	31 Mar 2020
Financial charges on borrowings		248,399	252,433
Financial charges on letters of guarantee		22,261	12,770
Financial charges on loans from a related party	8	332	1,139
Other financial charges		16,358	3,345
		<u>287,350</u>	<u>269,687</u>

12 EARNINGS PER SHARE

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

	31 Mar 2021	31 Mar 2020
Issued ordinary shares as at	<u>645,763</u>	<u>645,763</u>
Weighted average number of ordinary shares outstanding during the period	<u>645,763</u>	<u>645,763</u>

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12 EARNINGS PER SHARE (CONTINUED)

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

	31 Mar 2021	31 Mar 2020
Net profit for the period attributable to equity holders of the Parent	<u>139,038</u>	<u>104,625</u>
Profit for the period from continuing operations attributable to equity holders of the Parent	<u>139,038</u>	<u>102,673</u>
Basic and diluted earnings per share to equity holders of the Parent (in SR)	<u>0.22</u>	<u>0.16</u>
Basic and diluted earnings per share for continuing operations to equity holders of the Parent (in SR)	<u>0.22</u>	<u>0.16</u>

13 CONTINGENCIES AND COMMITMENTS

At 31 March 2021, the Group had outstanding contingent liabilities in the form of letters of guarantee, corporate guarantees issued in relation to bank facilities for project companies and performance guarantees amounting to SR 12.66 billion (31 December 2020: SR 11.34 billion). The amount also includes the Group's share of equity accounted investees' commitments.

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

	As at 31 Mar 2021	As at 31 Dec 2020
Guarantees in relation to equity bridge loans or equity letters of credits	4,355,550	3,803,049
Bonds, letter of credits and other contingencies and commitments	<u>8,310,020</u>	<u>7,541,811</u>
	<u>12,665,570</u>	<u>11,344,860</u>

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

The Group also has a loan commitment amounting to SR 592.9 million in relation to mezzanine debt facilities ("the Facilities") taken by certain of the Group's equity accounted investees. This loan commitment arises due to symmetrical call and put options entered in by the Group with the lenders of the Facilities. Liabilities in relation to certain other call and put options are recognised under non-current and current liabilities amounting to SR 293.5 million (31 Dec 2020: SR 290.9 million) and SR 11.25 million (31 Dec 2020: SR 11.25 million) respectively.

Further, in relation to an independent power plant (IPP) held by one of the Group's equity accounted investees, the Group has entered into a long-term coal supply agreement with a third party supplier where the Group has committed to cover the difference or take up the surplus between two agreed prices with the coal supplier during the IPP's 25-year period of operations. Pursuant to the agreement, for any difference between two agreed prices (i.e. reference under the coal supply agreement as opposed to the coal supplier's actual prices agreed on sourcing of such coal) the Group may be obliged to pay the difference when the coal is procured. The relevant coal prices shall be determined on arm's length basis with reference to certain coal price indices which act as a market reference for coal trading in Europe and Asia.

The Group also has a commitment to contribute SR 75.0 million towards corporate social responsibility initiatives in Uzbekistan during the year 2021 and 2022.

In one of the Group's subsidiaries, "CEGCO", the fuel supplier ("Jordan Petrol Refinery PLC") has claimed an amount of SR 589.3 million (31 Dec 2020: SR 582.4 million) as interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement ("FSA") with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by the off-taker ("NEPCO").

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13 CONTINGENCIES AND COMMITMENTS (CONTINUED)

Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO, contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence, the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these interim condensed consolidated financial statements.

In addition to above, the Group also has contingent assets and liabilities with respect to certain disputed matters, including claims by and against contractors and arbitrations involving a variety of issues. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

14 SUBSEQUENT EVENTS

On 14 June 2021, the Group issued an Islamic bond (Sukuk) amounting to SR 2,800 million at a par (sak) value of SR 1 million each, without discount or premium. The Sukuk issuance bears a return based on Saudi Arabia Interbank Offered Rate (SIBOR) plus a pre-determined margin payable semi-annually in arrears. The Sukuk will be redeemed at par on its date of maturity on 14 June 2028.

On 29 April 2021, one of the Group's subsidiaries ("the Subsidiary") issued a notice of dispute to the off-taker in relation to its payment obligations. This has resulted in a covenant breach per the power purchase agreement which has led to a cross default under the financing documents. The Subsidiary is in the process of requesting a waiver from the lenders.

On 30 June 2021, the Capital Market Authority in Saudi Arabia has approved the Company's application for the offering of 81,199,299 shares through an initial public offering (IPO), which will be offered by increasing the Company's share capital. The Company's prospectus will be published in due course.

Effective from 31 July 2021, ACWA Power Reinsurance Company ("ACWA Re") (a 100% owned subsidiary of the Group) will retain risk on certain reinsurance programs, with a total combined maximum exposure of up to SR 37.5 million during the policy period until 30 July 2022, with a sublimit of SR 9.4 million per incident or claim.

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

15 SIGNIFICANT MATTERS DURING THE PERIOD

- 15.1** In response to novel Coronavirus ("COVID-19"), which has caused global economic disruption, the Group has implemented active prevention programs at its sites and contingency plans in order to minimize the risks related to COVID-19, safeguard the continuity of business operations and to ensure the health and safety of its employees.

During the period ended 31 March 2021, management assessed the overall impact of Covid-19 on the Group's operations and business aspects, and considered a range of factors including effects on supply chain, operating capacity/generation of its plants, additional costs in supply chain, and the health and safety of employees. Based on this assessment, no significant adjustments were required in the interim condensed consolidated financial statements for the period ended 31 March 2021. However, in view of the ongoing uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and/or liabilities in future periods. Management will continue to assess the impact based on prospective developments which could affect the Group's future financial results, cash flows and financial position.

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15 SIGNIFICANT MATTERS DURING THE PERIOD (CONTINUED)

15.2 On 30 March 2021, the Board of Directors approved an incentive plan comprising of shares and cash benefits (the “Plan”) for eligible employees payable upon a successful listing of the Company subject to other performance conditions. Subsequently, on 13 June 2021, the shareholders of the Company approved the Plan. No provision has been recognised in the interim condensed consolidated financial statements as the Plan has yet to be granted to eligible employees and allocation of cash and share award benefits under the Plan have yet to be determined and approved by a Subcommittee appointed by the Board of Directors.

15.3 During the period, the Board of Directors approved a cash based long term incentive plan (the “LTIP”) which was granted to certain members of key management personnel. The LTIP covers a nine-year period in total effective from 1 January 2020 and comprises three separate performance periods of three years each. Cash awards will vest pursuant to the LTIP at the end of each performance period subject to the achievement of performance conditions. Accordingly, a provision of SR 34.6 million has been recognised within general and administration expenses.

16 OPERATING SEGMENTS

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

During the year ended 31 December 2020, the Group amended its reportable operating segments. In line with its continued focus on environment and sustainability, the Group continues to see increasing growth in the renewables part of its business. This has resulted in a change in the information provided regularly to the chief operating decision maker, to include discrete information on results from renewable power activities, as well as thermal and water desalination activities combined. This information is used to make decisions about resources to be allocated to each segment and to assess segmental performance. The Group is in the process of further refining and revising the operating segment information including the allocation of intangible assets across the operating segments.

Revenue is attributed to each operating segment based on the type of plant or equipment from which the revenue is derived. The accounting policies of the operating segments are the same as the Group’s accounting policies. All intercompany transactions within the reportable segments have been appropriately eliminated. There were no inter-segment sales in the years presented below. Details of the Group’s operating and reportable segments are as follows:

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

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16 OPERATING SEGMENTS (CONTINUED)

Key indicators by reportable segments

Revenue

	For the three months period ended	
	31 Mar 2021	31 Mar 2020
(i) Thermal and Water Desalination	1,074,251	929,911
(ii) Renewables	200,915	126,088
(iii) Others	1,466	6,770
Total revenue	1,276,632	1,062,769

Operating income before impairment and other expenses

(i) Thermal and Water Desalination	510,866	390,984
(ii) Renewables	77,811	23,668
(iii) Others	1,075	6,664
Total	589,752	421,316

Unallocated corporate operating income / (expenses)

General and administration expenses	(119,685)	(97,262)
Depreciation and amortisation	(13,588)	(8,864)
Provision for long term incentive plan	(34,636)	-
Other operating income	14,470	13,059
Total operating income before impairment and other expenses	436,313	328,249

Segment profit / (loss)

(i) Thermal and Water Desalination	371,083	265,080
(ii) Renewables	18,718	(60,344)
(iii) Others	1,075	6,664
Total	390,876	211,400

Reconciliation to profit for the year from continuing operations

General and administration expenses	(119,685)	(97,262)
Impairment reversal in relation to equity accounted investees	30,000	-
Provision / discounting on due from related party	(1,700)	-
Provision for long term incentive plan	(34,636)	-
Discounting impact on loan from shareholder subsidiary	(6,897)	-
Loss on disposal / write-off of property, plant and equipment	(7,779)	-
Depreciation and amortisation*	(83,718)	(29,414)
Other operating income	14,470	13,059
Other income	6,211	14,462
Financial charges and exchange loss, net	(27,565)	(7,622)
Zakat and tax charge	(13,268)	(4,820)
Profit for the year from continuing operations	146,309	99,803

*Includes additional depreciation charge of SR 70.1 million (2020: SR 20.6 million) on account of revision in PPE useful life of certain assets. Refer to note 2.3.

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16 OPERATING SEGMENTS (CONTINUED)

Geographical concentration

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

	Revenue from continuing and discontinued operations		PPE	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Dec 2020
Kingdom of Saudi Arabia	553,872	531,158	9,904,276	9,831,278
Oman	159,902	180,829	598,433	570,190
Jordan	145,797	143,420	2,151,894	2,193,676
Morocco	112,425	59,584	55,693	55,350
United Arab Emirates	250,072	111,941	64,265	64,653
South Africa	11,479	9,965	-	-
Uzbekistan	-	-	477,490	-
Rest of world	43,085	43,516	16,634	17,193
	<u>1,276,632</u>	<u>1,080,413</u>	<u>13,268,685</u>	<u>12,732,340</u>

Information about major customers

During the period, two customers (2020: two) individually accounted for more than 10% of the Group's revenues. The related revenue figures for these major customers, the identity of which may vary by period, were as follows:

	For the three months period ended	
	31 Mar 2021	31 Mar 2020
Customer A	284,976	275,387
Customer B	145,797	143,420

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

17 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 14 Muhurram 1443H, corresponding to 22 August 2021G.