ACWA POWER

Trading Period: Six (6) days, starting
from Sunday dated 11/01/1447H (corresponding to 06/07/2025G)
to Sunday dated 18/01/1447H (corresponding to 13/07/2025G)

A Saudi listed joint stock company established pursuant to Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G) and registered under Commercial Registration No. 1010253392 dated 10/07/1429H (corresponding to 13 July 2008G)

Offering of thirty-three million, nine hundred and twenty-eight thousand, five hundred and seventy (33,928,570) ordinary Shares at an Offering Price of two hundreds and ten Saudi Riyals (SAR 210) per Share ("Offering Price") by way of a rights issue, with a total value of seven billion, one hundred twenty-four million, nine hundred ninety-nine thousand, seven hundred Saudi Riyals (SAR 7,124,999,700), representing an increase in the Company's capital from seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares to seven billion, six hundred and sixty-four million, nine hundred and four thousand, nine hundred and eighty Saudi Riyals (SAR 7,664,904,980), divided into seven hundred and sixty-six million, four hundred and ninety thousand, four hundred and ninety-eight (766,490,498) ordinary Shares, representing an increase of 4.63% in the current share capital of the Company (the "Offering").[1]

ACWA Power Company (hereinafter referred to as "**ACWA Power**" or the "**Company**", together with its subsidiaries, the "**Group**") is a Saudi listed joint stock company established pursuant to Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G) and registered under Commercial Registration No. 1010253392 dated 10/7/1429H (corresponding to 13/7/2008G) in Riyadh, Kingdom of Saudi Arabia. The Company's head office is located on the 2nd floor, Building 5, The Business Gate, King Khaled International Airport Road, P. O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia.

The Company's current share capital is seven billion three hundred and twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares with a fully paid-up nominal value of ten Saudi Riyals (SAR 10) per share (each individually referred to as "**Current Share**" and jointly "**Current Shares**"). As at the date of this Prospectus, the Company has two (2) Substantial Shareholders holding 5% or more of the Company's Share capital, namely the Public Investment Fund ("**PIF**"), holding 44.164% of the Company's capital, and Vision International Investment Company, holding 22.749% of the Company's capital.

The Company's Board of Directors recommended in its decision dated 04/12/1445H (corresponding to 10 June 2024G) to increase the Company's capital by a total amount of 7,125 million Saudi Riyals through a rights issue, after obtaining all necessary regulatory approvals and the approval of the Extraordinary General Assembly of the Company ("**EGM**").

On 05/01/1447H (corresponding to 30/06/2025G), the EGM approved the increase of the Company's share capital from seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares, to seven billion, six hundred and sixty-four million, nine hundred and four thousand, nine hundred and eighty Saudi Riyals (SAR 7,664,904,980), divided into seven hundred and sixty-six million, four hundred and ninety thousand, four hundred and ninety-eight (766,490,498) ordinary Shares, representing an 4.63% increase in the current capital by way of a rights issue (the "**Rights Issue**"). The Offering consists of the issue of thirty-three million, nine hundred and twenty-eight thousand, five hundred and seventy (33,928,570) new ordinary shares ("**New Shares**" or the "**Rights Shares**") at an Offering Price of two hundreds and ten Saudi Riyals (SAR 210) per share, with a nominal value of ten Saudi Riyals (SAR 10) per Share.

The Rights Shares will be issued in the form of tradable securities (collectively the "**Rights**" and individually "**Right**") to the Company's shareholders who are registered in the Company's shareholders register as at the close of trading on the date of the EGM approving the capital increase and those who are registered in the Company's shareholders register at the Depository Center at the end of the second trading day following the date of the EGM approving the capital increase on 05/01/1447H (corresponding to 30/06/2025G) ("**Eligibility Date**") (each Shareholder is referred to as "**Registered Shareholder**" and collectively as "**Registered Shareholders**"). Such Rights will be deposited into the Registered Shareholders' portfolios within two (2) business days from the Eligibility Date in the amount of 0.0643 Rights for each Share held as at the Eligibility date. Each Right grants its holder the right to subscribe to one New Share at the Offering Price.

Registered Shareholders and other investors ("**New Investors**"), who may trade the Rights and subscribe to the New Shares, will be able to trade and subscribe to the Rights on the Saudi Exchange ("**Tadawul**" or the "**Exchange**"). The trading period and subscription period will commence three (3) business days from the approval of the capital increase by the EGM, from Sunday dated 11/01/1447H (corresponding to 06/07/2025G), provided that the trading period ends on Sunday dated 18/01/1447H (corresponding to 13/07/2025G) ("Trading Period"), while the subscription period will continue until the end of Wednesday dated 21/01/1447H (corresponding to 16/07/2025G) ("**Subscription Period**"). It is important to note that the Trading Period and the Subscription Period will start on the same day, but the Trading Period will continue until the end of the sixth (6th) day of the period, and the Subscription Period continues until the end of the ninth (9th) day of the same period.

During the Trading Period, Registered Shareholders will be able to trade the Rights by selling the acquired Rights or part thereof, buying additional Rights through the Exchange or refraining from taking any action in that regard. In addition, New Investors will be able to buy and sell the Rights during Trading Period through the Exchange.

Subscription to New Shares during the Subscription Period will take place in one phase as follows:

- During this Period, all Registered Shareholders and New Investors will be allowed to subscribe for the New Shares.
- Registered Shareholders will be entitled to subscribe directly to the number or less than the number of Rights held by them during the Subscription Period. If a Registered Shareholder buys new Rights, the Registered Shareholder will be able to subscribe thereto by the end of the settlement period of Rights purchase process (two (2) business days).
- New Investors, who purchased Rights during the Trading Period, will be allowed to subscribe to the New Shares after the settlement of the Rights purchase process (two (2) business days).
- Subscription will be available electronically through investment portfolios in trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the broker. Subscription shall only be approved for a number of New Shares due under the Rights existing in the investment portfolio.

If any Rights Shares remain unsubscribed after the end of the Subscription Period ("**Rump Shares**"), they will be offered at no less than the Offering Price to a number of institutional investors ("**Institutional Investors**") (referred to as "**Rump Offering**"). Such Institutional Investors shall submit their offers for purchasing the Rump Shares and the receipt of those offers shall commence at ten (10:00) am on Monday dated 25/01/1447H (corresponding to 21/07/2025G) and continue until five (5:00) pm on Tuesday dated 26/01/1447H (corresponding to 22/07/2025G) ("**Rump Offering Period**"). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer until all Rump Shares have been allocated (provided that the price shall not be less than the Offering Price). The Rump Shares shall be allocated on a pro-rata basis among Institutional Investors that provided offers at the same price. The Fractional Shares shall be added to the Rump Shares and treated in the same manner. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company and any proceeds in excess (if any) without calculating any fees or deductions (exceeding the Offering Price) for the Eligible Persons, as per their entitlement on a pro-rata basis no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G); noting that investors who did not subscribe or sell their Rights, and the owners of Fractional Shares, may not receive any consideration if the sale is made during the Rump Offering Period.

In the event that Institutional Investors did not subscribe to all of the Rump Shares and Fractional Shares, then these Shares shall be allocated to the Underwriters, who shall subscribe for such Shares at the Offering Price on a pro-rata basis (please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus). Final allocation will be announced no later than Thursday dated 29/01/1447H (corresponding to 24/07/2025G) (the "**Allocation Date**").

Upon completion of the Offering, the Company's capital will reach seven billion, six hundred and sixty-four million, nine hundred and four thousand, nine hundred and eighty Saudi Riyals (SAR 7,664,904,980), divided into seven hundred and sixty-six million, four hundred and ninety thousand, four hundred and ninety-eight (766,490,498) ordinary Shares. The Net Offering Proceeds shall be mainly used to enable the Company to consolidate its growth strategy, which aims to triple its managed assets by 2030G and strengthen its financial position. (Please refer to Section (7) ("**Use of Proceeds**") of this Prospectus).

All Company Shares are of one class, and no share gives its holder preferential rights. The New Shares will be fully paid in value and exactly equal to outstanding Shares. Each Share entitles its holder to one vote, and each Shareholder in the Company (the "**Shareholder**") has the right to attend and vote at the ordinary and extraordinary general assembly of Shareholders (the "**General Assembly**"). Owners of New Shares are entitled to any dividends declared by the Company for distribution from the date of their issue (if any). (Please refer to Section 2 ("**Risk Factors**") of this Prospectus).

Offering Period: Nine (9) days, starting
from Sunday dated 11/01/1447H (corresponding to 06/07/2025G)
to Wednesday dated 21/01/1447H (corresponding to 16/07/2025G)

The Company was incorporated as a Saudi closed joint stock company with a share capital of two billion nine hundred twenty million eight hundred and ninety-five thousand Saudi Riyals (SAR 2,920,895,000) divided into two hundred ninety-two million eighty-nine thousand and five hundred (292,089,500) ordinary Shares with a fully paid up nominal value of ten Saudi Riyals (SAR 10) per Share. On 1/12/1429H (corresponding to 29 November 2008G), the Company's capital was increased to three billion three hundred sixty million and five thousand Saudi Riyals (SAR 3,360,005,000) divided into three hundred and thirty-six million and five hundred (336,000,500) Shares through the subscription of New Shares by Mohammed & Abdullah Ibrahim Al-Subeaei Co., Al Fozan Holding, Omar Kassem Alesayi & Partners Marketing, Al-Mutlaq Group Co. and Al Mojel Trading & Contracting. On 2/7/1431H (corresponding to 14 June 2010G), the Company's share capital was increased to three billion seven hundred ten million two hundred fifteen thousand six hundred and five Saudi Riyals (SAR 3,710,215,605) divided into three hundred seventy-one million twenty-one thousand five hundred and sixty (371,021,560) Shares through the subscription of New Shares by the Company's Shareholders. On 30/2/1434H (corresponding to 12 January 2013G), the Company's share capital was increased to four billion six hundred four million nine hundred fifty-two thousand four hundred and forty Saudi Riyals (SAR 4,604,952,440) divided into four hundred sixty million four hundred ninety- five thousand two hundred and forty-four (460,495,244) Shares through the issuance of New Shares to the Public Pension Agency (now the General Organisation for Social Insurance) and Saudi Arabian Investment Company (Sanabil Investments) as New Shareholders. On 23/7/1434H (corresponding to 2 June 2013G), the Company's share capital was increased through capitalisation of Shareholder loans by way of Shareholder resolution (pursuant to Article 138 of the Companies Law) to five billion three hundred thirty-five million nine hundred fifty-two thousand four hundred and forty Saudi Riyals (SAR 5,335,952,440) divided into five hundred and thirty-three million five hundred ninety-five thousand two hundred and forty-four (533,595,244) Shares. On 26/11/1434H (corresponding to 2 October 2013G), it was resolved to reduce the share capital of the Company by one hundred thirty-seven million six hundred and ninety-three thousand Saudi Riyals (SAR 137,693,000) to five billion one hundred ninety-eight million two hundred fifty-nine thousand four hundred and forty Saudi Riyals (SAR 5,198,259,440), consisting of five hundred nineteen million eight hundred twenty five-nine hundred and forty-four (519,825,944) Shares as a result of the cancellation of the Company's treasury buy-back shares. On 14/1/1435H (corresponding to 17 November 2013G), the Share capital of the Company was increased pursuant to a Shareholder resolution to five billion four hundred seventy- six million thirty-seven thousand two hundred and ten Saudi Riyals (SAR 5,476,037,210) divided into five hundred forty-seven million six hundred three thousand seven hundred and twenty-one (547,603,721) Shares through the issuance of New Shares to International Finance Corporation ("**IFC**") as a New Shareholder. On 14/10/1439H (corresponding to 26 June 2018G), the Share Capital of the Company was increased pursuant to a Shareholder resolution to six billion four hundred fifty-seven million six hundred twenty-eight thousand seven hundred and eighty Saudi Riyals (SAR 6,457,628,780) divided into six hundred forty-five million seven hundred sixty-two thousand eight hundred and seventy-eight (645,762,878) Shares through the issuance of New Shares to the PIF as a New Shareholder. On 03/11/1442 H (corresponding to 13 June 2021G), the EGM approved the increase of the Company's capital from six billion four hundred fifty-seven million six hundred twenty-eight thousand seven hundred and eighty Saudi Riyals (SAR 6,457,628,780) divided into six hundred forty-five million, seven hundred sixty-two thousand eight hundred and seventy-eight (645,762,878) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per share to seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, and the issuance of eighty- five million three hundred thirty-six thousand eight hundred and fifty-one (85,336,851) new ordinary Shares (representing 11.67% of the Company's capital after the increase), of which, eighty-one million one hundred ninety- nine thousand two hundred and ninety-nine (81,199,299) Shares (representing 11.1% of the Company's capital after the increase) were offered for public subscription. The four million, one hundred thirty-seven thousand and five hundred and fifty-two (4,137,552) Rump New Shares (representing 0.57% of the Company's Share capital after the increase) were allocated to some of the employees of the Company and its subsidiaries under the employee share programme. On 20/10/1445H (corresponding to 29 April 2024G), the Company's General Assembly approved the recommendation of the Board to increase the capital of the Company from seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares to seven billion three hundred and twenty-five million, six hundred and nineteen thousand and two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares, by way of the distribution of bonus Shares to Shareholders through the capitalisation of fourteen million six hundred twenty-one thousand nine hundred and ninety Saudi riyal (SAR 14,621,990) of the retained profits.

On 05/01/1447H (corresponding to 30/06/2025G), the Company's EGM approved the increase of the Company's capital from seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares to seven billion, six hundred and sixty-four million, nine hundred and four thousand, nine hundred and eighty Saudi Riyals (SAR 7,664,904,980) divided into seven hundred and sixty-six million, four hundred and ninety thousand, four hundred and ninety-eight (766,490,498) ordinary Shares, representing an increase in the current capital of 4.63%, by way of a Rights Issue. The number of Shares listed as at the date of this Prospectus is seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) Shares.

As at the date of this Prospectus, the Company's Current Shares are traded on the Exchange. The Company has filed an application with the Saudi Capital Market Authority ("**CMA**") in the Kingdom for registering and offering the New Shares subject to this Prospectus. Another application has been submitted by the Company with the Saudi Exchange (Tadawul) to accept the listing of the New Shares. This Prospectus has been approved as all the required documents have been submitted and all the requirements of the relevant authorities have been fulfilled. The trading of New Shares is expected to commence on the Exchange shortly after the final allocation of New Shares and refund of extra subscriptions. Please refer to Section ("**Key Dates and Subscription Procedures**") of this Prospectus. Upon registering and listing of the New Shares, Saudi nationals; non-Saudi nationals holding valid residency permits in Saudi Arabia; GCC nationals, Saudi and GCC companies and funds, Qualified Foreign Investors and Foreign Strategic Investors will be permitted to trade in the Shares pursuant to the Rules for Foreign Investment in Securities. Furthermore, other categories of foreign investors are entitled to the economic benefits associated with the New Shares by concluding swap agreements with capital market institutions licensed by the CMA (the "**CMI**"), noting that the CMI shall in such case be the registered legal owner of Shares.

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

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

The offering of Rights under this Prospectus is contingent on the Shareholder's approval to increase the share capital in accordance with the Board's recommendation and the Company obtaining the required regulatory approvals, including the approval of the Company's Extraordinary General Assembly to increase the capital. An invitation was sent to hold an Extraordinary General Assembly Meeting to increase the capital through a Rights Issue on 08/12/1446H (corresponding to 04/06/2025G).

This Prospectus was issued on 22/11/1446H (corresponding to 20/05/2025G)

Joint Financial Advisors

SNB Capital | J.P.Morgan | citi

Lead Manager

SNB Capital

Underwriters

citi | J.P.Morgan | SNB Capital | BSF Capital | FAB Capital | Emirates NBD Capital KSA | NATIXIS

1 Note: The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.

Important Notice

This Prospectus contains detailed information about the Company and the Rights offered for subscription. In subscribing to the Rights Shares, investors shall be treated as applying on the basis of the information contained in this Prospectus, copies of which are available at the head office of the Company, the Lead Manager, or by visiting the Company's website (www.acwapower.com), CMA's website (www.cma.org.sa), or the Joint Financial Advisors' websites (www.citibank.com/icg/sa/emea/saudi-arabia), (www.alahlicapital.com) and (www.jpmorgansaudiarabia.com).

The Prospectus will be published and assured to be available to the public within a period not less than fourteen (14) days prior to the date of the Extraordinary General Assembly meeting on the capital increase. In the event that the Extraordinary General Assembly does not approve the capital increase within six (6) months from the date of the CMA's approval on registering and offering the Right Issue, such an approval given by the CMA shall be deemed to be canceled.

The Company has appointed Citigroup Saudi Arabia ("**Citi Group**"), SNB Capital Company ("**SNB Capital**"), and J.P. Morgan ("**J.P. Morgan**") as its financial advisors (collectively, the "**Joint Financial Advisors**") and underwriters. The Company has also appointed each of Saudi Fransi Capital, FAB Capital, Emirates NBD Capital KSA and Natixis Saudi Arabia Investment Company as underwriters (collectively with the Joint Financial Advisors, the "**Underwriters**"). SNB Capital has been appointed by the Company as Lead Manager ("**Lead Manager**"). Please refer to Section (11) ("**Underwriting**") of this Prospectus.

This Prospectus includes information given in compliance with the Rules on the Offer of Securities and Continuing Obligations issued by the CMA (as defined in Section 1 ("**Definitions and Abbreviations**")). The Directors, whose names appear in Section (5) ("**Ownership and Organisational Structure of the Company**") of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and opinion, there are no other facts the omission of which would render any statement contained therein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

While the Company has made all reasonable studies and enquiries as to the accuracy of the information contained in this Prospectus as of the date hereof, substantial portions of the market and industry information referenced herein are derived from external sources. While none of the Company, Joint Financial Advisors, or the Company's advisors, whose names appear in the ("**Corporate Directory**") section of this Prospectus ("**Advisors**"), have any reason to believe that any of the market and industry information is materially inaccurate, neither the Company nor any of its Advisors have independently verified such information. Accordingly, no representations or assurances are made with respect to the accuracy or completeness of any of this information.

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

This Prospectus should not be regarded as a recommendation by the Company or any of its Directors or its Advisors to the subscription process to the Right Shares. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives, financial condition, or particular investment needs of individuals wishing to invest in Rights Shares. Prior to making an investment decision, each recipient of this Prospectus shall obtain independent professional advice from a financial advisor licensed by the CMA in relation to subscribing for the New Shares in order to assess the appropriateness of investment opportunity and information herein with regard to the recipient's respective objectives, financial positions and needs, including the merits and risks involved in investing in the Rights Shares. An investment in the Offering Shares may be appropriate for some investors but not others. Prospective investors should not rely on another party's decision whether or not to invest as a basis for their own examination of the investment opportunity and such investor's individual circumstances.

All Registered Shareholders and New Investors may trade in the Rights and subscribe for the New Shares on the Exchange. The Trading Period and Subscription Period will commence three (3) business days from the approval of the capital increase by the EGM, on Sunday dated 11/01/1447H (corresponding to 06/07/2025G), provided that the Trading Period ends on Sunday dated 18/01/1447H (corresponding to 13/07/2025G ("**Trading Period**"), while the Subscription Period will continue until the end of Wednesday dated 21/01/1447H (corresponding to 16/07/2025G) ("**Subscription Period**"). It is important to note that the Trading Period and the Subscription Period will start on the same day, while the Trading Period continues until the end of the sixth (6th) day of the period, and the Subscription Period continues until the end of the ninth (9th) day of the same period. The Trading Period will begin at ten (10:00) am and end at three (3:00) pm, while the Subscription Period will begin from ten (10:00) am to two (2:00) pm.

During the Trading Period, Registered Shareholders will be able to trade the Rights by selling the acquired Rights or part thereof, buying additional Rights through the Exchange or refraining from taking any action in that regard. In addition, New Investors will be able to buy and sell the Rights during Trading Period through the Exchange.

Subscription to New Shares during the Subscription Period will take place in one phase as follows:

- During this Period, all Registered Shareholders and New Investors will be allowed to subscribe for the New Shares.
- Registered Shareholders will be entitled to subscribe directly to the number or less than the number of Rights held by them during the Subscription Period. If a Registered Shareholder buys new Rights, the Registered Shareholder will be able to subscribe thereto by the end of the settlement period of Rights purchase process (two (2) business days).
- New Investors will be allowed to subscribe to the New Shares during the Trading Period by the end of the settlement of the Rights purchase (two (2) business days from the purchase of New Shares).
- Subscription will be available electronically through investment portfolios in trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the broker, Subscription shall only be approved for a number of New Shares due under the Rights existing in the investment portfolio.

If any Rights Shares remain unsubscribed after the end of the Subscription Period ("**Rump Shares**"), they will be offered at no less than the Offering Price to a number of institutional investors ("**Institutional Investors**") (referred to as "**Rump Offering**"). Such Institutional Investors shall submit their offers for purchasing the Rump Shares and the receipt of those offers shall commence at ten (10:00) am on Monday dated 25/01/1447H (corresponding to 21/07/2025G) and continue until five (5:00) pm on Tuesday dated 26/01/1446H (corresponding to 22/07/2025G) ("**Rump Offering Period**"). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer until all Rump Shares have been allocated (provided that the price shall not be less than the Offering Price). The Rump Shares shall be allocated on a pro-rata basis among Institutional Investors that provided offers at the same price. The Fractional Shares shall be added to the Rump Shares and treated in the same manner. All proceeds resulting from the sale of the Rump Shares shall be distributed to the Company and any proceeds (if any) in excess of the Offering Price (without calculating any fees or deductions) shall be distributed to investors who own unsubscribed and unsold Rights and/or Fractional Shares, as per their entitlement on a pro-rata basis no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G); noting that investors who did not subscribe or sell their Rights, and the owners of Fractional Shares, may not receive any consideration if the sale is made during the Rump Offering Period.

In the event that Institutional Investors did not subscribe to all of the Rump Shares and Fractional Shares, then these Shares shall be allocated to the Underwriters, on a pro-rata basis who shall subscribe for such Shares at the Offering Price. Please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") and Section 11 ("**Underwriting**") of this Prospectus. Final allocation will be announced no later than Thursday dated 29/01/1447H (corresponding to 24/07/2025G) (the "**Allocation Date**").

The offering of Rights under this Prospectus is contingent on the shareholder's approval to increase the share capital in accordance with the Board's recommendation and the Company's obtaining regulatory approvals. An invitation was sent to hold an Extraordinary General Assembly Meeting to increase the capital through a Rights Issue on 08/12/1446H (corresponding to 04/06/2025G), and the Extraordinary General Assembly Meeting took place on 05/01/1447H (corresponding to 30/06/2025G).

Information on Sector and Market

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Group's estimates, using underlying data from third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets in this Prospectus are based on published and publicly available data obtained from multiple independent third-party sources. Although there is no reason to believe that this information lacks accuracy in its essence, members of the Company's board of directors, shareholders and Advisors have not independently verified the validity of this information and data, and therefore no clear statement or confirmation can be given regarding the correctness and completeness of this information.

Financial Information

The audited consolidated financial statements of the Company as of and for the financial years ended 31 December 2021G, 2022G and 2023G, the audited interim consolidated financial statements for the period ended 30 June 2024G, and the notes thereto have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as endorsed in the Kingdom and other standards issued by the Saudi Organisation for Chartered and Professional Accountants ("**SOCPA**"); and have been audited by the Ernst & Young Professional Services (Professional LLC) for the financial years ended 31 December 2021G and 2022G and the three-month period ending 31 March 2023G and KPMG for the financial year ended 31 December 2023G and the period ended 30 June 2024G) ("**the Auditors**"), as stated in their reports appearing herein.

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

Forecasts and Forward-Looking Statements

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

Certain statements in this Prospectus are, or may be deemed to be, "**forward-looking statements**". Such statements can generally be identified by their use of forward-looking words such as "**plans,**" "**estimates,**" "**believes,**" "**expects,**" "**targets,**" "**anticipates,**" "**may,**" "**will,**" "**should,**" "**expected,**" "**would be,**" or the negative thereof or other variations of such terms or comparable terminology. These forward-looking statements reflect the current views of the Company and its management with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance or achievements of the Company to be significantly different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (For further details, please refer to Section 2 ("**Risk Factors**") and Section 3 ("**The Company**")). Should any one or more of the risks or uncertainties materialise or any underlying assumptions prove to be inaccurate or incorrect, the Company's actual results may vary materially from those described, explained, estimated or planned in this Prospectus.

Subject to the requirements of Article (29) of the Rules on the Offer of Securities and Continuing Obligations, the Company must submit a supplementary Prospectus to the CMA if, at any time after this Prospectus has been published and before the listing of the Offering Shares, the Company becomes aware that (i) there has been a significant change in any material information contained in this Prospectus or in any document required by the Rules on the Offer of Securities and Continuing Obligations, or (ii) the occurrence of additional significant matters, which would have been required to be included in this Prospectus.

Except in the aforementioned circumstances, the Company does not intend to update or otherwise revise any industry or market information in this Prospectus, whether as a result of new information, future events or otherwise. As a result of the foregoing risks, assumptions and other uncertainties, the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects, or at all. Prospective investors should consider all forward-looking statements in light of these explanations and should not place undue reliance on forward-looking statements.

Definitions and Abbreviations

Please refer to Section (1) ("**Definitions and Abbreviations**") of this Prospectus for a list of the defined terms and abbreviations used in this Prospectus.

Corporate Directory

Company's Board of Directors

Table (1-1): The Company's Board of Directors*

Name	Position	Nationality	Age	Status	Date of Appointment
Mr Mohammad Abdullah Rashed Abunayyan	Chairman	Saudi	62	Non-executive	05 January 2025G
Mr Raad Esmat Abdulsamad Al Saady	Vice Chairman and Managing Director	Saudi	50	Executive	05 January 2025G
Dr Ibrahim Sulaiman Abdulaziz Al-Rajhi	Director	Saudi	54	Non-executive	05 January 2025G
H.E. Mr Ahmed Abdulaziz Mohammed Alhakbani	Director	Saudi	45	Independent	05 January 2025G
Mr Fahad Abduljalil Ali Al Saif	Director	Saudi	48	Non-Executive	05 January 2025G
Mr Omar Hamad Abdulaziz Al-Madhi	Director	Saudi	44	Non-executive	05 January 2025G
Mr Khaled Saleh Fahad AlKhattaf	Director	Saudi	57	Independent	05 January 2025G
Mr Omar Mohammed Nabil Mohammed Al-Midani	Director	Saudi	45	Non-executive	05 January 2025G
Mr Esmail Mohamed Saleh Alsallom	Director	Saudi	43	Non-executive	05 January 2025G
Ms. Sheila Khama	Director	Botswanan	67	Independent	05 January 2025G
Mr. Liming Chen	Director	Singaporean	70	Independent	05 January 2025G
Mr Abdullah Fahad Abdullah AlAbduljabbar	Director	Saudi	49	Non-executive	05 January 2025G

Source: The Company

* The current term of the Board began on 05/07/1446H (corresponding to 05 January 2025G) and will end on 19/08/1450H (corresponding to 04 January 2029G).

Senior Executives

Table (1-2): Senior Executives

Name	Position	Nationality	Age	Appointment date
Marco Arcelli	Chief Executive Officer (CEO)	Italian	53	20 March 2023
Abdulhameed Sulaiman Abdulkadir Al Muhaidib	Chief Financial Officer (CFO)	Saudi	40	01 August 2022
Faisal Yousef Ismail Jadu	Chief People and Culture Officer	Saudi	46	01 November 2022
Bart Boesmans	Chief Technology Officer	Belgian	60	01 January 2021
Ghassan Hosni Omar Shawli	Chief Legal & Governance Officer	Saudi	47	01 April 2021
Stefan Verlee*	Chief Operations Officer (COO)	Belgian	54	02 August 2022
Thomas Brostrom	Chief Business Development and Investment Officer	Danish	44	02 October 2023
Eric Maka	Chief Construction Officer	Belgian	52	01 February 2024
Simon Watson	Chief Health, Safety and Security Officer	British	44	01 February 2024
Rusha Khalid Sulaiman Al Rawaf	Chief Corporate Affairs and Sustainability Officer	Saudi	48	14 July 2024
Tahir Mahmood	Chief Risk Officer	British	54	04 September 2024
Furqan Kamlani	Chief Audit Officer	Pakistani	50	14 April 2019
Hesham Abdulaziz Abdulmohi Tashkandi	Geo Head KSA	Saudi	50	02 October 2023
Hashim Ghabashi	Geo Head for Middle East, Africa and Southeast Asia	Saudi	45	01 February 2024
Abid Malik	Geo Head Central Asia	Pakistani	55	01 February 2024
Saleh Alkhabti	Geo Head for China	Saudi	44	07 January 2025

Source: The Company

* Stefan Verlee previously held the position of Chief Operation and Maintenance Officer since his appointment on 2 August 2022G and up until 1 February 2024G, after which his title was updated to Chief Operations Officer.

The Company’s Address and Representatives

Company’s Address

ACWA Power
Ground Floor, Building 1 The Business Gate
King Khaled International Airport Road
P. O. Box 22616 Riyadh 11416
Kingdom of Saudi Arabia
Tel: +966112835555
Fax: ++966112835500
Website: www.acwapower.com
E-mail: ir@acwapower.com

Company Representatives

Mr. Raad Esmat Abdulsamad AlSaady
Vice Chairman and Managing Director
2nd Floor, Building A
The Business Gate
King Khaled International Airport Road
P. O. Box 22616 Riyadh 11416
Tel: +966112835544
Fax: [+966112835500
Website: www.acwapower.com
Email: ralsaady@acwapower.com

Mr. Abdulhameed Sulaiman Abdulkadir Almuhaidib
Chief Financial Officer
2nd Floor, Building A
The Business Gate
King Khaled International Airport Road
P. O. Box 22616 Riyadh 11416
Tel: ++966112990709
Fax: +966112835500
Website: www.acwapower.com
Email: asalmuhaidib@acwapower.com

Stock Market

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

Securities Depository Center

Securities Depository Center Company (Edaa)
6897 King Fahad Road – Al Olaya
Unit Number +11
P. O. Box 3388 Riyadh 12211
Kingdom of Saudi Arabia
Tel: +966 92002600
Fax: +966 11 218 9133
Website: www.edaa.sa
E-mail: cc@edaa.com.sa

Joint Financial Advisors and Underwriters
SNB Capital Company King Saud Road, Saudi National Bank Regional Building P. O. Box 22216, Riyadh 11495 Kingdom of Saudi Arabia Tel: +966(92)0000232 Fax: +966(92)0000232 Website: www.alahlicapital.com E-mail: snbc.cm@alahlicapital.com
J.P. Morgan Saudi Arabia Al Faisaliyah Centre- 8th Floor King Fahd Road P. O. Box 51907, Riyadh 11553 Kingdom of Saudi Arabia Tel: +966(11)299 3800 Fax: +966(11)299 3800 Website: www.jpmorgansaudiarabia.com E-mail: JPM_BAMBOO_CORE@jpmorgan.com
Citigroup Saudi Arabia 20th Floor, Kingdom Tower P. O. Box 10423 Riyadh 11372 Kingdom of Saudi Arabia Tel: +966 11 2246140 Fax: +966 920001919 Website: www.citibank.com/icg/sa/emea/saudi-arabia E-mail: info.csa@citi.com
Underwriters
Saudi Fransi Capital King Fahd Road, Olaya 8092 P.O. Box 3735, Riyadh 12313 Kingdom of Saudi Arabia Tel: +966 (11) 2826666 Fax: +966 (11) 2826823 Website: www.sfc.sa Email: ACWA.RI@FransiCapital.com.sa
FAB Capital MEFIC Tower 3rd Floor 7756 King Fahad Road, Almalqa Riyadh 13524 – 4181 Kingdom of Saudi Arabia Tel: +966 (11) 283 4372 Website: www.bankfab.com/ar-sa Email: ECM@bankfab.com

Emirates NBD Capital KSA Signature Center, 2nd Floor Prince Turki Al Awwal Road Hittin Neighborhood PO Box 341777, Riyadh 11333 Kingdom of Saudi Arabia Tel: +966 (11) 299 3900 Fax: +966 (11) 299 3955 Website: www.emiratesnbdcapital.com.sa Email: projectbamboo@emiratesnbd.com	Emirates NBD CAPITAL KSA
Natixis Saudi Arabia Investment Company Al Faisaliah Tower, 16th Floor P.O. Box 54995, Riyadh 11524 Kingdom of Saudi Arabia Tel: +966 (11) 490 3946 Fax: +966 (11) 490 3938 Website: emea.cib.natixis.com/saudi-arabia/en Email: project.bamboo@natixis.com	NATIXIS
Lead Manager	
SNB Capital Company King Saud Road, Saudi National Bank Regional Building P. O. Box 22216, Riyadh 11495 Kingdom of Saudi Arabia Tel: +966(92)0000232 Fax: +966(92)0000232 Website: www.alahlicapital.com E-mail: snbc.cm@alahlicapital.com	SNB Capital
Local Legal Advisor to the Company	
Abuhimed Alsheikh Alhagbani Clifford Chance Law Firm Building 15 The Business Gate King Khaled International Airport Road P. O. Box 90239, Riyadh 11613 Kingdom of Saudi Arabia. Tel: +966 11 218 9133 Fax: +966 11 481 9701 Website: www.ashcliffordchance.com E-mail: Info.ASH@ashcliffordchance.com	AS&H ABUHIMED ALSHEIKH ALHAGBANI CLIFFORD CHANCE
Legal advisor outside the Kingdom	
Clifford Chance LLP ICD Brookfield Place Tower, 32nd Floor Dubai International Financial Centre P. O. Box 9380 Dubai United Arab Emirates Tel: ++97145032600 Fax: ++97145032800 Website:https://www.cliffordchance.com/people_and_places/offices/dubai.html Email: projectbambooriyadh@ashcliffordchance.com	CLIFFORD CHANCE

Legal Advisor to the Joint Financial Advisors, Lead Manager and Underwriters	
White & Case Level 12, Tadawul Tower King Abdallah Financial District PO. Box 12115, Riyadh 11473 Kingdom of Saudi Arabia Tel: +966 (11) 4167300 Fax: +966 (11) 4167399 Website: www.whitecase.com Email: projectbamboo@whitecase.com	
Independent Advisor to the Company	
Himmah Capital Investment Company Unit 8, 1st Floor, King Abdulaziz Road Al Maseef District P.O. Box 23065 Riyadh Tel: +966 112690043 Website: https://himmahcapital.com/ Email: projectbamboo@himmahcapital.com	
Auditor	
For the financial years ended 31 December 2021G and 2022G and the three-month period ending 31 March 2023G	
Ernst & Young Professional Services (Professional LLC) Al Faisaliah Tower – 14th Floor King Fahd Road P. O. +2732 Riyadh 11461 Kingdom of Saudi Arabia Tel: +966 11 218 9133 Fax: +966 11 218 9133 Website: ey.com/mena E-mail: ey.ksa@sa.ey.com	
Auditor	
For the financial year ended 31 December 2023G and the six-month period ending 30 June 2024G	
KPMG Professional Consulting Roshn Front, Airport Road P.O. Box 92876 Riyadh 11663 Kingdom of Saudi Arabia Tel: +966 11 874 8500 Fax: +966 11 874 8600 Website: kpmg.com/sa E-mail: marketingsa@kpmg.com	

Note: The above Advisors and Auditors have given and have not withdrawn, as at the date of this Prospectus, their written consent to the publication of their names, logos and the reports and/or statements (as applicable) attributed to each of them in the context in which they appear in this Prospectus. None of these entities, their employees (forming part of the team responsible for offering services to the Company), or their relatives own any shares or interest of any kind in the Company or its subsidiaries as at the date of this Prospectus such that would impair their independence.[2]

2 Note: the independence of Ernst & Young Professional Services (Professional LLC) as auditor, is up to the date of the audit report dated 1 March 2023, on the consolidated financial statements of the Company as of and for the year ended 31 December 2022.

Offering Summary

Prospective Investors should read the entire Prospectus before making a decision as to whether or not to trade or subscribe to the Rights Shares. In particular, they should take into account the ("**Important Notice**") as well as Section 2 ("**Risk Factors**") of this Prospectus. Below is the summary of the Offering:

Issuer's Name, Description, and Information on its Incorporation	ACWA Power ("**ACWA Power**" or the "**Company**") is a Saudi joint stock company established pursuant to Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5/7/2008G) and registered under Commercial Registration No 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G). The Company's head office is located on the 2nd Floor, Building 5, The Business Gate, King Khaled International Airport Road, P. O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The current share capital of the Company is seven billion three hundred and twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares with a fully paid-up nominal value of ten Saudi Riyals (SAR 10) per share. The Company was incorporated as a Saudi closed joint stock company under the name (International Company for Water and Power Projects) with a Share Capital of two billion nine hundred twenty million eight hundred ninety-five thousand Saudi Riyals (SAR 2,920,895,000) divided into two hundred and ninety-two million eighty-nine thousand and five hundred (292,089,500) ordinary cash Shares with a fully paid up nominal value of ten Saudi Riyals (SAR 10) per Share (each a "**Share**"). On 1/12/1429H (corresponding to 29 November 2008G), the Company's capital was increased to three billion three hundred sixty million and five thousand Saudi Riyals (SAR 3,360,005,000) divided into three hundred thirty six million and five hundred (336,000,500) Shares through the subscription of New Shares by Mohammed & Abdullah Ibrahim Al- Subeaei Co., Al Fozan Holding, Omar Kassem Alesayi & Partners Marketing, Al-Mutlaq Group Co. and Al Mojel Trading & Contracting. On 2/7/1431H (corresponding to 14 June 2010G), the Company's share capital was increased to three billion seven hundred ten million two hundred fifteen thousand six hundred and five Saudi Riyals (SAR 3,710,215,605) divided into three hundred seventy-one million, twenty- one thousand five hundred and sixty (371,021,560) Shares through the subscription of New Shares by the Company's Shareholders. On 30/2/1434H (corresponding to 12 January 2013G), the Company's Share capital was increased pursuant to a Shareholder resolution to four billion six hundred four million nine hundred fifty-two thousand four hundred and forty Saudi Riyals (SAR 4,604,952,440) divided into four hundred and sixty million four hundred ninety-five thousand two hundred and forty-four (460,495,244) Shares through the issuance of New Shares to the Public Pension Agency (now the General Organisation for Social Insurance) and Saudi Arabian Investment Company (Sanabil Investments), a company wholly owned by the PIF, as New Shareholders. On 23/7/1434H (corresponding to 2 June 2013G), the Company's share capital was increased through capitalisation of Shareholder loans by a Shareholder resolution (pursuant to Article 138 of the Companies Law) to five billion three hundred and thirty-five million nine hundred fifty-two thousand four hundred and forty Saudi Riyals (SAR 5,335,952,440) divided into five hundred and thirty-three million five hundred ninety-five thousand two hundred and forty-four (533,595,244) Shares. On 26/11/1434H (corresponding to 2 October 2013G), the Shareholder resolution was issued to reduce the share capital of the Company by one hundred thirty-seven million six hundred and ninety-three thousand Saudi Riyals (SAR 137,693,000) to five billion one hundred ninety-eight million two hundred fifty-nine thousand four hundred and forty Saudi Riyals (SAR 5,198,259,440), consisting of five hundred nineteen million eight hundred twenty five-nine hundred and forty-four (519,825,944) Shares as a result of the cancellation of the Company's treasury buy-back shares. On 14/1/1435H (corresponding to 17 November 2013G), the Company's share capital was increased pursuant to a Shareholder resolution to five billion, four hundred seventy-six million thirty-seven thousand two hundred and ten Saudi Riyals (SAR 5,476,037,210) divided into five hundred forty-seven million six hundred three thousand seven hundred and twenty-one (547,603,721) Shares through the issuance of New Shares to the IFC as a New Shareholder. On 14/10/1439H (corresponding to 26 June 2018G), the Share capital of the Company was increased pursuant to a Shareholder resolution to six billion four hundred fifty-seven million six hundred twenty-eight thousand seven hundred and eighty Saudi Riyals (SAR 6,457,628,780) divided into six hundred forty-five million seven hundred sixty-two thousand eight hundred and seventy-eight (645,762,878) Shares through the issuance of New Shares to the PIF as a New Shareholder. On 03/11/1442H (corresponding to 13 June 2021G), the Extraordinary General Assembly approved the increase of the Company's capital from six billion four hundred fifty-seven million six hundred twenty-eight thousand seven hundred and eighty Saudi Riyals (SAR 6,457,628,780) divided into six hundred forty-five million seven hundred sixty-two thousand eight hundred and seventy-eight (645,762,878) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred and thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, and the issuance of eighty-five million three hundred thirty-six thousand eight hundred and fifty-one (85,336,851) New Ordinary Shares (representing 11.67% of the Company's capital after the increase), of which, eighty-one million one hundred ninety-nine thousand two hundred and ninety-nine (81,199,299) Shares (representing 11.1% of the Company's capital after the increase) were offered for public subscription. The four million one hundred thirty- seven thousand five hundred and fifty-two (4,137,552) Rump New Shares (representing 0.57% of the Company's Share capital after the increase) were allocated to some of the employees of the Company and its subsidiaries under the employee share programme.

<table>
<tr><td>Issuer's Name, Description, and Information on its Incorporation</td><td>On 05/03/1443H (corresponding to 11 October 2021G), all of the Company's share capital was registered and listed on the Exchange at an amount of seven billion three hundred and ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290), divided into seven hundred and thirty-one million ninety- nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share.

On 02/06/1443H (corresponding to 05 January 2022G), the Extraordinary General Assembly approved the amendment of the name of the company from (International Company for Water and Power Projects) to (ACWA Power).

On 20/10/1445H (corresponding to 29 April 2024G), the Company's General Assembly approved the Board's recommendation to increase the Company's capital from seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares to seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty-two million five hundred sixty-one thousand nine hundred and twenty-eight (732,561,928) ordinary Shares, by way of the distribution of bonus Shares to Shareholders through the capitalisation of fourteen million six hundred and twenty-one thousand nine hundred and ninety Saudi Riyals (SAR 14,621,990) of the retained profits.

On 05/01/1447H (corresponding to 30/06/2025G), the Company's Extraordinary General Assembly approved the increase of the Company's capital from seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) to seven billion, six hundred and sixty-four million, nine hundred and four thousand, nine hundred and eighty Saudi Riyals (SAR 7,664,904,980) by way of a Rights Issue.

The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.</td></tr>
<tr><td>Activities of the Issuer</td><td>The Company's main activities as per its Bylaws and Commercial Registration certificate are as follows:
<table>
<tr><th>National Classification of Economic Activity (ISIC-4)</th><th>Activity Name</th></tr>
<tr><td>351011</td><td>Electric power generation</td></tr>
<tr><td>351014</td><td>Distribution and wholesale of electric energy</td></tr>
<tr><td>360013</td><td>Water desalination</td></tr>
<tr><td>422060</td><td>Establishment of electric power plants and transformers</td></tr>
<tr><td>422046</td><td>Repair and maintenance of electrical power plants and transformers</td></tr>
<tr><td>463075</td><td>Wholesale of desalinated water</td></tr>
</table>
Source: The Company's Bylaws and Commercial Registration certificate

The Company mainly conducts its activities and operates through its direct and indirect Subsidiaries.</td></tr>
<tr><td>Substantial Shareholders, their Ownership Percentages and Number of Shares Pre-Offering</td><td>The following table sets out the names and ownership percentages of the Company's Substantial Shareholders before and after the Offering:
<table>
<tr><th rowspan="2">Shareholder</th><th colspan="3">Pre-Offering</th><th colspan="3">Post-Offering*</th></tr>
<tr><th>Number of Shares</th><th>Nominal Value (SAR)</th><th>Direct Ownership (%)</th><th>Number of Shares</th><th>Nominal Value (SAR)</th><th>Direct Ownership (%)</th></tr>
<tr><td>Public Investment Fund</td><td>323,527,201</td><td>3,235,272,010</td><td>44.164%</td><td>338,511,347</td><td>3,385,113,470</td><td>44.164%</td></tr>
<tr><td>Vision Invest</td><td>166,652,822</td><td>1,666,528,220</td><td>22.749%</td><td>174,371,339</td><td>1,743,713,390</td><td>22.749%</td></tr>
<tr><td>Total</td><td>490,180,023</td><td>4,901,800,230</td><td>66.913%</td><td>512,882,686</td><td>5,128,826,860</td><td>66.913%</td></tr>
</table>
Source: The websites of Tadawul and the Company as of 16/06/1446H (corresponding to 17 December 2024G).

*Assuming that Substantial Shareholders subscribe to their full share of the Rights, and the above table will be updated to reflect the subscribed Rights in due course. It should be noted that the Substantial Shareholders, namely the Public Investment Fund and Vision Invest, have committed to subscribing to their full shares of the Rights Issue shares, representing SAR 4,767,559,415.43 of the total Offering of SAR 7,124,999,700. Additionally, certain non-Substantial Shareholders, including the Chairman of the Board of Directors of the Company, Mr. Mohammad Abunayyan, have committed to subscribing to their full share of the Rights Issue shares. The total offering for which the shareholders (including Substantial Shareholders and the above mentioned non-Substantial Shareholders) have committed to subscribing is 77.22% of the total Offering.</td></tr>
<tr><td>Nature of the Offering</td><td>Increasing the Company's capital through the issuance of Rights Shares.</td></tr>
<tr><td>Purpose of Issuing the Proposed Rights Shares</td><td>By increasing its capital through the issuance of Rights Shares, the Company aims to increase its capital to enable it to consolidate its growth strategy, which aims to deliver its "Strategy 2.0" which it has recently recalibrated in 2023G.

Please refer to Section (7) ("Use of Proceeds") for more information.</td></tr>
</table>

Total Proceeds Expected to Be Raised and a Detailed Breakdown and Description of the Proposed Use of Proceeds

The net proceeds of the Offering, after deducting the Offering Expenses, are expected to be seven billion and thirty-six million and five hundred forty-nine thousand and seven hundred (SAR 7,036,549,700) Saudi Riyals.

The Company has recently recalibrated its 2030G strategy in 2023G ("**Strategy 2.0**") (please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus for further details), which foresees the Company's equity participation in its Projects to increase to an annual average amount of SAR 7.5-9 billion between 2024G and 2030G, from its historical average levels around SAR 3.75-5.62 billion per year. Accordingly, the Company intends to use 75-85% of the net proceeds of the offering to finance its equity contribution in its existing and upcoming Projects pipeline, which will be used within a period not exceeding (24) months from the date of receiving the Offering Proceeds.

In addition to greenfield project development, the Company's business model includes identifying and capturing consolidation opportunities in its target markets, i.e., brownfield mergers and acquisitions, where the Company aims to accelerate its earnings and cash flow conversion cycles. Accordingly, the Company is currently evaluating several such opportunities, where the Company believes it will utilize 0-20% of the net proceeds of the offering in the Company's investment in its existing and upcoming Projects pipeline.

The Company plans to use the remaining 0-5% for its general corporate purposes including financing the development costs of its Projects and/or the limited notice to proceed amounts to enable fast development of the new Projects until the relevant Project Company signs the Project's financing agreements with the lenders. This will be allocated towards investments in corporate activities and business development, particularly in the phase before a project is awarded and the associated financial obligations arise.

The following table outlines the offering expenses, total offering proceeds, and Net Offering Proceeds:

Offering Expenses and Proceeds	Amount in Saudi Riyals (SAR)
Total Offering Proceeds	7,124,999,700
Offering Expenses	(88,450,000)
Net Offering Proceeds	7,036,549,700

Source: The Company

The following table outlines a summary of the expected use of the proceeds from the Offering, as detailed above:

Use of the Net Offering Proceeds (within a period not exceeding 24 month from the date of receiving the offering proceeds)	Amount in Saudi Riyals (SAR)	Percentage of Net Offering Proceeds
Financing the Company's contribution to its current and future projects	SAR 5,277,412,275 to SAR 5,981,067,245	75% – 85%
Mergers & acquisitions	Up to SAR 1,407,309,940	0% – 20%
General business purposes	Up to SAR 351,827,485	0% – 5%
Net Offering Proceeds	**7,036,549,700**	**100%**

Source: The Company

As at the date of this Prospectus, the geographic allocation for financing the Company's contribution to its current and future Projects is estimated as follows:

Financing the Company's Contribution to Current and Upcoming Projects by Region	Technology Used	Minimum Capital Contribution by Region (SAR)		Maximum Capital Contribution by Region (SAR)	
		Amount in Saudi Riyals (SAR)	Percentage of net Offering Proceeds	Amount in Saudi Riyals (SAR)	Percentage of net Offering Proceeds
Middle East and North Africa (including Saudi Arabia)	Renewable Energy, Gas, and Water	3,728,184,392	53%	4,225,275,644	60%
Central Asia	Renewable Energy, Gas, and Water	1,549,227,883	22%	1,755,791,601	25%
Total Financing Amount for the Company's Contribution to Current and Future Projects	Renewable Energy, Gas, and Water	5,277,412,275	75%	5,981,067,245	85%

Source: The Company

Please refer to Section (7) ("**Use of Proceeds**") for more information.

Offering Costs	The Company shall bear all expenses associated with the Rights Issue, which are estimated at eighty eight million and four hundred fifty thousand Saudi Riyals (SAR 88,450,000), to be deducted from the total gross proceeds of the Offering that are estimated to be SAR 7,124,999,700, which will be used to settle all the relevant Offering Expenses, which include the fees of each of the Joint Financial Advisors, inclusive of the Lead Manager and Underwriters, in addition to the fees and expenses pertaining to the local Legal Advisor to the Company, the Legal Advisor to the Company outside the Kingdom, the Independent Advisor to the Company, and the Legal Advisor to the Joint Financial Advisors, Lead Manager and Underwriters, and Auditors. The Company will bear all costs, fees and expenses related to the Offering. Please refer to Section (7) ("**Use of Proceeds**") for more information.
Net Offering Proceeds	The net proceeds of the Offering, after deducting the Offering Expenses, are expected to be seven billion and thirty-six million and five hundred forty nine thousand and seven hundred Saudi Riyals (SAR 7,036,549,700). Please refer to Section (7) ("**Use of Proceeds**") for more information.
Issuer's Pre- Offering Capital	Seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280).
Total Number of the Issuer's Pre-Offering Shares	Seven hundred thirty-two million, five hundred and sixty-one thousand and nine hundred twenty-eight (732,561,928) Shares.
Issuer's Post- Offering Capital	SAR 7,664,904,980. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Total Number of the Issuer's Post-Offering Shares	766,490,498 Shares. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Nominal Value per Share	SAR 10.
Total Number of Offering Shares	33,928,570 Shares. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Percentage of Shares Offered to the Issuer's Capital	4.63% The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
New Shares	33,928,570 Shares. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Offering Price	SAR 210. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Total Value of the Offering	SAR 7,124,999,700.
Number of Offering Shares to be Underwritten	33,928,570 Shares. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.

Total Offering Amount to be Underwritten	SAR 7,124,999,700.
Categories of Targeted Investors	All Shareholders of Rights, whether Registered Shareholders or New Investors ("**Eligible Persons**").
Registered Shareholders	Shareholders who own shares at the end of the trading day of the EGM for the capital increase and are registered in the Company's Shareholders Register held with the Depository Center at the end of the second trading day following the EGM on capital increase dated 05/01/1447H (corresponding to 30/06/2025G).
New Investors	Individual and institutional investors, except for Registered Shareholders, who purchased the Rights during the Trading Period.
The Rights	Rights are tradable securities that entitle their holders the right to subscribe to the New Shares offered, after approval of the capital increase. It is an earned right for all Registered Shareholders and each Right entitles its holder to subscribe to one share of the New Shares at the Offering Price. Rights will be deposited in Registered Shareholder portfolios within two (2) days after the Extraordinary General Assembly for the capital increase has convened. These rights will appear in the Registered Shareholders' portfolios under a new pre-emptive right-related symbol. The Registered Shareholders will be informed of the deposit of the Rights in their portfolios.
Number of Issued Rights	33,928,570 Rights. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Subscription Rights Issue Ratio	0.0463 Right per each one (1) existing share owned by the Registered Shareholders. This factor is the result of dividing the number of New Shares by the number of the Company's existing shares. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
Eligibility Date	Shareholders at the end of the trading day of the Extraordinary General Assembly approving the capital increase who are registered in the Company's Shareholders Register at the Depository Center at the end of the second trading day following the Extraordinary General Assembly approving the capital increase on 05/01/1447H (corresponding to 30/06/2025G).
Trading Period	The Trading Period shall begin three (3) business days from the approval of the capital increase by the EGM on Sunday dated 11/01/1447H (corresponding to 06/07/2025G), and continue until the end of day on Sunday dated 18/01/1447H (corresponding to 13/07/2025G). It is permissible during this period for all Rights holders, whether they are Registered Shareholders or New Investors, to trade Rights. It should be noted that the Trading Period continues until the end of the sixth (6th) day from the beginning of the period. The Trading Period will begin at ten (10:00) am and end at three (3:00) pm.
Subscription Period	The Subscription Period shall commence three (3) business days from the approval of the capital increase by the EGM on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and shall continue until the end of Wednesday dated 21/01/1447H (corresponding to 16/07/2025G). During this period, all Rights holders, whether Registered Shareholders or New Investors, may exercise their rights to subscribe for the New Shares. It should be noted that the Subscription Period continues until the end of the ninth (9th) day of the same period. The Subscription Period will begin at ten (10:00) am and end at two (2:00) pm.
Subscription Method	Eligible Persons wishing to subscribe for the New Shares shall submit the subscription application forms online via the brokers' websites and platforms which provide such service for subscribers or by any other means provided by brokers.
Exercising the Rights	Eligible Persons subscribing to the New Rights Shares by subscribing electronically through the websites and platforms of electronic Brokers that provide such services to subscribers, or through any other means provided by the Brokers. Eligible Persons may exercise Rights as follows: 1- At the subscription stage, Registered Shareholders may exercise such Rights or any other rights acquired thereby during the Trading Period, and they shall also be entitled to take no action regarding the Rights held thereby. 2- During the subscription stage, unregistered Shareholders can exercise the Rights purchased thereby during the Trading Period, and they shall also be entitled to take no action regarding the Rights held thereby. In the event that Registered Shareholders and New Investors do not exercise their Rights at the end of the Offering Period, the Rump Shares resulting from such failure to exercise those Rights will be offered during the Rump Offering Period.
Indicative Value of the Right	The indicative value of the Right is the difference between the market value of a Company share during the Trading Period and the Offering Price. Tadawul will calculate and publish the indicative value of the Right during the Trading Period on its website with a five (5) minute delay, and market information service providers will publish such information allowing investors to see the indicative value of the right when entering orders.

Right Trading Price	The price at which the Right is traded, knowing that said price is determined through Tadawul's mechanism of supply and demand, and therefore it may differ from the Indicative Value of the Right.
Rump Shares	The Rights Shares that remain unsubscribed for at the end of the Subscription Period.
Rump Offering	In the event that Rights Shares remain unsubscribed for at the end of the Subscription Period ("**Rump Shares**"), those Shares will be offered to a number of Institutional Investors ("**Institutional Investors**"), and such Institutional Investors shall submit offers to purchase the Rump Shares. Receipt of such offers will start at ten (10:00) am on Monday dated 25/01/1447H (corresponding to 21/07/2025G) until five (5:00) pm of the following day on 26/01/1447H (corresponding to 22/07/2025G) (the "**Rump Offering Period**"). The Rump Shares shall be allocated to Institutional Investors in order of the offered price starting with the highest offer until all of the Rump Shares have been allocated (provided that the price shall not be less than the Offering Price). The Rump Shares shall be allocated on a pro rata basis among Institutional Investors that provided offers at the same price. Fractional Shares, if any, shall be added to the Rump Shares and treated in the same manner.
Methods of Allocation and Excess Refund	Shares will be allocated to each investor based on the number of Rights properly and fully exercised. Fractional Shares (if any) will be added together and offered to Institutional Investors during the Rump Offering Period. The Company will receive the total Offering price of the sale of the Rump Shares and Fractional Shares. The rest of the proceeds (the amount over the Offering Price, if any) will be distributed without any fees or deductions to those who have not fully or partially subscribed for the New Shares and to the persons entitled to Fractional Shares. Please refer to Section 13 ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus. Excess Funds (if any) will be returned to subscribers without any commissions or deductions by the Lead Manager.
Allocation Date	Shares will be allocated no later than Thursday dated 29/01/1447H (corresponding to 24/07/2025G).
Subscription Surplus Refund Date	Subscription Surplus (if any) will be refunded without any commissions or deductions by the Lead Manager no later than Tuesday dated 11/02/1447H (corresponding to 08/05/2025G).
Compensation Payment (if any)	Cash compensation shall be paid to Eligible Persons who did not exercise their Right to subscribe in whole or in part to the New Shares and to those entitled to Fractional Shares without any deductions no later than Tuesday dated 11/02/1447H (corresponding to 08/05/2025G). Please refer to Section 13 ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus, noting that the cash compensation amounts represent the net proceeds in excess of the Offering Price (if any) from the sale of Rump and Fractional Shares.
Adjusted Price	The Company's Share price on the Exchange (Tadawul) has been adjusted to two hundred and fifty four Saudi Riyals (SAR 254) per share, prior to the trading day following the day of the Extraordinary General Assembly meeting on the capital increase; which represents a decrease of two Saudi Riyals (SAR 2) per Share. The Company announced the proposed details related to the number of new shares, offer price and the resulting share capital increase post market close on the extraordinary general assembly meeting day and before the extraordinary general assembly meeting, and presented such details related to the number of new shares, offer price and the resulting share capital increase to the shareholders during the extraordinary general assembly meeting for approval.
New Share Trading	Trading of Right Shares will commence on the Exchange (Tadawul) after completing all the procedures related to the registration, allocation and listing of the New Shares.
Listing and Trading of Rights	Rights shall be listed on Tadawul and traded during the Trading Period. Tadawul is preparing mechanisms governing the process of trading Rights in its systems. A separate symbol for the Company's Rights, independent of the Company's Share symbol, shall be employed. During the Trading Period, Registered Shareholders have several options including selling the acquired Rights or part thereof on the Exchange, buying additional rights through the Exchange or not doing anything in relation to the Rights, whether by selling them or buying additional Rights. During the Trading Period, New Investors will have the right to buy Rights through the Exchange, sell them or part thereof or not to take any action regarding the Rights purchased during the Trading Period. The Tadawul system shall cancel the Company's Rights symbol at the end of the Trading Period, and accordingly the trading of Rights will cease at the end of said Period.
Entitlement to Dividends	Owners of the Shares offered for subscription shall be entitled to any dividends declared by the Company after the date they are issued.
Voting Rights	The Company has one class of ordinary Shares, which do not carry any preferential rights. New Shares will be fully paid up and equal in value to Current Shares. Each Share shall give its holder the right to one vote at the Ordinary and Extraordinary General Assemblies, where cumulative voting shall be used to elect the board of directors. General Assembly meetings may be held with Shareholders participating in deliberations and voting by modern technological means in accordance with the controls set by the competent authority.
Restrictions on Shares	There are no restrictions on the trading of the Company's Shares except for the regulatory restrictions imposed on the shares listed in general.
Right Shares Trading Restrictions	There are no restrictions on the trading of the Rights Shares.

Restrictions on the New Shares, following the Capital Increase	There are no restrictions on Shareholders in general, following the subscription resulting from the capital increase.
Shares Previously Listed by the Issuer	On 05/03/1443H (corresponding to 11 October 2021G), the Company's share capital was registered and listed on the Exchange at an amount of seven billion three hundred and ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share. On 20/10/1445H (corresponding to 29 April 2024G), the Company's General Assembly approved the recommendation of the Board to increase the Company's capital from seven billion three hundred ten million nine hundred ninety seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares to seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty- two million five hundred sixty-one thousand seven hundred and twenty-eight (732,561,928) ordinary Shares, by way of the distribution of bonus Shares to Shareholders through the capitalisation of fourteen million six hundred twenty-one thousand nine hundred and ninety Saudi riyal (SAR 14,621,990) of the retained profits.
Conditions for Subscribing to Rights Shares	Eligible Persons wishing to subscribe to the New Shares must meet the relevant subscription conditions. For subscription terms, conditions and instructions. Please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus.
The Public	Means, under the Rules on the Offer of Securities and Continuing Obligations and the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority as issued by the CMA Board Resolution No 4-11-2004 dated 20/08/1425H (corresponding to 4/10/2004G) and as amended by the CMA Board Resolution No 3-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G), any person other than the following: 1- Issuer affiliates. 2- Substantial Shareholders of the Issuer. 3- Directors and Senior Executives of the Issuer. 4- Directors and senior executives of the Issuer's affiliates. 5- Directors and senior executives of the Issuer's Substantial Shareholders. 6- Any relatives of the persons referred to in 1, 2, 3, 4 or 5 above. 7- Any Company controlled by any of the persons referred to in 1, 2, 3, 4, 5 or 6 above. 8- Persons acting in concert, with a collective shareholding of 5% or more of the class of shares to be listed.
Risk Factors	Investing in this offering involves certain risks, which can be categorised into: (1) Company-related, (2) market and sector-related, and (3) equity-related. (Please refer to Section 2 ("**Risk Factors**") of this Prospectus).

Material Changes to the Information Disclosed in the Latest Prospectus	The CMA approved the publication of the Company's latest prospectus on 20/11/1442H (corresponding to 30/06/2021G). Below is a summary of the most important information that has changed since the CMA's approval of the latest prospectus: • **October 2021G:** The financial close and completion of the acquisition of the first group of assets for Jazan Integrated Gasification Combined Cycle (IGCC) Project. • **December 2021G:** Signing MOU with Natixis Corporate & Investment Banking, to collaborate on the advancement of ACWA Power's projects in the region. • **December 2021G:** Signing of the agreement for the Nukus wind project in the Republic of Uzbekistan. Between ACWA Power Wind Karatau, and Nukus Wind JSC National Electric Grid of Uzbekistan. • **December 2021G:** The Company's announcement with respect to the dry financial close for US$1.33billion senior debt facilities for the Red Sea Multi-Utilities Project. • **December 2021G:** The financial close for a USD (800) million equivalent refinancing facility, which has been utilized by Rabigh Arabian Water & Electricity Company ("RAWEC") for varied financial commitments including the prepayment of its existing senior debt facility, financing expenses and for general corporate purposes including distribution of dividends. • **January 2022G:** The dry financial close for a USD (125) million senior refinancing facility, which supplements and is pari passu to the US$ 800 million equivalent senior debt facility. • **February 2022G:** The dry financial close of a USD (470) million senior loan facility, which supplements and is pari passu to the USD (800) million equivalent senior debt facility. • **January 2022G:** Obtaining the Commercial Operation Certificate for the Phase 1, of the Noor Energy 1 project, located in Dubai, UAE. • **January 2022G:** Start of operation of water desalination in Rabigh Three Company IWP, located in Rabigh, Saudi Arabia. • **January 2022G:** The formal changing of the company name from (The International Company for Water and Power Projects) to (ACWA POWER Company). • **January 2022G:** Members of the board of directors election for a new three years term, ending on 05/07/1446H (corresponding to 04/01/2025G). • **February 2022G:** The conversion of the operations of Hassyan Power Plant from clean coal to natural gas. • **February 2022G:** The completion of the financial close of the senior debt facilities for the Red Sea Multi-Utilities Project for USD (1.302) billion. • **March 2022G:** The signing of a Power Purchase Agreement with a total approximate value amounting to SAR (1.7) Billion, for Ar Rass PV Solar IPP, located in Al Qassim province in the Kingdom of Saudi Arabia. • **March 2022G:** The Company's sale of its 32% shareholding in Shuqaiq Water and Electricity Company ("Shuqaiq IWPP"), to Al Jomaih Energy and Water Company, having met all conditions as per The Share Purchase Agreement, for a consideration amounting to SAR (391.5) million. • **March 2022G:** The signing of the LNTP Agreements in relation to the EPC Contract for the NEOM Green Hydrogen Project. • **April 2022G:** ACWA POWER's selection as preferred bidder to develop two solar PV projects in Indonesia, namely: 1-Singkarak Floating PV, 2-Saguling Floating PV. • **June 2022G:** The signing of the Power Purchase Agreement for Layla PV Solar IPP, located in Al Al-Aflaj governorate as part of Round Three of the National Renewable Energy Program by the Ministry of Energy, between Layla Solar Energy Company (affiliate of ACWA Power) and Saudi Power Procurement Company (Principal Buyer), with a total approximate value of SAR (401) Million. • **June 2022G:** The start of operation of Al Dur II IWPP located in Al Dur, Kingdom of Bahrain. • **June 2022G:** The start of operation for the first phase of water desalination at Taweelah RO Desalination Co, located in Abu Dhabi, UAE. • **June 2022G:** The signing of the Water Purchase Agreement for Shuaibah 3 IWP, Project located in Shuaibah governorate in Mekkah province in KSA, with a total value amounting to SAR (3) Billion. • **June 2022G:** The signing of a power purchase agreement between Suez Wind Energy Project Company and the Egyptian Electricity Transmission Company, with a total value amounting to USD (1.5) Billion. • **July 2022G:** The start of operation for water desalination at Umm Al Quwain IWP (Naqa'a), located in Emirate of Umm Al Quwain, UAE.

Material Changes to the Information Disclosed in the Latest Prospectus	• **September 2022G:** Signing the SPA of the sale of the Company's 49% stake in ACWA Power Uzbekistan Project Holding Company Limited, with a subsidiary of the Silk Road Fund of China – CVXF Inc, for a total value of USD (130) Million. • **October 2022G:** The start of operation for Shuaa Energy 3's Phase B, which is a part of Photovoltaic Solar Power – Independent Power Project Phase V, MBR Solar Park located in the Emirate of Dubai, UAE. • **October 2022G:** The financial close for the Shuaibah 3 IWP Project with total investment cost of USD (821) million. • **November 2022G:** ACWA Power Management and Investments One Limited announces an offer to purchase for cash bonds, for partial purchase of its ACWA39 bond, on the Irish Stock Exchange plc trading as Euronext Dublin, for the purpose of reducing company's debts. • **November 2022G:** Increasing the Maximum Tender Amount of USD (400,000,000) pre-amortization aggregate principal amount to USD (428,000,000) pre-amortization aggregate principal amount. • **December 2022G:** With respect to partial purchase of ACWA39 bond issued by ACWA Power Management and Investments One, the Company announced that no additional Bonds were validly tendered. As a result there will not be a Final Settlement Date, as such the pre-amortization aggregate principal amount of Bonds that will remain outstanding after the Expiration Date is USD (413,271,000). • **November 2022G:** The signing of a power purchase agreement for a period of 35 years, regarding Al Shuaibah Two PV Solar Energy Plant located in Makkah, Shuaibah Two Electrical Energy Company and Saudi Power Procurement Company, with a total value amounting to USD (1.75) Billion. • **December 2022G:** Signing of a power purchase agreement with the National Electric Grid of Uzbekistan to develop the Kungrad wind farm, for a total value of USD (2.4) billion. • **January 2023G:** The start of operation for the Phase 1 CSP Parabolic Trough ("PT") 200 MW Unit of Noor Energy 1 P.S.C. • **January 2023G:** The completion of the acquisition by Jazan Integrated Gasification and Power Company (JIGPC) of the second group of assets for the Jazan Integrated Gasification Combined Cycle (IGCC) project. • **February 2023G:** The completion of the offering of the Sukuk for a value of SAR (1,800,000,000). • **February 2023G:** Release of Mr. Suntharesan Padmanathan from his position as Vice Chairman while continuing as an executive board member, and the appointment of Mr. Raad Esmat Al Saady as Vice Chairman (Executive) and Managing Director of the company. • **February 2023G:** The starting of Commercial Operation for the Central Tower of Noor Energy 1 P.S.C. • **March 2023G:** ACWA POWER providing corporate guarantee to Saudi National Bank (SNB) to support USD (100) million Equity Bridge Loan facility provided to Shuaibah Holding Company, in relation to Al Shuaibah 1 & Al Shuaibah 2 Solar PV IPP. • **March 2023G:** Signing of the financing agreements by NEOM Green Hydrogen Company for the NEOM Green Hydrogen Project, at total investment cost of USD (8.5) billion. • **March 2023G:** The signing of power purchase agreements for a period of 25 years, with the National Electric Grid of Uzbekistan for the development, construction, operations and ownership of three solar photo voltaic plants, with a total value amounting to USD (2.5) billion dollars. • **March 2023G:** The Board acceptance of Mr. Suntharesan Padmanathan's request to resign from his role as a Chief Executive Officer. Furthermore the Board agreed to appoint Mr. Marco Arcelli as the CEO for the Company. • **April 2023G:** Company receipt of the commercial operation certificate for the Jazlah Water Desalination Company located in Jubail, Saudi Arabia, from the Saudi Water Partnerships Company. • **April 2023G:** Signing a water purchase agreement for a period of 25 years, between Rawabi Water Desalination Company, and the Saudi Water Partnership Company for the development, construction, operation and ownership of a water desalination plant using reverse osmosis technology, with a total value of SAR (2.54) Billion. • **April 2023G:** Company receipt of the commercial operation certificate for Group 2 of Taweelah RO Desalination Company located in Taweelah, Abu Dhabi, United Arab Emirates, from Emirates Water and Electricity Company. • **April 2023G:** The signing of a Hydrogen purchase agreement with Uzbek state owned chemical company Uzkemyoasat and a Power Purchase Agreement (PPA) with the National Power Grid of Uzbekistan, with a total value of USD (100) Million. • **May 2023G:** The signing of 3 power purchase agreements for 3 large-scale PV Solar Plants, namely Ar Rass 2, Saad 2, and Alkahfah located in the central and northern regions of Saudi Arabia, with a total value amounting to USD (3.25) billion.

Material Changes to the Information Disclosed in the Latest Prospectus	• **July 2023G:** The finalization and signing of the financing agreements with the financing consortium for Al Shuaibah 1 and Al Shuaibah 2 PV projects at total investment cost of SAR (8.3) billion, funded by a combination of long-term debt and equity. • **August 2023G:** Company's selection as Preferred Bidder for Hassyan Sea Water Reverse Osmosis Independent Water Project. • **August 2023G:** Achieving financial close for Kom Ombo Solar (PV) plant, by the way of obtaining funds from the following financing entities: European Bank for Reconstruction and Development, OPEC Fund for international development, African Development Bank, Green Climate Fund, Sustainable Energy Fund for Africa and the Arab Bank, with a total financing value of USD (123,000,000). • **September 2023G:** The finalization and signing of the financing and security agreements for Rawabi Water Desalination Company, (Rabigh 4 IWP or the Project), by the way of obtaining funds from Standard Chartered Bank, The Saudi National Bank, Riyad Bank, The Saudi Investment Bank, and Bank of China, with a total financing value of SAR (2,045,000,000). • **September 2023G:** Company receipt from the Saudi Power Procurement Company the Initial Commercial Operation certificate of Group 1 of Sudair Solar Photovoltaic Project in Saudi Arabia. • **October 2023G:** The signing of a water purchase agreement with Dubai Electricity and Water Authority (DEWA) for the first phase of the Hassyan Seawater Reverse Osmosis (SWRO) Desalination Complex Project, with a total value amounting to SAR (3,428) million. • **October 2023G:** Appointment of Mr. Abdulla Fahad Abduljabbar as a non-executive member of the Board of Directors. • **October 2023G:** The receipt of Conditional award notification from the Saudi Power Procurement Company (SPPC) for Taiba 1 and Qassim 1 IPPs CCGT projects, with a total expected value of SAR (14.6) Billion. • **October 2023G:** The signing of the Financing Documents for the wind project in Azerbaijan, by way of obtaining funds from European Bank for Reconstruction & Development (EBRD) and the OPEC Fund for International Development (OFID) with a total value of USD (246) million. • **October 2023G:** Company' receipt of the Commercial Operation certificate of Group 2 of Sudair Solar Photovoltaic Project in Saudi Arabia from the Saudi Power Procurement Company. • **November 2023G:** The signing of the Power Purchase Agreements for a period of with the Saudi Power Procurement Company – Principal Buyer (SPPC) for 2 large-scale Combined Cycle Gas Turbines ("CCGT") Power Plants, namely Taiba 1 and Qassim 1, with a total value of SAR (14.6) billion. • **November 2023G:** Company receipt of the Initial Commercial Operation certificate for the Phase 2 CSP Parabolic Trough, of Noor Energy 1 P.S.C. from the Dubai Electricity & Water Authority. • **November 2023G:** Company receipt of Operation certificate for Hassyan Energy Project from Dubai Electricity & Water Authority the Plant Commercial. • **January 2024G:** Company receipt of the Commercial Operation certificate of Group 3 of Sudair Solar Photovoltaic Project in Saudi Arabia from the Saudi Power Procurement Company. • **February 2024G:** The company's satisfaction of conditions precedent for Senior Loans Drawdown for Ar Raas 2, Saad 2 and Al Kahfah solar PV projects, by way of obtaining funds from Banque Saudi Fransi, Mizuho Bank, Riyad Bank, Saudi National Bank, Standard Chartered Bank, Saudi Awwal Bank and HSBC, with a total financing value of USD (8.6) billion. • **February 2024G:** The signing of the financing documents for the purpose of financing, Hassyan IWP plant in Dubai, United Arab Emirates, with a total financing value of SAR (2,767,393,484). • **March 2024G:** Company receipt of the Project Commercial Operation Certificate from the Emirates Water & Electricity Company (EWEC) for the Taweelah RO Desalination Company. • **March 2024G:** Forced outage in Noor 3 plant in Morocco due to a leak in the Molten Salts Hot Tank related to the Concentrated Solar Power project. • **March 2024G:** The signing of a Water Purchase Agreement for a period of 32 years with the Ministry of Water and sanitation and Senegalese Company of Water, for the construction of a desalination plant in Dakar, Senegal, with a total value of SAR (3,000) million. • **March 2024G:** The signing of a Power Purchase Agreement, that falls under the Public Private Partnership law in Uzbekistan, with the National Electric Grid of Uzbekistan, Nukus2 wind power project, set-up in the Republic of Uzbekistan, with a total value of SAR (983.13) million.

Material Changes to the Information Disclosed in the Latest Prospectus	• **April 2024G:** Company receipt of partial commercial operation date following the receipt of the Commercial Operation Certificate from the National Electric Grid of Uzbekistan for the Sirdarya CCGT Independent Power Project. • **April 2024G:** Barka Water and Power Company SAOG (BWPC) receipt of a letter of award from Nama Power and Water Procurement Company, Oman (PWP) for extending the Power and Water Purchase Agreement, with a total value of SAR (1,335) million. • **May 2024G:** The signing of the senior debt financing documents for the Taiba 1 Combined Cycle Power Plant, in Madinah, Kingdom of Saudi Arabia through Taiba 1 CCGT Project Co. by way of obtaining funds from the Standard Chartered bank, Bank of China, Riyad Bank, Saudi National Bank, Alinma Bank, Saudi Investment Bank and Saudi Awwal Bank, with a total financing value of SAR (5,690.6) million. • **May 2024G:** The signing of a Power Purchase Agreement for a period of 25 years, with the National Electric Grid of Uzbekistan for Aral wind power project to be set up in the Republic of Uzbekistan, with an estimated total value of SAR (18.2) billion. • **May 2024G:** Company receipt of Project Commercial Operation Certificate of Phase C of Shuaa Energy 3 project. • **May 2024G:** The completion of the process of selling fractional shares and deposit of proceeds to eligible shareholders resulting from the increase in the company's capital as approved by the Extraordinary General Assembly, with a Fractional Shares Sales Revenue of SAR (2,474,569.52). • **June 2024G:** Signing of a Share Purchase Agreement, to sell 30% of its shareholding in RAWEC IWSPP to Hassana Investment Company, for a consideration amounting to SAR (844) million. • **June 2024G:** The Board's recommendation to increase the Company's capital by way of a Rights Issue. • **June 2024G:** Signing of 3 power purchase agreements for the development, financing, construction, ownership and operation of 3 Solar PV Power Projects, namely (Haden, Muwayh, and Al Khushaybi), with a total value amounting to SAR 12.3 billion. • **July 2024G:** Company receipt of the Project Commercial Operation Certificate, for the Kom Ombo Solar PV Project located in Kom Ombo, Aswan region, Arab Republic of Egypt. • **July 2024G:** The signing of the financing documents for the PV and Battery Storage Riverside Tashkent Power Plant in Tashkent region, Uzbekistan, by way of obtaining funds from EBRD, Proparco, DEG, IsDB, Standard Chartered Bank and KfW-IPEX Bank, with a total financing value of SAR (1.4) billion. • **July 2024G:** Closing of the Sale and Purchase Agreement, to sell 35% of ACWA Power's shareholding in ACWA Power Bash Wind Project Holding Company Limited and ACWA Power Uzbekistan Wind Project Holding Company Limited, for which the SPA(s), were signed between ACWA Power Green Energy Holding and China Southern Power Grid International (HK) Co. Ltd with a total value of SAR (595.9) million. • **August 2024G:** Debt and ownership restructuring in ACWA Guc in Turkey, by way of converting lenders outstanding loans, under certain shareholding agreements and convertibility conditions, and become shareholder of ACWA Guc as part of the Transaction, a 100% owned subsidiary of ACWA Power will pay SAR (496.5) million to the lenders. • **August 2024G:** Project Company for AlRass1 Solar Photovoltaic Project located in Saudi Arabia, receipt of commercial operation certificate from the Offtaker for the plant's full production capacity. • **September 2024G:** The signing of the financing documents for 3 PV solar plants, namely Haden, Muwayh, and Al Khushaybi, located in Makkah and Qassim Province, by way of obtaining funds from Banque Saudi Fransi, Emirates NBD, First Abu Dhabi Bank, HSBC, Mizuho Bank, Riyad Bank, Saudi National Bank, Standard Chartered Bank, with a total financing value of SAR (9.7) billion. • **September 2024G:** Appointment of Citigroup Saudi Arabia, SNB Capital Company, and J.P. Morgan Saudi Arabia Company as financial advisors to the Company with respect to the Offering of the Rights Issue. • **September 2024G:** The signing of a water purchase agreement between Sharjah Electricity, Water and Gas Authority and Hamriyah Developer Holding Company, for the Independent Water Plant at Hamriyah, Emirate of Sharjah, United Arab Emirates, with a total value of SAR (2.56) billion. • **November 2024G:** Project Company for Riverside Solar project located in the Tashkent region of Uzbekistan, receipt of the Commercial Operation Certificate of Plant 1 of Utility–Scale Solar Photovoltaic and Battery Storage Project. • **November 2024G:** Project Company for Al Shuaibah 1 Solar Photovoltaic Project in Saudi Arabia, receipt of the Commercial Operation Certificate from the Saudi Power Procurement Company, for the full project capacity.

Material Changes to the Information Disclosed in the Latest Prospectus	• **November 2024G:** The signing of the Power Purchase Agreements, with the Saudi Power Procurement Company for Two Combined Cycle Gas Turbine Power Plants, namely Rumah, and Al-Nairyah, with a total value of SAR (15) billion. • **December 2024G:** The submission of the application file to the Capital Market Authority regarding the increase of its capital through offering rights issue shares, with a total value of the rights issue offering of SAR (7,125) million. • **December 2024G:** Project Company for Sirdarya CCGT Independent Power Project's receipt of Commercial Operation Certificate for the full project's capacity. • **December 2024G:** Entry to the People's Republic of China market by securing over 1GW of renewable energy projects in collaboration with leading Chinese renewable partners. • **December 2024G:** The signing of the financing documents for the Egypt Wind Power Plant in Suez, Egypt, by way of obtaining funds from European Bank for Reconstruction and Development, African Development Bank, British International Investment, DEG - Deutsche Investitions, OPEC Fund for International Development and Arab Petroleum Investments Corporation, with a total financing value of SAR (2,638) million. • **January 2025G:** Approving the amendment of certain articles of the Company's bylaws, and approving the election of the Board members from among the candidates for the next term commencing on 05 January 2025G and ending 04 January 2029G. • **January 2025G:** Appointment of the Chairman and Vice-Chairman of the Board, and finalizing the composition of the Board committees. • **February 2025G:** The signing of a water purchase agreement by Ras Mhaisn First Desalination Company (the Project Company) with the Saudi Water Partnerships Company to develop, build, operate, and own a desalination plant using reverse osmosis technology, with a capacity of up to 300,000 cubic meters per day, along with related infrastructure and facilities, including water tanks with a capacity of 600,000 cubic meters. The plant is located in the western region of the Kingdom of Saudi Arabia, 300 km south of Mecca, along the Red Sea coast. • **February 2025G:** The signing of a power purchase agreement to develop and establish a wind power project with a capacity of up to 2.0 gigawatts in the Arab Republic of Egypt. • **February 2025G:** The signing of an agreement to complete the acquisition of combined cycle power generation assets (4.6 gigawatts) and desalination assets (1,114,000 cubic meters of desalinated water per day), as well as related operation and maintenance companies, from a subsidiary of the French company Engie in both Kuwait and Bahrain. • **February 2025G:** The commencement of commercial operations for the first, second, and third phases of the Shuaibah 2 independent photovoltaic solar power plant project, with a total production capacity of 2,060 megawatts, achieving full operational capacity. • **February 2025G:** The signing of a power purchase agreement with the Saudi Power Purchase Company for the expansion of the Al-Qaryah Independent Power Plant located in the Eastern Province of the Kingdom of Saudi Arabia, with a production capacity of 3,010 megawatts, and readiness to build a carbon capture unit. • **April 2025G:** The achievement of the project commercial operation date by the Bash Wind Power Plant in Uzbekistan. • **April 2025G:** The achievement of the project commercial operation date by the Dzhankeldy Wind Power Plant in Uzbekistan. Please also refer to the Company's Tadawul announcements, Board reports and financial statements for further information related to these material changes to the information disclosed in the latest prospectus.

Note: The ("**Important Notice**") Section on page (i) as well as Section 2 ("**Risk Factors**") of this Prospectus should be read fully and carefully prior to making any decision to invest in the Offering Shares under this Prospectus.

Key Dates and Subscription Procedures

Table (1-3): Expected Offering Timetable

Event	Date
Convening the Extraordinary General Assembly on approving the capital increase and determining the date of eligibility and eligible Shareholders, noting that eligible Shareholders are those registered in the Company's register in the Depository Center as of the close of the second trading day following the Extraordinary General Assembly on the capital increase.	05/01/1447H (corresponding to 30/06/2025G).
Trading Period*	The trading period shall commence at ten (10:00) am on Sunday dated 11/01/1447H (corresponding to 06/07/2025G), and end at three (3:00) pm on Sunday dated 18/01/2025H (corresponding to 13/07/2025G). During this period, Rights holders -whether Registered or New Investors- may carry out trading in Rights.
Subscription Period	The subscription period shall commence at ten (10:00) am on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and end at two (2:00) pm on Wednesday dated 21/01/1447H (corresponding to 16/07/2025G). During this period, all Rights holders -whether Registered or New Investors- may exercise their right to subscribe for the New Shares.
End of Subscription Period	Wednesday dated 21/01/1447H (corresponding to 16/07/2025G). Subscription applications shall no longer be accepted at the end of Wednesday dated 21/01/1447H (corresponding to 16/07/2025G).
Rump Offering Period	From ten (10:00) am on Monday dated 25/01/1447H (corresponding to 21/07/2025G) and continues until five (5:00) pm on Tuesday dated 26/01/1447H (corresponding to 22/07/2025G).
Final Allocation Notice**	Thursday dated 29/01/1447H (corresponding to 24/07/2025G).
Payment of Compensation (if any) for Eligible Persons who did not participate in the subscription in whole or in part and for those who are eligible for Fractional Shares	Compensation amounts, if any, will be paid no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G).
Expected Date for the Commencement of Trading in New Shares**	Trading in Offering Shares is expected to commence upon the completion of all related regulatory procedures. Trading will be announced later on the Tadawul website (www.saudiexchange.com).

* The Trading Period shall begin three (3) business days from the approval of the capital increase by the EGM.

** The period of time between the end of subscription for the Rights Shares and the deposit of Shares in the Shareholders' portfolios will be nine (9) business days.

The timeline and dates above are approximate and may be subject to change. The actual dates will be announced on the websites of Tadawul (www.saudiexchange.com.sa), the Company (www.acwapower.com), the Joint Financial Advisors (www.citibank.com/icg/sa/emea/saudi-arabia), (www.alahlicapital.com), and (www.jpmorgansaudiarabia.com).

Table (1-4): Key Announcement Dates

Announcement	Announcer	Date
Announcement regarding the invitation to the Extraordinary General Assembly on the capital increase	The Company	08/12/1447H (corresponding to 04/06/2025G).
Announcement of the Extraordinary General Assembly on the Capital Increase result	The Company	06/01/1447H (corresponding to 01/07/2025G).
Announcement of the Company's share price adjustment, the deposit of the Rights and the indicative value of the Right	Tadawul	06/01/1447H (corresponding to 01/07/2025G).
Announcement of adding the Company's Issue Rights	Edaa	08/01/1447H (corresponding to 03/07/2025G).
Announcement of the Trading Period and Subscription Period	The Company	07/01/1447H (corresponding to 02/07/2025G).
Announcement in relation to the commencement of the Trading Period and Subscription Period	Tadawul	11/01/1447H (corresponding to 06/07/2025G).
Reminder in relation to the commencement of Trading Period and Subscription Period	The Company	11/01/1447H (corresponding to 06/07/2025G).
Reminder in relation to the last day for trading Rights and noting the importance of selling Rights for those who do not wish to subscribe to their own Rights	Tadawul	18/01/1447H (corresponding to 13/07/2025G).
Announcement regarding the end of the Subscription Period	The Company	21/01/1447H (corresponding to 16/07/2025G).
Announcement regarding: 1) Subscription results. 2) Details of the sale of Unsubscribed Shares (if any) and commencement of the Rump Offering	The Company	22/01/1447H (corresponding to 17/07/2025G).
Announcement regarding the results of the Rump Offering and final allocation notice	The Company	29/01/1447H (corresponding to 24/07/2025G).
Announcement regarding the deposit of New Shares in investors' portfolios*	Edaa	04/02/1447H (corresponding to 29/07/2025G).
Announcement of distribution of compensation amounts (if any) to Eligible Persons	The Company	11/02/1447H (corresponding to 05/08/2025G).

Note: All of the above-mentioned dates are indicative. The actual dates and times will be communicated on the Exchange (Tadawul) website (www.saudiexchange.com.sa) and the Company website (www.acwapower.com). In addition, the date of depositing the New Shares in the investors' portfolios will be determined in coordination with the Securities Depository Center Company (Edaa).

* The period of time between the end of subscription for the Rights Shares and the deposit of Shares in the Shareholders' portfolios will be nine (9) business days.

It should also be noted that in the event that an announcement related to the Offering is published in a local newspaper after the Prospectus has been published, the announcement will include the following information, in accordance with Article 31 (e) of the Rules for Offering Securities and Continuing Obligations:

1- The issuer's name and its commercial registration number.
2- The securities, their value, type, and class covered by the securities registration and offering application.
3- The addresses and locations where the public can obtain the Prospectus.
4- The date of publication of the Prospectus.
5- A statement that the announcement is for information purposes only and does not constitute an invitation or an offer to own the securities by purchasing or subscribing thereto.
6- Name of the Lead Manager, Underwriters, Financial Advisors and Legal Advisor.
7- A disclaimer as follows: "The Capital Market Authority and Tadawul take no responsibility for the contents of this disclosure, make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this disclosure."

How to Apply

Subscribing for the Rights Shares is initially limited to Eligible Persons, whether Registered or New Investors. In the event that Eligible Persons do not subscribe for the Rights, Unsubscribed Shares shall be offered to Institutional Investors during the Rump Offering Period. Eligible Persons wishing to subscribe for the New Shares should submit the subscription application forms via the means and services provided by the Broker to investors, under two main conditions:

- Eligible Persons shall have a bank account with the Brokers offering such services.
- The Eligible Persons' data shall be up to date, and there must be no changes to their personal information or data (including by addition or removal of a family member) since their subscription in a recent offering, unless the Brokers were notified of and approved these amendments.

Subscription applications shall be submitted through portfolios in trading platforms and applications, through which sell and buy orders are entered. In addition, it is possible to subscribe through any other means provided by the Broker and the custodian of shares. The Company reserves the right to reject, in full or in part, any application for New Shares that does not comply with any of the subscription terms or conditions. Upon submission, the subscription application form may not be amended or withdrawn. Instead, it shall represent a legally binding contract between the Company and the eligible Shareholder. For further information, please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus.

Q&A Related to the New Rights Issue Mechanism

What is a Rights Issue?

A Rights Issue is an offering of tradable securities that give their holders the right to subscribe for New Shares upon approval of Extraordinary General Assembly Meeting on the capital increase by way of a Rights Issue. They are acquired rights for all Shareholders who own shares at the date of the EGM for capital increase, and who are registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. Each Right grants its holder the right to subscribe for one New Share at the Offering Price.

Who is granted the Rights?

The Rights shall be granted to Shareholders registered in the Company's Register as of the close of the second trading day of the EGM on Capital Increase, also known as the Eligibility Date.

When are the Rights deposited?

After the Extraordinary General Assembly convenes and approves the capital increase through the offering of Rights Shares, the Rights are deposited as securities in the Shareholders' own portfolios in the Company's Shareholders Register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly meeting; and will appear in the Shareholders' portfolios under a new code. These Rights will only be traded or subscribed to at the beginning of the Trading and Subscription Period.

How are Registered Shareholders notified of the Rights being deposited in their portfolios?

The Registered Shareholders are notified through an announcement on the Tadawul website and through the Tadawulaty Service provided by the Depository Center and SMS's sent through intermediaries/brokers.

How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder is subject to the percentage of Shares held by the Registered Shareholder in the Company's Shareholders Register at the Depository Center as of the close of the second trading day after the EGM.

What is the Rights Issue Ratio?

The means by which the Registered Shareholder can determine the Rights it is entitled to, based on its shareholding under the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the Extraordinary General Assembly. It is calculated by dividing the number of New Shares by the number of the Company's Current Shares. The eligibility factor is 0.0463 Right per each Current Share owned by the Registered Shareholders on the Eligibility Date, rounded down to the nearest whole number. Accordingly, if a Registered Shareholder owns one thousand (1,000) Current Shares on the Eligibility Date, forty six (46) Rights will be allocated thereto.

Will these Rights be tradable under a different name/symbol than the name/symbol of the Company's Shares?

Yes, the Rights will be deposited in the investors' portfolios under the name of the original share, and by adding the word "Priority Rights," they will be deposited in a new symbol for these rights.

What is the value of the Right upon commencement of trading?

The opening price shall be the difference between the closing price of the share on the day preceding the Rights listing and the Offering Price (the indicative value of the Right). For example, if the closing price of a share on the preceding day is two hundred and fifty Saudi Riyals (SAR 250), and the Offering Price is two hundreds and ten Saudi Riyals (SAR 210), the opening price of the Rights upon the commencement of trading will be forty Saudi Riyals (SAR 40).

Who is a Registered Shareholder?

Any Shareholder whose name appear in the Company's Shareholders' Register at the end of the second trading day after the Extraordinary General Assembly.

Can Registered Shareholders subscribe for additional shares?

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Rights through the Exchange during the Trading Period and then subscribe to them at any time after completing the purchase and settlement of the rights (i.e., after the settlement period).

Is it possible for Registered Shareholders to lose their eligibility to subscribe even if they have the right to attend the Extraordinary General Assembly and vote on the capital increase through a Rights Issue?

Yes, Registered Shareholders lose their right to subscribe if they sell their shares on the day of the Extraordinary General Assembly or one working day prior thereto.

How does the Subscription take place?

Subscription applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker and custodian of shares.

Can an Eligible Person subscribe to more shares than the Rights owned thereby?

An Eligible Person cannot subscribe to more shares than the Rights owned thereby.

Can one subscribe more than once and through more than one broker?

Yes, it is possible. However, it is important to ensure that the number of shares subscribed for does not exceed the number of rights owned at the end of the rights trading period. Any excess in the number of shares subscribed for over the number of rights owned at the end of the rights trading period will result in the cancellation of the subscription request.

If new shares are subscribed for and the rights are sold afterwards, what happens in this case?

If a Registered Shareholder subscribes and then sells the Rights, and does not purchase a number of Rights equivalent to the number of Rights they subscribed for before the end of the Trading Period, the subscription request will be rejected entirely if all rights are sold, or partially in proportion to the rights sold. The Shareholder will be notified, and the subscription amount will be refunded through the broker to the Registered Shareholder.

If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?

The Rights will be deposited in the same portfolio in which the shares of the Company connected to the Rights are deposited. For example, if a Shareholder holds one thousand (1,000) Shares in the Company as follows: seven hundred (700) Shares in portfolio (a) and three hundred (300) Shares in portfolio (b), then the Rights that will be deposited are forty six (46) Rights, as each Share is eligible for 0.0463 Rights. Therefore, thirty three (33) Rights will be deposited in portfolio (a) and thirteen (13) will be deposited in portfolio (b). In the event that there are Fractional Shares, those fractions will be aggregated, and if they total a whole number or more, the whole number will be added to the portfolio in which the investor holds the greatest number of Rights.

In case of subscription through more than one portfolio, where will the New Shares be deposited after allocation?

Shares will be deposited to the investment portfolio indicated in the first subscription application form.

Are share certificate holders allowed to subscribe and trade?

Yes, share certificate holders may subscribe, but only after depositing certificates in investment portfolios through brokers or the Securities Depository Center Company (Edaa), before the end of the Offering Period and providing the necessary documents prior to the end of the Subscription Period.

How can share certificate holders obtain Rights?

Share certificate holders will receive Rights, each according to their ownership, but such Rights will not be deposited due to the failure to register the share certificates in investment portfolios with brokers and the Securities Depository Center Company (Edaa) before the Trading and Subscription Periods. In addition, if the procedures for depositing the certificates in the investment portfolio are not completed before the beginning of the trading and subscription period, the Lead Manager will sell the shares resulting from those Rights during the Rump Offering Period and transfer more than the offering price (if any) to the Company which will keep those amounts until they are claimed by share certificate holders, provided that the Company inserts a statement stating the existence of those amounts due to the holders of share certificates and the method of claiming them in the announcement of the distribution of compensation amounts (if any) to the Eligible Persons.

Are additional Rights purchasers entitled to trade them once again?

Yes, the purchaser of additional rights may sell them and purchase other rights only during the Trading Period only.

Is it possible to sell part of the Rights?

Yes, the investor can sell part of these Rights and subscribe to the remaining part.

When can a shareholder subscribe for the rights that they purchased during the Trading Period?

Any time during the Subscription Period, i.e., until the ninth (9th) day after the Extraordinary General Assembly Meeting, and after the close of the rights purchase settlement (which is two business days).

Can the holder of Rights sell or assign the Rights after the end of the Trading Period?

No, they cannot. After the expiry of the trading period, the Eligible Person may only exercise the right to subscribe to the Rights Shares or not to exercise the same. In the event that the Right is not exercised, the investor may be subject to loss or decrease in the value of their investment portfolio.

What happens to Rights that are unsold or unsubscribed during the Subscription periods?

In the event that the New Shares are not fully subscribed during the subscription period, the remaining New Shares (Rump Shares) shall be offered for sale to institutional investors during the Rump Offering Period. Fractional Shares will be added to the Rump Shares and sold during the Rump Offering Period. The total Offering Price from the sale of Rump Shares will be paid to the Company, and any remaining proceeds in excess of the Offering Price will be distributed to Eligible Persons without any fees or deductions, according to their respective entitlements.

Note that the investors may not receive any consideration if the sale is made in the Rump Offering Period at the Offering Price.

Who has the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's share capital through a Rights Issue?

A Shareholder registered in the Company's Shareholders Register at the Depository Center after the end of the trading session, on the date of the Extraordinary General Assembly on Capital Increase, shall have the right to attend the EGM and vote on increasing the Issuer's share capital through a Rights Issue.

When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?

The share price is adjusted by the Exchange before the start of trading on the day following the EGM.

If an investor buys securities on the date of the Extraordinary General Assembly, will they be eligible for the Rights resulting from the increase of the Issuer's share capital?

Yes, as the investor will be registered in the Company Shareholders Register two business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the Extraordinary General Assembly), bearing in mind that Rights will be granted to all Shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the Extraordinary General Assembly. However, they may not attend or vote in the Extraordinary General Assembly for the capital increase.

If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?

The investor's shares will be distributed to their portfolios according to the shareholding percentage held in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

What are the Trading and Subscription Periods?

Trading in and subscription for the Rights shall commence at the same time, i.e., three (3) business days from the approval of the capital increase by the EGM. The Trading Period shall continue until the end of the trading session on sixth (6th). However, the subscription shall continue until the ninth (9th) day as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, it is not possible.

Can investors, who are not Registered Shareholders, subscribe for the Rights Shares?

Yes. Investors can subscribe for the Rights Shares upon full purchase of Rights through the Exchange during the Trading Period.

Will there be any other fees for the trading in Rights?

The same commissions will be applied to buy and sell transactions as they are for stocks, but without a minimum commission amount, provided that the maximum limit does not exceed (0.155%) of the total transaction value.

Additional support:

In case of any inquiries, please contact the Company at the email (ir@acwapower.com) for investor and media inquiries.

For legal reasons, the Company will only be able to provide the information contained herein and will not be able to advise on the merits of the Rights Issue or provide financial, tax, legal or investment advice.

For more information on the terms, conditions and instructions of the subscription, please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus.

Summary of Key Information

This summary is a brief overview of the information contained in this Prospectus but does not contain all of the information that may be in the interest to Subscribers. Recipients of this Prospectus should read the entire Prospectus before making a decision as to whether or not to invest in the New Shares offered. All terms and abbreviations contained in this Prospectus have been defined in Section 1 ("**Definitions and Abbreviations**") as well as in other sections.

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

Company Overview

ACWA Power ("**ACWA Power**" or the "**Company,**" and together with its subsidiaries as the "**Group**") was established as a closed joint stock company in the Kingdom pursuant to Ministerial Resolution No. 215/Q dated 2/7/1429H (corresponding to 5 July 2008) and registered under Commercial Registration No. 1010253392 dated 10/7/1429H (corresponding to 13/7/2008G) with a share capital of two billion nine hundred twenty million eight hundred and ninety-five thousand Saudi Riyals (SAR 2,920,895,000) divided into two hundred ninety-two million eighty-nine thousand five hundred (292,089,500) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. The Company's head office is located on the 2nd floor, Building 5, The Business Gate, King Khaled International Airport Road, P. O. Box 22616, Riyadh 11416 Kingdom of Saudi Arabia. The Company's main activities are the development and operation of power and water desalination plants in the Kingdom of Saudi Arabia and internationally.

As at 31 December 2024G, the Group is the largest private power producer in the Middle East, the largest private water desalination company in the world (based on total gross capacities in GW and m3/day) and a first mover in green hydrogen with a portfolio of 94 power generation, water desalination and green hydrogen production Projects in operation, under construction and in advance development stages – with a portfolio both within the Kingdom of Saudi Arabia and internationally in the Middle East, Africa, Central Asia and Southeast Asia.

As at 31 December 2024G, the Group had a portfolio with a total investment cost of SAR 364.5 billion, comprising 94 Projects, in 13 countries, with a mix of renewable energy and storage, water desalination, green hydrogen, and flexible generation (conventional fuel) Projects. Of these Projects:

- 52 are in operation representing a total investment cost of SAR 196.9 billion;
- 24 are under construction representing a total investment cost of SAR 109.5 billion; and
- 18 are in a state of advanced development (either where the Group has been awarded a preferred bidder status, has signed the long-term Offtake Agreement, or negotiated deals where the Group has committed significant financial resources, and are in advanced stage to achieve financial close) representing a total estimated investment cost of SAR 58.1 billion.

The following table provides an overview of each project within the group by country, as at 31 December 2024:

Table (1-5): Overview of the Group's Projects by Country as at 31 December 2024G

Countries	Number of assets	Investment cost (SAR million)	Power Capacity (MW)	Water Capacity (000' m3/day)	Green Hydrogen (Ktons/annum)	BESS (MWh)
Saudi Arabia	31	218,352	42,249	4,701	220	1,828
Oman	9	13,819	4,865	307	0	0
Jordan	4	4,112	951	0	0	0
Turkey	1	3,488	950	0	0	0
UAE	8	44,876	4,450	2,819	0	0
Bahrain	1	4,125	1,500	227	0	0
Morocco	7	11,952	765	0	0	0
South Africa	2	4,654	150	0	0	0
Uzbekistan	19	51,388	11,352	0	3	3,424

Countries	Number of assets	Investment cost (SAR million)	Power Capacity (MW)	Water Capacity (000' m3/day)	Green Hydrogen (Ktons/annum)	BESS (MWh)
Azerbaijan	1	1,073	240	0	0	0
Egypt	5	5,430	1,420	0	0	0
Indonesia	2	413	110	0	0	0
China	4	769	233	0	0	73
Total	**94**	**364,450**	**69,234**	**8,054**	**223**	**5,325**

The Group's portfolio capacity[3] is highlighted in the table below:

Table (1-6): Group's portfolio capacity

	2021G*	2022G*	2023G*	2024G*
# of projects	64	68	81	94
Total Investment Cost (SAR billion)	251.7	269.6	317.8	364.5
Gross Power Capacity (GW)	42.7	44.5	55.1	69.2
Gross Water Desalination Capacity (million m3/day)	6.4	6.2	7.6	8.1
Green Hydrogen Capacity ('000 Tonnes/annum)	220	220	223	223
Battery Storage Capacity* (MWh)	1,828	2,803	4,482	5,325

*As at 31 December of each year.

* BESS Nameplate DC installed capacity; hybrid with renewable plants in the portfolio. The reported capacity for 2023G and 2Q 2024G has been restated since a project in Africa is being re-negotiated with the counterparties.

Source: the Company

The Group aims to become one of the largest power generation and water desalination players in the countries where it chooses to operate as well as a major green hydrogen player (i.e., establishment of plants to extract hydrogen used as fuel and as a means to store energy by separating hydrogen and oxygen from water through electrolysis using electricity generated from renewable energy sources), without compromising its commitment to reliably and responsibly deliver power and desalinated water at low cost. To this effect, the Group seeks to sustainably grow its power and desalinated water contracted capacities by focusing largely on sovereign offtake markets in the Kingdom (where the counterparties to the relevant Offtake Agreement are state-owned entities), GCC and other high-growth economies through the expansion of its existing facilities, the development of greenfield projects and the acquisition of ownership interests in companies operating existing plants. The Group is also positioning itself to lead in the Energy Transition and be a key player in the market for green hydrogen, with one utility-scale project in advanced stages of construction in Saudi Arabia and additional projects being actively explored both inside and outside the Kingdom. The Group aims to be a key developer, investor and operator of critical power, water desalination and green hydrogen assets.

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

3 Based on gross capacity and total investment cost of operational, under construction and in advanced development Projects in the portfolio.

Additionally, the Group seeks to continuously implement financial and operational initiatives to further optimise the returns from the portfolio. It systematically aims to recycle its capital through sell-downs of minority stakes in its projects (while retaining its operational and de facto control), extending contracts beyond the original P(W)PA, and portfolio level capital structure optimisation through (1) re-financing of equity bridge loans (by extending tenors for individual EBLs or re-financing the portfolio EBLs with long- term permanent capital) and/or (2) bringing in strategic equity partner(s) on a portfolio of assets across multiple jurisdictions, both with the objective of generating incremental return on its investments.

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

Key Changes in the Company's Share Capital

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

- On 03/11/1442H (corresponding to 13 June 2021G), the Extraordinary General Assembly approved the increase of the Company's capital from six billion four hundred fifty-seven million six hundred twenty- eight thousand seven hundred and eighty Saudi Riyals (SAR 6,457,628,780) divided into six hundred forty-five million seven hundred sixty-two thousand eight hundred and seventy-eight (645,762,878) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share to seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred and thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share, and the issuance of eighty-five million three hundred thirty-six thousand eight hundred and fifty- one (85,336,851) New Ordinary Shares (representing 11.67% of the Company's capital after the increase), of which, eighty-one million one hundred ninety-nine thousand two hundred and ninety-nine (81,199,299) Shares (representing 11.1% of the Company's capital after the increase) were offered for public subscription. The four million one hundred thirty-seven thousand five hundred and fifty-two (4,137,552) Rump New Shares (representing 0.57% of the Company's Share capital after the increase) were allocated to some of the employees of the Company and its subsidiaries under the employee share programme.
- On 05/03/1443H (corresponding to 11 October 2021G), all of the Company's share capital was registered and listed on the Exchange at an amount of seven billion three hundred and ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290), divided into seven hundred and thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares with a nominal value of ten Saudi Riyals (SAR 10) per Share.
- On 20/10/1445H (corresponding to 29 April 2024G), the Company's General Assembly approved the Board's recommendation to increase the Company's capital from seven billion three hundred ten million nine hundred ninety-seven thousand two hundred and ninety Saudi Riyals (SAR 7,310,997,290) divided into seven hundred thirty-one million ninety-nine thousand seven hundred and twenty-nine (731,099,729) ordinary Shares to seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) divided into seven hundred thirty- two million five hundred sixty-one thousand seven hundred and twenty-eight (732,561,928) ordinary Shares, by way of the distribution of bonus Shares to Shareholders through the capitalisation of fourteen million six hundred and twenty-one thousand nine hundred and ninety Saudi Riyals (SAR 14,621,990) of the retained profits.
- On 05/01/1446H (corresponding to 30/06/2025G), the Company's Extraordinary General Assembly approved increasing the Company's capital from seven billion three hundred twenty-five million six hundred nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) to seven billion, six hundred and sixty-four million, nine hundred and four thousand, nine hundred and eighty Saudi Riyals (SAR 7,664,904,980) by way of a Rights Issue.

Shareholding Structure of the Company

The following tables summarise the Shareholding Structure of the Company (pre- and post-Offering):

Substantial Shareholders

Table (1-7): Ownership of the Substantial Shareholders in the Company

Shareholder	Pre-Offering			Post-Offering*		
	Number of Shares	Nominal Value (SAR)	Direct Ownership (%)	Number of Shares	Nominal Value (SAR)	Direct Ownership (%)
Public Investment Fund	323,527,201	3,235,272,010	44.164%	338,511,347	3,385,113,470	44.164%
Vision Invest	166,652,822	1,666,528,220	22.749%	174,371,339	1,743,713,390	22.749%
Total	**490,180,023**	**4,901,800,230**	**66.913%**	**512,882,686**	**5,128,826,860**	**66.913%**

Source: The Company

* Assuming that Substantial Shareholders subscribe to their full allocation of the Rights, the above table will be updated to reflect the subscribed Rights in due course. It should be noted that the Substantial Shareholders, namely the Public Investment Fund and Vision Invest, have committed to subscribing to their full shares of the Rights Issue shares, representing SAR 4,767,559,415.43 of the total Offering of SAR 7,124,999,700. Additionally, certain non-Substantial Shareholders, including the Chairman of the Board of Directors of the Company, Mr. Mohammad Abunayyan, have committed to subscribing to their full share of the Rights Issue shares. The total offering for which the shareholders (including Substantial Shareholders and the above mentioned non-Substantial Shareholders) have committed to subscribing to is 77.22% of the total Offering.

Mission, Values and Strategy

Mission and values

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

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

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

Strategy

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

The key tenets of the Group's strategy are:

1- KSA champion and global leader in power production, water desalination, and green hydrogen.

2- Immense and Visible Pipeline in KSA and Beyond, with Extraordinary Growth Track Record.

3- Operating in attractive high growth markets.

4- Proven track-record in innovation, development and optimisation.

5- Sustainability and ESG-centric agenda.

6- Utilise centralised expertise to optimise portfolio operations and economics via the Group's wholly owned O&M company, NOMAC.

7- A business model with healthy risks and returns.

The Company's Key Competitive Advantages and Strengths

The Group's competitive strengths include:

1- Business model configured to extract value throughout the asset life cycle.

2- Innovation, a key enabler for ACWA Power's ambitious growth strategy.

3- Ability and resources to foster bilateral negotiations with governments and businesses to advance its project pipeline.

4- Project development mastery underpinned by the cost-focused "**ACWA Power Total Solution**".

5- High quality, long-term contracted portfolio, diversified across geographies and technologies.

6- Talented people as ACWA Power's greatest asset and the engine to drive its growth ambition.

7- Critical mass and leadership in high-growth markets with immediate visible growth pipeline and long-term development opportunities.

8- Long-term shareholders' profile.

Market and Industry Overview

ACWA Power operates across thirteen (13) countries, including its domestic market in the Kingdom of Saudi Arabia, the Middle East, Central Asia, Africa, Southeast Asia and China. The Company also considers other high growth markets for expansion. ACWA Power envisages itself becoming a key contributor and driver of the Energy Transition from the developing economies. Developing economies have plentiful land, natural resources, favourable climate for renewables, competitive cost positioning and policy support to lead the Energy Transition on a global scale. ACWA Power's target geographies are undergoing a historic Energy Transition, driven by increasing electricity demand and accelerated deployment of renewable energy.

Summary of Financial Information

The selected financial information set out below should be read together with the Group's audited consolidated financial statements, which have been audited by Ernst & Young Professional Services (a professional limited liability company) for the financial years ending 31 December 2021 and 31 December 2022, and the three-month period ending 31 March 2023G, and by KPMG Professional Consulting for the audited consolidated financial statements for the financial year ending 31 December 2023 and the six-month period ending 30 June 2024, including, in each case, the notes thereto, which are prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed in the Kingdom.

The following tables present the Group's consolidated statement of profit and loss for the financial years ended 31 December 2021G, 2022G and 2023G and the financial period ended 30 June 2023G and 2024G:

Table (1-8): Group's consolidated statement of profit and loss for the financial years ended 31 December 2021G, 2022G and 2023G

Consolidated statement of profit and loss and other comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Continuing operations						
Revenue	**5,235,393**	**5,275,930**	**6,095,010**	**0.8%**	**15.5%**	**7.9%**
Operating costs	(2,383,677)	(2,410,582)	(2,599,830)	1.1%	7.9%	4.4%
Gross profit	2,851,716	2,865,348	3,495,180	0.5%	22.0%	10.7%
Development cost, provision and other write offs, Net of Reversals	(133,249)	(35,438)	(69,582)	-73.4%	96.3%	-27.7%
General and administrative expenses	(924,872)	(1,029,339)	(1,236,692)	11.3%	20.1%	15.6%
Share in net results of equity accounted investees, net of zakat and tax	321,693	294,442	244,571	-8.5%	-16.9%	-12.8%
Other operating income	187,430	519,748	550,308	177.3%	5.9%	71.3%
OPERATING INCOME BEFORE IMPAIRMENT LOSSAND OTHER EXPENSES	**2,302,718**	**2,614,761**	**2,983,785**	**13.6%**	**14.1%**	**13.8%**
Impairment loss and other expenses, net	(356,482)	(251,510)	(213)	-29.4%	-99.9%	-97.6%
OPERATING INCOME AFTER IMPAIRMENT LOSSAND OTHER EXPENSES	**1,946,236**	**2,363,251**	**2,983,572**	**21.4%**	**26.2%**	**23.8%**
Other income	23,970	276,261	92,131	1052.5%	-66.7%	96.1%
Finance income	17,584	118,391	231,434	573.3%	95.5%	262.8%
Exchange (loss) / gain, net	(46,915)	(36,934)	2,774	-21.3%	-107.5%	-
Financial charges	(1,052,531)	(1,228,822)	(1,474,903)	16.7%	20.0%	18.4%
Profit before zakat and income tax	**888,344**	**1,492,147**	**1,835,008**	**68.0%**	**23.0%**	**43.7%**
Zakat and tax charge	(80,110)	(232,841)	(53,731)	190.7%	-76.9%	-18.1%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**808,234**	**1,259,306**	**1,781,277**	**55.8%**	**41.4%**	**48.5%**
DISCONTINUED OPERATIONS						
Profit / (loss) from discontinued operations including loss recognised on assets held for sale	(64,326)	217,104	(9,948)	-437.5%	-104.6%	-60.7%
PROFIT / (LOSS) FOR THE YEAR	**743,908**	**1,476,410**	**1,771,329**	**98.5%**	**20.0%**	**54.3%**

Consolidated statement of profit and loss and other comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Profit/(Loss) attributable to						
Equity holders of the parent	758,798	1,540,035	1,661,714	103.0%	7.9%	48.0%
Non-controlling interests	(14,890)	(63,625)	109,615	327.3%	-272.3%	-
	743,908	**1,476,410**	**1,771,329**	**98.5%**	**20.0%**	**54.3%**
Basic and diluted earnings per share to equity holders of the parent (in SAR)	1.04	2.11	2.27	102.9%	7.6%	47.7%
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	1.13	1.81	2.29	60.2%	26.5%	42.4%
PROFIT / (LOSS) FOR THE YEAR	**743,908**	**1,476,410**	**1,771,329**	**98.5%**	**20.0%**	**54.3%**
Other comprehensive (loss) / income						
Items that are or may be reclassified subsequently to profit or loss						
Foreign operations – foreign currency translation differences	(399)	(337)	(12,750)	-15.5%	3683.4%	465.3%
Equity accounted investees – share of OCI	997,786	2,942,468	(688,834)	194.9%	-123.4%	-
Net change in fair value of cash flow hedge reserve	380,665	1,977,505	51,574	419.5%	-97.4%	-63.2%
Settlement of cash flow hedges transferred to profit or loss	(40,087)	(41,924)	96,848	4.6%	-331.0%	-
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(56,546)	-	-	-100.0%	-
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	-	(510,382)	-	-	-100.0%	-
Cash flow hedge reserve recycled to profit or loss on sale of an equity accounted investee	-	128,638	-	-	-100.0%	-
Cash flow hedge reserve associated with equity accounted investees recycled to profit or loss upon termination of hedge relationships	-	(555)	(6,769)	-	1119.6%	-
Items that will not be reclassified to profit or loss						
Re-measurement of defined benefit liability	(18,177)	5,796	(7,118)	-131.9%	-222.8%	-37.4%
Total other comprehensive income/(Loss)	**1,319,788**	**4,444,663**	**(567,049)**	**236.8%**	**-112.8%**	**-**
Total comprehensive income	**2,063,696**	**5,921,073**	**1,204,280**	**186.9%**	**-79.7%**	**-23.6%**
Total comprehensive income attributable to:						
Equity holders of the parent	1,984,938	5,741,733	1,104,884	189.3%	-80.8%	-25.4%
Non-controlling interests	78,758	179,340	99,396	127.7%	-44.6%	12.3%
	2,063,696	**5,921,073**	**1,204,280**	**186.9%**	**-79.7%**	**-23.6%**

Source: The Group's audited consolidated financial statements

Table (1-9): Group's consolidated statement of profit and loss for the financial period ended 30 June 2023G and 2024G

Consolidated statement of profit and loss and other comprehensive income			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Continuing operations			
Revenue	2,743,364	2,814,325	2.6%
Operating costs	(1,247,748)	(1,356,865)	8.7%
Gross profit	**1,495,616**	**1,457,460**	**-2.6%**
Development cost, provisions and write offs, net of reversals	(25,916)	(67,080)	158.8%
General and administrative expenses	(531,788)	(781,980)	47.0%
Share in net results of equity accounted investees, net of zakat and tax	131,096	173,633	32.4%
Gain from divestments	-	401,701	-
Other operating income	219,714	205,119	-6.6%
OPERATING INCOME BEFORE IMPAIRMENT LOSSAND OTHER EXPENSES	**1,288,722**	**1,388,853**	**7.8%**
Impairment loss and other expenses, net	(4,632)	(177,832)	3739.2%
OPERATING INCOME AFTER IMPAIRMENT LOSSAND OTHER EXPENSES	**1,284,090**	**1,211,021**	**-5.7%**
Other income	31,272	370,199	1083.8%
Finance income	107,349	165,285	54.0%
Exchange (loss) / gain, net	(3,575)	6,025	-268.5%
Financial charges	(690,419)	(746,793)	8.2%
Profit before zakat and income tax	**728,717**	**1,005,737**	**38.0%**
Zakat and tax	36,128	(67,719)	-287.4%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**764,845**	**938,018**	**22.6%**
DISCONTINUED OPERATIONS			
Gain from discontinued operations including loss recognised on assets held for sale	(9,256)	-	-100.0%
PROFIT FOR THE YEAR	**755,589**	**938,018**	**24.1%**
Profit attributable to:			
Equity holders of the parent	684,137	926,791	35.5%
Non-controlling interests	71,452	11,227	-84.3%
	755,589	**938,018**	**24.1%**
Basic and diluted earnings per share to equity holders of the parent (in SR)	0.93	1.27	35.1%
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	0.95	1.27	33.7%
PROFIT FOR THE PERIOD	**755,589**	**938,018**	**24.1%**
Other comprehensive income / (loss)			

Consolidated statement of profit and loss and other comprehensive income	Increase / (Decrease)		
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Items that are or may be reclassified subsequently to profit or loss			
Foreign Operations – foreign currency translation differences	(16,128)	12,531	-177.7%
Change in fair value of cash flow hedge reserve	262,096	743,972	183.9%
Settlement of cash flow hedges transferred to profit or loss	30,692	78,672	156.3%
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(343,423)	-
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	-	(508,538)	-
Equity accounted investees – share of OCI	12,389	954,057	7600.8%
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability	(8,862)	4,710	-153.1%
Total other comprehensive income	**280,187**	**941,981**	**236.2%**
Total comprehensive income	**1,035,776**	**1,879,999**	**81.5%**
Total comprehensive income attributable to:			
Equity holders of the parent	973,782	1,831,466	88.1%
Non-controlling interests	61,994	48,533	-21.7%
	1,035,776	**1,879,999**	**81.5%**

Source: Reviewed consolidated financial statements

Management's Non-IFRS Key Performance Indicators

The Management uses several key performance metrics internally to review the Group's financial and operational performance. These metrics are called Key Performance Indicators (KPIs) and they are analysed below.

These KPIs and the analysis below should be read in conjunction with Section 6 ("**Management Discussion and Analysis of Financial Position and Results of Operations**").

Table (1-10): Key Performance Indicators

Management KPI's	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Adjusted profit attributable to equity holders of the parent ("Adjusted net profit")	1,193,574	1,575,035	1,661,714	32.0%	5.5%	18.0%
Parent operating cash flow	1,610,563	4,163,109	2,452,966	158.5%	-41.1%	23.4%
Parent net leverage	8,106,374	8,818,737	13,491,204	8.8%	53.0%	29.0%
Parent net leverage to POCF ratio	**5.03**	**2.12**	**5.50**	**-2.91**	**3.38**	**-**

Source: Management information

The following are management's analysis of the KPIs for the six months ended 30 June 2023G and 2024G.

Table (1-11): Management's Analysis of the KPIs

Management KPI's			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Adjusted profit attributable to equity holders of the parent ("Adjusted net profit")	684,137	722,717	5.6%
Parent Operating Cash Flow (POCF)1	438,628	543,766	24.0%
Parent net leverage	13,491,204	16,178,403	19.9%
Parent net leverage to POCF ratio	**5.50**	**6.32**	**0.82**

Source: Management information

The following tables present a summary of the Group's consolidated statement of financial position as of 31 December 2021G, 2022G and 2023G and as of ended 30 June 2023G and 2024G:

Table (1-12): The Group's consolidated statement of financial position as of 31 December 2021G, 2022G and 2023G

Consolidated statement of Financial Position	As at 31 December			Increase / (Decrease) CAGR		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	2021G-2023G
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	11,815,728	10,105,713	10,292,460	-14.5%	1.8%	-6.7%
Intangible assets	1,997,430	2,028,830	2,047,374	1.6%	0.9%	1.2%
Equity accounted investees	9,433,199	12,624,518	15,873,449	33.8%	25.7%	29.7%
Net investment in finance lease	12,372,474	11,501,842	11,234,491	-7.0%	-2.3%	-4.7%
Deferred tax asset	165,004	119,955	153,323	-27.3%	27.8%	-3.6%
Fair value of derivatives	45,540	924,537	754,927	1930.2%	-18.3%	307.2%
Other assets	211,009	397,775	379,812	88.5%	-4.5%	34.2%
TOTAL NON-CURRENT ASSETS	**36,040,384**	**37,703,170**	**40,735,836**	**4.6%**	**8.0%**	**6.3%**
CURRENT ASSETS						
Inventories	425,299	406,820	479,322	-4.3%	17.8%	6.2%
Net investment in finance lease	375,821	378,486	382,185	0.7%	1.0%	0.8%
Fair value of derivatives	-	106,131	88,153	0.0%	-16.9%	-
Due from related parties	780,656	985,120	1,356,247	26.2%	37.7%	31.8%
Accounts receivable, prepayments and other receivables	2,913,617	2,771,708	3,214,580	-4.9%	16.0%	5.0%
Short term investments	-	199,998	1,217,791	0.0%	508.9%	-

Consolidated statement of Financial Position	As at 31 December			Increase / (Decrease) CAGR		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	2021G-2023G
Cash and cash equivalents	5,172,921	6,154,524	4,740,941	19.0%	-23.0%	-4.3%
	9,668,314	**11,002,787**	**11,479,219**	**13.8%**	**4.3%**	**9.0%**
Assets held for Sale	-	139,963	2,803,259	0.0%	1902.9%	-
TOTAL CURRENT ASSETS	**9,668,314**	**11,142,750**	**14,282,478**	**15.3%**	**28.2%**	**21.5%**
TOTAL ASSETS	**45,708,698**	**48,845,920**	**55,018,314**	**6.9%**	**12.6%**	**9.7%**
EQUITY AND LIABILITIES						
EQUITY						
Shareholders' equity						
Share capital	7,134,143	7,134,143	7,134,143	0.0%	0.0%	0.0%
Share premium	5,335,893	5,335,893	5,335,893	0.0%	0.0%	0.0%
Statutory reserve	718,763	872,766	1,038,937	21.4%	19.0%	20.2%
Retained earnings	1,307,826	2,080,853	3,247,401	59.1%	56.1%	57.6%
Proposed dividends	560,000	606,813	328,995	8.4%	-45.8%	-23.4%
Equity attributable to owners of the Company before other Reserves	**15,056,625**	**16,030,468**	**17,085,369**	**6.5%**	**6.6%**	**6.5%**
Other reserves	(1,572,279)	2,629,419	2,072,589	-267.2%	-21.2%	-
Equity attributable to owners of the Company	**13,484,346**	**18,659,887**	**19,157,958**	**38.4%**	**2.7%**	**19.2%**
Non-controlling interests	835,799	1,368,507	1,550,933	63.7%	13.3%	36.2%
TOTAL EQUITY	**14,320,145**	**20,028,394**	**20,708,891**	**39.9%**	**3.4%**	**20.3%**
LIABILITIES *						
NON-CURRENT LIABILITIES						
Long-term financing and funding facilities	22,856,753	22,332,678	23,549,709	-2.3%	5.4%	1.5%
Due to related parties	1,594,852	862,887	854,938	-45.9%	-0.9%	-26.8%
Obligation for equity accounted investees	443,167	68,370	623,129	-84.6%	811.4%	18.6%
Fair value of derivatives	362,890	1,669	62,908	-99.5%	3669.2%	-58.4%
Deferred tax liability	120,404	214,277	163,476	78.0%	-23.7%	16.5%
Deferred revenue	54,331	90,651	139,746	66.8%	54.2%	60.4%
Employee end of service benefits' liabilities	196,025	190,788	211,298	-2.7%	10.8%	3.8%
Other liabilities	674,248	820,070	767,562	21.6%	-6.4%	6.7%
TOTAL NON-CURRENT LIABILITIES	**26,302,670**	**24,581,390**	**26,372,766**	**-6.5%**	**7.3%**	**0.1%**

Consolidated statement of Financial Position	As at 31 December			Increase / (Decrease) CAGR		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	2021G-2023G
CURRENT LIABILITIES						
Accounts payable, accruals and other financial liabilities	3,597,981	2,595,791	3,149,023	-27.9%	21.3%	-6.4%
Short-term financing facilities	186,381	275,052	316,876	47.6%	15.2%	30.4%
Current portion of long-term financing and funding facilities	958,476	1,039,904	1,613,301	8.5%	55.1%	29.7%
Due to related parties	83,485	88,603	79,157	6.1%	-10.7%	-2.6%
Fair value of derivatives	44,058	-	-	-100.0%	0.0%	-100.0%
Zakat and taxation	215,502	236,786	194,095	9.9%	-18.0%	-5.1%
	5,085,883	**4,236,136**	**5,352,452**	**-16.7%**	**26.4%**	**2.6%**
Liabilities associated with assets held for sale	-	-	2,584,205	0.0%	0.0%	-
TOTAL CURRENT LIABILITIES	**5,085,883**	**4,236,136**	**7,936,657**	**-16.7%**	**87.4%**	**24.9%**
TOTAL LIABILITIES	**31,388,553**	**28,817,526**	**34,309,423**	**-8.2%**	**19.1%**	**4.5%**
TOTAL EQUITY AND LIABILITIES	**45,708,698**	**48,845,920**	**55,018,314**	**6.9%**	**12.6%**	**9.7%**

Source: The Group's audited consolidated financial statements

Table (1-13): The Group's consolidated statement of financial position as of 31 December 2021G, 2022G and 2023G

Balance Sheet			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Current assets	14,282,478	11,483,882	-19.6%
Non-current assets	40,735,836	42,407,656	4.1%
Total assets	**55,018,314**	**53,891,538**	**-2.0%**
Current liabilities	7,936,657	4,959,951	-37.5%
Non-current liabilities	26,372,766	26,747,042	1.4%
Total liabilities	**34,309,423**	**31,706,993**	**-7.6%**
Total equity	20,708,891	22,184,545	7.1%
Total liabilities and equity	**55,018,314**	**53,891,538**	**-2.0%**

Source: Reviewed consolidated financial statements

The tables below provide a summary of the Group's consolidated statement of cash flows for the financial years ended 31 December 2021G, 2022G and 2023G and the financial period ended 30 June 2023G and 2024G.

Table (1-14): The Group's consolidated statement of cash flows for the financial years ended 31 December 2021G, 2022G and 2023G

Consolidated statement of Cash flows	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Net cash generated from operating activities	3,201,179	2,911,367	3,344,899	-9.1%	14.9%	2.2%
Net cash used in investing activities	(5,923,870)	(2,361,616)	(8,408,417)	-60.1%	256.0%	19.1%
Net cash generated from financing activities	7,061,204	425,554	3,758,123	-94.0%	783.1%	-27.0%
Net (decrease) / increase in cash and cash equivalents during the year	**4,338,513**	**975,305**	**(1,305,395)**	**-77.5%**	**-233.8%**	**-**
Cash and cash equivalents at beginning of the year	832,668	5,172,921	6,154,524	521.2%	19.0%	171.9%
Cash and cash equivalents in relation to assets						
classified as held for sale	-	-	(100,281)	0.0%	0.0%	-
Net foreign exchange difference	1,740	6,298	(7,907)	262.0%	-225.5%	-
Cash and cash equivalents at end of the year	**5,172,921**	**6,154,524**	**4,740,941**	**19.0%**	**-23.0%**	**-4.3%**

Source: The Group's audited consolidated financial statements

Table (1-15): The Group's consolidated statement of cash flows for the financial period ended 30 June 2023G and 2024G

Consolidated statement of Cash flows			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Net cash generated from operating activities	929,963	1,304,409	40.3%
Net cash used in investing activities	(7,694,865)	(2,880,505)	-62.6%
Net cash generated from financing activities	3,928,061	625,429	-84.1%
Net (decrease) / increase in cash and cash equivalents during the year	**(2,836,841)**	**(950,667)**	**-66.5%**
Cash and cash equivalents at beginning of the year	6,154,524	4,740,941	-23.0%
Cash and cash equivalents in relation to assets classified as held for sale	(146,951)	-	-100.0%
Net foreign exchange difference	(8,508)	391	-104.6%
Cash and cash equivalents at end of the year	**3,162,224**	**3,790,665**	**19.9%**

Source: Reviewed consolidated financial statements

Summary of Risk Factors

In addition to all information contained in this Prospectus, all prospective investors should carefully consider the risk factors described below before deciding whether to subscribe for the Rights Shares, as detailed in Section 2 ("**Risk Factors**").

There are a number of risks associated with the Rights Issue, summarized as follows:

Risks related to the Group, its Projects and Operations

- Risks related to the expected levels of available capacity and achieving targeted generation levels due to various reasons, including forced outages ("FO")
- Risks related to the Group's delays in the development of Projects and/or in achieving the Financial Close
- Risks related to the issues in the construction of the Group's Projects
- Risks related to the Group's growth strategies
- Risks related to competition and pricing
- Risks related to financial difficulties that Offtakers may experience
- Risks related to the Offtakers' right to terminate the Offtake Agreements
- Risks related to the operation and maintenance of the Group's Projects
- Risks related to the Group's build, own and operate Projects
- Risks related to co-investors and joint venture partners
- Risks related to potential impairment of the Group's goodwill or long-term assets
- Risks related to fluctuations in foreign exchange rates
- Risks related to the negative net assets of certain of the Group's Moroccan projects
- Risks related to the dependency of electricity generation from renewable energy sources on suitable meteorological conditions
- Risks related to the significant increase in the price or the interruption in the provision of fuel
- Risks related to the Group's reliance on its IT infrastructure
- Risks related to the Group's inability to maintain the quality of operations and reputation
- Risks related to force majeure events
- Risks related to unionisation and labour disputes
- Risks related to obtaining sufficient insurance coverage
- Risks related to the credit default exposure of ACWA Power Reinsurance Co. Ltd.
- Risks related to the Company's reliance on the performance of its Subsidiaries and Equity Accounted Investees
- Risks related to the Group's ability to exit investments and divestments
- Risks related to the seasonality of revenue and profitability levels of conventional projects
- Risks related to the repayment of the Group's debt, availability of financing or equity funding or the requirement to make additional equity investments
- Risks related to existing and future leverage
- Risks related to events of default under the financing arrangements
- Risks related to the Group's bonds
- Risks related to the Group's interest rate volatility and volatile securities
- Risks related to the Group becoming an unsecured creditor of an Offtaker in the event of early termination of Offtake Agreements
- Risks related to the Group's working capital
- Risks related to the Company's Sukuk
- Risks related to the Group's high concentration of governmental and semi-governmental customers
- Risks related to the replacement of the long-term incentive plan with the employees' stock incentive plan
- Risks related to de-commissioning of units

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

- Risks related to the Group being exposed to political and geopolitical risks in the countries and regions where it operates
- Risks related to global and regional macroeconomic factors
- Risks related to the environmental regulations in the jurisdictions where the Group operates
- Risks related to violations by Project Companies of health, safety and security standards
- Risks related to the Group's licensing and permits and corporate registration requirements
- Risks related to Zakat and Tax
- Risks related to competition and antitrust laws
- Risks related to compliance with labor law and Saudization requirements
- Risks related to hiring and retaining key employees
- Risks related to the enforcement of foreign court judgments and arbitral awards in the countries in which the Group operates
- Risks related to the Group conducting a significant amount of its business in various countries, including developing countries
- Risks related to money laundering, bribery and other illegal or improper activities
- Risks related to the Group and its companies entering into transactions with Related Parties
- Risks related to the Group not owning all of the lands on which the Group's assets are located
- Risks related to legal disputes
- Risks related to changes in accounting principles or policies
- Risks related to the Group's ESG targets not being fully, partially or timely met
- Risks related to compliance with the Corporate Governance Regulations

Risks related to the Rights Shares

- Risks related to liquidity and fluctuation in the market price of the Shares
- Risks related to fluctuation in the market price of the Rights
- Risks related to the Company's ability to distribute dividends
- Risks related to lack of demand on the Rights and the Company's Shares
- Risks related to issuance of new shares in the future
- Risks related to investors' lack of knowledge with regards to exercising and trading their Rights
- Risks related to not exercising the Rights in a timely manner
- Risks Related to Forward-Looking Statements
- Risks related to trading the Rights
- Risks Related to Dilution of Ownership

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1- Definitions and Abbreviations

1-1 Glossary of Definitions and Abbreviations Used in the Prospectus

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

Table (1-1): Glossary of Definitions and Abbreviations Used in the Prospectus

ACWA Power, Company or the Issuer	ACWA Power.
Advisors	The Company's advisors in relation to the Offering of Rights Shares whose names appear in the "**Corporate Directory**" section of this Prospectus.
AED	The official currency of the United Arab Emirates.
Affiliate	A person who Controls another person or is Controlled by that other person, or who is under common Control with that person by a third person. In any of the foregoing, control could be direct or indirect.
Allocation Date	The date on which the final allocation will be announced no later than Thursday dated 29/01/1447H (corresponding to 24/07/2025G).
Auditors	Ernst & Young Professional Services (Professional LLC) for the financial years ending 31 December 2021G and 31 December 2022G, and KPMG Professional Consulting Company for the financial year ending on 31 December 2023G and the six-month period ending on 30 June 2024G.
Authority or CMA	The Capital Market Authority of the Kingdom.
Board of Directors	Company's Board of Directors.
Business day	Any day (with the exception of Fridays, Saturdays and official holidays) on which the banks are open for business in the Kingdom.
Bylaws	The Company's Bylaws.
Capital Market Law	The Capital Market Law issued under Royal Decree M/30 dated 2/6/1424H (corresponding to 31/07/2003G), as amended.
CEO	The Chief Executive Officer of the Company.
CFO	The Chief Financial Officer of the Company.
Chairman	Chairman of the Board of Directors of the Company.
CMA Glossary of Defined Terms	List of definitions used in the CMA's regulations and laws pursuant to the CMA's Board Decision No 4-11-2004 dated 20/8/1425H (corresponding to 4/10/2004G), as amended pursuant to the CMA's Board Decision No 3-6-2024 dated 05/07/1445H (corresponding to 17/01/2024G).
Companies Law	The Companies Law issued under Royal Decree No M/132 dated 01/12/1443H (corresponding to 30/06/2022G), as amended.
Company's Corporate Governance Manual	The Company's Corporate Governance Manual prepared on 25 Sha 'ban 1442H (corresponding to 07 April 2021G), as stated under Section 5 ("**Ownership and Organisational Structure of the Company**") of this Prospectus.
Competition Law	The Competition Law issued under Royal Decree No M/75 dated 29/06/1440H (corresponding to 6/3/2019G).
Control	The ability to, directly or indirectly, influence the acts or decisions of another person, individually or collectively with a Relative or Affiliate, through any of the following: (1) holding 30% or more of the voting rights in a company; or (2) having the right to appoint 30% or more of the members of the administrative staff; and the word "**controlling party**" shall be construed accordingly.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the CMA's Board pursuant to Resolution No 8-16-2017 dated 16/05/1438H (corresponding to 13/02/2017G) (pursuant to the Companies Law), as amended by Resolution No 8-5-2023 dated 25/06/1444H (corresponding to 18/01/2023G).
Depository Center or Edaa	Securities Depository Center Company (Edaa).
EGM or Extraordinary General Assembly	An extraordinary general assembly of the Shareholders convened in accordance with the Bylaws.
Eligible Persons	All Rights holders, whether Registered Shareholders, individual or corporate investors or those who have purchased the Rights during the Trading Period.

Equity-Accounted investee	Those companies in which the Company has significant direct or indirect influence, but does not control. In the case of joint ventures, the companies in which the Company has shared control over the financial and operating policies of such companies. This includes the Material Equity-Accounted Investments.
ESG	Environmental, Social and Governance.
EUR	The official currency of several member states of the European Union.
Exchange or Tadawul	The Saudi Exchange (Tadawul), the sole entity authorised in the Kingdom to act as a securities exchange.
Joint Financial Advisors	SNB Capital Citigroup Saudi Arabia J.P. Morgan Saudi Arabia
Financial Institutions	Banks and financial services companies.
Financial Statements	The audited consolidated financial statements of the Company as of and for the financial years ended 31 December 2021G, 2022G and 2023G and the audited interim financial statements for the period ended 30 June 2024G.
Foreign Investors	Eligible Qualified Foreign Investors and Foreign Strategic Investors.
Foreign Strategic Investors	A foreign legal entity that aims to own a direct percentage in a listed company's shares for a period of not less than two (2) years, for the purpose of contributing in promoting the financial or operational performance of that listed company.
Fractional Shares	The fractions of the New Shares to be aggregated and offered as part of the Rump Shares during the Rump Offering Period.
FY	Financial year of the Company.
GCC	Gulf Cooperation Council.
GCC Corporate Investor	Any company in which the majority of its share capital is owned by nationals of GCC countries or governments having the nationality of a GCC country in accordance with the definition contained in the Resolution of the Supreme Council of the Gulf Cooperation Council issued at its fifteenth session and approved by Council of Ministers Resolution No 16 dated 20/01/1418H (corresponding to 26/05/1997G), as well as GCC funds established in one of the GCC countries whose units are offered in a public offering to investors from those countries in which the majority of the fund's capital is owned by citizens of the GCC countries or their governments.
GDP	Gross Domestic Product.
General Assemblies	An Extraordinary General Assembly or an Ordinary General Assembly of the Company.
GOSI	General Organisation of Social Insurance in the Kingdom.
Government	Government of the Kingdom.
Group	The Company and its Subsidiaries and the Company's Equity- Accounted Investees.
IASB	International Accounting Standards Board.
IFRS	International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**").
IFRS as endorsed in KSA	International Financial Reporting Standards as endorsed in the Kingdom and other standards and pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants ("**SOCPA**").
Implementing Regulation	The Implementing Regulation of the Companies Law for Listed Joint Stock Companies, issued by the CMA's Board pursuant to Resolution No 8-127-2016 dated 16/1/1483H (corresponding to 17/10/2016G) pursuant to the Companies Law, and as amended by resolution of the CMA's Board No 2-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G).
Investment Funds Regulations	The Regulations issued by the Board of the CMA pursuant to resolution number 1-219-2006 dated 3/12/1427H (corresponding to 24/12/2006G), as amended by CMA resolution number 2-22-2021 dated 12/7/1442H (corresponding 24/2/2021G).
Kingdom or Saudi Arabia or KSA	Kingdom of Saudi Arabia.
Labor Law	The Saudi Labor Law under Saudi Royal Decree No M/51 dated 23/08/1426H (corresponding to 27/09/2005G), as amended.

Law on Supervision of Finance Companies and its Implementing Regulations	The Law on Supervision of Finance Companies promulgated by Royal Decree M/51 dated 13/08/1433H (corresponding to 3/7/2012G), and its Implementing Regulations issued by SAMA Governor Resolution No 2/MST dated 14/04/1434H (14/2/2013G).
Lead Manager	SNB Capital
Legal Advisor	Abuhimed Alsheikh Alhagbani Clifford Chance Law Firm
Listing Rules	The Listing Rules of Tadawul issued by the board of the CMA pursuant to resolution No 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) as amended pursuant to CMA's Board Resolution No 4-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G).
Net Offering Proceeds	The proceeds of the Offering, after deducting all related Offering Expenses.
Offering	The offering of the Company Rights Shares on the terms set out in this Prospectus.
Offering Period	The period which will commence on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and continue for a period of nine (9) days until the closing date of the subscription and ends with the end of Wednesday dated 18/01/1447H (corresponding to 16/07/2025G).
Offering Price	SAR 210 per Offering Share.
Offering Shares	33,928,57 Shares representing 4.63% of the share capital of the Company.
Ordinary General Assembly	The ordinary general assembly of the Shareholders convened in accordance with the Bylaws.
OSCOs or Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offering of Securities and Continuing Obligations issued by the board of the CMA pursuant to its Resolution No 3-123- 2017 dated 9/4/1439H (corresponding to 27/12/2017G) based on the Capital Market Law amended by Resolution of the Board of the Capital Market Authority No 3-114-2024 dated 04/04/1446H (corresponding to 07/10/2024G).
Project Company	A special purpose company incorporated in the host jurisdiction of the relevant Project which it is tasked to implement and which holds the relevant Project assets (and collectively as "**Project Companies**").
Projects	The projects of the Group (and individually, a "**Project**").
Prospectus	This document, prepared by the Company in relation to the Offering in accordance with the OSCOs.
Qualified Foreign Investors (QFI)	A foreign investor that is qualified, in accordance with the provisions of Part (3) of the Rules for Foreign Investment in Securities, to invest in shares listed on the main market of the Exchange.
Related Party/Parties	In this Prospectus, any reference to a "**related party**" shall be reference to a related party as such term is defined under the Rules on the Offer of Securities and Continuing Obligations and the Glossary of Terms Used in the Regulations and Rules of the Capital Market Authority, which includes any of the following: 1- Affiliates of the Issuer except for companies wholly owned by the Issuer. 2- Substantial Shareholders of the Issuer. 3- Directors and Senior Executives of the Company. 4- Directors of the affiliates of the Company. 5- Directors and senior executives of the Issuer's substantial shareholders. 6- Any relatives of persons referred to in 1, 2, 3 and 5 above. 7- Any other company or establishment controlled by any person referred to in 1, 2, 3, 5 and 6 above. For the purposes of paragraph 6 of this definition, relatives shall mean the father, mother, husband, wife and children.
Relatives	The husband, wife and minor children. For the purposes of the Corporate Governance Regulations, the term includes: • Fathers, mothers, grandfathers and grandmothers (and their ancestors). • Children, grandchildren and their descendants. • Siblings, maternal and paternal half-siblings. • Husbands and wives.
Rules for Foreign Investment in Securities	Rules for Foreign Investment in Securities Issued by the Board of the Capital Market Authority Pursuant to its Resolution Number 2-26-2023 Dated 5/9/1444H (corresponding to 27/3/2023G).
SAR or Saudi Riyals	The official currency of the Kingdom
Saudi Central Bank	Saudi Central Bank (previously the Saudi Arabian Monetary Agency, or SAMA).
Secretary	Board Secretary.

Senior Executives	The senior executives listed in Section (5) ("**Ownership and Organisational Structure of the Company– Senior Executives**").
Shareholder	Registered holder of shares.
Shares or Share	Any ordinary share with a nominal value of SAR 10 each in the capital of the Company.
SOCPA	Saudi Organisation for Chartered and Professional Accountants.
Subsidiary or Subsidiaries	Entities that are directly or indirectly Controlled by the Company.
Material Subsidiaries	• First National Company for Operation and Maintenance (NOMAC); • Rabigh Arabian Water and Electricity Company Limited (RAWEC); • ACWA Power Ouarzazate established in the Kingdom of Morocco (ACWA Ouarzazate); and • Rabigh Power Company Limited (RBC).
Substantial Shareholders	Any person holding five percent (5%) or more of the Shares of the Company.
Tadawul System	The automated Saudi securities trading system.
Underwriters	SNB Capital Citigroup Saudi Arabia J.P. Morgan Saudi Arabia Saudi Fransi Capital. FAB Capital. Emirates NBD Capital KSA. Natixis Saudi Arabia Investment Company.
Underwriting Agreement	The underwriting agreement to be entered into between the Company and the Underwriters.
USD	The official currency of the United States of America.
ZAR	The official currency of South Africa.
ZATCA	Zakat, Tax and Customs Authority in the Kingdom.

1-2 Glossary of Technical and Other Terms

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

Table (1-2): Glossary of Technical and Other Terms

ACWA Power Total Solution	The approach adopted by the Group to deliver competitive tariffs by addressing five core elements, namely: development, EPC and equipment, technology, financing and O&M.
Advanced Development Phase	Phase of a project where significant project agreements (such as the shareholders agreement, implementation agreement, joint development agreement, etc) are signed by the Company and binding financial arrangements are in advanced stage to achieve the Financial Close of the project.
Availability or Plant Availability	The state in which a Power Unit or a Desalination Unit is capable of providing service, whether or not it is actually delivering electrical energy or desalinated water.
Base-Load Conventional Plants	A power plant which burns fossil fuel such as coal, natural gas or petroleum to produce electricity on a continuous full time basis.
Build, Own, Operate (BOO)	Power or water or green hydrogen plants which are built, owned and operated by the project company, without an obligation to transfer ownership of the plant to the Off taker at the end of the concession term.
Build, own, operate, transfer (BOOT)	Power or water plants which are built, owned and operated by the project company, with an obligation to transfer ownership of the plant to the Offtaker at the end of the concession for nominal or no value.
CAGR	The compound annual growth rate which measures the growth rate of investments over time (an indication of the rate of return on investment).
Capacity Payments	Payments made by the Offtaker for the available capacity of the plant.
Captive Plant	A power plant which is dedicated to providing a localised source of power to an energy user. It primarily supplies one specific power user rather than connecting to the national/wider energy grid which supplies many different power users.
COD	The commercial operation date of a plant.

Combined-Cycle Power Plant	A power plant which uses both gas and a steam turbine to produce more electricity from the same fuel electricity by routing waste heat from the gas turbine to power the steam turbine.
Concentrated Solar Power Plant (CSP)	A power plant which generates electricity using mirrors to concentrate a large area of sunlight onto a small area, thereby concentrating heat from the sun, which in turn powers a steam turbine to generate electricity during the day and night time.
Conventional Fuel	Any fossil fuel such as coal, natural gas or petroleum.
DSCR	Measurement of the cash flow available to pay off current debt obligations. This ratio refers to the net operation income as "**a multiple of the debt owed liabilities within one year,**" mainly including interest payments, reserve fund and rental payments.
DSRA	Debt service reserve account.
EBL	Equity bridge loan.
ECA	Equity contribution agreement.
Economic Life	The period of time during which an item is expected by its designers to work within its specified parameters, or the life expectancy of the item.
EGR	Revenue from electricity generated and sold during the testing and commissioning phase before COD.
Energy Transition	The transition from the conventional methods of energy generation (e.g. using gas-, coal- and oil-fired plants) to renewable and green/environmentally sustainable energy generation sources (e.g., solar, wind and green hydrogen).
EOD	An event of default (usually under a financing agreement).
EPC	Engineering, procurement and construction.
EPC Contractor	The contractor responsible for the engineering, design, procurement, construction and commissioning of a plant.
ESRA	Equity subscription and retention agreement.
Eurasia	Eurasia is a land mass of 54,000,000 km^2 and is made up of the continents of Europe and Asia. Eurasia was formed about 350 million years ago after the merging of the continents: Siberia, Kazakhstan and the Baltics. Eurasia is located in the north of the globe. The name of the block is a composite of the words "**Europe**" and "**Asia**". Wikipedia
Financial Close	Achieving fully committed funding of a project.
Forced Outage	Any unscheduled event and/or component failure or other condition that requires: (1) a Power, a Desalination, and/or a Green Hydrogen Unit to be removed from service; or (2) the capacity of a Power Unit or a Desalination Unit to be reduced.
Forced Outage Rate	During any contract year (or such applicable shorter period under consideration), the percentage of the actual net dispatch capacity (of the Power Unit or Desalination Unit) that was out of service due to Forced Outage over the maximum net dispatch capacity of such Power or Desalination Unit, each for the relevant period under consideration.
GHG Emissions	Any gas in the atmosphere that is capable of absorbing infrared radiation, thereby trapping heat in the atmosphere.
Green hydrogen	The creation of hydrogen via the separation of hydrogen and oxygen from water via electrolysis using electricity generated from renewable energy sources.
Greenfield Project	A project that lacks constraints imposed by prior work or previous developments on the same site.
GW	A unit of electric power equal to one billion watts of energy.
GWh	A unit of energy representing one billion watt hours and is equivalent to one million kilowatt hours. Gigawatt hours are often used as a measure of the output of large electricity power stations.
Heat Rate	A measure of the efficiency of a generator or power plant that converts a fuel into heat and into electricity. The heat rate is the amount of energy used by an electrical generator or power plant to generate one kilowatt-hour (kWh) of electricity.
Heavy Fuel Oil	A fraction obtained from petroleum distillation, either as a distillate or a residue.
Intermediate Holding Company	Company through which the Group owns shares in the Project Company.
IPP	Independent power project.
ISO	International Organisation for Standardisation.

IWP	Independent water production project.
IWPP or I(W)PP	Independent water and power production project.
IWSPP	Independent water, steam and power production project.
JAFZA	Jebel Ali Free Zone Authority,
JOD	The official currency of the Hashemite Kingdom of Jordan.
LCOE	A measure of the present value of the cost of electricity generation over a plant's lifetime.
Levelised Tariff	A measure of the present value of the cost of electricity generation or water desalination, as applicable, over a plant's lifetime.
LNTPs	Limited notice to proceed with construction.
LRA	Liabilities reserve account.
MAD	The official currency of the Kingdom of Morocco.
Merchant Environment	An environment where there is an opportunity to sell water or power to the market rather than to the (usually government owned) offtaker.
MOHRSD	The Ministry of Human Resources and Social Development of Saudi Arabia.
MW	A measurement of electricity equal to 1 million watt.
O&M	Operation and maintenance
Offtake Agreements	PPAs, WPAs and/or PWPA
Offtaker	The buyer of the product produced or service rendered.
OMR	The official currency of Oman.
Output Payments	Payments made by the Offtaker for the power, water, or steam generated or produced by the plant.
Photovoltaic Plant ("PV")	A power plant that uses photovoltaic solar panels to collect sunlight and convert it into electricity.
Planned Outage	Any scheduled removal of a Power Unit or a Desalination Unit from service for maintenance that is scheduled to be undertaken in accordance with the terms of the PPA/PWPA/WPA, and has a predetermined start date, scope of work and duration.
Power Purchase Agreement ("PPA")	The agreement that regulates the production and purchase of power between the buyer (offtaker) and the seller.
Power and Water Purchase Agreement ("PWPA")	Power and water purchase agreement, being the agreement that regulates the production and purchase of power and water between the buyer (offtaker) and the seller.
Shareholders' Agreement	Shareholders' agreement.
SWRO	Sea Water Reverse Osmosis operation.
TW	A measure of electricity equal to 1 trillion watts.
TWh	Refers to getting power at a capacity of 1 terawatt (10^12 watts) for one hour.
Water and Power Purchase Agreement	The agreement governing the production and purchase of potable water and energy between the buyer (Offtaker) and the seller.
Water Purchase Agreement ("WPA")	The agreement that regulates the production and purchase of potable water between the buyer (Offtaker) and the seller.
Water and Energy Conversion Agreement	Water and energy conversion agreement.
Bridge Loans	Temporary loan that provides financing when the borrower needs additional time to obtain permanent financing.
IEA	International Energy Agency, an international organisation working in the research, development and marketing of energy technology and its uses.
BESS	Battery Energy Storage System, a system to store electrical energy by using electrochemical batteries. The capacity disclosed as GWH/MWh represents nameplate DC installed capacity.

1-3 Glossary of Project Companies Abbreviations

The following table sets out the abbreviations of Project Companies used in this Prospectus.

Table (1-3): Glossary of Project Companies Abbreviations

SWEC	Shuaibah IWPP in the Kingdom of Saudi Arabia
SEPCO	Shuaibah Expansion IWP in the Kingdom of Saudi Arabia
RAWEC	Petro-Rabigh IWSPP in the Kingdom of Saudi Arabia
RAWEC Exp	Petro-Rabigh (Phase 2) IWSPP in the Kingdom of Saudi Arabia
JWAP	Marafiq IWPP in the Kingdom of Saudi Arabia
RABIGH	Rabigh IPP in the Kingdom of Saudi Arabia
Barka	Barka 1 IWPP in the Kingdom of Saudi Arabia
CEGCO	CEGCO Assets in the Kingdom of Saudi Arabia
HEPCO	Hajr IPP in the Kingdom of Saudi Arabia
Barka Exp 1	Barka 1 Expansion IWP in Oman
NOOR I	Noor I CSP IPP in Morocco
Bokpoort	Bokpoort CSP IPP in South Africa
Mourjan	Rabigh 2 IPP in the Kingdom of Saudi Arabia
Kirikkale	Kirikkale CCGT IPP in Turkey
Khalladi	Khalladi Wind IPP in Morocco
Barka Exp 2	Barka 1 Phase II Expansion IWP in Oman
NOOR II	Noor II CSP IPP in Morocco
NOOR III	Noor III CSP IPP in Morocco
Shuaa 1	Shuaa Energy PV IPP in UAE
DGC 1	Salalah 2 IPP – Existing in Oman
DGC 2	Salalah 2 IPP – Greenfield in Oman
HE1	Hassyan IPP in UAE
Ibri	Ibri IPP in Oman
Sohar	Sohar 3 IPP in Oman
Zarqa	Zarqa IPP in Jordan
Noor IV	NOOR PV1 IPP in Morocco
Mafraq	Mafraq PV IPP in Jordan
STPC	Shuaibah 2 IWP in the Kingdom of Saudi Arabia
Risha	Risha PV IPP in Jordan
BenBan	BenBan 1 in Egypt
Alcom	Ben Ban 2 in Egypt

TK	Ben Ban 3 in Egypt
DDC	Salalah IWP in Oman
Sakaka	Sakaka PV IPP in the Kingdom of Saudi Arabia
NE1	Noor Energy 1 in UAE
Rabigh 3	Rabigh 3 IWP in the Kingdom of Saudi Arabia
Al Dur 2	Al Dur Phase II IWPP in Bahrain
Taweelah	Taweelah IWP in UAE
UAQ	UAQ IWP in UAE
Ibri 2	Ibri 2 PV IPP in Oman
Jubail 3A	Jazlah IWP in the Kingdom of Saudi Arabia
Shuaa 3	DEWA V PV in UAE
Sirdarya	Sirdarya CCGT IPP in Uzbekistan
Kom Ombo	Kom Ombo in Egypt
Redstone	Redstone CSP IPP in South Africa
Sudair	Sudair PV IPP in the Kingdom of Saudi Arabia
Jazan	Jazan IGCC in the Kingdom of Saudi Arabia
Red Sea	The Red Sea Project in the Kingdom of Saudi Arabia
SWEC RO	Shuaibah 3 IWP in the Kingdom of Saudi Arabia
Bash	Bash Wind IPP in Uzbekistan
Dzhankeldy	Dzhankeldy Wind IPP in Uzbekistan
NEOM	NEOM Green Hydrogen Company (NGHC) in the Kingdom of Saudi Arabia
Az Wind	Azerbaijan Wind IPP in Azerbaijan
Kungrad 1	Kungrad 1 Wind IPP in Uzbekistan
Kungrad 2	Kungrad 2 Wind IPP in Uzbekistan
Kungrad 3	Kungrad 3 Wind IPP in Uzbekistan
Suez	Suez Wind in Egypt
Ar Rass	Ar Rass PV IPP in the Kingdom of Saudi Arabia
Saguling	Saguling Floating PV IPP in Indonesia
Singkarak	Singkarak Floating PV IPP in Indonesia
Laylaa	Laylaa PV IPP in the Kingdom of Saudi Arabia
SPV 1 & 2	Shuaibah 1& 2 PV IPP in the Kingdom of Saudi Arabia
Rabigh 4	Rabigh 4 IWP in the Kingdom of Saudi Arabia
Tashkent	Riverside Solar in Uzbekistan

Samarkand 1	Sazagan Solar 1 in Uzbekistan
Samarkand 2	Sazagan Solar 2 in Uzbekistan
Nukus 1	Karatau Wind IPP in Uzbekistan
Ar Rass 2	Ar Rass 2 PV IPP in the Kingdom of Saudi Arabia
Saad 2	Saad 2 PV IPP in the Kingdom of Saudi Arabia
Al Kahfah	Al Kahfah PV c
Uzbekistan GH2	Uzbekistan GH2 in Uzbekistan
Hassyan IWP	Hassyan IWP in UAE
Taibah	Taibah 1 IPP in in Uzbekistanv
Qassim	Qassim 1 IPP in the Kingdom of Saudi Arabia
Nukus II	Nukus II wind+BESS in Uzbekistan
Bash 2	ACWA Power Gijduvan Wind in Uzbekistan
Kungrad 4	ACWA Power KRKP WIND in Uzbekistan
Aral Wind 1	FE Acwa Power Moynaq Aral One, LLC in Uzbekistan
Aral Wind 2	FE Acwa Power Kyrkkyz Aral Two, LLC in Uzbekistan
Aral Wind 3	FE Acwa Power Kunkhodzha Aral Three, LLC in Uzbekistan
Aral Wind 4	FE Acwa Power Beleuli Aral Four, LLC in Uzbekistan
Aral Wind 5	FE Acwa Power Karakalpakia Aral Five, LLC in Uzbekistan
Haden	PIF 4 Haden Solar PV in the Kingdom of Saudi Arabia
Muwaih	PIF 4 Al-Muwaih Solar PV in the Kingdom of Saudi Arabia
Khushaybi	PIF 4 Al-Khushaybi Solar PV in the Kingdom of Saudi Arabia
Hamriyah	410,000m³ of desalinated water per day in Sharjah, UAE

ACWA POWER
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2- Risk Factors

Before deciding whether to subscribe to the Rights Shares, all prospective investors are advised to carefully consider all the information contained in this Prospectus, particularly the risk factors described below. These risk factors may not include all the risks that the Group may encounter, and additional risks may exist that are not currently known by the Group, or that may be deemed immaterial but may nevertheless affect the Group's operations. The Group's business, financial position, results of operations, cash flows and prospects could be adversely materially affected if any of the following risks materialize.

The Group's business, financial position, results of operations and prospects could be adversely and materially affected if any of the risks below, which are identified as material, or if any other risks that the Directors have not identified or are considered not to be material, actually occur, or become material. As a result of such risks or other factors that may affect the Group, the forward-looking events and circumstances presented in this Prospectus might not occur in the way the Company and/or the Directors expect, or at all. When evaluating the risks described below, a prospective investor should also consider, among other information set out in this Prospectus, the information on the Group described in Section (3) ("**The Company**").

The Directors also confirm that, to the best of their knowledge and belief, there are no other material risks besides those mentioned in this Section, the non-disclosure of which would affect investors' decisions to subscribe to any Rights Shares as at the date of this Prospectus.

An investment in the Rights Shares is only appropriate for investors who are capable of assessing the risks and merits of such an investment and who have sufficient resources to bear any loss that might result from this investment. Any prospective investor who has any doubts concerning the appropriate action to be taken should consult a financial advisor licensed by the CMA for advice in connection with any investment in the Rights Shares.

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

The risks set out in this Section 2 ("**Risk Factors**") do not purport to be: (a) a complete or composite list of all risks which may affect the Group or in any case its operations, activities, assets or markets in which it operates; or (b) an explanation of all the risks involved in investing in the Rights Shares. The risks and uncertainties described below are not presented in an order that reflects their importance, likelihood, or anticipated effect on the Group. Additional unknown risks or those deemed immaterial may have the impacts set forth in this Prospectus.

2-1 Risks related to the Group, its Projects and Operations

2-1-1 Risks related to the expected levels of available capacity and achieving targeted generation levels due to various reasons, including forced outages

All Project Companies (save for Kirikkale CCGT IPP in Turkey, which was deconsolidated in 2018G) have entered into power purchase agreements ("**PPAs**"), water purchase agreements ("**WPAs**"), power and water purchase agreements ("**PWPAs**"), green hydrogen or green ammonia purchase agreements ("**HPAs**") or water and energy conversion agreements ("**WECAs**" and, together with the PPAs, WPAs, PWPAs, HPAs and WECAs the "**Offtake Agreements**"). Through these Offtake Agreements, the Group sells the Project's electricity generation capacity, green ammonia or hydrogen production capacity and/or desalinated water or steam production capacity at a pre-agreed tariff or sells electricity generated and/or desalinated water produced at the relevant Project to Offtakers. Please refer to Section (10-4-1) ("**Offtake Agreements and related agreements**") of this Prospectus for further information on the nature of Offtake Agreements. Such Offtakers include investment-grade and non-investment grade governmental and quasi-governmental entities, and resource/commodity-based industrial companies that require significant quantities of utility services and are usually capable of supplying their own fuel resources to the Projects (for example, captive power plants for petrochemical companies). Pursuant to these Offtake Agreements, revenues of the Project Companies are principally determined by (i) with respect to Base-Load Conventional Plants, the available capacity of the relevant plant to generate power and/or to produce desalinated water and/or steam as required by the relevant Offtaker, and (ii) (with respect to renewables) the electricity delivered (or deemed to be delivered) to the Offtaker. The relevant Project Companies receive a single energy payment for the electricity delivered (or deemed to be delivered under the relevant offtake agreements for example, in the event the Project Company is unable to deliver the required level of energy generation due to the failure of the Offtaker, then the energy will be deemed to be delivered and the Offtaker is obliged to pay the energy payments) to the relevant Offtaker. Given that there are no Capacity Payments under these Projects to compensate the Project Company for its availability to deliver power, the Offtaker is generally required to dispatch and take all of the power that the Project Company is actually capable of delivering. The Project Company is generally compensated by the Offtaker for the power it would have delivered but for the Offtaker's failure to take the relevant plant. For further information on the payments made with respect to the Group's Offtake Agreements, please see Section (3) ("**The Company**"). The Group's current contracts have a weighted average remaining contract term of approximately 22.5 years as at 31 December 2024, weighted based on total project cost, while the Group's contracts for its renewable assets (projects using or producing renewable energy) have a weighted average remaining contract term of approximately 27 years as at 31 December 2024G.

For Base-Load Conventional Plants, Capacity Payments by the Offtaker for the plant's available capacity represent a majority of the overall revenue of each Project. Such Capacity Payments are separate from payments from Offtakers for electricity actually generated or desalinated water actually produced at such Base-Load Conventional Plants. If a plant is unable to generate electricity and/or produce desalinated water at the levels required under the relevant Offtake Agreement for any reason, including, for example, as a result of critical equipment failure and unplanned shutdowns, the availability-based Capacity Payment made by the Offtaker will be reduced. Furthermore, a failure by an O&M contractor or subcontractor to operate and maintain the relevant plant in a manner that ensures that it has the required levels of available capacity to generate electricity and/or produce desalinated water could result in a reduction in a Project Company's revenue, liquidated damages being paid by the Project Company to the Offtaker, and in the event of a prolonged failure, could impact the Group's reputation. Additionally, the failure by the O&M contractor to generate/produce the required levels of electricity/water may result in an event of default under (i) the O&M Contract, (ii) the relevant offtake agreement (if the failure to generate leads to an amount that is less than a pre-agreed level) or (iii) the underlying finance agreements, and this would consequently result in loss of revenues of the Project Companies, liquidated damages paid to Project Companies by the relevant O&M contractor and could potentially result in termination of the O&M contract and acceleration of payments under the relevant finance agreements. Please refer to Section (2-3-27) ("**Risks Related to Events of Default Under the Financing Arrangements**") of this Prospectus for further information. The Project Companies' back-to-back arrangements with their respective O&M contractors in relation to the required levels of plant performance may not fully compensate the relevant Project Company for the reduction in revenue resulting from decreases in availability as liquidated damages payable by O&M contractors are limited to a portion of the reduction in revenue of the Project Company and in some cases are also subject to annual caps. Similarly, where the O&M contractor is NOMAC (or a NOMAC subsidiary), the Group's financial position will be adversely impacted (depending on its ownership percentage in the O&M contractor) regardless of whether the Project Company manages to rely on the back-to-back arrangements. For further information on the Group's O&M arrangements, see Section (2-1-8) ("**Risks related to the operation and maintenance of the Group's Projects**") of this Prospectus. Should any of these events materialize it could adversely affect the Group's business, financial position and results of operations.

For renewables projects, should the Project Company fail to deliver the agreed upon energy to the Offtaker, including due to renewable resource-based estimations with actual resource availability falling short of the expected generation and technical flaws or malfunctions affecting the actual energy production, the expected payment to the Group may be withheld by the Offtaker and may not be recoverable from another party (e.g. a defaulting EPC contractor). See also Section (2-1-3) ("**Risks related to the issues in the construction of the Group's Projects**") of this Prospectus.

The operation of the Group's facilities involves risks that include the breakdown or failure of equipment or processes and performance below expected levels of output or efficiency. Equipment failures and performance issues can stem from a number of factors, including manufacturing defects or design issues, human errors, lack of maintenance and fair wear and tear over time. As a result, many of the Group's facilities require planned periodic major overhaul activities to avoid Forced Outages ("**FO(s)**"), which may also reduce the expected level of output or efficiency as well as require significant investment costs and expenses by the Group. The Group had average FO levels of 4.6%, 7.8% and 4.8% for power, and 2.5%, 2.1%, and 2.3% for water, respectively, of annual declared capacity for power/water in the three years ending 31 December 2021G, 2022G and 2023G. During the six-month period ending 30 June 2024G, the Group experienced 2.9% FO for power and 0.9% for water.

FOs of generating units, including extensions of scheduled outages due to mechanical failures or other problems relating to the Group's power generation and/or desalinated water or steam facilities, occur from time to time and are an inherent risk of the Group's business. All Projects have experienced FOs from time to time due to various equipment failures, such as the total plant shutdown and derating. FOs of the Group's power generation and/or desalinated water or steam producing units typically increase the Group's O&M expenses which may not be recoverable under the relevant Offtake Agreement and may reduce the Group's revenue as a result of selling fewer MW hours of energy and/or lower cubic meters of desalinated water or require the Group to incur significant costs (which the Group is unable to pass-through to customers) as a result of running a higher cost unit.

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

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

Moreover, where certain critical equipment needs to be replaced due to its failure or malfunctioning, this could result in significant capital expenditure for the relevant Project Company, which may need to be procured by the Project Company. In the event the total amount of expenditure needed to rectify such failure exceeds the amount of funds available to the Project Company, including insurance and warranty proceeds, it would need to seek to raise additional debt or equity funding for the Project, which could have a material adverse effect on such Project Company's business, financial position and results of operations. Any unexpected failure, including failure associated with breakdowns, FOs or any unanticipated capital expenditures at the Group's power and/or desalinated water or steam plants, could result in reduced revenue and profitability and jeopardise the ability of the Group's projects to pay their debt and other obligations and make distributions.

FO rates for the Project Companies for the year ended 31 December 2023G and for the six-month period ending 30 June 2024G were 4.8% and 2.9% for power and 2.3% and 0.9% for water Project Companies, respectively. FO rates for all conventional power Project Companies for the year ended 31 December 2023G and for the six-month period ending 30 June 2024G were 5.0% and 2.8% and 1.9% and 3.8% for renewable power Project Companies, respectively.

Material outstanding FOs as at 30 June 2024G (where the outages were in excess of 5% of the annual plant capacity (per plant)) were at the IBRI I IPP plant in Oman due a Steam Turbine Generator fault extended to generator step-up transformer failure and gas turbine compressor failure at the Noor Energy 1 CSP+PV plant in the UAE mainly due to the IP turbine control valve malfunction and SGS train 2 salt leak, Noor 2 IPP CSP plant in Morocco due to a defective evaporator, and Noor III CSP IPP plant in Morocco due to an incident in the molten salt hot tank.

These critical equipment failures were due to different reasons of design issues and severe weather conditions that resulted in FOs exceeding what is contractually permitted, and thus impacted the commercial availability in an aggregate amount of approximately SAR 162 million at these projects and effectively SAR 108 million at the Group level, during the six-month period ended 30 June 2024G. For more information about these Projects, please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") of this Prospectus.

If any of the above risks were to materialize, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

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

As at 31 December 2024, the Group has 18 Projects in advanced development. During the advanced development phase of a Project, which is a phase beginning from the awarding of preferred bidder status or where a significant project agreement (such as the shareholders agreement, implementation agreement, etc.) is signed by the Company for the Project until the Financial Close of the Project (referred to as the "**Advanced Development Phase**"), there is an inherent risk of material delays in achieving, or achieving at all, the Financial Close of a Project. This could be due to a variety of reasons, including delays in securing final agreement with the EPC Contractor and/or the O&M Operator, obtaining all necessary development and construction permits and licenses, including applicable land, electricity and environmental permits, delays in due diligence processes and final credit approvals from the lenders, unforeseen engineering, environmental or geological problems, the Group's inability to obtain the required funding arrangements, defaults by main contractors and other counterparties, design or construction defects, failure to complete projects according to design specification, shortages of materials and equipment, labour shortages and the failure of the contractors to meet agreed timetables. The Group is still in the process of obtaining all necessary permits and licenses and final credit approvals from its lenders for its Projects in Advanced Development Phase which are required at that stage and for the Project Companies to be able to achieve Financial Close.

In the event the Group is unable to take a Project to Financial Close, this could result in the relevant Project Company losing its bid bond and potentially the recoverability of the Project development costs, which would have a financial impact on the Group's business, financial position and results of operations. During the development of a project, the Group incurs various development costs, including employee remuneration, consultancy fees, and other administrative expenses. These costs are typically recovered through reimbursement by the Project Companies upon achieving Financial Close. Please refer to Sub-section ("**Comparability of Operations**") of Section (6) ("**Management Discussion and Analysis of Financial Position and Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus for more information.

In addition, delays in the development of a Project may also, in turn, delay the receipt by the Group of fees (typically paid to the developers or sponsors at or following Financial Close as compensation for the risks taken and efforts made while developing the Project) and the recovery of the development costs. As a result, the delay in obtaining such fees and recovery of the development costs could result in a delays in the Group's revenue recognition, resulting in a material adverse impact to the Group's cash flows and earnings during the period of delay.

As at 30 June 2024G, the Group's project development cost receivables net of provisions amounted to SAR 372 million. For the financial years 2021G, 2022G, and 2023G, the development cost receivables were SAR 168 million, SAR 249 million, and SAR 325 million, respectively. Please refer to Sub-section ("**Project Development Costs**") of Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus for more information. These receivables represent pre-development costs which have been capitalized during the bidding stage for projects considered feasible as of the reporting date. The Group periodically assesses these costs on a quarterly basis, taking into account the likelihood of project success, which can fluctuate based on various market conditions and project-specific factors. The provision for project development costs is based on management's judgment and historical average success rates.

The uncertainty associated with the outcomes of projects in the pre-financial close phase presents a significant risk that recorded development costs may not be fully recoverable. Adverse changes in the feasibility of the projects or shifts in management's estimates could lead to increased provisions or impairments, negatively impacting the Group's financial condition and results of operations. As such, there can be no assurance that the Group will realize the full value of its project development costs. The company for the development of Project in Africa signed a PPA with the Offtaker in December 2023G. The completion of the conditions precedent of the financing arrangements have extended beyond the stipulated long-stop dates of the relevant contract, and the Company applied for extension of the date or amendments and reinstatement of the PPA, which was rejected by the Offtaker. Although discussions are ongoing between the Company and the Offtaker, considering uncertainties surrounding the progression, the underlying forecast transactions are no longer considered highly probable. As a result, the project development cost with a cumulative balance of SAR 101 million as of 30 September 2024G has been written-off. Additionally, the cumulative balance of SAR 327.9 million previously recorded in the Other Comprehensive Income (OCI) hedge reserve has been reclassified to profit or loss as of 30 September 2024G. For more information about this Project, please refer to Section (3) ("**The Company**") of this Prospectus.

If any of the above risks were to materialize, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-3 Risks related to the issues in the construction of the Group's Projects

During the construction phase, which is the period from Financial Close to the COD of a Project, there is an inherent risk of material delays in the construction of a Project which could be due to a variety of reasons, including delays in obtaining or renewing any necessary construction permits and licenses, unforeseen engineering, environmental or geological problems, the Group's inability to obtain the required funding arrangements, defaults by main contractors and other counterparties, design or construction defects, failure to complete projects according to design specification, shortages of materials and equipment, labour shortages and the failure of the contractors to meet agreed timetables. Any such reasons could result in delays to the construction phase and/or result in costs during the construction phase exceeding budgeted amounts. For example, there could be unforeseen site issues or commissioning issues or due to failure to perform by the EPC contractor, including where the quality of construction is poor or the quality of installed equipment does not meet required legal or contractual standards, either caused by failures of subcontractors and sub-suppliers or bankruptcy of the EPC contractor.

On 22 February 2021G, Abengoa SA, the parent company of the EPC consortium partners for Salalah IWP, Rabigh 3 and Taweelah, filed for bankruptcy in the Seville Court. The parent company bankruptcy did not impact ACWA Power contracts directly and to the best of the Group's knowledge, there were no filings for bankruptcy by any of the Abengoa entities contracted with ACWA Power. Subsequently, as part of the insolvency proceeding, the Abengoa subsidiaries (including those which contracted with various ACWA Power projects) were sold to a third-party buyer. Salalah IWP and Rabigh 3 has achieved their commercial operational dates during 2021G, and Taweelah during 2024G.

In addition, most of the Projects being developed by the Group are done under a single turnkey EPC contract for that Project, which typically includes back-to-back obligations with the obligations under the relevant Power and Water Purchase Agreement (with the relevant contractor or contractor consortium assuming all responsibility for the applicable development, construction process and work). Therefore, should the contractor default under the contract, resulting in significant delays, cost overruns, quality of workmanship issues, etc. with respect to the Project in question, this could result in a default by the Project Company under the relevant Power and Water Purchase Agreement. Also, given the technical nature of the Group's Projects in the jurisdictions where it operates, there is a risk of a number of projects being awarded to the same one or two EPC contractors (or consortium). This increases the risk of the EPC contractor being a single point of failure in case of non-performance or default scenarios, resulting in default under more than one Project. Such defaults, delays, cost overruns or quality issues may be potentially greater in instances where a contractor must be replaced as a result of its default.

Furthermore, towards the end of the construction phase, a Project is exposed to performance specification risk, which is the risk that the completed plant or certain other aspects of the Project may not fall within the performance parameters stated within the relevant Offtake Agreement. Problems relating to performing required tests at the commissioning or to the quality of workmanship by the EPC contractor may result in defects in the Project which may result in significant delays or cost overruns if identified prior to the (P)COD, equipment failure, unforeseen capital expenditures and health and safety hazards, all of which could have an adverse impact on the completion or operations of the Project. In addition, in the event that an EPC Contractor is either unable to meet the performance specifications or it delays the Project construction beyond the long-stop date agreed under the relevant Offtake Agreement, the Offtaker may exercise its right to reject the plant, which could lead to a loss for the Group's equity invested and expected equity returns. The Group may not be fully compensated by the EPC Contractor for its losses based on the EPC contracts, due to the agreed-upon liability caps of the EPC contractor, which may be less than the losses claimed by the Group, for example.

Moreover, the Project Companies that are constructing Projects are usually obliged to pay liquidated damages to the Offtaker should a project fail to achieve COD by the agreed time for each phase of the Project. Any non-payment by the Project Company of such delay-related liquidated damages would trigger the right for the Offtaker to call on the performance bond to recover such liquidated damages. Typically, the shareholders of the Project Company are solely responsible for procuring each of the bonds as required under the finance documents. Furthermore, if the Project Company does not reach COD by the long-stop date then the Offtaker will typically have a right to terminate the Offtake Agreement and is under no obligation to purchase the Project. For example, the Noor III CSP IPP did not reach FCOD by their long-stop date. Final COD for Noor III CSP IPP in Morocco has not been achieved as at the date of this Prospectus. The new target final COD may not be possible to achieve, which could result in termination of this Project by the Offtaker. This could result in enforcement against the security provided by the Group, which includes a performance bond equalling 10% of the construction cost that the Offtaker may call. Additionally, the Offtaker may also trigger the put option applicable to their equity stake in the project. The relevant Project Company may not be able to retrieve the amount of liquidated damages paid to the Offtaker from the EPC contractor under the relevant EPC agreement. The Group has also injected a USD 73 million (equivalent to SAR 274 million) Project completion support loan mainly for debt servicing and this amount may increase considering the current outage due to a technical issue in the molten salt hot tank in the Noor III CSP plant and the CAPEX required for the new molten salt hot tank. This could result in significant capital expenditure for the relevant Project Company, which may need to be procured by the Project Company. For more information about this Project, please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") of this Prospectus.

In the event of cost-overruns in the construction of certain Project, which is not compensated under the other project-related agreements, the shareholders may be responsible for such costs. For instance, each of the Hassyan IPP, Noor Energy 1 CSP, Taweelah IWP, Sirdarya and Redstone CSP Projects faced delays in construction ranging from 4 months in the case of Redstone CSP to 30 months in the case of Noor Energy 1 in the UAE, including delays due to several force majeure events on account of natural events, which resulted in cost overruns and EGR losses in an aggregate amount in excess of approximately USD 788 million (equivalent to SAR 2,955 million) during the financial year ended 2022G and the six-month period ending 30 June 2024G. Please refer to Section (2-1-18) ("**Risks Related to Force Majeure Events**") of this Prospectus for further information on such cases where the relevant Project Companies may not be able to seek full indemnity of such amounts from the EPC Contractors.

Additionally, the construction works under certain Projects have been impacted by the blockade/delays in the shipping routes around the Red Sea Bab Al Mandab area due to recent attacks. This impacted supply chain management and vendor supervision services. As a result, to the extent the relevant delay in achieving COD, cost overruns or quality issues are not attributable to risks borne by the relevant EPC Contractor, and to the extent not covered by the insurance procured by the Project, provisions of the Project's relevant agreement (such as force majeure clauses), the delays could have material financial consequences for the Project Company and the Group (under the deed of guarantees it has provided to the contractors).

For instance, in the NEOM Green Hydrogen Project, the Company has entered into a sponsor related agreement whereby the Company undertakes the entirety of the EPC cost associated with the construction of the assets. These costs are defined and capped under the EPC contract and are tied to the Company's ownership share in the NEOM Green Hydrogen Company, which is 33%. There is no cap on the liability for undertaking these costs, not only for the EPC contractor but also without exposing the Company's ownership in the NEOM Green Hydrogen Company to them. This is a deviation from the standard risk allocation whereby such construction risks are fully transferred to the EPC contractor without recourse to the shareholders of the Project Company. For more information about this Project, please refer to Section (3) ("**The Company**") of this Prospectus.

In addition, in the event of the insolvency, administration, winding-up, or similar actions undertaken with respect to the EPC Contractor, the Project Company may incur penalties under the relevant Offtake Agreement in relation to any material delays in the completion of the Project, incur additional expenditure in procuring a new EPC Contractor and/or suffer total loss of the Project and investment, should the Offtaker chooses to exercise its right to terminate.

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

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

The Group is exposed to risks relating to its various growth strategies, which include the development of greenfield projects in power generation, water desalination and green hydrogen production projects, the acquisition of brownfield assets and a focus on renewable projects. For more information on the Group's growth strategy, see Section (3-1) ("**The Company**") of this Prospectus. As at 31 December 2024G, the Group has 18 Projects in the Advanced Development Phase. These include the aforementioned types of projects, each of which entails inherent risks that could impact the Group's growth strategies.

Greenfield projects

The development of greenfield projects forms an important aspect of the Group's growth strategy and such development projects in general place significant demands on the Group's management, financial and other resources and requires it to continuously develop and improve its operational, financial and internal controls, and to continue to empower its management, recruitment and administrative capabilities. In particular, ongoing expansion within the Group's current or target markets increases the challenges involved in financial and technical management, recruitment, training and retaining sufficiently skilled technical and management personnel and developing and improving internal administrative infrastructure. Moreover, the Group is exposed to the risk that it may underestimate the actual costs associated with the development of greenfield projects during the bidding process for such projects.

In addition, in cases where the Group expands into new jurisdictions and/or geographic regions it may become subject to increased challenges and risks, including those relating to novel regulatory regimes, objection from local residents for the construction and operation of power plant, unfamiliar commercial, labor and bureaucratic environments, bribery and corruption and uncertainty regarding the legal framework or changes to them (See also Section (2-2-11) ("**Risks related to the Group conducting a significant amount of its business in various countries, including developing countries**") and Section (2-2-12) ("**Risks related to money laundering, bribery and other illegal or improper activities**")). In certain markets, including both in those where the Group may currently have memoranda of understanding with the relevant government or where the public power policy is less clearly defined, the Group will be exposed to a risk that the Offtaker could reverse its decision to award a Project to the Group arbitrarily or as a result of influence by competitors of the Group.

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

Green Hydrogen

Part of the Group's growth strategy includes diversifying its business through opportunities in "**Green Hydrogen**". In July 2020G, the Group announced its equal joint venture participation with Air Products and Chemicals, Inc. ("**Air Products**") and NEOM in a project to produce and deliver carbon-free ammonia to the Offtaker under a 30-year Offtake Contract, notably using the renewable energy produced by the Group, together with its joint venture partners, to generate the power used for producing Green hydrogen and Green Ammonia. Please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") for more information. The Project achieved Financial Close in Q1 2023G and is expected to achieve initial COD in Q4 2026G. Investments in Green Hydrogen or Green Fuels producing facilities, and in particular large-scale first-of-its-kind investments, such as this, may subject the Group to increased challenges and risks, including the variability of renewable energy resources in relation to the proposed output levels, risks of delay or performance shortfall, risk of unavailability of Offtakes, integration and other technical risks. There can be no guarantee that the Group will be able to successfully meet such challenges or adequately manage such risks in relation to any Green Hydrogen growth initiatives.

Brownfield Assets

The Group from time-to-time purchases brownfield operational projects. The acquisition of such projects could entail extensive negotiations, due diligence procedures and material equity contributions, costs, optimization of people or tax regimes, and significant investment of the Group's resources. Additional risks relating to pursuing and completing such acquisitions include contingent or latent liabilities relating to the acquired business (that may only become evident once the acquisition is completed), failure to properly integrate and manage the acquired business, inability to achieve anticipated benefits or cost savings, and unforeseen legal, regulatory, contractual, labour or other issues arising out of the acquisitions. In particular, where the Group enters into new markets as part of such acquisitions, it may be exposed to a variety of economic, political, legal and operational risks with which it has little experience (see Section (2-2-1) ("**Risks related to the Group being exposed to political and geopolitical risks in the countries and regions where it operates**")).

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

Renewable Projects

The Group expects its investments in renewable projects to increase as a result of its growth strategies and the Group's execution of the PIF renewables program in Saudi Arabia pursuant to the strategic framework agreement entered into between the Company and PIF ("**Strategic Framework Agreement**") on 25 May 2021G to jointly develop the national renewable energy development projects allocated to PIF, which comprise 70% of the total national renewable energy projects to be implemented as part of the 'Vision 2030' program of the Kingdom of Saudi Arabia (the "**PIF RE Development Projects**"). Under this Strategic Framework Agreement, PIF agreed to allocate the PIF RE Development Projects to the Company. However, such commitment by the PIF is subject to several conditions, including obtaining PIF's internal approvals. The agreement is also subject to any new orders or decisions that may be issued in the KSA that could impact the overall renewable energy program in a manner that materially and adversely affects the Company's right to participate in such projects as contemplated in the Strategic Framework Agreement.

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

The Strategic Framework Agreement grants the PIF a unilateral right to terminate the agreement if the Company does not reach Financial Close for three (3) PIF RE Development Projects by the specified and agreed period. This is not limited to any specific period of time. As such, if the Company fails to reach Financial Close in any three of these projects during the term of the Strategic Framework Agreement (which terminates on 31 December 2030G unless renewed by the parties), then PIF may terminate the agreement.

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

If any of the above risks were to materialize, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-5 Risks related to competition and pricing

The markets for new projects in which the Group operates are characterized by numerous domestic and international competitors, many of whom may have extensive and diversified developmental or operating experience and financial resources similar to or greater than the Group. Furthermore, in recent years, the power and water desalination industry has been characterised by strong and increasing competition with respect to both greenfield assets and acquiring existing generation assets from both domestic and international competitors. In certain markets the competition has caused, and may cause in the future, reductions in tariffs contained in new power and/or water desalination contracts and, in many cases, have caused higher acquisition prices for existing assets through competitive bidding practices. The evolution of competitive electricity markets and the development of highly efficient power and water plants have also caused, and are anticipated to continue to cause, tariff pressure in certain power and water markets where the Group sells, or intends to sell, power and water. Moreover, some competitors may enter into joint bids on specific projects with an equipment provider, which may limit the Group's ability to secure equipment from such provider for the project. In addition, competitors in certain jurisdictions may engage in collusion and other unfair competitive business practices which may distort the fairness in competition during the tender process, and the Group itself may become the target of antitrust laws which reduce its ability to compete for bids in jurisdictions where it holds a more dominant market position (see also Section (2-2-7) ("**Risks related to competition and antitrust laws**") of this Prospectus.

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

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

2-1-6 Risks related to financial difficulties that Offtakers may experience

As at the date of the Prospectus, all of the Projects operate on the basis of a single Offtaker (except for the Kirikkale CCGT IPP in Turkey, which does not have a single Offtaker, but operates under a merchant market model; and Khalladi Wind IPP in Morocco, which has multiple Offtakers) that has pre-committed to purchase the actual power and/or desalinated water output and steam and the available capacity to generate power or produce desalinated water of such Projects at the relevant tariffs. This is a common model in the independent power and desalinated water sectors.

As at 31 December 2024G, out of the Group's total portfolio of 94 Projects, the Offtakers in 89 Projects are either government or government-related entities, where government guarantees or any other form of guarantees are provided in case Offtakers experience financial difficulties and are unable to fulfil their obligations under the agreement (except for SEC and Masen as explained below). See Section (2-1-33) ("**Risks related to the Group's high concentration of governmental and semi-governmental customers**") of this Prospectus for further details. Although no direct government credit support is provided in relation to the payment obligations of the SPPC and termination payment obligations under its PPAs for three of the Groups' major Saudi Projects (Hajr IPP, Mourjan IPP and Rabigh IPP), if the credit rating of SPCC (in relation to certain Saudi Projects) is downgraded below BBB/Baa2 from either one of Standard & Poor's, Moody's, or Fitch for a period of 6 months and the Government has reduced its shareholding in SPCC to below 51%, SPCC is contractually required to procure credit support prior to the end of six months from an acceptable financial institution having a rating of at least A-/A3 from any of Standard & Poor's, Fitch or Moody's or from the Government. For more information about these Projects, please refer to Section (3) ("**The Company**") of this Prospectus.

Even when Offtakers do obtain government guarantees for their obligations under the relevant Offtake Agreements, the relevant government may not always have a credit rating that is investment-grade. Moody's Investors Service recently changed its outlook from positive Ba3 to stable with a Ba1 rating in 2023G for the OPWP. Furthermore, the government of Morocco, whose credit rating is Ba1 according to Moody's, has also provided a support letter pursuant to which it has an obligation to procure that Masen will honour its obligations to make termination payments for the transfer of the plant to Masen upon termination of the PPA (including termination for (i) APO I's, APO II's and APO III's default; and (ii) Masen's default (which includes Masen's failure to make payment under the PPA for a period of 60 days or more)). There is no government or other external credit support provided for Masen's payment obligations under the PPA.

As at 31 December 2024G, 9 out of 13 governments providing guarantees to the Group held credit ratings (Moody's) between Ba1 and Caa1 (with one instance of a Caa1 rating in Egypt). As a result, for a majority of the Projects, the credit risk with respect to the Group's Offtakers depends on the creditworthiness of such Offtakers or the governments which provide credit support to such Offtakers (or to the Projects directly), either directly or indirectly through other means, and there is therefore the risk that the relevant Offtaker is unable to make the relevant payments under the Offtake Agreement, which may result in a default under the relevant Offtake Agreement.

In addition, under most Offtake Agreements, if the agreement is terminated prior to the expiry of its term (other than where the Project Company is in default (see also Section (2-1-7) ("**Risks related to the Offtakers' right to terminate the Offtake Agreements**") of this Prospectus)), the relevant Project Company would typically require to be compensated through the payment of a termination payment by the Offtaker, which would cover the payment for the outstanding debt and any other fixed cost but may be lower than the amount of capacity and output payments that would otherwise be made by the Offtakers pursuant to the relevant agreements. In such circumstances, there is a risk that an Offtaker may either refuse to pay such amount or is otherwise unable to make this payment, which could have a material adverse effect on the Group's business, financial position and results of operations. Furthermore, while a majority of the Group's compensation payments from Offtakers have the benefit of government credit support, there can be no assurance that the applicable government will honour or otherwise have the financial capability to honour its credit support or other obligations which could have a material adverse effect on the Group's business, financial position and results of operations. In addition, there can be no guarantee that certain Offtakers will not breach their purchase obligations or seek to renegotiate the terms of their respective Offtake Agreements, for example if a wholesale power market is introduced in the relevant jurisdiction which could potentially create alternative competitive power purchase opportunities for such Offtakers.

If any of the above risks were to materialize, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-7 Risks related to the Offtakers' right to terminate the Offtake Agreements

Under each Offtake Agreement, the relevant Offtaker is entitled to terminate such agreement in case of an event of default by the relevant Project Company, if it is not cured within agreed cure periods. Events of defaults typically include material breach, abandonment of the Project or failure to operate for a specified period of time, failure to obtain and maintain required approvals, failure to meet the agreed average availability, failure to achieve the COD, termination of certain related agreements, and other cases. Additionally, certain of the Group's Projects are required to list the respective Project Companies' shares in the relevant stock exchanges by an agreed timeframe. Failure to do so could entitle the Offtaker to terminate. The Project Companies for both Ibri IPP and Sohar III IPP were required to complete their respective IPOs by 2020G under the project founders' agreements. However, this has not been completed to date. The Group has sought certain waivers for the IPO delay until 31 March 2025G. The Group is also required to have completed an IPO for Salalah IWP by 31 July 2025G. For Ibri 2, the Group has commenced the process to consider the potential listing and is seeking an extension/ waiver from its Offtaker for the IPO to be completed by Q4 2025G. In the event that the IPOs for Ibri 2and Salalah IWP are not completed by such set date, the Group risks termination of the Offtake Agreement by the Offtaker.

Some Projects may also be subject to even more demanding operation-specific termination grounds which may create a higher risk of termination for such Projects, including the Offtake Agreement between RAWEC and its offtaker in respect of the captive plant for Petro-Rabigh IWSPP and Petro-Rabigh (Phase 2) IWSPP. In captive plants, such as those owned by RAWEC (the Project Company and a Subsidiary of the Company) which are the Petro-Rabigh IWSPP and Petro-Rabigh (Phase 2) IWSPP, which are plants built by, or at the request of, an industrial user for its exclusive consumption, the offtaker's main or sole source of power, desalinated water and steam is usually the captive plant, thus exposing the offtaker to a significant power, desalinated water or steam supply risk. Consequently, the offtaker may attempt to mitigate this risk by negotiating an Offtake Agreement that prescribes stringent operational requirements and bespoke, operation specific termination grounds that (i) are generally more onerous on the plant owner than would ordinarily be seen in non-captive plants (e.g. more limited allowances of unplanned shutdowns) and (ii) if exercised, would result in the project shareholders losing their equity investment and/or future equity returns (because the offtaker may be able to terminate the underperforming Project, take control of the plant and remedy the issue in question).

Should RAWEC miss certain performance targets as per the Offtake Agreement, then the Offtaker will have a right to terminate. Additionally, if there are further delays in the Jazan IGCC Project, the Offtaker may exercise its right to terminate the Offtake Agreement and reject the plant, which could lead to a loss for the Group's equity invested and expected equity returns. For more information about these Projects, please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") of this Prospectus.

In the case of termination, the relevant Project Company will lose its sole source of revenue. Moreover, in most instances, if the Offtaker exercises its right to take over the Project following such termination of the Offtake Agreement, the purchase price will not include the return of equity and the Project Company's shareholders will suffer a loss of investment in that Project. In some instances, the Offtaker may also call in the construction and performance bonds, which are the guarantees provided by the Project Company/EPC contractor, under which they ensure the construction of the project and its proper performance. and claim damages.

If a termination of an Offtake Agreement in the case of an event of default by any Project Company occurs, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-8 Risks related to the operation and maintenance of the Group's Projects

Other than certain projects (namely, Risha PV IPP, Mafraq PV IPP, Zarqa IPP, NOOR III CSP IPP (in the case of NOOR III CSP, the EPC contractor is required to provide the O&M service until PCOD, at which point NOMAC will take over as the O&M contractor), NEOM Green Hydrogen Project and Jazan IGCC), the Project Companies mostly rely on NOMAC for the operation and maintenance of certain plants. Therefore, in such Projects any decrease in available capacity due to the fault of either the Project Company or the O&M contractor would effectively result in loss of revenues for the Group. For more information about these Projects, please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") of this Prospectus.

With respect to the Projects in which NOMAC is the operation and maintenance contractor or subcontractor (or where NOMAC is the investment partner (i.e. owns a stake in the relevant O&M contractor)), there is a risk that the O&M costs incurred by the Group, which include costs related to labour, chemicals, operations, maintenance and repair, spare parts, imported electricity and environmental compliance, may be significantly higher than estimated, in particular because not all of the Group's costs are fixed for the duration of the O&M contract, including costs related to labour, operations, maintenance and repair. Furthermore, any increase in costs could impact the profitability of the Group and, as a result, could have a material adverse effect on the Group's business, financial position and results of operations.

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

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

If any of the above risks were to materialize, this could have a have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-9 Risks related to the Group's build, own and operate Projects

Certain of the Group's Projects are built on a build, own and operate ("**BOO**") basis (see Section 3 ("**The Company**") of this Prospectus for a further discussion). Most of the Group's BOO projects are built on leased land and, following the expiry of a Project's Offtake Agreement the relevant Project Company will be required to dismantle the plant and remove it from the project site with an obligation to return the land to its original condition at the time of handover in line with the relevant land lease agreement. Consequently, the relevant Project Company will only be able to generate revenue from the operations of the plant for the initial term of the Offtake Agreement. Any extension to the term of the Project will ultimately depend on the requirements of the Offtaker at the relevant time and will require an extension of the fuel supply agreement (where relevant) or a new fuel supply agreement, and an extension of the land lease agreement and may be on terms different to those signed in the initial contract such as increased cost. Such extension may be dependent on the relevant country's policy with respect to the use of fossil fuels for generation of electricity and it is possible that a significant change in such policy may result in no further extension of the relevant PPA or PWPA. For instance, KSA's announcement around gradually transitioning to renewable energy would potentially have a negative impact on the future, and likelihood of renewal, of the Offtake Agreements of fossil fuel conventional plants such as the Group's plants (Petro-Rabigh IWSPP and Rabigh IPP). Accordingly, the Group is exposed to risk that it may be unable to extend the PPAs of existing oil-fired plants in KSA portfolio which may result in loss of investments and future revenues, as well as incurring additional depreciation expenses. In addition, where the governments of the relevant projects have provided guarantees on the obligations of the Offtaker for the initial term of the Offtake Agreement, there is no visibility on whether the governments would extend the government guarantee in the event of an extension of the initial term.

In addition, the life of the Group's assets may be shorter than what is previously assumed and resulting in a reassessment of useful life and thus a higher depreciation or impairment. In 2020G, the Group performed a detailed exercise to re-assess the useful life of the plants owned by its subsidiaries and joint ventures, pursuant to which it was determined that the economic life of some of these plants was shorter than the useful life due to advancement in technology which resulted in an increase in depreciation impacting the Profit or loss of the future periods too, and the Company has recorded the subsequent financial impact. The Group conducted a useful life assessment in 2024 and this did not result in any change in the useful life of any of the assets. However, the Group may conduct such assessments from time to time, and any changes resulting from them may have a negative impact on the useful life of the Group's assets. Accordingly, the Company has calculated and disclosed such impact for 2021G as SAR 79.6 million and for each of the years 2022G and 2023G as SAR 66.2 million. The impact for the period ended 30 June 2024G was SAR 33.1 million.

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

Furthermore, at the end of the life of the Project or the expiry of the Offtake Agreement, the plants will need to be decommissioned, thereby reducing the relevant Project's ability to make available and generate power or desalinated water or steam, which would adversely affect the Project Company's business and financial position, including its ability to fund short-term financial demands and may result in the recording of impairments in relation to the affected Project.

Barka is a subsidiary of the Group, comprising one conventional power generation plant, one Multi-stage Flash (MSF) water desalination plant and two reverse osmosis (RO) water desalination plants. Due to non-renewal of the power side (PPA) of the PWPA in 2021G by the Offtaker, and existing unfavorable spot market in Oman, an impairment assessment was performed by the management under IFRS to assess the recoverable amount. The recoverable amount was assessed to be lower than the carrying amount of the asset and an impairment of SAR 121.6 million was charged by the Group in 2022G. On 2 February 2022G, Barka extended its WPA for the RO plants for the next 23 months with an option to extend further by another nine (9) months. In April 2024G, Barka has received a letter of award from Nama Power and Water Procurement Company, Oman ("**OPWP**"), that extended the otherwise expired Power and Water Purchase Agreements ("**PWPA**") for the power plant for eight (8) years and nine (9) months with operations starting from 1 June 2024G, and for the water plant for three (3) years starting from 1 September 2024G with additional extension option at OPWP's discretion for a further term of three (3) years and another term of two (2) years and nine (9) months (total eight (8) years and nine (9) months term).

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

If any of the above risks were to materialize, this could have a have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-10 Risks related to co-investors and joint venture partners

The Group typically bids for projects through co-investment or joint venture structures with other partners who range from local companies based in the jurisdiction of the project to multinational project corporations, or financial investors. In addition, the Group enters into strategic partnerships or joint venture structures in relation to a portfolio or groups of assets, or certain subsidiaries. As at 31 December 2024G, more than 60% of the Group's projects were either associates or joint ventures.

Therefore, without full control by the Group of such joint ventures or partnerships, the relevant Projects may not be operated effectively or in the Group's best interests. In some cases, the partners of certain joint ventures are also the Offtakers, and/or the EPC Contractors. Additionally, there are certain projects where the debt financing for the joint venture is provided by the Offtaker. There can be no assurance that such partners will act in the best interests of the rest of the shareholding group.

The Group's objectives may not be compatible with its partners' objectives, and such partners may not act in the best interest of the Projects or act in breach of their obligations under the agreements entered into with the Group. In addition, investments and strategic partnerships require considerable time and effort from the Group's management and there can be no assurance that any of these investments and strategic partnerships will succeed. Such investments may lead to the Group incurring unexpected obligations, incurring additional time and costs, and having to cooperate with a strategic partner that may not cooperate with the Group. Furthermore, co-investments and joint ventures expose the Group to the usual risks associated with such arrangements, which include, but are not limited to, the risks of the Group's co-investors or partners violating regulations or failing to perform their obligations to the detriment of the Group. The Group's reputation may be adversely impacted if one or more of the partners violates local laws or the provisions of the shareholders' agreement. If the Group's partners fail to meet their funding commitments, the Group may be forced to make cash contributions, either based on the obligations under the relevant agreements or to avoid certain negative impacts on the Group's investment. If the Group breaches the terms of a shareholders' agreement, the Group may be obligated to purchase the shares of the remaining shareholders under the terms of the shareholders' agreement, which could result in the Group incurring significant costs.

Many of the shareholders' agreements that the Company or its Subsidiaries (including, the intermediate holding companies that have ownership interests in the Project Companies and in which the Group may have a minority or majority stake depending on the Project) have entered into, state that in the event of a material breach by a shareholder of the terms of such agreement, the defaulting shareholder is required to sell at a discount its stake in the Project Company to the non-defaulting shareholders (resulting in an increase in shareholding for the non-defaulting shareholders). If the Group, its subsidiaries or such intermediate holding companies commit such a material breach of such shareholders' agreement, it could result in the Group, its subsidiaries or such intermediate holding companies being forced to sell its stake in the relevant Project Company at a discount, which could significantly reduce the Group's direct or indirect stake in, or result in the Group ceasing to be a direct or indirect shareholder in, that particular Project.

Additionally, the Group generally relies on the availability of potential partners to reduce its equity commitment and to optimize returns, and if such partners are not available, the Group may not be able to successfully finance projects, or may not be able to achieve the numbers of projects as per its plans, or may not achieve the desired financial returns from individual projects, or may not even successfully win a bid.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-11 Risks related to potential impairment of the Group's goodwill or long-term assets

The Group has invested in its various projects through its direct or indirect subscription for shares in each of the Project Companies. If any of the Project Companies is required to incur an impairment of any of the long-term assets that it owns in relation to, amongst others, the plant and machinery of the Project, the Project Company may incur losses due to such impairment. Long-term assets are initially recorded at fair value and are amortised or depreciated over their Economic Lives. Long-term assets are evaluated for impairment when impairment indicators are present. These indicators may include delays in the outcome of the new PPA bids and introduction of spot market project in a country as the case in Oman. In assessing the recoverability of long-lived assets, the Group makes estimates and assumptions about sales, operating margin growth rates, commodity prices and discount rates based on the Group's budgets, business plans, economic projections, anticipated future cash flows and marketplace data. There are inherent uncertainties related to these factors and management's judgement in applying these factors. Generally, the fair value of a long-term asset or asset group is determined using an income approach based on the present value of future cash flows of each asset group and as a result the Group could be required to evaluate the recoverability of long-term assets if it experiences situations, including, but not limited to, disruptions to the business, unexpected significant declines in operating results, divestiture of a significant component of the Group's business or adverse action or assessment by a regulator. These types of events and the resulting analyses could result in additional long-term asset impairment charges in the future. For example, Noor 3 IPP experienced an extended outage in March 2024G due to a major equipment failure, and has remained unavailable until the end of the same year. As a result, the management has recognized an impairment loss in Q1 2024G of SAR 145.8 million of which the Group's share was SAR 109 million considering potential unavailability until the end of such year.

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

The Group's goodwill as at 30 June 2024G is approximately SAR 1,916 million which resulted from the Group's acquisition of ACWA Power Projects ("**APP**") in 2008G. Goodwill is not amortized, but is evaluated for impairment at least annually, or more frequently if impairment indicators are present. A potential impairment of goodwill outside of the required annual evaluation may be required to be performed if there are situations such as deterioration in general economic conditions, change in operating or regulatory environment, increased competitive environment, negative or declining cash flows or acquisitions not performing as expected. During 2021G, the company recorded a Goodwill impairment of SAR 60 million in relation to its subsidiary Barka. Please refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operation**") of this Prospectus for more information. These types of events may result in goodwill impairment, which could have a material adverse effect on the Group's business, financial position and results of operations.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-12 Risks related to fluctuations in foreign exchange rates

As at the date of this Prospectus, the Saudi Arabian riyal, the United Arab Emirates dirham, the Omani rial and the Jordanian dinar are pegged to the U.S. dollar at a fixed rate of SAR 3.75, AED 3.67, OMR 0.38 and JOD 0.71, respectively, to USD 1. In addition, the Moroccan Dirham is pegged against the dollar and euro at 40% and 60%, respectively. However, while most of the Group's projects have contractual protections for de-pegging, there can be no assurance that future unanticipated events, including an increase in the rate of decline of the reserve assets of the governments of Saudi Arabia, the United Arab Emirates, Oman, Jordan or Morocco, will not lead these governments to reconsider their exchange rate policy and that their respective currencies will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects the Group. While foreign component related capacity and variable payments in the revenues are indexed to the exchange rate, other than in Bokpoort CSP IPP and Redstone CSP IPP in South Africa (where the full tariffs are indexed to inflation) and Khalladi Wind IPP in Morocco (where the tariffs are subject to ONEE tariff inflation), there is no certainty that such indexation covers all equity returns that are reflected in the actual Capacity Payments received and USD-linked costs incurred. For more information about these Projects, please refer to Section (3) ("**The Company**") of this Prospectus. Most of the Group's Project Companies and NOMAC have not hedged their foreign exchange exposures. Therefore, to the extent not covered by contractual protection, any change in, or removal of, any of these currency pegs for any reason (including, without limitation, changes in the monetary policies of the Saudi Arabian government, the U.S. Federal Reserve or the European Central Bank) or other currency movements could expose the Group to foreign exchange risk (which may also be further enhanced due to exchange rate volatility resulting from the ongoing geopolitical situation), which could have a material adverse effect on their business, financial position and results of operations.

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

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

Moreover, the Group may, from time-to-time, operate Projects in a merchant environment, where the plant sells electricity in the competitive wholesale power market rather than to a contractual Offtaker, in which case the Group may be vulnerable to market forces and a significant decrease in the price or demand for power, green hydrogen and green fuels or desalinated water or availability of fuel (or an increase in fuel price thereof) in such market (as a result of macroeconomic factors such as foreign exchange fluctuations). For example, the Group developed and constructed Kirikkale, a CCGT project in Türkiye, which achieved COD in 2017G. Due to the slowdown in the economy of Türkiye and depreciation of its currency, the project incurred substantial losses on account of operations and foreign currency translation losses on foreign currency denominated loans. In 2018G, the Group decided to divest 30% of its investment, which resulted in Kirikkale deconsolidation and the recognized a loss of SAR 1.5 billion including loss of control amounting to SAR 671.9 million. The Group has reached an agreement with the lenders of Kirikkale and its minority shareholders in 2024G, whereby the lenders converted their outstanding loan, under certain shareholding agreements and convertibility conditions, and became shareholder of Kirikkale as part of this transaction. As consideration for transfer of loan receivables, a 100% owned subsidiary of the Group, will pay USD132.4 million (SAR 496.7 million) to the lenders in instalments over a period of three years. Following the transaction, ACWA Guc will be free of any commercial, third-party debt. Further, it is expected to continue to remain an equity accounted investment of ACWA Power. For more information about these Projects, please refer to Section (3) ("**The Company**") of this Prospectus.

Pursuant to the above, the Group, current minority shareholders, and the relevant stakeholders have entered into various related contractual agreements, and this transaction has been completed. However, there can be no assurance that the Group may not become subject to such risks through any Projects operating in a merchant market in the future. As a result of adverse impacts of merchant power price fluctuations, the Group may also be required to make additional equity investments into an affected project in such market or write-down residual losses in the Group's consolidated financial statements.

The Group may in the future also operate in jurisdictions that while offering take or pay offtake arrangements, such arrangements will be in local currency and to the extent the Group has not taken cross currency swaps to hedge the foreign exchange risk, it shall be exposed to such risk. Additionally, the governments of several countries in which the Group operates, such as Morocco, Egypt, Uzbkistan, Azerbaijan and South Africa, have periodically implemented policies imposing restrictions on the remittance to foreign investors of proceeds from their investments or restricting the inflow of funds to such countries in order to control inflation, limit currency volatility and improve local economic conditions. Furthermore, restrictions on transfers of funds abroad can also impair the ability of Group companies to access capital markets, prevent them from servicing debt obligations that are denominated in non-local currencies and prevent or delay them from paying dividends to the Group. If any of the Company's subsidiaries or Project Companies were unable to make distributions to the Group because of restrictions on the transfers of currencies, the Group would need to obtain these funds from other sources in the form of loans or others, which funds may not be available on attractive terms.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-13 Risks related to the negative net assets of certain of the Group's Moroccan projects

Pursuant to the joint stock companies laws in Morocco, in the event that the Project's net assets were to fall below 1/4 of the Project Company's share capital amount, the shareholders shall, within three months as of the approval of the annual accounts that revealed such losses, take a decision as to whether there are grounds for early dissolution of the Project Company. The auditor's general report for the year ended 31 December 2023G indicates that the amount of the net assets of each one of the Noor I CSP IPP, Noor II CSP IPP, Noor III CSP IPP and Noor IV PV IPP has been negative for each financial year since 2013G for Noor I CSP IPP and since 2018G for Noor II CSP IPP, Noor III CSP IPP and Noor IV PV IPP. As at 31 December 2023G, the aggregate net assets of all these project companies was negative SAR 1,084.3 million, representing a fall of 239% relative to the aggregate share capital of the subject project companies, despite the Group has provided funding to these Projects through a combination of share capital and shareholder loan. For more information about these Projects, please refer to Section (3) ("**The Company**") of this Prospectus

In the event that the Project Company is not wound-up, the Project Company must before the closing of the second financial year following the one during which the losses occurred, reduce its share capital by an amount at least equal to the losses that could not be charged to the reserves if its net assets did not amount to at least 25% of the Project Company's share capital at such date. However, as of the date of this Prospectus, the Projects have not regularized the situation within the aforementioned deadline and, consequently, any interested person can request from a competent court under article 357 of Law 17-95 on joint stock companies in Morocco that the Project Company be dissolved. If the Projects would become subject to dissolution, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-14 Risks related to the dependency of electricity generation from renewable energy sources on suitable meteorological conditions

The Group has invested in various renewable projects that utilise solar or wind resources to generate electricity and may further invest in renewable energy. The Group has portfolios of concentrating solar power ("**CSP**") plants, in operation and construction, in Morocco, South Africa and the United Arab Emirates, photovoltaic ("**PV**") plants in operation, construction or advanced development in Uzbekistan, Azerbaijan, Egypt, Jordan, Saudi Arabia, Morocco, Oman, the United Arab Emirates and wind farms/projects in Saudi Arabia, Morocco, Uzbekistan and Azerbaijan. As at 31 December 2024G the Group's renewable energy plants represented approximately 21% of its total gross power capacity in operation, and 79% of its total gross power capacity in projects under construction and 69% in advanced development. Furthermore, the Group expects its investment in renewable projects to continue to increase in line with its 2030G growth strategy and in parallel with its decarbonization commitments.

Production levels for the Group's solar and wind projects are dependent upon adequate sunlight and wind conditions, respectively. The Group undertakes research during the developmental phase to assess such conditions. However, these conditions are nevertheless beyond the Group's control and can vary significantly from period to period, are subject to seasonal variations and are difficult to predict, even more so with the recent climate change trends experienced across the globe. Such variability, as well as general weather conditions and unusually severe weather, may result in volatility in production levels and profitability. For example, winds exceeding certain speeds may require the Group to halt its wind turbines or stall its CSP or PV panels. In addition, windiness may be reduced by neighbouring wind farms or other large structures. Similarly, solar energy projects are dependent on suitable solar conditions and associated weather conditions, and excessive temperatures may reduce solar energy production.

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

Any decrease in wind or solar resources for any of the reasons discussed above could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-15 Risks related to the significant increase in the price or the interruption in the provision of fuel

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

2-1-16 Risks related to the Group's reliance on its IT infrastructure

The Group is heavily reliant on an uninterrupted operation of its information technology ("**IT**") infrastructure that includes, amongst others, complex and sophisticated computer, telecommunication, supervisory control, data processing, data acquisition and data monitoring systems. If the Group's IT infrastructure, including its back-up facilities and emergency recovery procedures, used throughout its business including its highly automated plants, were to fail or become subject to disruptions for any reason, such failure could lead to significant increased costs (to repair the plant), reductions in available capacity and output and critical data at one or more Project Companies, which could result in losses for Project Companies. This risk could be enhanced due to the Group's Projects in some cases making up a part of critical national infrastructure which could as a result become the target of politically motivated actors, including by way of physical attacks on assets or cyberattacks which could disrupt the Group's IT infrastructure and which may not be completely covered by the force majeure clauses in its Offtake Agreements or insurance policies (see also Section (2-1-18) ("**Risks related to the force majeure events**") of this Prospectus)).

In addition, there is a risk that the IT security systems set up by the Group to help prevent cyber-attacks or leaks of sensitive information could be affected by cyber-crimes. In addition to adversely impacting business operations, a failure in the Group's operations monitoring systems (which focus on plant availability, activity and efficiency, operational oversight, health and safety, and compliance with environmental laws and regulations) could lead to non-compliance with permit requirements and the imposition of fines or penalties. If any of these risks materialise, this would impact the Group's revenues and would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-17 Risks related to the Group's inability to maintain the quality of operations and reputation

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

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

2-1-18 Risks related to force majeure events

The Group's facilities and business operations could be adversely affected or disrupted by force majeure events such as health crises due to epidemics or pandemics, fire, floods, earthquakes, tsunami, sandstorms, explosions, war, acts of terrorism or sabotage or other events outside of their control. Any catastrophic loss of the use of all or a portion of one of the Group's key power generation, green hydrogen or fuel production and/or water desalination or steam plants due to such events, whether short or long-term, could prevent the Group from carrying out its business activities at the affected location or significantly impact operations. In 2022G, the Group faced delays in achieving PCOD of 1500MW Sirdarya CCGT in Uzbekistan by six (6) months because of delay in the steam gas turbine arrival due to force majeure events (such as the Russia-Ukraine War) in turn leading to significant cost overruns due to increase in logistics, manpower, financing costs, owners cost and debt repayment.

Furthermore, severe weather incidents could damage components of the Group's facilities, and replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Such a severe weather incident occurred in UAE in April 2024G, resulting in significant damage to Noor Energy 1 Plant and its infrastructure during which it experienced severe flooding due to heavy rainfall, leading to substantial losses at the Project Companies level. Oman had similar adverse weather conditions around the same time. The Company has several assets in Oman and UAE that are either operating or at their various development stages including assets under construction. Such events resulted in site floodings and generation disruptions to the Company's operations and construction activities, except one plant under construction (Noor Energy1 CSP) that experienced a larger impact, where the project company is working with the EPC Contractor and the insurers for the insurance claims to recover the losses and repair the damages. All affected assets followed strict safety-first protocols during the subsequent restoration activities and the project companies have served respective insurance and force-majeure preservation notifications. The relevant Group Companies have sought, or are considering seeking, claims against the insurers, but there is no guarantee that all amounts can be fully claimed. In addition, this risk could be enhanced due to the Group's Projects in some cases making up a part of critical national infrastructure which could as a result become the target of politically motivated actors, including by way of physical attacks, acts of terrorism, sabotage, cyber-attacks or similar acts on the Group's Projects and which may not be completely covered by the force majeure clauses in its Offtake Agreements or insurance policies. Insurance policies may not be adequate to cover all losses arising in the event of a catastrophe at one of the Group's plants, see also Section (2-1-20) ("**Risks related to obtaining sufficient insurance coverage for the risks associated with the Group's operation**") of this Prospectus.

Further, an outbreak of a contagious disease in the countries in which the Group operates or elsewhere, or any other serious public health concern may have a material adverse effect on economies, financial markets and commercial activities around the world, including the Group's business. For example, the COVID-19 global pandemic caused by the SARS-CoV-2 novel strain of coronavirus, as declared by the World Health Organization, led to certain preventative or protective actions that governments, businesses and individuals have taken which have resulted in global business disruptions. The COVID-19 pandemic has adversely affected global economies, financial markets, global demand for oil and oil prices, and the overall environment in which the Group operates due to strict precautionary measures and limits on travel and public transport, requirements for people to remain at home and practice social distancing and prolonged closures of workplaces and economic activities, which have severely disrupted the Kingdom's economy and economies of countries in which the Group operates and had previously resulted in material cost overruns and delays in the Group's operations. Furthermore, any re-introduction of preventative measures or introduction of additional measures, due to infectious diseases, whether through the re-emergence of COVID-19 or otherwise, may result in a prolonged or further decline in oil prices, or a prolonged adverse effect on the Kingdom's economy or economies of countries in which the Group operates, which would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

There can be no guarantee that the Project Companies or the O&M provider's operations will not, in the future, be disrupted by such events.

The occurrence of any such events may materially disrupt or damage a key Project facility, which could adversely impact the affected Project Company's ability to operate the relevant plant and generate revenue to the extent the Project Company cannot, for any reason, successfully recover the proceeds from the relevant insurers, and ultimately could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-19 Risks related to unionisation and labour disputes

Certain of the Group's employees in South Africa and Jordan are represented by a labour union or are covered by collective bargaining agreements. In the event that the Group's union employees strike, participate in a work stoppage or slowdown or engage in other forms of labour strike or disruption, the Group would be responsible for procuring replacement labour or the Group could experience reduced power generation and/or water desalination or steam production, outages or impact on construction activities. The Group's ability to procure such labour is uncertain. For example, the Group incurred delays in construction at the Redstone Project in South Africa due to employee protests/strikes, which lasted for a total of 18 days between 2021G and 2022G, and the financial impact of which amounted to SAR 22 million.

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

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

2-1-20 Risks related to obtaining sufficient insurance coverage

There are inherent risks in investing in, developing and operating a power generation, green hydrogen or fuels and/or water desalination or steam production Project such as impacts from natural disasters, fire, earthquakes, explosions, sabotage, acts of terrorism or similar events which, if they occur, can cause significant personal injury or loss of life, severe damage to, and destruction of, property, plant and equipment or contamination of, or damage to, the environment, which may result in the affected Project Company and/or O&M provider being named as a defendant in lawsuits asserting claims for substantial damages, environmental clean-up costs, personal injury and fines and/or penalties. There can be no assurance that the industry standard insurance coverage that the Group, each Project Company and O&M provider currently maintain will be sufficient or effective under all circumstances and against all hazards or liabilities to which the Group, the Project Companies and/or O&M provider may be subject. For more information on the nature of the insurance model of the Company, see Section (10-5) ("**Insurance**") of this Prospectus. The Company has three different insurance policies, which are all valid as at the date of this Prospectus, and all Group companies have procured, and renew in a timely manner, the insurance coverage that is customary in similar projects. Any claims for which the Group, the Project Companies or the O&M providers are not fully insured or insured at all, could have a material adverse effect on the Group, the affected Project Company's and/or the O&M provider's business, financial position and results of operations.

The business interruption insurance held by the Group is meant to cover loss of revenues from such interruptions. Nevertheless, there is a residual exposure carried by the Project Companies in the form of deductible periods lasting around 45 to 60 days and a minimum deductible amount. Furthermore, the timing of the payment for the insurance claims may take place in the subsequent periods which may have an impact on the Project Company's cashflows in the current period. There can be no assurance that the Group's insurance coverage will be sufficient to cover all losses arising from any or all risks to which the Projects may be exposed. The Group also cannot guarantee that it, the Project Companies and/or the O&M providers will be able to renew existing insurance cover on commercially reasonable terms, if at all. Continuous incidents, such as adverse weather conditions, which resulted in claims made by Project Companies or the O&M providers in the past would result in insurance companies imposing higher premiums and deductibles. Additionally, Projects under construction, which are in delay, also face increased premiums, which may not be recoverable from the EPC contractor.

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

2-1-21 Risks related to the credit default exposure of ACWA Power Reinsurance Co. Ltd.

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

2-1-22 Risks related to the Company's reliance on the performance of its Subsidiaries and Equity Accounted Investees

The Company acts as a holding company and conducts its operations principally through, and derives most of its revenues from, its numerous Subsidiaries and Equity Accounted Investees, as well as from the revenue-generating services that it provides to the Equity Accounted Investees and contractors. As at 31 December 2024G, the Group comprises a complex chain of over 94 Project Companies that are effectively owned by the Company most of which are special purpose vehicles and corporate bodies incorporated for special projects. Consequently, the Company's cash flows and ability to meet its cash requirements, depend upon the profitability and cash flows from its Subsidiaries and Equity Accounted Investees, including their ability to make dividend distributions to the Company or their parent companies, repay interest on shareholder loans extended to them by the Company and its affiliates, and pay fees to the Company and its affiliates in return for any services provided. The actual payment of future dividends by the Group and the payment of dividends to the Company by the Subsidiaries and Equity Accounted Investees, if any, and the amounts thereof, will depend on a number of factors, including but not limited to the amount of distributable profits and reserves, investment plans, earnings, level of profitability, regulatory requirements, including minimum capital requirements mandated by regulatory authorities, compliance with various financing agreements, and such other factors as the Board, or the relevant board of the Subsidiary or Equity Accounted Investee, may deem relevant from time to time. As a result, the Company's ability to pay dividends in the future may be limited.

The Project Companies make payments through a cash waterfall mechanism in their financing documents, pursuant to which the costs of the Project Company such as O&M fees, taxes, debt payments, salaries and similar payments are paid before its shareholders receive distribution of cash flows such as dividends, payments on shareholder loans and other subordinated payments to the shareholders. Additionally, most of the Project Companies are required to set aside an annual percentage of net profits to statutory reserves up to a set threshold. The ability of the Project Companies to distribute cash flows to the shareholders of the Project Companies (shareholders loans repayments, shareholders interest payments, or dividends) depends on satisfying certain covenant tests and conditions under their financing arrangements. For instance, the Group has secured a shareholder loan to invest in Jazan IGCC Project, also in the form of an interest-bearing shareholder's loan, which is being paid back from the free cashflow generated by the Project. Shortages in the free cashflow also impose a risk on the Group to meet its financial obligations.

In particular, the Company conducts certain business operations through joint ventures that are not controlled by the Company. In fact, around 60% of the Company's portfolio are associates or joint ventures. These include the NEOM, Jazan and Red Sea projects. (Please refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations**") for further information.) These projects may be subject to decisions that may not be in the best interests of the Company and may reflect the interests of the other joint venture partners, including in relation to dividend distributions. See also Section (2-1-10) ("**Risks related to co-investors and joint venture partners**") of this Prospectus. Furthermore, if there are any issues including non-compliance with applicable laws, or any conditions of the relevant licenses and/or relevant projects agreements, it could impact the revenues generated from the underlying Subsidiary or Equity Accounted Investee which results in the Company not receiving any distributions, which would restrict the Company's cash flows and ability to meet its cash requirements. The Company must continuously verify and ensure compliance by its Subsidiaries and Equity Accounted Investees with all legal, financial and administrative requirements applicable to them.

If the Company does not pay dividends on the Shares, the Shareholders may not receive any return on their investment in the Shares unless they sell the Shares at a price higher than the price at the time of their purchase, which would have a material adverse effect on any investor's anticipated returns.

Any decline in the Subsidiaries' or Equity Accounted Investees' profitability that could affect their ability to pay dividends would in turn have a material and adverse effect on the Group's business, results of operations, financial condition.

2-1-23 Risks related to the Group's ability to exit investments and divestments

Full or partial divestments are capital recycling activities and a part of the Group's business model within the normal operations of the Group. However, the Group might not be able to identify and/or capture divestments or might not be able to gain from such divestments. The successful execution of a divestment and the resulting gain or loss is dependent on a number of factors including, but not limited to, macroeconomic factors, geopolitics, the nature of the Project, the geography of the Project, the technology or fuel type, the availability of investors, the appetite of such investors and their return expectations, and the size of the transaction. Furthermore, most assets have a holding period of 7 to 12 years and cannot be divested without written consent from the Offtaker or Project partner.

Hence, the Group may not be able to execute certain divestments at all, or may not be able to achieve the desired strategic and economic results. Such execution of the divestments, or the gains or losses will vary each year depending on a number of factors including the specific entity or project divested and the timing of such divestment which can have a significant impact (both negative and positive) on the Group's financial performance in a given year.

Typically during divestments, the Group as a seller needs to provide certain representation, warranties, indemnities, or similar protections to the buyer regarding the Projects being divested. The buyers have the ability to make claims under such provisions over a period of time following such divestments, and there is a risk that the buyers may exercise such rights to claims, and if found to be with merit, such claims can have a significant impact on the Group's financial performance in a given year.

Certain of the Group's agreements provide for limitations on the circumstances in which the Group may divest its interests in Project Companies or O&M contractors. The Company indirectly owns 20% of JWAP, the Project Company for the Marafiq IPP, through Aqua Marafiq Water and Electricity Co. ("**JWAP SPV**") which owns 33.33% of SGA Marafiq Holding (which in turn owns 60% of JWAP). Under the terms of the shareholding agreement, JWAP SPV may not divest its interest in SGA without the prior written consent of Power and Water Utility Company for Jubail and Yanbu ("**Marafiq**"), save in limited circumstances. JWAP SPV may transfer its interest if it continues to hold 51% of its original ownership interest and, among other things, the transferee is of comparable financial strength. Furthermore, an affiliate of JWAP SPV may not divest its interest in the O&M contractor without the prior written consent of Marafiq. For more information about this Project, please refer to Section (3) ("**The Company**") of this Prospectus.

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

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

Under the HEPCO shareholders' agreement, the Company must hold 10% of the shares in Qurayyah Investment Company LLC at any time after the fifth anniversary of the COD (i.e. from May 2021G) and up until the tenth anniversary (i.e. up until May 2026G).

Under the MEPCO shareholders' agreement, the Company must continue to hold at least 10% of the shares in Rabigh Investment Company Ltd. For more information about these Projects, please refer to Section (3) ("**The Company**") of this Prospectus.

Under the Hassyan shareholders' agreement, until the 10th anniversary of the COD (COD has been achieved in October 2023G), the Company may not transfer its shares in ACWA Power Harbin Holdings Limited without the prior written consent of DEWA save in certain limited circumstances (e.g. to an affiliate). After the 10th anniversary of the COD, the Company may transfer its shares in ACWA Power Harbin Holdings Limited with the prior written consent of DEWA.

Furthermore, under certain of the Group's project-level financing, shareholder and O&M agreements, there may be a breach or default if the current shareholders reduce their shareholding in the Project Company under the relevant agreements. Also, certain of the Groups' financing arrangement and certain of its project level-financing, shareholder and operating agreements may also include a breach, default or a repayment, repurchase or call right in favour of a counterparty if a third party or group of persons acquires control of 50% or more of the Group's shares in such Group Company, which may serve as a deterrent to any takeover offer for the Group and could therefore have an adverse effect on the market price of the Group's shares which could accordingly have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

There is a risk that the Group may not be able to receive consent to divest such assets when it determines that it would be economically advantageous or necessary to do so, or might not be able to divest at the right time, which could have a material and adverse effect on the Group's business, results of operations, financial condition or future prospects and therefore the Company's share price. Please refer to Section 6-3-4 ("**Comparability of Operations**") of this Prospectus for more information.

2-1-24 Risks related to the seasonality of revenue and profitability levels of conventional projects

Conventional Project Companies are exposed to seasonality of revenue and profitability levels based on availability, which is the key driver of capacity revenue as defined in the P(W)PAs. Available capacity requirements vary between the winter (low season) and summer (high season) as the demand for power and water is usually higher in the summer months. These are typically defined in the Offtake Agreement, whereby the Offtaker restricts any outages during summer. Any Planned Outage is scheduled during winter period. In cases where outages occur during the summer, these are considered unplanned and result in penalties. (Please refer to Section (2-3-1) ("**Risks related to the issues in the construction of the Group's Projects**") of this Prospectus for more information.) Please refer to section (2-1-1) ("**Risks related to the expected levels of available capacity and achieving targeted generation levels due to various reasons, including forced outages**") of this Prospectus for more information on the contractual indemnities that may arise from operational failures. Accordingly, revenues and gross profits during the summer season tend to be higher and typically extends over Q2 and Q3 as compared to winter mainly from higher available capacity. Please also refer to Section 2-1-14 ("**Risks related to the dependency of electricity generation from renewable energy sources on suitable meteorological conditions**") of this Prospectus for further details on the dependence on the continuity of renewable energy sources, which vary depending on the meteorological conditions throughout the year.

As a result, the Company may face difficulty in planning its business as this may limit its ability to accurately forecast its future revenues or set an accurate budget for its operating costs, which would adversely and materially affect the Group's business, results of operations, financial position or future prospects, and therefore the Company's share price.

2-1-25 Risks related to the repayment of the Group's debt, availability of financing or equity funding or the requirement to make additional equity investments

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

In addition, the Group operates in a sector that requires significant equity investment into Projects that will not generate revenue during the period when they are under construction. For example, in the case of solar PV plants or wind plants (both depending on size) the construction could be around 18 months, whereas for solar CSP or thermal plants the construction could be between 32 to 48 months (depending on various factors such as the size of the plant, the need to have interconnection facilities and the technological complexity of the project). For further information on the Group's financing arrangements, see (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Liquidity and Capital Resources**") of this Prospectus.

The Group's principal sources of liquidity include dividends from the Group Companies, fees, repayment of interest and principal on loans provided to shareholders, repayment of capital, proceeds from new debt raised, refinancing the loans in Project Companies and proceeds from partial asset sales. If these liquidity sources are insufficient to repay the debt commitments as they mature or to fund the Group's other liquidity needs in the longer term and the Group is not able to find alternative sources of funding, the Group may need to enter into negotiations with its creditors to restructure some of its borrowing arrangements. There can be no assurance that any restructuring negotiations entered into would be successful and any failure to successfully restructure its debt could result in generally weakening the credit profile of the Group or ultimately the Group's insolvency. The Group has entered into equity support or funding agreements of approximately SAR 10.2 billion as at 30 June 2024G (which, in many cases, are limited by time and/or amount) with third party financiers in respect of the contractual equity obligations of certain of the Project Companies. Please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**")) of this Prospectus for further details.

Furthermore, under the relevant shareholders' agreements, the Group could be required to contribute funds to the relevant Project Company in the event of unexpected cost overruns, and certain other circumstances, such as delays in receipt or lower amounts of pre-completion revenues vis-à-vis the base case forecast, which may necessitate the funding gap (if any) to be funded by the Group. In addition, the Group may choose to contribute further funds to a Project Company where the Board of the Company determines that this is in the best interests of the Group's business. Such additional funding obligations could materially affect the financial position of the Group, particularly in the event of an unplanned contribution to service such funding obligation (for which the Project Company is not otherwise compensated under the relevant Offtake Agreement), and this could have a material adverse effect on the Group's business, financial position and results of operations. Unplanned contributions occur when the Group injects cash or arrange a bank facility for a Project backed by the Group's credit support to help bridge any temporary liquidity shortfalls, which would increase the Group's exposure in respect of the relevant Group Company and reduce the overall returns.

If any of the above risks were to materialize, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-26 Risks related to existing and future leverage

Project Companies are highly leveraged and have project-level indebtedness outstanding on a non-recourse basis, meaning that the debt is repayable solely from the relevant Project's revenues and the repayment of the loans (and interest thereon) is secured solely by the capital stock, physical assets, contracts, insurance policies and cash flow of that Project Company. All Project Companies enter into financing arrangements effective from the Financial Close of each Project. In addition, the Project Companies may raise additional debt in the future to the limited extent permitted under their financing and project arrangements (also on a non-recourse basis). Subject to any restrictions contained in its existing financing agreements or new financing agreements, the increased leverage and indebtedness of the Group or a particular Project Company could, amongst other things:

- Impose restrictions pursuant to financing arrangements on the ability of such Project Company to make dividends to the Group.
- In case of additional indebtedness, increase the amount of finance charges incurred and interests payable by the Project Companies and in turn reduce the amount of net cash flow.
- Require the Group to refinance existing arrangements based on the framework of the relevant facilities. For these Projects and others, there can be no assurance that the existing financing arrangements, and any future similar arrangements, will be able to be refinanced on similar terms or at all. Should the Project Company be unable to obtain financing in the future (on similar terms which are not more onerous to than the current arrangements), the financial performance of the Group will be impacted by requiring an increased portion of cash flow from operations to be dedicated to the payment of principal and commission on its indebtedness, thereby further reducing their ability to use cash flow to fund operations and capital expenditures and to make distributions of dividends, which could have a material adverse effect on the business, financial position and results of operations of the Group.
- Limit their ability to obtain additional financing for working capital, capital expenditures, project development, debt service requirements and general corporate or other purposes.
- Increase the likelihood of failure to meet their respective financial and other obligations.

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

2-1-27 Risks related to events of default under the financing arrangements

Provisions governing events of default are typical in project finance structures and are prescribed in the financing documentation entered into between the Group and its lenders. The occurrence of an event of default could restrict a Group Company's ability to make distributions or pay dividends to its shareholders (for further information on the restrictions of the Project Companies' ability to pay dividends see Section (2-1-22) ("**Risks related to the Company's reliance on the performance of its Subsidiaries and Equity Accounted Investees**") of this Prospectus). In addition, a material quantum of the Group's assets (including its ownership in various Project Companies) are secured in favour of the lenders who could enforce such security upon the occurrence of a significant and continuing event of default. This could lead to shareholders losing all or part of their investment in the Project which would have a material adverse effect on the business, financial position and results of operations of the Group and any affected Project Company. Please refer to Sections ("**Performance/development securities and completing support LCs**"), ("**DSRA standby letters of credit**"), ("**Bid bonds for projects under development stage**"), ("**Guarantees in relation to EBLs and Equity LCs**"), and ("**Guarantees on behalf of ACWA Power JVs and subsidiaries**") of Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus for further details on securities over the Group's assets granted to lenders.

The Group's Financing Arrangements include customary representations and undertakings by the relevant Project Company, including undertakings to maintain certain financial ratios, not dispose of assets, not incur financial indebtedness (except for certain exceptions), distribute dividends, meet hedging requirements and ensure that project revenues are paid into specified accounts secured by the Project Company's financiers, as well as default requirements for parties obligated to provide capital to the Project Company and key parties to the project. (Please refer to Section (10-4-5) ("**Financing arrangements**") of this Prospectus for more information.) From time to time, certain of the Group's Projects may be in technical breach of their respective financing agreements regarding which the Group engages in discussions with its lenders to obtain necessary waivers. As at 30 June 2024G, certain Group Companies are in temporary technical breach under their respective financing arrangements. These are namely breaches of certain covenants under the financing agreements including, among other things, not finalising the financial statements of a stakeholder within certain periods specified in the lending agreements, renewing certain licenses, providing certain technical report or meeting the financial ratios such as debt/equity ratios required under the lending agreements. The Group Companies have not managed to obtain waivers of such breaches as at the date of this Prospectus. There are also other Projects where waivers are being sought by Lenders for the deviations, which could result in potential EOD. If the relevant Group Company was not able to resolve the temporary technical breaches within the specified period of time, this could result in an EOD pursuant to its financing agreements. Please refer to Section (10) ("**Legal Information**") of this Prospectus for more information.

The obligations of the Project Companies under the various financings are secured against, amongst other things, certain Project accounts, plant and equipment, intellectual property, insurance proceeds and (in most cases, directly or indirectly) shares. Upon an event of default, the lenders are entitled to enforce their security. This may lead to the shareholders losing all or part of their investment in the Project. In addition, a material event of default occurring at the Project Company or other Group Company level could result in a reclassification of the long-term liability to a current liability, which could have an adverse impact on balance sheet and financial condition at the Group level.

Furthermore, most of the project finance arrangements entered into by the Group contain financial indebtedness cross-default provisions. These provisions generally allow lenders to invoke an event of default under the financing arrangements as soon as the Group, a relevant Project Company and/or another party that is material to the Project (such as the shareholders, Offtakers and contractors) triggers an event of default (often in excess of an agreed monetary threshold) under other financing agreements. For example, due to COVID-19 related issues, the delay in contractual payments from the Offtaker in the Zarqa project has resulted in a technical breach under the PPA leading to a cross default under the financing documents. Cumulative amount withheld during the year 2020G amounted to SAR 42.4 million. While the Zarqa project enjoys a government guarantee on the receivables from the Offtaker, the Project Company has not called on the guarantee to cover these partially withheld payments as the Offtaker has reached a settlement agreement to clear the overdue amounts in 4 equal monthly instalments starting from 31 January 2021G. The breach under the financing documents, has resulted in reclassification of the long-term loan amount of SAR 1,155 million to current liabilities in accordance with the requirements of International Financial Reporting Standards. Subsequent to the year end, the management of the Subsidiary has received a waiver from the lenders to this technical breach and accordingly the loan balance has already been transferred back to non-current liabilities. This gives the lender an indirect protection over the events of default in the Group's other financing documentation and the lender may enforce its respective rights under the financing agreements and could accelerate the loan repayment, which would materially and adversely affect the Group's business, financial position and results of operations.

In some instances, default provisions in the finance documentation, could apply if insolvency proceedings occur in relation to counterparties of a Project Company, such as the EPC Contractor for the Project or the O&M contractor. If such counterparties suffer insolvency proceedings, an event of default could occur under the finance documentation for the Projects, even in the absence of any default by the Project Companies.

If any of the above risks were to materialize, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-28 Risks related to the Group's bonds

Under the USD 814 million (equivalent to SAR 3,053 million) aggregate principal amount of 5.95% Senior Secured Bonds (the "**Bonds**" or "**ACWA39**") issued in 2017G by ACWA Power Management and Investments One Ltd., a wholly owned subsidiary of the Group, and maturing in 2039G, the obligation to make payments of principal and interest to bondholders is secured for the benefit of bondholders by a security package that includes (i) rights of certain subsidiaries of ACWA Power to dividends from certain intermediate holding companies or Project Companies holding ownership interests in the following projects: the Shuaibah Expansion IWP, Shuaibah IWPP, Marafiq IWPP, Rabigh IPP, Qurayyah IPP, Petro-Rabigh (Phase 1) IWSPP and Petro-Rabigh (Phase 2) IWSPP (the "**ACWA Power Six Assets Portfolio**") (counting Petro-Rabigh IWSPP and Petro-Rabigh (phase 2) IWSPP as one asset)); (ii) rights of First National Holding Company to dividends from NOMAC and rights of NOMAC to dividends from Jubail O&M Company Limited, Rabigh Operation and Maintenance Company, Shuqaiq Services Company for Maintenance and Rabigh Power Company Limited, which currently provide O&M services to almost all projects in the ACWA Power Six Assets Portfolio (other than the Shuaibah IWPP); (iii) pledges over all shares held by ACWA Power directly in ACWA Power Management and Investment One Ltd., First National Holding Co and ACWA Power Projects (through which ACWA Power holds all of its ownership interests in the ACWA Power Six Assets Portfolio) and (iv) rights of ACWA Power and two of its subsidiaries, APP and NOMAC, to certain other cash flows (principally certain management fees and the operator's fees under technical services agreements). See Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Capitalisation and Indebtedness**") of this Prospectus for further details on the Group's bonds and the shares pledged as a result. As 30 June 2024G, the current outstanding principal amount (following a buy-back by the Group conducted in 2022G) is USD 399.2 million (equivalent to SAR 1,497 million), with a maturity date of December 2039G. In the event of a default on the bond, which is non-recourse with respect to the rest of the Group, bondholders may be able to enforce their security over the ACWA Power Six Assets Portfolio and this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price. For more information about these Projects, please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") of this Prospectus.

2-1-29 Risks related to the Group's interest rate volatility and volatile securities

Under the terms of their financing arrangements, the Project Companies pay interest based on inter-bank offered rates, such as LIBOR, SAIBOR (Saudi Arabian Interbank Offered Rate) or JIBAR (Johannesburg Interbank Average Rates), plus a margin. Under most of the Group's project financing arrangements, the Group or the Project Companies are required to hedge all or a large portion of their exposure to interest rate volatility during the construction and operation period. Interest rates are highly responsive to several factors beyond the group's control, including central bank policies, unfavorable local and international economic conditions, and other political factors. The Group and Project Companies are also exposed to interest rate volatility with respect to their financing arrangements once their hedging arrangements expire, or to the extent that they otherwise have any unhedged exposure to such volatility, or if the Group or the Project Companies fail to otherwise successfully implement their strategies to mitigate the interest rate risk.

The Group also hedges long-term interest rate sensitivities through hedge strategies, including use of derivative financial instruments and regularly monitors market interest rates.

The interest rate profile of the Group's interest-bearing financial liabilities is as follows:

Table (2-1): The interest rate profile of the Group's interest-bearing financial liabilities

Interest rate risk SAR in 000's	2021G	2022G	2023G
Financial liabilities			
Fixed rate including interest free	13,768,915	11,017,533	10,891,125
Floating rate	10,046,314	12,355,049	14,271,885

Source: Audited consolidated financial statement

Please refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Interest Rate Risk**")) for more information on the Group's interest rate sensitivity. In addition, if a hedge is not entered into at the appropriate time, it may subsequently become more expensive than initially estimated. In addition, certain types of economic hedging activities may not qualify for hedge accounting under IFRS, resulting in increased volatility in the Group's net income. For a description of the requirements and hedges, please refer to Section (6-3-10) ("**Financial and Market Risks**").

As at 30 June 2024G, the unhedged portion exposure of the Group was at 22.7% in an amount of SAR 16.59 billion (USD 4.425 billion), Group has a defined policy to maintain the overall interest rate exposure within 30% limit.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-30 Risks related to the Group becoming an unsecured creditor of an Offtaker in the event of early termination of Offtake Agreements

With respect to the Saudi Arabia based IWPPs (the Shuaibah IWPP), IPPs (the Rabigh IPP, the Rabigh 2 IPP and the Qurayyah IPP) and IWPs (the Shuaibah Expansion IWP and the Shuaibah Expansion II IWP) for which SEC (now SPPC) and WEC (now SWPC) is the Offtaker, if the Offtake Agreement is terminated and the Offtaker is to acquire the plant by paying the termination payment, the Project Company is required to transfer the plant to the Offtaker upon receiving the first of four instalments of the payment due (with the remaining three instalments to be paid every six months after the first payment). This exposes the Project Company to the risk of becoming an unsecured creditor of the Offtaker with respect to the remaining 75% of the payment while no longer being the owner of the Projects listed above. No assurance can be given that these clauses in the Offtake Agreements of the Saudi Arabian Projects listed above will not be triggered in the future, which could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-31 Risks related to the Group's working capital

The Company's reliance on loans to finance working capital involves risks in finding easier credit terms. If the economic climate becomes less favorable, the Company may face stricter credit conditions or be excluded from access to much-needed loans. Moreover, the impairment of loan guarantees provided by the shareholders of the relevant Project Company could damage its credit status and thus reduce its ability to obtain financing. Please refer to Section 6 ("**Management Discussion and Analysis of Financial Position and Results of Operations – Short-term financing facilities**") for further information.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-32 Risks related to the Company's Sukuk

ACWA Power has (as the issuer) launched a Sukuk program with an amount up to SAR 5 billion for a period of seven (7) years, under a Shariah compliant Mudaraba-Murabaha structure, in the KSA issued as private offering which is unlisted and unclassified. The size of the first tranche that has been issued under this program is SAR 2.8 billion. The sukuk was issued in the KSA as a private and unlisted offering in accordance with OSCOs issued by CMA. The second tranche was issued in 2023G in an amount of SAR 1.8 billion.

The Payment obligations under the issued sukuk will constitute direct, unconditional, unaffiliated, and unsecured obligations of the issuer and will be classified equally with all outstanding unsecured and unaffiliated obligations of the issuer. The issuer is obligated to fulfil the payments due to the sukuk holders on their due dates. In the event the issuer breaches its obligations under the sukuk, this breach may result in (i) any indebtedness of the issuer becoming due and payable before its original due date; and (ii) any guarantee granted by the issuer of the indebtedness becoming enforceable. ACWA Power has raised a total of SAR 4.6 billion through two senior, unsecured Sukuk issuances under its SAR 5 billion Sukuk program. However, should any of the events occur, this would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

The below table provides more details on the duration, payment and maturity dates of these sukuk:

Table (2-2): Duration, payment and maturity dates of the Company's sukuk

	First Sukuk Issuance	Second Sukuk Issuance
Amount	SAR 2.8 billion	SAR 1.8 billion
Structure	Mudaraba-Murabaha, Shariah-compliant	Mudaraba-Murabaha, Shariah-compliant
Tenor	7 years	7 years
Issuance Date	June 2021	1 February 2023
Maturity Date	June 2028	1 February 2030
Final Pricing	6-month SAIBOR + 100 bps per annum	First 5 years: 3-month SAIBOR + 95 bps per annum Step-up Rate (from 5th year onwards): 3-month SAIBOR + 105 bps per annum
Call Option	N/A	Callable on the 5th anniversary (1 February 2028)

Source: The Company

2-1-33 Risks related to the Group's high concentration of governmental and semi-governmental customers

The Group has a significant reliance on governmental and semi-governmental customers across multiple countries. As at 31 December 2024G, out of the Group's total portfolio of 94 Projects, the Offtakers in 89 Projects are either government or government-related entities. Please refer to Section 6-3-2-4 ("**Principal factors affecting Cash flow from Operation**") for more information.

Adverse economic and regulatory changes that deteriorate a country's economic situation can negatively impact the Group's future collection and pricing strategies. Consequently, the Group's operational stability, efficiency, and financial performance are highly influenced by any changes in governmental policies, budget allocations, international relations, and regulatory frameworks in these countries.

The Group is exposed to certain risks associated with such concentration in customers being governmental and semi-governmental entities, such risks include delays in payments, changes in contract terms, or other adverse effects due to the financial health and policy decisions of these governmental entities. Such risks could have a material and adverse effect on the Group's business, results of operations, financial condition, or future prospects and therefore the Company's share price.

2-1-34 Risks related to the replacement of the long-term incentive plan with the employees' stock incentive plan

During the financial year 2023G, the Board of Directors approved the replacement of the existing cash-based Long-term Incentive Plan ("**LTIP**") with a share-based incentive plan, the Employees Stock Incentive Program ("**EISP**"). To initiate the new incentive plan, the Group's shareholders approved the Company's buyback of up to 2.0 million shares in June 2023G. However, to date, 390k shares have been purchased for SAR 118 million off the open market.

While the cost and cash flow impact have not changed, the settlement mechanism has shifted from cash-based to shares-based. This change introduces risks related to the volatility of the Group's share price, which could affect the future overall cost of the incentive program. Additionally, fluctuations in the share price could impact employee morale and retention if the value of the shares does not meet expectations.

Therefore, the Group may face challenges in managing the share-based incentive program effectively, and incur additional costs, which could have a material and adverse effect on the Group's business, results of operations, financial condition, or future prospects and therefore the Company's share price.

2-1-35 Risks related to de-commissioning of units

From time to time, the Group will be required to decommission certain generation units in accordance with the agreed schedules set out in the relevant agreements, which may lead to further revenue losses as operational capacity declines. With fewer generating units, the Group's ability to meet power supply demands may be adversely affected, resulting in decreased revenue generation capabilities.

As at 30 June 2024G, CEGCO operates only three out of five units in the Aqaba plant, each with a capacity of approximately 121 MW, all of which are scheduled for decommissioning by October 2025G. The prior decommissioning of other units, including units GT12, GT13, and Unit 14 of the Rehab plant by 31 December 2021, as well as units GT4 and GT5 in the Risha plant by 31 December 2022, has already resulted in significant revenue impacts of SAR 87 million in financial year 2022G and SAR 80 million in financial year 2023G. For more information about these Projects, please refer to Sub-section (3-3-18-6) ("**Projects**") of Section (3) ("**The Company**") of this Prospectus.

Additionally, management may make certain provisions against decommissioning costs, but the actual costs related to asset retirement obligations may exceed such estimations depending on market conditions and regulatory requirements at the time of decommissioning. In the case of CEGCO, a decommissioning provision of SAR 12.5 million was included in its financial statements as at 30 June 2024G. The historical performance of CEGCO's plants has not been adjusted as part of the quality of earnings analysis. Ongoing revenue losses linked to decommissioned units could materially impact returns. As a result, the business, financial position and results of operations of the relevant Project Company could be materially adversely affected.

If any of the above risks were to materialize, this could have a have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-36 Risks related to the Group and its companies entering into transactions with Related Parties

The Group and its companies have entered into transactions with certain of their Related Parties or affiliates that are operation and maintenance contractors or subcontractors during the financial years ending on 31 December 2021G, 2022G, and 2023G, and the four-month period ending on April 30, 2024, all of which have been authorized by the General Assembly or the Board under General Assembly delegation in accordance with Article (64) of the Implementing Regulations of the Companies Law for Listed Joint-Stock Companies, with transactions for the year ended 2024G scheduled for General Assembly authorization in the next statutory meeting scheduled on 05/01/1447H (corresponding to 30/06/2025G). Offtakers, shareholders, Project Companies, EPC Contractors or providers of intercompany loans, such as O&M contracts, services arrangements, shareholder agreements and loans from shareholders. Related party transactions are determined and recorded in the Financial Statements in accordance with IFRS and applicable Saudi Arabian rules and regulation, including the Corporate Governance Regulations. The following table outlines the total amounts of related party transactions for the financial years ending on 31 December 2021G, 2022G, and 2023G, and for the six-month period ending on 30 June 2024G.

Table (2-3): Total amounts of related party transactions for the financial years ending on 31 December 2021G, 2022G, and 2023G, and for the six-month period ending on 30 June 2024G

Financial Year	Amounts Due from Related Parties	Amounts Due to Related Parties	Total Amount of Transactions with Related Parties
31 December 2021G	SAR 780.7 million	SAR 1.7 billion	SAR 2.5 billion
31 December 2022G	SAR 985.1 million	SAR 951.5 million	SAR 2.5 billion
31 December 2023G	SAR 1.356 billion	SAR 934.1 million	SAR 3.1 billion
For the period ending 30 June 2024G	SAR 1.7 billion	SAR 949.8 million	SAR 1.6 billion

Source: The Company

In accordance with the Company's consolidated financial statements for such periods. For more information on transactions with related parties, including the relationship of the parties to the Company as well as the concerned amounts for the last three years together with their various analyses, see Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus.

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

The Group's future success is also dependent on the continuation of the relationships with the Group's Related Parties, and the expiry or termination of any material related party contract or relationship would adversely and materially affect the Group's business, results of operations, financial condition and prospects.

Additionally, if the Project Companies have to contract with third parties because such related parties are unable to meet their obligations under these contracts, no assurance can be given that the Group, the Project Companies and/or NOMAC could replicate the terms of these contracts, which could have a material adverse effect on the business, financial position and results of operations of the Group, the Project Companies and/or NOMAC.

Pursuant to Articles (27) and (71) of the Companies Law, no Director in the Company may have a direct or indirect interest in the transactions and contracts executed for the benefit of the Company unless authorized by the Ordinary General Assembly. There is a risk that the Company's Board or the General Assembly of the Company or any of its Group Companies may not agree on the approval of these contracts in which case the Director who is deemed to be interested in the transaction must resign, or take steps to ensure that he/she is no longer deemed to be interested (for example by terminating the relevant contract or disposing of the rights creating the interest). While the Group has a framework in place governing Related Party transactions and conflicts of interest, including policies and procedures for disclosure and obtaining the approvals of the Company's committees, Board of Directors and the General Assembly (as the case may be), there can be no assurance that no conflicts of interest cases will arise from time to time from entering into agreements by the Group by virtue of such parties' relation to the Group. Termination of these agreements or the resignation of a Director could have a negative and material impact on the profitability of the Group and consequently on its business, results of operations, financial condition and prospects.

Given the nature of the Group's operations, as well as the composition of its Board, certain Directors may currently or in the future participate in other companies or projects that may compete with the Group. The Company's Board has sought General Assembly authorization for any existing interests that have been disclosed. Such authorization is subject to the rules applicable to Board members competing with the business of the Company or a branch of the activities it conducts as set out in the related party transactions and conflict of interest policy adopted by the Company. Furthermore, the Company's Directors may from time to time have interests in contracts and transactions entered into by the Group, or participate in competing activities. Even if such interests are disclosed and the relevant approvals obtained, there is no guarantee that a Director engaged in such activities would not result in a detrimental impact on the interests of the Company and its shareholders. It is therefore possible for a Board member to engage in businesses that compete with the Company which could impact its market share, or such Board member may not comply with the rules for competing with the Company as set out in the related party transactions and conflict of interest policy which could result in a negative and material impact on the profitability of the Group and consequently on its business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-1-37 Risks related to the Group not owning all of the lands on which the Group's assets are located

Other than with respect to the CEGCO assets in Jordan and Bokpoort CSP IPP in South Africa, which lands are owned by the Group, the Group does not own most of the land on which its assets are located. Therefore, the Group has obtained rights to operate these assets pursuant to related long-term leases or other arrangements (including easements). These arrangements include key terms such as, among others, (i) grant of right to use and benefit, (ii) rights of way and easements, (iii) warranties and covenants, (iv) payment of rent, and (v) terms ranging from 15 years to 35 years. Upon an extension to any of the existing Offtake Agreements, while the land leases are expected to be extended accordingly, there is the possibility that the renewal will be on less desirable terms resulting in increased costs which may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price. These leases or other arrangements may be terminated in various circumstances, including an event of default or a force majeure event. If such leases or arrangements are terminated or not renewed upon their expiration date, the Group may not have any rights to access or use the relevant assets or land, which may cause the Group to abandon these assets without compensation. The Group's inability to renew such leases or arrangements under the same or favourable conditions may lead to the Group ceasing its use or operations in the relevant land or the relevant asset, which could cause business interruptions or suspension. Furthermore, renewing such leases and arrangements on terms that are less favourable to the Group, including rent price, may lead to an increase in the rental value, which would result in the Group incurring additional unexpected liabilities. Please refer to Section (6) ("**Management Discussion & Analysis of Financial Position and Results of Operations**") and Section (10-7) ("**Properties**") of this Prospectus for further information on the Group's leases.

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

2-2-1 Risks related to the Group being exposed to political and geopolitical risks in the countries and regions where it operates

The Group is exposed to the geopolitical risks in the countries in which the Group operates as well as the countries into which the Group intends to expand, which could have an adverse effect on the economy of these countries and thereby the Group's customers and its operations in such regions. Such risks could adversely impact the value of any investment in the Group. The Group's operations are subject to political and economic risks and uncertainties, including instability resulting from civil unrest, political demonstrations, mass strikes, or an escalation or additional outbreak of armed hostilities or other crises in oil or gas producing areas, which may result in extended business interruptions, disruptions of overseas procurement, logistics and transportation, suspended operations and danger to the Group's employees, or result in claims by customers of a force majeure situation and payment disputes. Additionally, the Group may be subject to risks of terrorism, political instability, hostilities, expropriation, confiscation or deprivation of the Group's assets or military action impacting the Group's operations, assets or financial performance in many of the Group's areas of operations.

The Offtakers of the power and/or desalinated water produced by the plants developed by the relevant Project Companies are typically government or semi-government entities. Notwithstanding any contractual cost and revenue protections available under the relevant Offtake Agreements (including any local or foreign political force majeure) any unexpected major change in the political condition in any of the countries in which the Group has invested or plans to invest (particularly in emerging economies where such risks are greater), including a change in government, political instability, nationalization, major policy shifts or revolution or any negative developments in the existing relationship between the Group or Project Company and such government entities could have a material adverse effect on the Group's business, financial position and results of operations. The Group may not have sufficient protection under the Offtake Agreements against natural or political force majeure events or change in law events.

Furthermore, due to recent attacks in Red Sea Bab Al Mandab area, shipping companies have halted/rerouted ships carrying critical equipment for the Group's Projects under execution in the region. This disruption will impact in supply chain management and vendor supervision services which will cause a delay in construction/ commissioning activities, which could adversely affect on the financial position of the Group.

The Group is also exposed to the geopolitical risks arising from the ongoing and evolving trade and political tensions between the United States and China, which could have an adverse effect on the Group's expansion plans into the Chinese market. The US-China trade relationship has been marked by tariffs, trade restrictions, and geopolitical competition, which created an uncertain and complex environment that might hinder the Group's ability to explore growth opportunities in China. These restrictions could lead to several adverse effects on the Group's operations and growth prospects in China, including increased tariffs and trade restrictions, stricter regulations and barriers to entry, disruptions in global supply chains, economic uncertainty, and reputational risks.

Other political events, such as the Ukraine-Russia war, situation in the Gaza strip and other tensions in the MENA region may also have substantial impact on the Group's operations, including delays in construction, cost overruns, and impact on supply chain.

Any unexpected changes in the political, social, economic or other relevant conditions in the countries in which the Group operates, or in neighbouring countries, which are outside the Group's control, could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects and therefore the Company's share price.

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

A significant component of the Group's current and anticipated future performance depends on the condition of Saudi Arabia's economy. The contribution of the oil sector to Saudi Arabia's GDP continues to be substantial despite the decreasing trend thanks to the Government's diversification policies in recent years. Future volatility in the price of oil could adversely affect Saudi Arabia's economy and the Saudi Arabian government's budget. Certain of the Group's Project Companies are beneficiary of support from the relevant governments (with whom the Offtakers are affiliated) in the form of government guarantees to back the obligations of the Offtakers. As such, any effect on the availability of such support to the Offtakers from the governments as a result of certain factors, such as volatility in oil prices, could have a material adverse effect on the relevant Project Companies' business, financial position and results of operations.

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

In addition to its operations in Saudi Arabia, the Group operates in a number of countries in the Middle East and North Africa, including the Arab Republic of Egypt, Hashemite Kingdom of Jordan, Kingdom of Bahrain, the Kingdom of Morocco, the Sultanate of Oman, and the United Arab Emirates, and CIS Countries including the Republic of Uzbekistan, Azerbaijan, as well as Türkiye, the Republic of South Africa and Indonesia. The Group's performance is closely linked to the economies of such countries. Any economic growth, and therefore growth in demand for the Group's projects, is significantly affected by changes in global and regional economic, financial and political conditions that are outside of the Group's control, including as a result of the imposition of trade barriers, sanctions, boycotts and other measures, significant variations in the exchange rates applicable to currencies in the regions in which the Group operates, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, natural disasters, epidemics or terrorism. See also Section (2-2-1) ("**Risks related to the Group being exposed to political and geopolitical risks in the countries and regions where it operates**") of this Prospectus, and in particular between Saudi Arabia and other jurisdictions, could impact the Group's ability to effectively operate or expand in such countries.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

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

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

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

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

For example, since 2015G, the emissions of sulphur oxides at the Rabigh IPP have exceeded the applicable limits in Saudi Arabia. As at 30 June 2024G, the emissions still exceed the limits. A waiver was secured from the regulator, the National Center for Environmental Compliance ("**NCEC**"), until April 2025G, provided that the fuel conversion project will take place. However, the fuel conversion project might not continue, and thus additional measures must be implemented to avoid the imposition of fines. There can be no assurance that this Project may not continue to exceed the applicable emissions limits, in which case it will become subject to fines, the suspension or revocation of its operating licences or to an event of default under its financing arrangements.

Environmental laws, regulations and requirements can also impose joint, several and strict liability for the environmental remediation of releases and discharges of hazardous materials and wastes at the Group's and its predecessors' currently and formerly owned, leased and operated sites and at third-party sites to which the Group or its predecessors have sent waste, and could require the Group to incur significant costs for natural resource damages, investigate or remediate resulting contamination or indemnify or reimburse third parties for the same. Locations at which the Project Companies operate may be, or have been in the past, contaminated with hazardous materials, resulting in a potential liability to investigate or remediate them, as well as for claims of alleged harm to persons, property or natural resources.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

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

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

Potential health, safety and security events that may materially impact the Project Companies' operations include fires, flooding, explosions, light vehicle incidents, falls from height, personal injuries and fatalities, electrocutions, incidents involving equipment and emissions of harmful gases or chemicals. Fatalities, or serious injury, to employees or site contractors may occur due to these or other factors. Such events have occurred in the past and may occur in the future. During 2024G, the Company regrettably experienced two fatal incidents at under construction Projects. Over this period, the Group accumulated141.2 million manhours and a "lost-time" injury rate ("**LTI Rate**") of 0.01 which remained at the same level compared to 2023G.

However, there can be no guarantee that the Project Companies will be in compliance with all applicable health, safety and security regulations in force in the countries in which the Group operates in the future. Should any Project Company fail to comply with any such regulations, it may be liable for penalties and/or the consequences of default under any contractual obligations requiring it to comply with applicable regulations. Such accidents could also result in a material reputational impact on the Group that will materially and adversely affect the price of the Rights Shares in the market and the Group's business, financial position and results of operations.

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

Furthermore, the Project Companies operate in the countries where environmental, health and safety laws, regulations and their enforcement are still developing. Increasingly, the Project Companies' stakeholders including the Development Finance Institutions (DFIs) that may be providing financing to the Group's Projects expect them to apply stringent, internationally recognized health, safety and security benchmarks to their operations and require that the Projects are developed and operated in a manner that minimizes risks to workers, communities, and the environment, which could result in significant new obligations and costs for them. Failure to manage relationships with governments and non-governmental organisations may harm the Project Companies' reputation and operations, which could in turn adversely affect the Project Companies' revenues, results of operations and cash flows, potentially in a material manner.

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

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

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

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

The Group and the Project Companies are required to obtain and maintain appropriate licences, permits and regulatory consents in respect of their activities, including corporate registration requirements, environmental permits and licences and approvals for the operation of its facilities, construction of new, or modification of existing, facilities or the installation and operation of new equipment required for the Group's businesses. This is in addition to registration certificates with the commercial register issued by the Ministry of Commerce, certificates of membership with the Chambers of Commerce, certificates of trademark registration, and commercial activity licences for registering the Company's activities with the Ministry of Municipal and Rural Affairs and Housing, Saudisation certificates, Zakat certificates, as well as certificates from the General Organisation for Social Insurance (GOSI). For more details on these licences and certificates, please refer to section (10-3) ("**Government Approvals, Licences, and Certificates**") of this prospectus. Permits, licences and approvals are generally subject to periodic renewal. In addition, most of the licences provide that the relevant company may be subject to financial penalties, or the relevant licence may be suspended or terminated (following a warning), if it fails to comply with the requirements of the relevant licence. Furthermore, the Group operates in heavily regulated industries requiring multiple licenses in low transparency jurisdictions, as a result of which the Group may become exposed to bribery and corruption risks in relation to those licensing processes (see also Section (2-2-11) ("**Risks related to the Group conducting a significant amount of its business in various countries, including developing countries**") and Section (2-2-12) ("**Risks related to money laundering, bribery and other illegal or improper activities**") of this Prospectus).

When a licence is sought to be renewed or amended there can be no guarantee that the relevant authority would be prepared to renew the relevant licence or otherwise permit the same scope of work when granting such licence. Furthermore, the relevant authority may choose to impose onerous conditions or additional requirements on the Project Company in the course of such renewal (for example, due to a difference in interpretation by the Group and a regulator of the relevant legal requirements and standards or other related matters). Further, additional licences may be required in the future. If a Project Company is unable to procure the relevant licence or is unable to renew an existing licence on similar terms, it could materially impact the operation of the projects and in some circumstances, may also lead to a cancellation of the Project or closure of the plant.

NOMAC Oman's constitutional documents are not compliant with the relevant regulations in Oman. Although the Commercial Companies Law does not specifically address the consequences of failing to update the constitutional documents, the Ministry of Commerce and Industry in the Sultanate of Oman has broad enforcement powers which includes the suspension of a company's commercial registration. In addition, on 11 May 2021G, the Authority for Public Services Regulation (APSR) notified SGC, Ibri, DGC, DDC, Barka and Shams Ad-dhahira Generating Company SAOC (Ibri 2), of a breach of the provisions of their licenses arising from a change in control which had not been notified to APSR. This change in control arose from a change in the shareholding of the ultimate parent company that owns these companies due to PIF's investment into ACWA Power. These companies responded to APSR and APSR has not replied as at the date of this Prospectus.

In certain instances, the Group experiences delays in updating their constitutional documents to reflect amendments to local laws, which could result in delays in processing applications with the local authorities, and could have a material adverse impact on the Group's operations. If the Group is unable to obtain any necessary licenses to conduct its business in the Kingdom, or fails to renew them, or if its licenses expire or are suspended, or if any of these licenses are renewed under terms that are unfavorable to the Group, or if the Group is unable to obtain additional necessary licenses in the future, this could result in the imposition of financial penalties or the suspension of the Group's business activities, either partially or fully, by the relevant government authorities in the Kingdom. This includes, but is not limited to, Civil Defense fines that may reach up to SAR 30,000, and fines that may reach up to SAR 500,000 for failing to register companies with the commercial register in accordance with the provisions of the Companies Law.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-2-6 Risks related to Zakat and Tax

The Group has Projects that operate in jurisdictions where taxes are payable which can be substantial and include, amongst others, zakat, corporate income tax, value-added tax, custom duties, payroll-related taxes, withholding taxes, property taxes and other taxes. Furthermore, tax laws and regulations in some of these countries, including transfer pricing policies with respect to cross-border intragroup transactions in which the Group engages, may be subject to the introduction of new tax laws and regulations, frequent change, varying interpretation and inconsistent enforcement. This is the case in the UAE, where a new federal corporate tax law was issued in December 2022G pursuant to which federal corporate tax will apply from 1 June 2023G onwards. Additionally, on March 2024G, ZATCA announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution No.1007 dated 29 February 2024G, and is applicable to financial years starting on or after 1 January 2024.

In October 2022G, the Organisation for Economic Co-operation and Development issued a blueprint on the base erosion and profit shifting project ("**BEPS 2.0**"). The second main pillar of BEPS 2.0 establishes a minimum effective tax at a proposed rate of 15% applied to cross-border profits of large multinational corporations that have a "significant economic footprint" across the world. Given the Group's revenues, it falls within the ambit of pillar two. As at 30 June 2024G, the Kingdom of Saudi Arabia has not enacted income tax legislation based on this pillar two. Due to the uncertainties and on-going developments in respect of the pillar two in the Middle East, the Group is still in the process of assessing the overall impact such legislation may have on the Group.

In addition, the relevant Project Company may be exposed to an increase in the amount of the taxes payable, if tax rates increase or the tax laws or regulations in the jurisdictions in which it operates, or treaties between those jurisdictions, are modified or interpreted in an adverse manner particularly in relation to withholding tax treaties. Change in law protections in Offtake Agreements may not be sufficient to protect the relevant Group Companies from such developments in the regulations.

There are risks that taxes and penalties may be imposed on the Group, because of non-compliance with applicable rules and regulations, including incorrect tax assessments not in line with the tax rules and laws, or non-compliance with pricing rules for intragroup transactions, or by introduction of new taxes, inaccurate record-keeping, invoices not complying with VAT requirements, failure to make the required tax retentions, failure to make the required tax filings or for certain intra-Group related party transactions not being conducted on arm's length basis in line with transfer pricing requirements. The Group may not have made sufficient tax provisions to account for such potential liabilities. Should these risks arise, the Group's revenues will be affected and this could have a material adverse effect on the Group's business, results of operations, financial condition or future prospects and therefore the Company's share price.

Furthermore, because the Group operates in certain low transparency jurisdictions with respect to tax application and enforcement, the Group may become exposed to bribery and corruption risks in relation to tax proceedings (see also Section (2-2-11) ("**Risks related to the Group conducting a significant amount of its business in various countries, including developing countries**") and Section (2-2-12) ("**Risks related to money laundering, bribery and other illegal or improper activities**") of this Prospectus). In addition to the usual tax burden imposed on taxpayers, these conditions could create uncertainty as to the tax implications of various business decisions. This uncertainty could expose the relevant Project Company to significant fines and penalties and to enforcement measures despite its best efforts at compliance, and could result in a greater than expected tax burden which would impact the Group's revenues and could have a material adverse effect on its business, financial position and results of operations.

Additionally, some of the Group's projects in KSA, UAE, Jordan, Uzbekistan, and Azerbaijan benefit from tax incentives, such as exemptions from customs duty and VAT, which are granted under specific investment agreements or decrees. However, these exemptions are typically time-limited, commencing from the start date of operations. For instance, the Zarqa project benefits from a significant 75% corporate tax exemption for 10 years, which began in July 2018 and is set to expire in July 2028. The expiration of such exemptions will likely lead to increased operational costs for these projects, potentially impacting their financial performance and profitability.

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

The competent tax authorities did not complete the examination and assessment processes for the Group Companies (inside and outside the Kingdom) or issue the final Zakat or tax assessments, mainly for the years 2015-2021G. The periods for which assessment is open or falls within statute of limitation remain open. Upon completion of the examination and evaluation processes, such authorities may levy additional Zakat or tax payments. This may result in higher Zakat or tax payments compared to the expected payments, and the Group may not have allocated sufficient tax provisions to cover these potential liabilities, which could adversely and materially affect the Group's business, results of operations, financial position or future prospects, and therefore the Company's share price.

As at 30 June 2024G, the Group has received assessments under appeal for a number of Projects, for which the total potential Zakat and tax exposure is SAR 144 million (excluding delay fines and time-barred claims) and of which ACWA Power's share of this is amount is SAR 74 million. This amount includes tax assessments for both Saudi and non-Saudi Group Companies and Zakat assessments for the Saudi entities. A total provision against the Zakat and tax exposure of SAR 136 million has been made and ACWA Power's share in provision is SAR 64.5M.

As at 30 June 2024G, the Group has a total potential tax and Zakat exposure related to current open claims for entities other than Projects amounting to SAR 41 million (including share of other partners where applicable in these Companies) relating to assessments under appeal (excluding delay fines and time-barred claims subject to the statute of limitations, of which ACWA Power's share of this amount is SAR 40.5 million), and a provision against this exposure of a total value of SAR 28 million (ACWA Power's share of the provision amount due to its effective ownership is approximately SAR 26 million).

There are ongoing assessments and claims against zakat and taxation, for which the Company has adequate provisions, amounting to SAR 83 million. These have been disclosed in the published audited financial statements of the Company. However, there can be no assurance that the Group will be successful in challenging any assessments or decisions made by the relevant tax and Zakat authorities, and that it will not be required to pay part or all of these amounts. Please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations – Zakat and tax**") of this Prospectus for further details on the Company's consolidated Zakat and tax positions.

If any of the above risks were to materialize, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-2-7 Risks related to competition and antitrust laws

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

In the Kingdom of Saudi Arabia, the Saudi Competition Law seeks to prohibit practices with anti-competitive objectives or effects, including practices such as fixing prices of goods, service fees, or terms of purchase and sale and seeks to protect fair competition in the Saudi markets and to promote and establish market rules and free and transparent prices. Entities participating in an economic concentration are required to notify the General Authority for Competition ("**GAC**") for approval of such concentration prior to completing the relevant transaction. The law defines "**economic concentration**" widely to capture, amongst other things, any full or partial transfer of ownership over shares or assets that would result in a change of control, or even entry into joint venture arrangements. Given the size of the Group, any corporate transaction undertaken by the Company or any of its Subsidiaries may potentially trigger the need to file with the GAC for approval. This is the case even if such transaction occurs outside the Kingdom of Saudi Arabia and regardless of the size of the transaction. Should the GAC conduct an investigation into the Group, or otherwise conclude that the Group is in breach of the Saudi Competition Law, it may impose a fine on the Group of up to 10% of the total annual sales value which is the subject of the violation or no more than SAR 10,000,000 where it proves impossible to estimate such value. Moreover, the GAC may, at its discretion, impose a fine of up to three times the revenue made as a result of the breach and order the (partial or full) suspension of the Group's activities temporarily or permanently in case of repeated breaches.

The Group could be subject to fines and penalties if the Group is found to be in a dominant position in any other markets and exploiting this position to eliminate competition through: preventing competitors from accessing the market; sale below production cost; or restricting suppliers from dealing with other competitors. Local competition authorities are the regulators which investigate and assesses whether a company is in a dominant position in a relevant market and determine whether a company in a dominant position has abused such position. As at the date of this Prospectus, no such determinations have been made with regard to the Group. If any local competition authority were to investigate the Group and determine that the Group does hold a dominant market position in a relevant market and does engage in prohibited practices, it could impose significant fines and other penalties on the Group, including temporary or permanent closure of businesses. Moreover, defending against such proceedings may be lengthy and costly to the Group.

The occurrence of any of these risks would have a material adverse effect on the Group's business, results of operations, financial condition or future prospects and therefore the Company's share price.

2-2-8 Risks related to compliance with labor law and Saudization requirements

Each Group Company must maintain employment policies and contracts which adhere to the applicable labor law requirements in the jurisdictions in which they operate and which may be updated from time to time by the competent authorities. The Group must ensure that its policies and employment contracts adhere to the applicable mandatory provisions. The Group may not be aligned with, or may not, in the future, maintain employment policies and contracts that adhere to the applicable labor law requirements, a matter which may expose the Group to regulatory fines or labor suits.

Furthermore, many of the countries in which the Group operates, including Saudi Arabia, Oman, Jordan, the UAE and South Africa, have laws and regulations which impose requirements on companies to locally source a certain amount of their employees and personnel, supplies, equipment and materials.

The Saudization (Nitaqat) program was adopted pursuant to Ministerial Resolution no. 4040 dated 12/10/1432H (corresponding to 10/09/2011G), whereby MOHRSD requires entities to employ Saudi nationals. Compliance with Saudization requirements, which is a local regulatory requirement necessitating that all private entities (except regional headquarters) carrying out business in the Kingdom, including the Group, employ and maintain a certain ratio of Saudi personnel among their staff. The ratio of Saudi workers varies on the basis of a Group's licensed activities and number of employees. As at 30 September 2024G, the Company has been classified under the Platinum category with a Saudization ratio of 75.3%. The Group has obtained the relevant Saudization certificates from the MOHRSD in respect of its Saudi incorporated companies. In the event that the Saudi Group Companies do not comply with Saudization and Nitaqat requirements, they will face penalties imposed by government entities, such as the suspension of work visa requests, suspension of requests for transfer of sponsorship for non-Saudi employees, and exclusion from government tenders and government loans. The Saudi Group Companies may not be able to recruit Saudi employees under favourable conditions, if at all, or maintain its current Saudi employees, which in turn would affect its ability to meet the required Saudization percentage. There may be a significant increase in costs of salaries in the event that the Saudi Group Companies hire a larger number of Saudi employees. The occurrence of any of the preceding would have an adverse effect on the Group's business, and as a result on the Group's business, financial conditions, results of operations or future prospects, and therefore the Company's share price.

Under Saudi Labor Law, foreign employees are only permitted to work for the entity which sponsors them in the Kingdom or through the Ajeer program. The penalties for entities seconding foreign employees under their own sponsorship to another entity without an Ajeer notice include, for a first-time violating entity, a fine of SAR 10,000 for each employee working in violation of the law, and these fines increase in case of repeated violations. In addition, the Saudi Labor Law requires each foreign employee to carry out the job function stated on his / her iqama. Currently, there are certain foreign employees in the Saudi Group Companies who do not perform the job listed on their iqamas. Also, since the Company operates as a holding company and the Group operates through the Subsidiaries in numerous countries, most of the Company's Senior Executives operate at the Group level and have entered into contracts with the Subsidiaries. For further details, please refer to Section (5-2-5) ("**Senior Executives**") of this Prospectus. The penalties for entities hiring employees whose actual job function does not correspond with the job function appearing on their respective iqama include, a fine of SAR 1,000 for each employee working in violation of the law. Furthermore, the Group's Offtake Agreements may contain certain additional terms, the breach of which may not constitute an event of default but may result in penalties or other adverse consequences. For example, the Offtake Agreements for the Group's Projects in Saudi Arabia, Oman, the UAE and South Africa require that the Project comply with applicable regulations regarding the maintenance of minimum levels of Saudization with respect to employees and procurement of supplies. The failure to comply with such regulations may give the right to the relevant Offtaker to demand penalty payments. If such penalties are not paid or if the noncompliance is not remedied, it could also result in an event of default under the Offtake Agreement.

If any of the above risks were to materialize, this could have a have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-2-9 Risks related to hiring and retaining key employees

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

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

Furthermore, from time to time, executives and other employees with technical or industry expertise may resign or be removed from the Group. If the Group fails to appoint qualified and effective successors in the event of such departures or removals, this could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

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

All countries in which the Group operates are parties to the New York Convention. However, there is no certainty that the Group would be able to successfully enforce foreign court judgments or arbitral awards in all of the countries where it operates as enforcement depends on the relevant enforcement law in those jurisdictions and the relevant court's interpretation of the same. For example, most of the Group's project agreements for Projects located in KSA are governed by foreign laws such as laws of England and Wales and disputes arising out from these agreements are subject to arbitration pursuant to the UNCITRAL Rules for International Arbitration or the Rules of Arbitration of the International Chamber of Commerce. Accordingly, judgments issued in this respect will constitute foreign judgments for the Saudi court and for a foreign judgment to be enforceable in the Kingdom of Saudi Arabia, it must comply with the Saudi Enforcement Law, and the principle of reciprocity must exist between the Kingdom of Saudi Arabia and the relevant country. The inability of the Group to enforce a foreign court judgement or arbitral award could impact its revenues and could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price. For further information, please refer to Section 10 ("**Legal Information**") of this Prospectus.

2-2-11 Risks related to the Group conducting a significant amount of its business in various countries, including developing countries

Most of the Group's business is conducted in countries that are classified by the United Nations as developing countries. The Group has operations and/or development activities in a variety of developing countries. Part of the Group's growth strategy is to selectively expand its business in countries in which the Group already has a presence and other countries, including developing countries, based on an assessment of various factors, including the political, economic and investment stability of the country. Operations in any country, and particularly the operation, financing and development of projects in developing countries and other jurisdictions which the Group operates in or targets, may entail significant risks and uncertainties, including economic, social and political instability (including threats of terrorism), nascent legal regimes, unwillingness or inability of governments, government agencies, similar organisations or other counterparties to honour their contracts, difficulties in hiring, training and retaining qualified personnel, an inability to obtain access to fair and equitable political, regulatory, administrative and legal systems, and corruption, bribery and compliance risks and risks of fraudulent activity by the Group's employees, subsidiaries, joint ventures or associates. For further details, see Section (2-2-12) ("**Risks related to money laundering, bribery and other illegal or improper activities**") of this Prospectus.

Additionally, the Group faces concentration risk in certain jurisdictions where it has significant exposure. For instance, in countries such as Oman, the Group may be unable to bid for new projects due to reaching legal limits on market participation as stipulated by local laws. This concentration risk limits the Group's ability to diversify its operations and subsequently its growth prospects and financial performance.

Any of these factors, by itself or in combination with others, could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-2-12 Risks related to money laundering, bribery and other illegal or improper activities

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

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

2-2-13 Risks related to legal disputes

Many aspects of the Group's business involve potential litigation risks. The operating hazards inherent in the Group's business increase its exposure to litigation. Potential matters for litigation include, among other things, contract disputes, personal injury, environmental, employment, tax and securities litigation, intellectual property infringement disputes, insurance, anti-money laundering, foreign asset controls and foreign corrupt practices, and litigation that arises in the ordinary course of business.

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

As at 31 March 2025G, the total amount of the material ongoing litigation / arbitration claims filed against the Group is approximately SAR 200.1 million which represents two material litigation/arbitration claims, and the Group is a party to a material claim filed by it against another party The total amount of the material ongoing litigation/arbitration claims made by the Group (including counter-claims) is approximately SAR 385.4 million.

The Group allocates provisions for legal and arbitration claims in its financial statements based on its assessment of the relevant issues, associated risks, and the likelihood of success. Since the likelihood of success for the cases filed against the group is low and there is no foreseeable economic outflow that would allow the Group to reliably estimate the amounts as of 31 March 2025G, the Group has not allocated any provisions for any of its cases as of that date. If rulings are issued against the Group in these cases, it could have a material and adverse impact on the Group's operations, profits, financial position, operating results, or future outlook, and consequently, on the Company's share price.

The Group currently has delays in certain Projects. This could give rise to potential disputes with the Offtakers, EPC contractors and the Project lenders.

For more information on the Group's material legal disputes, please refer to subsections (10-6) ("**Litigation**") and (2-1-2) ("**Risks related to the Group's delays in the development of Projects and/or in achieving the Financial Close**") of this Prospectus.

The Group cannot predict the outcome of such proceedings, and any unfavorable outcome could have a material adverse effect on the business, results of operations, financial position and prospects of the Group. In addition, the Group anticipates that it will incur costs related to such proceedings brought by or against it, including penalties and damages imposed. Therefore, any decision that is not in the favor of the Company or its Subsidiaries may have a material adverse effect on the Group.

Should any of the above risks materialize, it could have a material adverse effect on the Group's business, profitability, financial conditions, results of operations or prospects, and therefore the Company's share price.

2-2-14 Risks related to changes in accounting principles or policies

The Group has prepared the consolidated financial information of the Group in accordance with IFRS and other IFRS as endorsed in KSA. Changes in these accounting standards and accompanying accounting pronouncements, implementation guidelines and interpretations could significantly impact the Group's reported results and financial position and may retroactively affect previously reported financial information. Please refer to Section (6) (" **Management Discussion & Analysis of Financial Position and Results of Operations**") of this Prospectus for further details.

2-2-15 Risks related to the Group's ESG targets not being fully, partially or timely met

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

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

2-2-16 Risks related to compliance with the Corporate Governance Regulations

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

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

The Ordinary General Assembly of the Company formed the Board Audit Committee ("**BAC**") on 01/12/1429H (corresponding to 29/11/2008G). The Board of Directors formed the Nomination and Remuneration Committee on 17/04/1433H (corresponding to 10/03/2012G), the Board Executive Committee ("**BEC**") on 02/06/1431H (corresponding to 15/05/2010G), and the Risk and Safety Committee on 2/1/1438H (corresponding to 3/10/2016G). Additionally, the Company's Bylaws were amended during the Extraordinary General Assembly meeting held on 2 January 2025G, where the appointment of the members of the Audit Committee was approved by the Board of Directors along with the new term of the Board of Directors, which started on 5 January 2025G, and will end on 4 January 2029G. The membership of the Audit Committee members began on 07/07/1446 AH (corresponding to 7 January 2025G). Additionally, the Board of Directors formed its committees, with the membership of the Nomination and Remuneration Committee, the Executive Committee, and the Risk and Safety Committee starting on 07/07/1446 AH (corresponding to 7 January 2025G), as announced on the Tadawul website on 08/07/1446 AH (corresponding to 8 January 2025G). For further details, see Section (5-2-8) ("**The Board Committees**") of this Prospectus. Failure by members of these Committees to perform their duties and adopt a work approach that ensures protection of the interest of the Company and its Shareholders may affect corporate governance compliance, the continuous disclosure requirements and the Board's ability to monitor the Company's business through these Committees. In addition, the responsibilities of the Conflict of Interest & Related Party Transaction Committee have been transferred to BAC.

If the Company fails to comply with the provisions of the Corporate Governance Regulations and does not adopt a clear methodology for corporate governance in line with the rules and regulations issued by the CMA, which ensures the protection of the Company's and its shareholders' interests, this would have an adverse effect on the Company's operations. Additionally, the Company might incur violations and fines due to non-compliance with the Corporate Governance Regulations, which could have an adverse effect on the Group's business, financial conditions, results of operations and prospects, and therefore the Company's share price.

2-3 Risks related to the Rights Shares

2-3-1 Risks related to liquidity and fluctuation in the market price of the Shares

Investors may be unable to resell their shares (including Rights Shares) at or above the Offering Price. The market price of the Rights during the Trading Period may not be indicative of the market price of the Shares after the Offering. The market price of shares may, after the Offering, be adversely affected by factors within or outside the Group's control, including, but not limited to, a change in the Group's operating results, market conditions, or government regulations.

Qualified shareholders must recognize that the value of an equity investment (including Rights Shares) may decline or rise, and the market price of equities may be volatile and subject to significant fluctuations due to changing market sentiment in terms of equities. From time to time, equity markets have experienced large fluctuations in prices and volume, which affected the market prices of securities but were not relevant to the Group's performance or the prospects of its activities. Furthermore, the Group's operating results and prospects may from time to time be less than those of market analysts and overall market conditions. Any of these events may lead to a decline in the market price of equities.

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

The market price of Rights related to the Group's shares is subject to significant fluctuations due to and change of trends in the Saudi Exchange ("**Tadawul**" or the "**Exchange**"). These fluctuations may be significant due to the difference between the authorized price change limit for trading in price of Rights (i.e. (10%) more or less than closing price for the previous day), as compared to the authorized price change limit for trading in the Group's Shares. Furthermore, since the price of Rights depends on the Group's trading price and the potential market price of the Rights Shares, these factors may affect the price of Rights. The sale of a large number of shares on the Tadawul, or expected sale of a large number thereof, would have an adverse impact on the Tadawul's share prices in general and the Company's shares in particular.

2-3-3 Risks related to the Company's ability to distribute dividends

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

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

2-3-4 Risks related to lack of demand on the Rights and the Company's Shares

There is no guarantee that there will be sufficient demand for the Company's Rights during the Trading Period enabling the holder of such Rights (whether a Registered Shareholder or a new investor) to sell the Rights and realize a profit, or enable them to sell these Rights at all. There is also no guarantee that there will be sufficient demand for the Rump Shares by investors during the Rump Offering Period. In case Institutional Investors do not subscribe for the Rump Shares at a high enough price, the compensation amount may not be sufficient enough to be distributed to the holders of unexercised Rights and those entitled to the Fractional Shares. Moreover, there can be no assurances that there will be sufficient market demand for Rights Shares purchased by Subscribers either through exercise of the Rights, during the Rump Offering or in the open market.

2-3-5 Risks related to issuance of new shares in the future

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

2-3-6 Risks related to investors' lack of knowledge with regards to exercising and trading their Rights

The trading of Rights comprises a new market for investors on Tadawul. CMA and the Exchange's mechanism for offering, registering and trading Rights as securities that allow registered shareholders to subscribe, sell rights in full or in part, or purchase additional rights, during the rights trading period in the market. This mechanism also allows other (non-registered) investors to purchase rights from registered shareholders during the rights trading period. Many investors may not know much about the mechanism for trading such Rights, which will adversely affect their willingness to invest in and trade in such Rights. Accordingly, investors' shareholding in the Group will decrease, which will cause harm to those who have not exercised their subscription rights, especially if no compensation is distributed thereto when investors fail to offer high enough prices for the Rump Shares.

2-3-7 Risks related to not exercising the Rights in a timely manner

The subscription period will start on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and ends on Wednesday dated 21/01/1447H (corresponding to 16/07/2025G). Rights holders and financial brokers representing them should take the appropriate exercise measures to comply with all required instructions for Rights and certificates to be received prior to the expiry of the Offering Period. If the Rights holders and financial brokers are not able to properly comply with the procedures for subscription to the Rights, the subscription application form may be rejected (for further details, please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus). If the Qualified Persons are not able to exercise their subscription rights properly by the end of the Offering Period, according to the Rights held thereby, there can be no assurance that compensation will be distributed to the Qualified Persons who failed to subscribe or did not properly follow subscription procedures, which will in turn lead to a decrease in their shareholding.

2-3-8 Risks Related to Forward-Looking Statements

Some of the data in this Prospectus is comprised of forward-looking statements that contain known and unknown risks and some uncertainties that affect the Group's results. This data includes, but is not limited to, information on the financial position, business strategy, plans and future objectives of the Group (please refer to Section (3) ("**The Company**") and Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus) (including the Group's development plans and business objectives). If any of the assumptions are incorrect or invalid, the actual results may differ materially from those reported in this Prospectus, which would result in investors losing their investment in the Company's shares.

2-3-9 Risks related to trading the Rights

Speculation relating to the Rights Issue may cause material losses. The price change limit allowed for the trading of the Rights (the indicative value of the Right) exceeds the percentage of the shares' prices (by 10% upward or downward). There is also a direct correlation between the Company's share price and the indicative value of the Right. Accordingly, the daily price limits for the trading of a Right will be affected by the daily price limits for share trading. When a speculator fails to sell the Rights before the end of the Trading Period, said speculator will have two options: either exercise these rights to subscribe to the New Shares before the end of the Subscription Period or not exercise them. In the event of not exercising the Rights, the speculator will be forced to exercise these Rights to subscribe for Rights Shares and may incur some losses. Thus, investors should review the full details of the mechanism for listing and trading Rights and New Shares and the functioning method thereof. In addition, they should be aware of all the factors affecting them, to ensure that any investment decision is based on complete awareness and understanding.

2-3-10 Risks Related to Dilution of Ownership

The Subscription Period will start on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and ends on Wednesday dated 21/01/1447H (corresponding to 16/07/2025G). If Qualified Shareholders do not subscribe to the Rights Shares by fully exercising their Rights before the end of the Subscription Period, their shareholding percentage and voting rights will be reduced. Qualified Shareholders exercising all of their Rights by the end of the Subscription Period may still be subject to a reduction in their shareholding in the Company, as their entitlements will be rounded to the nearest whole number of Rights Shares. However, these Shareholders will still be able to subscribe to additional Rights that will enable them to maintain or increase their proportionate shareholding in the Company. There is also no assurance that Qualified Shareholders who have not sold their Rights during the Trading Period will receive sufficient compensation for lower ownership in the capital of the Company as a result of the capital increase.

ACWA POWER

3- The Company

3-1 Overview

ACWA POWER Company ("**ACWA Power**" or the "**Company**") (together with its subsidiaries, the "**Group**") is a Saudi listed joint stock company established pursuant to a ministerial resolution number 215/Q dated 2/7/1429H (corresponding to 5 July 2008G) with commercial registration number 1010253392 dated 10/7/1429H (corresponding to 13 July 2008G). The Company's current share capital is seven billion three hundred and twenty-five million six hundred and nineteen thousand two hundred and eighty Saudi Riyals (SAR 7,325,619,280) consisting of seven hundred and thirty-two million five hundred sixty one thousand and nine hundred and twenty eight (732,561,928) ordinary shares with a nominal value of SAR 10 per share (each a "**Share**"). The Company's head office is located at Ground Floor, Building 1, The Business Gate Office Complex, King Khaled International Airport Road, P.O. Box 22616, Riyadh 11416, Kingdom of Saudi Arabia. The Company's main activities are the development, investment, operation, and maintenance of power generation, water desalination and green hydrogen production plants, and the bulk sale of electricity, desalinated water, green hydrogen and green ammonia to address the needs of state utilities and industries pursuant to long-term, off-taker contracts under utility services outsourcing and Public-Private-Partnership (PPP) models in the Kingdom of Saudi Arabia and internationally.

ACWA Power's business model provides a disciplined and structured framework for the identification, development, funding, operations and financial optimisation of its projects. The four stages of the Company's business model are:

- **Develop:** identifying and developing critical assets in strong growth markets while focusing on cost leadership and innovation by providing turn-key solutions with leading EPC contractors. ACWA Power would typically enter into long-term contracts with high-quality counterparties, i.e., Offtakers, who mainly include investment-grade and non-investment grade governmental and quasi-governmental entities at pre-agreed tariffs.
- **Invest:** structuring and obtaining financing for projects where ACWA Power typically acts as the lead investor, with a significant stake and de-facto control over the asset. ACWA Power pursues investments that are diversified across technologies and geographies with ESG centric scalable investment focus.
- **Operate:** operating project assets safely and efficiently, to the highest global standards, through NOMAC, a wholly owned subsidiary, creating value through economies of scale and synergies. Its standardized business model incorporates a strong use of digitalisation to improve asset performance.
- **Optimise:** identifying, assessing, and undertaking financial initiatives and efficient capital structures to further optimize its returns through refinancing, farm-downs or divestments.

ACWA Power's business model is supported by two key enablers. The first one is its people, a topic that the Group emphasises throughout its operations, with a focus on finding the right combination of skills and expertise to support its ambitious growth. The second enabler is innovation, through which the Group aims to continuously enhance the performance of existing assets, technologies and process and lead on the deployment of new cutting-edge innovations at scale.

This business model results in contracted, diversified, resilient and visible cash flows underpinned by long- term contracts such as power purchase agreements ("**PPAs**"), water purchase agreements ("**WPAs**"), power and water purchase agreements ("**PWPAs**") and offtake agreements where the weighted average remaining term is approximately 22.3 years[4]. On a project cost basis, 99% of the Group's portfolio is contracted through long-term take-or-pay P(W)PAs which provide ACWA Power with a hedge against demand / price risk and regulatory changes. In addition, EPC contracts are structured to transfer risk to contractors, thereby structurally mitigating EPC risk to the Group.

ACWA Power typically enters into contracts with Offtakers that are predominantly investment grade and / or government-linked (over 70% of total investment costs and over 50% of ACWA Power's equity commitment of the Group's projects). Additionally, these contracts with Offtakers are predominantly indexed to USD (over 95% of total investment costs of the Group's projects) and have fuel-pass through clauses (when applicable), providing inflation protection and commodity price risk mitigation. Finally, the O&M contracts typically match in duration to the offtake contracts and are super-senior in the payment order of the project companies.

4 Group's portfolio as of 31 December 2024G.

As at 31 December 2024G, the Group is the largest private power producer in the Middle East, the largest private water desalination company in the world (based on total gross capacities in GW and m3/day) and a first mover in green hydrogen with a portfolio of 94 power generation, water desalination and green hydrogen production Projects in operation, under construction and in advance development stages – with a portfolio both within the Kingdom of Saudi Arabia and internationally in the Middle East, Africa, Central Asia and Southeast Asia.

As at 31 December 2024G, the Group had a portfolio with a total investment cost of SAR 364.5 billion, comprising 94 Projects, in 13 countries, with a mix of renewable energy and storage, water desalination, green hydrogen, and flexible generation (conventional fuel) Projects. Of these Projects:

- 52 are in operation representing a total investment cost of SAR 196.9 billion;
- 24 are under construction representing a total investment cost of SAR 109.5 billion; and
- 18 are in a state of advanced development (either where the Group has been awarded a preferred bidder status, has signed the long-term Offtake Agreement, or negotiated deals where the Group has committed significant financial resources, and are in advanced stage to achieve financial close) representing a total estimated investment cost of SAR 58.1 billion.

Table (3-1): The Group's portfolio capacity[5] is highlighted in the table below:

	2021G*	2022G*	2023G*	2024G*
# of projects	64	68	81	94
Total Investment Cost (SAR billion)	251.7	269.6	317.8	364.5
Gross Power Capacity (GW)	42.7	44.5	55.1	69.2
Gross Water Desalination Capacity (million m3/day)	6.4	6.2	7.6	8.1
Green Hydrogen Capacity ('000 Tonnes/annum)	220	220	223	223
Battery Storage Capacity** (MWh)	1,828	2,803	4,482	5,325

* As at 31 December of each year.

** BESS Nameplate DC installed capacity; hybrid with renewable plants in the portfolio. The reported capacity for 2023G and 2Q 2024G has been restated since a project in Africa is being re-negotiated with the counterparties.

Source: the Company

As at 31 December 2024G, approximately 50.4% of the gross power capacity of the Group's power- generation Projects (including Projects that are operating, under construction and in advanced development stages) utilize renewable technologies (solar, concentrated solar, and wind), and another 40.3% use natural gas, so that approximately 91% of the gross power capacity of the Group's power-generating Projects utilizes either renewable or low carbon sources. Approximately 9% of the gross power capacity of the Group's power-generation Projects utilize oil. However, following the decision of the Company to no longer pursue any new coal- or oil-fired project in 2021G, the Group is committed to gradually reducing its greenhouse gas ("**GHG**") emission intensity and ultimately achieving net zero-emissions by 2050G.

As at 31 December 2024G, Projects in the Kingdom of Saudi Arabia accounted for approximately 61% of the Group's gross power capacity overall, with the next largest markets being Uzbekistan, Oman and UAE accounting for approximately 16%, 7% and 6% of the gross power capacity from the Group's Projects, respectively. The Group's Projects in the Kingdom of Saudi Arabia also represented approximately 58% of the Group's contracted desalinated water production capacity overall as at 31 December 2024G, with UAE, Oman and Bahrain accounting for 35%, 4% and 3% respectively.

5 Based on gross capacity and total investment cost of operational, under construction and in advanced development Projects in the portfolio.

The Group focuses on large assets operated with high standards in line with industry best practices, including the effective implementation of the Reliability of Supply (RoS) framework which have enhanced both its under construction and operational portfolio. These efforts have significantly boosted its consolidated power availability to almost 93.3%, as of 31 December 2024G. Meanwhile, its desalination plants have maintained historical consolidated availability levels of more than 97.6%, as at 31 December 2024G. In addition, ACWA Power strives to offer a secure and positive work environment to encourage its employees to work to the very best of their abilities but, at the same time, expects employees to portray certain ethical and cultural values and to project an image of integrity and professionalism. In this sense, the Company has implemented a Code of Conduct and Ethics Policy which sets down key guidelines and compliance practices which all employees are expected to observe, wherever they are located or operate. Approximately 78% of the Group's gross power generation capacity is from plants that have an individual capacity of greater than 1 GW. The Group's Offtake Agreements (including those for advanced development assets) have a weighted average (weighted by project cost) remaining life of 22.3 years. Between 31 December 2017G and 31 December 2024G, the Group's gross power generation and water desalination capacity (including under construction and advanced development Projects) have grown at CAGRs of 14% (from 27.2 GW to 69.2 GW) and 16% (from 2.8 million m3 to 8.1 million m3 per day), respectively. Moreover, the Group's renewable power capacity within the gross power capacity (including under construction and advanced development Projects) have grown at CAGR of 49% (from less than 2.2 GW to 34.9GW) during the same period.

The Group aims to become one of the largest power generation and water desalination players in the countries where it chooses to operate, as well as a major green hydrogen player and to retain its position as the global leader in water desalination, without compromising its commitment to reliably and responsibly delivering power, desalinated water and green hydrogen at low costs. To this effect, the Group seeks to sustainably grow its power, desalinated water and green hydrogen contracted capacities by focusing largely on sovereign offtake markets (where the counterparties to the relevant Offtake Agreements are typically state-owned entities) such as the Kingdom of Saudi Arabia, other GCC countries and other high-growth economies through the expansion of its existing facilities, the development of greenfield Projects and the acquisition of ownership interests in companies with operating plants or portfolio of plants.

The Group is also positioning itself as a key player in the Energy Transition from conventional energy generation methods ("**Energy Transition**") and in the market for green hydrogen. A first mover in green hydrogen with the world's largest utility-scale green hydrogen project in advanced stages of construction in NEOM, Saudi Arabia and internationally, ACWA Power is committed to green hydrogen development and its criticality to global Energy Transition, and the Company will continue developing projects across its strategic markets in the Kingdom of Saudi Arabia, Uzbekistan, Egypt, Indonesia, Tunisia and other key geographies.

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

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

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

The Group generally holds a significant controlling interest in the assets it operates. For the operation and maintenance of its own Projects, the Group generally leverages its wholly-owned subsidiary, NOMAC, and NOMAC's subsidiaries or joint ventures. NOMAC and its subsidiaries or joint ventures operate the majority of the Group's Projects to its standardized operating model with what management considers to be high standards of health, safety, security and environmental protection in line with global standards and best practices. In this manner, the Group aims to create value through a standardised operational model that seeks to ensure superior control and understanding of operating assets through the life cycle, provide stable long-term income and super senior cash flows, incentivize adoption of consistent and high operational standards and a culture of safety, enhance the use of digitalization to improve asset performance, capture the benefits from economies of scale, create operational synergies from replicable and transferable learnings, enhance risk mitigation and deliver systematically optimized costs across the supply chain.

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

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

Recourse facilities are (i) direct borrowings at parent level for liquidity support and other general corporate purposes; (ii) facilities of the Project Companies, including equity commitments that are normally in the form of Equity Bridge Loans ("**EBLs**"), guaranteed by the Company; and (iii) other liabilities such as PIF's non- interest bearing convertible loan.

Non-recourse facilities are borrowings the Project Companies, which are ring-fenced with no recourse to the Company. They comprise facilities that are secured by the Project Company with its own assets, cash flows and contractual rights over certain proceeds.

The Group believes that its Develop, Invest, Operate and Optimize business model allows it to realize value across the lifecycle of a project and generate total returns in excess of its cost of capital or hurdle rate across the technologies and portfolio.

3-2 Brief History of Company's Establishment, Ownership and Operations

The Group traces its history to 2004G when Abdullah Abunayyan Trading Company and Abdulkadir Al Muhaidib & Sons Co, who together formed Arabian Company for Water and Power Development or ACWA Holding (which today is known as Vision International Investment Company) and MADA Group for Industrial and Commercial Investment (which today is known as Al Rajhi Holding), created Arabian Company for Water and Power Projects or ACWA Power Projects. This was in response to new opportunities that emerged in the Saudi Arabian electricity and desalinated water markets following the historic decision of the Saudi Arabian government, taken in 2002G pursuant to Supreme Council Resolution No: 5/23 dated 23/2/1423H (corresponding to 3 June 2002G) to progressively open up the electricity and desalinated water production sectors to the private sector to own and operate assets. ACWA Power Projects then successfully bid for the Shuaibah IWPP and Petro-Rabigh IWSPP in 2005G and for the Shuqaiq IWPP and Marafiq IWPP in 2006G. In 2008G, Al Rajhi Holding, Vision Invest, Mohammed Abdullah Rashid Abunayyan, Sulaiman Abdulkadir Al Muhaidib and Ahmad Sulaiman Al Rajhi, established the Company, in order to acquire ACWA Power Projects and broadened the Group's strategy to include expansion of the Group's operations into high-growth markets outside of the Kingdom of Saudi Arabia. Since 2008G, the Company has been the holding company for the Group.

In 2013G, Sanabil Direct Investment Company, a wholly owned subsidiary of the Public Investment Fund or PIF (a sovereign wealth fund of the Kingdom of Saudi Arabia), and the Saudi Public Pension Agency (now the General Organization for Social Insurance) of the Kingdom of Saudi Arabia became shareholders of the Company with stakes of 13.71% and 5.71% respectively. In 2014G, the International Finance Corporation (IFC), which is one of the world's largest development institutions and is a member of the World Bank Group, became a shareholder of the Company with a 5.10% ownership interest. In 2018G, the PIF subscribed for a 15.20% direct stake in the Company. Saudi Arabian Investment Company (Sanabil Investments) subsequently transferred their 9.78% ownership stake in the Company to the PIF in October 2019G. In May 2020G, the PIF acquired IFC's 4.3% shareholding in the Company, and in November 2020G, the PIF acquired PPA's entire 4.08% stake, as well as purchased shares pro-rata from the other shareholders to arrive at its pre-IPO 50% share of ownership interest in the Company.

Post listing on the Saudi Exchange (Tadawul) in October 2021G, PIF remains the largest shareholder of the company with 44.16% ownership stake and founding shareholder Vision International Investment Company (Vision Invest) continues to be the Company's second largest shareholder with a 22.75% ownership stake. Mr. Mohammad A. Abunayyan, founder and Chairman of the Board of Directors continues to hold his ownership stake in the Company.

Since its establishment in 2004G, the Company has showcased a story of long-term vision and big ambitions. Over the last 20 years, the Company has broken multiple world records in the development of renewable power and water desalination, in terms of both project scale and tariffs achieved, such as the lowest tariff in solar PV plants, energy efficiency in water desalination and largest SWRO plants in the world, and the first and largest hybrid solar PV SWRO plant in the world increasingly realising its ambition to be a leader in Energy Transition at home and beyond.

In 2009G, ACWA Power entered the Sea Water Reverse Osmosis ("**SWRO**") sector, foreseeing SWRO as a potential replacement for traditional, oil-fired thermal co-generation methods of desalination, and launching its 150,000 m^3/day SEPCO IWP in the Kingdom. This was followed by the development of two (2) large commercial SWRO plants on the west coast of the Kingdom over the next three (3) years. These projects successfully demonstrated efficiency with significantly lower Specific Power Consumption and marked a permanent shift from thermal co-generation to SWRO with ACWA Power well positioned to seize opportunities in the region to eventually be a world leader albeit through continuous innovation.

During this period between 2010G and 2018G, following a successful stint in its home market developing conventional power and water projects, ACWA Power expanded into 11 countries through both greenfield development and acquisitions, set a new global benchmark for lowest renewables tariff and built a track record of developing large scale renewable projects in CSP, PV and wind technologies.

In 2021G, the Company's landmark IPO was oversubscribed by 250 times the offer size, with SAR 4.5 billion raised. By the time of its IPO, ACWA Power had reaffirmed its position as a global player leading the Energy Transition, becoming the largest private producer in water desalination, the first mover in green hydrogen and with an unparalleled growth in its renewables portfolio, which currently represents 53.2% of its total portfolio at total gross investment cost. In addition, it decommissioned all its coal plants from its portfolio, continued to break tariff records repeatedly in both renewables and water desalination, developed a world-class and the first at-scale green hydrogen project in NEOM, Saudi Arabia. and developed the world's largest zero- carbon SWRO water desalination as part of the multi-utilities Red Sea giga-project developments of Saudi Vision 2030.

The Group's portfolio grew consistently at an accelerated pace between 30 June 2021G and 31 December 2024G. At the time of its IPO, the Group had an operating capacity of 20.3 GW, with an additional 8.1 GW of capacity under construction. The additional 8.1 GW of capacity under construction became operational within four years, increasing the Group's portfolio to 30.6 GW and proving that its differentiated business model gives ACWA Power the right capabilities to develop and bring online world-class at-scale projects. The Group's pipeline capacity of operational projects increased significantly from 20.3 GW to 33.2 GW, from 8.1 GW to 23.6 GW of under construction and approximately 12.4 GW of advanced development projects as at 31 December 2024G. Similarly, the Group's operating water portfolio almost tripled from the date of its IPO increasing from 2.8 million m3/day at the time of the IPO to 8.1 million m3/day as at 31 December 2024G.

3-3 Mission and values

The Group aims to remain the world's largest water desalination provider and become one of the largest providers globally of renewable power and green hydrogen players with a focus on the developing economies. The Group's mission is to reliably and responsibly deliver electricity, desalinated water and green hydrogen at an optimized cost, in an uninterrupted, sustainable, and profitable way that benefits communities while also creating shareholder value.

The Group's mission and business model contribute toward its wider vision to encourage ingenuity and entrepreneurship in the private sector and enhance the availability of electricity, desalinated water and green hydrogen in a reliable and responsible manner to support social development and economic growth. Furthermore, the Group envisages itself becoming a key contributor and driver of the global Energy Transition from conventional to renewable energy sources.

The Group's central values are: Safety, People, and Performance.

Safety: The Group seeks to prioritize safety and is committed to protecting the well-being of its employees, partners, plants, and communities in which they operate, while also finding sustainable solutions for its business in considerations of long-term environmental sustainability for the future generations.

People: The Group seeks to foster a healthy, inclusive, and productive working environment for its employees and partners, rooted in respect and professionalism. The Group seeks to work collaboratively, where people can contribute, innovate and excel through support to achieve client, personal and company goals. Accordingly, the Group embraces strong ethical and professional standards, emphasizing values of integrity, transparency and collaboration.

Performance: The Group commits itself to excellence in its business and operations. It seeks to achieve ambitious targets by expanding its capacities on an ongoing basis. Towards this end, the Group values speed, adaptability, and accountability in approaching new challenges and contexts.

3-4 Strategy

ACWA Power envisages itself becoming a key contributor and driver of the Energy Transition from the developing economies. Developing economies have plentiful land, natural resources, favourable climate for renewables, competitive cost positioning and policy support to lead the Energy Transition on a global scale.

COP28, the 2023 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, brought a lot of insights and goals on how the Energy Transition would develop by tripling renewable energy capacity by 2030G which would represent the beginning of the end of the fossil fuel era. Emerging high-growth economies are expected to increasingly contribute to CO2 emissions reduction. Between 2022G and 2050G the expected emissions reduction from developed economies is expected to be 10.5 gigatonnes (from 12.4 gigatonnes to 1.9 gigatonnes) while in emerging economies the expected reduction in emissions during the same period is 14.2 gigatonnes (from 23.4 gigatonnes to 9.2 gigatonnes).

Positive trends that reinforce this vision are expected in the energy market. The adoption of renewables, water desalination and green hydrogen is prioritized on a global scale. Between 2022G and 2050G the renewables market globally is expected to increase from 9 kTWh to 54 kTWh, while the relevance of emerging economies is expected to go from 59% to 68%. In water desalination, the global market is expected to increase from 99 mm3/day to 170 mm3/day within the same period, representing a 1.7x increase. In hydrogen the global market is expected to increase from 11 kPJ in 2022G to 36 kPJ in 2050G which represents a 3.1x increase.

Generating green power in the developing economies is not only needed to meet the fast-growing demand, but also overall advantageous given the availability of natural resources, competitive cost positioning and policy support from countries in the South to promote the development and generation of electricity, water and green hydrogen. With time, developing economies are expected to provide increasingly cheap, reliable and green energy to developed economies.

The Kingdom of Saudi Arabia already represents a tangible success story from the developing economies and aims to be a global leader in renewable power, water desalination and green hydrogen by 2030G. This ambition and the high volume of projects to be developed are fuelling a growth vision using renewable energy sources.

Saudi Vision 2030 is a transformational program launched in 2016G comprising more than a thousand initiatives, more than 90 strategic objectives and more than 240 monitored KPIs. It has clear and defined targets for 2030G which have shown meaningful progress in the last few years and in some areas such as Energy Transition, the targets have been revised up by more than once. The non-oil GDP in absolute terms is expected to grow to $1.3 trillion (8.8% CAGR from 2016 to 2030), population to 50 million, annual tourists to 150 million (prior target achieved in 2023G, seven years ahead of plan) and renewables capacity to 103 GW (AC)[6]. Renewables are considered a key element of Vision 2030, with target of achieving 50% of renewables in Saudi Arabia's energy mix by 2030.

ACWA Power's overall strategy is to be at the forefront of the Energy Transition by delivering reliable and responsible power, desalinated water and green hydrogen at low cost in key attractive high-growth markets based on a substantially risk-balanced and contracted business model. As such, the Group is deeply inserted in the context of enabling Energy Transition in and from the developing economies with ACWA Power's key markets as a testament to the Group's ambitions being materialized over time.

The key tenets of the Group's strategy are:

3-4-1 KSA champion and global leader in power, water, and green hydrogen

The Saudi Arabia's Vision 2030 and National Renewable Energy Program represent significant growth opportunities for the Group, which is a Saudi champion and key enabler of the country's Energy Transition ambitions under the Saudi Vision 2030 programme. Initially announced as 58.7 GW of renewables projects by 2030G, this target was recently increased to approximately 103 GW[7]. Of this target, 70% is mandated to be undertaken by PIF and 30% will be allocated for public tendering, which will be undertaken by Ministry of Energy. Through a strategic framework agreement with PIF, the Group is responsible for delivering 70% of KSA's renewable installation by 2030G, while also expanding strategically into green hydrogen.

The Group has an established generation asset base with 34.3 GW coming from flexible generation, which plays a critical role in the transition to net zero, and in helping to meet targets in a cost-effective manner, especially in periods of peak demand. Flexible generation in the Group's portfolio is largely represented by Combined Cycle Gas Turbine ("**CCGT**") assets, which is expected to remain a viable technology alternative in emerging markets given the growth prospects in these economies in addition to their governments' expedited efforts to transform their energy mix. The Group currently has four Heavy Fuel Oil ("**HFO**") assets, one of which is being converted to an SWRO desalination plant. The Group is also exploring various options with offtakers with two other assets to make them more efficient, with reduced emissions.

An additional characteristic of ACWA Power's fleet which gives the company a competitive advantage against other players is the scale of its asset fleet. Scale is a distinguishing feature for the Group, allowing ACWA Power to take advantage of secular sector tailwinds such as growing power demand and being well positioned in the supply chain, enabling operating synergies.

In addition, ACWA Power is a leading player in renewables generation and storage. The Group has a large renewables generation portfolio with 34.9 GW of projects at operating (6.5 GW), under construction (19.8 GW) and advanced development (8.6 GW) stages. The Group's renewables portfolio currently represents 53% of the total generation asset base, which used to be less than 1% just over a decade ago.

Energy storage is another vital facet of the Energy Transition, adding flexibility to renewable power generation and making it more sustainable. Storage is deployed in ACWA Power's Projects through battery energy storage systems ("**BESS**") and / or concentrated solar power ("**CSP**"). As at 31 December 2024G, the Group's 5.3 GWh BESS portfolio includes the largest off-grid BESS facilities in the world.

The Group is a first mover in at-scale green hydrogen production with ground-breaking projects such as the NEOM Green Hydrogen Project, the world's largest hydrogen project under construction in the NEOM region in KSA. As a result of the NEOM Green Hydrogen project, the Group and its partners are the largest players in the production of green ammonia. The Group has signed a Joint Development Agreement ("**JDA**") with the government of Uzbekistan for up to 1 mtpa of green ammonia and is currently developing the largest green hydrogen facility for Indonesia (US$1.0bn, 0.15 mtpa) and another sizable green hydrogen project for Egypt (US$4.0bn, 0.6 mtpa). In July 2024, ACWA Power and SEDCE signed a Memorandum of Understanding (MoU) to jointly explore the development of large-scale green hydrogen production utilising renewable energy sources. The planned project involves the development of renewable energy power plants with a capacity from 2GE to 4GW in Sarawak. The facility may incorporate various renewable energy sources, including large-scale solar farms, biomass plants, cascading hydro systems, wind, or wave energy systems, all equipped with BESS. These renewable energy sources will feed as captive power into an integrated green hydrogen facility, which include ammonia synthesis plant to produce export-grade green ammonia.

6 Public target is 130DC, estimated at 103AC

7 130 GW DC capacity announced. DC/AC ratio of 1.25x assumed.

One of ACWA Power's competitive advantages in green hydrogen is its ability to innovate and be the sustainable lowest-cost provider of renewable energy in the world, which is a key input to green hydrogen. The Group is also the largest private player in water desalination with a portfolio of 8.1 mm3/day. It currently has some of the largest SWRO plants in the world, the largest hybrid solar PV SWRO plant and the first, and only, 100% green SWRO plant in the world. In recent years, the Group has shifted its main water desalination technology from thermal desalination to SWRO, which helped to reduce water tariffs by 58% and also reduced by 87% the Specific Power Consumption required to desalinate 1 m3 of water in the last decade. Reverse osmosis is not only the most advanced desalination system in the world today, it is the most efficient and beneficial for the planet as it generates up to four and a half times fewer greenhouse gas emissions than any other technology, it does not harm the marine environment, and it's able to recover a lar part of the energy used in the process.

3-4-2 Immense and Visible Pipeline in KSA and Beyond, with Extraordinary Growth Track Record

There are multiple engines supporting ACWA Power's growth. The first is the highly visible and solid pipeline growth in KSA in which the Group is developing 70% of PIF renewables pipeline of 103 GW[8] opportunity by 2030G. The second engine is the bilateral negotiations ACWA Power is increasingly pursuing leveraging its stellar historical track record in developing utility scale power generation, water desalination and green hydrogen production assets. ACWA Power is seen as a KSA national champion with a significant presence in the region. The Group also has a reliable international pipeline delivering power and water projects internationally. All this translates into a reliable 13 GW pipeline coming from bilateral negotiations. Thirdly, are the traditional auctions with 32 GW and 5.0 mm3/day opportunity. Throughout the years, the Group built an established competitive infrastructure with a robust win ratio and a track record of expertise and competitiveness in bids through in-house design, project finance, and technical and legal expertise. Fourthly, ACWA Power as an industrial partner of choice evidenced by being a trusted partner of choice to develop large-scale power, water, and green hydrogen projects. The Group is trusted by blue chip industrial names to deliver power, water, steam and green hydrogen (e.g. Aramco and Air Products), opening the door for future commercial and industrial opportunities.

Additionally, in KSA, the Group has a highly visible and imminent project pipeline from a combination of advanced development projects, Vision 2030 and a solid pipeline of bilateral negotiations and active bid/tenders.

The Group's power generation portfolio includes 33.2 GWs in operation, 23.6 GWs under construction, and 12.4 GWs in advanced development. Furthermore, ACWA Power is developing 70% of the Vision 2030 renewable power target of 103 GWs by 2030 under a strategic framework agreement with PIF.

The Group's current renewables capacity as a percentage of the entire portfolio is close to the 50% target for 2030 disclosed at IPO. For this reason, the Group upgraded its ambition for share of renewables in its generation portfolio to 70% by 2030G.

In the water desalination sector, there is significant growth opportunity and the Group, as the leading producer in the water desalination section, will use its strategic positioning and know-how in water desalination to advance on key international growth markets for water desalination. The Group has a portfolio of 5.6 mm m3/day operating, 2.1 mm m3/day under construction, and 0.4 mm m3/day advanced development Projects.

The Group believes there is a sizable market opportunity for green hydrogen expected to develop in the short to mid-term. Green hydrogen is a fast-growing market with 49.5m tons/year of projects expected to come to the market by 2030G. ACWA Power's differentiated capabilities and its existing market position as a first mover provides it with a competitive advantage to capture this growth opportunity, particularly given its cost competitiveness in renewables, the sizable investments it has already announced, including being the first market entrant to develop at-scale green hydrogen with its NEOM Green Hydrogen project, its access to required real estate and to different markets.

In relation to green hydrogen capacity, currently, the Group has 223ktons/annum under construction, 200ktons/annum in Saudi Arabia and 3ktons/annum in Uzbekistan. It also has a 1,255ktons/annum pipeline under development (bilateral agreements in place) coming from Tunisia (600ktons/annum), Egypt (350ktons/annum), Malaysia (200ktons/annum), Uzbekistan (90ktons/annum) and Indonesia (15ktons/annum). Finally, the Group also has a pipeline under origination of 1,400ktons/annum.

8 130 GW DC capacity assuming DC/AC ratio of 1.25x.

ACWA Power is one of the largest enablers of Energy Transition and decarbonization in the developing economies. Its strengths in project development, leadership in key markets and its ability to foster bilateral agreements effectively make ACWA Power the global Energy Transition leader in the developing economies. The Group's stronghold markets comprise the Kingdom of Saudi Arabia and the broader Middle East. In addition to their leading role in global Energy Transition, these regions represent a sizable growth opportunity with scalable and fast-growing markets for water desalination (especially in the GCC). The Middle East is also expected to play a premium role in developing green hydrogen in the next years.

Until 2030, the Group expects to derive 50-55% of its growth percentage of total estimated investment cost by 2030E in the Kingdom of Saudi Arabia. This growth expectations in the Kingdom of Saudi Arabia are supported by the execution of the PIF Strategic Framework Agreement and the CCGT pipeline in the country. On the same basis, the Group expects to derive 10-15% of its growth by 2030G in the Middle East (excluding Saudi Arabia) in markets such as the United Arab Emirates, Oman, Jordan and Bahrain where the Group expects to develop new projects and businesses.

The Group's fast-growing markets are Central Asia and Africa. These markets benefit from the Group's ability to foster bilateral agreements and competitiveness, to drive forward the region's renewable energy initiatives. These markets also present a strong proposition for the development of green hydrogen projects, such as the Group's recent initiatives and projects being developed in Uzbekistan. In Central Asia, the expected share of ACWA Power's growth from this region would be around 10-15% driven by the execution of pipeline and organic development. In Africa, the expected share of ACWA Power's growth from this region would be around 10-15% coming from business development.

Finally, the Group's next growth frontier markets are Southeast Asia and China. These markets present large and scalable opportunities for renewables and green hydrogen, especially in China, with a significant angle for developing bilateral contracts and / or potential inorganic opportunities. The Company has a long- standing and strong relationship universe in China since 2009G with total cumulative relationship quantum in excess of $40 billion with the Chinese OEMs, EPC contractors, financial institutions outside China, which now provides the Company with the strategic opportunity to enter China, and open up the largest and one of the fastest-growing renewables markets globally. The scale of the Chinese market offers the Group the opportunity to achieve its growth ambition more quickly than tackling multiple other fragmented markets. In Southeast Asia, the expected share of ACWA Power's growth would be around 0-5% supported by business development. In China, the expected share of ACWA Power's growth would be above 10% from business development.

3-4-3 Operating in attractive high growth markets

ACWA Power's key markets have strong macroeconomic fundamentals and are expected to continue to grow faster than OECD markets. The power, water, and green hydrogen markets in these countries also present unique opportunities for growth with an attractive risk-reward balance.

Table (3-2): Operating in attractive high growth markets

	The Group's Key Markets	OECD Markets
Key Features of the Macro Environment		
GDP growth	High	Low
Population growth	High	Low
Electricity demand growth	High	Low
Requirement for water desalination	High	Low
Sovereign credit rating	Mostly investment grade	Mostly Investment grade
Key Features of the Power, Water, and Green Hydrogen Markets		
Reserve margins	Low	High
Power capacity growth	High	Low
Renewables power sales	Fully contracted with long-term PPAs mostly with sovereign guarantees	Mostly merchant

Source: the Company

The Group's target markets typically have low reserve margins and a high demand for electricity and, where relevant, high demand for desalinated water and green hydrogen, pursuing long-term Offtake Agreements with predominantly investment grade and/or sovereign-linked entities.

As an agile developer of critical utility-scale power, water desalinization, and green hydrogen projects with an extensive track-record in innovation and adding value pre- and post-bidding, the Group is well positioned to capture future opportunities in its key markets.

The Group assesses potential projects based on a set of comprehensive geographic selection criteria which considers region, opportunity sizes, risks and bilateral negotiation enablers. The first step in the selection process is the geographic screening in which the Group evaluates the presence of contracted IPP/IWP model, the country power and water capacity additions until 2030G, creditworthiness (high sovereign credit rating), development complexity, and any political stability/security concerns. The second set of criteria is based on intelligence from development teams in the region. This may allow ACWA Power to enter markets with lower credit ratings and high growth potential, by establishing adequate risk mitigation mechanisms to protect our investments via bilateral country-level agreements. Similarly, favorable GH2 markets can be accessed, targeting potential export-oriented projects, to mitigate domestic market-related risks. The Group may opt not to pursue opportunities in countries with slow development process and low development capacity. All of the criteria above are consolidated in a country list which intends to be dynamic by nature. Opportunities outside the country list may be evaluated by the Group based on merit and specific circumstances.

ACWA Power's geographical diversification into high growth markets allows for accelerated development and unlocks new avenues of growth. Currently, the Group's portfolio consists of SAR 364.5 billion of total investment cost across 94 Projects that can generate 34.9 GW of renewable power, 34.3 GW of flexible power, 8.1 mm3/day of desalinated water, 223 ktons/year of green hydrogen, and 5.3 GWh of battery storage.

According to the Saudi Vision 2030 and Economist Intelligence Unit, KSA is the leading region for renewables with a target of 103 GW by 2030G which implies a 64.7% CAGR in GW from 5 GW in 2024G to 2030G. The KSA continues to experience growth in investor confidence and represent a big opportunity in renewables with its strong renewables capacity growth supported by Vision 2030. For the period from 2024G to 2030G, the population of the KSA is expected to grow at 6.0% CAGR from 35 to 50 million[9], and real GDP[10] is expected to grow at 3.3% CAGR from 2.2 trillion to 2.6 trillion.

The Middle East and Africa region ("**MEA**") has high power demand driven by industrialization and favourable population trends, combined with an expected increase in seawater desalination capacities. In the Middle East for the period from 2024G to 2030G, the population is expected to grow at 1.6% CAGR from 34 million to 37 million, real GDP is expected to grow at 3.3% CAGR from $1.5 trillion[11] to $1.8 trillion, the renewable installed capacity is expected to grow at 23.45% CAGR from 12 GW to 43 GW. In Africa for the period from 2024G to 2030G, the population is expected to grow at 1.3% CAGR from 221 million to 239 million, real GDP is expected to grow at 3.9% CAGR from $2.7 trillion to $3.4 trillion, the renewable installed capacity is expected to grow at 10.5% CAGR from 33 GW to 61 GW.

Central Asia represents a big opportunity for renewables with significant renewable capacity additions per year expected. For the period 2024G to 2030G, the population of Central Asia is expected to grow at 0.7% CAGR from 155 million to 161 million, real GDP is expected to grow at 3.7% CAGR from $3.7 trillion to $4.6 trillion, the renewable installed capacity is expected to grow at 9.0% CAGR from 82 GW to 138 GW.

In Southeast Asia low emission fuels are expected to play a significant role in the Energy Transition which represents an opportunity to cultivate bilateral relationships. For the period 2024G to 2030G, the population of Southeast Asia is expected to grow at 0.8% CAGR from 319 million to 334 million, real GDP is expected to grow at 4.9% CAGR from $4.9 trillion to $6.6 trillion, the renewable installed capacity is expected to grow at 8.4% CAGR from 20 GW to 33 GW.

China presents significant scale and growth expected for renewables development as the world's largest renewables market. There is also a bilateral negotiations angle with presence and established relationships with suppliers across the value chain. For the period 2024G to 2030G, the population of China is expected to remain relatively constant with a (0.2%) CAGR from 1,400 million to 1,385 million, real GDP is expected to grow at 4.1% CAGR from $29.3 trillion to $37.4 trillion, the renewable installed capacity is expected to grow at 20.6% CAGR from 1,559 GW to 4,796 GW.

9 Based on Saudi 2030 target.
10 PPP at 2010 prices
11 PPP at 2010 prices

3-4-4 Proven track-record in innovation, development and optimisation

ACWA Power's track record has been consistently strong and successful in converting pipeline into operational power plants. From 2017G to 2024G, ACWA Power's portfolio of operational, under construction and advanced development Projects increased with at a 14% CAGR, from 27.2 GW to 69.2 GW. The operational portfolio increased at a CAGR of of 14.1% from 13.2 GW to 33.2 GW. The portfolio under construction increased at a CAGR of 14.2% from 9.3 GW to 23.6 GW. The portfolio under advanced development increased at a CAGR of 14.9% from 4.7 GW to 12.4 GW. The Group's rapid portfolio development is underpinned by broad technological expertise and early mover scouting of opportunities in high-growth markets with sound regulatory environments. ACWA Power's operational excellence is enabled by digital transformation, an end-to-end business model with significant field service skills from NOMAC, and a unique relationship with suppliers and OEMs.

Innovation is at the core of ACWA Power's business model, providing long-term competitive advantage, value creation for developing and operating projects and a vital ingredient for Energy Transition as it enables the company to move faster and improve assets' energy efficiency and sustainability. Innovation also supports the Group in delivering world-beating, low tariffs for off-takers, which in turn may lead into affordable end prices for the communities served. Innovation is a key enabler for ACWA Power's ambitious growth strategy. The Group stands at the forefront of technological innovation in energy generation and water desalination and is a well-established leader in the industry. This was achieved through the Group's commitment to excellence in continuously enhancing the performance of existing technologies while also spearheading the introduction of new cutting-edge innovations into the market on a large scale. The expertise acquired over time in perfecting this approach gives the Group the confidence to maintain its leadership status as it embarks on its 2030G growth strategy.

The Group achieved significant tariff reductions across its core technologies which led to multiple world records. In water desalination, tariffs were reduced from US$0.89/m3 in 2009G to US$0.37/m3in 2023G, implying a 58% decrease. In solar PV, tariffs were reduced from US$c5.99/kWh in 2015G to US$c1.04/kWh in 2020G, implying an 82.6% decrease. In CSP, tariffs were reduced from US$c18.90/kWh in 2012G to US$c7.30/kWh in 2017G.

The Group has achieved an energy consumption reduction of 87% since 2010G for its SWRO plants. It has gone through three phases to accomplish this: the first phase, from 2010G to 2012G, entailed moving away from thermal coupling to SWRO and this enabled them to reduce the SPC from 22 kWh/m3 to 6.5 kWh/m3; in the second phase, up until 2017G, the Group improved its design and operations such that it reduced its SPC to below 4 kWh/m3; during the current phase, with the paradigm shift in design, membrane analysis and big data analytics, the Group has kept the SPC at a level of only 3 kWh/m3. In fact, it has recently launched Taweelah 3 IWP, the very first SWRO plant partly using renewable energy sources, and it designed the Rabigh 3 IWP, the first plant in Saudi Arabia to be built on a pressure centre design.

The Group has also implemented artificial intelligence ("**AI**") within plant operation and control which has improved power consumption, availability, and reliability. With further improvements via AI implementation within plant operations the Group expects to reduce power consumption and chemical use, predict failures and enhance preventive maintenance.

The Group is now exploring and piloting a new desalination method, Hydraulic Injection Desalination ("**HID**"), which is expected to be more energy-efficient than any other current technology. In addition, The Group is increasing water availability and reliability of supply by implementing AI within plant operation and control, to reduce power requirements and chemical consumption, predict failure and enhance preventative maintenance.

ACWA Power's innovation roadmap covers all aspects of its growth strategy. Its strategy for technology innovation and R&D emphasises collaboration and involves partnerships with R&D partners, OEMs and startups. There is also a successful collaboration with King Abdullah University for Science and Technology in desalination, solar PV and hydrogen to expand to new areas and establishing a joint Clean Energy and Water Desalination Technologies Development Centre. It is also building an R&D collaboration network with institutes and partners in the countries where ACWA Power operates to enhance expertise and facilitate localisation and industrialisation within its key markets. A key example in this initiative is the R&D Lab in Shanghai, which was launched in 2024 and is expected to officially be inaugurated in January 2025), to better connect with the highly dynamic Chinese innovation eco-system, including our key suppliers in various green technologies.

As of 2023G, the Group's ongoing innovation projects by technology were split into water and desalination (37%), renewables (25%), digital technology (14%), green gases (10%), integration and hybridization (8%) and zero carbon and energy storage (6%). In addition, when considering this split by lever, the Group's ongoing projects were related to pilot and demo plants (41%), collaborative R&D (33%), OEMs, VCs, start-ups (24%) and internal innovation (2%).

The Group also believes in digitalization as a key enabler for ACWA Power's ambitious growth strategy ACWA Power is investing heavily in an ambitious digital transformation programme that is expected to generate long-term value and is within the top 15% of worldwide companies with integrated generative AI into their processes. The Group was awarded the ninth (9th) most innovative company in the Kingdom (fourth in energy) by Forbes Middle East. By the end of 2023G, the Group filed a total of 15 patents, primarily in desalination but also in green hydrogen and solar PV, and the Group expects to have completed 31 patent filings by end of 2024G.

3-4-5 Sustainability and ESG-centric agenda

Sustainability is central to ACWA Power given its culture and the nature of its operations, and the Group aligns sustainable operations with internationally recognised environmental, social and governance standards, including clean water and sanitation, affordable and clean energy, decent work and economic growth, and climate action. The Group's vision is to advance the ingenuity and entrepreneurship of the private sector and make low-cost electricity and desalinated water available in a reliable and responsible manner to support social development and the economic growth of its key markets.

The Group is at the forefront of the Energy Transition and innovation, with a strong track record across multiple renewable technologies including CSP, solar PV and wind and has achieved breakthrough accomplishments in the industry including the world's largest CSP plant at the time of construction and lowest CSP and PV tariffs (as at the time of bid). In relation to water desalination projects, the Group believes it is a pioneer in renewable-powered reverse osmosis desalination. The partially solar-powered Taweelah IWP plant owned / operated by the Group in the UAE is the world's largest reverse osmosis plant. Furthermore, at Hassyan IWP (SWRO capacity of 818,000 m3/day), the Group achieved the lowest water tariff in the history of desalination, $0.365/m3 (which is almost 10% lower than the previous record), by optimising the Specific Power Consumption (SPC) and using efficient process design.

In addition, ACWA Power is in the process of converting one of its oil-fired thermal IWPP plan into an energy efficient 600,000 m3/day SWRO project by integrating 65 MWp PV replacing the boilers and MSF technology, with the aim of achieving an 87% reduction in power consumption and a saving of nine million tonnes of CO2/year by avoiding fuel consumption of 22 million barrels/year.

The Group is an early mover into utility-scale Green Hydrogen, a cutting-edge climate-relevant technology through the planned NEOM green hydrogen joint venture. This world-scale green hydrogen project is to be powered by approximately 4GW of combined solar and wind capacity. The Group is also actively pursuing a number of additional green hydrogen projects inside and outside the Kingdom of Saudi Arabia.

As part of Saudi Arabia's economic transformation, the Group also seeks to build carbon-neutral sustainable off-grid "**giga-cities**" utilising fully integrated utilities infrastructure, powered by renewable energy and distributed generation. In relation to this, the Group finalized the fully sustainable off-grid, circular economy Red Sea project. This is the world's largest completely off-grid fully sustainable eco-resort project is supported by a multi-utility system developed by ACWA Power, powered by five solar plants with a total capacity of 406MW and one of the world's largest battery energy storage systems (BESS) of 1.2 GWh, along with three 100% renewable-powered RO desalination plants. This circular economy will also include a unique sustainable wastewater treatment solution that will eventually treat 16,000m3/day of wastewater that will be used to grow wetlands and plant nursery creating a natural carbon sink. ACWA Power has partnered with Red Sea Global (RSG) to develop more than 8.3 hectares of new wetlands through its sustainable approach to utilities. The wetland approach to sewage treatment starts at the screening stage to remove solid matter. After this, effluent is sent to the wetland site made up of phragmites plants, a type of common reed, which naturally absorbs the nutrients and metals, treating the water without the need for chemicals.

The Group ceased using coal in its Projects since 2022G. The Group's asset fleet accounts for around 50% of its power generation capacity from renewables (including projects under construction or advanced development). This led the Group to upgrade its 2030G target to 70%, aiming to maintain the Group's long-term target of becoming net-zero by 2050G, with at least 95% of its generation fleet coming from renewable sources, and to address the carbon emission arising from the remaining 5% fossil fuel energies from its asset fleet via mechanisms ranging from carbon capture to nature-based solutions. The Group intends to lead the way to de- carbonisation and focus predominantly on renewables and transitional low CO2 projects. As a national champion the Group is positioned to play a leading role in the Vision 2030 Energy Transition strategy which targets more than 100 GW of renewable energy generation capacity in the country by 2030G and is the partner of choice for the Public Investment Fund to implement the majority of this capacity (see Section (3) ("**The Company**")).

The Group places significant emphasis on social and economic development by maximizing value retention in the local economy generating local employment and local content opportunities, including through training and developing human resources, seeking to maximize local procurement, protecting and contributing to environmental sustainability and ensuring the health and safety of the Group's workforce in the communities where it operates. In relation to the social aspect, further actions include increasing and facilitating local communities' access to education, promoting better local infrastructure and women empowerment. Further, the Group contributes to the communities in which it operates by encouraging and developing local service providers, suppliers and the local workforce to stimulate national talent and assist in developing Energy Transition initiatives.

The social contribution of ACWA Power has increased as the Company has grown, and in recognition of the fact that local communities share in the Company's success. ACWA Power's flagship social project is the Energy & Water Academy, formerly named Higher Institute for Water and Power Technologies (HIWPT); the Group has continued to invest in the institution as a powerhouse that provides technical training in renewable energy and water desalination for youth in the Kingdom of Saudi Arabia. ACWA Power has also sponsored the Shirin College in Uzbekistan to develop a training and education programme in renewable energy. The Group has sponsored other educational initiatives in multiple countries including Oman, South Africa, Turkey, Egypt and Morocco.

The Group has always considered itself an integral member of the communities in which it operates, prioritising community engagement and addressing the most pressing issues that the communities face with relevant Corporate Social Responsibility ("**CSR**") programmes. As such, the Group is fully committed to community development, social responsibility and supporting sustainable livelihoods of those in its communities. The Group channels resources to CSR initiatives wherever it operates, whether mandated by the terms of the agreements to which it is a party or not and encourages its business units operating in diverse locations to factor CSR considerations into its operations. When launching CSR initiatives, due consideration is given to the diversity of regional cultures, values and customs. During the period 2021G to 2023G the Group's CSR spending increased 27% CAGR and as of 2023G it was focused on community development (representing 57% of spending), education and employability (24%), environmental initiatives (2%) and other activities (17%).

The Group's strong ESG credentials are underpinned by a firm commitment to the UN Sustainable Development Goals ("**SGDS**"). There are currently four (4) core SDGS where ACWA Power has significant and direct contribution which are clean water and sanitation, affordable and clean energy, decent work and economic growth, and climate action. In addition, there are eight supportive SDGS where ACWA Power can leverage its influence such as no poverty, good health and well-being, quality education, gender equality, industry, innovation and infrastructure, sustainable cities and communities, responsible consumption and production and partnership for the goals.

The Group's ESG strategy is supplemented with a sound corporate governance framework which ensures a high level of accountability, transparency, responsibility and fairness in all aspects of the Group's operations. The Group aims to align its governance policies with local and international standards and the best practices of corporate governance are incentivised by the historically strong presence of institutional shareholders at the holding and project company levels in an effort to create high levels of sustainable value to shareholders.

ACWA Power is aligned with local and global sustainability goals such as the Saudi Vision 2030, United Nations Sustainable Development Goals (SDGs), and United Nations Global Compact principles. By integrating sustainability considerations into its core business strategy, ACWA Power not only addresses current challenges but also paves the way for a sustainable future.

The United Nations' SDGs are 'a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere'. The full suite of 17 SDGs was adopted by all UN Member States in 2015G, as part of the 2030G Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals. ACWA Power has selected four SDGs which are most aligned with ACWA Power's activities and impacts, these 4 core SDGs that ACWA Power contribute to are:

- **Clean water and sanitation (SDG#6)**
  - ACWA Power water desalination plants are located mostly in extremely high-water risk region, where the Group is contributing a positive impact by distributing portable water to water-scarce regions. ACWA Power's desalination assets are in the Middle East, an area of extremely high-water risk.
- **Affordable and clean energy (SDG#7)**
  - ACWA Power has emerged as an agile, high growth, power and water champion that by delivering power and water, reliably and responsibly, at low cost, to communities across the world.
  - ACWA Power works closely with governments and national institutions to strengthen national identity while, at the same time, working in partnership with governments and organisations abroad to advance Energy Transition and deliver affordable power and water to those who need it, wherever they may be.
- **Decent work and economic growth (SDG#8)**
  - The objective of ACWA Power's People strategy is to develop and communicate its employer brand to uplift its existing workforce via training and development opportunities, and to attract best-in-class talent via its enhanced employee value proposition.
  - To achieve its goal of full Energy Transition and serve its stakeholders successfully, the Group relies on a range of talents drawn from the diverse communities where it operates. People are central to ACWA Power, and the Group aims to have an inclusive culture in which all employees have a sense of belonging and feel valued.
- **Climate action (SDG#13)**
  - ACWA Power has interim and long terms targets regarding climate action
    - **Interim targets:**
      - 50% GHG emissions intensity reduction of the Company's electricity generation by 2030G.
      - 70/30 green-brown ratio by 2030G.
      - ACWA Power and the Public Investment Fund (PIF) entered into a strategic agreement for ACWA Power to lead the development of 70% of KSA's renewable energy projects under the PIF Renewable Programme.
    - **Long term targets:**
      - The Group's strategy has set ambitions for growing its capacity across its key businesses, renewable power, flexible generation, green hydrogen and water desalination by 2030G. Under this plan, we expect more than 75% of power additions to be from renewables.
      - Net-zero target by 2050G.

Besides ACWA Power's contribution to these core four (4) SDGs, the Company is also supporting and contributing to other eight (8) SDGs.

The United Nations Global Compact (UNGC) is a voluntary initiative for organisations to implement a set of 10 universal sustainability principles covering human rights, labour, the environment, and anti-corruption. ACWA Power has aligned fully with these principles, has signed up to the Global Compact Network Saudi Arabia and has a representative on its board.

3-4-6 Utilise centralised expertise to optimise portfolio operations and economics via the Group's wholly owned O&M company, NOMAC

NOMAC, the Group's wholly owned subsidiary, is responsible for the O&M of the vast majority of the Group's assets, managing approximately 62.3 GW of electricity generation capacity[12] and 8.1[13] million m3 per day of operational desalinated water production capacity as at 31 December 2024G.

NOMAC aims to: (i) provide for the operation of the entire fleet to high global standards; (ii) drive the adoption of high standards of health, safety, security and environmental management; (iii) ensure long- term positive operational control and asset performance; (iv) provide for long-term and predictable super- senior cash flow generation; (v) deliver economies of scale; and (vi) systematically capture synergies from portable and transferrable experience operating the Group's Projects across its full range of technologies and geographies.

NOMAC operates or manages 88 of the Group's 94 Projects as at 31 December 2024G and is responsible for a portfolio of approximately 60.6 GW of power generation and 8.1 million m3 per day of desalinated water capacity. These Projects form an integral part of the critical infrastructure in the countries in which NOMAC operates.

Promoting consistent high standards, operational excellence and a culture of safety across all projects, NOMAC is dedicated to providing best-in-class reliability of supply. NOMAC's value creation capability also contributes at all stages of the Group's business model: develop, operate, invest, and optimize. With its early involvement in the development stage, NOMAC provides engineering, operability review and plant design services that contribute to the high winning bids ratio of the Company. As part of construction, it assists in construction review from an operations aspect as well as during commissioning activities. It then further optimizes operations and maintenance by using economies of scale (to systematically reduce costs across the supply chain while focusing on quality), replicable operations, know-how and transferrable learnings. Via its involvement in all cycles of Projects, NOMAC's standardized operating model allows it superior control and understanding of operating the Group's assets through the various stages of their life cycle. NOMAC continues to deploy digitalized platforms for monitoring and prediction of critical equipment by using Big Data and advanced pattern recognition capabilities to enhance performance.

Through NOMAC, the Group aims to deliver above-contracted availability and efficiency and to preserve the residual value of assets within its portfolio as a result of high operating standards. With an expanding portfolio of plants across technologies and fuels, including renewable energies, NOMAC is able to self- perform long-term services for a growing range of critical equipment through its wholly owned subsidiary, NMES. This generates an immediate value creation opportunity by insourcing annual, mid and major maintenance activities as well as LTSAs that would typically be done by OEMs and in further enhancing NOMAC's economics for current and future projects. Additionally, NOMAC's expertise is also increasingly being used to service third parties offering an attractive new stream of cash flows.

With the low capital commitment requirement in O&M and the senior nature of the O&M cash payments from the Project Company to it, NOMAC is able to provide visible and secure cashflows and dividends to the Company.

The value proposition of NOMAC to ACWA Power can be summarized in eight pillars: (i) high visibility and secured cash-flows / dividend with low capital commitment; (ii) cash flow stream from project companies senior to debt service; (iii) operating the ACWA Power fleet to high standards preserving residual value notably through digital tools; (iv) accumulated expertise in a wide range of technologies and cost reductions through LTSAs[14]; (v) replicable operations and learnings across the project portfolio; (vi) vertical integration through NMES unlocking additional margins and competitive edge for NOMAC; (vii) ensure the health and safety of our people; and (viii) reliability of supply aiming to improve the asset life cycle management process, increasing asset availability and operational reliability.

12 Includes operational, under construction and advanced development assets where NOMAC is or expected to be the operator.
13 Includes operational, under construction and advanced development assets where NOMAC is or expected to be the operator.
14 Long Term Service Agreements.

3-4-7 Risk-balanced business model and superior returns

The Group aims to have a risk-balanced business model and generate superior returns by:

1- Focusing exclusively on fully contracted long-term offtake opportunities in high-growth markets with no merchant volume exposure (the Kirikkale Project in Turkey being the Company's only presence in a merchant market, corresponding to only 1% of the total portfolio). In addition, the Group looks for additional de-risking features in such long-term contracts including inflation, energy generation, and water desalination volume protection, change in law protection, fuel pass-through mechanisms, and local currency exposure protection ideally via USD linkage as well as use of sovereign guarantees. The Group's long-standing and strong relationships with lenders and financial institutions further enhances its financially de-risked profile.

2- Credit risk is managed through limiting the counterparty risk by having offtakers as government or government-backed entities, usually also having investment grade status. While over 70% of the Group's portfolio by project cost is in investment grade jurisdictions, in most of its territories, the Group has in place various forms of government guarantee that are designed to contractually protect the Group from credit risk and termination risk. In addition, since the Group provides critical power and water infrastructure, the Group's assets are considered crucial to keep operational or afloat, and as such even during adverse economic periods, payments to I(W)PPs by offtakers tend to continue even when other industries/ sectors are more affected. Also, as the Group's business is a very capital- intensive one, governments are incentivized not to create a precedent that could jeopardise future PPPs or private sector investments in their country.

3- Funding the development of new assets by utilizing long tenor, limited or no-recourse project finance for a significant portion of the capital needs for each Project and not exposing itself to any significant interest rate risk by putting in place long tenor hedges at the outset.

4- The Group aims to match the currency of borrowing with that of the offtake payments for the limited projects which have no USD linkage.

5- Minimising the development risks by implementing (a) favourable contracting mechanisms, (b) detailed project planning at the outset, (c) resource studies for renewable assets to mitigate resource risk and (d) close oversight during implementation, as well as by leveraging strong relationships with OEMs, EPC Contractors and the supply chain actors. The Group typically enters into lump-sum, turn-key EPC contracts including timely delivery and plant performance, to mitigate cost overruns.

6- Entering into long-term O&M contracts of similar length to the offtake agreements through NOMAC, its wholly owned and best-in-class O&M subsidiary, to minimise operational risk.

The Group, with its dedicated in-house experts including technical, financial, legal and project management teams, formulates leading technical and financial solutions and procures technology and construction services in a cost-competitive way to address the offtaker requirements at the lowest costs, and offering an optimal tailored and innovative solution, unlike a conventional "**off the shelf**" solution, resulting in a win/win proposition without compromising on the required returns on investment.

The Group aims to invest efficiently in all its Projects and to take the role of lead investor with de facto control over the Project through a combination of significant and long-term stakes in the assets and with managerial and operational rights enshrined in each shareholders agreement. In this sense, the Group understands that equity partnerships in the Projects' platforms are a key response to an increasingly competitive renewables environment. The Group will continue focusing on optimising its equity outlays in each investment by seeking value accretive strategic partnerships that support tariff optimization as well as recycling capital.

The Group aims to adopt an optimal financing model for each Project, tapping into limited recourse project finance debt markets, capital markets or bank loans, with the aim of reducing the funding cost of each Project and to optimise its shareholders' risk/return profile. The Group has established a wide network of local, regional, and international lenders as well as development finance institutions ("**DFIs**") and export credit agencies and will continue to maintain and grow these relationships. Further, in markets where it is commercially feasible, the Group also utilizes equity bridge loans to defer capital injections until later stages of a Project's construction phase (or where possible, even later) in order to further optimize the funding cost of the project and further reduce the tariff being provided and to increase the utilization efficiency of the Group's own balance sheet.

In addition, the Group seeks to continuously implement financial and operational initiatives to further optimize returns from its portfolio. It systematically targets recycling its capital through farm-downs of minority stakes in its Projects (while retaining its operational and de facto control), extending contracts beyond the original Offtake Agreement and portfolio level capital structure optimization. The Company is generally able to capitalize on its initial equity interest in a Project, and to generate further cash and/or income throughout the life of a Project, by seeking to optimize its portfolio through re-leveraging such as extending equity bridge loans and therefore further deferring the Company's share of equity investment requirements; capital recycling by means of partial farm-downs of the Group's equity ownership in a project); refinancing by means of replacement, enhancement, re-profiling or renegotiation of the project finance debt terms and other similar opportunities.

The Group believes that it's "**Develop, Invest, Operate and Optimize**" business model allows it to generate total returns substantially in excess of its cost of capital or hurdle rate (i.e., the minimum acceptable rate of return) across its technologies and portfolio while supporting the Group's ability to maximize tariff competitiveness by allocating the required total return across these different value streams of develop, invest, operate and optimize.

3-5 Competitive Strengths

The Group's competitive strengths include:

3-5-1 Business model configured to extract value throughout the asset life cycle

The Company operates in accordance with its business model of Develop-Invest-Operate-Optimise, within the framework of its strategy, making power, water and green fuels more affordable and accessible in Saudi Arabia and other international markets in which the Company chooses to operate. The Group's business model aims to allow it to allocate and extract returns across its development, investment, operations and optimization offerings. In a typical Project, the Group would earn fees as lead Project developer for its construction management services, fees as technical service provider, dividend returns as an investor and profitability as an operator and maintenance service provider. Over the years, the Group has also managed to further optimize the value of its Projects by actively renegotiating, amending and/or extending initial Offtake Agreements in the context of additional negotiations regarding project refurbishments and/or capacity additions.

In addition, the Group relies on two key enablers to support this successful business model; people and innovation, getting the right combination of skills to continuously enhance the performance of existing assets and introducing cutting-edge innovations at large scale.

NOMAC's scale and operational synergies, as well as its activities which generate O&M profitability, act as a further value driver for the Group. NOMAC provides an in-house platform for OEM level quality services for the power generation and water desalination portfolio, also enabling better pricing and premium economics for future projects. NOMAC is a key source of additional value creation through a centralized operational model which helps to obtain superior control and understanding of operating assets through the life cycle, optimises performance, captures the benefits from economies of scale, enhances risk mitigation and delivers systematically lower costs across the value chain. In addition, this generates stable long-term income and secure super-senior cash-flows, where payment to NOMAC by a Project Company is senior to debt servicing (as they are key to the operations) and dividends, with low capital commitment. NOMAC operates the Group's portfolio of Projects to a high standard and with a view on operational excellence and a culture of safety across all projects while preserving value of the plants and accumulating expertise in a wide range of technologies. It also further reduces costs through in-house field engineering service capacity that aims to reduce the need for outsourcing long-term servicing of critical equipment and by extracting synergies across a growing portfolio of assets by acquired know-how.

NOMAC, through its subsidiary NMES, has been providing services to third parties since 2018. The third-party customers include major utilities, IPPs, oil and gas facilities, refineries and mines, in KSA, Oman, UAE, Bahrain, Qatar, Morocco and South East Asia. These services include major overhauls and onsite intervention services for gas turbines, steam turbines, generators and main equipment like valves, pumps, and crackers among others. Since 2023, some 70 short-term contracts have been successfully executed with high customer satisfaction ratings. In addition to the NMES third-party work, NOMAC is also actively exploring the opportunity to offer full O&M contracts to third parties. It is expected that this business will add significant value to the group.

The Group has a target equity rate of return ("**IRR**") over the Cost of Equity ("**CoE**") by an acceptable margin on its investment throughout the develop, invest, and operate cycle. These margins can be further improved from optimisation activities.

3-5-2 Innovation, a key enabler for ACWA Power's ambitious growth strategy

Innovation is at the core of ACWA Power and has been since the Company's inception 20 years ago. It gives the Group a competitive advantage by enabling the Group to move faster and make its plants more energy efficient and sustainable, thereby creating value and becoming a vital ingredient in the Energy Transition. It also delivers world-beating, low tariffs for offtakers and for the communities in which it serves.

ACWA Power stands at the forefront of technological innovation in energy and water desalination and is a well-established leader in the industry. This was achieved through its commitment to excellence in continuously enhancing the performance of existing technologies while also spearheading the introduction of new cutting-edge innovations into the market on a large scale. The expertise the Group has acquired over time in perfecting this approach gives the Group the confidence to maintain its leadership status as the Group embarks on its 2030G growth strategy.

The Group's domains of technology excellence span water desalination, renewables, hydrogen, BESS, system integration, and digitalisation. With the overarching goal of enhancing energy efficiency in these technologies, ACWA Power is decarbonising both its existing and future projects. By harnessing the power of these technologies, the Group is not only meeting the demands of the present but also shaping the future, towards a greener and more sustainable world. For example, the Red Sea project is the world's largest completely off-grid fully sustainable eco-resort project supported by a multi-utility system developed by ACWA Power, powered by five (5) solar plants with a total capacity of 406 MW and one of the world's largest battery energy storage systems of 1.2 GWh, along with three (3) 100% renewable-powered RO desalination plants.

As a key part of the innovation culture at ACWA Power and its accelerating Energy Transition journey, the Group embeds digital technologies in its daily activities, using cloud computing, cyber security, edge computing, IoT, data platforms, AI, machine learning, EPC construction collaboration platforms, bidding tools, asset performance capacities, advanced operations, mobile workforce management, and geospatial capabilities. For example, the Group is a leader in the deployment of robotic cleaning systems for PV installations, with AI based algorithms (in pilot phase) to optimise cleaning frequencies.

3-5-3 Ability and resources to foster bilateral negotiations with governments and businesses to advance its project pipeline

ACWA Power works closely with, and fosters close partnerships with, government and national institutions to develop bilateral strategic agreements, memorandums of understanding and form business ventures to develop new power, water, and green hydrogen projects. Through its network of relationships and with the support of its shareholders, the Group forms long-term associations and partnerships to win new projects, work closely on advancing the theme of Energy Transition and deliver reliable, affordable and green power and water to their offtakers.

The Group is recognized as an internationally influential and reliable partner and is frequently entrusted with spearheading the Energy Transition agendas for governments in its key markets.

Domestically, through the PIF Strategic Framework Agreement, the Group is effectively responsible for delivering a large part of the Kingdom of Saudi Arabia's ambitious renewables investment plan. Internationally, Uzbekistan stands as a recent and prime illustration of the Group's ability to cultivate Government-to-Government ("**G2G**") and Business-to-Government relationships to drive their renewable energy initiatives forward, with the Group's investment cost to date in Uzbekistan exceeding $14 billion.

This close partnerships with government and national institutions allows ACWA Power to expand the market of green hydrogen globally which is shown in several MoUs with national institutions signed within the last years. In Egypt, ACWA Power signed a framework agreement to develop green hydrogen project worth more than $4 billion. This agreement outlines the development of the first phase of the project with a capacity of 600,000 tonnes per year of green ammonia, with the intention of scaling up a second phase with a potential capacity of two (2) million tonnes a year. In Indonesia, the Group also signed a deal to develop the largest green hydrogen project in the country, which is expected to start commercial operations in 2026G, will run on 600MW of solar and wind power and will produce 150,000 tonnes of green ammonia per year. The cost of the Project is estimated to be above $1 billion.

The Group is currently constructing a 240 MW wind power plant in Azerbaijan, where, in 2023G, four implementation agreements for the development of mega projects including a 1 GW onshore, a 1.5 GW offshore wind farm and a battery energy storage project were signed with the Azerbaijan Ministry of Energy.

3-5-4 Project development mastery underpinned by the cost-focused "ACWA Power Total Solution"

The Group has developed a proven track-record in greenfield development, consistently winning bids, and demonstrating strong development capabilities across technologies and fuel types. In the Kingdom of Saudi Arabia, the Group has won 29 power and water projects since 2005G (including negotiated deals and acquisitions, in which the Group participated for which an outcome is known).

The Group's approach to delivering winning tariffs encompasses five core elements: development, EPC and equipment, technology, financing and O&M. Its development process involves sustained engagement with stakeholders including EPC companies, OEM suppliers, and lenders, to deliver the cost-focused "ACWA Power Total Solution" to ensure sustainable cost leadership, with an experienced team who seek to apply ingenuity and entrepreneurship. Given its scale, track-record, early mover advantage and focus on sustainability and ESG, the Group also enjoys strong relationships with key partners and stakeholders including communities, authorities, offtakers, EPC companies, OEMs, equity partners and financing institutions, amongst others.

The Group exercises significant purchasing power when bidding on projects, having established a compelling bid win-rate along with well-established relationships with OEMs and EPC Contractors at Senior Executives levels and price advantages given economies of scale from the pipeline. With technological innovation and development of optimal tailored solutions by the technical in-house team, the Group is able to provide customized turnkey solutions at competitive prices during the bidding stage. In addition, the Group is able to differentiate itself through the use of detailed and innovative designs during the bidding stage and integrating localized requirements through procurement of locally produced goods and services as part of its solutions, as opposed to the conventional practice of adopting "off-the-shelf" solutions.

In the case of financing, the Group is able to capitalize on well-established relationships with lenders and non-bank financial institutions (internationally and regionally) to structure innovative solutions and access wider and deeper pools of liquidity. The proactive financial structuring approach utilizing a model based on significant equity stakes with financial structuring of shareholder loans and equity bridge loans allows for more efficient capital deployment and a wider range of bidding opportunities.

With respect to operation and maintenance of its Projects, the Group leverages NOMAC's scale (economies of scale allowing it to reduce costs across the supply chain), scope (in addition to O&M its engineering, operability review and plant design services), know-how (gathered during construction and operation and maintenance) and use of digitalization (monitoring and prediction of critical equipment through the use of advance pattern recognition capabilities) to optimize cost and improve bid competitiveness.

The Group's recognition as a leading global independent power and water developer has been internationally showcased by numerous prestigious awards including Sustainable Energy Company of the Year at the Sustainable Middle East Excellence Awards 2023G, The 2023G 'Future Energy Leader of the Year Award' at the Hydrogen Future Awards 2023G, Desalination Company of the Year at the Global Water Summit 2023G, The Gold Award and the Honor Award from the ARC Foundation, Desalination Project of the Year – Taweelah RO IWP (UAE National Winner) by MEED 2023G, Operational Excellence Award – Shuaiba Two Water Development Project Company (STPC) by Saudi Water Partnership Company (SWPC) in 2023G and Partnership Award – Jazlah Water Desalination Company by SWPC in 2023G.

3-5-5 High quality, long-term contracted portfolio, diversified across geographies and technologies

The Group's portfolio comprises 94 Projects in 13 countries, with offices in 14 countries as at 31 December 2024G. 99% of the Group's portfolio is contracted, with an average remaining term as at 31 December 2024G of approximately 22.5 years by project cost (weighted average for all assets including Advanced Development) and is characterized by the following cash flow visibility enhancing features:

- **Price and volume:** protections against demand risk and changes in regulations and laws;
- **Fuel pass-through:** Little to no fuel supply or commodity risk (excluding the Kirikkale CCGT IPP, 100% of conventional assets have some form of fuel pass-through mechanism, and only the Hassyan IPP may have potential partial commodity price exposure);
- **Limited foreign exchange risk:** USD-denominated and inflation-linked to adjust for currency fluctuations; and
- **Creditworthy offtake counterparties:** typically sovereign-linked (predominantly with sovereign guarantees) and/or investment grade offtakers to sell the Project's electricity generation capacity and/or desalinated water production capacity.

The portfolio is diversified across (by project cost as at 31 December 2024G):

- **Operating mix:** Operating (54%), under construction (30%) and advanced development (16%); and
- **Fuel type (by % of Gross capacity):** gas (40.3%), oil (9.3%) and renewables (50.4%) (SWRO water plants using electricity make up the remainder of the project cost).
- **Geography:** KSA (60%), UAE (12%), Uzbekistan (14%), Oman (4%), Morocco (3%) and remaining spread across the other countries in which the Group has assets in operation, under construction or in advanced development.

This diversification reduces the Group's exposure to any one type of asset, technology, fuel or geography.

Additionally, the Group's portfolio consists of mostly large and young assets with 78% of capacity from projects that are greater than 1 GW in capacity, and 66% of capacity from plants having an age of zero to five years, 26% within the six-to-ten-year range and 8% at more than ten years reflecting a significant opportunity for extensions and re-contracting of Offtake Agreements.

3-5-6 Talented people as ACWA Power's greatest asset and the engine to drive its growth ambition

ACWA Power has a highly ambitious growth plan and to succeed, the Company relies on existing talent as well as acquiring new talent. The aim is not to just increase headcount but to develop the right combination of skills and expertise required to support growth in assets, as the organisation works to achieve its ambitious 2030G targets. As part of this journey, ACWA Power sees its middle managers as key enablers, as these people are closest to operations and by empowering them, leadership will be able to delegate more, while also developing a healthy pipeline of future leaders.

The Company's new growth strategy entails a marked process of evolution, the beginning of 'ACWA Power 2.0', with people being the critical enablers of success. To ensure the Company has the right talent at the right time, Senior Executives and the Board have recognised the need to focus on people and endorsed the 2023G–2030G People strategy.

The 2023G–2030G People strategy is designed to attract, retain, and inspire talent to deliver the business strategy while further enhancing ACWA Power's Employee Value Proposition. As the fight for talent in the renewable sector heats up, it will be critical for ACWA Power to differentiate its employer brand from the competition.

The objective of the People strategy is to develop and communicate ACWA Power's employer brand to uplift its existing workforce via training and development opportunities, and to attract best in class talent via the enhanced employee value proposition.

3-5-7 A seasoned management team with decades of industry experience

The Group's management team has a consistent trajectory in delivering growth and operational efficiencies supported by the long-standing relationships with key stakeholders in each of the countries where the Group operates. Their trajectory is marked by relationships with blue chip companies such as Saudi Aramco, Enel, Engie, and other top tier companies in the energy sector.

The extensive experience of the Group's management team has allowed ACWA Power to build a platform of 69.2 GW with 50.4% from renewable energy sources and become a global leader in water desalination and an early mover in green hydrogen. Their strategic vision allows to align short-term goals such as increasing the renewables footprint with long-term objectives such as triple the assets under management to US$250 billion by 2030G.

The Group is led by a seasoned management team of industry veterans with over 300 professionals working in the Group's main headquarters in Riyadh, Kingdom of Saudi Arabia, and offices in Dubai, United Arab Emirates and in satellite offices in Rabat, Morocco; Cairo, Egypt; Amman, Jordan; Jakarta, Indonesia, Istanbul, Turkey; Johannesburg, South Africa; Beijing and Shanghai, China; Tashkent, Uzbekistan and Baku, Azerbaijan.

Other than its operational and maintenance expertise, the Group's multi-disciplinary and multi-cultured team of professionals have technical expertise in multiple technologies from fossil fuel fired (oil and gas) to renewables (photovoltaic, concentrating solar power, and wind), water desalination and green hydrogen. Further, the Group's management team have expertise in arranging project finance and corporate finance; accessing debt capital markets, equity capital markets, sourcing equity partners for its transactions and sell-downs and running merger and acquisitions; managing and supervising construction, commissioning and providing technical support to activities in bid, construction and operation; arranging construction insurances, global insurance programs and procuring other forms of insurance for risk protection; managing and structuring complex tax and accounting arrangements; areas of corporate legal, project finance legal and project documentation legal support; procurement of strategic spares, critical equipment, other spares and consumables both in the local jurisdiction of operation as well as internationally; human resource recruitment as well as talent development and management; and as well as in other areas including investor relations, internal and external communications, risk management, compliance, safety, information technology, digitalization and cyber resilience.

3-5-8 Critical mass and leadership in high-growth markets with immediate visible growth pipeline and long-term development opportunities

The Group is uniquely positioned in high-growth markets that are offering attractive opportunities in the next decade on account of its Develop, Invest, Operate and Optimise business model. The Group has developed, constructed, operated and optimized businesses and achieved critical mass and leadership in high-growth markets allowing it to capitalize on the development opportunities these markets offer.

a- Established critical mass and leadership in high-growth markets

With approximately, SAR 365 billion of assets in its portfolio as at 31 December 2024G, the Group is a leader in high-growth markets, characterized by high-growth rates in: GDP, population, and demand for electricity and water desalination. The Group's principal markets are predominately in investment grade jurisdictions and offer large-scale asset growth opportunities across various fuel-types and technologies. These markets have low reserve margins and a high demand for electricity, predominantly under long-term Offtake Agreements.

The Group develops its business in clusters where it sees opportunities of economy of scale. This has led the Group to currently being a market leader in each of its key geographies.

The Group has established itself in a strong position in most of the markets in which it is present, allowing it to pursue growth opportunities efficiently and effectively benefit from its platform size and scale. The Group's gross power and water capacity (including under construction and advanced development Projects) have grown, between 31 December 2017G and 2024G at CAGRs of 14.3% (from 27.2 GW to 65.2 GW) and 15.0% (from 2.8 million m3/day to 8.1 million m3/day), respectively.

The Group's focus on large assets enables it to benefit from the scale and size of its operating platforms and to efficiently deploy its development and O&M capabilities.

b- Immediate visible growth pipeline and long-term development opportunities

The Group's existing under construction and advanced development Projects are expected to double its operational power generation capacity from 31.7 GW currently to 69.2 GW when completed and brought into operations within the next four years. (Please refer to Section (3) ("**The Company – Projects**") for further details on under construction and advanced development projects).

In addition to its immediate pipeline of projects under construction and advanced development, the Group has also identified several projects in power and water desalination capacity that are expected to be offered for competitive bidding over the next two years (including, in some cases, for which ACWA Power has already been pre-qualified) and other opportunities that may come from bilateral negotiations. (For more information on the identified bidding Projects please refer to Section (3) ("**The Company – Project Pipeline**").

In addition to the identified projects, the Group's primary target markets offer sizeable growth opportunities with additional power capacity by 2030G.

3-5-9 Long-term shareholders' profile

The Company has an established shareholder base comprising the PIF, the Kingdom of Saudi Arabia's sovereign wealth fund, and its founding shareholder Vision Invest.

The Group's largest shareholder is PIF. PIF's shareholding in the Company dates back before IPO and reflects the strategic importance the Government of the Kingdom of Saudi Arabia places on the Group and its national and global champion role as a leading private sector investor in the power and water infrastructure of the country.

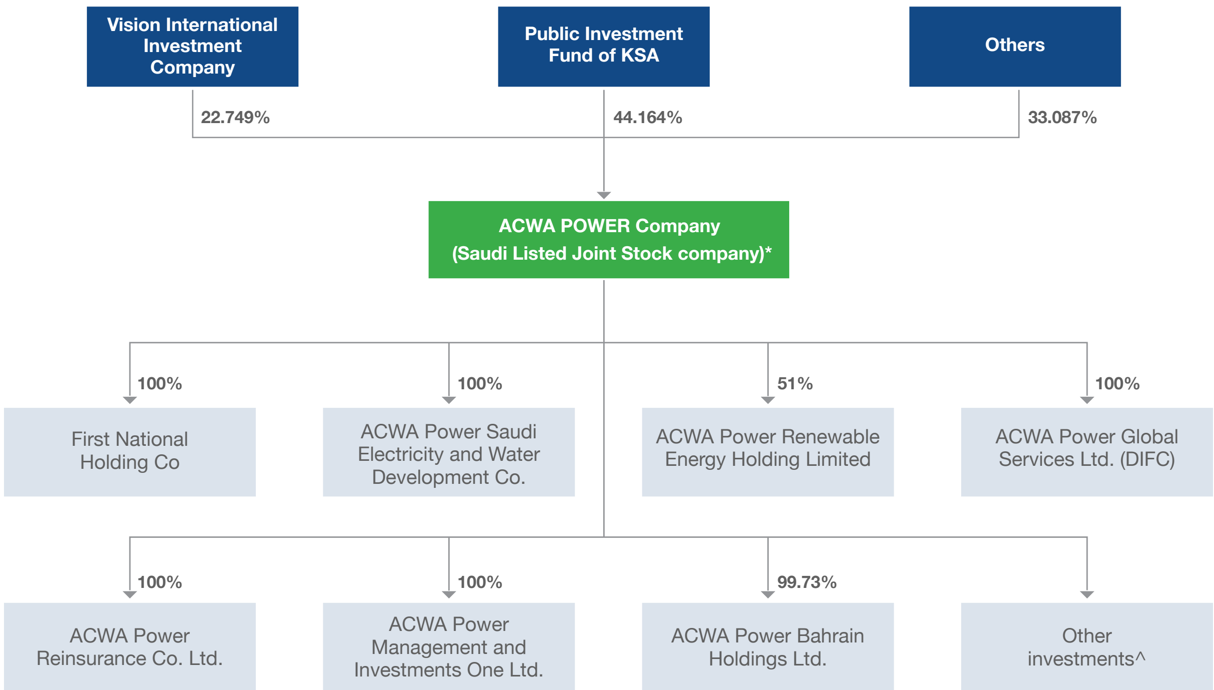
3-6 The Group's Principal Operations

3-6-1 Company Organization

The charts below presents a summary of the structure of the Group, including the Company and its Key Group Companies along with the effective ownership of the Company in the Project Companies as at 31 December 2024G, and representing projects in the Group's portfolio as of that date.

With the exception of the first chart shown below, the Company's ownership in the Project Companies set out in the charts may not be a direct ownership as the Company owns the majority of such companies through Intermediate Holding Companies. As such, the charts show the Company's effective ownership in the relevant companies.

Figure (3-1): Group's Structure



*ownership structure of ACWA POWER reflects mainly the names of the shareholders holding more than 5% as of 30 September 2024. The shareholding % of ACWA POWER might be subject to change and thus the same can be confirmed from the TADAWUL website.

Company Profile Main Market (saudiexchange.sa)

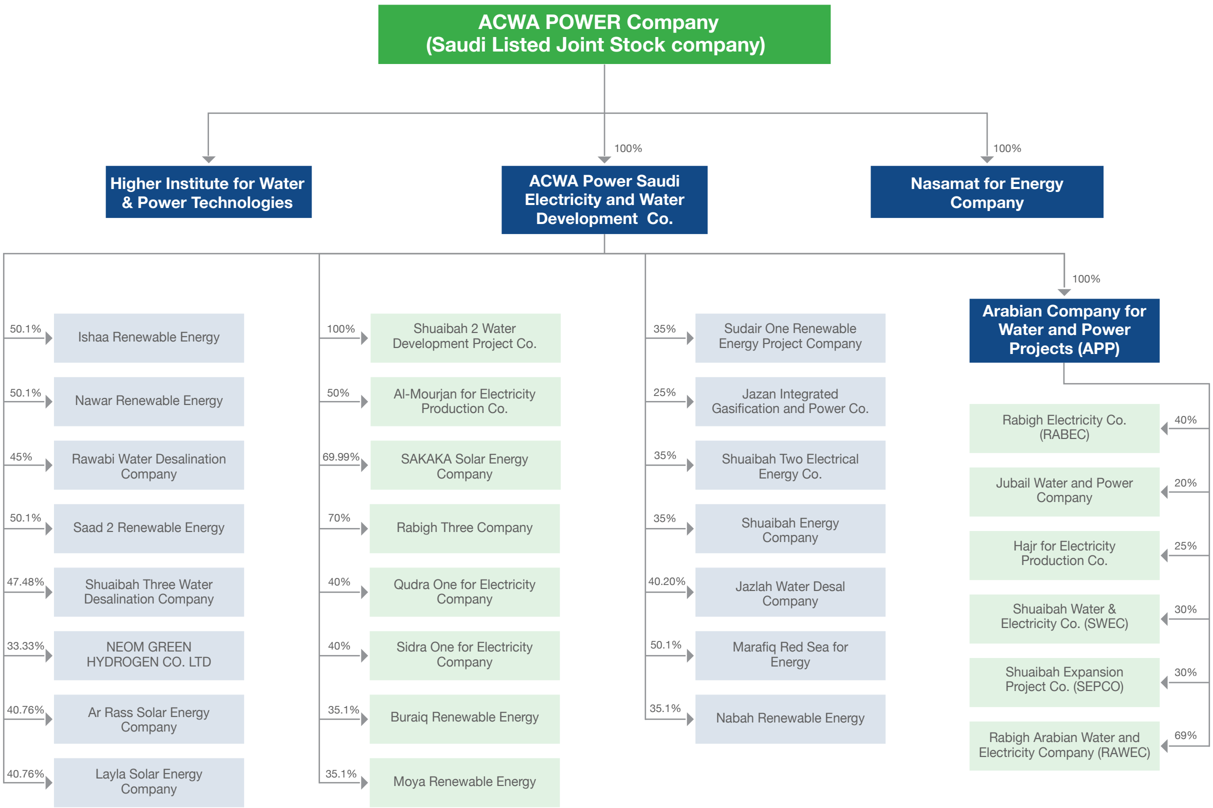
^ Includes investment in SPV's and certain project companies.

Source: the Company

Note: Ownership between 1st level ownership entities and Project/O&M Companies pass through multiple layers of Intermediate Holding Company entities "Special Purpose Vehicles or SPV's" which are treated as pass-through for the purpose of this illustration. Ownership percentages of Project Companies and O&M Companies represent ultimate direct/indirect beneficial ownership of ACWA Power in the respective Project and O&M Company.

3-6-2 ACWA Power Effective Ownership in Projects – KSA

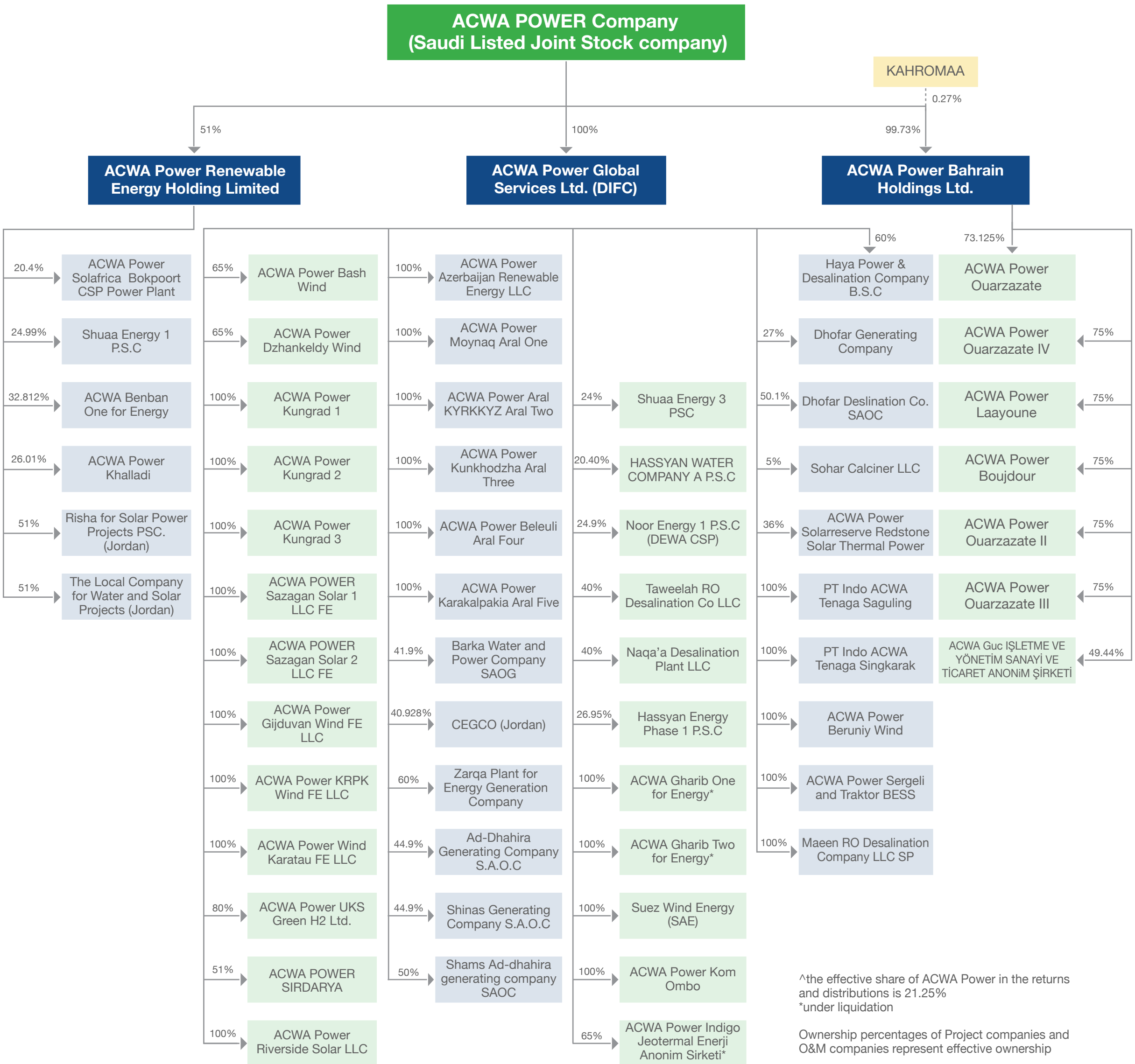
Figure (3-2): ACWA Power's Effective Ownership in Projects – KSA



Source: the Company

3-6-3 ACWA Power Effective Ownership in Projects – International

Figure (3-3): ACWA Power Effective Ownership in Projects – International



Source: the Company

3-7 Operating Organization

3-7-1 Operational Pillars

The Group deploys a "**Develop-Invest-Operate-Optimise**" business model that maximizes its oversight and influence over the lifecycle of its Projects and allows premium economics and attractive total returns across the asset life cycle.

Develop

The Group primarily seeks to develop critical assets in fundamentally strong growth markets. At the forefront of the Energy Transition, the Group focuses predominantly on water desalination, renewable energy systems, green hydrogen and other transitional low CO2 (i.e., natural gas) power projects. The Group seeks to employ innovative out-of-the box technical, commercial and financial bidding strategies, providing turnkey solutions at low cost with leading OEM and EPC Contractors. The Group actively develops greenfield projects, focused on power generation, water desalinization and/or green hydrogen solutions, by seeking to create deep engagement with offtakers and regulators to deliver the "**Total ACWA Power Solution**". The Group's management believes that the Group has the capability to effectively structure its Projects in a manner that mitigates risk at SPV Project Holding Company level. When considering projects to develop, the Group aims to maintain a forward-thinking, dedicated technical in-house team whose innovative technical, commercial and financial bidding strategy, the Management believes, allows it to achieve competitive advantages across different fuel types and technologies. The Group's dedicated in-house technical team focuses on optimal bespoke and innovative solutions during the bidding stage rather than just apply conventional "**off-the-shelf**" solutions. O&M synergies from standardised large-scale operations as well as NOMAC's scope. Know-how and mobilization capacity reduces cost and improves bid competitiveness.

The Group aims to develop Projects with or for predominantly investment grade and/or sovereign-linked offtakers, with over 70% of the project cost for the Group in countries with an investment grade credit rating. Generally, under the Group's Offtake Agreements with such offtakers, the Project Company has the right and the obligation to develop, operate and maintain the Project for the duration of the term of the Offtake Agreement, with a given contracted electricity generation capacity, contracted water desalination capacity and/or contracted green hydrogen or green fuel (such as ammonia) capacity. This allows the Group to offer competitive tariffs to its clients with predictable cash flow streams. Depending on the Project structure, at the end of the term of each Offtake Agreement the Group either:

i- retains title to the relevant power, water and/or green hydrogen plant on a Build, Own, Operate ("**BOO**") basis with the prospect of continued commercial operations following the initial post- contract period commercial tail (based on the Economic Life of such plant exceeding the term of the relevant Offtake Agreement); or

ii- is obliged to transfer the plant on a Build, Own, Operate, Transfer ("**BOOT**") basis to the relevant offtaker for a pre-determined amount (in which case there is limited potential of such plant having any residual commercial value beyond the term of the Offtake Agreement, unless the original term of such Offtake Agreement is extended by the relevant offtaker).

BOO (Build, Own, Operate) envisages the construction or development of a power generation and/or water desalination asset, followed by its ownership and operation. This model does not include a right for the counterparty to purchase or have transferred to it the Project at the end of the term of the agreement. BOOT (Build, Own, Operate, Transfer) envisages the construction or development and then ownership and operation of a power generation and/or water desalination asset for a specified period of time during which certain contractual arrangements and regulatory or tariff treatment remain in place. At the end of this period, the asset is transferred to the purchaser of services for an amount of compensation determined in accordance with a pre-agreed formula or pursuant to a valuation process or other similar exercise. This contractual framework is typical for energy Projects in developing countries, as it ultimately allows for a transfer of assets, know-how and technology to the counterparty of the relevant asset at the end of the asset's useful life. It also prevents the power generator from selling the asset to a third-party investor while allowing it to achieve a return on its investment.

The Project Company is also, in some cases, obliged to develop the plant, whether through a single or multiple phases, with certain specialized facilities with respect to electrical and fuel requirements, which, upon their completion are transferred to the offtaker, at which point all risks of loss and liabilities relating to the ownership and operation of such facilities are borne exclusively by the offtaker.

In addition, during the development phase of its Projects, the Group aims to employ turnkey solutions with established and reputable OEM / EPC Contractors, while focusing on cost leadership and financial performance. All the Projects developed by the Group are done under either a single EPC contract or a split EPC contract, with the relevant contractor or contractor consortium assuming responsibility for the delivery of the total Project on a turnkey basis and include the design, engineering, procurement, construction and handover testing of the various elements. The Group actively oversees the construction by its EPC contractors and aims to establish and maintain broad supply chain partner relationships to secure the component procurement at cost-competitiveness owing to its immense economies of scale. The Group also seeks customised turnkey solutions with the most effective EPC and OEM providers.

3-7-2 Invest

The Group aims to invest efficiently in all its Projects with an ESG centric investment focus. It co-invests in all its Projects with a view to maintaining sufficient technical and operational control over the performance of these Projects by bringing in equity partners. It targets significant, long-term shareholding interests in all its Projects and seeks to play the role of the lead investor with de facto control over the investment and operational management of the Project by means of robust shareholders agreements ("**SHAs**"). Management believes that the Group has succeeded in building scalable investment platforms in each country it is present to enhance returns and efficiencies, supported by its differential business development, construction management and O&M fees in relation to its Projects. Finally, when investing in Projects, the Group aims to optimise its portfolio of assets in which it invests and to maintain a diversified asset base across geographies and technologies with a focus on renewable and / or low CO2 generation.

As at 31 December 2024G, the total investment cost of the group is SAR 364.5 million across 13 countries and 94 Projects, encompassing a wide range of technologies.

3-7-3 Operate

Typically, the Group aims to operate its own Projects (via NOMAC, NOMAC's subsidiaries or joint ventures, or as owner-operator as a joint venture equity partner) on a sustainable basis with positive operational control and asset performance via long-term stakes in its assets and de facto control. For example, by obtaining and maintaining the ability to appoint senior managers such as the CEO and the CFO, with NOMAC or one of NOMAC's subsidiaries acting as the operation and maintenance contractor on an arms-length basis. The Group does not operate third-party assets[15] and typically does not own assets fully operated by third parties.

The Group believes that operational control over projects helps to achieve sustainable reliability of supply and increase the predictability of cash flows from such projects. The Group aims to achieve operational excellence through pro-active and effective risk allocation processes, strong use of digitisation and automation as well as a good track record on fuel consumption efficiency and available capacity, for both conventional as well as renewable power and water Projects.

The Group is also investing heavily in an ambitious digital transformation programme that is expected to generate long-term value and is within the top 15% of worldwide companies with integrated generative AI into their processes.

This commitment to the highest standards and investments in innovation is reflected in its availability and reliability metrics. The Group's overall plant availability demonstrates ACWA Power's relentless pursuit of operational excellence. The successful achievement of crucial project milestones and the effective implementation of the Reliability of Supply ("**RoS**") framework have enhanced both its under construction and operational portfolio. These efforts have significantly boosted its consolidated power availability from about 87% to almost 92% since 2022G. Meanwhile, its desalination plants have maintained historical consolidated availability levels of more than 96%.

The Group leverages its wholly owned subsidiary, NOMAC and its subsidiaries or joint ventures, which operate the majority of the Group's Projects to what management considers to be high standards of health, safety, security and environmental protection in line with global standards. Additionally, the Group vertically consolidated in 2019G under NOMAC through its wholly owned subsidiary, NOMAC Maintenance Energy Services ("**NMES**"), the maintenance works of its Projects that were previously outsourced to multiple third parties including OEMs. As an in-house yet arms-length contractor benefiting from centralized and large-scale operations, through NOMAC the Group aims to increase operational synergies within each of the Projects it operates. In this manner, Management believes that the Group is able to operate its Projects to high global standards, in terms of operational efficiency, financial performance, health, safety, security and environmental standards.

3-7-4 Optimise

The Group aims to consistently undertake financial and operational initiatives to further optimise its financial and operational performance of its assets. It seeks to maintain an efficient capital structure and cost- effectively finance the development, construction and operation of its Projects through innovative financing.

The financing tools employed by the Group typically consist of financial structuring using equity bridge loans and refinancings, to the extent possible, and a proactive approach to identifying refinancing opportunities, such as the Bonds, the part of the proceeds of which were advanced to affiliates for settlement of certain equity bridge loan facilities, and as advances to affiliates permitted under the Bonds indenture (please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations—Capitalisation and indebtedness**") for further information on the Bonds). All these options are structured as part of a continuous effort to optimise the capital structure at Group and project level.

15 There is only one exception and it is SQWEC where the 100% was disposed off but NOMAC is still an operator as part of the SPA.

The Group has comprehensive project finance expertise and a seasoned management team with vast experience in managing its assets and underlying financing. The financing capabilities are also underpinned by the Group's strong relationships with lenders and financial institutions, including national (Saudi Arabia), regional, European, U.S. and Asian financial, multilateral development and export credit institutions, which enhances access to low-cost debt financing options and cheaper equity capital.

The Group's capital recycling strategy with equity sell-downs (farm-downs), such as the Silk Road Fund Partnership and Hassana Investment Company, allows better and more efficient capital allocation. The Group also focuses on optimising its equity outlays in each investment whilst retaining development and O&M fees in relation to its Projects.

Finally, to the extent that it is possible, the Group aims to capture additional value in the portfolio by exploring post Offtake Agreement opportunities through contract extensions, merchant sales or additional and ancillary services. In April, 2024G, ACWA Power announced the award of PWPA extension to its subsidiary Barka Water and Power Company SAOG (BWPC) in Oman. The award included the extension of operations of the power plant for eight (8) years and nine (9) months term with operations starting from 1 June 2024G and the water plant for three (3) years term starting from 1 September 2024G with extension option at Nama Power and Water Procurement Company (PWP)'s discretion for a further term of three (3) years and another term of two (2) years and nine (9) months (total eight (8) years and nine (9) months term).

3-7-5 Risk Management of the Group

The vast scope of the Group's business that involves developing, investing, operating capital intensive and high-value, long-term, critical infrastructure assets in multiple geographies exposes us to a wide range of safety, operational, financial, legal and compliance and market risks that need to be meticulously managed to ensure reliability of supply of life-essential water and electricity and to achieve the Group's business objectives.

ACWA Power's ERM is designed to safeguard the interests of all ACWA Power stakeholders, including its customers, vendors, contractors, financial partners, employees, and shareholders. It also supports the Group's role as a developer, investor and operator of critical power generation, water desalination and green hydrogen assets.

The Group is committed to implementing risk management best practice by adopting sound ERM principles. This commitment has been formalized in the Group's ERM policy, which has been endorsed by the management and approved by the Board. The Group's robust and dynamic risk management framework that is depicted in Figure (3-4) below pages aims to continuously identify, assess, mitigate/manage and communicate risks.

The Group's overall risk management program continuously monitors and reviews the principal risks relating to the Group's business performance that could materially affect its business, financial performance, and reputation. Risk management practices are embedded throughout the Group to reduce potential risk exposure to an acceptable risk appetite level. These risks are collated in risk profiles and are reported at Country, GEO, Business Units/ Enabling Functions, Corporate and Group levels.

As part of the Group's risk management culture, the Board Risk and Safety Committee invites the risk owners at C-suite level to highlight and elaborate on the risks in their areas of scope and how they are managing and mitigating those risks.

Risk Appetite

The Company has developed a comprehensive Risk Appetite Framework ("**RAF**"), which is structured to promote and ensure ACWA Power's strategy and business plan are on a Board-approved risk adjusted basis. The RAF provides guidelines to manage, comply and monitor risk appetite statements and associated limits that the Company must follow in the pursuit of its vision and objectives. Key risk indicators are defined for each risk appetite statement and serve as an early warning to trigger corrective actions proactively. This prevents potential breaches and assurance.

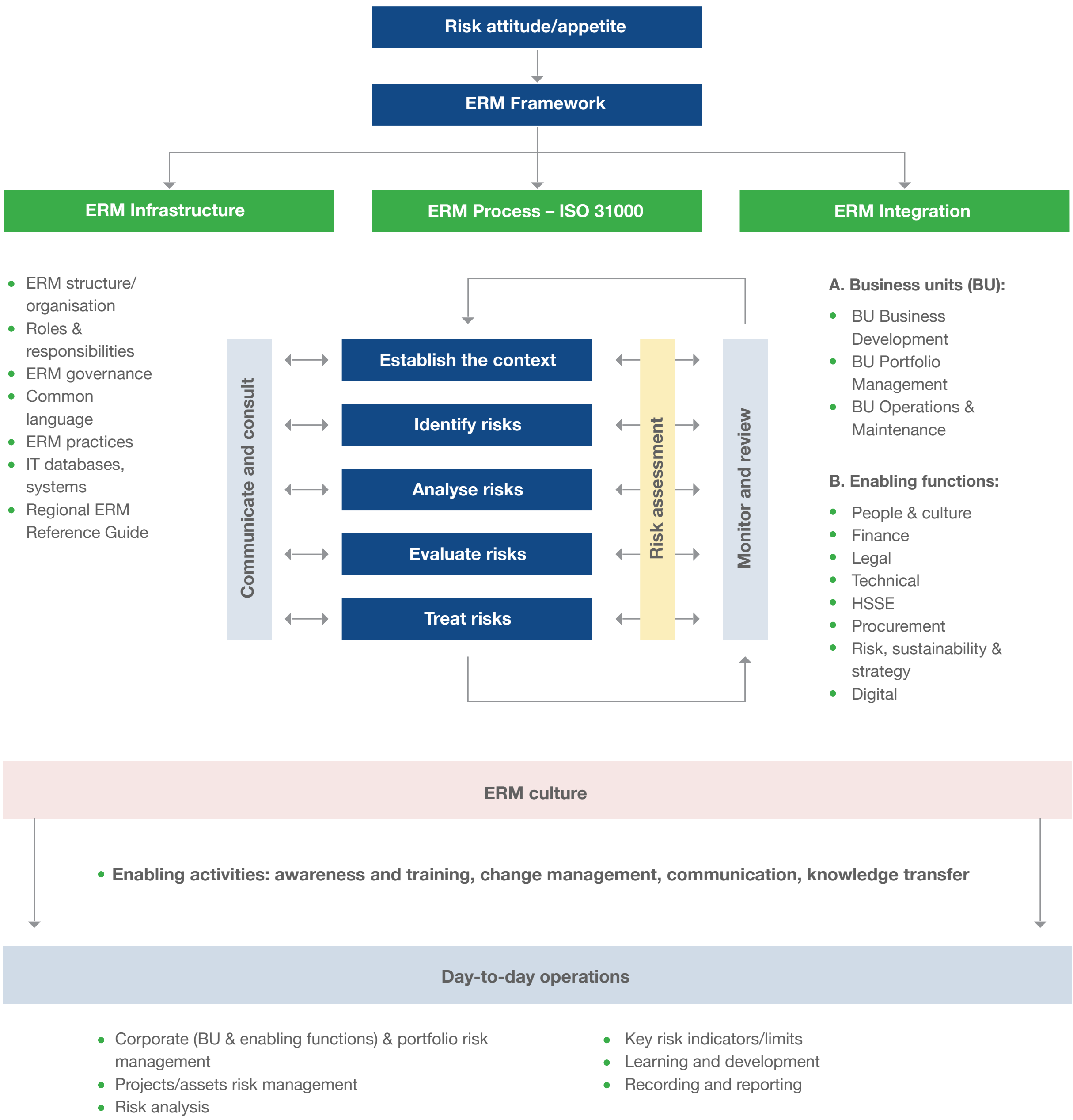
Risk Management policy and framework

The Group has developed a robust Enterprise Risk Management ("**ERM**") policy and framework, based on the risk appetite statements approved by the Board of Directors, that aligns with the principles delineated in ISO 31000. This holistic approach to risk management ensures the systematic identification, assessment, treatment, monitoring of risks across all tiers of the organization. The ERM policy epitomizes the Group's dedication to integrating risk management into its strategic decision-making processes, operational procedures, and corporate culture.

The ERM policy provides guidance and sets the tone from the Board regarding management of risks, to support the achievement of Group's targets, objectives, the protection of staff and assets, and ensures financial sustainability.

Central to the ERM framework is the delineation of clear roles, responsibilities, and accountability structures, fostering effective risk management throughout the organization. This includes designating risk owners and establishing communication channels to ensure timely and coordinated risk response.

Figure (3-4): Group's ERM Framework



Source: the Company

Business development

All business development projects go through a gated approval process by the Management Investment Committee (MIC) and the Board Executive Committee (BEC). Project-related market, technical, legal and financial risks are reviewed to give assurance on the required risk adjusted return.

The risk management team independently reviews the evaluated risks, as an additional step being introduced in the approval process for peer risk review. Residual risks are summarized in the form of a risk matrix with potential mitigations. Sensitivities are analyzed for critical bid assumptions and related risks. All key risks are quantified, where feasible, in terms of rate of returns and graphically presented, including potential upsides as well. This provides reasonable assurance on the project's risk profile and ensures informed decision making by the management, the Board Risk and Safety Committee and the Board. This process covers all investments (greenfield, brownfield and acquisitions), divestments and changes in offtake agreements, if and when applicable.

Strategic Partner Selection: The Group takes an active role in selecting partners, contractors, and technologies for its projects. This strategic approach ensures optimal solutions while minimizing overall risk exposure, both direct and indirect.

Construction phase

The Group's strategic approach to construction risk management is rooted in its commitment to developing scalable investment platforms and maintaining a technologically and geographically diversified portfolio. As the risk landscape continues to evolve, particularly with a large number of projects currently under construction, the Group has implemented a comprehensive risk management framework to ensure resilience and success across its project portfolio.

Central to this approach is the proactive identification, assessment, and mitigation of potential threats throughout the project lifecycle. The Group remains actively engaged with its EPC contractors, encouraging thorough risk assessments that quantify financial impacts, potential schedule delays, quality issues, health and safety concerns, and reputational risks. This collaborative process, combined with the Group's centralized expertise, enables the construction oversight team to gain critical insights and act decisively. By focusing on these key elements, the Group not only enhances its ability to deliver projects on time and within budget but also maintains its competitive edge in the dynamic construction landscape. This strategy ensures that the Group remains resilient and well-positioned to capitalize on opportunities while effectively managing the complexities inherent in its diverse project portfolio.

Operations and maintenance

The Group uses centralized expertise via NOMAC, a 100% owned O&M subsidiary of ACWA Power, to optimize the operation and maintenance of the Group's fleet of assets, which are diversified in technology and geography, and this ensures effective management and mitigation of risks associated with operational safety and reliability of supply.

Contractual risks are managed through an effective contract compliance and tracking mechanism. Operational risks are managed through robust operational and maintenance procedures including digitized condition monitoring and prediction. Supply and price risk is managed by a comprehensive and efficient global supply chain management. In addition, the Group also plays a direct role in selecting its partners, contractors and technology for its projects to ensure an optimal solution for the project while reducing the overall exposure (directly or indirectly) to identified risks.

Supply Chain Risk: A comprehensive global supply chain management system has been established to optimize procurement processes and mitigate supply-related risks.

3-7-6 Projects[16]

As at 31 December 2024G, the Group's portfolio of Projects in operation, under construction or in advanced development represented approximately 69.2 GW of gross electricity generation capacity, 8.1 million m3 per day of desalinated water production capacity, 223 ktons/annum of green hydrogen capacity and 5.3 GWh BESS capacity. Of these capacities:

- Operating projects are having 33.2 GW of gross electricity generation capacity and 5.6 million m3 per day of desalinated water production capacity and 73 MWh BESS capacity.
- Under construction projects are having 23.6 GW of gross electricity generation capacity and 2.0 million m3 per day of desalinated water production capacity, 223 ktons /annum of green hydrogen capacity and 2.6 GWh BESS capacity.
- Advanced development projects are having 12.4 GW of gross electricity generation capacity, 0.4 million m3 per day of desalinated water production capacity and 2.7 GWh BESS capacity.

The following table provides an overview of each of the Group's Projects by countries as at 30/06/1446H (corresponding to 31 December 2024G).

Table (3-3): Overview of each of the Group's Projects by countries as at 31 December 2024G

Countries	Number of assets	Investment cost (SAR million)	Power Capacity (MW)	Water Capacity (000' m3/day)	Green Hydrogen (Ktons/annum)	BESS (MWh)
Saudi Arabia	31	218,352	42,249	4,701	220	1,828
Oman	9	13,819	4,865	307	0	0
Jordan	4	4,112	951	0	0	0
Turkey	1	3,488	950	0	0	0
UAE	8	44,876	4,450	2,819	0	0
Bahrain	1	4,125	1,500	227	0	0
Morocco	7	11,952	765	0	0	0
South Africa	2	4,654	150	0	0	0
Uzbekistan	19	51,388	11,352	0	3	3,424
Azerbaijan	1	1,073	240	0	0	0
Egypt	5	5,430	1,420	0	0	0
Indonesia	2	413	110	0	0	0
China	4	769	233	0	0	73
Total	**94**	**364,450**	**69,234**	**8,054**	**223**	**5,325**

Source: the Company

16 The Group's Project portfolio numbers in this Prospectus represent Gross capacities or total investment costs of projects that are operational, under construction or in advanced development, unless otherwise specified.

The following table provides an overview of each of the Group's Projects by regions as at 30/06/1446H (corresponding to 31 December 2024G).

Table (3-4): Overview of each of the Group's Projects by regions as at 31 December 2024G

Regions	Number of assets	Investment cost (SAR million)	Power Capacity (MW)	Water Capacity (000' m3/day)	Green Hydrogen (Ktons/annum)	BESS (MWh)
Saudi Arabia	31	218,352	42,249	4,701	220	1,828
Middle East & Africa	36	88,968	14,101	3,354	0	0
Central Asia	21	55,948	12,542	0	3	3,424
Southeast Asia	2	413	110	0	0	0
China	4	769	233	0	0	73
Total	**94**	**364,450**	**69,234**	**8,054**	**223**	**5,325**

Source: the Company

The Group's Projects in the KSA region accounted for approximately 61% of the Group's gross power capacity overall as at 31 December 2024G, with the next largest regions being Middle East & Africa and Central Asia accounting for approximately 21% and 18% of the contracted power capacity from the Group's Projects, respectively.

The following table provides an overview of each of the Group's Projects by technology as at 30/06/1446H (corresponding to 31 December 2024G).

Table (3-5): Overview of each of the Group's Projects by technology as at 31 December 2024G

Technology	Number of assets	Investment cost (SAR million)	Power Capacity (MW)	Water Capacity (000' m3/day)	Green Hydrogen (Ktons/annum)	BESS (MWh)
Renewables/Storage/ Green Hydrogen	59	171,573	34,904	33	233	5,325
Flexible Generation	22	166,817	34,330	2,187	0	0
Water	13	26,060	0	5,835	0	0
Total	**94**	**364,450**	**69,234**	**8,054**	**223**	**5,325**

Source: the Company

The Group is the leading player in renewables, storage and flexible generation with a total of 69.2GW in the portfolio and the largest private producer in water desalination with 8.1 gross mm m3/day. The Group has witnessed an unparalleled growth since its IPO in its renewables portfolio, which currently represents 50.4% of its total portfolio at total gross investment cost. In addition, it decommissioned all its coal plants from its portfolio, continued to break tariff records repeatedly in both renewables and water desalination. Storage is deployed in the Group's projects in the form of BESS or CSP technology. Today the Group's portfolio includes the largest single-site CSP plant and the largest off-grid BESS facility in the world.

The Group is the largest private player in water desalination in the world with a portfolio of 8.1 mm3/day with some of the largest SWRO plants in the world in its portfolio, the largest hybrid solar PV SWRO plant and the first, and only, 100% green SWRO plant in the world. Over the last decade, the Group has shifted its main water desalination technology from thermal desalination to SWRO, which helped to reduce water tariffs by 58% and also reduced by 87% the Specific Power Consumption required to desalinate 1 m3 of water.

The Group has a solid flexible generation base of 34.3 GW which is complimentary to its large renewables portfolio. With the increase in renewables generation over time, short-term flexibility needs increases where thermal power plants and/or CCGTs are called on to adjust their output more often and over a wider range. According to IEA, dispatchable thermal power plants will operate over a wider range throughout the year than they do today, especially during periods of peak demand. This more responsive operating model will require upgrades to the existing dispatchable thermal fleet and measures to ensure the flexibility services are sufficiently incentivised to ensure their economic viability.

The Group is the first mover in at-scale green hydrogen and is constructing the world's biggest green hydrogen project in the NEOM region. This makes the Company, along with its partners, the largest player in green ammonia, with the NEOM Green Hydrogen Project and the Company's second project in Uzbekistan, catering to fertilisers locally and for export in the future. Green hydrogen represents a fast- growing market with 49.5 mtons/year of projects to come to the market by 2030. The Group has unique capabilities that makes it the best positioned player to take advantage of this growth such as its cost competitiveness in renewables, political support together with strong partnerships, access to land for at- scale projects and access to attractive high growth markets.

Portfolio Summary

The following table provides an overview of each of the Group's operational Projects as at 30/06/1446H (corresponding to 31 December 2024G).

Table (3-6): An Overview of each of the Group's operational Projects as at 31 December 2024G

	Project	Country	Technology	Contract[2]	Power[3] (MW)	Water[3] (000' m^3/day)	Green Hydrogen[3] (Ktons/ annum)	BESS (MWh)	PCOD (Actual/ Expected) Status	Est'd Remaining Asset Life (Years)	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commitment (SAR millions)	Control (EAI/ SUB)[4]	Accounting
								Conventional							
1.	Shuaibah IWPP	Saudi Arabia	MSF	PWPA–BOO–20 YR	900	880	-	-	Q1 2010	5.28	9,188	30%	550	EAI	Finance lease
2.	Shuaibah Expansion IWP	Saudi Arabia	SWRO	WPA–BOO- 20 YR	-	150	-	-	Q4 2009	15.12	874	30%	53	EAI	Operating lease
3.	Petro-Rabigh IWSPP	Saudi Arabia	SWRO	WECA–BOO–25 YR	360	134	-	-	Q2 2008	18.66 2	4,466	69%	670	SUB	Operating lease
4.	Petro-Rabigh (Phase 2) IWSPP	Saudi Arabia	SWRO	WECA-BOO- 25 YR	160	54	-	-	Q1 2018	23.37	3,689	69%	542	SUB	Operating lease
5.	Marafiq IWPP	Saudi Arabia	MED	PWPA–BOOT–20 YR	2744	800	-	-	Q4 2010	6.06	11,561	20%	352	EAI	Finance lease
6.	Rabigh IPP(6)	Saudi Arabia	Oil	PPA–BOO– 20 YR	1204	-	-	-	Q2 2013	8.52	9,398	40%	727	EAI	Operating lease
7.	Barka 1 IWPP	Oman	MSF	PWPA-BOO- 9 YR	427	91	-	-	Operational when acquired, Acquisition Aug 2010	16.30	1,556	41.91%	311	SUB	Operating lease
8.	CEGCO Assets	Jordan	Natural Gas	PPA-BOO-15 YR	366	-	-	-	Operational when acquired, Acquisition July 2011	1.79	1,759	40.93%	248	SUB	Operating lease

	Project	Country	Technol-ogy	Contract[2]	Power[3] (MW)	Water[3] (000' m^3/day)	Green Hydrogen[3] (Ktons/ annum)	BESS (MWh)	PCOD (Actual/ Expected) Status	Est'd Re-maining Asset Life (Years)	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commit-ment (SAR millions)	Control (EAI/ SUB)[4]	Account-ing
9.	Hajr IPP	Saudi Arabia	Natural Gas	PPA– BOO– 20 YR	3927	-	-	-	Q1 2015	26.61	10,219	22%	564	EAI	Operating lease
10.	Barka 1 Expansion IWP	Oman	SWRO	WPA- BOO-8.2 YR	-	46	-	-	Q2 2014	19.65	199	41.91%	24	SUB	Operating lease
11.	Rabigh 2 IPP	Saudi Arabia	Natural Gas	PPA-BOO- 20 YR	2060	-	-	-	Q1 2018	28.39	5,854	50%	702	EAI	Operating lease
12.	Kirikkale CCGT IPP(7)	Turkey	Natural Gas	Merchant market	950	-	-	-	Q3 2017	27.99	3,488	69.60%	968	EAI	Operating lease
13.	Barka 1 Phase II Expansion IWP	Oman	SWRO	WPA- BOO-4.25 YR	-	57	-	-	Q1 2016	21.41	298	41.91%	31	SUB	Operating lease
14.	Salalah 2 IPP – Existing	Oman	Natural Gas	PPA-BOO- 15 YR	273	-	-	-	Operational when acquired, Acquisition Q2 2015	8.24	629	27.00%	92	EAI	Finance lease
15.	Salalah 2 IPP - Greenfield	Oman	Natural Gas	PPA-BOO- 15 YR	445	-	-	-	Q1 2018	28.25	1,687	27.00%	151	EAI	Operating lease
16.	Hassyan IPP	UAE	Natural Gas	PPA-BOO- 25 YR	2400	-	-	-	Q3 2024	24.04	12,140	26.95%	630	EAI	Finance lease
17.	Ibri IPP	Oman	Natural Gas	PPA-BOO- 15 YR	1509	-	-	-	Q2 2019	29.60	3,683	44.90%	449	EAI	Operating lease
18.	Sohar 3 IPP	Oman	Natural Gas	PPA-BOO- 15 YR	1710	-	-	-	Q2 2019	29.60	3,686	44.90%	482	EAI	Operating lease
19.	Zarqa IPP	Jordan	Natural Gas	PPA-BOO- 25 YR	485	-	-	-	Q3 2018	28.99	1,834	60.00%	273	SUB	Operating lease
20.	Shuaibah 2 IWP	Saudi Arabia	SWRO	WPA- BOO- 25 YR	-	250	-	-	Q2 2019	24.65	1,155	100%	177	EAI	Operating lease
21.	Salalah IWP	Oman	SWRO	WPA- BOO- 20 YR	-	114	-	-	12-Mar-21	26.44	600	50.10%	67	SUB	Operating lease
22.	Rabigh 3 IWP	Saudi Arabia	SWRO	PWPA– BOO–25 YR	-	600	-	-	31-Dec-21	27.25	2,576	70.00%	423	EAI	Finance lease
23.	Al Dur Phase II IWPP	Bahrain	SWRO	PWPA– BOO–20 YR	1500	227	-	-	1-Jun-22	32.67	4,125	60.00%	532	EAI	Operating lease
24.	Taweelah IWP	UAE	SWRO	WPA– BOO– 30 YR	-	909	-	-	7-Mar-24	29.45	3,278	40.00%	143	EAI	Finance lease

	Project	Country	Technology	Contract[2]	Power[3] (MW)	Water[3] (000' m^3/day)	Green Hydrogen[3] (Ktons/ annum)	BESS (MWh)	PCOD (Actual/ Expected) Status	Est'd Remaining Asset Life (Years)	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commitment (SAR millions)	Control (EAI/ SUB)[4]	Accounting
25.	UAQ IWP	UAE	SWRO	PPA– BOOT–35 YR	-	682	-	-	5-Aug-22	32.84	2,988	40.00%	179	EAI	Finance lease
26.	Jazlah IWP	Saudi Arabia	SWRO	WPA- BOO- 25 YR	-	600	-	-	28-Feb-23	28.41	2,468	40.20%	244	EAI	Finance lease
27.	Jazan IGCC	Saudi Arabia	Oil	PSA-OOT- 25 YR	3800	-	-	-	27-Oct-21	22.07	45,000	25.00%	4,500	EAI	Financing
	Renewable														
28.	Noor I CSP IPP	Morocco	CSP -Parabolic	PPA- BOOT- 25 YR	160	-	-	-	Q1 2016	16.30	3,153	73.13%	441	SUB	Finance lease
29.	Bokpoort CSP IPP	South Africa	CSP -Parabolic	PPA-BOO- 20 YR	50	-	-	-	Q1 2016	21.46	1,939	20.40%	116	EAI	Operating lease
30.	Khalladi Wind IPP	Morocco	Wind	PPA-BOO- 20 YR	120	-	-	-	Q2 2018	18.74	655	26.01%	40	EAI	Operating lease
31.	Noor II CSP IPP	Morocco	CSP -Parabolic	PPA- BOOT- 25 YR	200	-	-	-	Q2 2018	18.56	4,125	75.00%	571	SUB	Finance lease
32.	Noor III CSP IPP	Morocco	CSP - Tower	PPA- BOOT- 25 YR	150	-	-	-	Q4 2018	19.05	3,233	75.00%	476	SUB	Finance lease
33.	Shuaa Energy PV IPP	UAE	PV	PPA-BOO- 25 YR	200	-	-	-	Q1 2017	17.49	1,222	24.99%	48	EAI	Finance lease
34.	NOOR PV1 IPP	Morocco	PV	PPA– BOT– 20 YR	135	-	-	-	Q4 2018	14.02	788	75.00%	83	EAI	Finance lease
35.	Mafraq PV IPP	Jordan	PV	PPA-BOO- 20 YR	50	-	-	-	Q4 2018	19.24	265	51.00%	34	SUB	Operating lease
36.	Risha PV IPP	Jordan	PV	PPA-BOO- 20 YR	50	-	-	-	Q4 2019	20.16	254	51.00%	26	EAI	Operating lease
37.	BenBan 1	Egypt	PV	PPA-BOO- 25 YR	50	-	-	-	Q3 2019	19.93	281	32.81%	69	EAI	Operating lease
38.	Ben Ban 2	Egypt	PV	PPA-BOO- 25 YR	50	-	-	-	Q3 2019	19.93	300	32.81%	69	EAI	Operating lease
39.	Ben Ban 3	Egypt	PV	PPA-BOO- 25 YR	20	-	-	-	Q3 2019	19.93	113	18.05%	69	EAI	Operating lease

	Project	Country	Technol-ogy	Contract[2]	Power[3] (MW)	Water[3] (000' m^3/day)	Green Hydrogen[3] (Ktons/ annum)	BESS (MWh)	PCOD (Actual/ Expected) Status	Est'd Re-maining Asset Life (Years)	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commit-ment (SAR millions)	Control (EAI/ SUB)[4]	Account-ing
40.	Sakaka PV IPP	Saudi Arabia	PV	PPA–BOO– 25 YR	300	-	-	-	Q2 2020	20.75	1,133	70.00%	199	EAI	Finance lease
41.	Ibri 2 PV IPP	Oman	PV	PPA-BOO- 15	500	-	-	-	Q3 2021	21.84	1,481	50.00%	242	EAI	Operating lease
42.	DEWA V PV	UAE	PV	PPA-BOO-25 YR	900	-	-	-	Q4 2023	24.17	2,108	24.00%	92	EAI	Operating lease
43.	Kom Ombo	Egypt	PV	PPA-BOO-25 YR9	200	-	-	-	Q2 2024	24.77	611	100.00%	92	SUB	Operating lease
44.	Sudair PV IPP	Saudi Arabia	PV	PPA-BOO-25 YR	1,500	-	-	-	Q4 2024	25.00	3,465	35.00%	353	EAI	Operating lease
45.	Ar Rass PV IPP	Saudi Arabia	PV	PPA-BOO-25 YR	700	-	-	-	Q4 2024	25.00	1,688	40.10%	193	EAI	Operating lease
46.	Mingyang 1&2 Wind	China	Wind	PPA-BOO-20 YR	100	-	-	60	Q4 2024	20.00	413	80.00%	-	SUB	Operating lease
47.	Sungrow 3 Solar	China	PV	PPA-BOO-30 YR	133	-	-	13	Q4 2024	30.00	356	85.00%	-	SUB	Operating lease
48.	Noor Energy 1	UAE	CSP	PPA-BOO-35 YR	950	-	-	-	Q1 2024	35.00	17,145	24.99%	1,682	EAI	Operating lease
49.	Sirdarya CCGT IPP	Uzbekistan	Natural Gas	PPA-BOOT-25 YR	1,500	-	-	-	Q4 2024	35.00	3,814	51.00%	504	EAI	Finance lease
	Total				**33,238**	**5,594**	**-**	**73**			**196,932**		**17,801**		

Source: the Company

Notes:

(1) ACWA Power's effective share as at 31 December 2024

(2) For a description of BOO and BOOT, see the description given in paragraph [1.6.2.1.1]

(3) Contracted capacity

(4) Equity accounted investee (EAI) or Subsidiary (SUB).

(5) The gross power capacity of the Kirikkale CCGT IPP is not contracted.

(6) Effective from 1st January 2021G, Group board has decided that useful lives of these assets should be equal to contract lives.

(7) Kirikkale was fully written down and deconsolidated in 2018G, however, the company recently did a debt restructuring and is expected to be continued to be equity accounted asset

(8) The Group has an effective interest of 21.25% in the returns of JIGPC

(9) Effectively BOOT given a requirement to decommission site at the end of the term of PPA.

The following table provides an overview of each of the Group's Projects under construction as at 30/06/1446H (corresponding to 31 December 2024G).

Table (3-7): An Overview of each of the Group's Projects under construction as at 31 December 2024G

	Project	Country	Technology	Contract[2]	Power[3] (MW)	Water[3] (000' m³/ day)	Green Hydrogen[3] (Ktons/ annum)	BESS (MWh)	Operational capacity[5]		Under construction capacity		Financial Close Date	PCOD (Actual/ Expected) Status	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commitment (SAR millions)	Control (EAI/ SUB)[4]	Accounting
									(MW)	(000' m³/ day)	(MW)	(000' m³/ day)							
									Conventional										
1.	Shuaibah 3 IWP	Saudi Arabia	SWRO	WPA-BOO-25 YR	-	600	-			-	-	600	27-Oct-22	Q2 2025	3,113	47.48%	340	EAI	Finance lease
2.	Rabigh 4 IWP	Saudi Arabia	SWRO	WPA-BOO-25 YR	-	600	-		-	-	-	600	31-Aug-23	Q1 2026	2,516	45.00%	230	EAI	Finance lease
3.	Hassyan IWP(3)	UAE	SWRO	WPA-BOO-30 YR	-	818	-			-	-	818	Feb 2024	Q1 2027	3,428	20.40%	128	EAI	Finance lease
4.	Taibah 1 IPP	Saudi Arabia	CCGT	PPA-BOO- 25 YR	1,934	-	-		-	-	1,934	-	May 2024	Q2 2027	6,675	40.00%	480	EAI	Finance lease
5.	Qassim 1 IPP	Saudi Arabia	CCGT	PPA-BOO- 25 YR	1,896	-	-		-	-	1,896	-	May 2024	Q2 2027	6,619	40.00%	474	EAI	Finance lease
									Renewable										
6.	Suez Wind	Egypt	Wind	PPA-BOO-25 YR	1,100	-	-		-	-	1,100	-	Jan 2025	Q4 2026	4,125	100.00%	675	SUB	Operating lease
7.	Redstone CSP IPP	South Africa	CSP -Tower	PPA-BOO- 20 YR	100	-	-		-	-	100	-	30-Apr-21	Q1 2025	2,715	36.00%	287	EAI	Operating lease
8.	The Red Sea Project	Saudi Arabia	PV, BESS, ICE, RO,district cooling	25 YR	340	33	-	1,228	-	-	340	33	21-Dec-21	Q1 2025	5,966	50.00%	788	EAI	Finance lease
9.	Bash Wind IPP	Uzbekistan	Wind	PPA-BOOT-25 YR	500	-	-		-	-	500	-	7-Dec-22	Q1 2025	2,588	65.00%	553	SUB	Operating lease
10.	Dzhankeldy Wind IPP	Uzbekistan	Wind	PPA-BOOT-25 YR	500	-	-		-	-	500	-	7-Dec-22	Q1 2025	2,468	65.00%	554	SUB	Operating lease
11.	NEOM Green Hydrogen	Saudi Arabia	PV+Wind	APA-BOO- 30 YR	3,883	-	220	600	-	-	3,883	-	28-Feb-23	Q3 2026	31,875	33.33%	2,888	EAI	Operating lease
12.	Karatau Wind IPP	Uzbekistan	Wind	PPA-BOOT-25 YR	100	-	-		-	-	100	-	31-May-23	Q1 2025	439	100.00%	210	SUB	Operating lease
13.	Shuaibah 1&2 PV IPP	Saudi Arabia	PV	PPA-BOO- 35 YR	2,631	-	-		600	-	2,031	-	10-Aug-23	Q4 2025	8,250	35.01%	712	EAI	Operating lease
14.	Laylaa PV IPP	Saudi Arabia	PV	PPA-BOO- 30 YR	80	-	-		-	-	80	-	21-Aug-23	Q1 2025	400	40.10%	43	EAI	Operating lease

	Project	Country	Technology	Contract[2]	Power[3] (MW)	Water[3] (000' m³/ day)	Green Hydrogen[3] (Ktons/ annum)	BESS (MWh)	Operational capacity[5]		Under construction capacity		Financial Close Date	PCOD (Actual/ Expected) Status	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commitment (SAR millions)	Control (EAI/ SUB)[4]	Accounting
									(MW)	(000' m³/ day)	(MW)	(000' m³/ day)							
15.	Azerbaijan Wind IPP	Azerbaijan	Wind	PPA-BOO- 20 YR	240	-	-		-	-	240	-	Oct 2023	Q4 2025	1,073	100.00%	376	SUB	Operating lease
16.	Ar Rass 2 PV IPP	Saudi Arabia	PV	PPA-BOO- 35 YR	2,000	-	-		-	-	2,000	-	Oct 2023	Q4 2025	5,299	50.10%	775	EAI	Operating lease
17.	Saad 2 PV IPP	Saudi Arabia	PV	PPA-BOO- 35 YR	1,125	-	-		-	-	1,125	-	Oct 2023	Q4 2025	3,000	50.10%	465	EAI	Operating lease
18.	Al Kahfah PV	Saudi Arabia	PV	PPA-BOO- 35 YR	1,425	-	-		-	-	1,425	-	Oct 2023	Q4 2025	3,900	50.10%	583	EAI	Operating lease
19.	Riverside Solar	Uzbekistan	PV	PPA-BOOT-25 YR	200	-	-	500	200	-	-	-	Jul 2024	Q3 2025	2,381	100.00%	287	SUB	Operating lease
20.	Haden Solar PV	Saudi Arabia	PV	PPA-BOO- 25 YR	2,000	-	-	-	-	-	2,000	-	Sep 2024	Q1 2027	4,375	35.10%	521	EAI	Operating lease
21.	Al-Muwaih Solar	Saudi Arabia	PV	PPA-BOO- 25 YR	2,000	-	-	-	-	-	2,000	-	Sep 2024	Q1 2027	4,427	35.10%	529	EAI	Operating lease
22.	Al-Khushaybi PV	Saudi Arabia	PV	PPA-BOO- 25 YR	1,500	-	-	-	-	-	1,500	-	Sep 2024	Q1 2027	3,457	35.10%	401	EAI	Operating lease
23.	Uzbekistan GH2	Uzbekistan	Wind	HPA-BOO-15 years PPA-BOO-25years	52	-	3	-	-	-	52	-	Aug 2024	Q1 2025	375	80.00%	66	SUB	Operating lease
	Total				**23,60652**	**2,051**	**223**	**2,328**	**800**	**0**	**22,806**	**2,051**			**109,462**		**12,365**		

Source: the Company

Notes:

(1) Ownership information is updated as at 31 December 2024G.

(2) For a description of BOO and BOOT, see the description given in paragraph [1.6.2.1.1].

(3) Contracted capacity

(4) Equity accounted investee (EAI) or Subsidiary (SUB)

(5) Operational capacity includes fully operational projects and under construction project's capacity that has achieved partial commercial operations

The following table provides an overview of each of the Group's projects in advanced development5,6 as at 30/06/1446H (corresponding to 31 December 2024G).

Table (3-8): An Overview of each of the Group's projects in advanced development as at 31 December 2024G

	Project	Country	Technology	Contract[2]	Power[3] (MW)	Water[3] (000' m³/ day)	Green Hydrogen[3] (Ktons/annum)	BESS (MWh)	Expected Financial Close Date	Status/ COD (expected)	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Commitment (SAR millions)	Control (EAI/SUB)[4]	Accounting
Conventional															
1.	Hamriyah IWP	UAE	SWRO	WPA-BOO-30YR	-	410	-	-	Nov 2024	Q2 2028	2,569	45.00%	307	EAI	Operating lease
2.	Rumah 1	Saudi Arabia	CCGT	PPA-BOO-25 YR	1,890	-	-	-	Q1 2025	Q2 2027	7,875	35.00%	506	EAI	Finance Lease
3.	Nairyah 1	Saudi Arabia	CCGT	PPA-BOO-25 YR	1,890	-	-	-	Q1 2025	Q2 2027	7,875	35.00%	506	EAI	Finance Lease
Renewable															
4.	Kungrad 1 Wind IPP	Uzbekistan	Wind	PPA-BOOT-25 YR	500	-	-	325	Q2 2025	Q2 2028	3,998	51.00%	826	SUB	Operating lease
5.	Kungrad 2 Wind IPP	Uzbekistan	Wind	PPA-BOOT-25 YR	500	-	-	325	Q2 2025	Q2 2028	2,501	51.00%	826	SUB	Operating lease
6.	Kungrad 3 Wind IPP	Uzbekistan	Wind	PPA-BOOT-25 YR	500	-	-	325	Q2 2025	Q2 2028	2,501	51.00%	826	SUB	Operating lease
7.	Saguling Floating PV IPP	Indonesia	PV	PPA-BOO-25 YR	60	-	-		Mar 2025	Q4 2026	225	100.00%	28	SUB	Operating lease
8.	Singkarak Floating PV IPP	Indonesia	PV	PPA-BOO-25 YR	50	-	-		Q1 2025	Q4 2026	188	100.00%	23	SUB	Operating lease
9.	Sazagan Solar 1	Uzbekistan	PV	PPA-BOOT-25 YR	500	-	-	770	Q1 2025	Q3 2025	2,644	51.00%	428	SUB	Operating lease
10.	Sazagan Solar 2	Uzbekistan	PV	PPA-BOOT-25 YR	500	-	-	770	Q1 2025	Q4 2026	3,229	51.00%	593	SUB	Operating lease
11.	Nukus 2 Wind IPP	Uzbekistan	WInd	PPA-BOO-XX YR	200	-	-	139	Q2 2025	Q2 2026	985	100.00%	251	SUB	Operating lease
12.	Gijduvan Wind IPP	Uzbekistan	WInd	PPA-BOO(T)- XX YR	300	-	-		Mar 2025	Q1 2027	1,349	100.00%	495	SUB	Operating lease
13.	Kungrad 4 Wind IPP	Uzbekistan	WInd	PPA-BOO(T)- XX YR	500	-	-		Mar 2025	Q2 2027	2,188	100.00%	459	SUB	Operating lease
14.	Aral 1 Wind	Uzbekistan	Wind	PPA-BOO(T)- 25 YR	1,000	-	-	-	Q4 2027	Q2 2031	4,055	100.00%	776	SUB	Operating lease

	Project	Country	Technol-ogy	Contract[2]	Power[3] (MW)	Water[3] (000' m³/ day)	Green Hydrogen[3] (Ktons/an-num)	BESS (MWh)	Expected Financial Close Date	Status/ COD (ex-pected)	Total Project Cost (SAR millions)	ACWA Power effective share[1]	ACWA Power Equity Com-mitment (SAR millions)	Control (EAI/SUB)[4]	Accounting
15.	Aral 2 Wind	Uzbekistan	Wind	PPA-BOO(T)- 25 YR	1,000	-	-	-	Q4 2027	Q2 2031	4,055	100.00%	776	SUB	Operating lease
16.	Aral 3 Wind	Uzbekistan	Wind	PPA-BOO(T)- 25 YR	1,000	-	-	-	Q4 2028	Q2 2031	3,963	100.00%	776	SUB	Operating lease
17.	Aral 4 Wind	Uzbekistan	Wind	PPA-BOO(T)- 25 YR	1,000	-	-	-	Q4 2028	Q2 2031	3,963	100.00%	776	SUB	Operating lease
18.	Aral 5 Wind	Uzbekistan	Wind	PPA-BOO(T)- 25 YR	1,000	-	-	-	Q4 2028	Q2 2031	3,896	100.00%	776	SUB	Operating lease
	Total				**12,390**	**410**	**-**	**2,654**			**58,056**		**10,728**		

Source: the Company

Notes:

(1) Ownership information is updated as at 31 December 2024G.

(2) For a description of BOO and BOOT, see the description given in paragraph [1.6.2.1.1]

(3) Contracted capacity

(4) Equity accounted investee (EAI) or Subsidiary (SUB)

(5) Advanced development projects represent projects that have signed their respective purchase agreements and binding financial arrangements are in advanced stage to achieve full financial close.

(6) The 400,000 m3/day Grand Cote Desalination Project in Senegal and a project in Africa, which have signed their offtake contracts but the financing arrangements have not started as at 31 December 2024G, are not included in the Company's in advanced development projects.

3-7-7 Equity share and returns

The Group invests in Projects that are funded with a combination of debt and equity. Senior Debt in the form of limited recourse or non-recourse project finance is used to fund typically 70-80% of the total project cost. The Group's equity investment is in proportion to its shareholding in the project, and the Group targets an equity IRR that is over the Cost of Equity ("**CoE**") by an acceptable margin on its investments.

Equity investments for the Group's Projects are ordinarily funded initially through EBLs, which delays the time at which the Group invests into the Projects, typically until the commercial date of operation.

3-8 Other Operations

3-8-1 Health, Safety and Environment

The Group is subject to health, safety, security, and environmental ("**HSSE**") laws and regulations in the Kingdom of Saudi Arabia and other jurisdictions where it operates. The Group believes its HSSE policies align with international standards and practices. To comply with HSSE legal requirements, both domestically and internationally, the Group's HSSE policy includes commitments to provide ongoing training, establish high standards for HSSE performance across its supply chain and Project Companies, and regularly monitor, report, and review its HSSE management and performance. Under various Offtake Agreements and subject to terms and conditions present in these agreements, many Project Companies benefit from contractual protections against changes in environmental regulations implemented after the bid date for each project, with the Offtaker liable to compensate the Project Companies for certain related costs.

The Group and its Project Companies currently hold all necessary environmental and health and safety permits and licenses required for operations. To the Group's knowledge, it and its Project Companies are in full compliance with all applicable environmental and health and safety regulations. Additionally, the Group confirms that neither it nor its Project Companies have been involved in, nor are they aware of, any pending legal actions or fines related to HSSE management.

In 2023G, the Group's Safety Executive Committee ("**SEC**") initiated a strategic shift in how HSSE performance is measured, moving from a traditional focus on injury absence to a proactive emphasis on control presence. This shift aligns with the Group's focus on managing high-consequence risks. The SEC, which includes the CEO and other members of senior management, has played a key role in fostering a culture of safety throughout the organization. Their implementation of behavior-based safety programs and a dedicated safety team has been instrumental, along with enhanced contractor due diligence, in driving this change.

In 2023G, the SEC also launched the Global Safety Task Force ("**STF**") to further strengthen the Group's safety culture. The STF has developed a comprehensive safety framework, refined HSSE procedures, and increased leadership engagement. These efforts laid the foundation for new strategies focused on unifying HSSE systems and involving the frontline workforce in safety initiatives.

For 2024G, the SEC is focused on integrating digital tools to enhance AI-driven insights for HSSE decision-making. This digital transformation supports predictive risk management and proactive safety measures. One key development is the Site HSSE Score system, introduced by the HSSE Core Team in 2024G. This system combines proactive and reactive indicators to create a safety performance heatmap, alerting teams to deviations for swift intervention. It reflects the Group's shift towards focusing on control presence rather than merely the absence of incidents. Further, in 2024G, the SEC is also reinforcing its commitment to Zero Significant Harm ("**ZSH**"), emphasizing proactive management of high-severity risks. The ZSH approach is about ensuring that robust controls are in place and functioning, moving beyond simply counting incidents. The Site Safety Ranking System will continue evolving to provide live, continuous monitoring of site performance, giving Executive Management Officers and plant General Managers real-time visibility and enabling immediate corrective actions for critical issues.

All of the Group's Projects are designed to meet local HSSE regulations and standards, as well as the World Bank/IFC HSSE standards, ensuring compliance with requirements from international finance institutions that adhere to the Equator Principles for responsible lending. Every new project undergoes an independent environmental and social impact assessment, ensuring compliance with both local laws and World Bank/IFC regulations. To maintain high standards for environmental, health, and safety management across its asset portfolio, NOMAC has secured ISO 9001:2015 (Quality Management Systems), ISO 14001:2015 (Environmental Management Systems), and ISO 45001:2018 (Occupational Health and Safety Management) certifications for all its service contracts.

ACWA Power's strategic HSSE realignment highlights its commitment to operational excellence and sustainable growth. Through a focus on ZSH and strong control measures, the Group is positioning itself as a leader in safety performance, ready to meet current challenges and capitalize on future opportunities.

During 2024G, the Company regrettably experienced three fatal incidents at under construction Projects. Over this period, the Group accumulated 141.2 million manhours, twice the 72 million manhours logged in 2023G, driven by the increased number of assets under construction in our portfolio, and a "**lost-time**" injury rate ("**LTI Rate**") of 0.01 which remained at the same level when compared to 2023G. In response, the Group promptly implemented necessary actions, enhanced on-site safety resources, and established stricter precautionary guidelines across all projects.

3-8-2 Ethical Conduct and Compliance

The Group is committed to upholding the highest standards of corporate governance, emphasizing the effective implementation of these standards to provide sustainable value for its shareholders. A key aspect of this commitment is the "**Board Audit Committee**" ("**BAC**"), being tasked with reviewing and recommending related party transactions involving the Group's shareholders, Board of Directors, and Management, as outlined in the BAC charter and the Related Party Transactions and Conflicts of Interest Policy, in alignment with the Group's Code of Governance. Additionally, the Board reviews and deliberates on transactions that may present direct or indirect conflicts of interest reported by Management or the concerned Board member, submitting these for authorization to the General Assembly in accordance with Companies Law.

3-8-3 Insurance

The Group maintains the types and amounts of insurance coverage at its Projects that it believes are appropriate for the business and consistent with customary industry practices in the jurisdictions in which it operates. The Group's insurance policies at its Projects generally cover employee-related accidents and injuries, property all-risks, business interruption as a result of physical damage to assets, sabotage and terrorism, and legal liability to third parties deriving from its activities, including certain environmental liabilities and subject to certain deductibles as defined under the project documents and underwriting conditions specific to each project. The Group also maintains coverage in respect of directors' and officers' liability. The Group is not aware of any matter that would invalidate its insurance policies.

The Group has experienced insurance professionals who continually monitor the risks to which the business is exposed and ensure that effective coverage is procured in line with the relevant legal and regulatory requirements of the countries in which it operates. The insurance programme the Company has procured for construction and property risks is predicated on replacement or reinstatement values and maximum loss estimates for high value assets. Delay in start-up is valued generally based on the Company's commercial exposure under the various Offtake Agreements and in line with loan agreements. Business interruption coverage is for gross profit plus increased cost of working (less deductibles as mentioned earlier), which is generally regarded as the most comprehensive business insurance product available. As such the Company's Projects have a comprehensive insurance coverage. The values and sums insured at risk are reviewed and amended as necessary, supported by professional valuation reports every three to five years to ensure appropriate coverage to reflect the insured exposure.

A comprehensive review of all Project agreements is undertaken to ensure that the risk is allocated to the right party and suitable insurance obligations are agreed in the form of insurance annexures in each of these agreements. The comprehensive insurance programs during both construction and operational periods of each of the Projects are developed from the above process of contract reviews and Insurance obligations agreed together with the local and international insurance / reinsurance practices and statutory regulations in each of the territories in which the Group operates. During each stage such as pre-bid, pre-financial close/notice to proceed, construction period and operational period, the risk and insurance activities are carefully reviewed, monitored and adjusted to suit the requirements of all Insured parties. As the Projects are typically financed on a limited or non-recourse basis, the insurance programs are always arranged on a Principal Controlled basis to meet lenders requirements.

3-9 Employees

3-9-1 ACWA Power's new People strategy

ACWA Power has a highly ambitious growth plan and to succeed, the Company relies on existing talent as well as acquiring new talent, with the target to more than double the workforce by 2030G. The aim is not to just increase headcount but to develop the right combination of skills and expertise required to support growth in assets, as the organisation works to achieve its ambitious 2030G targets. As part of this journey, ACWA Power sees its middle managers as key enablers, as these people are closest to operations and by empowering them, leadership will be able to delegate more, while also developing a healthy pipeline of future leaders.

The Company's new growth strategy entails a marked process of evolution, the beginning of 'ACWA Power 2.0', with people being the critical enablers of success. To ensure the Company has the right talent at the right time, Senior Executives and the Board have recognised the need to focus on people and endorsed the 2023–2030G People strategy ("**People Strategy**").

People Strategy is designed to attract, retain, and inspire talent to deliver the business strategy while further enhancing ACWA Power's Employee Value Proposition. As the war for talent in the renewable sector heats up, it will be critical for ACWA Power to differentiate its employer brand from the competition.

The objective of the People strategy is to develop and communicate ACWA Power's employer brand to uplift our existing workforce via training and development opportunities, and to attract best in class talent via the enhanced employee value proposition.

3-9-2 Number of Employees

As at 30 September 2024G, the Group had 4,049 employees, of which 2,855 were employed through NOMAC or its subsidiaries and joint ventures. Approximately 47.8% of the Group's employees are located in the Kingdom of Saudi Arabia as at 30 September 2024G, with the remainder located in other Middle Eastern countries (33.3%), Africa (9%), and Asia (including Turkey) (9.4%). As at 30 September 2024G, the Group employed approximately 1,290 Saudi nationals and 632 expatriates in the Kingdom of Saudi Arabia. The following table shows the Group's employees as at 31 December for the years 2021G 2022G and 2023G and as at 30 September 2024:

Table (3-9): Number of Employees

	2021G	31 December		2024G (As of Sep 30)
		2022G	2023G	
Group	**2948**	**3,201**	**3,868**	**4,049**
Kingdom of Saudi Arabia	1426	1,483	1,863	1,922
United Arab Emirates	793	907	1,000	1,055
Jordan	14	15	16	15
Morocco	182	175	198	200
Oman	236	235	237	237
South Africa	85	72	96	131
Bahrain	50	74	81	78
Turkey	72	67	66	62
Egypt	31	40	31	31
China	9	15	46	58
Vietnam	12	12	-	0
Indonesia	3	3	8	11
Ethiopia	1	1	-	-
Spain	-	-	-	-
Bulgaria	-	-	-	-
Uzbekistan*	33	101	214	217
Azerbaijan*	1	1	12	28
Kazakhstan	0	0	0	4

*The organization now reports the Uzbekistan and Azerbaijan entity as a country Corporate Entities, which has also been reflected in 2022 and 2023 headcount numbers.

Source: the Company

3-9-3 Saudization

The "**Nitaqat**" Saudization program was approved pursuant to the Minister for Labour Resolution No. 4040 issued on 12/10/1432H (corresponding to 10 September 2011G), based on Council of Ministers Resolution No. 50 issued on 21/5/1415H (corresponding to 27 October 1994G), which was applied as at 12/10/1432H (corresponding to 10 September 2011G). The MHRSD established the "**Nitaqat**" program to provide establishments with incentives to hire Saudi nationals. The program assesses an establishment's performance based on specific ranges, which are platinum, green (which is further divided into low, average and high ranges) and red. Establishments that are classified within the platinum and green categories are deemed to be compliant with the Saudization requirements and receive certain specified benefits, such as the ability to obtain and renew work visas for foreign employees or the ability to change the profession of foreign employees (except for professions exempted by the Council of Ministers or by Royal Decrees that are reserved exclusively for Saudi nationals). Establishments that are classified as red (depending on the extent to which they are non-compliant) are deemed to be non-compliant with the Saudization requirements and are subject to certain punitive measures, such as a limited ability to renew work visas for foreign employees or complete inability to obtain work visas for foreign employees or to change the profession of foreign employees.

As at 30 September 2024G, the Company employed 1,713 personnel (excluding third party employees) in the Kingdom of Saudi Arabia which included 1,290 Saudi nationals. This equates to an effective Saudisation percentage of approximately 75.3%. As such, the Company was categorized at 30 September 2024G as being within the 'Platinum' category of the Nitaqat Saudization programme approved by the MHRSD.

The Group has been, and continues to be, fully committed to achieving the Government's policy on Saudization. Training and the development of Saudi skills and capabilities are a high priority of the Group. For this reason, the Energy & Water Academy (EWA) in Rabigh has been founded jointly in 2009G with the Technical and Vocational Training Corporation to provide training in the power and water sector to build up technical skills amongst Saudi nationals. Since then, the academy has trained more than 15,000 trainees through diploma and development courses. Formerly known as the Higher Institute for Water and Power Technologies, the academy has full accreditation from the Education and Training Evaluation Commission, Masar, and won the Best Work Environment award from the Great Place to Work organisation.

The following table shows the summary of the Saudi-based workforce of the Company and its substantial subsidiaries as at 31 December for the periods 2021G 2022G and 2023 Gand for 2024G as at 30 September for 2024:

Table (3-10): Summary of the Saudi-based workforce of the Company and its substantial subsidiaries as at 31 December for the periods 2021G 2022G and 2023 G and for 2024G as at 30 September for 2024

	2021G			2022G			2023G			2024 (As of Sep 30)		
	Saudi	Non-Saudi	Saudi-zation	Saudi	Non-Saudi	Saudi-zation	Saudi	Non-Saudi	Saudi-zation	Saudi	Non-Saudi	Saudi-zation
ACWA Power	115	106	52.00%	153	112	57.70%	228	178	56.20%	276	211	56.30%
NOMAC KSA	942	174	84.40%	942	161	85.40%	1,062	171	86.10%	1014	212	82.70%
Total	**1,057**	**280**	**79.10%**	**1,095**	**273**	**80.00%**	**1,290**	**349**	**78.70%**	**1290**	**423**	**75.30%**

Note: Saudisation % does not include third party employees

Source: the Company

The following table shows the distribution of Saudi nationals in the Company and its subsidiaries in the Kingdom of Saudi Arabia grouped into the various functions or offices as at 31 December for the periods 2021G 2022G and 2023G and as at 30 September for 2024G:

Table (3-11): The Distribution of Saudi nationals in the Company and its subsidiaries in the Kingdom of Saudi Arabia as at 31 December for the period 2021G

2021G	Inside the Kingdom of Saudi Arabia			Saudization
	Saudi	Non-Saudi	Total	
Digital	17	11	28	60.7%
Finance	27	32	59	45.8%
HSSE	61	5	66	92.4%
Internal Audit	1	1	2	50.0%
Business Development	17	9	26	65.4%
Technology	8	22	30	26.7%
Portfolio Management	18	20	38	47.4%
People & Culture	62	21	83	74.7%
Executive offices	4	6	10	40.0%
legal	7	2	9	77.8%
Risk	3	-	3	100.0%
Management Office	2	2	4	50.0%
Operations	792	141	933	84.9%
Procurement	38	8	46	82.6%
Grand Total	**1057**	**280**	**1337**	**79.1%**

Table (3-12): The Distribution of Saudi nationals in the Company and its subsidiaries in the Kingdom of Saudi Arabia as at 31 December for the period 2022G

2022G	Inside the Kingdom of Saudi Arabia			Saudization
	Saudi	Non-Saudi	Total	
Digital	14	13	27	51.9%
Executive offices	-	3	3	0.0%
Finance	35	34	69	50.7%
Internal Audit	4	4	8	50.0%
Business Development	18	13	31	58.1%
Legal	11	5	16	68.8%
People & Culture	77	21	98	78.6%
Portfolio Management	24	13	37	64.9%
Risk	4	-	4	100.0%
Technology	10	27	37	27.0%
HSSE	68	8	76	89.5%
Operation & Maintenance	790	123	913	86.5%
Procurement	40	9	49	81.6%
Total	**1,095**	**273**	**1,368**	**80.0%**

Table (3-13): The Distribution of Saudi nationals in the Company and its subsidiaries in the Kingdom of Saudi Arabia as at 31 December for the period 2023G

2023G	Inside the Kingdom of Saudi Arabia			Saudization
	Saudi	Non-Saudi	Total	
Operation & Maintenance	903	135	1,038	87.0%
Portfolio Management	52	23	75	69.3%
Business Development	18	22	40	45.0%
People & Culture	88	20	108	81.5%
Finance	46	45	91	50.5%
Technology	16	45	61	26.2%
HSSE	74	10	84	88.1%
Procurement	40	11	51	78.4%
Digital	11	14	25	44.0%
Legal	14	6	20	70.0%
Internal Audit	3	6	9	33.3%
Risk	5	2	7	71.4%
Corp. Affairs, Strategy & Sustainability	18	5	23	78.3%
Management Office	2	5	7	28.6%
Total	**1,290**	**349**	**1,639**	**78.7%**

Table (3-14): The Distribution of Saudi nationals in the Company and its subsidiaries in the Kingdom of Saudi Arabia as at 31 December for the period ended 30 September 2021G

2024G (As of Sep 30)	Inside the Kingdom of Saudi Arabia			Saudization
	Saudi	Non-Saudi	Total	
Construction	21	23	44	47.7%
Corporate Affairs & Sustainability	18	6	24	75.0%
Executive Office	1	2	3	33.3%
Finance	51	48	99	51.5%
Geography KSA	9	27	36	25.0%
Heath, Safety, Security & Environment	57	11	68	83.8%
Internal Audit	4	5	9	44.4%
Investment and Business Development	24	27	51	47.1%
Legal	12	7	19	63.2%
Operations	701	166	867	80.9%
People & Culture	302	19	321	94.1%
Procurement	46	12	58	79.3%
Risk Management	7	3	10	70.0%
Technical	35	64	99	35.4%
Vice Chairman's Office	2	3	5	40.0%
Grand Total	**1290**	**423**	**1713**	**75.3%**

Source: the Company

3-10 Significant Disruptions to the Business

The operation of the Group's facilities involves risks that include the breakdown or failure of equipment or processes and performance below expected levels of output or efficiency. FOs of generating units, including extensions of scheduled outages due to mechanical failures or other problems relating to the Group's power generation and/or desalinated water or steam facilities, occur from time to time and are an inherent risk of the Group's business.

The Group had average FO levels of 4.6%, 7.8% and 4.8% for power, and 2.5%, 2.1%, and 2.3% for water, respectively, of annual declared capacity for power/water in the three years ending 31 December 2021G, 2022G and 2023G. During the six-month period ending 30 June 2024G, the Group experienced 2.9% forced outage for power and for water 0.9%. FO rates for all conventional power Project Companies for the year ended 31 December 2023G and for the six-month period ending 30 June 2024G were 5.0% and 2.8%, respectively and 1.9% and 3.8% for renewable power Project Companies, respectively.

Material FOs as at 30 June 2024G (where the outages were in excess of 5% of the annual plant capacity (per plant)) occurred at IBRI I IPP under conventional type; and Noor Energy 1, Noor 2 IPP and Noor III CSP IPP under renewable type.

During the six-month period ending 30 June 2024G, reliability of the Power Plants specifically CSP technology (Noor 3 and Noor Energy 1) such as critical equipment failure due to different reasons of design issues and severe weather conditions. This resulted in FOs exceeding what is contractually permitted at 13.07% for CSP technology, impacting commercial availability with USD 23.9 million (equivalent to SAR 89.4 million).

Under the relevant insurance policies of the Group or the relevant Project Company (as the case may be), claims for business interruptions can be made for individual interruptions lasting 60 days or longer.

For further information, please refer to Section (2-1-1) ("**Risks related to the expected levels of available capacity and achieving targeted generation levels due to various reasons, including forced outages**") of this Prospectus.

3-11 Material Change in the Nature of the Business

As at the date of this Prospectus, no material change in the nature of the business of the Group is contemplated that may have a material impact on the Group's business and profitability.

4- Employees

4-1 Employee Incentive Plans and Share Programmes in Place Prior to the Application for Registration and Listing of the Rights Shares and Acceptance Thereof

On 30 March 2021G, the Board of Directors approved a long-term cash incentive plan (the "**LTIP**") that was granted to certain key members of qualified employees. The LTIP covered a nine-year period starting from 1 January 2020G, the plan includes 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. In this regard, during the year 2023G, a provision of SAR 36.1 million has been recognised within general and administration expenses.

During the year ended 31 December 2023G, the Board of Directors approved to replace the existing LTIP with a share based incentive plan (hereinafter referred as the "**Employees Stock Incentive Program**" or the "**Program**"). In this regard, on 22 June 2023G, the shareholders of the Company approved to buy back Company shares with a maximum of 2.0 million Shares.

During the nine-month period ended 30 September 2024, the Company purchased 391,200 shares amounting to SAR 118.0 million at the prevailing market rates. The Group has recognised these shares within treasury shares in the interim condensed consolidated statement of changes in equity, noting that the Company purchased these shares in two phases. In the first phase, 264,678 shares were purchased, which were purchased during a period of five working days from 29 February 2024G to 6 March 2024G, and for which the Company received 529 bonus shares on 29 April 2024G, as approved by the Extraordinary General Assembly to increase the Company's capital through the distribution of shares. In the second phase, 126,522 shares were purchased, which were purchased during a period of two working days from 11 June 2024G to 12 June 2024G. All treasury shares, including the bonus shares, totalling 391,729 shares, are allocated to eligible employees in accordance with the Employees Stock Incentive Program. The Company has distributed 37,263treasury shares to eligible employees. As such, the current number of treasury shares is 354,466.

During the nine-month period ended 30 September 2024, the Group has communicated detailed terms and conditions of the Program to eligible employees and accordingly satisfied the Grant Date criteria (as specified under IFRS 2 – Share-based payment). Given the service period has already commenced as specified in the Program, the management has taken the impact of the Program in these interim condensed consolidated financial statements. In this regard, during the nine-month period a provision of SAR 51.1 million has been recognised within general and administration expenses.

4-2 Arrangements Involving Employees in the Share Capital

Except as referred to in paragraph (4-2) ("**Long-Term Incentive Plan for Employees**") above, there are no arrangements involving employees in the Company's Share capital as of the date of this Prospectus.

ACWA POWER
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5- Ownership and Organisational Structure of the Company

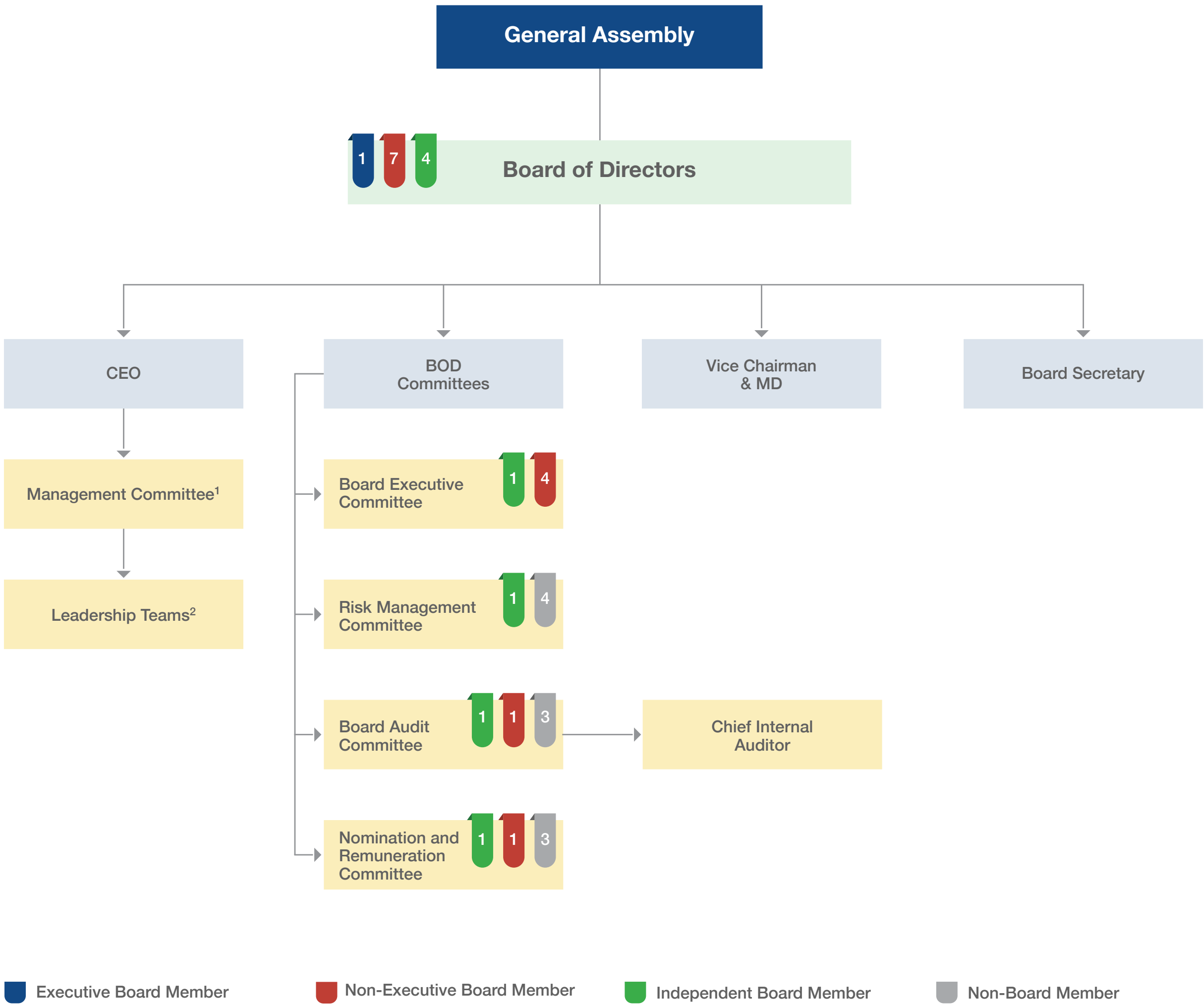
5-1 Management of the Company

Taking into consideration the competencies established for the General Assembly under the Companies Law and its Implementing Regulations, the Bylaws of the Company and the requirements of the Corporate Governance Regulations issued by the Capital Market Authority, and in a manner that does not conflict with any laws or regulations applicable to the Company, the Shareholders have delegated widest responsibility to the Board of Directors for the overall direction, governance and supervision of the Company. The Board of Directors delegates responsibility to the Senior Executives and, in particular, the Chief Executive Officer for the overall day to day management and operations of the Company.

5-1-1 Organisational Structure

The following chart sets out the organisation structure of the Company's Board and Board committees:

Figure (5-1): Organisational Structure of the Company's Board and its Committees



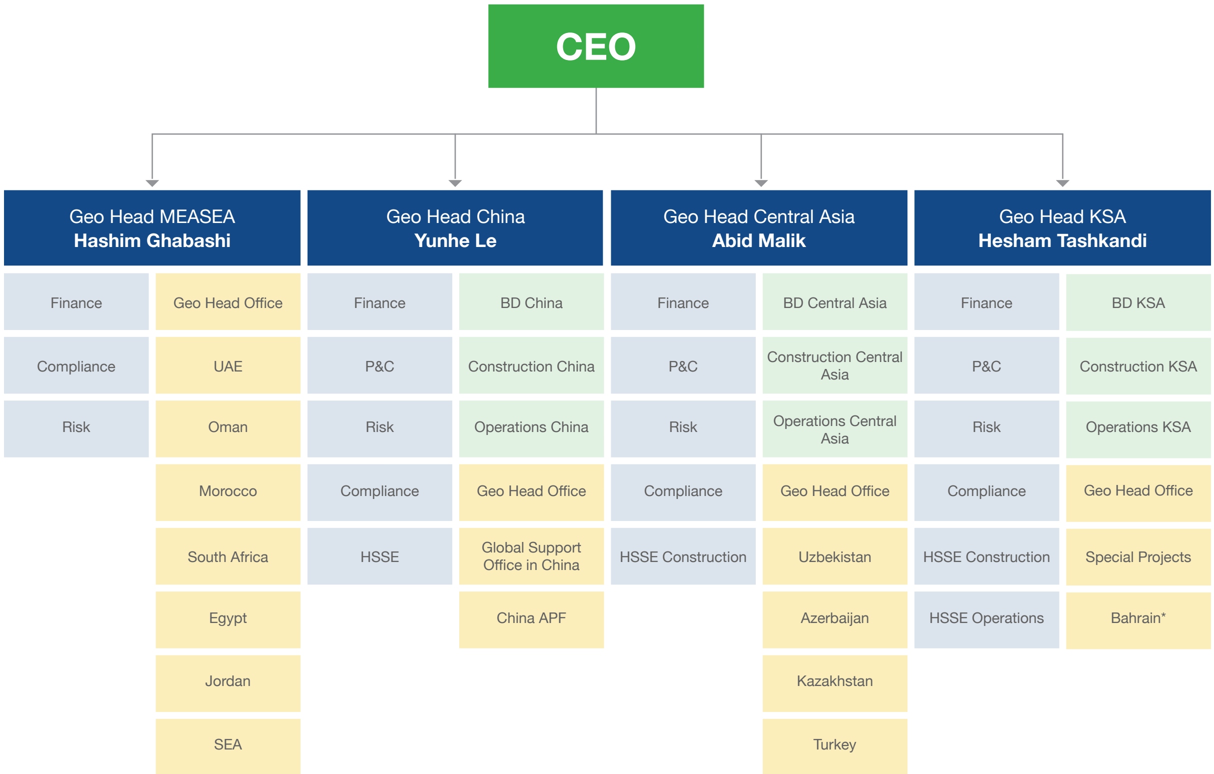
(1) Headed by the CEO and includes direct reports to CEO including C-level and Geo Heads.

(2) Leaership teams are present at every Business Unit, Geo Head and Enabling Function level headed by the respective function heads and includes their direct reports and other relevant team members.vv

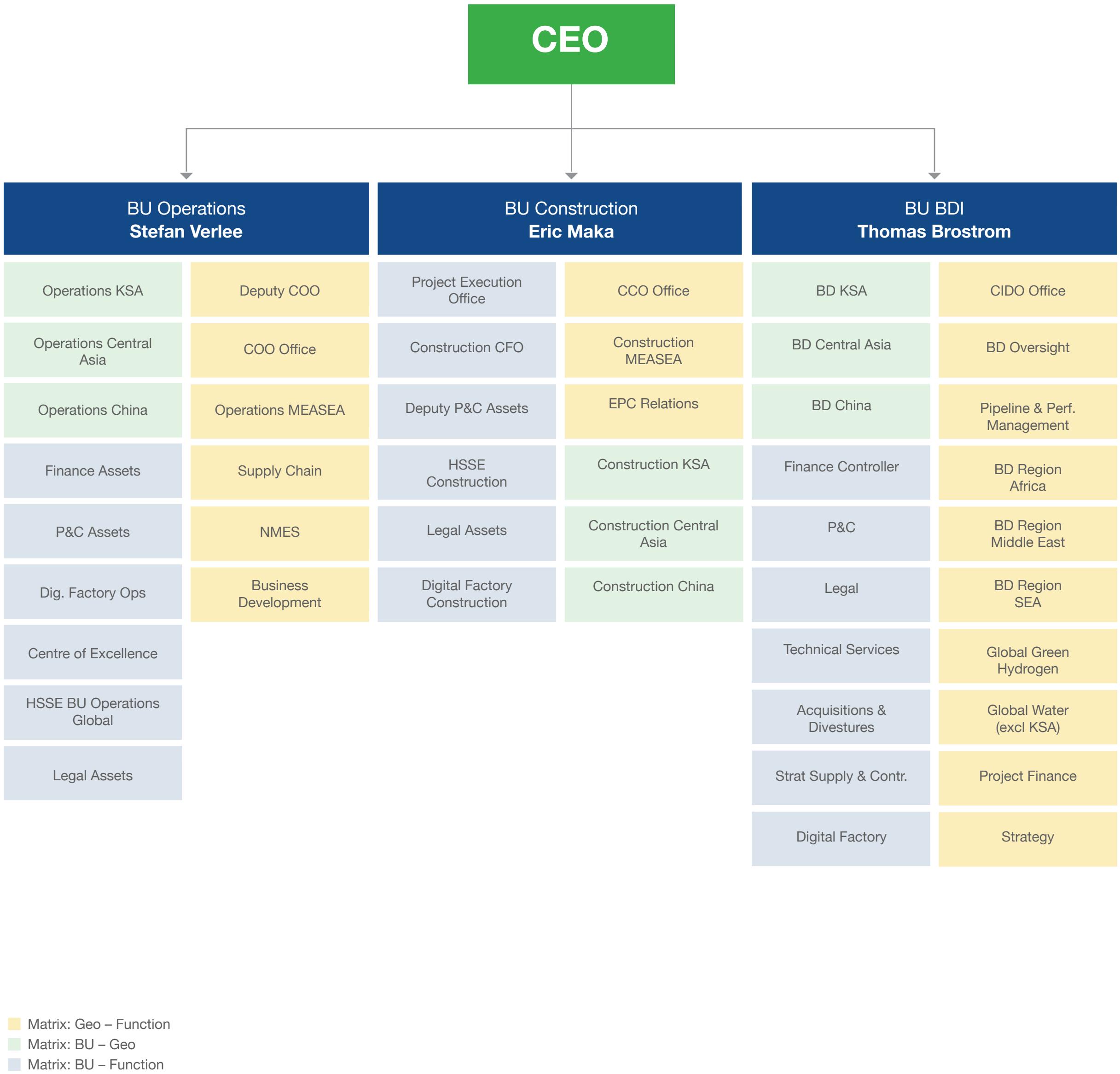
Source: the Company

The following charts set out the organisation structure of the Company's management:

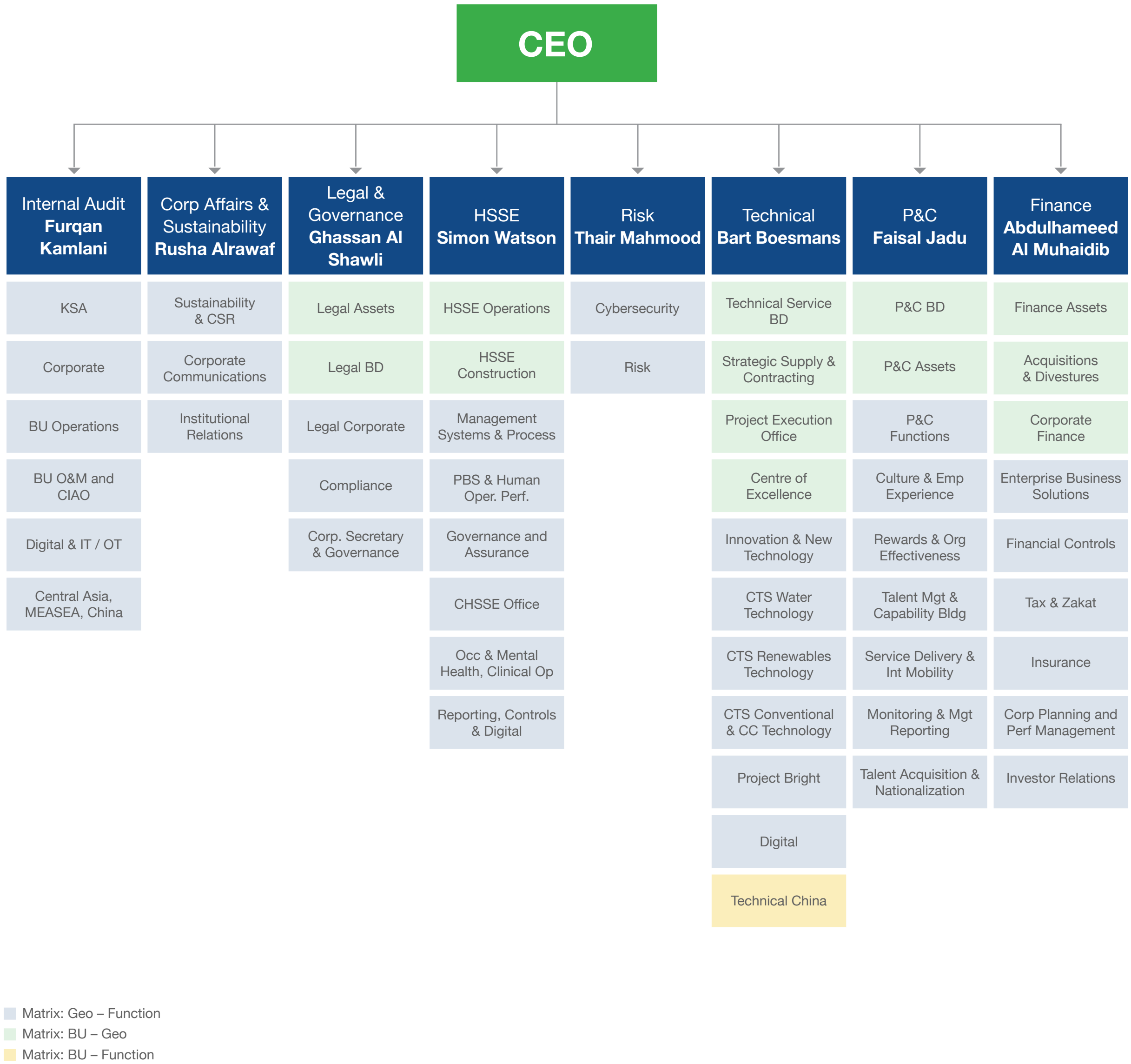
Figure (5-2): Organisational Structure of the Company's Management



Matrix: Geo – Function
Matrix: BU – Geo
Matrix: BU – Function



Source: the Company


CEO
Internal Audit Furqan Kamlani
Corp Affairs & Sustainability Rusha Alrawaf
Legal & Governance Ghassan Al Shawli
HSSE Simon Watson
Risk Thair Mahmood
Technical Bart Boesmans
P&C Faisal Jadu
Finance Abdulhameed Al Muhaidib
KSA
Corporate
BU Operations
BU O&M and CIAO
Digital & IT / OT
Central Asia, MEASEA, China
Sustainability & CSR
Corporate Communications
Institutional Relations
Legal Assets
Legal BD
Legal Corporate
Compliance
Corp. Secretary & Governance
HSSE Operations
HSSE Construction
Management Systems & Process
PBS & Human Oper. Perf.
Governance and Assurance
CHSSE Office
Occ & Mental Health, Clinical Op
Reporting, Controls & Digital
Cybersecurity
Risk
Technical Service BD
Strategic Supply & Contracting
Project Execution Office
Centre of Excellence
Innovation & New Technology
CTS Water Technology
CTS Renewables Technology
CTS Conventional & CC Technology
Project Bright
Digital
Technical China
P&C BD
P&C Assets
P&C Functions
Culture & Emp Experience
Rewards & Org Effectiveness
Talent Mgt & Capability Bldg
Service Delivery & Int Mobility
Monitoring & Mgt Reporting
Talent Acquisition & Nationalization
Finance Assets
Acquisitions & Divestures
Corporate Finance
Enterprise Business Solutions
Financial Controls
Tax & Zakat
Insurance
Corp Planning and Perf Management
Investor Relations
Matrix: Geo – Function
Matrix: BU – Geo
Matrix: BU – Function

5-1-2 Board Members

The Company's Board of Directors consists of highly qualified and respected individuals in the regional and international business community.

Under the Bylaws, the Board of Directors shall be comprised of 12 Directors appointed by the General Assembly. At least five (5) of which are required to be Independent Directors. Currently, six (6) are non-executive Directors (including the Chairman of the Board), and one (1) executive Director who holds the position of Vice Chairman and Managing Director. Board members were appointed in their natural capacity and were elected by the Extraordinary General Assembly for a term not exceeding four (4) years. The duties, responsibilities and powers of the Board of Directors are specified in both the Company's Bylaws and its internal Corporate Governance Manual, in accordance with the Companies Law and its Implementing Regulations and the Corporate Governance Regulations.

The current Board term commenced on 05/07/1446H (corresponding to 05/01/2025G), expiring on 19/08/1450H (corresponding to 04/01/2029G).

The following table sets out the names of the Directors as at the date of this Prospectus:

Table (5-1): Company's Board Members

Name	Position	Nationality	Age	Status	Date of Appointment
Mr Mohammad Abdullah Rashed Abunayyan	Chairman	Saudi	62	Non-executive	05 January 2025G
Mr Raad Esmat Abdulsamad Al Saady	Vice Chairman and Managing Director	Saudi	50	Executive	05 January 2025G
Dr Ibrahim Sulaiman Abdulaziz Al-Rajhi	Director	Saudi	54	Non-executive	05 January 2025G
H.E. Mr Ahmed Abdulaziz Mohammed Alhakbani	Director	Saudi	45	Independent	05 January 2025G
Mr Fahad Abduljalil Ali Al Saif	Director	Saudi	48	Non-Executive	05 January 2025G
Mr Omar Hamad Abdulaziz Al-Madhi	Director	Saudi	44	Non-executive	05 January 2025G
Mr Khaled Saleh Fahad AlKhattaf	Director	Saudi	57	Independent	05 January 2025G
Mr Omar Mohammed Nabil Mohammed Al-Midani	Director	Saudi	45	Non-executive	05 January 2025G
Mr Esmail Mohamed Saleh Alsallom	Director	Saudi	43	Non-executive	05 January 2025G
Ms. Sheila Khama	Director	Botswanan	67	Independent	05 January 2025G
Mr Liming Chen	Director	Singaporean	65	Independent	05 January 2025G
Mr Abdullah Fahad Abdullah AlAbduljabbar	Director	Saudi	49	Non-executive	05 January 2025G

Source: the Company

The current Secretary of the Board of Directors is Ms. Shoug Ahmed Mohammed Sahab.

5-1-3 Summary of the Biographies of the Directors

Table (5-2): Summary Biography of Mohammad Abdullah Rashid Abunayyan

Name	Mohammad Abdullah Rashid Abunayyan
Age	62 years
Nationality	Saudi
Position	Chairman (Non-Executive)
Academic Qualification	High School Diploma, Alyamamah High School, Saudi Arabia, 1979G
Current Key Positions	• Non-Executive Member in several companies within the Group. • Non-Executive Chairman, Vision International Investment Company and several of its subsidiaries. • Non-Executive Member, Advisory Committee to Zakat, Tax and Customs Authority. • Non-Executive Director, General Authority for Foreign Trade. • Non-Executive Vice-Chairman, SAL Saudi Logistics Services Company. • Non-Executive Chairman, Saudi-Uzbek Business Council. • Non-Executive Chairman, Saudi side Chairman of the Advisory Committee from Private Sector, the Saudi-Emirati Coordination Council. • Non-Executive Director, Higher Education Fund. • Non-Executive Vice Chairman, Saudi Airlines Cargo Company. • Non-Executive Chairman, Tarabot Development and Investment Company. • Non-Executive Member, Advisory Council for Saudi Indian Relations. • Non-Executive Member, Air Cargo Service Company.
Past Key Professional Experience	• Non-Executive Member in several companies within the Group. • Non-Executive member in several companies within the Abunayyan Holding Group. • Non-Executive Director, Family Gold Company. • Non-Executive member, United Foods Company. • Non-Executive Director, Lafana Investment Company. • Non-Executive Director, Rafal Real Estate Development Company. • Non-Executive Chairman, Saudi Arabian Industrial Investments Company (Dussur). • Non-Executive Director, Ministry of Finance Advisory Council. • Non-Executive Founding Board member, NEOM Investment Fund. • Non-Executive Director, Local Content and Procurement Authority. • Non-Executive Director, King Abdulaziz Historical Center. • Non-Executive Chairman, Saudi Malaysia Operation and Maintenance Services Company. • Non-Executive Director, Saudi Agriculture Development Company. • Non-Executive Director, Saudi Deyaar. • Non-Executive Director, Riyadh Chamber of Commerce. • Non-Executive Director, Grains Organisation. • Non-Executive Director, SAMBA Financial Group. • Non-Executive Director, National Agriculture Development Company (NADEC). • Non-Executive member, Industrial Council.

Table (5-3): Summary Biography of Esmail Mohammed Saleh Alsallom

Name	Esmail Mohammed Saleh Alsallom
Age	43 years
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualifications	• Leadership Development Program, Harvard University, USA, from 2017G to 2019G. • Bachelor of Science, Industrial Engineering, King Saud University, KSA.
Current Key Positions	• Chief Executive Officer, Board Member, National Infrastructure Fund. • Vice Chairman, AlBawani Holding Company. • Member of the Board, National Housing Company. • Member of the Board, Imam Abdulaziz Bin Mohammed Royal Reserve. • Member of the Investment Committee, Riyadh Investment and Development Company.
Past Key Professional Experience	• Chief Executive Officer of AlRajhi Holding Group. • Chairman, Electroputere. • Member of the Board, Third Milling Company. • Member of the Board, Tibah Airports Development Company. • Member of the Board, ATU Saudi Arabia Duty Free. • Member of the Board, BTA Saudi Arabia. • Member of the Board, HAVAS Ground Handling. • Member of the Board, United Mining Investment Company. • Manager Director, MADA Infrastructure Holding Company. • Chief Investment Officer, Al Rajhi Holding Group. • Advisory Board Member, Al Arrab Contracting Company. • Director, United Mining Investments Company. • Head of Corporate Finance, Banque Saudi Fransi.

Table (5-4): Summary Biography of Liming Chen

Name	Liming Chen
Age	65 years
Nationality	Singaporean
Position	Director (Independent)
Academic Qualifications	• Bachelor of Science degree from Shihezi University, China. • Master of Science degree from Cornell University, USA.
Current Key Positions	• Chairman of the Board at the World Economic Forum in Greater China. • Member of the Supervisory Board at BASF SE, Germany.

Past Key Professional Experience	• Senior Advisor at IBM China. • Chairman of IBM China Group. • Visiting Professor at the University of Edinburgh. • Honorary Professor at Shihezi University, China. • President at BP China. • Executive Vice President at Sasol China. • General Manager at Sasol (China) Chemical Co. Ltd. • General Manager and Board Member at Cunda Nanjing Chemical Co., Ltd., China. • Deputy General Manager of Commerce at Cunda Nanjing Chemical Co. Ltd. China. • Business Development Manager at Cunda Vista Singapore Inc. • Senior Officer in the Business Development Department at SISIR. • Senior Research Fellow at the Food Technology Centre at SISIR. • Sales Representative at Ethox International Inc., USA. • Research Assistant at the Institute of Agricultural Reclamation Research in Xinjiang, China. • Chairman of Inspur Power Commercial Systems Co., Ltd. • Senior International Advisor to the Governor of Shaanxi. • Member of the China Advisory Board at Cornell University. • Chairman of IBM China Investments. • Chairman of the Executive Committee at BP China. • Board Member at China Aviation Oil Corporation. • Executive Sponsor for BP at Tsinghua University, China. • Board Member at Shanghai PK Clean Energy Technology Co., Ltd., China. • Member of the Executive Committee at the China Centre for World Economy (CCWE) at Tsinghua University, China. • Board Member at East China University of Science and Technology. • Advisory Board Member at Enactus (formerly SIFE), China. • Board Member at Sasol Wilmar (Lianyungang) Alcohol Co., Ltd. • Board Member at Sasol (China) Chemical Co., Ltd. • Board Member at Cunda Nanjing.

Table (5-5): Summary Biography of H.E. Mr. Ahmed Abdulaziz Mohammed Alhakbani

Name	H.E. Mr. Ahmed Abdulaziz Mohammed Alhakbani
Age	45 years
Nationality	Saudi
Position	Director (Independent)
Academic Qualifications	• Bachelor's degree in Computer Information Systems, King Saud University, KSA. • Master of Business Administration, INSEAD.
Current Key Positions	• Vice Chairman, Alhulul Almobassatah Company (SiFi). • Member of the Board and Chairman of the Nomination and Remuneration Committee, Nuclear and Radiological Regulatory Commission. • Member of the Board of Communication, Space and Technology Commission. • Member of the Board of Directors and Member of the Nomination and Remuneration Committee of Saudi Arabian Mining Company (Ma'aden). • Member of the Trustees, Sulaiman Al Rajhi Endowment • Member of the Trustees and Member of the Executive Committee, the National Museum. • Member, Gulf Cooperation Council Supreme Council Consultative Authority and Head of the Saudi Delegation. • Member of Board of Directors, Chairman of the Nomination and Remuneration Committee and Member of the Executive Committee, Saudi Arabian Airlines. • Vice Chairman of the Board of Directors, Saudi Azm for Communications and Information Technology. • Vice Chairman of the Board of Directors, Special Integrated Logistics Zone. • Chairman of Board of Directors, Wajbat Osraty (Siwar).

Past Key Professional Experience	• Member of the Board, Obeikan Glass Company. • Chairman of the Board, Uptown Jeddah Company. • Member of the Board, Chairman of the Nomination and Remuneration Committee, and a Member of the Executive Committee, Local Content & Government Procurement Authority. • Member of the Board, Chairman of Privatization Committee and Chairman of Engineering Committee, the General Customs Authority. • Chairman of Board of Directors, Chairman of the Nomination and Remuneration Committee and Executive committee, King Fahad Causeway Authority. • Chairman of the Board and Chairman of Executive Committee, Saudi Company for Exchanging Digital Information (Tabadul). • Member of Committee of Directors and Chairman of the Nomination and Remuneration Committee, Flyadeal Airlines. • Member of the Board and Member of Executive Committee, Saudi Food and Drug Authority. • Governor of the General Authority of Customs, Member of Board of Directors and Chairman of the Nomination and Remuneration Committee, Saudi Ports Authority. • Member of the Board and Chairman of the Nomination and Remuneration Committee, National Gas Company. • Member of the Board, Natural Gas Distribution Company.

Table (5-6): Summary Biography of Fahad Abduljaleel Ali AlSaif

Name	Fahad Abduljaleel Ali AlSaif
Age	48 years
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualification	Bachelor's degree in Management Information Systems, King Fahd University of Petroleum and Minerals, KSA.
Current Key Positions	• Senior Managing Director, the Public Investment Fund. • Member of the Management Committee, the Public Investment Fund. • Member of the Management Investment Committee, the Public Investment Fund. • Member of the Management Liquidity Committee, the Public Investment Fund. • Chairman of the Credit Committee, the Public Investment Fund. • Member of the Board, Insurance Authority. • Member of the Investment Committee, Events Investment Fund • Member of the Executive Committee, Insurance Authority. • Member of the Financial Sector Development Program, FSDP. • Member of Fiscal Sustainability Program, FSP. • Member of the Funding Committee, Saudi Global Enterprises Office. • Chairman of the Board, Aircraft Leasing Company. • Chairman of the Board, Emaar the Economic City. • Vice-Chairman of the Board, Bahri Company. • Vice-Chairman of the Board, The Saudi Real Estate Refinance Company. • Member of the Board, King Salman International Airport Development Company. • Member of the Board, Gulf International Bank. • Member of the Board, Voluntary Carbon Market Company. • Chairman of the Audit and Risk Committee, King Salman International Airport Development Company. • Chairman of the Executive Committee, Emaar the Economic City. • Chairman of the Executive Committee, Aircraft Leasing Company. • Member of the Executive Committee, the Saudi Real Estate Refinance Company. • Member of the Executive Committee, Bahri Company. • Member of the Executive Committee, Gulf International Bank. • Member of the Audit and Risk Committee, Gulf International Bank. • Member of the Investment & Funding Committee, NEOM. • Member of the Nomination and Remuneration Committee, the Saudi Real Estate Refinance Company (SRC).

Past Key Professional Experience	• Advisor to H.E. the Minister of Finance. • Chief Executive Officer and Member of the Board, National Debt Management Center • Deputy Managing Director, SABB. • General Manager, SABB. • General Manager and Head of Corporate Finance and Capital Markets, HSBC Saudi Arabia. • General Manager and Head of Debt Capital Management, HSBC Saudi Arabia. • Head of Risk Advisory, SABB. • Head of Investment and Trade Department, SABB.

Table (5-7): Summary Biography of Dr. Ibrahim Suliman Abdulaziz Al-Rajhi

Name	Dr. Ibrahim Suliman Abdulaziz Al-Rajhi
Age	54
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualification	• Bachelor's degree in Systems Engineering, King Fahd University of Petroleum and Minerals, KSA. • Master's degree in Management, Hult International Business School, 1996G. • Doctorate in Human Resources Management, London Metropolitan University, United Kingdom.
Current Key Positions	• Member of the Board, Transport General Authority • Member of the Executive Committee, Transport General Authority • Chairman of the Board, Madeedah Holding Company. • Member of the Board, Al Rajhi Holding Group Company. • Chairman of the Board, City Cool Company. • Member of Investment Committee, King Fahad Causeway Authority. • Chairman of the Executive Committee, Sulaiman Abdulaziz Al Rajhi Endowments. • Chairman of the Board of Trustees, Sulaiman bin Abdulaziz Al Rajhi Endowment. • Member of the Board, the National Center for Family Business. • Chairman of the Board, Modern Mailing Company. • Member of the Board, Family Business Council Gulf. • Vice-Chairman, Hessah bint Ibrahim Al Qubaisi Academic Excellence Program. • Member of the Advisory Board, School of Business at Al Faisal University. • Member of the Board of Trustees, Nama Al-Rajhi Humanity Establishment. • Chairman of the Board, Tibah Airports Development Company. • Member of the Board of Trustees, Hessah Ibrahim Al Qubaisi Endowment. • Chairman of the Board, Tibah Airports Operating Company.
Past Key Professional Experience	• Chairman of the Board, Arabian Cement Company. • Member of the Board, Arabian Cement Company. • Member of the Board, Al Rajhi Holding Group. • Member of the Board, Sulaiman Al Rajhi Holding Company. • Member of the Board, Al Watania Poultry. • Member of the Board, Sulaiman Al Rajhi Real Estate Company. • Member of the Executive Committee, Sulaiman Al Rajhi Holding Company. • Member of the Board, Al Ajyal Holding Company. • Member of the Board, Al Arrab Contracting Company. • Chairman of the Board, Mada Infrastructure Holding Company. • Chairman of the Board, General Enterprise & Trading Company (GETCO). • Member of the Governance, Remuneration & Nominations Committee, Arabian Cement Company. • Project General Manager, Al Watania Poultry. • Deputy General Manager, Al Watania Poultry. • General Manager, Fursan Travel & Tourism.

Table (5-8): Summary Biography of Sheila Khama

Name	Sheila Khama
Age	67 years
Nationality	Botswanan
Position	Director (Independent)
Academic Qualifications	• Bachelor's degree in Management, University of Botswana and Swaziland. • Master's degree in Management, University of Edinburgh.
Current Key Positions	• Non-executive Board Member at Tullow Oil plc. • Non-executive Board Member at The Metals Company Inc.
Past Key Professional Experience	• Director of Mineral, Oil & Gas and Policy Reforms at the World Bank. • Director of the African Natural Resources Center of the African Development Bank. • Director of Extraction at the Ghanaian Think-Tank. • CEO at De Beers Botswana. • Head of Marketing at First National Bank Botswana Ltd. • Secretary at Anglo American Corporation Botswana. • Secretary at Water Utilities Corporation, Botswana.

Table (5-9): Summary Biography of Omar Hamad Abdulaziz AlMadhi

Name	Omar Hamad Abdulaziz AlMadhi
Age	44 years
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualifications	• Bachelor's degree in Chemical Engineering, University of Pennsylvania. • Master of Business Administration, Massachusetts Institute of Technology.
Current Key Positions	• Co-Head of Direct Investments, the Public Investment Fund. • Chairman of the Board, Al Salam Aircraft Manufacturing Company. • Chairman of the Board, Saudi Iron and Steel Company (Hadeed). • Chairman of the Board and Chairman of the Board Remuneration and Nomination Committee, Jada Fund of Funds. • Chairman of the Board, Tasaru Mobility Investments Company. • Vice Chairman of the Board and Chairman of the Board Executive Committee, Regional Voluntary Carbon Market Company. • Vice Chairman of the Board and Chairman of the Board Executive Committee, Saudi Arabian Military Industries Company (SAMI). • Member of the Board, Member of the Executive Committee and Member of the Nomination and Remuneration Committee, ElSeif Engineering Contracting Company. • Member of the Board, Member of the Nomination and Remuneration Committee and Member of the Strategic Planning Group, Riyad Bank. • Member of the Board and Member of the Investment Committee, NEOM Investment Fund. • Member of the Board, 1957 Ventures. • Chairman of the Board Investment Committee, Industrial Company for Electronics (ALAT). • Chairman of the Technical Investment Committee, CEER Motors. • Chairman of the Board, Iliad Partners. • Chairman of the Board, Awad Capital.

Past Key Professional Experience	• Chairman of the Board and Member of the Executive Committee, Saudi Fisheries Company. • Member of the Board, National Agricultural Development Company (NADEC). • Member of the Board, Shuqaiq Three Company for Water LLC. • Investment Committee Member, Abdul Latif Jameel Land • Advisory Member of the Board, Four Principles. • Member of the Board, Abdul Latif Jameel Logistics. • Member of the Board, Saudi Sports for All Federation. • Member of the Board, Abdul Latif Jameel Real Estate Finance Company. • Member of the Board and Member of the Executive Committee, Job Creation & Employment Commission. • Member of the Board, Endeavor Saudi Arabia. • Senior Managing Director & Member of the Board, Abdul Latif Jameel Investments. • Chief Executive Officer, Volkswagen Group Saudi Arabia. • Assistant Deputy Governor – Research, Analysis, Saudi Arabian General Investments Authority (SAGIA). • Associate, McKinsey & Company. • Process Engineer, Saudi Aramco Shell Refinery Company (SASREF). • Research Engineer, Saudi Aramco.

Table (5-10): Summary Biography of Omar Mohammed Nabeel Mohammed Almidani

Name	Omar Mohammed Nabeel Mohammed Almidani
Age	45 years
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualifications	Bachelor of Commerce in Finance, John Molson School of Business, Canada.
Current Key Positions	• President and Chief Executive Officer, Member of Board of Directors and Member of the Executive Committee, Vision International Investment Company. • Non-Executive Director, Estydama Development Projects Company. • Non-Executive Director, Miahona Company. • Non-Executive Director and Chairman of the Nomination, Remuneration & Compensation Committee, Saudi District Cooling Company. • Non-Executive Chairman, Ajyad Knowledge Company for Education and Training. • Non-Executive Director, Beatona Company. • Non-Executive Director, Saudi Integrated Waste Treatment Company. • Non-Executive Director, Sahara Aluminium Company. • Non-Executive Director of several companies within the Vision Invest Group. • Non-Executive Director and Member of the Nomination and Remuneration Committee, Data Volt Investment LLC. • Non-Executive Director and Member of the Nomination and Remuneration Committee, Data Volt Information Technology Company.
Past Key Professional Experience	• Non-Executive Chairman, East Pipes Integrated Company for Industry. • Non-Executive Chairman, Integrated Tower Company for Telecommunications. • Non-Executive Director, Etihad Energy International Company. • Chairman, Multiforms LLC (UAE). • Non-Executive Chairman, Jeddah Water Services Company. • Non-Executive Chairman, Industrial Cities Development and Operation Company. • Non-Executive Chairman, Riyadh Water Production Company. • Non-Executive Chairman, Jazzirah Environment Company. • Non-Executive Director, Power Acquisition Company. • Non-Executive Director, Health Solutions Medical Company. • Non-Executive Director, Arabian Japanese Membrane Company. • Chief Executive Officer, Beatona Company. • Non-Executive Director, Rafal Real Estate Development Company.

Table (5-11): Summary Biography of Raad Esmat Abdulsamad AlSaady

Name	Raad Esmat Abdulsamad AlSaady
Age	50 years
Nationality	Saudi
Position	Director – Vice Chairman and Managing Director (Executive)
Academic Qualifications	Bachelor's degree in Business Management, Menlo College.
Current Key Positions	• Member of the Board and Chairman of the Audit and Compliance Committee, Saudi Arabian Airlines (SAUDIA). • Member of the Board and Chairman of Executive Committee and Member of the Nomination and Remuneration Committee, General Authority of Foreign Trade (GAFT). • Member of the Board and Chairman of the Nomination and Remuneration Committee, the National Automotive and Mobility Investment Company (NAMIC). • Member of the Board and Chairman of Nomination and Remuneration Committee, Flyadeal. • Vice Chairman, Taweelah for Water Desalination Company.
Past Key Professional Experience	• Research Assistant, American Pacific Venture Capital. • Associate Partner, American Pacific Venture Capital. • Finance Manager, Abdul Latif Jameel. • Insurance General Manager, Head of Hemaya Insurance Company. • Senior General Manager, Abdul Latif Jameel. • Director of Operations, Abdul Latif Jameel. • Acting Managing Director, Abdul Latif Jameel. • Senior Managing Director, Abdul Latif Jameel International. • Vice President, Abdul Latif Jameel Company.

Table (5-12): Summary Biography of Abdullah Fahad Abdullah Abduljabbar

Name	Abdullah Fahad Abdullah Abduljabbar
Age	49
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualifications	Bachelor's degree in Economics, California State University.
Current Key Positions	• Chairman of the Board, SNB Capital Company. • Member of the Board, AlHilal Club Company. • Member of the Board, Sanabil Investment Company. • Member of the Board, Savvy Games Group. • Member of the Board, Richard Attias & Associates Company. • Chairman of the Board, Performance 54 Group. • Member of the Board, Major Food Group. • Member of the Investment Committee, Riyadh Investment & Development Company.
Past Key Professional Experience	• Chief Executive Officer, Sada Investments. • Manager, Bank Albilad. • Head of Listing, the Capital Market Authority.

Table (5-13): Summary Biography of Khalid Saleh Fahad Al-Khattaf

Name	Khalid Saleh Fahad Al-Khattaf
Age	57 years
Nationality	Saudi
Position	Director (Non-Executive)
Academic Qualifications	• Bachelor's degree in Accounting, King Saud University, Saudi Arabia. • Diploma in Economics, American University in Washington, D.C., USA. • Master's degree in Accounting, University of Colorado, USA. • Master's degree in Finance, University of Colorado, USA.
Current Key Positions	N/A
Past Key Professional Experience	• CEO at Saudi Pharmaceutical Industries and Medical Appliances Corporation (SPIMACO). • Senior Vice President and CFO at Saudi Arabian Mining Company (Ma'aden). • CEO at Lafana Holding. • Managing Director and CEO at Nomura Holdings. • CFO at Saudi Stock Exchange (Tadawul). • Deputy Head of Investment and Senior Financial Advisor at the Saudi Central Bank. • Underwriter at the Multilateral Investment Guarantee Agency (MIGA) at the World Bank in Washington, D.C.

The Board Secretary of the Company is Ms. Shoug Ahmed Mohammed Sahab, who assumed the role in the year 2025G.

Summary Biography of the Secretary of the Board Shoug Ahmed Mohammed Sahab

Table (5-14): Summary Biography of Shoug Ahmed Mohammed Sahab

Name	Shoug Ahmed Mohammed Sahab
Age	32 years
Nationality	Saudi
Position	Board Secretary
Academic Qualifications	• Bachelor's degree in Law, Prince Sultan University, KSA. • Master's degree in Law, the University of Toronto, Canada.
Current Key Positions	N/A
Past Key Professional Experience	• General Counsel and Board Secretary at American Express Saudi Arabia. • Legal Department Manager and Board Secretary, and Committee Secretary at Xerox Saudi Arabia and Xerox Trading Company. • Legal and Contracts Department Manager at the General Authority for Diplomatic Quarter. • Legal Advisor and Board Secretary at Alsalam Aerospace Industries.

5-1-4 Senior Executives

The Company is managed by a highly experienced team of Senior Executives with the necessary knowledge and skills to manage the Company's daily operations. Set out below is a summary of the composition of the Senior Executive team as at the date of this Prospectus:

Table (5-15): Senior Executives

	Name	Position	Nationality	Age	Appointment Date
1.	Marco Arcelli	Chief Executive Officer	Italian	53	20 March 2023G
2.	Abdulhameed Sulaiman Abdulkadir Al Muhaidib	Chief Financial Officer	Saudi	40	1 August 2022G
3.	Faisal Yousef Ismail Jadu	Chief People and Culture Officer	Saudi	46	1 November 2022G
4.	Ghassan Hosni Omar Shawli	Chief & Governance Legal Officer	Saudi	47	1 April 2021G
5.	Stefan Verlee*	Chief Operations Officer	Belgian	54	2 July 2022G
6.	Bart Boesmans	Chief Technology Officer	Belgian	60	1 January 2021G
7.	Thomas Brostrom	Chief Business Development & Investment Officer	Danish	44	2 October 2023G
8.	Eric Maka	Chief Construction Officer	Belgian	52	1 February 2024G
9.	Simon Watson	Chief Corporate Affairs & Sustainability Officer	British	44	1 February 2024G
10.	Rusha Khalid Sulaiman Al Rawaf	Chief Corporate Affairs & Sustainability Officer	Saudi	48	14 July 2024G
11.	Tahir Mahmood	Chief Risk Officer	British	54	4 September 2024G
12.	Hesham Abdulaziz Abdulmohi Tashkandi	Geo Head KSA	Saudi	50	1 February 2024G
13.	Hashim Ghabashi	Geo Head for Middle East, Africa and Southeast Asia	Saudi	45	1 February 2024G
14.	Abid Malik	Geo Head Central Asia	Pakistani	55	1 February 2024G
15.	Saleh Alkhabti	Geo Head for China	Saudi	44	7 January 2025G
16.	Furqan Kamlani	Chief Audit Officer	Pakistani	50	14 April 2019G

Source: the Company

* Stefan Verlee previously held the position of Chief Operation and Maintenance Officer since his appointment on 2 August 2022G and up until 1 February 2024G, after which his title was updated to Chief Operations Officer.

The Group has entered into employment contracts with all members of the executive management, whether directly with the Company or through its Subsidiaries. These contracts stipulate their salaries and remuneration according to their qualifications and experiences. As at the date of this Prospectus, some of the Senior Executives have entered into contracts with the Subsidiaries, since the Company operates as a holding company and the Group operates through the Subsidiaries in numerous countries, thus the Senior Executives manage the operations at the Group level. The Company has also entered into a service agreement with some of these Subsidiaries governing the service relationship provided by each of the Group's Senior Executives, including the transfer of employees between Group companies, if necessary. The Company confirms the following:

1- The employment contracts of each Senior Executive expressly state the possibility of transferring the employee to any of the Group companies (including the Company) to fulfil their duties.

2- Each employee is duly registered in the country in which the relevant subsidiary operates, including with social security.

3- Employees are residents of the country in which they are registered, do not work in other countries for extended periods and do not perform any work that may lead to being considered an employee of another company or in another country where such arrangement would not comply with applicable laws, subject to the labour regulations in force.

5-1-5 Summary Biographies of the Senior Executives

Table (5-16): Summary Biography of Marco Arcelli

Name	Marco Arcelli
Age	53 years
Nationality	Italian
Current Position in the Company	Chief Executive Officer
Academic Qualifications	• Master's degree in Mechanical Engineering, Università degli Studi di Genova, Italy.
Current Key Positions	Non-Executive Supervisory Board Member, Metro AG.
Past Key Professional Experience	• Chief Executive Officer, EP Global Commerce. • Chief Executive Officer, Enel Trade. • Executive Vice President, Upstream Gas Enel Trade. • Chairman, EP New Energy. • Member of the Audit and Human Resources Committee in several listed companies in Germany and Russia. • Member of the Board in several companies within the Group. • Mentor in several support organisations.

Table (5-17): Summary Biography of Abdulhameed Sulaiman Abdulkadir Al Muhaidib

Name	Abdulhameed Sulaiman Abdulkadir Al Muhaidib
Age	40 years
Nationality	Saudi
Current Position in the Company	Chief Financial Officer
Academic Qualifications	• Bachelor of Business Administration in Finance, University of Miami. • Master of Business Administration, Pepperdine University Graziadio School of Business and Management.
Current Key Positions	• Member of the Board, HSBC Saudi Arabia. • Member of the Risk Committee, HSBC Saudi Arabia • Independent Member of the Audit Committee, Tadawul Group. • Member of the Risk Committee, Saudi British Bank (SABB).
Past Key Professional Experience	• Member of the Internal Audit & Risk Committee, Savola Group. • Several Global Investment Banking and Advisory positions in HSBC Middle East and Saudi Arabia. • Several positions in multiple Group companies.

Table (5-18): Summary Biography of Faisal Yousef Ismail Jadu

Name	Faisal Yousef Ismail Jadu
Age	46 years
Nationality	Saudi
Position	Chief People and Culture Officer
Academic Qualifications	Bachelor's degree in Management Information Systems, King Fahd University of Petroleum and Minerals, KSA.
Current Key Positions	• Member of the Nomination and Remuneration Committee, Local Content and Government Procurement Authority. • Member of the Nomination and Remuneration Committee, the National Security Services Company (SAFE KSA). • Member of the Nomination and Remuneration Committee, Saudi Airlines. • Member of the Nomination and Remuneration Committee, Awqaf. • Member of the Nomination and Remuneration Committee, Environmental fund. • Member of the Nomination and Remuneration Committee, Basiqat Alkhaleej. • Member of the Nomination and Remuneration Committee, Emkan Finance. • Member of the Nomination and Remuneration Committee, Destination Development Company. • Member of the Nomination and Remuneration Committee, Royal Commission for Makkah City and Holy Sites. • Member of the Nomination and Remuneration Committee, the National Water Company. • Member of the Nomination and Remuneration Committee, Saudi Crafts Company. • Chairman of the Nomination and Remuneration Committee, AlObeikan Industrial Company. • Member of the Nomination and Remuneration Committee, Saudi Telecom Company (STC) Bahrain. • Member of the Nomination and Remuneration Committee, Western Health Sector. • Member of the Nomination and Remuneration Committee, AlSaudiaan Real Estate. • Member of the Nomination and Remuneration Committee, Zakat, Tax and Customs Authority (ZATCA). • Member of the Nomination and Remuneration Committee, Waqf Aljomaih. • Member of the Nomination and Remuneration Committee, National Infrastructure Fund. • Member of the Board, AlObeikan Industrial Company. • Member of the Board, Energy and Water Academy. • Member of the Board, National Water Company • Executive Member of the Board, Rafal Real estate Development
Past Key Professional Experience	• Chief Human Resources Officer, Saudi British Bank (SABB). • Chief Executive Officer of the Financial Skills Centre, the Ministry of Finance. • Member of the Nomination and Remuneration Committee, Saudi Customs. • Member of the Nomination and Remuneration Committee, SABB Takaful. • Member of the Nomination and Remuneration Committee, Saudi Ports Authority (Mawani). • Member of the Nomination and Remuneration Committee, ACWA Power. • Member of the Nomination and Remuneration Committee, National Institute for Education and Professional Development. • Member of the Nomination and Remuneration Committee, Technical and Vocational Training Corporation. • Member of the Nomination and Remuneration Committee, HSBC Saudi Arabia. • Member of the Nomination and Remuneration Committee, Small and Medium Enterprises General Authority (Monsha'at). • Member of the Nomination and Remuneration Committee, Ministry of Health. • Member of the Nomination and Remuneration Committee, Human Resources Development Fund. • Member of the Nomination and Remuneration Committee, Saudi Export Import Bank. • Member of the Nomination and Remuneration Committee, Waqf Sulaiman AlRajhi. • Member of the Nomination and Remuneration Committee, Dussur Investment Company. • Member of the Nomination and Remuneration Committee, Ejada. • Member of the Board, National Institute of Educational Professional Development. • Member of the Board, Technical and Vocational Training Corporation.

Table (5-19): Summary Biography of Ghassan Hosni Omar Shawli

Name	Ghassan Hosni Omar Shawli
Age	47 years
Nationality	Saudi
Current Position in the Company	Chief Legal & Governance Officer
Academic Qualifications	• Bachelor's degree in Chemical Engineering. • Jurisprudence Doctorate degree.
Current Key Positions	N/A
Past Key Professional Experience	• Chief Legal Officer, Diriyah Gate Development Authority. • Member of the Board, Aircraft Accessories & Components Company. • Member of the Audit Committee, Aircraft Accessories & Components Company. • Vice President Legal Affairs, Saudi Arabian Airlines Cooperation. • Senior Legal Counsel, Saudi Arabian Oil Company. • Chief Counsel, Aramco Asia Group Companies. • Secretary of the Board, Petro Rabigh Company.

Table (5-20): Summary Biography of Stefan Verlee

Name	Stefan Verlee
Age	54 years
Nationality	Belgian
Current Position in the Company	Chief Operations Officer
Academic Qualifications	• Bachelor's Degree in Industrial Engineering from the Catholic Industrial College in Antwerp, Belgium. • Master in Business Administration, Jacobs University in Bremen, Germany. • Master in Electro-Mechanical Engineering, University of Leuven, Belgium. • Professional Doctorate in Business Management, European International University, France.
Current Key Positions	President and Chief Executive Officer, NOMAC.
Past Key Professional Experience	• Executive Vice President, NOMAC. • Vice President, NOMAC International. • General Manager, Jubail O&M Company. • Chief Operating Officer Jubail O&M Company. • Project Engineer in several projects.

Table (5-21): Summary Biography of Bart Boesmans

Name	Bart Boesmans
Age	60 years
Nationality	Belgian
Current Position in the Company	Chief Technology Officer
Academic Qualifications	• Bachelor's degree in Mechanical Engineering, University of KU Leuven. • Master's degree in Mechanical Engineering, University of KU Leuven. • PhD in Mechanical Engineering, University of KU Leuven.
Current Key Positions	Visiting Professor, University of KU Leuven.
Past Key Professional Experience	• Several C-Suite positions, ENGIE. • Deputy Managing Director, Global Business Line Renewables, ENGIE. • Chief Executive Officer, Laborelec.

Table (5-22): Summary Biography of Thomas Brostrom

Name	Thomas Brostrom
Age	44 years
Nationality	Danish
Position	Chief Business Development & Investment Officer
Academic Qualifications	• Bachelor of Science in Finance & International Business, Aarhus School of Business. • Master of Science in Finance & International Business, Aarhus School of Business.
Current Key Positions	N/A
Past Key Professional Experience	• Executive Vice President for Renewable Generation, Shell Plc. • President, Orsted North America. • Member of Board, American Wind Energy Association (AWEA). • Member of Board, Massachusetts Business Roundtable. • Member of Board, Renewable.

Table (5-23): Summary Biography of Eric Maka

Name	Eric Maka
Age	52 years
Nationality	Belgian
Current Position in the Company	Chief Construction Officer
Academic Qualifications	• Bachelor's degree in Industrial Engineering, École Centrale des Arts et Métiers, Belgium. • Master of Science in Industrial Engineering, École Centrale des Arts et Métiers, Belgium.
Current Key Positions	N/A
Past Key Professional Experience	• Chief Executive Officer and Chairman, Tihama Power Generation. • Chief Operating Officer, ENGIE, Middle East. • President and Chief Executive Officer, Senoko Energy. • Head of Asset Management, ENGIE, Middle East. • Member of the Board and Chairperson of several projects and companies.

Table (5-24): Summary Biography of Simon Watson

Name	Simon Watson
Age	44 years
Nationality	British
Current Position in the Company	Chief Health, Safety, Security & Environment Officer
Academic Qualifications	• Diploma of Project Management. • Diploma of Occupational Health and Safety Management. • Master of Business Administration.
Current Key Positions	N/A
Past Key Professional Experience	• Head of Health, Safety, Security and Wellbeing, Thames Water UK. • Head of Health, Safety, Environment, Sustainability & Quality, Siemens Mobility UK • Vice President of Health, Safety, Sustainability, Environment & Security, Wood Plc (Europe, Middle East, and Africa).

Table (5-25): Summary Biography of Rusha Khalid Sulaiman Al Rawaf

Name	Rusha Khalid Sulaiman Al Rawaf
Age	48 years
Nationality	Saudi
Current Position in the Company	Chief Corporate Affairs & Sustainability Officer
Academic Qualification	• Bachelor's degree in Computer Science with a minor in Information System, University of Bahrain. • Executive Master of Business Administration, London Business School. • PhD, University of California, Santa Barbara.
Current Key Positions	N/A
Past Key Professional Experience	• Managing Director, Aramco UK. • Manager, Saudi Aramco. • Several senior positions in several institutions in the Kingdom of Saudi Arabia and abroad.

Table (5-26): Summary Biography of Tahir Mahmood

Name	Tahir Mahmood
Age	54 years
Nationality	British
Current Position in the Company	Chief Risk Officer
Academic Qualifications	• Bachelor's degree in Managerial and Administrative Studies, University of Aston, United Kingdom.
Current Key Positions	N/A
Past Key Professional Experience	• Chief Risk and Compliance Officer, Saudi Electricity Company. • Chief Audit Executive at UK Power Networks.

Table (5-27): Summary Biography of Hesham Abdulaziz Abdulmohi Tashkandi

Name	Hesham Abdulaziz Abdulmohi Tashkandi
Age	50 years
Nationality	Saudi
Current Position in the Company	Geo Head KSA
Academic Qualifications	• Bachelor's degree in Engineering. • Master's degree in Electrical Engineering, Case Western Reserve University. • Master of Business Administration, Emory University, USA.
Current Key Positions	N/A
Past Key Professional Experience	• Field Service Engineer, General Electric Company. • Cluster Chief Executive Officer, Rezayat Company. • Vice President and General Manager, Honeywell Middle East. • Vice President, Exterran Corporation Middle East & Africa. • Several positions in General Electric Company.

Table (5-28): Summary Biography of Hashim Ghabashi

Name	Hashim Ghabashi
Age	45 years
Nationality	Saudi
Current Position in the Company	Geo Head for Middle East, Africa and Southeast Asia
Academic Qualification	• Bachelor's degree in Mechanical Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia.
Current Key Positions	N/A
Past Key Professional Experience	• Several positions in several companies within the Group.

Table (5-29): Summary Biography of Abid Malik

Name	Abid Malik
Age	Pakistani
Nationality	55 years
Current Position in the Company	Geo Head Central Asia
Academic Qualifications	• Bachelor's degree, University of Engineering and Technology, Pakistan.
Current Key Positions	Member of the Board of several companies within the Group.
Past Key Professional Experience	• Several positions, ACWA Power. • Several functional and leadership positions in AES & Engro Power.

Table (5-30): Summary Biography of Saleh Alkhabti

Name	Saleh Alkhabti
Age	Saudi
Nationality	44 years
Current Position in the Company	Geo Head Central Asia
Academic Qualifications	• Master's in Business Administration, specializing in Marketing, Phoenix, USA, 2009. • Bachelor's in Chemical Engineering (in Chinese), Xiamen University, China, 2005.
Current Key Positions	N/A
Past Key Professional Experience	• Deputy Minister for Investment Affairs and Acting Deputy Minister for Sector Development, Ministry of Investment. • Vice President of Business Development and Vice President of Joint Venture Development, Aramco Asia, China. • Head of Diesel Complex Unit and Corporate Planning, Aramco, Saudi Arabia. • Oil Market Analyst, Aramco, Saudi Arabia.

Table (5-31): Summary Biography of Furqan Kamlani

Name	Furqan Kamlani
Age	50 years
Nationality	Pakistani
Current Position in the Company	Chief Audit Officer
Academic Qualifications	• Bachelor of Commerce, Pakistan.
Current Key Positions	N/A
Past Key Professional Experience	• Head of Finance and Administration of the Group's operations, Pakistan and United Arabic Emirates. • Head of Audit for Emirates operations and Group. • Chief Audit & Risk Officer, Saudia Technic.

5-1-6 Remuneration of Directors and Senior Executives

Subject to the Company's Bylaws, remuneration of Board members shall be determined in accordance with the official decisions and instructions issued by the Ministry of Commerce and the CMA in this context and within the provisions of the Companies Law and its Implementing Regulations, the Corporate Governance Regulations, and any other applicable laws and regulations. Based on the Company's Remuneration Policy, each Board member shall be paid a lump-sum annual remuneration amount of SAR 350,000 (excluding attendance fees) in consideration for their positions as Directors of the Company and their contribution to the Board's activities.

Each Director is paid an amount of SAR 5,000 as an attendance fee per Board meeting, whether attended in person or through any remote channel.

The total remuneration granted to the Directors and the top five Senior Executives by the Company and any of its Affiliates, including salaries, benefits and allowances for the financial years ended 31 December 2021G, 2022G and 2023G are set out in the table below.

Table (5-32): Directors and Top Five Senior Executives Remuneration from the Company and any of its Affiliates

	2021G SAR	2022G SAR	2023G SAR
Directors	44,113,464*	4,231,750	3,511,294
Members of Company committees	3,363,500	3,676,250	3,845,033
Senior Executives**	117,244,644	30,827,365	38,746,764
Total	**164,721,608**	**38,735,365**	**46,103,091**

Source: the Company

* Including an additional amount received by the previous board member Thamer Al Sharhan (which is more than SAR 500,000) considering that this amount is provided in exchange for additional work and services that he provides to the Company under his previous services agreement, which has been by the Company's general assembly on 13 June 2021G, in accordance with the provisions of Article 71 of the Companies Law.

** Top five, including the Company's CEO and CFO.

The Directors and the Senior Executives are prohibited from voting on decisions relating to their own remuneration. The Directors and the Senior Executives are prohibited from borrowing from the Company or from voting on a contract or arrangement in which they have an interest.

5-2 Corporate Governance

5-2-1 Overview

The key sources of corporate governance for the Company are the Corporate Governance Regulations issued by the CMA, certain provisions of the Companies Law and corporate governance best practices in the Kingdom. The Company has adopted a Corporate Governance Manual which is derived from the CMA's Corporate Governance Regulations and has been tailored to fit the size, operations and organizational structure of the Company. The framework under the Corporate Governance Regulations regulates the various relationships between the Board of Directors, Senior Executives, Shareholders and other stakeholders, by establishing rules and procedures to facilitate decision making processes with the objective of protecting the rights of shareholders and other stakeholders and promoting the values of integrity, fairness, competitiveness and transparency in the Company's conduct on the Exchange and in the business environment.

These regulations, which entail the implementation of a clear and transparent disclosure process, ensure that the Board acts in the best interests of the Shareholders and presents a clear and fair view of the financial condition of the Company and the results of its operations and financial status and results.

The Company's Corporate Governance Manual aims to adopt high standards of corporate governance, applying the provisions of the Corporate Governance Regulations to the Company. It is noted that the Company currently implements most of the provisions of the Corporate Governance Regulations and believes that its commitment to adhering to and complying with the Corporate Governance Regulations and other relevant laws and regulations is a crucial factor in its continued success. The Company will continue to update its internal Corporate Governance Code as necessary to reflect best practices.

5-2-2 Corporate Governance Guidelines and Internal Policies

The Company must comply with the provisions of the Corporate Governance Regulations. The Company has implemented several corporate governance guidelines and policies to provide guidance for the effective governance of the Company in an effort to enhance long-term shareholder value and to ensure compliance with the Corporate Governance Regulations and any other applicable rules and regulations issued by the CMA. These include, but are not limited to, the following:

- Corporate Governance Manual;
- Code of Business Conduct and Ethics Policy;
- Policies and Criteria for the Selection of Board Members, Committee Members and the Senior Executives;
- Audit Committee Charter;
- Nomination and Remuneration Committee Charter;
- Remuneration Policy;
- Policy on Related Party Transactions and Conflict of Interest;
- Distribution of Dividends Policy;
- Administrative and Financial Policies;
- Whistle-blowing Policy.
- Company Stakeholders Policy; and
- Disclosure and Transparency Policy and Procedures Manual.

The Company has implemented a governance policy that adheres to the mandatory governance requirements applicable to listed joint-stock companies in the Kingdom and regulates the formation of Board, conflict of interest situations, and shareholders' rights. The internal Corporate Governance Manual was approved by the Board of Directors on 7 April 2021G (corresponding to 25/08/1442H), which the Company will continue to update to comply with the requirements and provisions of the Companies Law and the applicable rules and regulations.

5-3 The Board Committees

5-3-1 Board of Directors Committees

Other than the Audit Committee, the Board of Directors has established other committees to improve the management of the Company. A charter for each committee has been adopted, which sets out its role and responsibilities, powers and delegations and conduct of meetings for the purposes of discharging the duties of each committee.

Currently, the Company has four (4) Board committees in place, being; the Nomination and Remuneration Committee, the Risk and Safety Committee, the Audit Committee, and the Executive Committee, which are responsible for reviewing the Company's operations within their particular areas of expertise and presenting their findings and suggestions/endorsements to the Board and Shareholders (as the case may be).

The following is a summary of the structure, responsibilities and current members of each Board Committee.

5-3-2 Audit Committee

The Audit Committee has been formed by a resolution of the General Assembly dated 01/12/1429H (corresponding to 29/11/2008G). The Company has also prepared the Audit Committee charter, which was approved by the Board in its session held on 25/08/1442H (corresponding to 07/04/2021G), ratified by the Ordinary General Assembly during its session held on 03/11/1442H (corresponding to 13/06/2021G). The Company's bylaws were amended during the Extraordinary General Assembly session held on 2 January 2025, in which the Audit Committee's members appointment are made by a resolution by the Board.

The Audit Committee is composed of five (5) members, appointed by the General Assembly for a period not exceeding the term of the Board membership, provided that such membership does not exceed three (3) years. The committee consists of one (1) Independent and non-executive Director, and four (4) external non-Board members, one of whom is the chairman of the committee. None of the committee members are executive Board members, and the Chairman of the Board of Directors will not be a member of the Audit Committee.

All Audit Committee members are competent in monitoring the Company's activities and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The Audit Committee is primarily responsible for analysing the Company's interim and annual financial statements before presenting them to the Board and examining, reviewing the external auditor's reports and its comments on the financial statements, reviewing the Company's internal financial control systems, overseeing the performance and activities of the internal auditor and internal audit department of the Company and overseeing compliance with the Corporate Governance Regulations and other the relevant laws, regulations and policies.

The following table shows the composition of the Audit Committee as at the date of this Prospectus:

Table (5-33): Audit Committee Members

Name	Role
Mr Khalid Ibrahim Saad Al Rabiah	Chairman (External member/ Non-Executive)
Mr Mike Cheng	Member (External Member/ Non-Executive)
Mr Rasheed Abdulrahman Nasser Al Rasheed	Member (External Member/ Non-Executive)
Mr Abdulaziz Mohammed Abdullatif Almulhim	Board Member (External Member)
Ms Sheila Khama	Board Member (Non-Executive/ Independent)

Source: the Company

5-3-3 Summary Biography of the Audit Committee

Table (5-34): Summary Biography of the Audit Committee Chairman Khalid Al Rabiah

Name	Khalid Ibrahim Saad Al-Rabiah
Age	62 years
Nationality	Saudi
Position	Chairman of the Audit Committee
Academic Qualifications	Bachelor's degree in Accounting, University of Toledo.
Current Key Positions	• Chairman of the Board, Arab Company for Drug Industries and Medical Appliances (ACDIMA). • Member of the Board, Member of the Investment Committee and Chairman of the Risk Committee, Yanbu National Petrochemical Company (Yansab). • Member of the Board and Member of the Audit Committee, the Tunisian Saudi Bank (TSB), • Chairman of the Board and Chairman of the Executive Committee, Al Dowyan Real Estate Group. • Member of the Board and Chairman of the Audit Committee, Abdullah Al Othaim Investment Co. • Member of the Board and Chairman of the Audit Committee, East Pipes Integrated Co. for Industry (EPIC) • Member of the Board and Chairman of the Audit Committee, Miahona Co. • Member of the Board, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, Southern Province Cement Co. • Chairman of the Audit Committee, Saudi Tabreed Co. • Member of the Board and Chairman of the Audit Committee, Tarabot Charitable organization • Founder and Chairman, Khalid Al Rabiah Financial Advisory
Past Key Professional Experience	• Chairman, the Exchange (Tadawul). • Consultant, The Ministry of Industry & Mineral Resources • Consultant, The Saudi Mining Services Co. (ESNAD). • Chief Executive Officer, Methanol Chemical Company. • Chief Financial Officer, Saudi Arabian Amiantit Company. • Accountant, Saudi Arabian Monetary Agency (SAMA). • Chairman of the Board Audit Committee, Mehan Company.

Table (5-35): Summary Biography of the Audit Committee Member Mike Cheng

Name	Mike Cheng
Age	54 years
Nationality	British
Position	Member of the Audit Committee
Academic Qualifications	• Bachelor's degree in Aerospace Systems Engineering, University of Southampton.
Current Key Positions	• Managing Director and Chief Audit Executive, Public Investment Fund. • Chairman of the Audit Committee, Savvy Games Group. • Chairman of the Audit Committee, Aircraft Leasing Company – Avilease. • Chairman of the Audit Committee, ROSHN Group. • Member of the Audit Committee, Saudi Arabian Mining Co. (Ma'aden). • Member of the Audit Committee, CEER Motors. • Member of the Audit Committee, LIV GOLF. • Member of the Audit Committee, Industrial Company for Electronics (ALAT).
Past Key Professional Experience	• Chief Risk & Compliance Officer, Prudential, Indonesia. • Chief Audit Executive, Prudential Asia • Managing Director, head of Audit, Barclays Bank Asia. • Regional Head of Audit in UK & Europe, Deutsche Bank. • Manager, KPMG.

Table (5-36): Summary Biography of the Audit Committee Member Sheila Khama

Name	Sheila Khama
Position	Member of the Audit Committee
Biography	For further details on the biography of Mr Li Ping, please refer to Section 5-1-3 ("**Summary of the Biographies of the Directors**").

Table (5-37): Summary Biography of the Audit Committee Member Rasheed Abdulrahman AlRasheed

Name	Rasheed Abdulrahman Nasser AlRasheed
Age	59 years
Nationality	Saudi
Position	Member of the Audit Committee
Academic Qualifications	• Diploma, English Language, Economics, and Accounting Courses, The Economics Institute Boulder, USA.

Current Key Positions	• Member of the Board, Arabian Shield Cooperative Insurance Company. • Member of the Board and Member of Audit Committee, Dr. Sulaiman Al Habib Medical Services Group Company. • Member of the Board, AlHassan Ghazi Ibrahim Shaker Company. • Chairman of the Board, Al Ramz Real Estate Company. • Member of the Board, Member of the Executive Committee, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, Saudi Logistics Services (SAL). • Member of the Board, Tarabot Investment and Development Company. • Managing Director, Tarabot Investment and Development Company. • Member of the Board, Chairman of the Executive Committee, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, Saudi Airlines Cargo Company. • Member of the Board and Member of the Executive Committee, Vision International Investment Company. • Member of the Board, Himmah Capital Limited Company. • Chairman of the Board, Himmah Capital Investment Company. • Member of the Board of Managers, Tarabot Air Cargo Services Company. • Member of the Board of Managers and the Audit and Risk Committee Chairman, Jazan Gas Projects Company. • Member of the Board of Managers, Saudi Integrated Company for Waste Treatment. • Member of the Board of Managers, Data Volt Information Technology Company.
Past Key Professional Experience	• Chairman of the Board of Managers, Zelan Arabia Company. • Member of the Board of Managers, Al Athat Company. • Vice Chairman, Saudi District Cooling Company. • Chairman of the Board of Managers, Network Coverage Company for Communication. • Member of the Board of Managers, Integrated Towers Company for Communication. • Member of the Board of Managers, International Company for Water and Power Projects. • Member of the Board of Managers, Central District Cooling Company. • Chairman of the Board of Managers, Saudi Riyadh Cooling Company. • Chairman of the Board of Managers, Dhahran Valley Colling Company. • Chairman of the Board of Managers, Saudi Dhahran Cooling Company. • Chairman of the Board of Managers, Saudi Tabreed Operations & Maintenance Company. • Managing Director, Saudi District Cooling Company (Tabreed). • Member of the Board, Saudi District Cooling Company (Tabreed). • Owner, Al Ramz Real Estate Company. • Chairman of the Board of Managers, Riyadh Water Production Company. • Member of the Board of Managers, Global Ports & Railways Company. • Member of the Board of Managers, Welspun Middle East Pipes Company. • Member of the Board of Managers, Arabian Japanese Membrane Company. • President & CEO, Arabian Company for Water and Power Development Company (formerly ACWA Holding). • Member of the Board of Managers, Arabian Company for Water and Power Projects. • Member of the Board of Managers, Shuaibah Water and Electricity Company. • Member of the Board, Abdullah Abunayyan Group. • Member of the Board of Managers, Shuqaiq Water and Electricity Company. • Member of the Board of Managers, Rabigh Water and Electricity Company. • Group Vice President & Chief Financial Officer, Abdullah Abunayyan Group. • Senior Management Information Advisor, Al Rashed Certified Public Accountants. • Senior Management Consultant, Al Rashed Certified Public Accountants. • Management Consultant, Al Rashed Certified Public Accountants. • Computer Programmer and Systems Analyst, Royal Saudi Air Force (BDM International). • Computer Programmer, Saudi Telecom Company (STC).

Table (5-38): Summary Biography of the Audit Committee Member Abdulaziz Mohammed Abdullatif Almulhim

Name	Abdulaziz Mohammed Abdullatif Almulhim
Age	50 years
Nationality	Saudi
Position	Member of the Audit Committee
Academic Qualifications	• Bachelor's degree in Industrial Engineering, King Fahd University of Petroleum and Minerals, Saudi Arabia. • Master's degree in Business Administration, University of Leeds, United Kingdom.
Current Key Positions	• Board Member of Al Ramz Real Estate Company. • Member of the Audit Committee at Thiqa Company. • Member of the Audit Committee at Bin Dawood Company. • Member of the Risk Committee at the National Infrastructure Fund.
Past Key Professional Experience	• Board Member of Al Dar Chemicals Company. • Board Member of Advanced Pipe Solutions Company. • Member of the Audit Committee at Saudi Logistics Services Company (SAL). • Member of the Audit Committee at Miahona Company.

5-3-4 Nomination and Remuneration Committee

In compliance with the Corporate Governance Regulations, the Nomination and Remuneration Committee has been formed by a resolution of the Board dated 17/04/1433H (corresponding to 10/03/2012G). The Company has also adopted the Nomination and Remuneration Committee charter, which was approved by the Board in its session held on 25/08/1442H (corresponding to 07/04/2021G), ratified by the Ordinary General Assembly during its session held on 03/11/1442H (corresponding 13/06/2021G).

The Nomination and Remuneration Committee consists of five (5) members, appointed by the Board for a period not exceeding the term of the Board membership, provided that such membership does not exceed three (3) years. The committee consists of one (1) Independent Director, who also serves as the chairman, two (2) non-executive Board members and two (2) external non-Board members. None of the committee members are executive Board members.

The Nomination and Remuneration Committee is primarily responsible for, among other things, suggesting clear policies and standards for membership of the Board and the Executive Management, preparing a clear policy for the remuneration of the Board members, its committees, and the Executive Management, providing recommendations to the Board in respect of the remunerations of its members, the members of the Board committees and the Executive Management, in accordance with the approved policy, and recommending to the Board of Directors for approval of the appointment or dismissal of the Chief Executive Officer and Senior Executives based on internal policies or Board resolutions.

The following table shows the composition of the Nomination and Remuneration Committee as at the date of this Prospectus:

Table (5-39): Nomination and Remuneration Committee Members as at the date of this Prospectus

Name	Role
H.E. Ahmed Abdulaziz Mohammed AlHakbani	Chairman (Non-Executive Director/ Independent)
Mr Tariq Alamoudi	External Member/ Non-Executive
Ahmad Al-Ghamdi	External Member/ Non-Executive
Omar Mohammed Nabeel Mohammed AlMidani	Member (Non-Executive)
Omar Hamad Abdulaziz Al-Madhi	Member (Non-Executive Director)

Source: the Company

5-3-5 Summary Biography of the Nomination and Remuneration Committee

Table (5-40): Summary Biography of the Nomination and Remuneration Committee Chairman H.E. Ahmed Abdulaziz Mohammed AlHakbani

Name	H.E. Ahmed Abdulaziz Mohammed AlHakbani
Position	Chairman of the Nomination and Remuneration Committee
Biography	Please refer to Section 5-1-3 ("**Summary of the Biographies of the Directors**").

Table (5-41): Summary Biography of the Nomination and Remuneration Committee Member Omar Hamad Abdulaziz Al-Madhi

Name	Omar Hamad Abdulaziz Al-Madhi
Position	Member of the Nomination and Remuneration Committee
Biography	Please refer to Section 5-1-3 ("**Summary of the Biographies of the Directors**") .

Table (5-42): Summary Biography of the Nomination and Remuneration Committee Member Omar Mohammed Nabeel Mohammed AlMidani

Name	Omar Mohammed Nabeel Mohammed AlMidani
Position	Member of the Nomination and Remuneration Committee
Biography	Please refer to Section 5-1-3 ("**Summary of the Biographies of the Directors**") .

Table (5-43): Summary Biography of the Nomination and Remuneration Committee Member Ahmed Al-Ghamdi

Name	Ahmed Al-Ghamdi
Age	45 years
Nationality	Saudi
Position	Member of the Nomination and Remuneration Committee
Academic Qualifications	• Bachelor's degree in Industrial Engineering, King Fahd University for Petroleum and Minerals, KSA. • Master's degree in MB, Hull University.
Current Key Positions	• Chief Human Resources Officer, Saudi Telecom Company (STC). • Independent Director and Member of the Nomination and Remuneration Committee, General Organization for Social Insurance (GOSI). • Independent Director and Member of the Nomination and Remuneration Committee, Economic Cities Authority (ECZA). • Independent Director and Member of the Nomination and Remuneration Committee, First Milling Company. • Independent Director and Member of the Nomination and Remuneration Committee, SPIMACO Addwaeih. • Independent Director and Member of the Nomination and Remuneration Committee, Saudi Arabian Military Industries Company (SAMI).
Past Key Professional Experience	• General Manager, Saudi Telecom Company (STC). • Human Capital Senior Associate, Mercer. • Human Resources Head, National Unified Procurement Company for Medical Supplies (NUPCO). • Head of Human Resources, LAZURDE Group. • Recruitment and Acting HR Manager, Al Safi Danone. • Human Resources Specialist, National Air Services (NAS). • Section Manager, Hyper Panda – Savola.

Table (5-44): Summary Biography of the Nomination and Remuneration Committee Member Tariq Al-Amoudi

Name	Tariq Al-Amoudi
Age	41 years
Nationality	Saudi
Position	Member of the Nomination and Remuneration Committee
Academic Qualification	• Bachelor's degree in Marketing Management, Griffith University, Australia. • Master's degree in Business Administration, Griffith Business School, Australia.
Current Key Positions	• Chief Human Rescores Officer, Bupa Arabia. • Member of the Board of Directors and the Audit and Governance Committee Member of Kaffa Efficiency Excellence. • Member of the Board and Member of the Nomination and Remuneration Committee, Health Holding Company (Western Region Cluster). • Member of the Board and Chairman of the Nomination and Remuneration Committee, Education Infrastructure Holding Company. • Member of the Board and Chairman of Nominations & Remuneration Committee, SVC. • Member of the Nomination and Remuneration Committee, Diriyah Company. • Board NRC member, SAL Saudi Logistics.
Past Key Professional Experience	• Member of the Nomination & Remuneration Committee, Uptown Jeddah Company. • Member of the Nomination and Remuneration Committee, Milling Company. • Member of the Nomination and Remuneration Committee, Endeavor. • Member of the Human Resources Committee, Saudi Arabian Monetary Agency (SAMA) Advisory Council. • Director of Human Resources, Procter & Gamble. • Global Director of Human Resources, Procter & Gamble. • Head of Human Resources, Procter & Gamble.

5-3-6 Risk and Safety Committee

In compliance with the Corporate Governance Regulations, the Board of Directors formed the Risk and Safety Committee on 02/01/1438H (corresponding to 3/10/2016G). The Company has also adopted the Risk and Safety Committee charter, which was approved by the Board in its session held on 15/09/1442H (corresponding to 27/04/2021G).

The Risk and Safety Committee is composed of five (5) members, appointed by the Board for a period not exceeding the term of the Board membership, provided that such membership does not exceed three (3) years. The committee consists of one (1) Independent Director, one (1) non-executive Board member, who also serves as the chairman, and two (2) external non-Board members. None of the committee members are executive Board members.

The Risk and Safety Committee is primarily responsible, among other things, for developing a strategy and comprehensive policies for risk management and that are consistent with the nature and volume of the Company's business and monitoring their implementation, determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level, regularly reassessing the Company's ability to take risks and be exposed to such risks through 'stress tests', providing recommendations to the Board of Directors on matters related to risk management, and reviewing issues raised by the Audit Committee that may affect the Company's risk management.

The following table shows the composition of the Risk and Safety Committee as at the date of this Prospectus:

Table (5-45): Risk and Safety Committee Members

Name	Role
Abdullah Fahad Abdullah AlAbduljabbar	Chairman (Non-Executive)
Raad Esmat Abdulsamad AlSaady	Member (Executive)
Yasser Alsuwailem	External Member
Ayman Elariss	External Member
Sandra Mary Stash	External Member

Source: the Company

5-3-7 Summary Biography of the Risk and Safety Committee

Table (5-46): Summary Biography of the Risk and Safety Committee Chairman Abdullah Fahad Abdullah AlAbduljabbar

Name	Abdullah Fahad Abdullah AlAbduljabbar
Position	Chairman of the Risk and Safety Committee
Biography	For further details on the biography of Abdullah AlAbduljabbar, please refer to Section 5-1-3 ("**Summary of the Biographies of the Directors**").

Table (5-47): Summary Biography of the Risk and Safety Committee Member Raad Esmat Abdulsamad AlSaady

Name	Raad Esmat Abdulsamad AlSaady
Position	Chairman of the Risk and Safety Committee
Biography	For further details on the biography of Raad Esmat Abdulsamad AlSaady, please refer to Section 5-1-3 ("**Summary of the Biographies of the Directors**").

Table (5-48): Summary Biography of the Risk and Safety Committee Member Yasser Najeeb Abdulaziz Alsuwailem

Name	Yasser Najeeb Abdulaziz Alsuwailem
Age	44 years
Nationality	Saudi
Position	Member of the Audit Committee
Academic Qualifications	• Master's degree in Business Administration, Hult International Business School.
Current Key Positions	• Chief Executive Officer of Srar Company.
Past Key Professional Experience	• Vice President of Cybersecurity at Saudi Telecom Company (STC).

Table (5-49): Summary Biography of the Risk and Safety Committee Member Ayman El Ariss

Name	Ayman El Ariss
Age	46 years
Nationality	French
Position	Member of the Risk and Safety Committee
Academic Qualifications	• Bachelor's degree in Engineering, Computer Engineering, American University of Beirut, Lebanon. • Master's degree in Electrical Engineering, University of California. • Master's degree in Business Administration, INSEAD.
Current Key Positions	Director, the Public Investment Fund.
Past Key Professional Experience	• Manager, Masdar. • Manager, the Monitor Group. • Software Engineer, Mobiclip. • Lead Software Engineer, LG Electronics.

Table (5-50): Summary Biography of the Risk and Safety Committee Member Sandra Mary Stash

Name	Sandra Mary Stash
Age	66 years
Nationality	American
Position	Member of the Risk and Safety Committee
Academic Qualifications	• Bachelor's degree in Petroleum Engineering, Colorado School of Mines, USA. • Fellow in the Canadian Academy of Engineering.
Current Key Positions	• Senior Independent Director; Chair of Safety and Sustainability Committee; Member of the Audit Committee; Member of the Remuneration Committee, Diversified Energy plc. • Independent Non-Executive Director; Chair of the Environment, Health, Safety, and Security Committee; Member of the Capital Projects Committee; Member of the Human Resources and Compensation Committee, Trans Mountain Company. • Independent Non- Executive Director; Member of the Audit Committee; Member of the Governance Committee, First Montana Bank. • Non-Executive Director and Chair, Warriors and Quiet Waters. • Trustee; Member of the Development Committee; Member of the Building Committee, African Gifted Foundation. • Governor; Chair of the Human Resources Committee; Member of the Finance Committee, Colorado School of Mines Board of Governors.
Past Key Professional Experience	• Director, the Minneapolis Federal Reserve Bank. • Non-Executive Director; Chair of the ESG Committee, EVRAZ plc. • Non-Executive Director, Chaarat Gold. • Non-Executive Director, Lucid Energy. • Non-Executive Director, Medallion Midstream. • Independent Advisor, EDF UK Energy Thermal Generation Limited Board. • Chairman and Director, Montana Tech Foundation. • Director, Regeneration. • Vice President of Health, Safety and Environment, TNK-BP. • Executive Vice President, Tullow Oil. • Group Vice President of Health, Safety, Sustainability, Environment and Operational Integrity, Talisman Energy.

Source: The Company

5-3-8 Board Executive Committee

The Board of Directors formed the Executive Committee on 02/06/1431H (corresponding to 15/05/2010G). The Company has also adopted the Executive Committee charter, which was approved by the Board in its session held on 12/05/1443H (corresponding to16/12/2021G).

The Board Executive Committee is composed of five (5) members, appointed by the Board for a period not exceeding the term of the Board membership, provided that such membership does not exceed three (3) years. The committee is composed of Board members, all of whom are Non-Executive Directors.

The primary purpose of the committee as delegated from the Board includes, but not limited to, approving the Company's investments, reviewing and recommending for Board approval the Company's five-year business plans, operating plans, capital expenditure programs, and other studies or plans that will have a significant impact upon the operations of the Company, reviewing, endorsing and recommending the annual budget for the Board of Directors' approval, ensuring that the Company integrates sustainability in the development of its strategy, and reviewing and/or approving any other matters as delegated by the Board of Directors from time to time.

The following table shows the composition of the Board Executive Committee as at the date of this Prospectus:

Table (5-51): Board Executive Committee Members

Name	Role
Mr. Mohammed Abdullah Rashid Abunayyan	Chairman / Non-Executive Director
Mr Fahad Abduljaleel Ali AlSaif	Member / Non-Executive Director
Mr. Esmail Mohammed Saleh Al Sallom	Member / Non-Executive Director
Mr Omar Hamad Abdulaziz Al-Madhi	Member / Non-Executive Director
Mr. Omar Muhammad Nabeel Mohammed Almidani	Member / Non-Executive Director

Source: the Company

5-3-9 Summary Biography of the Board Executive Committee

Please refer to Section (5-1-3) ("**Summary of the Biographies of the Directors**") for the biographies of the committee members.

5-4 Conflicts of Interest and Competing Interests

The Company's Bylaws and its internal regulations and policies do not grant a member of the Board of Directors the power to vote on any contract or offer in which he has a direct or indirect interest. This is in accordance with Articles 27 and 71 of the Companies Law, which provide that a Director may not have any direct or indirect interest in the transactions and contracts entered into by the Company except with the authorization of the General Assembly. Additionally, Article 27 of the Companies Law prohibits Directors from engaging in any activity that competes with the Company or its activities unless a General Assembly approval is obtained.

Furthermore, a member of the Board must disclose and notify the Board of Directors of any personal interest he/she may have in the transactions or contracts to be entered into by the Company or if he/she has an interest that competes with the Company. The Board of Directors is obliged to notify the General Assembly of the transactions and/or contracts in which a director has a personal interest, provided that such notification shall be accompanied by a special report from the Company's auditor. A conflicted member of the Board of Directors may not vote on any resolution approving the entry into the transaction and/or contract in which he or she has a direct or indirect interest. Also, the Board member engaging in any activity that competes with the Company or competing with the Company may not vote on any resolution approving such interest whether in Board meeting or General Assembly.

The Company has implemented a Related Party Transactions and Conflict of Interest Policy (the "**RPTC Policy**") which accounts for the nature of its size and operations, including those of its Shareholders, and to ensure that there is a clear mechanism to identify conflict of interest and competing interest cases and set out the cases in which the General Assembly approval will be sought. The RPTC Policy sets out a stringent process that aims to comply with the general principles under the Companies Law and its Implementing Regulations and the other requirements included in the Corporate Governance Regulations.

Based on the foregoing, the Board of Directors confirms that each Director will:

- comply with Articles 27 and 71 of the Companies Law and Chapter 6 of the Corporate Governance Regulations;
- not to participate in any business that competes with the business of the Company or a branch of the activities it conducts, unless such Director has authorization from the General Assembly;
- not to vote on, or participate in deliberations relating to, Board or General Assembly resolutions in respect of businesses and contracts entered into for the account of the Company if he has a direct or indirect interest in such businesses and contracts;
- not to vote, or participate in deliberations, in relation to any business that he is engaging in, which may compete with the Company or with a branch of the activities it conducts, at the level of the Board or the General Assembly; and
- ensure that all future businesses and contracts, including those in which a Director has a direct or indirect interest, will be concluded in accordance with the terms of the Corporate Governance Regulations, Companies Law and its Implementing Regulations and entered into similarly to all other ordinary course transactions with others without including any preferential provisions in favour of the relevant Board member.

5-5 Insolvency/Bankruptcy

None of the Directors or Senior Executives has at any time been declared bankrupt or been subject to bankruptcy proceedings.

None of the companies in which any of the Directors or Senior Executives was employed in a managerial or supervisory capacity, was declared insolvent or bankrupt during the past five (5) years preceding the date of this Prospectus.

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6- Management's Discussion and Analysis of Financial Position and Results of Operations

6-1 Introduction

This Section provides an analytical review of the financial condition and operational performance of ACWA Power Company ("**ACWA Power**" or the "**Company**" or the "**Group**") for the financial years ended 27/05/1443H, 07/06/1444H and 18/06/1445H (corresponding to 31 December 2021G, 2022G and 2023G). It should be read in conjunction with the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2021G, 2022G and 2023G (the "**Audited Consolidated Financial Statements**"). The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2021G and 2022G were audited by Ernst & Young Professional Services (Professional LLC) ("**EY**") and the Company's audited consolidated financial statements for the financial year ended 31 December 2023G was audited by KPMG Professional Services (Certified Public Accountants) ("**KPMG**"). Neither KPMG and EY, nor their respective employees (forming part of the team serving the Company), or any of their relatives own any shares or interest of any kind in the Company that would affect their independence. The independence of EY as auditor, is up to the date of the audit report dated 1 March 2023, on the consolidated financial statements of the Company as of and for the year ended 31 December 2022. KPMG and EY have furnished their written consent to the reference in this Prospectus of their role as the Company's external auditor for the concerned financial years ended 31 December 2021G, 2022G and 2023G.

The audited consolidated financial statements of ACWA Power form an integral part of this Prospectus and the Prospectus should be read in conjunction with these audited consolidated financial statements and their accompanying notes. These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**"), (collectively referred as "**IFRS as endorsed in KSA**").

All amounts are in SAR thousand (or SR thousand), unless stated herein otherwise. References to the compound annual growth rate ("**CAGR**") refer to the growth over the period from the financial year ended 31 December 2021G to the financial year ended 31 December 2023G. Percentages have been rounded and therefore a calculation of the percentage increase/decrease based on amounts presented in the tables within this section (shown in thousands) may not be exactly equivalent to the corresponding percentages as stated in tables. All references to increase/(decrease) in the following analysis corresponding to the variances for the financial years ended 31 December 2021G, 2022G and 2023G mean as follows: increase/(decrease) in 2022G is in comparison to 2021G and increase/(decrease) in 2023G is in comparison to 2022G.

The financial information of ACWA Power in this section has primarily been extracted from the audited consolidated financial statements for the financial year 2023G including financial information relating to the financial year ended 31 December 2022G and from the audited consolidated financial statements for the financial year 2022G including financial information relating to the financial year ended 31 December 2021G.

This Section may contain data and statements of forward-looking nature that may entail risks and uncertainties. The Group's actual results could differ materially from those expressed or implied in such data and statements as a result of various factors, including those discussed within this Section and elsewhere in this Prospectus, particularly, in Section (2) Risk Factors.

6-1-1 Directors' Declaration on the Group's Audited Consolidated Financial Statements

The Directors declare that:

1- The financial information of ACWA Power in this section has primarily been extracted from the audited consolidated financial statements for the financial year 2023G including financial information relating to the financial year ended 31 December 2022G and from the audited consolidated financial statements for the financial year 2022G including financial information relating to the financial year ended 31 December 2021G,, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**"), (collectively referred as "IFRS as endorsed in KSA, and on a consolidated basis, without material adjustments from the audited financial statements, and containing financial information presented in a manner consistent with that adopted in the Issuer's annual financial statements.

2- Other than what has been disclosed in Section (3-10) ("**Significant Disruptions to the Business**") of this Prospectus, there has not been any interruption in the business of the Issuer or any of the Issuer's Subsidiaries which may have or has had a significant effect on the financial position in the last 12 months.

3- No commissions, discounts, brokerages or other non-cash compensation have been granted by the Issuer or any of the Issuer's Subsidiaries within the three years immediately preceding the application for registration and offer of securities that are the subject of this Prospectus in connection with the Issuer or the offer of any securities to any Director or nominated Director, senior executive, those offering or proposing securities or experts.

4- There has not been any material adverse change in the financial or trading position in the three years directly preceding the date of the application for registration and listing of securities that are subject to this Prospectus and in addition to the end of the period covered by the Auditor's report until the approval of the Prospectus.

5- The Issuer - individually or jointly with its Subsidiaries - has a working capital sufficient for a period of at least 12 months immediately following the date of publication of this Prospectus.

6- Other than what has been disclosed in section (2-1-32) ("**Risks Related to the Company's Sukuk**") of this Prospectus, neither the Issuer nor any of its Subsidiaries has issued or has outstanding any debt instruments, approved but not yet issued, term loans, loans secured or unsecured by personal guarantees or mortgages, whether current or approved but not issued, up until the end of the period covered by the auditor's report according to the most recent financial statements of the Issuer.

7- Other than what has been disclosed in sections (6-3-9) ("**Liquidity and Capital Resources**") and (6-3-10) ("**Financial and Market Risks**") and in tables (6-5), (6-6), (6-63), (6-64), (6-65), (6-73), (6-80), (6-81), (6-82), (6-83), (6-87), (6-96), (6-120), (6-132), and (6-138) of Section (6) ("**Financial Information and Management Discussion and Analysis**") of this Prospectus, and the information disclosed below each of these tables, the Issuer has no other loans or debts, including overdrafts from bank accounts, obligations under acceptances and credit acceptances, lease purchase obligations, and any loans or debts, whether secured by personal guarantees or not, or secured by mortgages or unsecured by mortgages.

8- Other than what has been disclosed in section (2-1-28) ("**Risks Related to the Group's Bonds**") and in section (6-3-4) ("**Comparability of Operations**") and (6-3-9) ("**Liquidity and Capital Resources**"), and in tables (6-63), (6-80), (6-81), and (6-132) of section (6) ("**Financial Information and Management Discussion and Analysis**") of this prospectus, along with the information disclosed below in each of the tables, there are no mortgages, rights or burdens on the Company's or its Subsidiaries' possessions as at the date of this Prospectus other than what has been disclosed in the Prospectus in this Section or any other Section of this Prospectus.

9- Other than what has been disclosed in Section (2) ("**Risk Factors**") of this Prospectus, the Issuer is not aware of any seasonal factors or economic cycles related to its activities that might affect the Company's business or financial position.

10- Other than as disclosed in Section (2) ("**Risk Factors**"), Section (3) ("**Company**") Section (10) ("**Legal Information**") and this Section of the Prospectus, the Company does not own any securities (contractual or otherwise) or any assets the value of which is subject to fluctuations or difficult to ascertain with certainty, which negatively and substantially affect the valuation of the financial position.

11- There is no capital of the Issuer or its Subsidiaries subject to an option right.

12- All material facts relating to the Company and is financial performance have been disclosed in this Prospectus, and that there exists no other information, document or facts whose omission would make any statements misleading.

The above declarations are made by the Board of Directors in addition to any other declarations expressly set out in this Prospectus.

6-1-2 Basis of Preparation and Consolidation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"); and IFRS issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants ("**SOCPA**"), (collectively referred as "**IFRS as endorsed in KSA**"). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

Basis of Preparation

The consolidated financial statements are prepared under the historical cost convention and accrual basis of accounting except for the following:

a- Derivative financial instruments including commodity derivatives, options and hedging instruments which are measured at fair value.

b- Employee end of service benefits' liability is recognised at the present value of future obligations using the Projected Unit Credit method; and

c- Assets held for sale which are measured at the lower of their carrying amount and fair value less costs to sell.

d- These consolidated financial statements are presented in Saudi Riyals ("**SAR**") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SAR'000), except when otherwise indicated.

Basis of Consolidation

The 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 including Board and Shareholders' reserved matters as included in the shareholder agreement; 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.

Consistent accounting policies are used across the Group and if required, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Changes in ownership interest in subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of 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. Any retained investment is recorded at fair value.

6-1-3 Material Accounting Policies

The Group has consistently applied the following material accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

The material accounting policies adopted are as follows:

Cash and cash equivalents

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

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 the consolidated statement of profit or loss. In the case of financial assets or financial liabilities not at fair value through profit or loss, its fair value including transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability is the initial recognition amount.

Classification

The Group classifies its financial assets under the following categories:

- Fair value through profit or loss (FVTPL).
- Fair value through other comprehensive income (FVTOCI); and
- Amortised cost.

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

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

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of 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 the consolidated statement of profit or loss.

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured for any changes in their fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from the changes in the fair value of derivatives are taken directly to the consolidated statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in the consolidated statement of other comprehensive income and later reclassified to the consolidated statement of 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 the consolidated statement of 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 the consolidated statement of 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 the consolidated statement of other comprehensive income is retained separately in the consolidated statement of 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 the consolidated statement of other comprehensive income is transferred to the consolidated statement of 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.

Projects development cost

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 outcomes.

Development costs reimbursed by successful projects are recognised as a deduction from deferred costs in the consolidated statement of financial position.

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 consolidated statement of 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 the consolidated statement of 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 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 the consolidated statement of profit or loss.

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

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

Property, plant and equipment

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

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

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

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, and the Company does not anticipate any changes to be made to its depreciation policies.

Business combinations

Business combinations, excluding business combinations 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. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. 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.

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

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

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

Non-current assets held for sale and discontinued operations

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

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

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and which:

- represents a separate major line of business or geographical area of operations;
- is a part of single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

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

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

Impairment

Financial assets

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at fair value through profit or loss (FVTPL):

- financial assets that are debt instruments;
- trade receivables and contract assets;
- lease receivables;
- cash at bank;
- related parties;
- financial guarantee contracts issued; and
- loan commitments issued.

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

Under the general approach, the Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

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

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

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

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The Group categorises 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 recognises the impairment allowance based on lifetime ECL.

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

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

ECL represent probability-weighted estimates of credit losses. These are measured as follows:

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

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

Non Financial assets

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

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

The Group's impairment calculation is based 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.

Statutory reserve

In accordance with the Company's By-Laws, 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 lessor

The Group's leasing activities includes provision of desalinated water and power under long-term Water / Power purchase agreements. Revenue in relation to these activities is disclosed in Table (6-10) below.

Where the Group determines a long-term power / water 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

When the Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified. The performance obligations identified will depend on the nature of individual customer contracts.

The Group determines the transaction price to which it expects to be entitled in return for providing the promised performance obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. The transaction price is allocated between the identified performance obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each performance obligation deliverable in the contract is determined according to the prices that the Group would achieve by selling the same goods and/or services included in the performance obligation to a similar customer on a standalone basis.

Revenue is recognised when the respective performance obligations in the contract are delivered to the customer and payment remains probable. Revenue is measured as the fair value of the consideration received or receivable for the provision of services in the ordinary course of business, net of trade discounts, volume rebates, and sales taxes excluding amounts collected on behalf of third parties. Payment is typically due within 10-45 days from the invoice date depending on the specific terms of the contract.

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.

Where the Group acts as a lessor, (see 'Leases' above), 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.

Revenue from the rendering of technical, operation and maintenance services ("**O&M**") are recognised when contracted services are performed and is typically recognised over time.

Revenue earned by the Group for project development services provided in relation to the development of projects is typically recognised upon financial close of the project (being the point in time at which committed funding for the project has been achieved). Any excess reimbursement of development cost against the carrying value of capitalised project development cost is recognised as revenue upon financial close of the project.

Revenue from construction management services provided in relation to the construction of power and/or water plants and revenue from various consultancy and advisory services provided by the Group is recognised over time or at a point in line with the satisfaction of performance obligations in the related contract. Revenue is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Company performs. Otherwise, revenue is recognised at a point in time upon satisfaction of performance obligations and once any contingent events have been achieved.

Any amount collected from the customers for which the revenue recognition criteria have not been met during the period reported, is recognised as a contract liability and recorded as deferred revenue in the consolidated statement of financial position.

Customers are typically billed monthly in the same month services are rendered; however, this may be delayed. Accrued revenue is recognised in trade and other receivables in the consolidated statement of financial position, for any services rendered where customers have not yet been billed.

Zakat and taxation

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

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

Deferred tax

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

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

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

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

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

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

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

Foreign currencies

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

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

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

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

Value added tax (“VAT”)

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

Dividends

Final dividends are recognised as a liability at the time of their approval by the General Assembly. Interim / proposed 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.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

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 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies. Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain circumstances in line with the amendments.

2- IFRS 17 Insurance Contracts:

IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. 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 a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a 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

The amendments have not had a significant impact on the Group's disclosures of accounting policies. Also refer to note 40.2.2 of audited consolidated financial statements for the year ended 31 December 2023G.

3- Definition of Accounting Estimates - Amendments to IAS 8:

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's consolidated financial statements.

4- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12:

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's consolidated financial statements.

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.

1- Classification of Liabilities as Current or Non-Current Liabilities with Covenants (Amendments to IAS 1)

In January 2020 and October 2022, 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 the requirements on determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants.

The amendments apply for annual reporting periods beginning on or after 1 January 2024. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

2- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the consolidated financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.

The amendments apply for annual reporting periods beginning on or after 1 January 2024. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

3- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

4- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates

In August 2023, the IASB issued amendments to IAS 21 to clarify when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted, and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

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:

Impairment of property, plant and equipment

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 approved financial model / 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.

Impairment of Goodwill

The management monitors Goodwill at an operating segment level i.e., at group of cash generating units (CGUs) included within an operating segment. The performance of an individual asset is assessed based on total returns (i.e. returns associated with investment, development, operation and optimisation) which is usually spread across various CGUs within an operating segment. Accordingly, for the purpose of impairment testing, the management believe that it is more appropriate to consider total cash flows that are relevant for operating segments (i.e., group of CGUs). For the purpose of impairment testing, cash flow projections are used from the approved financial models. Impairment calculations are usually sensitive to the discount rate and the internal rate of return ("**IRR**") achieved on projects. However, a reasonably possible change in discount rate and IRR will not cause the carrying amount of goodwill to exceed its recoverable amount due to availability of significant headroom.

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.

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 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.

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 equity accounted investee. 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. Also, refer to note 38 of audited consolidated financial statements for the year ended 31 December 2023G.

Lease classification and subsequent remeasurement

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

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

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

After lease commencement, the net investment in a lease is remeasured when the following occurs:

- The lease is modified (i.e., a change in the scope of the lease, or the consideration for the lease, that was not part of its original terms and conditions), and the modified lease is not accounted for as a separate contract.
- The lease term is revised when there is a change in the non-cancellable period of the lease.
- There is a change in the estimated unguaranteed residual value.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. For this purpose, the management takes into account various factors including Board approval, availability of share purchase agreement, conditions precedent in the share purchase agreement, asset's availability for immediate sale, expected period to complete the sale etc.

Classification of joint arrangements

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 ("**Project**" or "**Entity**"). 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.

6-2 Group Overview

For the full Company overview, please refer to Section (3) ("**The Company**") of this Prospectus.

6-3 Management's Discussion and Analysis of Financial Position and Results of Operations of ACWA Power

The following management discussion and analysis of ACWA Power is based upon and should be read in conjunction with the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2021G, 2022G and 2023G (the "**Audited Consolidated Financial Statements**"). The Company's audited consolidated financial statements as of and for the financial years ended 31 December 2021G and 2022G were audited by Ernst & Young Professional Services (Professional LLC) ("**EY**") and the Company's audited consolidated financial statements for the financial year ended 31 December 2023G was audited by KPMG Professional Services (Certified Public Accountants) ("**KPMG**"). Please refer to Section (6-1) ("**Introduction**") for other relevant disclosures related to the financial statements.

Operating Segments

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

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

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

Thermal and Water Desalination: The term Thermal refers to the power and water desalination plants which use fossil fuel (oil, gas) as the primary source of fuel for the generation of electricity and production of water whereas water desalination refers to the stand-alone reverse osmosis desalination plants.

Renewables: This includes the Group's business line which comprises Solar PV (Photovoltaic), CSP (Concentrated Solar Power), Wind power plants and Green Hydrogen production plants.

Others: In addition to the results of the ACWA Power's captive reinsurance business, this segment comprises certain activities of corporate functions and other items that are not allocated to the reportable operating segments.

6-3-1 Principal Factors Affecting the Results of Operations

Certain principal factors affect the Group's operating results. Described below are those principal factors that the Management believes have an impact on the (i) Revenues from operations; (ii) Cost of operations; (iii) Financial charges; and (iv) Cash flow from operations. These factors are based on the information currently available to Management and may not represent all the factors and/or events that are relevant to an understanding of the Group's current or future results of operations. See Section (2) ("**Risk Factors**") of this Prospectus for a discussion of the key risks affecting the Group's results of operations.

Principal Factors Affecting Revenues from Operations

The Group believes that the principal factors that affect the revenues may differ depending on the source of revenue in addition to other factors that may have impact on the overall revenues from operations.

Sources of Revenues

The Group has two sources of revenue. These are:

1- Generation revenues (sale of electricity, water, steam, green fuel)
2- Services rendered revenues (O&M, development business & construction management services)

Generation revenues

Generation revenues are revenues through selling the Project's electricity generation capacity and/or desalinated water and steam production capacity at a pre-agreed tariff (capacity revenues) and by selling the actual electricity generated and/or desalinated water and steam produced at the relevant Project, mostly on long-term contracts. The Group's certain renewable contracts are accounted under finance lease accounting as per the requirement of IFRS 16 – Leases; accordingly, revenues from these contracts have been accounted for as finance lease income.

Revenue based on available capacity

Most of the Group's base-load conventional power generation and water desalination projects conduct business under long-term sales contracts, with offtakers usually contractually obligated to purchase electricity, water, steam or green fuel for the duration of, and at rates that are contractually determined at the outset of such contracts, once the Project makes minimum required capacity available to the Offtaker, thereby mitigating the risk associated with market demand volatility, except for one of the Group's conventional power projects (Kirikkale) that are not on contractual Capacity Payment schemes and therefore are exposed to market demand risk. As of 30 June 2024G, Kirikkale represented c. 1.4% of the 65.2GW total gross power capacity of the Group.

For the Group's base-load conventional Projects, Capacity Payments by the Offtaker for the plant's available capacity represent a majority of the overall revenue of each Project. Subject to the plant's availability as per respective P(W)PAs, such Capacity Payments are fixed in nature and separate from payments for electricity actually generated or desalinated water actually produced at such base-load conventional plants. These revenues are therefore stable from one period to another for the Project except for a) incentives that would arise due to better than projected availability, and/or b) any penalties that would arise due to unplanned outages in the course of operations. Capacity payments are typically structured to cover the Project's capital costs including debt servicing, return on equity and taxes.

Revenue based on actual dispatch (renewable electricity delivered)

For renewables projects, generally there is no separate Capacity Payments to the Project Company based on the plant's availability but relevant Project Company receives a single energy payment for the electricity delivered (or deemed to be delivered) to the Offtaker. The Offtaker is generally required to take all of the power that the Project Company is actually capable of delivering, failing which the Project Company is generally compensated for the power it would have delivered (deemed availability).

The renewable tariff per unit is structured to cover both fixed and variable costs in addition to return on equity in the form of a single unit of revenue.

Generation revenues are received i) in U.S. Dollars (fully dollarized contracts), ii) in currencies pegged to U.S. Dollar where the currency is pegged, and iii) in the local currency of the respective market (functional currency). In markets where the revenues are received in the local currency, the Company typically and significantly mitigates the currency exposure risk by contractually indexing its revenue to the exchange rate movement of the USD either fully or in large part, in addition to applying "**natural hedge**" by maximizing the matching of liabilities in the same currency.

Services rendered revenues

Services rendered revenues are from i) the operations and maintenance ("**O&M**") activities; and ii) from the development business and construction management services.

Operation and maintenance revenues

Once the Project makes capacity available to the Offtaker, the Project earns fixed operation and maintenance revenues as part of the Capacity Payments from the Offtaker. In addition, the Project earns variable revenue to cover variable operation and maintenance costs per unit of dispatch to the Offtaker.

In majority of the Projects, NOMAC, a wholly owned subsidiary of the Company, undertakes the operation and maintenance under long-term operation and maintenance contracts with the Project Company, which make fixed and variable operation and maintenance payments to NOMAC under these contracts. The fixed revenues are stable from one period to another for the Project except for a) incentives that would arise due to better than projected availability, and/or b) any penalties that would arise due to unplanned outages.

The fixed and variable revenues of most Projects (and thus NOMAC) is received in the local currency of the respective market (functional currency) except for the Projects where the contracts are fully dollarized. For those Projects, except where the local currency is pegged to USD, the Group seeks to contractually index its revenue to the exchange rate movement of the USD either fully or to the maximum allowed part, to mitigate the risk of and protect against the volatility of the functional currency versus USD. Countries where local currency is pegged to USD, there is automatic protection against currency fluctuations. Furthermore, fixed and variable revenues of NOMAC are indexed to domestic and international inflation rates based on the agreed split in the respective contracts.

In the Group's portfolio, there are a few projects which are owner-operated jointly by the Project Company and NOMAC (collectively "**Operators**"). These are either acquired assets together with their legacy O&M operators (e.g., CEGCO assets in Jordan) or assets that are self-operational require unique specialization (e.g., Jazan Integrated Gasification and Power Company and NEOM Green Hydrogen Company in Saudi Arabia).

Development business and construction management services revenues

In accordance with its business model and ordinarily as the lead developer, the Group is typically entitled to payments by the Project Companies of project development fees and reimbursement of development costs incurred by the Group during the development of a project, which are settled upon the Project reaching Financial Close ("**FC**").

Additionally, during the construction phase of the Project and typically based on certain milestones, the Group receives payments from the Project Companies or from the Engineering, Construction and Procurement ("**EPC**") Contractors for project and construction management and other services provided by the Group.

Due to the nature of revenue recognition only at the time of financial close of a Project or achievement of specific Project milestones, the Group's services rendered revenue is subject to periodic variations on a quarter on quarter basis.

Other Factors Affecting Revenues from Operations

Fuel conversion and fuel pass-through

Fuel costs of the Group (see Impact of Fuel Costs below) are generally structured in the contracts on a pass-through basis to the Offtaker (unless the relevant Offtaker provides the fuel supply), which results in realisation of a corresponding Fuel revenues amount.

Although fluctuations in Fuel costs may affect each of the revenue and operating costs line items with typically a neutral aggregate effect (other than efficiency related adjustments, which normally happen to be a relatively small component of the overall operating income), the Group considers fuel pass-through to have no or insignificant impact on the results of operations.

Seasonal factors

The Group's projects are mostly based in countries where the demand for water and power is higher during the summer period, so most of the planned outages that the Projects undertake are usually scheduled during the winter season. As a result, the availability and the Capacity Payments show seasonal variation such that the Group experiences higher revenue and profits during the second and third quarters of the year (Northern Hemisphere summer) than in the first and fourth quarters (Northern Hemisphere winter). Planned outages are incorporated into the Offtake Agreements.

Production levels for the Group's solar and wind projects are also subject to seasonal variations against a backdrop of solar, climatic and micro-climatic conditions. For example, winds exceeding certain speeds may require the Group to halt its wind turbines, or the solar PV assets only operate when the sun is out and the MWs produced vary depending on the position of the sun and the quality of the sunlight. CSP assets, on the other hand, can operate for majority of the night using the heat converted from sunlight during daytime and stored to create steam to drive a turbine for generation during night time or when the quality of sunlight is inferior. Although the Group undertakes research during the development phase of a Project to assess such conditions, they are nevertheless beyond the Group's control and can vary significantly from period to period, subject to seasonal variations and difficult to predict.

Unplanned interruptions (unplanned forced plant outages)

A plant's available capacity is affected due to unplanned interruptions (forced outages) as a result of critical equipment failure or other factors. When and if this happens, the plant becomes unavailable and the Group's revenues may be exposed to potential revenue variations as per the relevant P(W)PA in place.

For the event of a decrease in availability or complete unavailability outside the contractual limits because of an unplanned outage as defined above, the Projects have adequately obtained insurance policies from reputable international insurance companies to protect against property damage and/or business interruptions (with certain amount of risk retained with the Project Company as per the deductible terms and conditions) in line with the market practices. Additionally, in certain instances the Projects are able to allocate the risk of unplanned outages and hence pass the impact on to the respective EPC contractors as per the contractual warranties under the respective EPC contracts.

At the Group level, the diversified nature of the portfolio significantly mitigates the risk of significant revenue loss due to potential unplanned outages at one or more of the Group's plants. Moreover, the Group's Offtake Agreements include Force Majeure ("**FM**") clauses that provide certain protection against any catastrophic event such as fire, floods, earthquakes, tsunami, sandstorms, explosions, acts of terrorism or sabotage or any other events outside of the Group's control subject to certain terms and conditions.

The Group uses, except in few instances, its wholly owned entity (NOMAC) for the O&M services of its Projects. To predict potential component failures and prevent and/or reduce unplanned outages, NOMAC uses big data analytics and predictive pattern recognition platforms that gather data through tens of thousands of sensors from the equipment in the plants, which are then processed and monitored through two dedicated monitoring and prediction centers ("**MPC**") in Dubai and Jeddah. This helps in maintaining high performance standards and reduces the chances of any unplanned outages or long-term unavailability.

Principal factors affecting cost of operations

The Group believes that there are four principal factors that affect cost of operations. These are:

1- Maintenance costs
2- Project development costs
3- Fuel costs (which are mostly pass-through to the Offtakers)
4- Staff costs (O&M)

Maintenance Costs

The Group's maintenance costs are those that relate to planned and unplanned maintenances. As part of planned maintenances, the Group incurs annual and major maintenance parts and related service costs required to operate and maintain the plants. The major maintenance costs are periodic in nature and normally arise at intervals of 3-6 years, whereas there are also routine maintenance costs. Fixed portion of such costs are invoiced to the Projects on a monthly basis as part of the respective O&M contracts between the Operators and the Project Companies. Such invoiced amounts include advances for major maintenance of plants, which are recorded as deferred revenues. These deferred revenues are recorded in the statement of profit and loss as and when the major maintenance expense arises.

The fact that maintenance activities take place at different times during the year may cause volatility in costs incurred and creates variances on a quarter-on-quarter or year-on-year basis. However, given the prevalent demand pattern as explained above in the Principal Factors Affecting Revenues from Operations, the annual and major maintenance activities normally take place in the first and fourth quarters of the calendar year to ensure uninterrupted availability during the higher-demand (Northern Hemisphere) summer months.

Project Development Costs

During the development of a project, the Group incurs development costs such as employee remuneration, consultancy and other administrative expenses, which are generally recovered through reimbursement by project companies upon achieving financial close (see Services Revenues above).

Project development costs represent costs that are considered feasible as of the reporting date incurred on Projects which are under development. A provision is made against the project development costs based on management's best estimates which reflects the situation of each project under development. Development costs reimbursed by Projects are recognized as a deduction from deferred costs in the consolidated statement of financial position, and any excess of the actual development costs are recognized as revenue on the consolidated statement of profit and loss.

The Management reviews the development status of Projects at least on a quarterly basis and makes prudent adjustments in its provision balances. For the years ending corresponding to 31 December 2021G, 2022G and 2023G, the Group's provisions for development costs were SAR 133.2 million, SAR 35.4 million and SAR 69.6 million, respectively.

Fuel Costs

As regards to the electricity actually generated and sold and/or desalinated water actually produced and sold using conventional fuel, the Group's oil and natural gas (together "**Fuel**") costs are reflected as operating costs. However, as these costs are generally structured in the contracts on a pass-through basis to the Offtaker (unless the relevant Offtaker provides the fuel supply, for which no corresponding cost is reflected), a corresponding amount for Fuel revenues is reflected in the revenues. As a result, fluctuations in Fuel costs, either as a result of changes in demand or in price or in both, affect each of the revenue and operating costs line items but tend to have a neutral aggregate effect (other than efficiency related adjustments, which is a relatively small component of the overall operating income) on the Group's results of operations.

Staff Costs (O&M)

These are staff costs operating and maintaining the plants including operations support and management. O&M contracts stipulate the number of people to be employed in the plants. Employment contracts are agreed with the Projects and subject to annual review. Staff costs generally include basic salary, housing allowance and other contractually entitled benefits, depending on the employment position.

Principal factors affecting financial charges

The Group believes that there are few principal factors that affect financial charges. These are:

1- Financing charges

2- Foreign exchange

Financing Charges

The Group's business is capital intensive in nature and the Group utilizes debt and equity financing in order to support the capital expenditure and other funding requirements of its Projects. (see Section (3) ("**Company**")).

A significant portion of the Group's debt is non-recourse (see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Liquidity and Capital Resources**")) debt that are raised at the Project level, which are also generally hedged for variable interest rate through Interest rate swaps (IRS) (see Section (6-3-10) ("**Financial and Market Risks**")) during construction and for a significant part of the operating life of the Project. Generally, at financial close, the interest rate is hedged and the changes in interest rate from the bidding date to financial close are passed through to the Offtaker by a tariff adjustment. The Group continuously monitors if there is any remaining interest rate exposure at Project level, and, if any, the respective Project Company hedges these open exposures as and when deemed appropriate in line with its risk management framework.

Projects' lenders under the loan agreements require the floating interest rate risk on loans to be hedged. This is achieved through interest rate swaps (IRS) by swapping the floating rate for a fixed rate. These interest rate hedges are accounted for as a cash flow hedge resulting in the mark-to-market changes occurring on the balance sheet.

Major transactions that affected the Group's financing costs in the years ending 31 December 2021G, 2022G and 2023G were as follows:

- SAR 3,052.5 million (USD 814 million) 22-year non-recourse bond (the "**Bond**") issued in 2017G by the Company's wholly owned special purpose vehicle subsidiary (see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Liquidity and Capital Resources**")), which replaced then existing short-term debt with long-term debt at an interest rate of 5.95% p.a. and provided financing for the new projects under development over the three-year period. The bonds' principal is due to be repaid in semi-annual instalments commencing from June 2021G, with the final instalment due in December 2039G. The bonds are collateralised by cash flows and share from certain equity accounted investees and subsidiaries of the Group in Saudi Arabia. During the year ended 31 December 2022G, ACWA Power has repurchased/(bought back) bonds amounting to USD 400.7 million (equivalent to SAR 1,502.7 million) at a discount out of the outstanding USD 814.0 million (SAR 3,052.5 million) as the pre-amortization aggregate principal amount.
- Under its Sukuk issuance program, on 14 June 2021G, the Group issued the first tranche amounting to SAR 2,800.0 million at par (sak) value of SAR 1 million each, without discount or premium. Further, on 2 February 2023G, the Group completed the issuance of the second tranche of SAR 1,800 million, at par (sak) value of SAR 1 million each. The two tranches bear a return based on Saudi Arabia Interbank Offered Rate ("**SIBOR**") plus a pre-determined margin payable quarterly in arrears. The second tranche include a call option effective on or after 5 years from the issuance date.
- During 2018G, ACWA Power Renewable Energy Holdings Limited ("**APREH**") entered into a convertible loan agreement whereby an amount of SAR 1,361.2 million was advanced to the ACWA Power Global Services ("**APGS**"), a fully owned subsidiary of the Company, through an intra-group shareholder advance agreement. The loan carried an effective interest rate of 3.67% per annum. A portion of the loan amounting to SAR 600.4 million was converted as sales consideration against the sale of 49% of the Group's shareholding in APREH. During the year ended 31 December 2022G, APGS opted to early repay the full loan balance to APREH. see Section (6-3-4) ("**Comparability of Operations**").
- During 2021G, APCM bond ("**the Notes**") were issued with an aggregate principal of USD 166.2 million (SAR 623.3 million). The Notes carry an interest at 3.7% per annum with the principal repayments starting in semi-annual instalments from 31 May 2021G, with final instalment due on 27 May 2044G. The Notes were issued to refinance an existing long-term facility of one of the Group's wholly owned subsidiary, Shuaibah Two Water Development Project ("**Shuaibah II**").
- On 30 December 2021G, RAWEC concluded phase one of its debt refinancing, raising a new facility amounting to SAR 3,000.0 million that was drawn down and utilized to settle existing loan balance of SAR 2,862.5 million. The facility was obtained in two tranches, repayable semi-annually from June 2022G with the final instalment to be paid in June 2030G. During the first quarter of 2022G, RAWEC concluded the phase two of its debt refinancing. A new facility amounting to SAR 2,231.2 million was drawn in two tranches as follows: 1- SAR 468.7 million, repayable on a semi-annual basis from June 2022G with the final instalment to be paid in June 2034G, with a fixed margin of 4%; and 2- SAR 1,762.5 million, repayable on a semi-annual basis from June 2022G with the final instalment to be paid in June 2034G, with a fixed margin of 4%.

Foreign Exchange

The currency risk that the company is exposed to on account of operating in multiple countries with their own local currencies is mostly limited as the majority of the Company's offtake contracts are either subject to indexation to USD in case of devaluation or in countries where the local currency is pegged to the USD. Generally, at financial close, changes in the foreign exchange rate from bidding date to financial close are passed through to the Offtake Agreement tariff. Nevertheless, the Company still bears a narrow currency risk primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), United States Dollar (USD), Japanese Yen (JPY) and Chinese Renminbi (RMB) in certain countries where the functional currency is different to the currency of the financial instruments. For further discussion, see Section (2) ("**Risk Factors**").

The Group hedges certain foreign currency exposures through hedge strategies, including the use of derivative financial instruments. Additionally, the Group contractually seeks to index its revenues either fully or in large part to the exchange rate movement of the USD, to protect against volatility in the functional currency of the country of the Project's operation versus the USD. The Group continuously ensures that all the hedges in place are effective and there are limited ineffectiveness in the existing hedge contracts.

Principal factors affecting Cash flow from Operations

The Company's parent-level cash inflows (different than the consolidated cash flow) mainly arise:

- a- as an investor in Projects, from the dividends, shareholder loan repayments (including interest), and other distributions from Projects (subsidiaries, joint ventures and associates) (collectively "**Distributions**");
- b- as the operator through NOMAC, from the distributions from NOMAC. Cash flows to NOMAC from the Project Companies are senior cash flows and are not subject to debt covenants or distribution tests imposed by the senior lenders in the Project Companies;
- c- as a lead developer of Projects, from development business revenues and cost recovery reimbursements by Project Companies (for costs incurred during Project development) including upon reaching financial close or as per the provisions of the respective Offtake Agreement/procurement process; and
- d- as a service provider, from services rendered revenues fees for Technical, Financial, Project and Construction Management and Other Services for the Project Companies.

Through the above cash flow streams, the Company can generate a steady and visible flow of cash that is then typically deployed for various uses as explained below in Parent-level Liquidity and Leverage.

Additionally, the Company is generally able to capitalize on its initial equity interest in a Project, and to generate further cash and/or income throughout the life of a Project, by seeking to optimize its portfolio through re-leveraging such as extending equity bridge loans and therefore further deferring the Company's share of equity investment requirements; capital recycling by means of partial farm-downs of the Group's equity ownership in a project); refinancing by means of replacement, enhancement, re-profiling or renegotiation of the project finance debt terms and other similar opportunities.

While the Company's ability to generate cash from Projects is dependent in a large part on Distributions, the non- distribution risk is sought to be mitigated by negotiating and instituting shareholder agreements with equity partners (see Section (10-4) ("**Overview of the Group's Contracts**")) in a manner that the shareholders agree to a dividend policy to maximize shareholder returns through distribution of available profits after servicing debt, funding required legal reserves and other required retentions that the respective Board of Directors would approve to withhold.

Overall, the Group believes that there is adequate natural risk mitigation in place against the risk of Offtakers experiencing financial difficulties and delaying or defaulting their payment obligations, as (i) majority of the Offtakers are either governments or quasi-government entities, mostly backed by government credit support pertaining to the relevant Project; and (ii) any delay in collection from the Offtaker may trigger termination clauses of the respective contracts with severe implications for the Offtaker.

Key Performance Indicators

The Management uses several key performance metrics internally to review the Group's financial and operational performance. These metrics are called Key Performance Indicators (KPI) and they are analysed below. These KPI and the analysis below should be read in conjunction with Section (6-3-4) ("**Comparability of Operations**").

The below table shows the Management's Key Performance Indicators for the financial years ended 2021G, 2022G and 2023G.

Management KPI's	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Adjusted profit attributable to equity holders of the parent ("**Adjusted net profit**")	1,193,574	1,575,035	1,661,714	32.0%	5.5%	18.0%
Parent operating cash flow	1,610,563	4,163,109	2,452,966	158.5%	-41.1%	23.4%
Parent net leverage	8,106,374	8,818,737	13,491,204	8.8%	53.0%	29.0%
Parent net leverage to POCF ratio	**5.03**	**2.12**	**5.50**	**-2.91**	**3.38**	**-**

Source: Management information

Operating income before impairment loss and other expenses

Operating Income before impairment loss and other expenses reflects the profit before impairment loss and other expenses from the continuing operations of the Group including the Company's share in the equity accounted investees.

Table (6-1): Operating Income before impairment loss and other expenses

Operating income before impairment loss and other expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Operating income before impairment loss and other expenses	2,302,718	2,614,761	2,983,785	13.6%	14.1%	13.8%

Source: Audited consolidated financial statements

Operating income before impairment loss and other expenses increased by 13.6%, or SAR 312.0 million, from SAR 2,302.7 million in 2021G to SAR 2,614.8 million in 2022G, and further increased by 14.1%, or SAR 369.0 million, to SAR 2,983.8 million in 2023G.

The increase in 2022G was mainly driven by i) the new online projects and the full year impact of other operational projects together with the corresponding O&M income from these projects that achieved their ICOD/PCODs during or after 2021G; ii) higher contribution from development business and construction management services income on account of projects achieving financial closes; iii) recognition of liquidated damages and insurance recovery pertaining to incidents in 2022G and in earlier years; iv) lower project development cost, provision and write offs, net of reversals, due to higher provisions/write offs in 2021G; and v) higher employee long-term incentive plan (LTIP) expense in 2021G that was recognized for both full year 2020G and 2021G. This increase was partially offset by lower contribution from existing projects mainly on account of i) extended outages in certain power generation plants; ii) episodic operation of Barka power plant in Oman due to expiry of the offtake contract; iii) higher maintenance costs in some plants due to unplanned and/or extended outages; iv) in addition to the reversal of an impairment loss of SWEC in 2021G and higher corporate expenses.

The increase in 2023G was driven by mainly better operating performances of the existing online projects and the incremental income from the new online projects in addition to higher development business and construction management services income net of the development cost provisions or write offs. This increase was partially offset by lower performance liquidated damage and insurance recoveries during the year in addition to higher corporate general and administration expenses primarily driven by staff costs, professional consultation, digitalization and communication expenses.

Profit/(Loss) attributable to equity holders of the parent

Profit/(Loss) attributable to equity holders of the parent represents the net profit/(loss) for the year for all operations of the Group including discontinued operations. It is the portion of the total net profit/(loss) of the Group attributable to the equity holders of the parent and excludes the profit/(loss) attributable to non-controlling interests. This metric is also applied to earnings per share (EPS) calculation attributable to equity holders of the parent.

Table (6-2): Profit/(Loss) attributable to equity holders of the parent

Profit attributable to equity holders of the parent	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Profit attributable to equity holders of the parent	758,798	1,540,035	1,661,714	103.0%	7.9%	48.0%

Source: Audited consolidated financial statements

Profit attributable to equity holders of the parent increased by 103.0%, or SAR 781.2 million, from SAR 758.8 million in 2021G to SAR 1,540.0 million in 2022G, and then further increased by 7.9%, or SAR 121.7 million, to SAR 1661.7 million in 2023G.

The increase in profit attributable to equity holders of the parent in 2022G compared to 2021G is mainly on account of the following reasons:

- higher operating income before impairment loss and other expenses by SAR 312 million;
- lower impairment loss and other expenses in 2022G by SAR 105 million, mainly driven by the recognition of a one-time share-based IPO grant expense of SAR 280 million in 2021G, partially offset by the recognition of arbitration/legal claim and supplier settlements of SAR 112 million and higher impairment charges by SAR 62 million;
- higher other income, net, by SAR 353 million, mainly driven by: 1) higher income earned on deposits in addition to gain on change in fair value of derivatives SAR 205 million; 2) income in relation to early settlement of long-term financing and funding facilities and termination of hedging instruments SAR 113 million (please refer to Section (2) ("**Risk Factors – Partial prepayment of APMI One's ACWA 39 Bond**") and Section (2) ("**Risk Factors – Early Settlement of Equity Bridge Loans (EBLs**"));
- higher profit from capital recycling by SAR 282 million, mainly on account of the gain recognized on partial divestment of 49% stake in Sirdarya; and
- higher net loss attributable to non-controlling interests (NCI) mainly on account of impairment by SAR 49 million.

Above favourable variances were partially offset by:

- higher finance charges by SAR 176 million mainly due to Rabigh 3 coming into operations and higher finance cost on Sukuk; and
- higher Zakat and tax charge by SAR 153 million mainly due to deferred tax on Moroccan assets.

The increase in profit attributable to equity holders of the parent in 2023G compared to 2022G is mainly on account of the following reasons:

- Higher operating income before impairment loss and other expenses by SAR 369 million; and
- lower zakat and tax charge SAR 179 million mainly due to deferred tax on Moroccan assets.

Above favourable variances were partially offset by:

- Higher net financial charges (net off finance income) including exchange loss by SAR 93 million, mainly due to additional debt including the Sukuk tranche two and higher finance costs on account of higher market rates partially offset by higher finance income due to better cash management;
- Lower capital recycling gains by SAR 227 million, mainly on account of the gain recognized on partial divestment of 49% stake in Sirdarya in 2022G; and
- Others, net, by SAR 106 million, mainly on account of lower gain on change in fair value of derivatives, recognition of income in relation to early settlement of long-term financing and funding facilities and termination of hedging instruments in addition to higher share of non-controlling interests and lower impairment loss and other expenses.

Adjusted profit/(loss) attributable to equity holders of the parent

The Group considers certain transactions as non-routine, unusual or non-operational and adjusts the impact of these transactions on the financial performance to arrive at adjusted net profit/(loss) attributable to equity holders of the parent as a key performance indicator of business performance. These transactions are listed as "**Adjustments**" in below table and analyzed in detail in Section (6-3-4) "**Comparability of Operations**".

Acquisitions and farm-downs of the Group's stakes in its subsidiaries or affiliates, although they may be non- recurring by their nature of frequency, are important parts of the Group's business strategy as well as the "**Optimize**" cycle of the Group's business model; hence these are considered by the Management as part of the Group's normal course of business activity and are not adjusted. For further discussion on these transactions, please refer to Section (6-3-4) ("**Comparability of Operations**") below.

Non-controlling interest adjustments line represents in the aggregate financial impact of the minority portion of all the adjustments to arrive at the share in profit/(loss) of equity holders of the parent.

Table (6-3): Non-controlling interest adjustments line

Adjusted net income attributable to equity holders of the Parent	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Profit attributable to equity holders of the parent	758,798	1,540,035	1,661,714	103.0%	7.9%	48.0%
Adjustments:				**0.0%**	**0.0%**	**-**
Impairment in relation to subsidiaries and equity accounted investees, net	122,993	54,000	-	-56.1%	-100.0%	-100.0%
Provision/(reversal) on Vietnam coal project development cost	-	(14,000)	-	0.0%	-100.0%	-
IPO incentive plan grants expense	280,000	-	-	-100.0%	0.0%	-100.0%
Provision for long-term incentive plan	29,332	-	-	-100.0%	0.0%	-100.0%
Provision for Zakat and tax on prior year assessments	13,399	-	-	-100.0%	0.0%	-100.0%
Others	(10,948)	(5,000)		-54.3%	-100.0%	-100.0%
Net income adjustments	**434,776**	**35,000**	**-**	**-91.9%**	**-100.0%**	**-100.0%**
Adjusted net income attributable to equity holders of the	**1,193,574**	**1,575,035**	**1,661,714**	**32.0%**	**5.5%**	**18.0%**

Source: Management information

Parent-level liquidity and leverage

The Company looks to optimize its financial structure at all times by targeting an optimal balance between its net borrowing and parent-level cash position with the aim to maximize value for shareholders by reducing the cost of capital while at the same time ensuring that the Group has the financial flexibility required to continue its growth.

The Group's consolidated statement of financial position includes non-recourse debts of ring-fenced Projects, who service their debt from their own cash flows with no guarantees from ACWA Power in addition to the cash of these Projects that are not freely available for ACWA Power. Therefore, the Management uses internal metrics to review the Company's Parent-level cash and Parent-level debt and leverage, which exclude such non-recourse liabilities as well as certain other commitments and guarantees and such cash, as explained in detail below.

Below are the parent level liquidity and leverage metrics that the company monitors and reports regularly.

Liquidity metrics:

1- Parent Operating Cash Flow ("**POCF**")

2- Total Discretionary Cash ("**TDC**")

3- Parent-level period-end Net Cash cxxxvi)

Leverage metrics:

1- Parent-level Net Leverage

2- Parent-level Net Leverage to POCF Ratio

1- Parent Operating Cash Flow ("POCF")

POCF is the net of Total cash inflows and Total cash outflows as detailed below.

Total cash inflows, or sources of cash, comprises (i) distributions from the project companies and NOMAC ("**Distributions**"); (ii) proceeds from the development business & other construction management services; and (iii) proceeds from farm-downs and/or disposals of the Company's investments (financial optimization) and proceeds from other technical and management services.

Total cash outflows are parent-level general, administrative and Zakat and tax expenses as well as the debt servicing relating to the ACWA39 Non-Recourse Bond (see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Liquidity and Capital Resources**").

2- Total Discretionary Cash ("TDC")

TDC is the total amount of cash at parent level that is available for the Company to use.

TDC comprises the (i) POCF; (ii) opening cash of the year (including NOMAC cash movement, net); and (iii) proceeds from any new capital or debt issuance.

3- Period-end Cash Balance ("Net Parent Cash")

Net parent cash is the cash available at the end of the period after reducing the TDC by the aggregate amount of Uses of Cash for the period.

The Company typically allocates its available cash (Total Discretionary Cash) to (i) debt servicing; (ii) investing; (iii) distributing dividends; and (iv) other corporate uses.

- a- Debt servicing consists of cash used in servicing the principal, interest and other financial charges related to the borrowings of the Company including any that has recourse to the Company.
- b- Investing consists of cash used for the Company's investments mainly in its own affiliated companies in the form of settlement of EBL commitments or direct equity injections, advances, project development cost.
- c- Distributing dividends consists of cash paid out to the shareholders in line with the Company's dividend policy and practices.
- d- Other corporate uses may consist of other corporate cash disbursements, such as the cash used for share buy-back for employee incentive plans in 2024.

Net parent cash is the cash available at the end of the period after reducing the TDC by the aggregate amount of Uses of Cash for the period.

4- Parent-level Net Leverage

In measuring its parent-level net leverage, the Company takes into consideration its off-balance sheet equity commitments in addition to its on-balance sheet recourse debt, net of cash on hand at the end of the respective period (for further discussion, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Liquidity and Capital Resources**")). For this purpose, the Company's off- balance sheet equity commitments mainly consist of the guarantees in relation to the Company's equity bridge loans (EBLs) and equity letters of credit (ELCs), including options entered with lenders of mezzanine debt facilities by the Company's JVs or subsidiaries.

Most of the Company's consolidated debt consists of project finance instruments, which are non-recourse to the Company at the parent level, and the Company does not include these borrowings in its parent-level debt. Furthermore, the Company excludes other corporate commitments from its off-balance sheet parent-level debt, such as guarantees in the form of Debt Service Reserve Account (DSRA) LCs, performance guarantees, development security, etc., as the management doesn't expect that the Company will reach a situation where these guarantees will be called by the counterparty and thus doesn't expect a cash outflow due to these.

The parent-level debt reduced by the parent-level period-end cash represents Parent-level net leverage (Net parent debt or net parent borrowing).

5- Parent-level Net Leverage to POCF Ratio

The Company calculates Parent-level Net Leverage Ratio to monitor the number of times its parent-level net debt is covered by its parent-level operating cash (POCF). Additionally, but primarily for the Company's lenders, it also calculates the ratio of parent net leverage as a percentage of its net tangible equity attributable to owners of the Company, whereby the net tangible equity attributable to owners of the Company is defined as its equity attributable to owners of the Company before other reserves, net of intangible assets such as Goodwill and project development.

Management's discussion and analysis of the parent-level liquidity and leverage is below.

Table (6-4): Parent-level Net Leverage to POCF Ratio

Parent-level cash	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Distributions	1,162,740	1,285,437	1,460,616	10.6%	13.6%	12.1%
Development business & construction management services	1,000,622	882,436	1,465,629	-11.8%	66.1%	21.0%
Other services and financial optimization	322,587	2,830,434	511,898	777.4%	-81.9%	26.0%
Total cash inflow	**2,485,949**	**4,998,307**	**3,438,143**	**101.1%**	**-31.2%**	**17.6%**
G&A and Zakat & tax expenses	(688,060)	(659,061)	(890,920)	-4.2%	35.2%	13.8%
Financial expenses - ACWA39	(187,326)	(176,136)	(94,256)	-6.0%	-46.5%	-29.1%
Total cash outflow	**(875,386)**	**(835,198)**	**(985,177)**	**-4.6%**	**18.0%**	**6.1%**
Total parent operating cash flow	**1,610,563**	**4,163,109**	**2,452,966**	**158.5%**	**-41.1%**	**23.4%**
Total discretionary cash	**9,403,364**	**9,014,574**	**9,089,020**	**-4.1%**	**0.8%**	**-1.7%**
Total uses of cash	(4,882,985)	(4,717,829)	(4,375,918)	-3.4%	-7.2%	-5.3%
Period end cash balance	**4,520,379**	**4,296,745**	**4,713,103**	**-4.9%**	**9.7%**	**2.1%**

Source: Management information

Parent-level Liquidity

Parent Operating Cash Flow (POCF)

POCF increased by 158.5%, or SAR 2,552.5 million, from SAR 1,610.6 million in 2021G to SAR 4,163.1 million in 2022G, and then decreased by 41.1%, or SAR 1,710.1 million, to SAR 2,453.0 million in 2023G.

The increase in POCF in 2022G was mainly on account of higher cash inflows by SAR 2,510 million, driven by the proceeds from: 1) the refinancing of Rabigh Arabian Water and Electricity Company ("**RAWEC**")) and subsequent capital reduction of RAWEC; 2) the divestment of SQWEC (Shuqaiq Water and Electricity Company); and 3) the repayment of a shareholder loan from Sirdarya Project in Uzbekistan following a farm-down of its equity share by the Company.

The decrease in POCF in 2023G is mainly on account of lower cash inflows by SAR 1,560 million and higher cash outflows by SAR 150 million. Despite increases in Distributions and the development business and other construction management services revenues from the Project Companies and NOMAC, higher financial optimization proceeds in 2022G (as explained above) resulted in a negative variance in total cash inflows. Higher cash outflow was mainly due to higher corporate general and administrative expenses and Zakat & tax payment, which were partially offset by lower financial expenses pertaining to the non-recourse ACWA39 bond on account of lower principal amount following partial buyback in the last quarter of 2022G.

Total Discretionary Cash (TDC)

TDC decreased by 4.1%, or SAR 389.0 million, from SAR 9,403.4 million as of 31 December 2021G to SAR 9,014.5 million as of 31 December 2022G, and then increased by 0.8%, or SAR 74.4 million, to SAR 9,089.0 million as of 31 December 2023G.

Although POCF was higher in 2022G, TDC as of 31 December 2022G was lower than as of 31 December 2021G mainly due to the proceeds from the additional debt and equity capital raised in 2021G including the proceeds from Sukuk Tranche 1 and the Company's IPO.

The Company's net uses of cash during 2022G amounted to SAR 4,718 million (SAR 5,188 million gross uses of cash netted off by the SAR 470 million collection of a Limited Notice to Proceed (LNTP) advance to a Project Company in earlier periods. The Company used SAR 5,188 million as follows: 1) debt service of SAR 3,158 million including (i) partial buyback of ACWA39 Bonds at pre-amortization aggregate amount of SAR 1,408 million (please refer to Section (2) ("**Risk Factors – Partial prepayment of APMI One's ACWA 39 Bond**"); (ii) prepayment of outstanding SRF convertible loan and payment of several other EBLs, altogether amounting to SAR 1,549 million; 2) SAR 1,195 million for investment in its projects including in the UAE, Saudi Arabia and South Africa; 3) SAR 563 million for dividends paid for the year 2021G; and 4) SAR 272 million for other advances and project development costs.

In 2023G, TDC was marginally higher than 2022G, owing mainly to the proceeds from Sukuk Tranche 2 issued in 2023G in addition to other drawdowns, which more than offset the negative variance in POCF. During 2023G, the Company used SAR 4,376 million of its available TDC for: 1) the debt service of SAR 468 million (including service of both tranches of Sukuk); 2) dividend payment of SAR 606 million for the year 2022G; 3) cash investments in its projects at an aggregate amount of SAR 2,729 million including SAR 1,022 million of EBL repayments for the Company's equity shares in the project companies; and 4) aggregate net cash outflows for limited notices to proceed, other advances and project development costs, net off any advances collected, of SAR 557 million.

Accordingly, the Period-end parent-level cash for the years 2021G, 2022G and 2023G were SAR 4,520.4 million, SAR 4,296.7 million and SAR 4,713.1 million respectively.

Table (6-5): Parent-level Leverage

Parent-level Leverage	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Corporate borrowing	2,790,399	2,792,121	4,587,817	0.1%	64.3%	28.2%
Project recourse borrowings	2,479,306	2,941,340	4,976,083	18.6%	69.2%	41.7%
Other financial liabilities	1,639,686	820,172	771,602	-50.0%	-5.9%	-31.4%
Total on-balance sheet leverage	**6,909,391**	**6,553,633**	**10,335,502**	**-5.1%**	**57.7%**	**22.3%**
Total off-balance sheet leverage	**5,717,363**	**6,561,849**	**7,868,805**	**14.8%**	**19.9%**	**17.3%**
Total Parent leverage	**12,626,754**	**13,115,482**	**18,204,307**	**3.9%**	**38.8%**	**20.1%**
Less: Year and cash balance	(4,520,380)	(4,296,745)	(4,713, 103)	-4.9%	9.7%	2.1%
Parent net leverage	**8,106,374**	**8,818,737**	**13,491,204**	**8.8%**	**53.0%**	**29.0%**
Net tangible equity	12,891,723	13,752,967	14,713,104	6.7%	7.0%	6.8%
Parent net leverage to POCF ratio	**5.03**	**2.12**	**5.50**	**-2.91**	**3.38**	**-**
Parent net leverage to net tangible equity ratio	**0.63**	**0.64**	**0.92**	**0.01**	**0.28**	**-**

Source: Audited consolidated financial statements

Table (6-6): Total Group On-balance sheet consolidated Debt

Total Group On-balance sheet consolidated Debt	Financial year ended 31 December					
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Recourse borrowing	5,269,705	5,733,461	7,936,400	8.8%	38.4%	22.7%
Non-recourse borrowing	18,545,524	17,639,121	17,226,610	-4.9%	-2.3%	-3.6%
Total Borrowings	**23,815,229**	**23,372,582**	**25,163,010**	**-1.9%**	**7.7%**	**2.8%**
Total borrowings to total equity ratio	1.66	1.17	1.22	-	-	-

Source: Management information

Total parent leverage stood SAR 12,626.8 million, SAR 13,115.5 million and SAR 18,204.3 million as at 31 December of the years 2021G, 2022G and 2023G respectively

As at 31 December 2022G, total on-balance sheet leverage stood at SAR 6,553 million and was 5.2%, or SAR 356 million, lower than SAR 6,909 million as at 31 December 2021G, within which

a- Corporate borrowings stood at SAR 2,792 million and comprised Sukuk and corporate revolving facilities, which remained flat versus 2021G.

b- Project recourse borrowings stood at SAR 2,941 million and were higher by 19% mainly on account of new recourse debt for several projects, partially offset by 1) the repayment of recourse debt in relation to other projects and 2) reclassification of the Sirdarya EBL commitment to off-balance sheet leverage following farm-down of a share of the Company's equity, which resulted in the project being treated as an equity accounted investee instead of a subsidiary.

c- Other liabilities stood at SAR 820 million and decreased by 50% mainly because of the prepayment of an outstanding loan and a reduction in coal supply derivative liability (in relation to a CCGT plant in the UAE that was originally designed to be a coal-fired asset), which were partially offset by interest unwinding for the current year on a loan from a related party (PIF, major shareholder).

As at 31 December 2022G, total off-balance sheet leverage stood at SAR 6,562 million and was 14.8%, or SAR 845 million, higher than SAR 5,717 million as at 31 December 2021G, mainly as a result of a reclassification of the Sirdarya EBL commitment from on-balance sheet to off-balance sheet leverage following the farm-down in the Company's equity share, in addition to other EBL commitments for projects including the Shuaibah 3 IWP.

As at 31 December 2023G, total on-balance sheet leverage stood at SAR 10,336 million and was 57.7%, or SAR 3,782 million, higher than SAR 6,554 million as of 31 December 2022 within which,

a- Corporate borrowings at SAR 4,588 million, mainly comprised of Sukuk, were higher by 64.3% or SAR 1,796 million, mainly due to issuance of the SAR 1,800 million (before transaction costs) of the second tranche of Sukuk during 2023.

b- Project recourse borrowings—borrowings by the Company's projects with recourse to the Company—at SAR 4,976 million were higher by 69.2% mainly on account of new debt by several projects in Saudi Arabia, Uzbekistan, Azerbaijan and UAE.

c- Other financial liabilities at SAR 772 million decreased by 5.9% mainly because of the reduction in coal supply derivative liability on account of Hassyan IPP tripartite Coal settlement, partially offset by interest unwinding on the PIF loan for the current year.

As on 31 December 2023G, Total off-balance sheet leverage stood at SAR 7,869 million and was 19.9%, or SAR 1,307 million, higher than SAR 6,562 million as of 31 December 2022G, owing to the Company's higher EBL or other equity-related commitments in parallel with the increased equity investment levels for projects mainly in Saudi Arabia, partially offset by settlement of certain EBLs during the year 2023G.

Net off parent-level period-end cash, total parent net leverage stood at SAR 8,106.4 million, SAR 8,818.7 million and SAR 13,491.2 million as at 31 December of the years 2021G, 2022G and 2023G respectively.

As at 31 December 2022G, the Parent Net Leverage to POCF ratio stood at 2.1x (times) and was 2.9x (times) lower than the 5.03x (times) as at 31 December 2021G, mainly due to higher POCF.

As at 31 December 2023G, the Parent Net Leverage to POCF ratio stood at 5.5x (times) and was 3.4x (times) higher than the 2.1x (times) as at 31 December 2021G, mainly due to higher parent net leverage and lower POCF.

Comparability of Operations

Although the Company's business model of Develop, Invest, Operate, and Optimize allows it to generate and capture returns over the full life cycle of a project, these returns may differ from one reporting period to another, depending on the number of projects in the Company's portfolio and where these projects are in their project life cycles (i.e., in advanced development, under construction or in operation). Projects achieving financial close ("**FC**") and projects achieving either initial or final commercial operation dates ("**ICOD**" or "**PCOD**" respectively) are typical examples that may lead to such variances in the values presented on the financial statements from one period to another, potentially rendering analysis of these variations unreasonable without additional transparency. The Company considers this or similar type of transactions as "**ordinary course of business.**" Accordingly, the financial value of these transactions does not lead into any financial adjustment to the Company's reported consolidated net profit for the period attributable to equity holders of the parent ("**Reported Net Profit**").

In addition to above, there may be transactions that the management would consider as non-routine or non-operational as they are either one-off and are not expected to repeat in the future or unusual in nature. The impact of such transactions on the Reported Net Profit are adjusted in the respective period of their realizations to arrive at adjusted net profit attributable to equity holders of the parent ("**Adjusted Net Profit**") for the concerned period. For a summary of this type of transactions, please refer to Material transactions that resulted in adjustment to the Reported Net Profit.

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

1- Projects achieving Financial Close ("FC")

Typically, a project company achieves its FC when it has access to funding from its lenders. Upon achievement of the FC, the Company normally becomes entitled to recognize development fees from the Project Company and recover the project development and bidding costs including reversal of any related provisions. Moreover, the Company typically earns additional revenues such as development business and construction management revenues once a project achieves its FC and over construction period.

The following table lists all projects that achieved their respective FCs in the past 3 years to 31 December 2023G

Table (6-7): Lists all projects that achieved their respective FCs in the past 3 years to 31 December 2023G [17]

Financial Closes							
Month	**Project**	**Location**	**Total Investment Cost SAR Billion**	**Contracted Capacity (Power: MW/Water: Thousand m3/ day)**	**Accounting Type**	**ACWA Power's Share[18]**	**Status (as at 31 December 2024G)**
Nov'23	PIF3-Al-Kahfah solar PV IPP	Saudi Arabia	3.9	1,425 MW	EAI	50.10%	Under Construction
Nov'23	PIF3-Ar Rass2 solar PV IPP	Saudi Arabia	5.3	2,000 MW	EAI	50.10%	Under Construction
Nov'23	PIF3-Saad2 solar PV IPP	Saudi Arabia	3.0	1,125 MW	EAI	50.10%	Under Construction
Oct'23	Azerbaijan wind IPP	Azerbaijan	1.1	240 MW	SUB	100.00%	Under Construction
Sep'23	Rabigh 4 IWP	Saudi Arabia	2.5	600 m^3/day	EAI	45.00%	Under Construction
Aug'23	Layla PV IPP	Saudi Arabia	0.4	80 MW	EAI	40.10%	Under Construction
July'23	Al Shuaibah PV 1 & 2	Saudi Arabia	8.3	2,631 MW	EAI	35.01%	Under Construction
May'23	Nukus (Karatau) Wind IPP	Uzbekistan	0.4	100 MW	SUB	100.00%	Under Construction
Apr'23	Kom Ombo PV	Egypt	0.6	200 MW	SUB	100.00%	Operational
Mar'23	NEOM Green Hydrogen Company	Saudi Arabia	31.9	3,883 MW; 220k tonnes/year	EAI	33.33%	Under Construction
Feb'23	Ar Rass PV IPP	Saudi Arabia	1.7	700 MW	EAI	40.10%	Operational
Oct'22	Shuaibah 3 RO	Saudi Arabia	2.9	600 m^3/day	EAI	68.00%	Under construction
Dec'22	Dzhankeldy Wind IPP	Uzbekistan	2.5	500 MW	SUB	100.00%	Under construction
Dec'22	Bash Wind IPP	Uzbekistan	2.6	500 MW	SUB	100.00%	Under construction
Oct'22	Shuaibah 3 IWP	Saudi Arabia	3.1	600 m^3/day	EAI	68.00%	Under construction
Dec'21	The Red Sea Project	Saudi Arabia	6.0	340MW/33 m3/ day	EAI	50.10%	Under construction
Oct'21	Jizan IGCC	Saudi Arabia	45.0	3800 MW	EAI	21.25%	Operational
Sep'21	Sirdarya CCGT IPP	Uzbekistan	4.5	1500 MW	Sub	100.00%	Operational
Jul'21	Sudair PV IPP	Saudi Arabia	3.6	1500 MW	EAI	35.00%	Operational
May'21	Redstone CSP IPP	South Africa	3.0	100 MW	EAI	49.00%	Under construction

Source: Management Information

17 Please refer to Table (3-7) of Section 3 ("**The Company**") of this Prospectus, which outlines the status of each project.

18 ACWA Power's effective share as at the time shown under Month column of the table. ACWA Power's effective shareholding as on 30 September 2024 may be different.

2- Projects achieving Initial or Project Commercial Operation Dates ("ICOD" or "PCOD")

A project starts providing power and/or water, partially or fully, under its offtake agreement in the year it achieves either ICOD or PCOD and begins recognizing revenue and charging costs into the profit or loss statement. It is typically at this stage that NOMAC also starts recognizing its stable and visible O&M fees too.

Depending on its effective ownership and control relationship in the project, the Company either consolidates the financial results of the project (subsidiary) or recognizes its share of net income in the project (equity accounted investee) on the Company's consolidated financial statements. The Company additionally receives dividend distributions in proportion to its share in the project in case the project distributes such dividends.

Table (6-8): Projects achieving Initial or Project Commercial Operation Dates ("ICOD" or "PCOD")

ICOD/PCOD	Project	Location	Online Capacity1 (Power: MW / Water: Thousand m3/day))[19]	Accounting Type	Acwa Power's Share[20]
Nov'23	Hassyan IPP	UAE	2400 MW	EAI	26.95%
Nov'23	Noor Energy 1(PT Unit)200MW	UAE	717 MW	EAI	25.00%
Oct'23	Sudair PV(Group2)	Saudi Arabia	1,125 MW	EAI	35.00%
Sep'23	Sudair PV(Group1)	Saudi Arabia	750 MW	EAI	35.00%
Jun'23	Shuaa Energy3 PV	UAE	900 MW	EAI	24.00%
Apr'23	Al Taweelah IWP	UAE	833 m^3/day	EAI	40.00%
Mar'23	Hassyan IPP (Unit 3)	UAE	1,800 MW	EAI	26.95%
Feb'23	Jazlah IWP (Jubail 3A)	Saudi Arabia	600 m3/day	EAI	40.20%
Feb'23	Noor Energy 1 (CT Unit)100MW	UAE	517 MW	EAI	25.00%
Jan'23	Jizan IGCC	Saudi Arabia	184,000 Nm^3/hr Hydrogen 585 MT/hr Steam Approx. 3,040MW Power	EAI	21.25%
Jan'23	Noor Energy 1(PT Unit) 200MW	UAE	417 MW	EAI	25.00%
Oct'22	Shuaa Energy3 PV	UAE	600 MW	EAI	24.00%
Aug'22	Shuaa Energy3 PV	UAE	500 MW	EAI	24.00%
Aug'22	UAQ IWP	UAE	683 M^3/day	EAI	40.00%
Jun'22	Al Taweelah IWP	UAE	455 m^3/day	EAI	40.00%
Jun'22	Al Dur 2IWPP (Power)	Bahrain	1500 MW	EAI	60.00%
Jun'22	Al Dur 2IWPP (Water)	Bahrain	227 m^3/day	EAI	60.00%
May'22	Shuaa Energy3 PV	UAE	400 MW	EAI	24.00%
Dec'21	UAQ IWP	UAE	227 M3/day	EAI	40.00%
Dec'21	Noor Energy 1 (PV-1) (partial)	UAE	217 MW	EAI	24.99%
Dec'21	Rabigh 3 IWP	Saudi Arabia	600 M^3/day	Sub	70.00%
Oct'21	Jizan IGCC (partial)	Saudi Arabia	1500 MW	EAI	21.25%
Sep'21	Hassyan IPP (Unit 2)	UAE	600 MW	EAI	26.95%
Aug'21	Ibri 2 PV IPP	Oman	500 MW	EAI	50.00%
Jul'21	Shuaa Energy3 PV	UAE	300 MW	EAI	24.00%
May'21	Al Dur 2IWPP(Power)	Bahrain	1500 MW	EAI	60.00%
May'21	Salalah IWP	Oman	114 M^3/day	EAI	50.10%
Feb'21	Al Dur 2IWPP(Water)	Bahrain	114 M^3/day	EAI	60.00%

Source: Management Information

19 Cumulative total capacity that is online as at the stated date.
20 ACWA Power's effective share as at the time shown under Month column of the table. Note that the current effective shareholding may be different.

3- Bonus Shares:-

On 28 February 2024G, the Company's Board of Directors recommended to increase the Company's capital by granting bonus shares to the Company's shareholders through capitalization of SAR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned, which was approved by the CMA on 4 April 2024 and approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024G and distribution of shares has been completed on 2 May 2024G followed by the distribution of the proceeds from the liquidation of Fractional Shares which was completed on 29 May 2024G. Consequently, the share capital increased from SAR 7,310,997,290 to SAR 7,325,619,280 and the number of outstanding shares increased from 731,099,729 shares to 732,561,928 shares.

4- STPC bond issuance: -

In February 2021G, the Company has announced the successful completion of the refinancing of the outstanding loan facilities of its wholly owned subsidiary, Shuaibah Two Water Development Project Company ("**STPC**"). Composed of two tranches; the refinancing facility has been provided by a first tranche of a conventional USD 100.0 million (equivalent to 375 million Saudi Riyals) LIBOR-linked floating rate commercial loan and a second tranche of a privately placed project bond consisting of USD 166.2 million (equivalent to 623 million Saudi Riyals). Financial charges in relation to the derecognition of deferred finance cost, hedge termination cost for old loan and refinancing fees of SAR 25 million were recognized in 2021G.

5- Sukuk issuance

On 10 May 2021G, ACWA Power launched its 7-year Sukuk program (shariah compliant Mudaraba-Murabaha structure) in Saudi Arabia in the form of a CMA-approved privately placed unlisted unrated Sukuk issuance earmarked for sophisticated investors. The initial tranche under the program was sized at SAR 2,800 million. The final pricing and book building were completed in early June 2021 and the Sukuk was issued on 14 June 2021G with a favorable pricing of 6-month SAIBOR+100 bps per annum.

On 2 February 2023G, the Company completed the issuance of the Tranche 2 of SAR 1,800 million Sukuk. The second tranche bears a return based on 3-month Saudi Arabia Interbank Offered Rate (SIBOR) plus 0.95% p.a from 01 February 2023G, with a step-up to +1.05% p.a. from and including the 5th anniversary of the issue date, payable quarterly in arrears and to be redeemed at par on its maturity, i.e., 7 years from the date of the issuance, with a call option effective on or after 5 years from the issuance date. The company hedged 20% of the second tranche of the Sukuk for five years.

6- Refinancing of Rabigh Arabian Water and Electricity Company ("RAWEC")

RAWEC is an independent water, steam and power producer supplying these utilities on a captive basis to Rabigh Refining & Petrochemical Company JSC (Petro Rabigh), a facility of Saudi Aramco. RAWEC has initiated a plan in December 2021G to replace its existing current outstanding debt with fully amortizing USD and SAR bank facilities alongside a 144a/RegS bond issuance in phases. On 30 December 2021G, RAWEC concluded phase one of this debt refinancing, raising a new facility amounting to SAR 3,000.0 million that was drawn down and utilized to settle existing loan balance of SAR 2,862.5 million. The facility was obtained in two tranches, repayable semi-annually from June 2022G with the final instalment to be paid in June 2030G.

During the first quarter of 2022G, RAWEC concluded the phase two of its debt refinancing. A new facility amounting to SAR 2,231.2 million was drawn in two tranches as follows: 1- SAR 468.7 million, repayable on a semi-annual basis from June 2022G with the final instalment to be paid in June 2034G, with a fixed margin of 4%; and 2- SAR 1,762.5 million, repayable on a semi-annual basis from June 2022G with the final instalment to be paid in June 2034G, with a fixed margin of 4%.

7- Proceeds from the Initial Public Offering of the Company (the "IPO")

On 11 October 2021G, the Company completed its IPO and, representing 11.67% of the Company's share capital after capital increase, listed 85,336,851 new ordinary shares including the employee shares (public offering was 11.1% and 81,199,299 shares) at a value of SAR 56 per share on the Exchange (Tadawul). Total IPO proceeds before deducting transaction costs amounted to SAR 4,778.9 million. As a result, the Company's issued share capital increased by SAR 853.4 million at nominal value of SAR 10 per share and the share premium increased by SAR 3,925.5 million. The increase in the Company's authorised capital was from SAR 6,457,628,780 to SAR 7,310,997,290.

8- Prepayment of Silk Road Fund's convertible loan

During 2018G, ACWA Renewable Energy Holdings Limited ("**APREH**") entered into a convertible loan agreement whereby an amount of SAR 1,361.2 million 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**"). The loan carried an effective interest rate of 3.67% per annum. A portion of the loan balance amounting to SAR 600.4 million was converted as sales consideration against the sale of 49% of the Group's shareholding in APREH. During the third quarter of 2022G, APGS opted for early retirement of the then outstanding loan balance to APREH on account of lower probability of additional conversion in the future.

9- Partial prepayment of APMI One's ACWA 39 Bond

In May 2017G, APMI One, ACWA Power's 100% owned subsidiary, issued bonds with an aggregate principal amount of USD 814.0 million (SAR 3,052.5 million). The bonds are listed on the Irish Stock Exchange and non-recourse to ACWA Power. During the year 2022G, ACWA Power, through APMI One, has partially bought back pre-amortization aggregate principal amount of USD 400.7 million (SAR 1,502.7 million) of bonds at a discount through a tender offer. The Company recognised a gain of SAR 74.8 million on the buyback, net of the proportionate share in the unamortised transaction cost in relation to the bond's issuance, which is presented within other income on the consolidated statement of profit or loss.

10- Hassyan IPP coal agreement

Hassyan IPP was originally designed and constructed as a primary coal-fired asset with natural gas as the secondary and back up fuel. In February 2022G, Hassyan IPP was converted into a gas-fired plant following a joint decision by ACWA Power and the Offtaker, whereby the Offtaker is the major shareholder in the project.

Before the conversion, the Company had a coal supply agreement (Agreement) with a third-party supplier, where the Company had committed to cover the difference or take up the surplus between two agreed prices with the coal supplier during the IPP's period of operations. On initial recognition, the Company has estimated a derivative liability, computed using the discounted cash flow method, with the corresponding impact in the carrying value of the investment of the equity accounted investee of the Company.

Following the conversion, the management assessed that the coal consumption in future would be very minimal as coal would be used only as a back-up fuel. As a result, the Company has revised the expected consumption and recognized a liability of SAR 171.4 million in the consolidated statement of financial position as of 31 December 2021G.

On 11 October 2023G, the Group entered in a tripartite settlement agreement with the Coal Supplier and the Hassyan IPP, whereby the parties agreed to cancel the Agreement for a certain consideration. Accordingly, the Group has reversed the outstanding coal derivative liability amounting to SAR 58.8 million and recognised net amount SAR 28.8 million as a gain in other income.

11- Restructuring and refinancing of Shuaibah Water and Electricity Company ("Shuaibah 3" or "SWEC"):-

On 20 June 2022G SWEC signed a WPA to amend and restructure the existing PWPA as part of the conversion of the existing plant (the "**Old Plant**") from an oil-fired asset to a seawater reverse osmosis desalination plant (the "**RO Plant**"), at an estimated total investment cost of around SAR 3,113 million, to be developed under a concession period of 25 years and with expected commercial operation date of the second quarter of 2025. Upon achieving the COD, the Old Plant shall be decommissioned but the underlying Project Company shall continue to receive the capacity payments, as adjusted for the average availability based on last 3 years' performance before decommissioning until the expiry of the original PWPA term of the first quarter of 2030G.

12- Long Term Incentive Plan (LTIP) and Share Buy-back

During the year 2021G, the Board of Directors approved a cash based long term incentive plan (the "**LTIP**") for certain members of management, covering a nine-year period effective from 1 January 2020G and comprising 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. In this regard, during the year 2023G a provision of SAR 36.1 million (2022G: SAR 30.8 million) has been recognised within general and administration expenses. (See below "**Material transactions that resulted in adjustment to the Reported Net Profit**" for accounting for the year 2021G.)

During the year ended 31 December 2023G, the Board of Directors approved to replace the existing LTIP with a share- based incentive plan (hereinafter referred as the "**Employees Stock Incentive Program**" or the "**Program**"). In this regard, on 22 June 2023G, the shareholders of the Company approved to buy back Company shares with a maximum of 2.0 million shares. As of 31 December 2023G the terms and conditions of the Program has not yet been communicated to eligible employees and the Grant Date criteria (as specified under IFRS 2 –Share-based payment) has not been satisfied.

13- Divestment of Shuqaiq Water and Electricity Company ("SQWEC")

On 7 September 2021G, the Company entered into an agreement for the sale of its entire 32% effective shareholding in SQWEC, an oil-fired asset located in Saudi Arabia, with 850 MW power and 212,000 m3/day water desalination capacity. The agreement included the sale of 32% interest in the O&M contract of NOMAC. The transaction was completed on 17 March 2022G, the sale consideration of SAR 391.4 million has been settled by the Buyer, and the Company recorded a net loss on disposal of SAR 17.2 million mainly driven by recycling of cash flow hedge reserve deficit and allocation of goodwill on disposal.

14- Farm-Down of ACWA Power Uzbekistan Project Holding Company (the "Investee Company")

On 14th September 2022G, ACWA Power entered into a Sale Purchase Agreement ("**SPA**") with Silk Road Fund of China – CVXF Inc. for the sale of a 49% stake in ACWA Power Uzbekistan Project Holding Company (the "**Investee Company**" or "**Sirdarya**"), its wholly owned subsidiary previous to the transaction. The Investee Company holds 100% stake in ACWA Power Sirdarya ("**the Project Company**"). Legal formalities in relation to the farm-down were completed on 27 December 2022G. As a result of the transaction, ACWA Power began jointly controlling the decisions for the relevant activities that most significantly affect the returns of the investee together with the Project Company. Consequently, ACWA Power lost control in Sirdarya, started using the equity method of accounting in accordance with the requirements of IFRS 11 –Joint Arrangements, and recognised a gain of SAR 235.7 million.

15- Farm-down of ACWA Power Redstone Holding (RF) Proprietary Limited ("Redstone")

On 28 July 2022G, ACWA Power Green Energy Africa Proprietary Limited (a 100% owned subsidiary of ACWA Power) (the "**Seller**") entered in a Sale Purchase Agreement ("**SPA**") with a third-party buyer ("**the Buyer**") in relation to the Seller's 25.92% partial shareholding in Redstone (a 98% owned subsidiary of the Seller before the SPA) for an agreed consideration of ZAR 276.8 million (SAR 61.0 million). Legal formalities in relation to the share transfer were completed in December 2022G.

16- Divestment of Vinh Hao 6 Power Joint Stock Company ("Vinh Hao")

On 20th October 2022G, ACWA Power entered into a Sale Purchase Agreement ("**SPA**") for the sale of its complete 60% stake in Vinh Hao, Vietnam, an equity accounted investee of the Company, subject to the satisfaction of conditions precedent in the SPA. On the consolidated financial statements of 2022G, carrying value of ACWA Power's investment in Vinh Hao amounting to SAR 77 million were classified as assets held for sale. Legal formalities with respect to the SPA was completed in April 2023G. Consequently, the Group derecognized its entire investment in Vinh Hao, recognized a marginal gain and charged the goodwill that was allocated to Vin Hao (SAR 9.2 million) to the consolidated income statement.

17- Farm-down of Solar V Holding Company Limited ("Solar V")

In December 2022G, ACWA Power Green Energy Holding Limited (a wholly owned subsidiary of ACWA Power) (the "**Seller**") entered into a Sale Purchase Agreement ("**SPA**") with ACWA Power Renewable Energy Holding Limited (a 51% owned equity accounted investee of the Company) (the "**Buyer**") in relation to the sale of its entire 60% shareholding in Solar V, which effectively owns 40% stake in Shuaa Energy 3 PSC, the project company for Shuaa Energy 3 PV IPP and an equity accounted investee of the Company. Legal formalities with respect to divestment is not completed as at 30 June 2024G and the net assets of Solar V together with carrying value of ACWA Power's Investment in Shuaa Energy 3 PSC amounting to SAR 57.1 million were classified as assets held for sale on the consolidated financial statements of June 2024G. Following the completion, the Company's effective shareholding in this project will reduce to 12.24% from 24.00%.

18- Farm-down of the Bash and Dzhankeldy Wind IPPs

On 7 July 2023G, ACWA Power (through its wholly owned subsidiary) entered into a Sale Purchase Agreement ("**SPA**") for the sale of a 35% stake in ACWA Power Bash Wind Project Holding Company and ACWA Power Uzbekistan Wind Project Holding Company Limited ("**the Investee Companies**" or the "**Entities**"), its wholly owned subsidiaries previous to the transaction, to a third party. The Investee Companies each holds 100% stake in ACWA Power Bash Wind LLC and ACWA Power Dzhankeldy LLC ("**the Project Companies**"), respectively. The farm-down is subject to the satisfaction of certain conditions precedent in the SPA. On the consolidated financial statements of 2023G, assets and liabilities of the Entities together with the Project Companies are presented as held for sale.

19- Farm-down of Noor Al Shuaibah Holding Company ("Shuaibah 1&2 PV IPP")

On 15 June 2023G, ACWA Power entered into a share transfer arrangement whereby the Group transferred its 30% and 35% shares (partial shareholding and in aggregate 65%) in Noor Al Shuaibah Holding Company (the "**Investee**") to a third party and a related party buyer, respectively. Legal formalities in relation to share transfer were completed during the period ended 30 June 2023G. As a result of the transfer, ACWA Power now holds a 35% shareholding in the Investee and jointly controls the decisions for the relevant activities that most significantly affect the returns of the Investee.

20- Farm-down of Layla and Ar Rass Solar PV

During the year ended 31 December 2023G, the Group farmed-down its effective 33.28% and 39.90% shareholding in Oasis Holding Company ("**OHC**") and Layla and Ar Rass Holding Company LLC ("**LRHC**") (together, the "**Entities**") respectively, wholly owned subsidiaries of the Group before the transaction. Subsequently, the Group lost control in the Entities and its remaining effective stakes in the Entities (66.72% and 60.1% in OHC and LRHC respectively) are retained at fair value and accounted for using the equity method of accounting effective from the farm-down date. The Company recognized net gain of SAR 1.6 million on this farm-down.

Material transactions that resulted in adjustment to the Reported Net Profit

1- Impairment of Shuaibah Water & Electricity Co. ("SWEC")

SWEC, an equity accounted investee of the Company located in Saudi Arabia with 900 MW power and 880,000 m3/day water desalination capacity, is an oil-fired plant and has a PWPA with Saudi Water Partnership Company (SWPC) for a period of 20 years from the Project Commercial Operation Date ("**PCOD**") of 14 January 2010G. In 2020G, the Company booked an impairment charge of SAR 30.0 million following an impairment assessment, considering then prevailing uncertainties around the contract's renewal potential post-expiry of the existing PWPA mainly driven by Saudi Arabia's publicly declared ambitions to change the country's energy mix in favor of cleaner forms of fuel sources. Following successful discussions between the Company and SWPC to restructure the existing contract in parallel with the Saudi government's ambitions, the Group received an RFP for a replacement seawater reverse osmosis plant for which a WPA has been signed between the parties in 2021G. A subsequent impairment assessment (including change in certain assumptions and the residual value of plant) led to the reversal in the same year (i.e., 2021G) of the impairment booked in 2020G.

2- Impairment of Shuqaiq Water and Electricity Company ("SQWEC")

On 7 September 2021G, the Company entered into an agreement for the sale of its 32% effective shareholding in SQWEC, an oil-fired asset located in the Kingdom of Saudi Arabia, with 850 MW power and 212,000 m3/day water desalination capacity. The agreement included the sale of 32% interest in NOMAC's O&M contract too. SQWEC used to be an equity accounted investee of ACWA Power, which has contributed a net loss in 2021G on account of accelerated depreciation charges (see below, Change in useful life of certain oil-fired assets) and an impairment charge of SAR 93.0 million.

3- Impairment of ACWA Power Barka SAOG ("Barka")

Barka is a subsidiary of the Company. Its operational assets comprise one conventional power generation plant and two reverse osmosis (RO) water desalination plants.

Barka's WPA for its Reverse Osmosis Plants (RO Plants) and PWPA (Main Plant) expired on 31 December 2021G and 8 February 2022G, respectively. On 2 February 2022G, the management has secured extension of the WPA (RO Plants) for the then next 23 months with an option to extend further by another nine months. However, due to the then prevailing uncertainty around the renewal of the PWPA (Main Plant), an impairment assessment was performed under IFRS to assess the recoverable value of the Main Plant, which resulted in higher recoverable value than the carrying value. Consequently, no impairment was recorded in the year 2021G for the Main Plant, however remaining goodwill in relation to Barka was fully impaired with a charge of SAR 60.0 million in 2021G. Following the continuation of the same uncertainties in the next year, an impairment assessment performed by the management under IFRS indicated to a recoverable amount lower than the then carrying amount of the asset and an impairment charge of SAR 121.6 million (ACWA Power's share is SAR 51 million) was booked in 2022G.

In April 2024G, Barka has received a letter of award from Nama Power and Water Procurement Company, Oman (PWP), that extended the expired Power and Water Purchase Agreements (PWPA) for the power plant for 8 years and 9 months with operations starting from 1 June 2024G, and for the water plant for 3 years starting from 1 September 2024G with additional extension option at PWP's discretion for a further term of 3 years and another term of 2 years and 9 months (total 8 years and 9 months term).

4- Provision for long term incentive plan ("LTIP") for employees

During the year 2021G, the Board of Directors approved a cash based long term incentive plan (the "**LTIP**") for certain members of management, covering a nine-year period effective from 1 January 2020G and comprising 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 SAR 61.0 million (including SAR 29.3 million for 2020G) has been recognized within general and administration expenses in 2021G representing the performance periods of 2020G and 2021G. The Company posted an adjustment of SAR 29.3 million for this transaction in arriving at Adjusted Net Profit for 2021G.

5- IPO employee bonus and incentive plan

On 30 March 2021G, the Board of Directors of the Company approved an incentive plan comprising shares and cash benefits (the "**Plan**") for eligible employees, payable upon a successful listing of the Company and subject to other performance conditions, and on 13 June 2021G the shareholders of the Company approved the Plan. The Plan was granted and vested to eligible employees on 28 September 2021G. Accordingly, the Group recognized a share-based payment expense, amounting to SAR 280.0 million (SAR 231.7 million, equivalent to 4,137,552 shares at IPO price of SAR 56 per share and SAR 48.3 million on account of equity-settled and cash-settled share-based payments, respectively), equivalent to the fair value of the Plan as at the grant date. The Company posted an adjustment of SAR 280.0 million for this transaction in arriving at Adjusted Net Profit for 2021G.

6- Provision/(reversal) of provision for project development cost in Nam Dinh 1 IPP

In 2020G, the Group has decided not to pursue any new coal projects in line with its commitment and focus towards decarbonization and has fully written-off the then to-date incurred project development and related costs of Nam Dinh 1 IPP coal project in Vietnam, amounting to SAR 80.9 million.

In 2022G, the Company has successfully completed the transfer of its effective shareholding to a new partner and reversed SAR 14.3 million of the 2020G write-off provision, which was no more required. The Company posted an equivalent amount of adjustment in 2022G as the original write-off was considered to be an adjusting entry in 2020G.

7- Provision for Zakat and tax on prior year assessments

During 2021G, some of the subsidiaries of the Company made additional non-routine provisions amounting to SAR 13.4 million against ZATCA assessments for the past years, for which the Company posted an equivalent amount of adjustment in arriving at Adjusted Net Profit for 2021G.

Consolidated Statement of profit or loss and other comprehensive income

The following table presents the Group's consolidated statement of profit or loss and other comprehensive income for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-9): Statement of profit and loss and other comprehensive income:

Consolidated statement of profit and loss and other comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Continuing operations						
Revenue	**5,235,393**	**5,275,930**	**6,095,010**	**0.8%**	**15.5%**	**7.9%**
Operating costs	(2,383,677)	(2,410,582)	(2,599,830)	1.1%	7.9%	4.4%
Gross profit	2,851,716	2,865,348	3,495,180	0.5%	22.0%	10.7%
Development cost, provision and other write offs, Net of Reversals	(133,249)	(35,438)	(69,582)	-73.4%	96.3%	-27.7%
General and administrative expenses	(924,872)	(1,029,339)	(1,236,692)	11.3%	20.1%	15.6%
Share in net results of equity accounted investees, net of zakat and tax	321,693	294,442	244,571	-8.5%	-16.9%	-12.8%
Other operating income	187,430	519,748	550,308	177.3%	5.9%	71.3%
OPERATING INCOME BEFORE IMPAIRMENT LOSSAND OTHER EXPENSES	**2,302,718**	**2,614,761**	**2,983,785**	**13.6%**	**14.1%**	**13.8%**
Impairment loss and other expenses, net	(356,482)	(251,510)	(213)	-29.4%	-99.9%	-97.6%
OPERATING INCOME AFTER IMPAIRMENT LOSSAND OTHER EXPENSES	**1,946,236**	**2,363,251**	**2,983,572**	**21.4%**	**26.2%**	**23.8%**
Other income	23,970	276,261	92,131	1052.5%	-66.7%	96.1%
Finance income	17,584	118,391	231,434	573.3%	95.5%	262.8%
Exchange (loss) / gain, net	(46,915)	(36,934)	2,774	-21.3%	-107.5%	-
Financial charges	(1,052,531)	(1,228,822)	(1,474,903)	16.7%	20.0%	18.4%
Profit before zakat and income tax	**888,344**	**1,492,147**	**1,835,008**	**68.0%**	**23.0%**	**43.7%**
Zakat and tax charge	(80,110)	(232,841)	(53,731)	190.7%	-76.9%	-18.1%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**808,234**	**1,259,306**	**1,781,277**	**55.8%**	**41.4%**	**48.5%**
DISCONTINUED OPERATIONS						
Profit / (loss) from discontinued operations including loss recognised on assets held for sale	(64,326)	217,104	(9,948)	-437.5%	-104.6%	-60.7%
PROFIT / (LOSS) FOR THE YEAR	**743,908**	**1,476,410**	**1,771,329**	**98.5%**	**20.0%**	**54.3%**
Profit/(Loss) attributable to						
Equity holders of the parent	758,798	1,540,035	1,661,714	103.0%	7.9%	48.0%
Non-controlling interests	(14,890)	(63,625)	109,615	327.3%	-272.3%	-
	743,908	**1,476,410**	**1,771,329**	**98.5%**	**20.0%**	**54.3%**

Consolidated statement of profit and loss and other comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Basic and diluted earnings per share to equity holders of the parent (in SAR)	**1.04**	**2.11**	**2.27**	**102.9%**	**7.6%**	**47.7%**
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	**1.13**	**1.81**	**2.29**	**60.2%**	**26.5%**	**42.4%**
PROFIT / (LOSS) FOR THE YEAR	**743,908**	**1,476,410**	**1,771,329**	**98.5%**	**20.0%**	**54.3%**
Other comprehensive (loss) / income						
Items that are or may be reclassified subsequently to profit or loss						
Foreign operations – foreign currency translation differences	(399)	(337)	(12,750)	-15.5%	3683.4%	465.3%
Equity accounted investees – share of OCI	997,786	2,942,468	(688,834)	194.9%	-123.4%	-
Net change in fair value of cash flow hedge reserve	380,665	1,977,505	51,574	419.5%	-97.4%	-63.2%
Settlement of cash flow hedges transferred to profit or loss	(40,087)	(41,924)	96,848	4.6%	-331.0%	-
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(56,546)	-	-	-100.0%	-
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	-	(510,382)	-	-	-100.0%	-
Cash flow hedge reserve recycled to profit or loss on sale of an equity accounted investee	-	128,638	-	-	-100.0%	-
Cash flow hedge reserve associated with equity accounted investees recycled to profit or loss upon termination of hedge relationships	-	(555)	(6,769)	-	1119.6%	-
Items that will not be reclassified to profit or loss						
Re-measurement of defined benefit liability	(18,177)	5,796	(7,118)	-131.9%	-222.8%	-37.4%
Total other comprehensive income/(Loss)	**1,319,788**	**4,444,663**	**(567,049)**	**236.8%**	**-112.8%**	**-**
Total comprehensive income	**2,063,696**	**5,921,073**	**1,204,280**	**186.9%**	**-79.7%**	**-23.6%**
Total comprehensive income attributable to:						
Equity holders of the parent	1,984,938	5,741,733	1,104,884	189.3%	-80.8%	-25.4%
Non-controlling interests	78,758	179,340	99,396	127.7%	-44.6%	12.3%
	2,063,696	**5,921,073**	**1,204,280**	**186.9%**	**-79.7%**	**-23.6%**

Source: Audited consolidated financial statements

Revenue

The following table presents the Group's consolidated revenue for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-10): Group's consolidated revenue for the financial years ended 31 December 2021G, 2022G and 2023G

Revenue	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Services rendered:						
Operation and maintenance	1,714,145	1,922,409	2,327,083	12.1%	21.1%	16.5%
Development and construction management services	653,478	803,865	944,032	23.0%	17.4%	20.2%
Others	17,464	224	5,078	-98.7%	2167.0%	-46.1%
	2,385,087	**2,726,498**	**3,276,193**	**14.3%**	**20.2%**	**17.2%**
Sale of electricity:						
Capacity	1,036,248	804,562	781,002	-22.4%	-2.9%	-13.2%
Energy	393,165	263,046	296,210	-33.1%	12.6%	-13.2%
Finance lease income	313,110	137,947	357,102	-55.9%	158.9%	6.8%
Sale of water:	**1,742,523**	**1,205,555**	**1,434,314**	**-30.8%**	**19.0%**	**-9.3%**
Capacity	971,453	945,489	965,019	-2.7%	2.1%	-0.3%
Output	136,330	292,943	317,130	114.9%	8.3%	52.5%
Finance lease income	-	105,445	102,354	0.0%	-2.9%	-
	1,107,783	**1,343,877**	**1,384,503**	**21.3%**	**3.0%**	**11.8%**
Total Revenue	**5,235,393**	**5,275,930**	**6,095,010**	**0.8%**	**15.5%**	**7.9%**

Source: Audited consolidated financial statements

The Group's consolidated total revenue increased by 0.8%, or SAR 40.5 million, from SAR 5,235.4 million in 2021G to SAR 5,275.9 million in 2022G, and further increased by 15.5%, or SAR 819.1 million, to SAR 6,095.0 million in 2023G.

The increase in 2022G is driven by higher revenues mainly on account of higher Services rendered and Sale of water revenues due to new projects coming into operation (see Section (6-3-4) ("**Comparability of Operations**"))and higher development business and construction management services on account of projects achieving financial closes. These positive variances are largely offset by lower Sale of electricity revenues mainly due to the PPA expiry of Barka's (Oman) main power plant on 8th February 2022G and the decommissioning of three power units at CEGCO (Jordan) plants during December 2021G, in addition to lower finance lease and energy revenue at two projects (Morocco) mainly due to outages.

Revenues were higher in 2023G in all segments mainly driven by new projects coming into operation (including mobilization revenue) in addition to Morocco projects re-starting operations following the outage in 2022G and renewal of Barka's WPA, as well as higher development business and construction management services on account of projects achieving financial close.

Revenue by Operating Segment

The following table presents the Group's segmental revenue for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-11): Group's segmental revenue for the financial years ended 31 December 2021G, 2022G and 2023G

Segmental revenue	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Thermal and Water Desalination	4,190,444	4,257,860	4,518,621	1.6%	6.1%	3.8%
Renewables	1,027,485	1,017,846	1,571,312	-0.9%	54.4%	23.7%
Others	17,464	224	5,077	-98.7%	2166.5%	-46.1%
Total revenue	**5,235,393**	**5,275,930**	**6,095,010**	**0.8%**	**15.5%**	**7.9%**

Source: Audited consolidated financial statements

The Group's consolidated total revenue increased by 0.8%, or SAR 40.5 million, from SAR 5,235.4 million in 2021G to SAR 5,275.9 million in 2022G, and further increased by 15.5%, or SAR 819.1 million, to SAR 6,095.0 million in 2023G.

"**Others**" are reinsurance commission and/or net premium revenues generated by the Company's wholly owned subsidiary ACWA Power Reinsurance, which is a fully-licensed captive reinsurance company incorporated and operating in the United Arab Emirates and only reinsures risks emanating from the Group companies. Revenue generated by ACWA Power Reinsurance is immaterial and not a main source of income for the Group.

The increase in the Thermal and Water Desalination and Renewables segment revenue was not material between 2022G and 2021G. Thermal and Water Desalination revenue was marginally higher, on project coming into operations, O&M revenue partially offset by lower revenue on expiry of contract and decommissioning of units. Renewables revenue was marginally lower, with the adverse impact of the extended plant outages at two projects in Morocco significantly offset by the higher development business and construction management services income operation and maintenance revenue.

Both Thermal and Water Desalination and Renewables segment revenues increased in 2023G versus 2022G. Whereas the main growth driver in the former segment was O&M revenue (including mobilization) on projects that became operational (or had full-year revenue impact) in 2023G, increase in the Renewable segment was mainly due to a much lower base in 2022G on account of the extended plant outages in Morocco, where the plants were back in operation in 2023G.

Operating Costs

The following table presents the Group's consolidated operating costs for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-12): Group's consolidated operating costs for the financial years ended 31 December 2021G, 2022G and 2023G

Operating costs	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Direct material cost	627,627	773,247	899,790	23.2%	16.4%	19.7%
Staff costs	535,578	542,626	586,618	1.3%	8.1%	4.7%
Depreciation	579,457	431,367	426,388	-25.6%	-1.2%	-14.2%
Operating and technical fee	313,930	350,164	424,287	11.5%	21.2%	16.3%
Direct insurance cost	85,946	88,171	83,572	2.6%	-5.2%	-1.4%
Natural gas and fuel cost	136,247	89,660	33,778	-34.2%	-62.3%	-50.2%
liquidated damages	-	15,604	-	0.0%	-100.0%	
Other direct overheads	104,892	119,743	145,397	14.2%	21.4%	17.7%
Total operating costs	**2,383,677**	**2,410,582**	**2,599,830**	**1.1%**	**7.9%**	**4.4%**

Source: Audited consolidated financial statement

Total operating costs marginally increased by 1.1 %, or SAR 26.9 million, from SAR 2,383.7 million in 2021G to SAR 2,410.6 million in 2022G and further increased by 7.9% or SAR 189.2 million, to SAR 2,599.8 million in 2023G.

The increase in 2022G was mainly driven by higher Direct material cost (see below) in addition to a Liquidated damages (peak liquidated damages) provision in one project in Morocco on account of generating lower than the required output during peak hours. Impact of this increase was more than offset by lower Depreciation and Natural gas and fuel cost (see below).

The increase in 2023G was mainly driven by higher Direct material cost, Operating and technical fee, Other direct overheads, and Staff cost, which was partially offset by lower Natural gas and fuel cost (see below).

Operating Costs by Components

The key components of the Group's consolidated operating costs are Direct material cost; Staff costs; Depreciation; and Operating and technical fee, which, combined, represented 86.3%, 87.0% and 89.9% of the Group's total operating costs for the years ended 31 December 2021G, 2022G and 2023G, respectively.

Natural gas and fuel cost is a pass-through cost item with a corresponding value/variance typically reflected in the Revenues (Output or Energy) with no or immaterial net impact on the Group's financial results.

Direct material cost

Direct material cost represents costs of spares, tools and consumables such as chemicals, membranes and cartridges; costs related to maintaining health and safety; and third-party maintenance costs. Direct material cost accounted for 26.3%, 32.1% and 34.6% of the total operating costs in 2021G, 2022G and 2023G, respectively.

The increase in the Direct material costs from 2022G to 2023G was mainly driven new projects that became operational during 2022G or were in partial operations in 2021G such as the Rabigh 3 IWP that came into operation in December 2022G (hence began generating revenues and incurring costs).

On the other hand, the increase in 2023G from 2022G was driven by a) higher costs in consumption of material in parallel with the mobilization activities pertaining to the projects lined up for start of operations in the short- term, such as Al Dur IWPP, additional units of the Hassyan IPP, Jubail 3A IWP and the Red Sea projects; b) costs of supply parts agreements for multiple assets incurred by NOMAC Maintenance & Engineering Services (NMES); c) higher maintenance costs in some Oman assets on account of plant outages.

Staff costs

Staff costs represent the compensation paid to the personnel engaged in the plant operations and operating and maintenance services mainly performed by the Group's subsidiary NOMAC. Staff cost accounted for 22.5%, 22.5% and 22.6% of the total operating costs in 2021G, 2022G and 2023G, respectively. The significant portion of the staff costs is concentrated in NOMAC Group, CEGCO projects in Jordan, and projects in Morocco.

There was no material movement in the Staff costs from 2021G to 2022G.

The increase in 2023G was mainly due to more headcount for the new projects in addition to the full- year impact of the staff costs in 2023G related to the Projects which commenced operations in 2022G and were partially operational during the year.

Depreciation expense

Depreciation expense relates to the annual depreciation charge of the plant, machinery, and equipment owned by the Group and its subsidiaries. Depreciation cost accounted for 24.3%, 17.9% and 16.4% of the total operating costs in 2021G, 2022G and 2023G, respectively.

The decrease in the Depreciation expense from 2021G to 2022G was mainly driven by higher depreciation in 2021G in the Barka IWP on RO plants and certain assets reaching the end of their useful life and in CEGCO assets due to decommissioning of units.

There was no material movement in the Deprecation expense from 2022G to 2023G.

Operating and technical fee

Operating and technical fee represents fee payments for the third-parties for operating and technical services rendered during the operation of the Projects. These costs accounted for 13.2%, 14.5% and 16.3% of total operating costs in 2021G, 2022G and 2023G, respectively, and they were largely concentrated in NOMAC.

The increase in 2022G from 2021G was mainly due to NOMAC Energy (Kirikkale CCGT, Turkey) in relation to the inspection-related costs on a gas turbine in 2022G.

The increase in 2023G from 2022G was mainly because of the mobilization activities for the new projects coming into operation such as Sirdarya CCGT and Al Dur IWPP in addition to continued inspection-related costs in Kirikkale CCGT, Turkey.

Direct insurance cost

Direct insurance cost are the premiums paid by the Project Company for insurance cover taken for the plant.

There was no material movement in the Direct insurance cost in the compared periods.

Natural gas and fuel cost

Natural gas and fuel cost represent the pass-through fuel (oil and gas) costs. In CEGCO projects, it is the purchase cost of oil acquired from the Jordanian Petroleum Refinery Company and is 100% pass-through to the Offtaker. In Barka, it is the purchase cost of natural gas from the Ministry of Oil and Gas of the Sultanate of Oman and is pass- through to the Offtaker subject to certain consumption parameters as per the fuel purchase agreement, which is valid throughout the life of the PWPA and subject to renewal upon the renewal of the PWPA.

The decrease in 2022G from 2021G was mainly due to the expiry of the PPA of Barka and the decommissioning of certain units in CEGCO, in both cases leading to fuel consumptions during 2022G. This decrease was partially offset by higher fuel cost in Rabigh 3 due to the commencement of its operations.

The decrease in 2023G from 2022G was mainly due to the decommissioning of certain units in CEGCO, which was partially offset by an increase in cost at Barka RO plants.

Other direct overheads

Other direct overheads consist of a broad range of costs that include, but are not limited to, tools and equipment and indirect material costs, grid access fees and other direct overheads.

The increases from 2021G to 2022G and from 2022G and 2023G were mainly because of more number of projects in the portfolio. The increase in 2023G also includes certain costs incurred at ACWA Power Harbin Holdings related to development of the Hassyan IPP project around SAR 21.2 million.

Development cost, provision and write-offs, net of reversals

Table (6-13): Development cost, provision and write-offs, net of reversals

Development cost, provision and write- offs, net of reversals	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Development cost, provision and write-offs, net of (reversals)	133,249	35,438	69,582	-73.4%	96.3%	-27.7%

Source: Audited consolidated financial statements

Development costs directly attributable to Projects are recognized as an asset on the consolidated statement of financial position, along with a portion of allocated Company operating expenses. Every quarter, the Group performs an assessment on the likelihood of success in developing projects, and in case there is a deterioration in the likelihood of success based on an average project success rate and management's best estimates, the development asset is either provided for or written-off through the consolidated statement of profit or loss. Any such provision is recorded against the project costs and is reversed when the project is awarded to the Group and/or at the financial close of the project.

The net decrease from 2021G to 2022G was mainly due to the provisions/write-offs booked in 2021G in relation to certain projects in addition to the reversals of certain development cost provisions in other projects in 2022G.

The net increase in 2023G was mainly due to provisions/write-offs in certain projects.

Consolidated general and administration expenses

The following table presents the Company's consolidated general and administration expenses for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-14): The Company's consolidated general and administration expenses for the financial years ended 31 December 2021G, 2022G and 2023G

General and administrative expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Salaries and other employee benefits	520,874	578,760	691,870	11.1%	19.5%	15.3%
Professional and legal fees	141,442	151,093	186,828	6.8%	23.7%	14.9%
Travel expenses	14,501	39,947	57,158	175.5%	43.1%	98.5%
Provisions	52,736	78,342	73,539	48.6%	-6.1%	18.1%
Communication, subscription and sponsorship costs	14,601	16,653	45,124	14.1%	171.0%	75.8%
Provision for long-term incentive plan	60,995	30,814	36,100	-49.5%	17.2%	-23.1%
Depreciation expense	28,618	21,415	20,857	-25.2%	-2.6%	-14.6%
Amortisation of intangible assets	12,851	13,035	15,896	1.4%	21.9%	11.2%
Utilities expenses	11,893	15,359	14,459	29.1%	-5.9%	10.3%
Directors' remuneration	11,353	11,020	13,473	-2.9%	22.3%	8.9%
Public relation expenses	1,261	10,954	12,596	768.7%	15.0%	216.1%
Repairs and maintenance expenses	4,931	2,309	2,491	-53.2%	7.9%	-28.9%
Others	48,816	59,638	66,301	22.2%	11.2%	16.5%
Total general and administrative expenses	**924,872**	**1,029,339**	**1,236,692**	**11.3%**	**20.1%**	**15.6%**

Source: Audited consolidated financial statements

Total general and administrative expenses increased by 11.3 %, or SAR 104.5 million, from SAR 924.9 million in 2021G to SAR 1.029.3 million in 2022G and further increased by 20.1%, or SAR 207.4 million, to SAR 1,236.7 million in 2023G.

The increase in 2022G from 2021G was mainly driven by Salaries and other employee benefits, Travel expenses, and Provisions (see below).

The increase in 2023G from 2022G was mainly driven by Salaries and other employee benefits, Professional and legal fees, Travel expenses, and Provisions (see below).

Consolidated general and administrative expenses by components

The key components of the Group's consolidated general and administrative expenses are Salaries and other employee benefits; Professional and legal fees; Provisions; and Provision for long-term incentive plan, which, combined, represented 83.9%, 81.5% and 79.9% of the Group's total general and administrative expenses for the year ended 31 December 2021G, 2022G and 2023G, respectively.

Salaries and other employee benefits

Salaries and other employee benefits represent the compensation paid to the personnel engaged in the administrative services performed by the Group. These costs accounted for 56.3%, 56.2% and 55.9% of total general and administration expenses in 2021G, 2022G and 2023G, respectively.

The increases in both 2022G from 2021G and 2023G from 2022G were mainly driven by increase in headcount at corporate and regional offices in light of the anticipated business growth and geographic expansion in line with the Company's new Strategy 2.0.

Professional and Legal fees

Professional and legal fees comprise a range of consultancy expenses in finance, IT, human resources, legal, public relations, tax and Zakat professions in addition to the license costs, annual report publication and agency costs and audit costs.

There was no material movement in 2022G from 2021G.

The increase in 2023G from 2022G was mainly driven by higher license & digitalization costs as well as costs for strategy and operating model-related consultancy at corporate level.

Travel expenses

Travel expenses represent costs associated with the travelling personnel for various business purposes.

The increases in both 2022G from 2021G and 2023G from 2022G were a reflection of the gradual normalization of business travel that was suppressed during the COVID period and normalization of travels along with increase in business operations across geographies.

Provisions

Provisions represent the charges against trade and other receivable balances that are deemed by the Company to be doubtful in addition to those for slow-moving or obsolete inventories or damaged stock items.

The provision for impaired receivables is assessed using the expected credit loss approach as per IFRS 9 – Financial Instruments. To measure any expected credit loss, the recoverability of trade receivables is evaluated based on the customer credit rating and days past due information.

The increase in 2022G from 2021G was mainly driven by higher provision on project management and advisory receivables, which was partially offset by lower provision for inventory in CEGCO assets.

There was no material movement in 2023G from 2022G.

Communication, subscription and sponsorship costs

Communication, subscription and sponsorship costs comprise telephone and internet expenses in addition to other communication, events, media promotion, sponsorship and subscription expenses.

There was no material movement in 2022G from 2021G.

The increase in 2023G from 2022G was mainly due to multiple sponsorships at corporate level such as MENA climate week; 10th Arab China conference; WETEX; Omani Investment Forum.

Provision for long-term incentive plan (LTIP)

Provision for long-term incentive plan pertains to a cash based long term incentive plan (the "**LTIP**") granted to certain members of management during the year 2021G, following the Board of Directors' approval. The LTIP covers a nine-year period in total, retroactively effective from 1 January 2020G, and comprises three separate performance periods of three years each for the vesting of the cash awards at the end of each performance period.

In 2021G, the Company booked a provision for both 2021G and 2020G. Refer to Section (6-3-4) ("**Comparability of Operations**") for more details.

Depreciation expense

Depreciation expense relates to the annual depreciation charges of furniture, fixtures and computer equipment and right of use assets.

There was no material movement in compared periods.

Amortisation of intangible assets

Amortisation of intangible assets relates to the annual amortization charges on computer software, and the limestone supply contract.

There was no material movement in compared periods.

Utilities expenses

Utilities expenses include utility costs, office and kitchen supplies.

There was no material movement in compared periods.

Directors' remuneration

Directors' remuneration represents the compensation paid to the members of the Board of Directors of the Company. For further discussion, please see Section (5) ("**Ownership and Organisational Structure of the Company**")

There was no material movement in compared periods.

Public relations cost

Public relations cost represents costs associated with the Group's corporate public relations activities.

There was no material movement in compared periods.

Repairs and maintenance expenses

Repairs and maintenance expenses relate to the administrative repairs and maintenance and their related charges.

There was no material movement in compared periods.

Others

Other are mainly insurance costs, low value items, printing and stationery, and others.

There was no material movement in compared periods.

Corporate, or Parent-level, general and administrative expenses (net)

The Group's general and administrative expenses include general and administrative expenses of Corporate Entities, NOMAC and Project Companies that are subsidiaries of the Group.

The Group defines Corporate Entity as one, which satisfies all of the below conditions:

- It is a wholly owned subsidiary of the Company either directly or indirectly through another corporate entity;
- The Group is allowed to freely use any cash and bank balance carried by these entities without any restriction;
- Cash flows associated with investments carried by these entities are not pledged against any external debt with no-recourse to the Company; and
- It is engaged by the Group, or will be engaged in future, to provide technical, operating or development services to Project Companies.

The Corporate general and administrative expenses (net) include employee costs; legal and professional consultancy costs; rent, utilities, travel, provisions and other general and administrative expenses, netted off against its recoveries from project companies. The Corporate general and administrative expenses (net) for the years ended 2021G, 2022G and 2023G are as follows:

Table (6-15): Corporate general and administrative expenses

Corporate General and administrative expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Corporate general and administrative expenses	458,948	625,604	723,268	36.3%	15.6%	25.5%
Service Fees	(113,471)	(243,739)	(208,800)	114.8%	-14.3%	35.7%
Corporate General and administrative expenses, net	**345,477**	**381,865**	**514,468**	**10.5%**	**34.7%**	**22.0%**

Source: Management Information

Corporate general and administrative expenses for 2022G increased mainly due to increase in employee cost and higher provisions by SAR 82.4 million mainly on receivables, legal claims and other assets. Further increase in 2023G mainly due to employee costs, public relation expense and communication cost which were partially offset by lower provisions.

Share in net results of equity accounted investees, net of tax

The following table presents the Group's share in net results of equity accounted investees, net of tax, for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-16): Group's share in net results of equity accounted investees, net of tax, for the financial years ended 31 December 2021G, 2022G and 2023G net of tax, for the financial years ended 31 December 2021G, 2022G and 2023G " \f C \l "3"

Share in net results of equity accounted investees, net of tax	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
SGA/NOVA SGA Marafiq Holdings ('SGA Marafiq')	46,492	45,242	24,231	-2.7%	-46.4%	-27.8%
Saudi Malaysian Water and Electricity Company Limited ('SAMAWEC')	145,956	111,224	58,524	-23.8%	-47.4%	-36.7%
Suez Nomac O&M Holdings Company W.L.L.	16,896	11,812	15,198	-30.1%	28.7%	-5.2%
Jubail Operations Holdings Company W.L.L	16,898	11,822	15,211	-30.0%	28.7%	-5.1%
Qurayyah Investment Company ('QIC')	13,512	(6,725)	(4,249)	-149.8%	-36.8%	-
Rabigh Electricity Company	(66,537)	(31,855)	(50,601)	-52.1%	58.8%	-12.8%
Al Mourjan for Electricity Production Company	8,028	(72,674)	(15,211)	-1005.3%	-79.1%	-
Dhofar Generating Company	7,606	5,119	4,283	-32.7%	-16.3%	-25.0%
MAP Inland Holdings Ltd. (JAFZA)	(18,122)	(25,579)	(34,675)	41.1%	35.6%	38.3%
MAP Coastal Holding Company Limited (JAFZA)	(7,253)	(38,559)	(23,844)	431.6%	-38.2%	81.3%
ACWA Power Renewable Energy Holding Ltd ('APREH')	(30,006)	(17,475)	(22,301)	-41.8%	27.6%	-13.8%
Dhofar O&M Company LLC	(3,303)	877	849	-126.6%	-3.2%	-
Hassyan Energy Phase 1 P.S.C	90,949	10,646	25,726	-88.3%	141.6%	-46.8%
Dhofar Desalination Co. SAOC	(4,122)	(812)	(11,629)	-80.3%	1332.1%	68.0%
Taweelah RO Desalination Company LLC	9,394	(20,581)	12,026	-319.1%	-158.4%	13.1%

Share in net results of equity accounted investees, net of tax	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Water Consortium Holding Company	(133)	(13)	(9,661)	-90.2%	74215.4%	752.3%
Renewable Energy for Morocco (O&M) Company	367	287	295	-21.8%	2.8%	-10.3%
Veolia First National Water Service Company	2,080	-	-	-100.0%	0.0%	-100.0%
ACWA Power Solarreserve Redstone Solar Thermal Power Plant (Pty) Ltd	(300)	(3,169)	(961)	956.3%	-69.7%	79.0%
Jazan Integrated Gasification and Power Company ('Jazan')	57,939	303,830	368,928	424.4%	21.4%	152.3%
Shuqaiq Services Company for Maintenance	-	11,144	2,274	0.0%	-79.6%	-
NEOM Green Hydrogen Company	-	3,558	(2,394)	0.0%	-167.3%	-
ACWA Power Uzbekistan Project Holding Company	-	-	2,505	0.0%	0.0%	-
Amwaj International Company Ltd	(122)	22	8,411	-118.0%	38131.8%	-
Haya Power & Desalination Company	46,762	(6,304)	(22,952)	-113.5%	264.1%	-
Noor Energy 1 P.S.C	(332)	(4,877)	(124,801)	1369.0%	2459.0%	1838.8%
Naqa'a Desalination Plant LLC	1,547	26,376	24,605	1605.0%	-6.7%	298.8%
Shams Ad-Dhahira Generating Company SAOC	(12,479)	(19,880)	(12,073)	59.3%	-39.3%	-1.6%
Sudair One Holding Company	(24)	(121)	15,444	404.2%	-12863.6%	-
Oasis Joint Holding Company	-	-	(118)	0.0%	0.0%	-
Hassyan Water Company A P.S.C.	-	-	-	0.0%	0.0%	-
Dhafra Water Desalination Company	-	-	(46)	0.0%	0.0%	-
Veolia First National Water Service Company	-	1,107	1,039	0.0%	-6.1%	-
Noor Al Shuaibah Holding Company	-	-	(176)	0.0%	0.0%	-
Wafra Holding Company	-	-	-	0.0%	0.0%	-
Ishaa holding company	-	-	83	0.0%	0.0%	-
Nawwar holding company	-	-	368	0.0%	0.0%	-
Saad 2 holding company	-	-	263	0.0%	0.0%	-
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.	-	-	-	0.0%	0.0%	-
Total	**321,693**	**294,442**	**244,571**	**-8.5%**	**-16.9%**	**-12.8%**

Source: Audited consolidated financial statements

As the Company follows the equity method of accounting for its associate and joint venture interests, its consolidated statement of profit or loss reflects its share in the net results of operations of its associates and joint ventures, net of tax. Any unrealized gain or losses resulting from transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's effective ownership interests in them.

Share in net results of equity accounted investees, net of tax, declined by 8.5%, or SAR 27.3 million, from SAR 321.7 million in 2021G to SAR 294.4 million in 2022G and further decreased by 16.9%, or SAR 49.9 million to SAR 244.6 million in 2023G.

The decrease in 2022G was mainly on account of i) the forced outages in the MEPCO and Hajr projects; ii) finance cost charges to the income statement of projects where new units have come online such as Hassyan IPP, Al Dur IWPP, and Taweelah IWP; and iii) the recognition of liquidated damages income in relation to the Hassyan IPP and the reversal of impairment in SWEC in 2021G. These were partially offset by higher contribution from projects such as Naqa and Jazan, which came into operations during or after January 2021G.

The decrease in 2023G from 2022G was mainly on account of i) the finance cost charges to the income statement of NOOR Energy 1 as additional units achieved commercial operations during 2023G; and ii) lower contribution from SWEC thanks to the project moving from operating lease to finance lease following the project's restructuring (see above in Comparability of Operations), in addition to an insurance income recognized in 2022G. This decrease was partially offset by higher contribution from Jazan and MEPCO compared to their limited contribution in 2022G due to forced outages.

Other operating income

Other operating income relates to various management advisory services and ancillary support services (shared services such as legal, tax, IT and HR services) provided by the Company, NOMAC, and other subsidiaries to various Project Companies in addition to financial income from the shareholder loans and performance liquidated damage and insurance recoveries.

Table (6-17): Other operating income

Other operating income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Group services	132,676	157,257	236,974	18.5%	50.7%	33.6%
Finance income from shareholder loans	54,754	140,761	210,045	157.1%	49.2%	95.9%
Performance liquidated damages and insurance recovery	-	221,730	103,289	0.0%	-53.4%	-
Total	**187,430**	**519,748**	**550,308**	**177.3%**	**5.9%**	**71.3%**

Other operating income increased by 177.3% or SAR 332.3 million, from SAR 187.4 million in 2021G to SAR 519.7 million in 2022G and further increased by 5.9%, or SAR 30.6 million, to SAR 550.3 million in 2023G.

The increase in 2022G was mainly driven by higher i) Finance income from shareholder loans that are typically given to the equity accounted projects (mainly Jazan) and ii) Performance liquidated damages and insurance recovery thanks to the recoveries from the EPC contractors and insurers in relation to APO II & APO III projects in Morocco.

The increase in 2023G was mainly due to higher i) Group services income (as defined above) from the projects and ii) Finance income from shareholder loans that are typically given to the equity accounted projects (mainly Jazan and Shuaibah). This positive variance was partially offset by lower Performance liquidated damages and insurance recovery compared to the previous period.

Operating income before impairment and other expenses

Operating income before impairment and other expenses reflects the profit before impairment loss and other expenses from the continuing operations of the Group including the Company's share in the equity accounted investees.

Table (6-18): Operating income before impairment and other expenses

Operating income before impairment loss and other expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Operating income before impairment loss and other expenses	2,302,718	2,614,761	2,983,785	13.6%	14.1%	13.8%

Source: Audited consolidated financial statements

For further details on operating income before impairment loss and other expenses, refer to Section (6-3-3) ("**Key Performance Indicators**").

Operating income before impairment and other expenses by segment

Table (6-19): Operating income before impairment and other expenses by segment

Operating income before impairment loss and other expenses	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Thermal and Water Desalination	2,264,395	2,502,450	2,685,427	10.5%	7.3%	8.9%
Renewables	522,678	782,795	1,050,362	49.8%	34.2%	41.8%
Others	16,511	(328)	3,989	-102.0%	-1316.2%	-50.8%
Total	**2,803,584**	**3,284,917**	**3,739,778**	**17.2%**	**13.8%**	**15.5%**
Unallocated operating income / (expenses)						
General and administration expenses	(553,726)	(744,403)	(868,051)	34.4%	16.6%	25.2%
Depreciation and amortization	(19,229)	(31,975)	(35,267)	66.3%	10.3%	35.4%
Provision for long term incentive plan	(60,995)	(30,814)	(36,100)	-49.5%	17.2%	-23.1%
Provision reversal on due from related party	4,873	5,100	5,839	4.7%	14.5%	9.5%
Other operating income	128,211	131,936	177,586	2.9%	34.6%	17.7%
Total operating income before impairment and	**2,302,718**	**2,614,761**	**2,983,785**	**13.6%**	**14.1%**	**13.8%**

Source: Audited consolidated financial statements

Thermal and Water Desalination operating income before impairment and other expenses increased by 10.5%, or SA 238.1 million, from SAR 2,264.4 million in 2021G to SAR 2,502.5 million in 2022G and then increased by 7.3%, or SAR 183.0 million, to SAR 2,685.4 million in 2023G.

The increase in 2022G was mainly due to i) higher contribution from Jazan (including interest income on shareholder loan); ii) higher contribution from Rabigh 3 IWP on account of full-year of operations; iii) higher operation and maintenance contribution from projects such as Hassyan IPP and Rabigh 3 IWP, in addition to lower project development costs (see above Development cost, provision and write-offs, net of reversals). This increase was partially offset by i) lower contribution from equity accounted projects such as Hassyan IPP, SWEC, MEPCO and Al Dur IWPP); ii) lower contribution from operations and maintenance at Barka IWPP, in addition to lower business development and construction management services income.

The increase in 2023G mainly relates to i) higher contribution from Jazan (including interest on shareholder loan); ii) higher operation and maintenance revenue mainly from Hassyan IPP, Jubail 3A IWP, Sirdarya IPP and other units and/or projects on account of these projects coming into operations, in addition to lower project development costs (see above Development cost, provision and write-offs, net of reversals). This increase was partially offset by lower contribution from SWEC thanks to the project moving from operating lease to finance lease following the project's restructuring (see above in Comparability of Operations), insurance income in 2022G and CEGCO due to decommissioning of units.

Renewables operating income before impairment and other expense increased by 49.8%, or SAR 260.1 million, from SAR 522.7 million in 2021G to SAR 782.8 million in 2022G and then further increased by 34.2%, or SAR 267.6 million, to SAR 1,050.4 million in 2023G.

The increase in 2022G was mainly related to higher revenue from development business and construction management services in addition to i) the recoveries from the EPC contractors and insurers in relation to the APO II & APO III projects in Morocco and ii) lower project development cost (see above Development cost, provision and write-offs, net of reversals). This increase was partially offset by lower revenues from the APO II & APO III projects in Morrocco, mainly driven by the major and extended forced outage in APO III.

The increase in 2023G was extensively driven by finance lease income and energy revenues at the Moroccan projects (APO II & APO III), which were under forced outages during 2022G, in addition to the higher development business and construction management services income thanks to the projects achieving financial closes. This increase was partially reduced by higher development costs in addition to lower share of net income in the Noor Energy 1 on the back of higher operating costs and financial charges than 2022G.

Impairment loss and other expense, net

Table (6-20): Impairment loss and other expense, net

Impairment loss and other expense, net	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Impairment loss	60,024	121,595	-	102.6%	-100.0%	-100.0%
Arbitration/legal claim and supplier settlement	-	111,532	(10,200)	0.0%	-109.1%	-
Corporate social responsibility	16,458	18,383	10,413	11.7%	-43.4%	-20.5%
Share based payment expenses	280,000	-	-	-100.0%	0.0%	-100.0%
	356,482	**251,510**	**213**	**-29.4%**	**-99.9%**	**-97.6%**

Source: Audited consolidated financial statements

Impairment loss by component

Table (6-21): Impairment loss by component

Impairment loss	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Impairment loss on property, plant and equipment	-	121,595	-	0.0%	-100.0%	-
Impairment loss on goodwill	60,024	-	-	-100.0%	0.0%	-100.0%
Impairment loss	**60,024**	**121,595**	**-**	**102.6%**	**-100.0%**	**-100.0%**

Source: Audited consolidated financial statements

Impairment loss on property, plant and equipment

Barka IWPP's (in Oman, one of the Group's subsidiaries) existing WPA for its Reverse Osmosis Plants (RO Plants) and PWPA (Main Plant) expired on 31 December 2021G and 8 February 2022G, respectively. On 2 February 2022G, management secured an extension of its WPA (RO Plants) for the next 23 months with an option to extend further by another nine months.

Despite ongoing attempts, there was no material development on the renewal of the PWPA (Main plant) during 2022G. Combined with the unfavourable spot market in Oman, non-renewal status has stimulated an impairment assessment by the management under the IFRS to assess the recoverable amount of the project and a third-party expert was engaged to re-confirm the tariff assumptions as part of the assessment of the Plant's recoverable value. As a result, the recoverable amount was assessed to be lower than the carrying amount of the asset and impairment charge was recorded in the year 2022G.

Impairment loss on goodwill

As part of its ordinary impairment testing of its cash generating units, the Group evaluated ACWA Power Barka Services 1 and ACWA Power Barka Services 2 ("**the Entities**") on the back of the ongoing uncertainty regarding the renewal of the underlying purchase agreements. For this purpose, the Entities are considered as a single cash generating unit to determine the value in use. Using discounted cash flows, the Company calculated the recoverable amount to which goodwill is allocated to be lower than the carrying amount and recognised an impairment loss on goodwill.

Corporate social responsibility (CSR)

Corporate social responsibility represents the Group's contributions in various countries including Saudi Arabia primarily to support education and related infrastructure. Please refer to the Company's Annual Reports for a comprehensive review of the Company's CSR activities.

Arbitration/legal claim and supplier settlement

Arbitration/legal claim and supplier settlement includes provisions / expenses pertaining to potential legal claims; arbitration settlements; and supplier's settlements on account of procurement cancellation for certain projects in UAE, KSA and Morocco.

Share based payments expenses

On 30 March 2021G, the Board of Directors approved an incentive plan comprising shares and cash benefits (the "**Plan**") for eligible employees payable upon a successful listing of the Company subject to other performance conditions. On 13 June 2021G, the shareholders of the Company approved the Plan. The Plan was granted and vested to eligible employees on 28 September 2021G (the "**Grant Date**"). Thus, in accordance with the requirements of International Financial Reporting Standards as endorsed in KSA, the Group recognized a share-based payment expense amounting to SAR 280.0 million which was equivalent to the fair value of the Plan at the Grant Date.

Finance income

The following table presents the Group's finance income for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-22): The Group's finance income

Finance income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Finance income	17,584	118,391	231,434	573.3%	95.5%	262.8%

Source: Audited consolidated financial statements

Finance income mainly represents interest earned on deposits.

The increases in 2022G from 2021G and in 2023G from 2022G are mainly due to higher market interest rates on higher amounts of deposits by virtue of better cash management practices.

Other Income

The following table presents the Group's other income for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-23): The Group's other income

Other income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Income in relation to early settlement of long-term financing and funding facilities and	-	113,213	6,769	0.0%	-94.0%	-
termination of hedging instruments						
Gain on change in fair value of the derivatives	-	104,571	54,412	0.0%	-48.0%	-
Sales inventory	-	32,930	-	0.0%	-100.0%	-
Gain / (Loss) on disposal of property, plant and equipment	(7,747)	-	-	-100.0%	0.0%	-100.0%
Gain on remeasurement of options	6,075	-	-	-100.0%	0.0%	-100.0%
Insurance recoveries	21,969	-	-	-100.0%	0.0%	-100.0%
Others	3,673	25,547	30,950	595.5%	21.1%	190.3%
Total	**23,970**	**276,261**	**92,131**	**1052.5%**	**-66.7%**	**96.1%**

Source: Audited consolidated financial statements

Other income comprises various streams of other income that are not strictly in connection with the ordinary business activities of the Group hence is considered to be non-recurrent source of income (i.e. not expected to be recorded consistently on a yearly basis).

Other income increased by 1052.5%, or SAR 252.3 million, from SAR 24.0 million in 2021G to SAR 276.3 million in 2022G, and then decreased by 66.7%, or SAR 184.1 million, to SAR 92.1 million in 2023G.

The increase in 2022G from 2021G in the Income in relation to early settlement long-term financing and funding facilities and termination of hedging instruments was due to the recognition of income as a result of i) the partial early retirement of APMI One bonds (SAR 74.8 million) (refer to Comparability of Operation) and ii) recycling of the hedge reserves upon termination of certain hedging contracts in relation to certain of the Group's subsidiaries and equity accounted investees (SAR 38.4 million). The increase in 2022G from 2021G in the Gain on change in fair value of derivatives was as a result of the reversal of the coal derivative liability at Hassyan IPP following the plant's conversion to primary gas fuel from primary coal fuel.

The decrease in 2023G from 2022G corresponds to lower gain on fair value of derivatives and lower settlement income on funding and hedging instruments.

Exchange (loss) / gain, net

The following table presents the Group's exchange (loss) / gain, net, for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-24): The Group's exchange (loss) / gain, net

Foreign exchange (loss) / gain	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Realised exchange gain / (loss)	(31,908)	19,914	(12,736)	-162.4%	-164.0%	-36.8%
Unrealised exchange (loss) / gain	(15,007)	(56,848)	15,510	278.8%	-127.3%	-
Total	**(46,915)**	**(36,934)**	**2,774**	**-21.3%**	**-107.5%**	**-**

Source: Audited consolidated financial statements

Exchange (loss) / gain, net, mainly relates to the impact of currency exchange rate movements on finance lease receivable, payable and borrowing balances denominated in currencies other than the functional currency of the respective countries, excluding those where the contracts are in USD or currencies pegged to USD.

Financial Charges

The following table presents the Group's financial charges for the financial years ended 31 December 2021G, 2022G and 2023G.

Table (6-25): The Group's financial charges

Financial charges	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Financial charges on borrowings	857,720	1,021,149	1,342,124	19.1%	31.4%	25.1%
Financial charges on letters of guarantee	90,223	110,272	69,215	22.2%	-37.2%	-12.4%
Financial charges on loans from a related party	55,979	50,295	44,354	-10.2%	-11.8%	-11.0%
Other financial charges	48,609	47,106	19,210	-3.1%	-59.2%	-37.1%
Total	**1,052,531**	**1,228,822**	**1,474,903**	**16.7%**	**20.0%**	**18.4%**

Source: Audited consolidated financial statements

Financial charges are financial expenses in connection with the various funding facilities (borrowings) acquired by the Group in addition to the financial expenses related to the letters of guarantees and other non-funded bank facilities. These funding facilities carry either a fixed or a floating margin above the relevant reference rates for the funding facilities.

The Group's borrowings are largely hedged against rate and foreign currency fluctuation risk. Based on the terms of the facilities agreements signed with the lending banks, the subsidiaries are contractually required to hedge an agreed portion of the floating interest rate risk on loans by swapping the floating rate for a fixed rate (interest rate swaps or IRS). These subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate and/or foreign currency risk, which qualify to be designated as cash flow hedges.

Total financial charges increased by 16.7%, or SAR 176.3 million, from SAR 1,052.5 million in 2021G to SAR 1,228.8 million in 2022G, and further increased by 20.0%, or SAR 246.1 million, to SAR 1,474.9 million in 2023G.

The increase in 2022G was mainly driven by finance cost amounting to SAR 83.4 million related to Rabigh 3 IWP as the project came into operation during 2021G, finance cost on Sukuk Tranche I amounting to SAR 65.5 million, finance cost on funding related to Hassyan & NEOM of SAR 36.5 million, SAR 13.7 million related to RAWEC due to refinancing and higher finance cost at NOMAC by SAR 33.1 million. Further in 2021G reversal on discounting of non-current related party balance was recognized which is partially offset by lower finance cost on projects on account of lower loans (Zarqa, projects in Morocco, CEGCO, STPC and Barka) by SAR 70.3 million.

The increase in 2023G is mainly due mainly due to finance cost on Sukuk Tranche I & II SAR 211.1 million, finance cost on funding related to Hassyan & NEOM SAR 70.7 million, higher finance cost at RAWEC SAR 62.1 million on high interest rate which was partially offset by lower finance cost at APMI One SAR 81.3 million mainly due to partial buy-back of USD 400 million ACWA 39 Bond in 2022G.

Corporate financial charges

The Group's financial charges include financial charges of Corporate Entities, NOMAC and Project Companies that are subsidiaries of the Group. For definition of corporate entity, please refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Corporate, or Parent-level, general and administrative expenses (net)**").

The Corporate financial charges mainly include finance charges on APMI One Bond and finance cost on Sukuk Tranche I & II. For further details refer to Section (6-3-2-3) ("**Principal factors affecting financial charges**").

Table (6-26): The Corporate financial charges

Corporate Financial charges	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Corporate financial charges	372,930	489,267	627,713	31.2%	28.3%	29.7%

Source: Management information

Zakat and tax

The following table presents the Group's Zakat and tax for the financial years ended 31 December 2021G, 2022G, and 2023G.

Table (6-27): The Group's Zakat and tax

Zakat and tax	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Zakat and tax charges	(131,931)	(122,364)	(140,839)	-7.3%	15.1%	3.3%
Deferred tax credit / (charge)	48,808	(110,510)	87,087	-326.4%	-178.8%	33.6%
Zakat and tax credit / (charge)	**(83,123)**	**(232,874)**	**(53,752)**	**180.2%**	**-76.9%**	**-19.6%**
Less: zakat and tax charge from discontinued operation	3,013	33	21	-98.9%	-36.4%	-91.7%
Zakat and tax charge reflected in profit or loss	**(80,110)**	**(232,841)**	**(53,731)**	**190.7%**	**-76.9%**	**-18.1%**

Source: Audited consolidated financial statements

In relation to taxation, each subsidiary of the Company is subject to tax or Zakat in its respective jurisdiction.

Zakat and tax credit/(charge) for 2022G was SAR 232.9 million charge and 180.2%, or SAR 149.8 million, higher than SAR 83.1 million charge of 2021G, driven by Deferred tax charge as a result of higher depreciation of the Moroccan Dirham (MAD) against the USD for 2022G. Carry forward losses (deferred tax asset) was set off against deferred tax liability in December 2022G.

Zakat and tax credit/(charge) for 2023G was SAR 53.7 million charge and 76.9% less than SAR 232.8 million charge in 2022G, largely driven by the deferred tax credit as a result of the appreciation of the Moroccan Dirham (MAD) against the USD for 2023G in comparison to a depreciation in 2022G. Due to the appreciation of the Moroccan Dirham, the tax base has increased in December 2023G, resulting in the reversal of the existing deferred tax liability. Deferred tax liabilities are further reduced as the impact of carry forward losses (higher deferred tax asset) was set off against deferred tax liability in December 2023G.

Zakat and tax charges at SAR 140.8 million in 2023G versus SAR 122.4 million in 2022G is higher by SAR 18 million, or 15.1%, mainly due to higher revenues and unsettled long-term Sukuk liability of the Company.

Table (6-28): Profit / (loss) on Discontinued Operations

Profit/(loss) on Discontinued operations	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Shuaa 3	229	1,605	(2,900)	600.9%	-280.7%	-
Vin Hao	5,110	2,924	(12,495)	-42.8%	-527.3%	-
Bash Wind and Dzhankeldy	-	131	2,532	0.0%	1832.8%	-
Noor Al Shuaibah	-	(883)	1,815	0.0%	-305.5%	-
Sirdarya	(10,049)	234,560	-	-2434.2%	-100.0%	-100.0%
O&M entity including Shuqaiq	(59,616)	(21,233)	-	-64.4%	-100.0%	-100.0%
Others	-	-	1,100	0.0%	0.0%	-
Total	**(64,326)**	**217,104**	**(9,948)**	**-437.5%**	**-104.6%**	**-60.7%**

Source: Audited consolidated financial statements

For a detailed analysis of the Company's discontinued operations, see Section (6-3-4) ("**Comparability of Operations**").

Transactions with related parties

The following table presents the transactions between the Group and its related parties (affiliates, joint ventures and associates and none of these are with its shareholders) during 2021G, 2022G and 2023G.

Table (6-29): The transactions between the Group and its related parties (affiliates, joint ventures and associates

Transactions with related parties	Relationships	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's		2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Transactions							
Revenue	Affiliates	2,061,785	2,073,298	2,483,093	0.6%	19.8%	9.7%
Service fees	Joint ventures	132,676	157,257	236,974	18.5%	50.7%	33.6%
Finance income	Joint venture	54,754	140,761	210,045	157.1%	49.2%	95.9%
Financial charges on loan to a related party	Affiliates	55,979	50,295	44,354	-10.2%	-11.8%	-11.0%

Transactions with related parties	Relationships	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's		2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Key management personnel compensation including director's remuneration	-	165,246	79,920	87,868	-51.6%	9.9%	-27.1%

Source: Audited consolidated financial statements

Revenue, and Service fees are the major two categories of Transactions with related parties, which are carried out between the Company and its Project Companies. Revenue transactions are mainly in connection with the O&M services provided by NOMAC with the increase in both years being on account of higher O&M costs in line with the increase in the scale of operations of the Group (see Section (6-3-4) ("**Comparability of Operations**"). Service fees transactions are related to the administrative, accounting, and secretarial services provided by the Company to the Projects, governed by service level agreements (SLAs) signed between the Company and the Project. Finance income represents interest income on shareholder loans, as explained under Other operating income.

Table (6-30): Sstatement of other comprehensive income data for the years ended 31 December 2021G, 2022G and 2023G

Consolidated statement of other comprehensive income	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Other comprehensive income (OCI)						
Items that are or may be reclassified subsequently to profit or loss						
Operations – foreign currency translation differences	(399)	(337)	(12,750)	-15.5%	3683.4%	465.3%
Equity accounted investees – share of OCI	997,786	2,942,468	(688,834)	194.9%	-123.4%	-
Net change in fair value of cash flow hedge reserve	380,665	1,977,505	51,574	419.5%	-97.4%	-63.2%
Settlement of cash flow hedges transferred to profit or loss	(40,087)	(41,924)	96,848			-
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(56,546)	-			-
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	-	(510,382)	-			-
Cash flow hedge reserve recycled to profit or loss on sale of an equity accounted investee	-	128,638	-			-
Cash flow hedge reserve associated with equity accounted investees recycled to profit or loss upon termination of hedge relationships	-	(555)	(6,769)			-
Items that will not be reclassified to profit or loss						
Re-measurement of defined benefit liability	(18,177)	5,796	(7,118)	-131.9%	-222.8%	-37.4%
Total other comprehensive income	**1,319,788**	**4,444,663**	**(567,049)**	**236.8%**	**-112.8%**	**-**

Source: Audited consolidated financial statements

Operations – foreign currency translation differences

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

Equity Accounted Investees – Share of OCI

Under the equity method of accounting the Group takes 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.

Table (6-31): Equity Accounted Investees – Share of OCI

Equity accounted investees - share of OCI	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
SGA/NOVA SGA Marafiq Holdings ('SGA Marafiq')	53,591	106,118	(11,520)	98.0%	-110.9%	-
Saudi Malaysian Water and Electricity Company Limited ('SAMAWEC')	35,761	24,407	(1,029)	-31.7%	-104.2%	-
Qurayyah Investment Company ('QIC')	37,755	84,823	(10,743)	124.7%	-112.7%	-
Rabigh Electricity Company	68,552	116,241	(13,613)	69.6%	-111.7%	-
Al Mourjan for Electricity Production Company	90,347	176,182	(6,926)	95.0%	-103.9%	-
Dhofar Generating Company	11,140	20,907	(1,680)	87.7%	-108.0%	-
MAP Inland Holdings Ltd. (JAFZA)	36,614	84,076	(10,764)	129.6%	-112.8%	-
MAP Coastal Holding Company Limited (JAFZA)	35,245	85,467	(9,550)	142.5%	-111.2%	-
ACWA Power Renewable Energy Holding Ltd ('APREH')	36,486	74,337	(2,171)	103.7%	-102.9%	-
Hassyan Energy Phase 1 P.S.C	143,677	397,690	(22,944)	176.8%	-105.8%	-
Dhofar Desalination Co. SAOC	11,379	22,708	(1,409)	99.6%	-106.2%	-
Taweelah RO Desalination Company LLC	40,298	89,945	(31,006)	123.2%	-134.5%	-
Water Consortium Holding Company	24,481	88,160	(11,572)	260.1%	-113.1%	-
ACWA Power Solarreserve Redstone Solar Thermal Power Plant (Pty) Ltd	-	(374)	(25,600)	0.0%	6744.9%	-
Jazan Integrated Gasification and Power Company ('Jazan')	(112)	82,851	(19,767)	-74074.1%	-123.9%	1228.5%
Shuqaiq Services Company for Maintenance	-	-	(1,348)	0.0%	0.0%	-
Shuqaiq International Water and Electricity Company Limited	46,506	-		-100.0%	0.0%	-100.0%
NEOM Green Hydrogen Company	-	-	58,375	0.0%	0.0%	-
ACWA Power Uzbekistan Project Holding Company	-	-	26,327	0.0%	0.0%	-
Amwaj International Company Ltd	-	250,160	(48,958)	0.0%	-119.6%	-
Haya Power & Desalination Company	72,854	251,077	(34,958)	244.6%	-113.9%	-

Equity accounted investees - share of OCI	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Noor Energy 1 P.S.C	161,447	481,305	(23,420)	198.1%	-104.9%	-
Naqa'a Desalination Plant LLC	65,112	216,967	(16,007)	233.2%	-107.4%	-
Shams Ad-Dhahira Generating Company SAOC	4,608	67,253	(4,414)	1359.5%	-106.6%	-
Sudair One Holding Company	-	171,323	(18,207)	0.0%	-110.6%	-
Oasis Joint Holding Company	-	-	19	0.0%	0.0%	-
Dhafra Water Desalination Company	-	(32,188)	9,662	0.0%	-130.0%	-
Noor Al Shuaibah Holding Company	-	-	(69,302)	0.0%	0.0%	-
Wafra Holding Company	-	-	(71,981)	0.0%	0.0%	-
Ishaa holding company	-	-	(99,643)	0.0%	0.0%	-
Nawwar holding company	-	-	(136,800)	0.0%	0.0%	-
Saad 2 holding company	-	-	(77,519)	0.0%	0.0%	-
Shuaa Energy 3 P.S.C.	22,045	82,478	(7,135)	274.1%	-108.7%	-100.0%
Total	**997,786**	**2,941,913**	**(695,603)**	**194.8%**	**-123.64%**	**-**

Source: Audited consolidated financial statements

For further details on the financial impact of equity-accounted investees, please see "**Equity-accounted investees in the consolidated balance sheet below**".

Net change in fair value of cash flow hedge reserve

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

Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships

This relates to termination of underlying hedging instruments in Sakaka and Rabigh 3 in 2022G. This resulted in recycling of those hedges to the income statement.

Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary

These are the accumulated other reserves that have been recycled to the income statement upon the loss of control of the Sirdarya project.

Cash flow hedge reserve recycled to profit or loss on sale of an equity accounted investee

These are the other reserves that have been recycled to the income statement upon the sale of SqWEC.

Consolidated Statement of Financial Position

The following table presents the Group's consolidated financial position as at 31 December 2021G, 2022G and 2023G.

Table (6-32): The Group's consolidated financial position

Consolidated Statement Of Financial Position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	11,815,728	10,105,713	10,292,460	-14.5%	1.8%	-6.7%
Intangible assets	1,997,430	2,028,830	2,047,374	1.6%	0.9%	1.2%
Equity accounted investees	9,433,199	12,624,518	15,873,449	33.8%	25.7%	29.7%
Non-current portion of net investment in finance lease	12,372,474	11,501,842	11,234,491	-7.0%	-2.3%	-4.7%
Deferred tax asset	165,004	119,955	153,323	-27.3%	27.8%	-3.6%
Fair value of derivatives	45,540	924,537	754,927	1930.2%	-18.3%	307.2%
Other assets	211,009	397,775	379,812	88.5%	-4.5%	34.2%
TOTAL NON-CURRENT ASSETS	**36,040,384**	**37,703,170**	**40,735,836**	**4.6%**	**8.0%**	**6.3%**
CURRENT ASSETS						
Inventories	425,299	406,820	479,322	-4.3%	17.8%	6.2%
Current portion of net investment in finance lease	375,821	378,486	382,185	0.7%	1.0%	0.8%
Fair value of derivatives	-	106,131	88,153	100%	-16.9%	-
Due from related parties	780,656	985,120	1,356,247	26.2%	37.7%	31.8%
Accounts receivable, prepayments and other receivables	2,913,617	2,771,708	3,214,580	-4.9%	16.0%	5.0%
Short term investments	-	199,998	1,217,791	100%	508.9%	-
Cash and cash equivalents	5,172,921	6,154,524	4,740,941	19.0%	-23.0%	-4.3%
	9,668,314	**11,002,787**	**11,479,219**	**13.8%**	**4.3%**	**9.0%**
Assets held for Sale	-	139,963	2,803,259	100%	1902.9%	-
TOTAL CURRENT ASSETS	**9,668,314**	**11,142,750**	**14,282,478**	**15.3%**	**28.2%**	**21.5%**
TOTAL ASSETS	**45,708,698**	**48,845,920**	**55,018,314**	**6.9%**	**12.6%**	**9.7%**
EQUITY AND LIABILITIES						
QUITY						
Shareholders' equity						
Share capital	7,134,143	7,134,143	7,134,143	0.0%	0.0%	0.0%
Share premium	5,335,893	5,335,893	5,335,893	0.0%	0.0%	0.0%
Statutory reserve	718,763	872,766	1,038,937	21.4%	19.0%	20.2%
Retained earnings	1,307,826	2,080,853	3,247,401	59.1%	56.1%	57.6%
Proposed dividends	560,000	606,813	328,995	8.4%	-45.8%	-23.4%

Consolidated Statement Of Financial Position	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Equity attributable to owners of the Company before other Reserves	**15,056,625**	**16,030,468**	**17,085,369**	**6.5%**	**6.6%**	**6.5%**
Other reserves	(1,572,279)	2,629,419	2,072,589	-267.2%	-21.2%	-
Equity attributable to owners of the Company	**13,484,346**	**18,659,887**	**19,157,958**	**38.4%**	**2.7%**	**19.2%**
Non-controlling interests	835,799	1,368,507	1,550,933	63.7%	13.3%	36.2%
TOTAL EQUITY	**14,320,145**	**20,028,394**	**20,708,891**	**39.9%**	**3.4%**	**20.3%**
LIABILITIES						
NON-CURRENT LIABILITIES						
Long-term financing and funding facilities	22,856,753	22,332,678	23,549,709	-2.3%	5.4%	1.5%
Due to related parties	1,594,852	862,887	854,938	-45.9%	-0.9%	-26.8%
Obligation for equity accounted investees	443,167	68,370	623,129	-84.6%	811.4%	18.6%
Fair value of derivatives	362,890	1,669	62,908	-99.5%	3669.2%	-58.4%
Deferred tax liability	120,404	214,277	163,476	78.0%	-23.7%	16.5%
Deferred revenue	54,331	90,651	139,746	66.8%	54.2%	60.4%
Employee end of service benefits' liabilities	196,025	190,788	211,298	-2.7%	10.8%	3.8%
Other liabilities	674,248	820,070	767,562	21.6%	-6.4%	6.7%
TOTAL NON-CURRENT LIABILITIES	**26,302,670**	**24,581,390**	**26,372,766**	**-6.5%**	**7.3%**	**0.1%**
CURRENT LIABILITIES						
Accounts payable and accruals	3,597,981	2,595,791	3,149,023	-27.9%	21.3%	-6.4%
Short-term financing facilities	186,381	275,052	316,876	47.6%	15.2%	30.4%
Current portion of long-term financing and funding facilities	958,476	1,039,904	1,613,301	8.5%	55.1%	29.7%
Due to related parties	83,485	88,603	79,157	6.1%	-10.7%	-2.6%
Fair value of derivatives	44,058	-	-	-100.0%	0.0%	-100.0%
Zakat and taxation	215,502	236,786	194,095	9.9%	-18.0%	-5.1%
	5,085,883	**4,236,136**	**5,352,452**	**-16.7%**	**26.4%**	**2.6%**
Liabilities associated with assets held for sale	-	-	2,584,205	0.0%	100%	-
TOTAL CURRENT LIABILITIES	**5,085,883**	**4,236,136**	**7,936,657**	**-16.7%**	**87.4%**	**24.9%**
TOTAL LIABILITIES	**31,388,553**	**28,817,526**	**34,309,423**	**-8.2%**	**19.1%**	**4.5%**
TOTAL EQUITY AND LIABILITIES	**45,708,698**	**48,845,920**	**55,018,314**	**6.9%**	**12.6%**	**9.7%**

Source: Audited consolidated financial statements

For contingencies and commitment, please refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Contingencies and commitments**").

The key components of the Group's consolidated total assets are Property, plant and equipment; Net investment in finance lease; Investment in equity accounted investees; Intangible assets; and Cash and cash equivalents (including Short Term Investments), which, combined, represented 90.1%, 88.0% and 83.2% of the Group's total assets as at 31 December 2021G, 2022G and 2023G, respectively.

The key component of the Group's consolidated total liabilities are the Long-term financing and funding facilities, which represented 75.9%, 81.1% and 73.3% of total liabilities as at 31 December 2021G, 2022G and 2023G, respectively. Long-term financing and funding facilities consist of the different types of borrowings that the Group have acquired at parent company, holding company and/or project company levels.

The Group's consolidated total equity comprises the Company's Share capital, Share premium, Retained earnings, Proposed dividends, Statutory and other reserves and Non-controlling interests. The Company's authorised and fully paid-up share capital as at 31 December 2023G consists of 731.1 million shares of SAR 10 each.

The Group's total assets increased by 6.9%, or SAR 3,137.2 million, from SAR 45,708.7 million as at December 2021G to SAR 48,845.9 million as at 31 December 2022G and further increased by 12.6%, or SAR 6,172.4 million, to SAR 55,018.3 million as at 31 December 2023G.

The increase in 2022G was mainly driven by the increases in Equity accounted investees; Fair value of derivatives; Cash and cash equivalents; and Short term investments, which were partially offset by lower Property, plant & equipment and net investment in finance lease (finance lease receivables).

The increase in 2023G was mainly driven by the increases in Equity accounted investees; Assets held for sale; Due from related parties; Accounts receivable, prepayments and other receivables; and Short term investments, which were partly offset mainly by lower Cash and cash equivalents.

The Group's total liabilities decreased by 8.2%, or SAR 2,571 million, from SAR 31,388.6 million as at 31 December 2021G to SAR 28,817.5 million as at 31 December 2022G and then increased by 19.1%, or SAR 5,491.9 million, to SAR 34,309.4 million as at 31 December 2023G.

The decrease in 2022G was primarily driven by the decreases in Accounts payable, accruals and other financial liabilities; Long-term financing and funding facilities; Due to related parties; Fair value of derivative liabilities; Accounts payable and accruals; and Obligation for Equity accounted investees, which were marginally negated by increases in other line items such as higher Deferred tax liability and Other liabilities.

The increase in 2023G was mainly driven by the increases in Long term Financing and funding facilities; Liabilities associated with assets held for sale; Equity accounted investees; and Account payable and accruals, which were marginally negated by decreases in other line items.

The management's discussion and analysis for the line items and material movements between reported years are covered below.

Non-current assets

The following table presents a summary of the Group's non-current assets as at 31 December 2021G, 2022G and 2023G.

Table (6-33): Summary of the Group's non-current assets

Non-current assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Property, plant and equipment	11,815,728	10,105,713	10,292,460	-14.5%	1.8%	-6.7%
Intangible assets	1,997,430	2,028,830	2,047,374	1.6%	0.9%	1.2%
Equity accounted investees	9,433,199	12,624,518	15,873,449	33.8%	25.7%	29.7%
Non-current portion of net investment in finance lease	12,372,474	11,501,842	11,234,491	-7.0%	-2.3%	-4.7%
Deferred tax assets	165,004	119,955	153,323	-27.3%	27.8%	-3.6%
Fair value of derivatives	45,540	924,537	754,927	1930.2%	-18.3%	307.2%
Strategic fuel inventories	54,086	27,356	25,518	-49.4%	-6.7%	-31.3%
Other assets	156,923	370,419	354,294	136.1%	-4.4%	50.3%
Total non-current assets	**36,040,384**	**37,703,170**	**40,735,836**	**4.6%**	**8.0%**	**6.3%**

Source: Audited consolidated financial statements

The Group's non-current assets are largely comprised of Property, plant and equipment, Intangible assets, Equity accounted investees and Non-current portion of net investment in finance lease. Combined, these accounted for 98.8%, 96.2% and 96.8% of total consolidated non-current assets as at 31 December 2021G, 2022G and 2023G, respectively.

Property, plant and equipment

The following tables present a summary of the Group's Property, plant and equipment as at 31 December 2021G, 2022G and 2023G).

Table (6-34): Summary of the Group's Property, plant and equipment

Property, plant and equipment	Gross as at 31 December			Accumulated depreciation		
SAR in 000's	2021G	2022G	2023G	2021G	2022G	2023G
Lands and buildings	945,103	917,485	915,845	507,570	513,029	539,231
Plant, machinery and equipment	15,363,850	14,733,607	14,746,897	5,657,863	5,481,431	5,852,387
Furniture and fixtures & Office equipments	112,294	109,807	124,642	105,915	102,664	112,864
Capital spares	60,650	61,132	71,899	29,571	36,067	46,217
Motor vehicles	40,716	39,116	41,584	37,021	34,831	35,037
Capital work in progress	1,631,055	412,588	977,329	-	-	-
Total PPE	**18,153,668**	**16,273,735**	**16,878,196**	**6,337,940**	**6,168,022**	**6,585,736**

Source: Audited consolidated financial statements

Table (6-35): Summary of the Group's Property, plant and equipment

Property, plant and equipment, net	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Lands and buildings	437,533	404,456	376,614	-7.6%	-6.9%	-7.2%
Plant, machinery and equipment	9,705,987	9,252,176	8,894,510	-4.7%	-3.9%	-4.3%
Furniture and fixtures & Office equipments	6,379	7,143	11,778	12.0%	64.9%	35.9%
Capital spares	31,079	25,065	25,682	-19.4%	2.5%	-9.1%
Motor vehicles	3,695	4,285	6,547	16.0%	52.8%	33.1%
Capital work in progress	1,631,055	412,588	977,329	-74.7%	136.9%	-22.6%
Total PPE	**11,815,728**	**10,105,713**	**10,292,460**	**-14.5%**	**1.8%**	**-6.7%**

Source: Audited consolidated financial statements

Majority of the Group's PPE were pledged as at 31 December 2023G, in line with the Group's policy of obtaining non- recourse loans to finance the construction of its facilities.

Major line items and key drivers for the movement between reported years are covered below.

Lands and buildings

Lands and buildings mainly relate to CEGCO and STPC assets in addition to the Corporate offices (land in Riyadh), with the rest of the operating facilities of the Group constructed over lease-hold land.

The decreases in 2022G from 2021G and in 2023G from 2022G were mainly due to periodic depreciation charges on the buildings for the respective years.

Plant, machinery and equipment

Plant, machinery and equipment is the key component of the Group's overall fixed assets base, accounting for 82.1%, 91.6% and 86.4% of the total fixed assets' net book value as at 31 December 2021G, 31 December 2022G and 31 December 2023G, respectively.

Plant, machinery and equipment decreased by 4.7%, or SAR 453.8 million, from SAR 9,705.9 million as at 31 December 2021G to SAR 9,252.2 million as at 31 December 2022G and then further decreased by 3.9%, or SAR 357.7 million, to SAR 8,894.5 million at 31 December 2023G.

The decrease in 2022G was mainly due to the depreciation charge for the year (SAR 385.1 million) and impairment of Barka IWPP (SAR 121.6 million). This decrease was partially negated by the additions during the year. The Barka impairment was on account of non-renewal of PWPA (Main Plant), which was renewed in 2024.

The decrease in 2023G was mainly due to the depreciation charge for the year ended (SAR 375.9 million).

Capital work in progress (CWIP):

CWIP relates to the Group's under construction projects.

All costs during the construction phase that are attributable to the Projects are capitalized as CWIP until the Projects achieve their respective Initial or Project Commercial Operation Dates (ICOD/PCODs), subsequent to which these costs are accounted for under the relevant category of Property, plant and equipment (operating lease) or Non- current or Current portion of net investment in finance lease (finance lease receivable) depending on the nature (BOO/BOOT/BOT) and terms (contract life vs. useful life) of the offtake contract accounting classification as required by the IFRS.

The movement in CWIP between any period typically relates to the additional construction activity negated by any project that achieves ICOD or PCOD between the compared periods.

The decrease in 2022G from 2021G was driven significantly by the de-recognition on loss of control of a subsidiary (farm-down of the Sirdarya project in Uzbekistan) which more than negated the additions during the year.

The increase in 2023G from 2022G was mainly driven by addition on account of projects under construction which was significantly offset by derecognition on loss of control of Noor AL Shuaibah (Shuaibah 1 & 2) and Bash & Dzhankeldy classified as assets held for sale on signing of Sale Purchase Agreements.

Depreciation rates

The following table presents the annual depreciation rates applicable to each category of Property, plant and equipment of the Group.

Table (6-36): Annual depreciation rates applicable to each category of Property, plant and equipment of the Group plant and equipment of the Group " \f C \l "3"

Assets Category	Annual depreciation rate
Buildings	2% - 7%
Plant, machinery and equipment	2.5% - 25%
Furniture, fixtures and office equipment	10% - 33.3%
Capital spares	3.3% - 12.5%
Motor vehicles	20% - 25%

Source: Audited consolidated financial statements

Intangible assets

The following table presents a summary of the Group's Intangible assets as at 31 December 2021G, 2022G and 2023G.

Table (6-37): Summary of the Group's Intangible assets

Intangible assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Goodwill	1,937,287	1,924,687	1,915,527	-0.7%	-0.5%	-0.6%
Other intangible assets	60,143	104,143	131,847	73.2%	26.6%	48.1%
Total	**1,997,430**	**2,028,830**	**2,047,374**	**1.6%**	**0.9%**	**1.2%**

Source: Audited consolidated financial statements

Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the amount recognised for minority interests over the fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition. Goodwill is tested for impairment annually and when the circumstances indicating to potential impairment in the carrying value.

The goodwill balance relates to the acquisition of 100% equity stake in the share capital of ACWA Power Projects ("**APP**"), and it is allocated to the Group's operating segments for the purpose of impairment testing:

Goodwill by segment

Table (6-38): Goodwill by segment

Goodwill	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Thermal and water desalination	774,915	762,315	762,315	-1.6%	0.0%	-0.8%
Renewables	1,162,372	1,162,372	1,153,212	0.0%	-0.8%	-0.4%
Total	**1,937,287**	**1,924,687**	**1,915,527**	**-0.7%**	**-0.5%**	**-0.6%**

Source: Audited consolidated financial statements

Management monitors Goodwill at an operating segment level i.e., at group of cash generating units (CGUs) included within an operating segment. The performance of an individual asset is assessed based on total life-cycle returns, which is usually spread across various CGUs within an operating segment. Accordingly, for the purpose of impairment testing, the management believes that it is more appropriate to consider total cash flows that are relevant for operating segments (i.e., group of CGUs). However, when a particular asset within an operating segment is disposed- off, a portion of the goodwill is allocated to the asset (based on the relative fair values) for the purpose of computing gain or loss on disposal.

The recoverable amount was determined using discounted cash flow projections based on the financial models approved by the management. Cash flows are estimated over the expected period of the relevant projects' lives, which range from 15 to 50 years, and discounted using a pre-tax discount rate of 7.60% per annum in 2023G. 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 that have not been incorporated in the cash flow estimates. The approach is sensitive to the discount rate and the internal rate of return ("**IRR**") achieved on projects. However, a reasonably possible change in discount rate and IRR is not expected to result in impairment.

At the corresponding reporting dates, the management has determined that the recoverable amounts of Goodwill were higher than the carrying amount of goodwill.

Other Intangible Assets

Table (6-39): Other Intangible Assets

Other Intangible Assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Cost of intangible asset	118,799	175,834	219,434	48.0%	24.8%	35.9%
Less: Depreciation	-58,656	-71,691	-87,587	22.2%	22.2%	22.2%
Total	**60,143**	**104,143**	**131,847**	**73.2%**	**26.6%**	**48.1%**

Source: Audited consolidated financial statements

Other intangible assets comprise computer software, which is amortised at a rate between 25%-33.33% per annum, and the amounts paid by one of the Group's subsidiaries to secure contracts in respect of the delivery of limestone, which are amortised over the period of the respective contracts.

The increases in both years from the previous respective years were mainly driven by the additions on account of costs incurred in relation to the new digital systems implementation and enhancement of the existing ones, net off the amortisation charges for respective years.

Equity accounted investees (Net)

The following table presents a summary of the Group's Equity accounted investees as at 31 December 2021G, 2022G and 2023G.

Table (6-40): Summary of the Group's Equity accounted investees

Equity accounted investees	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
SGA/NOVA SGA Marafiq Holdings ('SGA Marafiq')	485,581	588,391	566,879	21.2%	-3.7%	8.0%
Saudi Malaysian Water and Electricity Company Limited ('SAMAWEC')	1,255,759	1,285,475	1,212,637	2.4%	-5.7%	-1.7%
Suez Nomac O&M Holdings Company W.L.L.	28,294	27,281	25,229	-3.6%	-7.5%	-5.6%
Jubail Operations Holdings Company W.L.L	28,300	27,297	25,258	-3.5%	-7.5%	-5.5%
Qurayyah Investment Company ('QIC')	521,030	582,036	605,882	11.7%	4.1%	7.8%
Rabigh Electricity Company	610,463	657,426	569,676	7.7%	-13.3%	-3.4%
Al Mourjan for Electricity Production Company	440,658	544,166	522,029	23.5%	-4.1%	8.8%
Dhofar Generating Company	70,974	97,000	99,603	36.7%	2.7%	18.5%
MAP Inland Holdings Ltd. (JAFZA)	529,554	588,051	565,059	11.0%	-3.9%	3.3%
MAP Coastal Holding Company Limited (JAFZA)	428,143	475,051	458,624	11.0%	-3.5%	3.5%
ACWA Power Renewable Energy Holding Ltd ('APREH')	428,697	480,778	451,728	12.1%	-6.0%	2.7%
Dhofar O&M Company LLC	7,062	3,070	3,919	-56.5%	27.7%	-25.5%
Hassyan Energy Phase 1 P.S.C	397,119	1,631,517	1,846,128	310.8%	13.2%	115.6%
Dhofar Desalination Co. SAOC	49,660	71,556	58,518	44.1%	-18.2%	8.6%

Equity accounted investees	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Taweelah RO Desalination Company LLC	132,167	201,531	187,623	52.5%	-6.9%	19.1%
Water Consortium Holding Company	11,226	99,373	333,016	785.2%	235.1%	444.7%
Renewable Energy for Morocco (O&M) Company	427	714	1,009	67.2%	41.3%	53.7%
Vinh Hao 6 Power Joint Stock	74,879	-	-	-100.0%	0.0%	-100.0%
Veolia First National Water Service Company	263	-	-	-100.0%	0.0%	-100.0%
ACWA Power Solarreserve Redstone Solar Thermal Power Plant (Pty) Ltd	270,683	284,426	373,977	5.1%	31.5%	17.5%
Jazan Integrated Gasification and Power Company ('Jazan')	2,814,564	2,949,102	4,685,436	4.8%	58.9%	29.0%
Shuqaiq Services Company for Maintenance	-	170,179	150,409	0.0%	-11.6%	-
Shuqaiq International Water and Electricity Company Limited	386,399			-100.0%	0.0%	-100.0%
NEOM Green Hydrogen Company	-	841,120	959,111	0.0%	14.0%	-
ACWA Power Uzbekistan Project Holding Company	-	48	9,108	0.0%	18875.0%	-
Amwaj International Company Ltd	461,297	241,294	200,747	-47.7%	-16.8%	-34.0%
Haya Power & Desalination Company	(34,770)	210,003	684,173	-704.0%	225.8%	-
Noor Energy 1 P.S.C	(330,802)	128,111	419,695	-138.7%	227.6%	-
Naqa'a Desalination Plant LLC	(3,357)	239,986	427,033	-7248.8%	77.9%	-
Shams Ad-Dhahira Generating Company SAOC	(49,757)	31,341	255,147	-163.0%	714.1%	-
Sudair One Holding Company	(3,007)	168,195	165,432	-5693.4%	-1.6%	-
Oasis Joint Holding Company	-	-	8,322	0.0%	0.0%	-
Hassyan Water Company A P.S.C.	-	-	2,042	0.0%	0.0%	-
Dhafra Water Desalination Company	-	(66,800)	(57,184)	0.0%	-14.4%	-
Veolia First National Water Service Company	-	(1,570)	(531)	0.0%	-66.2%	-
Noor Al Shuaibah Holding Company	-	-	(101,270)	0.0%	0.0%	-
Wafra Holding Company	-	-	(86,544)	0.0%	0.0%	-
Ishaa holding company	-	-	(119,444)	0.0%	0.0%	-
Nawwar holding company	-	-	(164,880)	0.0%	0.0%	-

Equity accounted investees	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Saad 2 holding company	-	-	(93,276)	0.0%	0.0%	-
ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S.	-	-	-	0.0%	0.0%	-
Shuaa Energy 3 P.S.C.	(21,474)			-100.0%	0.0%	-100.0%
Total	**8,990,032**	**12,556,148**	**15,250,320**	**39.7%**	**21.5%**	**30.2%**
Non Current Assets	9,433,199	12,624,518	15,873,449	33.8%	25.7%	29.7%
Non Current Liabilities	(443,167)	(68,370)	(623,129)	-84.6%	811.4%	18.6%
Total	**8,990,032**	**12,556,148**	**15,250,320**	**39.7%**	**21.5%**	**30.2%**

Source: Audited consolidated financial statements

The balance of the Equity accounted investees represents the cost of investment and the post- acquisition changes in the Group's share of net assets of the associates and joint ventures. The negative investments relate to the investees that are in the construction phase; according to IAS 28 the recognition of losses is appropriate since the shareholders have guaranteed the investees' obligations and are committed to provide further financial support if needed. As at 31 December 2023G, the Group had a negative investment in certain under construction projects amounting to SAR 623.1 million.

Equity accounted investees, net, increased by 39.7%, or SAR 3,566.1 million, from SAR 8,990.0 million as at 31 December 2021G to SAR 12,556.1 million as 31 December 2022G and further increased by 21.5%, or SAR 2.694.2 million, to SAR 15,250.3 million as at 31 December 2023G.

The increase in 2022G was mainly on account of i) share in OCI (fair value of cash flow hedge reserve) (SAR 2,859.4 million); ii) net additions in equity accounted investees net off a shareholder loan repayment (SAR 1,050.7 million),in addition to share in net income/(loss) of the investees (SAR 294.4 million), which were partially offset by the divestment of SQWEC (SAR 378.8 million) and dividends received (SAR 198.7 million).

The increase in 2023G was mainly driven by the additional investments in entities (SAR 3,359.7 million) and share in net income/(loss) (SAR 244.6 million) of the investees, which were partially offset by share in OCI (fair value of cash flow hedge reserve) (SAR 688.5 million) and dividends received (SAR 221.7 million.)

Net investment in finance lease (Non-current and Current)

Please note that both current and non-current portions are analysed in this section to maintain unity of the topic.

Net investment in finance lease is in relation to the PPAs or WPAs signed between some of the Group's subsidiaries and their offtakers. Where the Group determines a long-term power supply arrangement to be, or to contain, a lease and where the Group transfers substantially all the risks and benefits incidental to ownership of the leased item, the arrangement is considered as a finance lease.

A finance lease is presented as Net investment in finance lease and 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 over the life of the contract.

For certain finance lease arrangements whereby the lease cash flows are denominated in multiple currencies, the minimum lease payments are determined separately for each currency involved, using the expected incremental borrowing rate in each currency category using the interest rate implicit in the lease for each respective currency. The total finance lease income in respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency with respect to the lease.

The following table presents a summary of the Group's Net investment in finance lease as at 31 December 2021G, 2022G and 2023G.

Table (6-41): Summary of the Group's Net investment in finance lease

Current & Non Current portion of net investment in finance lease	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Net investment in finance leases						
Gross investment in finance leases	19,827,110	18,208,345	17,502,955	-8.2%	-3.9%	-6.0%
Less: Unearned finance income	(7,078,815)	(6,328,017)	(5,886,279)	-10.6%	-7.0%	-8.8%
	12,748,295	**11,880,328**	**11,616,676**	**-6.8%**	**-2.2%**	**-4.5%**
Analyzed as:						
Current portion of net investment in finance lease	375,821	378,486	382,185	0.7%	1.0%	0.8%
Non-current portion of net investment in finance lease	12,372,474	11,501,842	11,234,491	-7.0%	-2.3%	-4.7%
The undiscounted value of future minimum lease payments to be received consist of:						
Less than one year	922,577	895,305	891,110	-3.0%	-0.5%	-1.7%
One to two years	1,089,126	887,255	916,143	-18.5%	3.3%	-8.3%
Two to three years	1,096,339	884,101	910,269	-19.4%	3.0%	-8.9%
Three to four years	1,093,083	878,396	907,832	-19.6%	3.4%	-8.9%
Four to five years	1,087,030	876,032	908,815	-19.4%	3.7%	-8.6%
More than five years	14,538,957	13,787,256	12,968,786	-5.2%	-5.9%	-5.6%
	19,827,110	**18,208,345**	**17,502,955**	**-8.2%**	**-3.9%**	**-6.0%**
The maturity of unearned finance income are as follows:						
Less than one year	546,756	516,819	508,925	-5.5%	-1.5%	-3.5%
One to two years	618,074	501,391	492,008	-18.9%	-1.9%	-10.8%
Two to three years	598,999	484,362	474,248	-19.1%	-2.1%	-11.0%
Three to four years	581,318	466,928	455,817	-19.7%	-2.4%	-11.5%
Four to five years	563,224	448,823	436,802	-20.3%	-2.7%	-11.9%
More than five years	4,170,444	3,909,694	3,518,479	-6.3%	-10.0%	-8.1%
	7,078,815	**6,328,017**	**5,886,279**	**-10.6%**	**-7.0%**	**-8.8%**

Source: Audited consolidated financial statements

The periodic rate of return used by the Group ranges from 2.04% to 10.21% for 2021G, 2022G & 2023G per annum.

Total Non-current and Current net investment in finance leases decreased by 6.8%, or SAR 868.0 million, from SAR 12,748.3 million as at 31 December 2021G to SAR 11,880.3 million as at 31 December 2022G and further decreased by 2.2%, or SAR 263.7 million, to SAR 11,616.7 million as at 31 December 2023G. The movements in both years in comparison to respective previous years were due to the projects' finance income, change in forex rates and/or lease amortization.

The Group recognised finance lease incomes of SAR 313.1 million, SAR 243.4 million, and SAR 459.5 million for the years ended 2021G, 2022G, and 2023G respectively. The finance lease incomes are the net of energy generation shortfall (2021G: SAR 171.4 million; 2022G: SAR 206.8 million; 2023G: SAR 55.1 million. Energy generation shortfalls represent lower production as compared to the original estimated production levels as a result of non-operational periods of certain plants accounted for as finance leases.

Finance lease principal amortisation for the years ended 31 December were SAR 322.8 million in 2021G, SAR 347.1 million in 2022G, and SAR 385.3 million in 2023G.

Deferred tax asset (and liability)

Please note that both asset and liability portions are analysed in this section to maintain unity of the topic.

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

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

The following table presents a summary of the Group's Net Deferred tax asset/(liability) as at 31 December 2021G, 2022G and 2023G.

Table (6-42): Summary of the Group's Net Deferred tax asset/(liability)

Deferred tax asset / (Liability), net	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Property, plant and equipment	(270,860)	(456,853)	(504,807)	68.7%	10.5%	36.5%
Unused tax losses	278,691	347,917	473,993	24.8%	36.2%	30.4%
Fair value of derivatives	(3,126)	(18,947)	(13,110)	506.1%	-30.8%	104.8%
End-of-service benefit liability	5,947	3,709	3,557	-37.6%	-4.1%	-22.7%
Accruals and provisions	33,948	29,852	30,214	-12.1%	1.2%	-5.7%
Deferred tax asset / (Liability)	**44,600**	**(94,322)**	**(10,153)**	**-311.5%**	**-89.2%**	**-**
Deferred tax asset	165,004	119,955	153,323	-27.3%	27.8%	-3.6%
Deferred tax Liability	(120,404)	(214,277)	(163,476)	78.0%	-23.7%	16.5%

Source: Audited consolidated financial statements

Deferred tax asset, net, decreased by 27.3%, or SAR 45.0 million, from SAR 165.0 million as at 31 December 2021G to SAR 120.0 million as at 31 December 2022G and then increased by 27.8%, or SAR 33.4 million, to SAR 153.3 million at 31 December 2023G. Deferred tax liability, net, increased by 78.0%, or SAR 93.9 million, from SAR 120.4 million as at 31 December 2021G to SAR 214.3 million at 31 December 2022G and then decreased by 23.7%, or SAR 50.8 million, to SAR 163.5 million as at 31 December 2023G.

Significant portion of Deferred tax liability, net, is attributable to Property, plant and equipment whereas deferred tax asset, net, is mainly attributable to Unused tax losses. Deferred tax asset on unused tax losses is recognised only to the extent of the tax depreciation that can be realised against future taxable profits for indefinite period.

The major movement in 2022G and 2023G deferred tax asset/ (liability), net, was driven by Property, plant and equipment, which were offset by opposite movement in Unused tax losses, mainly in relation to the Group's subsidiaries in Morocco.

Deferred tax expense for the year ended 31 December 2023G was net of positive impact from foreign exchange rate movements of SAR 36.3 million (31 December 2022G: net of negative impact of SAR 161.1 million) on Group's subsidiaries in Morocco, where foreign currency denominated assets and liabilities are carried in local currency for tax base purposes.

Other assets (Non-current)

The following tables present a summary of the Group's Other assets (non-current) as at 31 December 2021G, 2022G and 2023G.

Table (6-43): Summary of the Group's Other assets (non-current)

Other Assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Advance fee to customer	-	203,866	187,381	0.0%	-8.1%	-
Value Added Tax (VAT) receivable	98,466	81,473	78,999	-17.3%	-3.0%	-10.4%
Right of use assets	45,456	67,401	77,733	48.3%	15.3%	30.8%
Strategic fuel inventories	54,086	27,356	25,518	-49.4%	-6.7%	-31.3%
Others	13,001	17,679	10,181	36.0%	-42.4%	-11.5%
	211,009	**397,775**	**379,812**	**88.5%**	**-4.5%**	**34.2%**

Source: Audited consolidated financial statements

Other assets (non-current) include the non-current portion of the Advance fee to customer, Value added tax (VAT) receivable, Right of use assets, Strategic fuel inventories and Others (receivables).

Advance fees to customer represent one-off fees paid by RAWEC upon successful completion of refinancing to the offtaker, who is also a minority shareholder, in accordance with the terms of the offtake contract, and is amortised over the remaining term of the offtake contract.

Value added tax (VAT) receivable are mainly VAT on goods and services purchased. In addition to the Value added tax (VAT) receivable – non-current, below table presents other VAT components to maintain unity of the topic.

Table (6-44): Value added tax, Net

Value added tax, Net	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Value Added Tax ("**VAT**") receivable- Non current	98,466	81,473	78,999	-17.3%	-3.0%	-10.4%
Value Added Tax ("**VAT**") receivable- current	99,436	86,057	143,732	-13.5%	67.0%	20.2%
Value added tax payable	(102,853)	(77,853)	(116,953)	-24.3%	50.2%	6.6%
Value added tax, Net	**95,049**	**89,677**	**105,778**	**-5.7%**	**18.0%**	**5.5%**

Source: Audited consolidated financial statements

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets 2-40 years. The increases in both 2022G and 2023G over respective previous years were largely in relation to the corporate and regional offices.

Strategic fuel inventories include heavy fuel oil and diesel, which are held by CEGCO (Jordan) as required by the offtake contracts pertaining to the assets to ensure the continuity of operations in case procurement of natural gas is interrupted. The decreasein2022G was mainly driven by the sale of strategic fuel (Diesel) inventory.

Current assets

The following table presents a summary of the Group's consolidated Current assets as at 31 December 2021G, 2022G and 2023G.

Table (6-45): Summary of the Group's consolidated Current assets

Current assets	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Inventories	425,299	406,820	479,322	-4.3%	17.8%	6.2%
Current portion of net investment in finance lease	375,821	378,486	382,185	0.7%	1.0%	0.8%
Fair value of derivatives	-	106,131	88,153	0.0%	-16.9%	-
Due from related parties	780,656	985,120	1,356,247	26.2%	37.7%	31.8%
Accounts receivable, prepayments and other receivables	2,913,617	2,771,708	3,214,580	-4.9%	16.0%	5.0%
Short term investments	-	199,998	1,217,791	0.0%	508.9%	-
Cash and cash equivalents	5,172,921	6,154,524	4,740,941	19.0%	-23.0%	-4.3%
	9,668,314	**11,002,787**	**11,479,219**	**13.8%**	**4.3%**	**9.0%**
Assets held for sale	-	139,963	2,803,259	-	1902.9%	-
Total current assets	**9,668,314**	**11,142,750**	**14,282,478**	**15.3%**	**28.2%**	**21.5%**

Source: Audited consolidated financial statements

Excluding the Assets held for sale, the key components of the Group's consolidated total current assets are Cash and cash equivalents including Short term investments; Accounts receivable, prepayments and other receivables; and Due from related parties, which, collectively, accounted for 91.7%, 91.9% and 91.7% of the total current assets excluding Assets held for sale as at 31 December 2021G, 2022G and 2023G, respectively.

Total current assets excluding Assets held for sale increased by 13.8%, or SAR 1,334.5 million, from SAR 9,668.3 million as at 31 December 2021G to SAR 11,002.8 million as at 31 December 2022G and further increased by 4.3%, or SAR 476.4 million, to SAR 11,479.2 million as at 31 December 2023G.

The increase in 2022G was mainly due to higher Cash & cash equivalents (including Short term investments) (refer to the management's discussion and analysis of the Cash Flow Statement) and Due from related parties mainly on account of the increase in O&M receivables of NOMAC largely pertaining to new projects coming into operation or in their first full year of operations.

The increase in 2023G was mainly due to higher Account receivable, prepayments and other receivables, and higher Due from related parties mainly in parallel with the increase in business activity. This increase was partially offset by lower Cash & cash equivalents (net off short term investments).

Assets held for sale in 2022G represents net assets of Solar V (UAE) together with carrying value of investments in Shuaa 3 (UAE) and Vinh Hao 6 (Vietnam). In addition to the Solar V's net assets and the carrying value of investments in Shuaa 3 (UAE), Assets held for sale in 2023G includes the net assets of the Bash and Dzhankeldy Wind (including its holding companies) (Uzbekistan) (see Section (6-3-4) ("**Comparability of Operations**")).

Inventories

The following tables present a summary of the Group's Inventories by line item as at 31 December 2021G, 2022G and 2023G.

Table (6-46): Summary of the Group's Inventories by line item

Inventories	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Spare parts and consumables	398,878	376,840	453,997	-5.5%	20.5%	6.7%
Chemicals	14,969	18,896	18,556	26.2%	-1.8%	11.3%
Diesel	11,021	10,540	5,972	-4.4%	-43.3%	-26.4%
Goods in transit	431	544	797	26.2%	46.5%	36.0%
Total	**425,299**	**406,820**	**479,322**	**-4.3%**	**17.8%**	**6.2%**

Source: Audited consolidated financial statements

The major item in Inventories is Spare parts and consumables, including goods in transit and represented 93.8%, 92.6% and 94.7% of total inventories as at 31 December 2021G, 2022G and 2023G, respectively.

Spare parts and consumables are used in the maintenance and operations of plants that are used during the regular operations of the plants. As per industry practices, the turnover of inventory is not a key indicator as most of inventories are in the form of spare parts for which consumption cycle is longer than that of normal inventories.

The consolidated inventory balance decreased by 4.3%, or SAR 18.5 million, from SAR 425.3 million as at 31 December 2021G to SAR 406.8 million as at 31 December 2022G, and then increased by 17.8%, or SAR 72.5 million, to SAR 479.3 million as at 31 December 2023G, mainly affected by the movement in Spare parts and consumables.

The movement in 2022G was not material.

The increase in 2023G was mainly driven by the new projects that came into operations during the year as well as the additional inventory build-up to ensure business continuity.

Current portion of net investment in finance lease

Please note that both current and non-current portions are analysed in the section above in Non-current assets to maintain unity of the topic.

Due from related parties (current portion)

The following table presents a summary of the Group's Due from related parties (current portion) as at December 2021G, 2022G and 2023G.

Table (6-47): Summary of the Group's Due from related parties (current portion)

Due from related parties (current portion)	Relationship	2023 &2022	As at 31 December			Increase / (Decrease)		
SAR in 000's			2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Hajr for Electricity Production Company	Joint venture	(a)	166,859	208,190	238,955	24.8%	14.8%	19.7%
Al Mourjan for Electricity Production Company	Joint venture	(a)	109,282	155,797	145,826	42.6%	-6.4%	15.5%
Hassyan Energy Phase 1 P.S.C	Joint venture	(a) (b)	74,766	46,980	87,837	-37.2%	87.0%	8.4%
ACWA Power Sirdarya	Joint venture	(a)	-	46,060	79,985	0.0%	73.7%	-
Rabigh Electricity Company	Joint venture	(a)	28,709	35,642	74,146	24.1%	108.0%	60.7%

Due from related parties (current portion)	Relationship	2023 &2022	As at 31 December			Increase / (Decrease)		
SAR in 000's			2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Dhofar O&M Company	Joint venture	(a)	61,695	49,910	69,570	-19.1%	39.4%	6.2%
Qudrah One Holding Company	Joint venture	(b)	-	-	68,608	0.0%	0.0%	-
Sidra One Holding Company	Joint venture	(b)	-	-	68,608	0.0%	0.0%	-
Shuqaiq Services Company for Maintenance	Joint venture	(a)	-	25,088	61,272	0.0%	144.2%	-
Haya Power & Desalination Company	Joint venture	(a)	3,055	24,166	52,224	691.0%	116.1%	313.5%
Hassyan Water Company A P.S.C	Joint venture	(b)	-	-	48,332	0.0%	0.0%	-
Jazan Integrated Gasification and Power Company	Joint venture	(c)	23,237	28,968	41,498	24.7%	43.3%	33.6%
Noor Energy 1 P.S.C	Joint venture	(a)	15,054	150,106	41,147	897.1%	-72.6%	65.3%
ACWA Power Solarreserve Redstone Solar TPP	Joint venture	(b)	39,873	34,672	40,861	-13.0%	17.9%	1.2%
Shuaibah Water & Electricity Company	Joint venture	(a)	45,026	24,922	33,550	-44.6%	34.6%	-13.7%
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	Joint venture	(a), (d)	35,267	9,798	16,238	-72.2%	65.7%	-32.1%
Sudair One Renewable Energy Project Company	Joint venture	(a)	-	2,406	13,752	0.0%	471.6%	-
Shuaibah Expansion Project Company	Joint venture	(a)	11,363	13,046	13,226	14.8%	1.4%	7.9%
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	Joint venture	(a)	8,604	21,975	12,826	155.4%	-41.6%	22.1%
Marafiq Red Sea for Energy	Joint venture	(b)	-	6,261	12,673	0.0%	102.4%	-
Naqa'a Desalination Plant LLC	Joint venture	(a)	32,688	15,970	12,213	-51.1%	-23.5%	-38.9%
Other related parties	Affiliates	Others	125,178	85,163	122,900	-32.0%	44.3%	-0.9%
Total			**780,656**	**985,120**	**1,356,247**	**26.2%**	**37.7%**	**31.8%**

Source: Audited consolidated financial statements

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

b- These balances represent advances, receivables (on account of development services) or other fundings provided to related parties that has no specific repayment.

c- The balance represents interest receivable from an equity accounted investee on account of shareholder loan. The shareholder loan is a long-term interest in the project and classified within investment in equity accounted investees.

d- This represents amounts to be received by NOMAC for operation and maintenance services provided to the project company under operation and maintenance contracts. During the year 2023G, the Group has reversed an impairment loss of SAR 5.8 million which was recognised in year 2020G (2022G: reversal of SAR 5.1 million, 2021G: reversal of SAR 4.9 million) upon partial recovery of balance. The balance as of 31 December 2023G represents the receivable related to O&M services provided during the year 2023G.

Due from related parties (current portion) increased by 26.2%, or SAR 204.5 million, from SAR 780.7 million as at 31 December 2021G to SAR 985.1 million as at 31 December 2022G, and then further increased by 37.7%, or SAR 371.1 million, to SAR 1,356.2 million as 31 December 2023G.

The increase in 2022G was mostly on account of amounts due from related parties to First National Holding Company ("**NOMAC**") (and its subsidiaries), as described above in footnote (a).

The increase in 2023G was due to the advances, receivables (on account of development services) in Qudrah One Holding Company, Sidra One Holding Company and Hassyan Water, as described above in footnote (b) alongside the increases in amounts due from related parties to First National Holding Company ("**NOMAC**") (and its subsidiaries).

Accounts receivable, prepayments and other receivables

The following table presents summary of the Company's Accounts receivable, prepayments and other receivables as at 31 December 2021G, 2022G and 2023G.

Table (6-48): Summary of the Company's Accounts receivable, prepayments and other receivables

Accounts receivable, prepayments and other receivables	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Trade accounts receivable	1,348,435	1,362,282	1,692,851	1.0%	24.3%	12.0%
Less: allowance for impaired receivables	(29,519)	(86,204)	(144,513)	192.0%	67.6%	121.3%
Net trade accounts receivable	**1,318,916**	**1,276,078**	**1,548,338**	**-3.2%**	**21.3%**	**8.3%**
Prepayments and other receivables	335,611	579,293	381,722	72.6%	-34.1%	6.6%
Reinsurance assets and premiums receivable	388,454	110,597	325,206	-71.5%	194.0%	-8.5%
Project development cost	167,472	248,671	324,891	48.5%	30.7%	39.3%
Advances to suppliers	567,779	441,727	437,278	-22.2%	-1.0%	-12.2%
Dividend receivable	-	-	10,348	0.0%	0.0%	-
Value added tax and other receivables from authorities	99,436	86,057	143,732	-13.5%	67.0%	20.2%
Advances to employees	32,104	27,430	30,598	-14.6%	11.5%	-2.4%
Others	3,845	1,855	12,467	-51.8%	572.1%	80.1%
Total	**2,913,617**	**2,771,708**	**3,214,580**	**-4.9%**	**16.0%**	**5.0%**

Source: Audited consolidated financial statements

Table (6-49): Movement in allowance for impairment

Movement in allowance for impairment			
SAR in 000's	2021G	2022G	2023G
Opening balance	28,795	29,519	86,204
Impairment charges	724	56,685	58,309
Closing balance	**29,519**	**86,204**	**144,513**

Source: Audited consolidated financial statement

Accounts receivable, prepayments and other receivables decreased by 4.9%, or SAR141.9 million, from SAR 2,913.6 million as at 31 December 2021G to SAR 2,771.7 million as at 31 December 2022G, and increased by 16.0%, or SAR 442.9 million, to SAR 3,214.6 million as 31 December 2023G.

Major line items and key drivers for the movement between reported years are covered below.

Net trade accounts receivable

The significant portion of the consolidated net trade accounts receivable is mainly contributed by ACWA Power International ("**API**"), ACWA Power Global Services ("**APGS**"), and specific projects in Morocco. The trade receivables recorded by API and APGS primarily include receivables from the EPC contractors related to the project management and advisory (PM&A) fees. The receivables from the Morocco projects pertain to Masen, the off-taker, for capacity charges and billing for other revenues, including fuel pass-through revenue.

Net trade accounts receivable decreased by 3.2%, or SAR 42.8 million, from SAR 1,318.9 million as at 31 December 2021G to SAR 1,276.1 million as at 31 December 2022G and then increased by 21.3%, or SAR 272.3 million, to SAR 1,548.3 million as at 31 December 2023G.

The decrease in 2022G was mainly driven by the net increase in Allowance for impaired receivables booked under the Expected Credit Loss (ECL) model.

The increase in 2023G was due to the current period billings for the PM&A fees in relation to the projects under development and current period receivables from some of Morocco projects (subsequently settled in February 2024). This increase was partially offset by the net increase in Allowance for impaired receivables booked under the Expected Credit Loss (ECL) model.

Table (6-50): Ageing of group trade receivables

Ageing of group trade receivables			
SAR in 000's	2021G	2022G	2023G
Neither past due nor impaired	461,616	654,583	317,841
Past due 1-90 Days	290,659	285,743	538,711
More than 90 Days	566,641	335,752	691,786
Total	**1,318,916**	**1,276,078**	**1,548,338**

Source: Audited consolidated financial statement

Despite the increase in Past due receivables in 2023G, the management believes that those that are unimpaired are still collectible in full, based on past performance and expected credit loss model, which involves extensive analysis of credit risk, including customers' credit ratings, if it is available.

Prepayments and other receivables

Prepayments and other receivables mainly include prepaid expenses, refundable deposits, interest receivable (from deposits), Limited Notice To Proceed ("**LNTP**") advances to projects and other receivables.

Prepayments and other receivables increased by 72.6%, or SAR 243.6 million, from SAR 335.6 million as at 31 December 2021G to SAR 579.2 million as at 31 December 2022G and then decreased by 34.1%, or SAR 197.5 million, to SAR 381.7 million as at 31 December 2023G.

The increase in 2022G was mainly due to renewal of the prepaid insurance policies for two projects in Morocco in addition to the LNTP payments by the Company for the NEOM projects and other receivables from RAWEC, CEGCO and NOMAC.

The decrease in 2023G was largely driven by the expensing out of the prepaid insurance premiums for the two projects in Morocco along with the recovery of the NEOM LNTP payments, in addition to the offsetting of other receivables with other payables in CEGCO (Jordan) in line with the agreement for such with the Ministry of Energy and Mineral Resources.

Reinsurance assets and premiums receivable

The ACWA Power Re Insurance Company is 100% wholly owned subsidiary of ACWA Power and enters into arrangements with other parties for reinsurance purposes to minimise financial exposure arising from large reinsurance claims. The receivables represent amounts recoverable from reinsurance companies.

Table (6-51): Reinsurance assets and premiums receivable

Reinsurance assets and premiums receivables	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Reinsurance assets and premiums receivables	388,454	110,597	325,206	-71.5%	194.0%	-8.5%
Total	**388,454**	**110,597**	**325,206**	**-71.5%**	**194.0%**	**-8.5%**

Reinsurance receivables decreased by 71.5%, or SAR 277.8 million, from SAR 388.4 million as at 31 December 2021G to SAR 110.5 million as at 31 December 2022G and increased by 194.0%, or SAR 214.6 million, to SAR 325.2 million as at 31 December 2023G. In 2021G and 2022G there were restatements on account of IFRS 17 implementation.

The decrease in 2022G was due to the reclassification adjustment due to the implementation of IFRS 17 along with settlement of claims.

The increase in 2023G was primarily driven by the damages incurred at Noor Energy 1 (UAE) caused by the heavy rains and wind.

Project development costs

Project development costs represent costs incurred for projects under development that are considered feasible as at the reporting date of the consolidated financial statements. A provision is made against the project development costs based on an average project success rate and management's best estimates (see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Income Statement**").

Table (6-52): Project development costs

Project development costs	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance at beginning of the year	287,111	167,472	248,671	-41.7%	48.5%	-6.9%
Development cost, provision and write offs and net reversal during the year	(133,249)	35,438	69,582	-126.6%	96.3%	-
Additions, net of recoveries	13,610	45,761	6,638	236.2%	-85.5%	-30.2%
Balance at end of the year	**167,472**	**248,671**	**324,891**	**48.5%**	**30.7%**	**39.3%**

Source: Management information

Project development costs increased by 48.5%, or SAR 81.2 million, from SAR 167.4 million as of 31 December 2021G to SAR 248.6 million as of 31 December 2022G and further increased by 30.7%, or SAR 76.2 million, to SAR 324.9 million as of 31 December 2023G.

The increase in 2022G & 2023G was primarily driven Additions, net of recoveries (additional development costs), on account of the new feasible bids in addition to ongoing bidding or development cycles of projects. This increase was partially offset by the Development cost, provision and write offs, net reversal during the year (recognized as expense in the income statement).

Advances to suppliers

Advances to suppliers represent the advance payments made to different suppliers of the Group in addition to the Limited Notice to Proceed (LNTP) payments that are reimbursed by the Projects upon achieving Financial Close.

Advances to suppliers decreased by 22.2%, or SAR 126.0 million, from SAR 567.7 million as at 31 December 2021G to SAR 441.7 million as at 31 December 2022G and further decreased by 1.0%, or SAR 4.4 million, to SAR 437.3 million as at 31 December 2023G.

The decrease in 2022G was primarily driven by the settlement in 2022G of the advance payment made to a supplier in 2021G for the turbines related to the Sirdarya Project, which was partly negated by the increases related to the NOMAC entities due to advances paid under the Initial Supply Agreements (ISPs) for the Sirdarya Project in addition to the advances for the Kom Ombo (Egypt) and Uzbekistan wind project under construction.

There was no material movement in 2023G from 2022G.

Value added tax and other receivables from authorities

Refer to Other (non-current) assets above.

Short term investments

Table (6-53): Short term investments

Short term investments	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Short term deposits with original maturities of more than three months	-	199,998	1,217,791	0.0%	508.9%	-
Total	**-**	**199,998**	**1,217,791**	**0.0%**	**508.9%**	**-**

Short-term investments consist of Short-term deposits with original maturities of more than three months. These short- term deposits carried rates of return between 5.40% to 6.27% per annum during 2023G (2022G: 4.00% to 4.40% per annum). In line with its cash management practices, the Company has increased its deposit of excess cash to benefit from the higher market rates of return in 2023G.

Cash and cash equivalents

Table (6-54): Cash and cash equivalents

Cash and cash equivalents	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Cash in hand and at bank	1,728,067	4,432,679	1,300,863	156.5%	-70.7%	-13.2%
Short-term deposits with original maturities of three months or less	3,444,854	1,721,845	3,440,078	-50.0%	99.8%	-0.1%
Total	**5,172,921**	**6,154,524**	**4,740,941**	**19.0%**	**-23.0%**	**-4.3%**

Source: Audited Consolidated Financial Statements

Cash and cash equivalents include Cash in hand and at bank and Short-term deposits with original maturities of three months or less, which carried rates of return of 4.80% to 6.27% per annum in 2023G (2022G: 4.00% to 4.40% per annum).

For details pertaining to Cash and cash equivalents, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Cash flow statement**").

Re-measurement of defined benefit liability

Re-measurement gains and losses arising from seniority adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Equity

The following table summarizes the Group's consolidated Total equity as at 31 December 2021G, 2022G and 2023G.

Table (6-55): Summary of the Group's consolidated Total equity

Equity	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Shareholders' equity						
Share capital	7,134,143	7,134,143	7,134,143	-	-	-
Share premium	5,335,893	5,335,893	5,335,893	0.0%	0.0%	0.0%
Statutory reserve	718,763	872,766	1,038,937	21.4%	19.0%	20.2%
Retained earnings	1,307,826	2,080,853	3,247,401	59.1%	56.1%	57.6%
Proposed dividends	560,000	606,813	328,995	8.4%	-45.8%	-23.4%
Equity attributable to owners of the Company before other reserves	**15,056,625**	**16,030,468**	**17,085,369**	**6.5%**	**6.6%**	**6.5%**
Other reserves	(1,572,279)	2,629,419	2,072,589	-267.2%	-21.2%	-
Equity attributable to owners of the Company	**13,484,346**	**18,659,887**	**19,157,958**	**38.4%**	**2.7%**	**19.2%**
Non-controlling interest	835,799	1,368,507	1,550,933	63.7%	13.3%	36.2%
Total equity	**14,320,145**	**20,028,394**	**20,708,891**	**39.9%**	**3.4%**	**20.3%**

Source: Audited consolidated financial statements

Shareholders' equity

Share capital and Share premium

As at 31 December 2023G, the Company's authorized and fully paid share capital consists of 731,099,729 shares of SAR 10 each. Transaction costs incurred on issuance of shares of SAR 176.86 million is recognised in equity.

On 11 October 2021, the Company completed its Initial Public Offering ("**IPO**"), and its ordinary shares were listed on the Exchange, the Tadawul. The Company issued 85,336,851 new ordinary shares (including 4,137,552 shares granted to eligible employees of the Company as share-based payments) at a value of SAR 56 each, representing 11.67% of the Company's then share capital after the capital increase. Accordingly, the Company's issued share capital increased (at nominal value of SAR 10 per share) by SAR 853.4 million and share premium increased by SAR 3,925.5 million. Total proceeds received against the IPO before deducting transaction costs and share based payments amounted to SAR 4,778.9 million.

Statutory reserve

In accordance with the Company's by-laws, 10% of the net profit for the year is transferred to statutory reserves. The statutory reserve is not available for distribution. The change (increase for the reported periods) in Statutory reserve balances is a result of the changes (increases for the reported periods) in the Profit attributable to the Equity holders of the parent for the corresponding years.

Retained earnings

Retained earnings represent the distributable profit of the Group, accumulated over the period of time.

The increase in in 2022G was due to the profit for the year attributable to shareholders (SAR 1,540.0 million), partially offset by declared dividends (SAR 606.8 million) and transfer to statutory reserve (SAR 154.0 million).

The increase in 2023G was due to the profit for the year attributable to shareholders (SAR 1,661.7 million), partially offset by declared dividends (SAR 329.0 million) and transfer to statutory reserve (SAR 166.2 million).

Proposed Dividends

The Board of Directors approved a dividend payment of SAR 560.0 million (SAR 0.77 per share) for the year 2021G, SAR 606.8 million (SAR 0.83 per share) for the year 2022G and SAR 329.0 million (SAR 0.45 per share) for the year 2023G. All dividends are paid out in due course of time following the respective approvals by the general assemblies.

Other reserves

Other reserves include Cash flow hedge reserve, Currency translation reserve, Share in other comprehensive income of equity accounted investees, Remeasurement of defined benefit liability and Other.

Cash flow hedge reserve

Table (6-56): Cash flow hedge reserve

Cash flow hedge reserve	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as at 1 January	(591,116)	(343,967)	781,110	-41.8%	-327.1%	-
Change in fair value of cash, flow hedge reserve net of settlements	247,149	1,692,005	157,731	584.6%	-90.7%	-20.1%
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(56,546)	-	0.0%	-100.0%	-
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	-	(510,382)	-	0.0%	-100.0%	-
Balance as on 31st December	**(343,967)**	**781,110**	**938,841**	**-327.1%**	**20.2%**	**-**

Source: Audited consolidated financial statements

The Cash flow hedge reserve represents movements in Group's share in mark to market valuation of hedging instruments net off deferred taxes in relation to the Group's subsidiaries. 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 the consolidated statement of profit or loss.

Currency translation reserve

Table (6-57): Currency translation reserve

Currency translation reserve	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as at 1 January	(6,171)	(6,449)	(5,432)	4.5%	-15.8%	-6.2%
Change in fair value of cash, flow hedge reserve net of settlements	(278)	-	-	-100.0%	0.0%	-100.0%
Other changes	-	1,017	(12,039)	0.0%	-1283.8%	-
Balance as on 31st December	**(6,449)**	**(5,432)**	**(17,471)**	**-15.8%**	**221.6%**	**64.6%**

Source: Audited consolidated financial statements

On consolidation, the assets and liabilities of foreign operations are translated into Saudi Riyals at the rates 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 and the exchange differences arising on translation 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

Table (6-58): Share in other comprehensive income of equity accounted investees

Share in OCI of equity accounted investee	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as at 1 January	(2,163,341)	(1,165,555)	1,904,996	-46.1%	-263.4%	-
Change in fair value of cash, flow hedge reserve net of settlements	997,786	2,940,455	(685,121)	194.7%	-123.3%	-
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(555)	(6,769)	0.0%	1119.6%	-
Recycled to profit or loss on sale of an equity accounted investee	-	128,638	-	0.0%	-100.0%	-
Other changes	-	2,013	(3,713)	0.0%	-284.5%	-
Balance as on 31st December	**(1,165,555)**	**1,904,996**	**1,209,393**	**-263.4%**	**-36.5%**	**-**

Source: Audited consolidated financial statements

Under the equity method of accounting, the Group takes its share in the other comprehensive income of the equity accounted investees, which includes movements in cash flow hedge reserves, deferred tax on cash flow hedge reserves and the actuarial gains or losses in relation to employee end-of-service benefit obligations of equity accounted investees. The movements mainly represent Group's share in mark to market valuation of hedging instruments net off deferred taxes in relation to the Group's equity accounted investees from one period to another.

Remeasurement of defined benefit liability

Table (6-59): Remeasurement of defined benefit liability

Re-measurement of defined benefit liability	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as at 1 January	(10,611)	(29,128)	(24,075)	174.5%	-17.3%	50.6%
Change in fair value of cash, flow hedge reserve net of settlements	(18,517)	-	-	-100.0%	0.0%	-100.0%
Other changes	-	5,053	(6,919)	0.0%	-236.9%	-
Balance as on 31st December	**(29,128)**	**(24,075)**	**(30,994)**	**-17.3%**	**28.7%**	**3.2%**

Source: Audited consolidated financial statements

The post-employment benefits plans are not funded. Valuations of the obligations under those plans are carried out based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement and recorded in other comprehensive income. Re-measurement gains and losses arising from experience (seniority) adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

The are no material balance or movement for the reporting years.

Other

Table (6-60): Other

Other	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as at 1 January	(27,180)	(27,180)	(27,180)	0.0%	0.0%	0.0%
Change during the year	-	-	-	0.0%	0.0%	-
Balance as on 31st December	**(27,180)**	**(27,180)**	**(27,180)**	**0.0%**	**0.0%**	**0.0%**

Source: Audited consolidated financial statements

Other represents the reserve for the liability recognised initially with respect to put options underwritten by the Group in respect of shares held by non-controlling interests in a consolidated subsidiary. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption amount.

Derivatives and cash flow hedges

The following table summarizes the Group's Derivatives and cash flow hedges as at 31 December 2021G, 2022G and 2023G.

Table (6-61): Summary of the Group's Derivatives and cash flow hedges

Derivatives and cash flow hedges	Positive Fair Value			Negative Fair Value		
	As at 31 December			As at 31 December		
SAR in 000's	2021G	2022G	2023G	2021G	2022G	2023G
Derivatives held as hedges						
Interest rate swaps	45,540	1,030,668	843,080	(401,672)	(1,669)	(43,837)
Forward foreign exchange contracts	-	-	-	(5,276)	-	(19,071)
Total	**45,540**	**1,030,668**	**843,080**	**(406,948)**	**(1,669)**	**(62,908)**
Less: Current portion	-	106,131	88,153	(44,058)	-	-
Non-current portion	**45,540**	**924,537**	**754,927**	**(362,890)**	**(1,669)**	**(62,908)**

Source: Audited consolidated financial statements

Table (6-62): Fair value of derivatives by nature

Fair value of derivatives by nature	As at 31 December			Increase/Decrease		
SAR in 000's	2021G	2022G	2023G	2021G	2022G	CAGR 2021G-2023G
Interest rate swaps	(356,132)	1,028,999	799,243	-389%	-22%	-
Forward foreign exchange contracts	(5,276)	-	(19,071)	-100%	0%	90%
Total	**(361,408)**	**1,028,999**	**780,172**	**-385%**	**-24%**	**-**

Source: Audited consolidated financial statements

Based on the terms of the facilities agreements signed with the lenders for different types of loans acquired during the normal course of business, the affiliates are required to hedge the interest rate risk on the loans acquired by them. These equity accounted investees and subsidiaries use derivative financial instruments to hedge their foreign currency exposures to mitigate the interest rate and/or foreign currency risk, which qualify to be designated as cash flow hedges. The Group's share of changes in effective cash flow hedge reserves subsequent to acquisition is recognised in its equity. The Group also uses foreign exchange forward contracts to manage some of its transaction exposures.

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

The movement in the Fair value derivatives, net, mainly relates to changes in the derivatives value as they are measured at mark to market (MTM) in addition to the movement typically due to new hedges or terminated hedges.

Non-current liabilities

The following table presents a summary of the Group's consolidated Non-current liabilities as at 31 December 2021G, 2022G and 2023G.

Table (6-63): Summary of the Group's consolidated Non-current liabilities

Non-current liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Long-term financing and funding facilities	22,856,753	22,332,678	23,549,709	-2.3%	5.4%	1.5%
Due to related parties	1,594,852	862,887	854,938	-45.9%	-0.9%	-26.8%
Equity accounted investees	443,167	68,370	623,129	-84.6%	811.4%	18.6%
Fair value of derivatives	362,890	1,669	62,908	-99.5%	3669.2%	-58.4%
Deferred tax liability	120,404	214,277	163,476	78.0%	-23.7%	16.5%
Deferred revenue	54,331	90,651	139,746	66.8%	54.2%	60.4%
Employee end of service benefits' liabilities	196,025	190,788	211,298	-2.7%	10.8%	3.8%
Other liabilities	674,248	820,070	767,562	21.6%	-6.4%	6.7%
Total	**26,302,670**	**24,581,390**	**26,372,766**	**-6.5%**	**7.3%**	**0.1%**

Source: Audited consolidated financial statements

Long-term financing and funding facilities are the major component of Non-current liabilities, accounting for 86.9%, 90.9% and 89.3% of the total non-current liabilities as at 31 December 2021G, 2022G and 2023G, respectively.

Long-term financing and funding facilities

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows without any recourse to the Company, whereas With-recourse facilities are direct borrowings, or those guaranteed, by the Company. The Group's funding facilities are either at fixed financial rate or at a margin above the relevant reference rates. The Group seeks to hedge long-term floating interest rate exposures using mainly Interest Rate Swaps and other derivatives.

The following table presents a summary of the Group's long-term financing and funding facilities as at 31 December 2021G, 2022G and 2023G.

Table (6-64): Summary of the Group's long-term financing and funding facilities

Long-term financing and funding facilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Recourse Debt:						
Financing facilities in relation to projects	2,479,306	2,941,340	3,348,583	18.6%	13.8%	16.2%
Corporate facilities	1,130	1,130	1,504	0.0%	33.1%	15.4%
Corporate bond	2,789,269	2,790,991	4,586,313	0.1%	64.3%	28.2%
Non-Recourse debt:						
Financing facilities in relation to projects	14,926,843	15,513,361	15,125,832	3.9%	-2.5%	0.7%
APMI One bond	3,004,460	1,527,250	1,518,506	-49.2%	-0.6%	-28.9%
Loan notes (APCM bond)	614,221	598,510	582,272	-2.6%	(0.03)	-2.6%
Total financing and funding facilities	**23,815,229**	**23,372,582**	**25,163,010**	**-1.9%**	**7.7%**	**2.8%**
Less: current portion of long-term financing and funding facilities	(958,476)	(1,039,904)	(1,613,301)	8.5%	55.1%	29.7%
Long-term financing and funding facilities presented as non-current liabilities	**22,856,753**	**22,332,678**	**23,549,709**	**-2.3%**	**5.4%**	**1.5%**

Source: Audited consolidated financial statements

Total (non-current and current) Long-term financing and funding facilities decreased by 1.9%, or SAR 442.6 million, from SAR 23,815.2 million in 2021G to SAR 23,372.6 million in 2022G and then increased by 7.7%, or SAR 1,790.4 million, to SAR 25,163.0 million in 2023G.

The decrease in 2022G was mainly driven by the partial early buy back of the ACWA39 bonds at a pre- amortization amount of USD 400.7 million (equivalent to SAR 1,502.7 million) at a discount (Refer to comparability of operation), in addition to the i) deconsolidation of ACWA Power Sirdarya as a result of 49% stake sale during 2022G (Refer to Comparability of operation); and ii) repayment/settlement of loan at projects in Morocco, Rabigh 3, Sakaka, Taweelah projects. This decrease was partially offset by new borrowing facilities mainly in RAWEC project on account of its refinancing transaction (Refer to Comparability of operation) and in addition to other recourse borrowings by projects under constructions.

The increase in 2023G was mainly on account of the issuance of the tranche 2 of the corporate Sukuk bond (Refer to comparability of operation) in addition to facility drawdowns in relation to recourse and non- recourse borrowings by the projects. This increase was partially offset by the transfer of the borrowing balances of the Bash & Dzhankeldy wind projects to Liabilities held for sale following the Group's Sale Purchase Agreement ("**SPA**") for the sale of a 35% stake in addition to repayments of non recourse borrowings in the ordinary course of business.

Types of loans and funding facilities

The following table presents a comprehensive summary of the Group's different types of loans and funding facilities as at 31 December 2021G, 2022G and 2023G.

Table (6-65): Summary of the Group's different types of loans and funding facilities

Types of loans and funding facilities	Interest rate Fixed/ Variable	Maturity	Non-current portion – As at 31 December			Current portion – As at 31 December		
			2021G	2022G	2023G	2021G	2022G	2023G
Recourse Debt								
Financing facilities in relation to projects:								
ACWA Power Ouarzazate III S.A. ('APO III')	Fixed	2025-39	88,911	79,499	82,881	-	-	-
ACWA Power Kom Ombo Project Holding Company ('Kom Ombo')	Variable	2,027	32,578	82,453	215,679	-	-	-
ACWA Power Conventional Energy Limited ('APCE')	Variable	2,028	367,217	724,574	725,685	-	-	-
ACWA Power for Energy	Variable	2026-28	-	489,510	793,906	-	-	-
ACWA Power Dzhankeldy Wind LLC	Variable	2026-42	-	620,755	-	-	-	-
ACWA Power Bash Wind LLC	Variable	2026-42	-	650,724	-	-	-	-
ACWA Power Green Energy Africa Pty Ltd	Variable	2024-25	250,837	293,825	210,738	-	-	218,388
ACWA Power Taweelah Project Holding Co Ltd ("**Taweelah**")	Variable	2,023	141,605	-	-	-	-	-
Rabigh Three Company ("**Rabigh 3**")	Variable	2,024	424,261	-	-	-	-	-
Qara Solar Energy / Sakaka Solar Energy Company ("**Sakaka**")	Variable	2,025	198,897	-	-	-	-	-
ACWA Power Sirdarya ("**Sirdarya**")	Variable	2,025	975,000	-	-	-	-	-
ACWA Power Global Services	Variable	2,031	-	-	669,758	-	-	-
ACWA Power Wind Karatau FELLC	Variable	2,026	-	-	81,898	-	-	-
ACWA Power Azerbaijan Renewable Energy LLC	Fixed	2,026	-	-	349,650	-	-	-
Total - Financing facilities in relation to projects			**2,479,306**	**2,941,340**	**3,130,195**	**-**	**-**	**218,388**
Corporate facilities:								
Revolving Corporate Murabaha Facility and others	Variable	2,025	1,130	1,130	1,504	-	-	-
Corporate bond	Variable	2,028	2,789,269	2,790,991	4,586,313			
Total - Recourse Debt			**5,269,705**	**5,733,461**	**7,718,012**	**-**	**-**	**218,388**
Non-Recourse Debt:								
Financing facilities in relation to projects:								
Barka Water and Power Projects SAOG ("**Barka**")	Fixed	2024	116,816	142,895	-	117,885	45,665	149,341
Central Electricity Generating Company ("**CEGCO**")	Fixed	2024-26	76,157	43,844	21,181	25,274	21,817	20,404

Types of loans and funding facilities	Interest rate Fixed/ Variable	Maturity	Non-current portion – As at 31 December			Current portion – As at 31 December		
			2021G	2022G	2023G	2021G	2022G	2023G
ACWA Power Ouarzazate S.A. ("**APO I**")	Fixed	2038	1,681,986	1,515,998	1,462,543	82,613	88,587	95,284
ACWA Power Ouarzazate II S.A. ("**APO II**")	Fixed	2039	2,390,661	2,208,464	2,153,375	104,260	103,530	113,309
ACWA Power Ouarzazate III S.A. ("**APO III**")	Fixed	2025-39	2,054,733	1,728,129	1,665,671	110,755	115,188	131,894
ACWA Power Ouarzazate IV S.A. ("**APO IV**")	Fixed	2035	183,310	167,689	149,151	12,458	12,925	14,310.00
Shuaibah Two Water Development Project ("**Shuaibah II**")	Variable	2040	325,072	326,621	301,235	11,649	12,903	12,551
ACWA Power Laayoune	Fixed	2035	231,834	173,140	199,010	12,959	45,040	30,736
ACWA Power Boujdour	Fixed	2035	73,443	62,873	64,639	5,036	10,693	4,150
Al Zarqa Plant for Energy Generation ("**ZARQA**")	Variable	2035	1,093,975	1,027,446	960,084	60,973	66,529	67,363
Sakaka Solar Energy Company ("**Sakaka**")	Variable	2044	754,946	728,980	716,191	24,968	25,966	12,747
Rabigh Three Company ("**Rabigh 3**")	Variable	2045	1,930,415	1,823,979	1,762,955	44,475	53,144	60,943
Rabigh Arabian Water and Electricity Company ("**RAWEC**")	Both	2030-34	2,533,591	4,368,815	3,985,018	336,463	410,675	393,380
ACWA Power Sirdarya ("**Sirdarya**")	Variable	2039	530,136	-	-	-	-	-
Alia Water Company	Variable	2024	-	181,826	-	-	-	181,826
ACWA Power FEWA Project Holding Company	Variable	2028	-	-	178,565	-	-	-
ACWA Power Kom Ombo for Energy ('Kom Ombo Project')	Variable	2042	-	-	203,655	-	-	14,321
Total - Financing facilities in relation to projects			**13,977,075**	**14,500,699**	**13,823,273**	**949,768**	**1,012,662**	**1,302,559**
APMI One bond	Fixed	2039	3,004,155	1,516,247	1,443,172	305	11,003	75,334
APCM bond	Fixed	2044	605,818	582,271	565,252	8,403	16,239	17,020
Total - Non-Recourse Debt			**17,587,048**	**16,599,217**	**15,831,697**	**958,476**	**1,039,904**	**1,394,913**
Total financing and funding facilities			**22,856,753**	**22,332,678**	**23,549,709**	**958,476**	**1,039,904**	**1,613,301**

Source: Audited consolidated financial statements

The financial covenants under the finance documents of the Projects include a requirement that the Project must maintain a certain debt service coverage ratio (DSCR) (and in a limited number of cases a minimum loan life coverage ratio) with an additional covenant threshold to be met to be eligible for distribution of dividends.

The Group has set up a process where, on quarterly basis, an internal certification of compliance is received from all Projects to ensure complete compliance with all the underlying material agreements, licenses, leasehold land renewals and permits including minimum DSCR requirements inter alia. Waivers are obtained in case of breaches, if any. Additionally, the Group establishes and successfully maintains strong relationship with all its lenders based on a strong track record of reliability, transparency and commitment for compliance, which facilitates the Group's handling of breaches, if any.

Due to related parties (non-current portion)

The following table presents a summary of the Group's Due to related parties (non-current portion) as at 31 December 2021G, 2022G and 2023G.

Table (6-66): Summary of the Group's Due to related parties (non-current portion)

Due to related parties (non-current portion)	Relationship	As at 31 December			Increase / (Decrease)		
SAR in 000's		2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
ACWA Power Renewable Energy Holding	Joint venture	760,873			-100.0%	0.0%	-100.0%
Water and Electricity Holding Company CJSC	Shareholder's subsidiary	707,410	738,808	771,602	4.4%	4.4%	4.4%
Loans from minority shareholders of subsidiary	-	126,569	124,079	83,336	-2.0%	-32.8%	-18.9%
Total		**1,594,852**	**862,887**	**854,938**	**-45.9%**	**-0.9%**	**-26.8%**

Source: Audited consolidated financial statements

ACWA Power Renewable Energy Holding:-

During 2018G, ACWA Power Renewable Energy Holdings Limited ("**APREH**") entered into a convertible loan agreement whereby an amount of SAR 1,361.2 million 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**"). The loan carried an effective interest rate of 3.67% per annum. A portion of the loan amounting to SAR 600.4 million was converted as sales consideration against the sale of 49% of the Group's shareholding in APREH. During the year ended 31 December 2022G, APGS opted to early repay the full loan balance to APREH.

Water and Electricity Holding Company CJSC:-

During 2020G, the Group declared a one-off dividend of SAR 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 SAR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 2030G unless the repayment or settlement period is mutually extended by both parties. The Group recorded this loan at the present value of expected cash repayments discounted using an appropriate rate applicable for long- term loans of a similar nature. The difference between the nominal value of the loan and its discounted value was recognised as other contribution from shareholder within share premium. During the years 2021G, 2022G and 2023G, SAR 29.4 million, SAR 31.4 million, and SAR 32.8 million of finance charges were amortised on the outstanding loan balance, respectively.

Loans from minority shareholders of subsidiary:-

This includes:

- Loan payable to non-controlling shareholders of ACF Renewable Energy Limited amounting to SAR 44.2 million (2022G: SAR 40.7 million, 2021G: SAR 41.4 million). The loans are due for repayment in 2024G and carry profit rate at 5.75% per annum and hence classified as current; and
- Loan payable to non-controlling shareholders of Qara Solar Energy Company amounting to SAR 83.3 million (2022G: SAR 83.3 million, 2021G: SAR 85.2 million). The loans are due for repayment in 2025G and carry profit rate at LIBOR + 1.3% per annum.

Equity accounted investees

For details pertaining to equity accounted investees, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current assets**").

Fair value of derivatives

For details pertaining to fair value of derivatives, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Equity, Derivatives and cash flow hedges**").

Deferred tax liability

For details pertaining to Deferred tax liability, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Deferred tax Asset/ (Liability)**").

Deferred revenue

The following table presents a summary of the Group's Deferred revenue as at 31 December 2021G, 2022G and 2023G.

Table (6-67): Summary of the Group's Deferred revenue

Due to related parties (non-current portion)	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as of 1 January	289,153	208,521	305,024	-27.9%	46.3%	2.7%
Deferred / transferred during the year	245,322	256,990	523,377	4.8%	103.7%	46.1%
Recognized during the year	(325,954)	(160,487)	(438,344)	-50.8%	173.1%	16.0%
Balance at of 31 December	**208,521**	**305,024**	**390,057**	**46.3%**	**27.9%**	**36.8%**
Current portion	154,190	214,373	250,311	39.0%	16.8%	27.4%
Non current portion	54,331	90,651	139,746	66.8%	54.2%	60.4%

Source: Audited consolidated financial statements

Total Deferred revenue increased by 46.3%, or SAR 96.5 million, from SAR 208.5 million in 2021G to SAR 305.2 million in 2022G and then increased by 27.9%, or SAR 85.0 million, to SAR 390.1 million in 2023G.

Deferred revenue mainly represents the unearned portions of the fixed element of billings to the project companies as part of the operation and maintenance agreements that are billed in advance, along with certain the development business billings by the Company in advance. The deferred revenue is recorded as Revenue as and when the performance obligation are fulfilled such that the revenue deferred during the year is added to the Deferred revenue and transferred (deducted from Deferred revenue) to Revenue for the portion of the Deferred revenue recognized during the year (including foreign currency exchange translation impact).

Employee end of service benefits' liabilities

The following table presents a summary of the Group's Employee end of service benefits' liabilities (unfunded) as at 31 December 2021G, 2022G and 2023G.

Table (6-68): Employee end of service benefits' liabilities

Employee end of service benefits' liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance at beginning of the year	178,964	196,025	190,788	9.5%	-2.7%	3.3%
Charge for the year recorded in profit or loss	40,820	35,629	51,712	-12.7%	45.1%	12.6%
Loss / (gain) on re-measurement of defined benefit liability(OCI)	18,177	(5,796)	7,118	-131.9%	-222.8%	-37.4%
Derecognised on loss of control in subsidiary/ business combination	-	(5,196)	-	0.0%	-100.0%	-
Paid during the year	(41,936)	(29,874)	(38,320)	-28.8%	28.3%	-4.4%
Balance at end of the year	**196,025**	**190,788**	**211,298**	**-2.7%**	**10.8%**	**3.8%**

Source: Audited consolidated financial statements

Total Employee end of service benefits' liabilities decreased by 2.7%, or SAR 5.2 million, from SAR 196.0 million in 2021G to SAR 190.8 million in 2022G and then increased by 10.8%, or SAR 20.5 million, to SAR 211.3 million in 2023G.

The movements between the reported years were marginal and normally reflect the impact of headcount movements in addition to any changes based on the actuarial reassessment of the long-term employee's liability accounting for the number of employees, service periods, pay scales, etc.

In 2022G, the Company booked a charge of Derecognition on loss of control in subsidiary/business combination following the disposal of Shuqaiq Services Company for Maintenance Company.

Other liabilities

Other liabilities comprise the following liabilities.

Table (6-69): Other Liabilities

Other Liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Financial liabilities assumed on loss of control	217,076	228,127	239,650	5.1%	5.1%	5.1%
Asset retirement obligations	194,320	227,066	231,012	16.9%	1.7%	9.0%
Long-term incentive plan	60,995	91,809	97,410	50.5%	6.1%	26.4%
Liabilities in relation to long-term spares agreement	114,647	127,143	128,601	10.9%	1.1%	5.9%
Lease liabilities	38,991	63,153	67,407	62.0%	6.7%	31.5%
Put options	5,175	2,760	2,760	-46.7%	0.0%	-27.0%
Coal derivative liabilities	43,044	80,012	-	85.9%	-100.0%	-100.0%
	-	-	722	0.0%	0.0%	-
Others	**674,248**	**820,070**	**767,562**	**21.6%**	**-6.4%**	**6.7%**

Source: Audited consolidated financial statements

Financial liabilities assumed on loss of control:-

Financial liabilities assumed on loss of control represent the balance in relation to the sponsor support deed provided by the Company under the finance documents along with the put options against the shares of the remaining shareholders in ACWA Guc Elektrik Isletme Ve Yonetim Sanayi Ve Ticaret A.S ("**ACWA GUC**").

On 16 December 2018G, 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. 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 were to be taken jointly by the Group and the Acquirer. The Group lost control in ACWA GUC and the remaining 70% ownership in ACWA GUC was assessed as nil, the Group's carrying amount of investments in ACWA GUC is capped to nil, and no further losses are recognised with no legal or constructive obligations on behalf of ACWA GUC. As a result, the Group has been using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements, as endorsed in KSA.

Asset retirement obligations:-

Asset retirement obligations comprise the asset retirement obligations of projects with a BOO contract.

Increase for the reported periods mainly pertains to the recognition of additional provision and unwinding of interest during the respective period.

Long term incentive plan:-

During the year 2021G, the Board of Directors approved a cash based long-term incentive plan (the "**LTIP**"), which was granted to certain members of management. The LTIP covered a nine-year period in total effective from 1 January 2020G 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. In this regard, during 2023G a provision of SAR 36.1 million has been recognised within general and administration expenses (2022G: SAR 30.8 million, 2021: SAR 60.9 million including provision for 2020G).

During the year ended 31 December 2023G, the Board of Directors approved to replace the cash based LTIP with a share based incentive plan (hereinafter referred as the "**Employees Stock Incentive Program**" or the "**Program**"). In this regard, on 22 June 2023G, the shareholders of the Company approved to buy back Company's shares with a maximum of 2.0 million shares. As the terms and conditions of the Program were not communicated to eligible employees by the end of 2023G, the Grant Date criteria (as specified under IFRS 2 –Share-based payment) was not satisfied and no impact was taken in consolidated financial statements for the year ended 31 December 2023G.

Liabilities in relation to long-term spares agreements mainly relates to a restructuring agreement of outstanding balances for long-term service agreements ("**LTSA**") between NOMAC and its contractors.

Lease liabilities relate to the estimated payments for operating leases (mostly in connection with land lease) following the adoption of IFRS 16 in 2019G. The balance was mainly related to NOMAC, CEGCO, Barka, Zarqa and Corporate, among others.

Put options represent liability with respect to put options written by the Group in respect of shares held by non-controlling interests in a CEGCO consolidated subsidiary. The contractual obligation to purchase equity instruments was initially recognised as a financial liability and a corresponding amount has been recorded in equity in the consolidated statement of financial position at the present value of the redemption.

Coal Derivative liabilities:

Hassyan IPP was originally designed and constructed as a primary coal-fired asset with natural gas as the secondary and back up fuel. In February 2022G, Hassyan IPP was converted into a gas-fired plant following a joint decision by ACWA Power and the Offtaker.

Before the conversion, the Company had a coal supply agreement (Agreement) with a third-party supplier, where the Company had committed to cover the difference or take up the surplus between two agreed prices with the coal supplier during the IPP's period of operations. On initial recognition, the Company has estimated a derivative liability, computed using the discounted cash flow method, with the corresponding impact in the carrying value of the investment of the equity accounted investee of the Company.

Following the conversion, the management assessed that the coal consumption in future would be very minimal as coal would be used only as a back-up fuel. As a result, the Company has revised the expected consumption and recognized a liability of SAR 171.4 million in the consolidated statement of financial position as of 31 December 2021G.

On 11 October 2023G, the Group entered in a tripartite settlement agreement with the Coal Supplier and the Hassyan IPP, whereby the parties agreed to cancel the Agreement for a certain consideration. Accordingly, the Group has reversed the outstanding coal derivative liability amounting to SAR 58.8 million and recognised net amount SAR 28.8 million as a gain in other income.

Option Summary

Table (6-70): Option Summary

Project	Counter party	Equity stake**	Instruments	Options	Consideration	Option period	Accounting
CEGCO	International Finance Corporation	10.80%	Put option	Ordinary shares and shareholder loans	Based on discounted free cashflows	16 June 2024 to 15 June 2025	Recorded in company financials as a financial liability
Hajr	Samsung CT corporation	20%	Put & Call option	Ordinary shares and shareholder loans	Adjusted actual investment	31 Dec 2023 to 31 Dec 2030	The fair value of the option is Zero in the company's financial statement
Hassyan	Commercial Bank International and a financial institution	NIL	Put & Call option	Financing Facility (Mezzanine)	Outstanding Mezzanine Facility Amount	1st December 2025 till later of a) 30 December 2025 or b) 30 days after the notice was served	The fair value of the Option is zero hence not recorded in the Company's financial statements as a derivative.
Noor Energy 1	Commercial Bank International, Commercial Bank of Dubai and a financial institution	NIL	Put & Call option	Financing Facility (Mezzanine)	Outstanding Mezzanine Facility Amount	22nd December 2026 till later of a) 22 January 2027 or b) 60 days after the notice was served	The fair value of the Option is zero hence not recorded in the Company's financial statements as a derivative.

Source: Management Information

Current liabilities

The following table presents a summary of the Group's Current liabilities as at 31 December 2021G, 2022G and 2023G.

Table (6-71): Summary of the Group's Current liabilities

Current liabilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Accounts payable and accruals	3,597,981	2,595,791	3,149,023	-27.9%	21.3%	-6.4%
Short-term financing facilities	186,381	275,052	316,876	47.6%	15.2%	30.4%
Current portion of long-term financing and funding facilities	958,476	1,039,904	1,613,301	8.5%	55.1%	29.7%
Due to related parties	83,485	88,603	79,157	6.1%	-10.7%	-2.6%
Fair value of derivatives	44,058	-	-	-100.0%	0.0%	-100.0%
Zakat and taxation	215,502	236,786	194,095	9.9%	-18.0%	-5.1%
	5,085,883	**4,236,136**	**5,352,452**	**-16.7%**	**26.4%**	**2.6%**
Liabilities associated with assets held for sale	-	-	2,584,205	0.0%	0.0%	-
Total Current liabilities	**5,085,883**	**4,236,136**	**7,936,657**	**-16.7%**	**87.4%**	**24.9%**

Source: Audited consolidated financial statements

Main components of the Group's consolidated current liabilities (excluding liabilities associated with assets held for sale) are Accounts payable and accruals, Short-term financing facilities and the Current portion of long-term financing and funding facilities and, combined, the accounted for 93.3%, 92.3% and 94.9% of the Total current liabilities (excluding liabilities associated with assets held for sale) as at 31 December 2021G, 2022G and 2023G, respectively.

For details on Current portion of long-term financing and funding facilities, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current liabilities**").

For Liabilities associated with assets held for sale in 2023G, refer to Section (6-3-4) ("**Comparability of Operations**").

Accounts payable and accruals

The following table presents a summary of the Group's Accounts payables and accruals as at 31 December 2021G, 2022G and 2023G.

Table (6-72): Summary of the Group's Accounts payables and accruals

Payable and accruals	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Accounts payable	1,570,704	1,158,626	1,265,877	-26.2%	9.3%	-10.2%
Accrued expenses and other liabilities	992,731	710,872	827,177	-28.4%	16.4%	-8.7%
Reinsurance liabilities and premiums payable	371,905	112,802	347,899	(0.70)	2.08	-3.3%
Salaries and benefits payable	235,677	279,248	290,186	18.5%	3.9%	11.0%
Deferred revenues	154,190	214,373	250,311	39.0%	16.8%	27.4%
Value added tax payable	102,853	77,853	116,953	-24.3%	50.2%	6.6%
Accrued financial charges on letters of guarantee and loans	32,669	31,371	28,048	-4.0%	-10.6%	-7.3%
Lease liabilities	6,766	7,160	9,739	0.06	36.0%	20.0%
Other financial liabilities	128,359	1,352	-	-98.9%	-100.0%	-100.0%
Dividend payable	1,305	1,087	712	(0.17)	(0.34)	(0.26)
Others	822	1,047	12,121	0.27	1057.7%	284.0%
	3,597,981	**2,595,791**	**3,149,023**	**-27.9%**	**21.3%**	**-6.4%**

Source: Audited consolidated financial statements

Accounts Payable

Accounts payable decreased by 26.2%, or SAR 412.1 million, from SAR 1,570.7 million as at 31 December 2021G to SAR 1,158.6 million at 31 December 2022G and then increased by 9.3%, or SAR 107.3 million, to SAR 1,265.9 million as at 31 December 2023G. Large portion of the accounts (trade) payables is concentrated in Rabigh 3, CEGCO, Morocco projects and NOMAC.

The decrease in trade payables in 2022G was mainly driven by i) the settlement between the National Electric Power Company of Jordan and CEGCO, whereby the outstanding fuel supply-related balances due by CEGCO (in relation to the pass through fuel cost owed to the fuel supplier) were no longer required to be settled, and ii) the payment of EPC outstanding payable balances at Rabigh 3.

The increase in 2023G was primarily attributable to the projects in Morocco and Rabigh 3 on the back of increased operational activities compared to the previous year.

Accrued expenses and other liabilities

Accrued expenses and other liabilities primarily consist of accruals for interest charges, LTSA payments, and operational expenses.

Accrued expenses and other liabilities decreased by 28.4%, or SAR 281.9 million, from SAR 992.7 million as at 31 December 2021G to SAR 710.9 million as at 31 December 2022G, and then increased by 16.4%, or SAR 116.3 million, to SAR 827.2 million as at 31 December 2023G.

The decrease in 2022G was primarily due to a payment (SAR 238.7 million) to the EPC contractor for offshore activities in Sirdarya and utilization of advances received from customers in APGS. This decrease was partially offset by additional accruals in NOMAC entities mainly related to LTSA, overhauling, testing and inspection expenditures.

The increase in 2023G was primarily attributed the Company's interest accruals of Sukuk 2 in addition to an increase in the accruals at NOMAC Oman due to forced outages and other maintenance activities carried during the year for various plants and further increase in relation to put options exercised for Qurayyah project.

Reinsurance liabilities and premiums payable

Reinsurance liabilities and premiums payable is those of a fully owned subsidiary (ACWA Power Reinsurance) of the Group.

2021G and 2022G numbers were restated on account of IFRS 17 implementation.

The decrease in 2022G was mainly related to reclassification adjustment on account of implementation of IFRS 17.

The increase in 2023G was mainly driven by damages in relation to Noor Energy 1 due to heavy rains and wind.

Salaries and benefits payable

Salaries and benefits payable consist of the salaries and benefits payable to the staff.

There is no material movement in the balances for the reported years.

Deferred revenues

Deferred revenue refers to payments received in advance for services which have not yet been performed or goods which have not yet been delivered. For further information, see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current liabilities**").

Value added tax payable

Value added tax payable is the balance of payable to the authorities on the goods and services invoiced. For further information, see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current Assets**").

Other Financial Liabilities

Other financial liabilities in 2021G represented the amount of liability with respect to then existing coal supply agreement in relation to the Hassyan IPP project. Refer to above Coal derivative liabilities – Other non-current liabilities.

Short-term financing facilities

The following table presents a summary of the Group's Short-term financing facilities as at 31 December 2021G, 2022G and 2023G.

Table (6-73): Summary of the Group's Short-term financing facilities

Short-term financing facilities	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Short-term financing facilities	186,381	275,052	316,876	47.6%	15.2%	30.4%
Total	**186,381**	**275,052**	**316,876**	**47.6%**	**15.2%**	**30.4%**

Short-term financing facilities mainly include working capital loans drawn by subsidiaries to support routine operational activities as part of ordinary cash management. These facilities carried variable rates of interest between 3.96% -7.17% per annum in 2023G (2022G: 1.15% - 8.75%, 2021G: 1.5% - 6.5%).

Current portion of long-term financing and funding facilities

Current portion of long-term financing and funding facilities represents balances of subsidiaries that are due to be settled within a period of one year as at each balance sheet date. A large part of the loans is non-recourse to the Company. For further information in relation to the funding structure of the Group, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Liquidity and Capital Resources**").

Due to related parties (current portion)

Table (6-74): Due to related parties (current portion)

Due to related parties (current portion)	Relationship	As at 31 December			Increase / (Decrease)		
SAR in 000's		2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Loans from minority shareholders of a subsidiary		-	-	44,189	0.0%	0.0%	-
ACWA Power Africa Holdings (Pty) Ltd	Joint venture	17,953	16,199	11,514	-9.8%	-28.9%	-19.9%
ACWA Power Renewable Energy Holding Limited	Joint venture	-	18,289	7,034	0.0%	-61.5%	-
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	Joint venture	44,746	21,476	-	-52.0%	-100%	
Other related parties	Joint venture	20,786	32,639	16,420	0.57	(0.50)	-11.1%
Total		**83,485**	**88,603**	**79,157**	**6.1%**	**-10.7%**	**-2.6%**

Source: Audited consolidated financial statements

Due to related parties (current) mainly represents the amounts payable to an equity accounted investee in relation to project development costs, in addition to Loans payable to non-controlling shareholders and an advance received from equity accounted investee on account of operation and maintenance services to be rendered.

Zakat and taxation

The following table presents a summary of the Group's Zakat and taxation as at 31 December 2021G, 2022G and 2023G.

Table (6-75): Summary of the Group's Zakat and taxation

Zakat and taxation	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Balance as of 1 January	276,517	215,502	236,786	-22.1%	9.9%	-7.5%
Charge - for the current year	118,532	122,364	140,839	3.2%	15.1%	9.0%
Charge - for the prior year assessments	13,399	-	-	-100%		
Payments	(192,946)	(101,080)	(183,509)	-854.4%	81.5%	-
Derecognised on loss of control	-	-	(21)	-100.0%	0.0%	-99.0%
At the end of the year	**215,502**	**236,786**	**194,095**	**9.9%**	**-18.0%**	**-5.1%**

Source: Audited consolidated financial statements

Zakat and taxation are provided on an accrual basis in accordance with the Regulations of the ZATCA in the Kingdom of Saudi Arabia. Zakat and income tax related to the Company and its subsidiaries are charged to the statement of profit or loss. Differences, if any, resulting from final assessments are adjusted in the year of their finalisation. For subsidiaries outside the Kingdom of Saudi Arabia, provision for tax is computed in accordance with the tax regulations of the respective countries. For further details pertaining to the Zakat and tax, refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations – Zakat and tax**").

Consolidated Statement of Cash Flows

The following table summarizes the Group's Consolidated Cash flows data for the years ended 31 December 2021G, 2022G and 2023G.

Table (6-76): Summary of the Group's Consolidated Cash flows data

Consolidated statement of Cash flows	As at 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Net cash generated from operating activities	3,201,179	2,911,367	3,344,899	-9.1%	14.9%	2.2%
Net cash used in investing activities	(5,923,870)	(2,361,616)	(8,408,417)	-60.1%	256.0%	19.1%
Net cash generated from financing activities	7,061,204	425,554	3,758,123	-94.0%	783.1%	-27.0%
Net (decrease) / increase in cash and cash equivalents during the year	**4,338,513**	**975,305**	**(1,305,395)**	**-77.5%**	**-233.8%**	**-**
Cash and cash equivalents at beginning of the year	832,668	5,172,921	6,154,524	521.2%	19.0%	171.9%
Cash and cash equivalents in relation to assets						
Classified as held for sale	-	-	(100,281)	0.0%	0.0%	-
Net foreign exchange difference	1,740	6,298	(7,907)	262.0%	-225.5%	-
Cash and cash equivalents at end of the year	**5,172,921**	**6,154,524**	**4,740,941**	**19.0%**	**-23.0%**	**-4.3%**

Source: Audited consolidated financial statement

The Group's consolidated cash flow between 2021G and 2023G was mainly influenced by the issuance of new capital via the IPO in 2021 and the Sukuk bond (in two tranches) in addition to dividend payments to shareholders, settlement of EBLs, purchases of property, plant and equipment, and investments in equity accounted investees by the Group.

Key balances and material variances are analysed below.

Net cash generated from operating activities

The following table summarizes the Group's net cash flow generated from operating activities during 2021G, 2022G and 2023G.

Table (6-77): Summary of the Group's net cash flow generated from operating activities

Cash flow from operating activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Profit before zakat and tax from continuing operations	888,344	1,492,147	1,835,008	68.0%	23.0%	43.7%
Profit / (loss) before zakat and tax from discontinued operations	(61,313)	217,137	(9,927)	-454.1%	-104.6%	-59.8%
Adjustments:						
Depreciation and amortisation	620,926	465,817	463,141	-25.0%	-0.6%	-13.6%
Financial charges	1,059,769	1,228,674	1,474,903	15.9%	20.0%	18.0%
(Gain) / loss recognised on loss of control in a subsidiary including related						
unrealized exchange loss	-	-	-	0.0%	0.0%	-
Other unrealised exchange loss / (gain)	15,007	56,756	(15,510)	278.2%	-127.3%	-
Share in net results of equity accounted investees, net of zakat and tax	(225,606)	(291,373)	(237,804)	0.0%	-18.4%	-
Charge for employees' end of service benefits	40,820	35,629	51,712	-12.7%	45.1%	12.6%
Fair value of cash flows hedges recycled to profit or loss	2,662	(5,933)	276	-322.9%	-104.7%	-67.8%
Provisions	52,736	112,442	73,539	113.2%	-34.6%	18.1%
Provision for long term incentive plan	60,995	30,814	36,100	-49.5%	17.2%	-23.1%
Impairment loss in relation to property, plant and equipment and goodwill	60,024	121,595	-	102.6%	-100.0%	-100.0%
Gain on partial disposal of equity accounted investee				-	-	-
(Gain) / loss on disposal of property, plant and equipment	7,747	(23,278)	(5,823)	-400.5%	-75.0%	-
Development cost, provision and write offs, net of reversals	133,249	35,438	69,582	-73.4%	96.3%	-27.7%
Gain recognised on loss of control in a subsidiary		(235,700)	(3,398)		-98.6%	
Loss on disposal of an equity accounted investee	-	17,179	8,628	0.0%	-49.8%	-
Finance income from shareholder loans and deposits	(72,338)	(259,152)	(441,479)	258.3%	70.4%	147.0%

Cash flow from operating activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Gain on remeasurement of derivatives and options	(6,075)	(106,986)	(54,412)	1661.1%	-49.1%	199.3%
Changes in operating assets and liabilities						
Accounts receivable, prepayments and other receivables	(98,570)	(440,893)	(559,721)	347.3%	27.0%	138.3%
Inventories	(4,399)	(28,948)	(80,098)	558.1%	176.7%	326.7%
Accounts payable, accruals and other liabilities	295,087	(254,565)	200,081	-186.3%	-178.6%	-17.7%
Due from related parties	16,355	(17,643)	289,919	-207.9%	-1743.3%	321.0%
Due to related parties	-	-	(61,749)		-	
Net investment in finance lease	373,959	410,719	303,833	9.8%	-26.0%	-9.9%
Other assets	38,098	36,512	-	-4.2%	-100.0%	-100.0%
Other liabilities	38,536	210,943	-	447.4%	-100.0%	-100.0%
Deferred revenue	(8,973)	36,320	49,095	-504.8%	35.2%	-
Net cash flows from operations	**3,227,040**	**2,843,651**	**3,385,896**	**-11.9%**	**19.1%**	**2.4%**
Employees' terminal benefits paid	(41,936)	(29,874)	(68,820)	-28.8%	130.4%	28.1%
Zakat and tax paid	(192,946)	(101,080)	(183,509)	-47.6%	81.5%	-2.5%
Dividends received from equity-accounted investees	209,021	198,670	211,332	-5.0%	6.4%	0.6%
Net cash generated from operating activities	**3,201,179**	**2,911,367**	**3,344,899**	**-9.1%**	**14.9%**	**2.2%**

Source: Audited consolidated financial statements

Net cash generated from operating activities decreased by 9.1%, or SAR 289.8 million, from SAR 3,201.1 million in 2021G to SAR 2,911.4 million in 2022G and then increased by 14.9%, or SAR 433.5 million, to SAR 3,344.9 million in 2023G.

The decrease in 2022G was mainly driven by negative movement in operating assets and liabilities (SAR 697.4 million), which was partially offset by higher profit before zakat and tax after adjustments (SAR 314.3 million) and lower zakat and tax payment (SAR 91.9 million).

The increase in 2023G was mainly driven by positive movement in operating assets and liabilities (SAR 188.9 million) and higher profit before zakat and tax after adjustments (SAR 353.3 million) which was partially offset by higher zakat and tax payment (SAR 82.4 million).

Net cash used in investing activities.

The following table summarizes the Group's net cash flow used in investing activities during 2021G, 2022G and 2023G.

Table (6-78): Summary of the Group's net cash flow used in investing activities

Net cash used in investing activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Addition to property, plant and equipment, and intangible assets	(2,052,022)	(1,562,870)	(3,682,008)	-23.8%	135.6%	34.0%
Proceeds on disposal of property, plant and equipment	21,924	26,982	58,147	23.1%	115.5%	62.9%
Proceeds on partial disposal of equity accounted investees	-	391,440	74,019	0.0%	-81.1%	-
Proceeds on partial disposal of subsidiary without loss of control	-	60,905	-	0.0%	-100	-
Investments in equity accounted investees	(3,946,171)	(949,054)	(3,359,018)	-76.0%	253.9%	-7.7%
Finance income from deposits	52,399	118,391	231,434	125.9%	95.5%	110.2%
Other assets	-	(236,250)	-	-	-100%	-
Short-term deposits with original maturities of more than three months	-	(199,998)	(1,017,793)	-	408.9%	-
Cash deconsolidated on loss of control	-	(11,162)	(713,198)	0.0%	6289.5%	-
Net cash used in investing activities	**(5,923,870)**	**(2,361,616)**	**(8,408,417)**	**-60.1%**	**256.0%**	**19.1%**

Source: Audited consolidated financial statements

Net cash used in investing activities decreased by 60.1%, or SAR 3,562.3 million, from SAR 5,923.8 million in 2021G to SAR 2,361.6 million in 2022G and increased by 256.0%, or SAR 6,046.8 million, to SAR 8,408.4 million in 2023G.

The decrease in 2022G was mainly due to lower investment in the Company's projects compared to a 2021G base where the Company invested SAR 2,756.7 million in the Jazan project. Receipt of proceeds from the disposal of SQWEC and lower spending on property, plant and equipment and intangible assets also contributed to the decrease in 2022G. This decrease was partially offset by mainly the one-off fee payment by RAWEC to the offtaker, who is also a minority shareholder in RAWEC, in accordance with the terms of the offtake contract, on its refinancing of then outstanding long-term borrowings and higher investment in short term deposits.

The increase in 2023G was mainly due to higher investment in the Company's projects including another equity contribution in the Jazan project; higher expenditure in property, plant and equipment as many projects are under construction; higher short term deposits with original maturities of more than three months as part of Company's cash management practices; and cash deconsolidated on loss of control of Shuaibah PV 1 & 2 project.

Net cash (used in)/ from financing activities

The following table summarizes the Group's net cash flow (used in) / from financing activities during 2021G, 2022G and 2023G.

Table (6-79): Summary of the Group's net cash flow (used in) / from financing activities

Cash flow from financing activities	Financial year ended 31 December			Increase / (Decrease)		
SAR in 000's	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Proceeds from issue of share capital	4,778,864	-	-	-100.0%	0.0%	-100.0%
Transaction costs on issue of shares	(124,868)	-	-	-100.0%	0.0%	-100.0%
Repayment of financing and funding facilities	(5,391,528)	(3,284,988)	(827,934)	-39.1%	-74.8%	-60.8%
Proceeds from financing and funding facilities, net of transaction cost	9,771,211	6,023,840	6,685,150	-38.4%	11.0%	-17.3%
Due to related parties	27,774	(757,933)	-	-2828.9%	-100.0%	-100.0%
Other financial liabilities	(142,060)	-	-	-100.0%	0.0%	-100.0%
Financial charges paid	(1,073,831)	(1,281,418)	(1,575,310)	19.3%	22.9%	21.1%
Dividends paid	(905,924)	(625,619)	(705,992)	-30.9%	12.8%	-11.7%
Capital contributions from and other adjustments to non-controlling interest	121,566	351,672	182,209	189.3%	-48.2%	22.4%
Net cash from financing activities	**7,061,204**	**425,554**	**3,758,123**	**-94.0%**	**783.1%**	**-27.0%**

Source: Audited consolidated financial statements

Net cash from financing activities decreased by 94.0%, or SAR 6,635.6 million, from SAR 7,061.2 million in 2021G to SAR 425.6 million in 2022G and then increased by 783.1%, or SAR 3,332.6 million, to SAR 3,758 million in 2023G.

Net decrease in 2022G was primarily driven by the Proceeds from issue of share capital (the IPO), net of transaction costs, and higher Proceeds from financing and funding facilities, net of transaction cost, that included Sukuk tranche 1, in 2021G, partially offset by lower Repayment of financing and funding facilities in 2022G.

The increase in 2023G was primarily driven by lower Repayment of financing and funding facilities in 2023G mainly on account of lower ACWA39 outstanding amount in addition to early settlement repayments in 2022G of certain EBLs, and higher Proceeds from financing and funding facilities, net of transaction cost, primarily on account of the issuance of the second tranche of Sukuk.

Liquidity and Capital Resources

Overview

The Company utilizes diverse sources of financing including a combination of equity and debt financing from a variety of sources including institutional investors, international development banks and international and national (Saudi) commercial banks. Debt financing raised by the Group may be:

- On a non-recourse basis, where the financing is secured entirely by the Project Companies' assets or cash flows;
- On a recourse basis, where the Company provides its corporate guarantee as the form of security for its equity commitments in the form of Equity Bridge Loans (EBLs); and
- Corporate facilities, for liquidity support and other general corporate purposes.

On the other hand, the Company aims to enhance its cash returns from its investments in the Group's joint ventures and associates by means of shareholder agreements with the other shareholders that maximize the distribution of all available distributable profits.

As at 31 December 2023G, the Group's Cash and balances with banks (Cash & Cash equivalents and short term investments) totalled SAR 5,958.7 million, of which 79%, or SAR 4,713.1 million, was available (held by) for the parent (including NOMAC) without restriction.

Capitalisation and indebtedness

The following table sets forth the Group's borrowings, current and non-current, as well as its equity (the funding structure) as extracted from the Company's audited consolidated statement of financial position as at 31 December 2021G, 2022G and 2023G.

Table (6-80): The Group's borrowings, current and non-current

SAR in 000's	As at 31 December		
	2021G	2022G	2023G
Recourse debt	2,479,306	2,941,340	3,348,583
Non-recourse debt	14,926,843	15,513,361	15,125,832
Total Borrowings in relation to projects *	**17,406,149**	**18,454,701**	**18,474,415**
Recourse debt	1,130	1,130	1,504
Corporate bond Recourse	2,789,269	2,790,991	4,586,313
Total Corporate facilities	**2,790,399**	**2,792,121**	**4,587,817**
APMI One bond Non-recourse	**3,004,460**	**1,527,250**	**1,518,506**
APCM bond Non-recourse	**614,221**	**598,510**	**582,272**
Recourse borrowing	5,269,705	5,733,461	7,936,400
Non-recourse borrowing	18,545,524	17,639,121	17,226,610
Group Consolidated debt	**23,815,229**	**23,372,582**	**25,163,010**
Share capital	7,134,143	7,134,143	7,134,143
Share premium	5,335,893	5,335,893	5,335,893
Statutory reserve	718,763	872,766	1,038,937
Retained earnings	1,307,826	2,080,853	3,247,401
Proposed dividends	560,000	606,813	328,995
Equity attributable to owners of the Company before other reserves	**15,056,625**	**16,030,468**	**17,085,369**
Other reserves	(1,572,279)	2,629,419	2,072,589
Equity attributable to owners of the Company	**13,484,346**	**18,659,887**	**19,157,958**
Non-controlling interest	835,799	1,368,507	1,550,933
Total equity	**14,320,145**	**20,028,394**	**20,708,891**

Source: Audited consolidated financial statement

*Including projects under constructions

The Group's Projects are typically funded through (i) non-recourse finance facilities that are generally secured by the borrower (i.e. the subsidiary or Project Company) with its own assets, cash flows and contractual rights over certain proceeds with no recourse to the shareholders of the project companies (including the Company) and (ii) equity commitments by the shareholders for their respective portion of equity (recourse to ACWA Power). The recourse facilities are direct borrowings by the Company or borrowings by the Company's affiliates secured by the Company through corporate guarantees.

Major funding instruments of the Group

APMI One's ACWA39 Bonds (Non-recourse to the Company)

APMI One is a limited liability company incorporated in 2016G under the laws of the Dubai International Financial Centre ("**DIFC**") as a wholly owned subsidiary of ACWA Power Company ("**ACWA Power**"), a Saudi listed joint stock company organized under the laws of the Kingdom of Saudi Arabia. Founded as a Special Purpose Vehicle company to issue bonds, APMI One has no operating history before its founding date, it has no material assets other than the Accounts and intercompany receivables and is dependent on the cash flows from each of the Project Companies and NOMAC, as defined by the respective bond indenture.

In May 2017G, APMI One issued 5.95% Senior Secured Bonds (the "**Bonds**", "**ACWA39**") due 2039G with an aggregate principal amount of USD 814 million (SAR 3,052.5 million), payable semi-annually in instalments on 15 June and 15 December of each year till and through the maturity date of the Bonds, with principal payments commencing 15 June 2021G. The Company received the proceeds from the bond issuance in full during 2017G which were advanced to an affiliate for settlement of certain equity bridge loan facilities, and utilization for certain corporate expenses permitted under the Bonds indenture.

In November 2022G, APMI One partially bought back pre-amortization aggregate principal amount of USD 400.7 million (SAR 1,502.6 million) of bonds through a tender offer. As at 30 June 2024G, the outstanding pre-amortization aggregate principal amount of bonds was USD 399.2 million (SAR 1,497.0 million).

ACWA39 is structured as a project bond and has been serviced at time of issuance by dividend and fee payments from eight power and water projects ("**Project Companies**") in Saudi Arabia directly or indirectly owned by Arabian Company for Water and Power Projects ("**APP**") and an operations and maintenance company, First National O&M Co. ("**NOMAC**"), directly owned by First National Holding Co., which is a wholly owned subsidiary of ACWA Power. Following the disposal in 2020G and 2022G of two Project Companies, ACWA39 is currently being serviced by dividend and fee payments from six power and water projects in Saudi Arabia and related cash flows from NOMAC. These stable cash flows from the long-term, availability-based offtake agreements and O&M agreements ensure steady debt servicing of ACWA 39 bonds.

As of the date of this Prospectus, ACWA39 holds ratings of BBB- with stable outlook from Fitch and Baa3 with stable outlook from Moody's.

APMI One has been consistently maintaining cash inflows well above the covenant DSCR requirement of 1.35x of the Offering Circular of the Bonds. For the preceding 12 months ending 15 June 2024G, the pledged cash streamed up from the underlying entities was USD 131.8 million (SAR 494.3 million), giving a comfortable DSCR level of 3.50x.

Corporate Sukuk

On 10 May 2021G, ACWA Power as the "**Issuer**" launched its 7-year Sukuk programme (shariah compliant Mudaraba-Murabaha structure) in Saudi Arabia in the form of a CMA-approved privately placed unlisted unrated Sukuk issuance earmarked for sophisticated investors.

The initial tranche (Tranche 1) under the programme was sized at SAR 2,800 million, for which the final pricing and book building were completed in early June 2021G with a pricing of 6-month Saudi Arabia Interbank Offered Rate (SAIBOR) plus 100 bps per annum.

On 2 February 2023G, the Company completed the issuance of SAR 1,800 million Sukuk Tranche 2 under Sukuk issuance program. Tranche 2 bears a return based on 3-month Saudi Arabia Interbank Offered Rate (SIBOR) plus 0.95% p.a. from 01/02/2023G, with a step-up to +1.05% p.a. from and including the 5th anniversary of the issue date, payable quarterly in arrears and to be redeemed at par on its maturity, i.e., 7 years from the date of the issuance, with a call option effective on or after 5 years from the issuance date.

The payment obligations in respect of each Sukuk tranche each constitutes direct, unconditional, unsubordinated and unsecured obligations of the Issuer and ranks pari passu with all other outstanding unsecured, unsubordinated obligations of the Issuer.

The Sukuk's proceeds were primarily used for funding the Phase 1 and Phase 2 of ACWA Power's equity commitment in the Jazan Integrated Gasification Combined Cycle (Jazan IGCC) complex, where ACWA Power is a joint venture partner with Air Products and Saudi Aramco, in addition to general corporate purposes.

APCM Bond

APCM bond (the "**Notes**") were issued during 2021G with an aggregate principal of USD 166.2 million (SAR 623.3 million) and carry an interest rate of 3.7% per annum, with the principal repayments in semi-annual instalments commencing 31 May 2021G and the final instalment due on 27 May 2044G. The Notes were issued to refinance the existing long- term facility of the Group's wholly owned subsidiary, Shuaibah Two Water Development Project ("**Shuaibah II**").

Contingencies and Commitments (Contingent liabilities)

Contingencies and commitments (off-balance sheet commitments) include bid bonds, letters of credit, guarantees in relation to equity bridge loans or equity letters of credit and other corporate guarantees and performance guarantees including those issued in relation to bank facilities of the Project Companies.

The following table provides an analysis of contingent off-balance sheet commitments for the three (3) years ended 31 December 2021G, 2022G, and 2023G.

Table (6-81): Analysis of contingent off-balance sheet commitments

SAR in 000's	As at 31 December			Increase / (Decrease)		
	2021G	2022G	2023G	2022G	2023G	CAGR 2021G-2023G
Performance / development securities and completing support LCs	5,440,657	3,925,056	5,430,090	-27.9%	38.3%	-0.1%
Guarantees in relation to bridge loans and equity LCs	4,988,118	5,963,604	7,270,560	19.6%	21.9%	20.7%
Guarantees on behalf of joint ventures and subsidiaries	1,915,977	2,083,559	3,241,736	8.7%	55.6%	30.1%
Debt service reserve account ("**DSRA**") standby LCs	1,193,726	1,080,505	1,290,429	-9.5%	19.4%	4.0%
Bid bonds for projects under development stage	136,018	193,097	223,163	42.0%	15.6%	28.1%
Total	**13,674,496**	**13,245,821**	**17,455,978**	**-3.1%**	**31.8%**	**13.0%**

Source: Audited consolidated financial statement

As at 31 December 2023G, the Group had outstanding contingent liabilities in the form of letters of guarantee (including the Group's share of equity accounted investees 'commitments), of SAR 17,456.0 million (2022G: SAR 13,245.8 million; 2021G: SAR 13,674.5 million).

The Group also has a loan commitment amounting to SAR 598.2 million in relation to mezzanine debt facilities ("**the Facilities**") taken by certain of the Group's equity accounted investees. This loan commitment arises due to symmetrical call and put options entered in by the Group with the lenders of the Facilities.

In addition to commitments and contingencies disclosed above, as of 31 December 2021G, the Group has also committed to contribute SAR 131.0 million towards the equity of an equity accounted investee which was contributed during 2022G.

As at 31 December 2023G, ACWA Power has contractual commitments and contingent liabilities on account of:

- Performance/development securities and completing support LCs of SAR 5,430.1 million, in the form of performance bonds, development securities and completion support and cost overrun letters of credit; provided to the Offtakers or to the Project Companies to cover various obligations related to timely completion of construction, such that:
    1- Performance Bonds are provided to the Offtaker against obligations related to timely completion of construction and payment of any liquidated damages due to delays. In turn, the Projects obtain a back-to- back performance bonds from the respective Project's EPC contractor;

2- Cost over-run letters of credit are provided to the Project to cover additional equity obligations in case of cost overruns in the Projects. Usually in all Projects, budgeted contingencies are included in project costs to address reasonable cost overruns as the first source to fund the cost overrun. Thereafter if there is still a shortfall and unless the project has funded it from other sources, then the cost overrun LC is triggered, subject to satisfaction of other conditions in the contract, if the overrun exceeds the contingencies estimated in the project cost; and

3- Completion support letters of credit are issued to the Offtaker in a few projects, and serve as an additional backstop to performance guarantees.

- DSRA standby letters of credit of SAR 1,290.4 million, in the form of standby letter of credit provided by ACWA Power in favour of the facility agent of senior lenders for specific projects. The standby letter of credit covers ACWA Power's pro-rata obligation for the next loan instalment (debt service reserve) to be held in a reserve account either as cash or an acceptable standby letter of credit (SBLC).
- Bid bonds for projects under development stage of SAR 223.2 million, in the form of bid bonds provided by ACWA Power in favour of the Offtaker along with its submitted bids.
- Guarantees in relation to EBLs and Equity LCs of SAR 7,270.6 million, availed by the Project Companies and have been secured by a shareholder guarantee from the Company (proportionate to its share of equity in the Project) and thus have recourse to the Company, within which SAR 6,624 million relates to the EBLs and SAR 646 million relates to the equity LCs and Early Generation Revenue (EGR) guarantees.
- Guarantees on behalf of ACWA Power JVs and subsidiaries of SAR 3,241.7 million, in guarantees provided by ACWA Power to cover non-funded obligations of its subsidiaries and associates, including NOMAC's, as the O&M service providers.

Equity Bridge Loan commitments

The Group utilizes Equity Bridge Loans (EBLs) to bridge its share of equity in its Projects. Such EBLs are structured as direct borrowing by subsidiaries, joint ventures and associates against security provided by the Company. As at 31 December 2023G, the Group has EBL commitments of SAR 8,494 million, out of which SAR 6,624 million is reported under contingencies and commitments (refer note (iv) above) and SAR 1,870 million is on the statement of financial position under recourse borrowing (see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Long-Term financing and funding facilities**").

The following table summarizes the contractual maturities of the EBLs as at 31 December 2023G, which will be converted into equity from the Company to the Projects in the future.

Table (6-82): Summary of the contractual maturities of the EBLs

Contractual maturities of the Equity Bridge Loans("EBL")commitments	Equity injection commitment					
SAR in 000's	Within 12	1-2 years months	2-3 years	3-4 years	4-5 years	5 years & above
Total EBL Commitment	**218,388**	**2,328,929**	**998,284**	**914,244**	**1,425,866**	**2,608,762**

Source: Management Information

Additionally, the Group provided Guarantees to funded facilities of JVs to cover funded obligation of its joint ventures. As of 31 December 2023G, the Group has Guarantees to funded facilities of JVs of SAR 1,478 million, disclosed under recourse borrowing (see Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Long-Term financing and funding facilities**").

Financial and Market Risks

The Group's activities expose it to a variety of financial risks, namely, market risk (including currency risk, fair value and cash flow interest rate risks and other price risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established a Risk and Safety Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

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 as at 31 December.

Table (6-83): The Group's maximum exposure to credit risk for components of the consolidated statement of financial position

Credit risk			
SAR in 000's	2021G	2022G	2023G
Balances with banks	5,172,279	6,353,870	5,957,971
Fair value of derivatives	-	1,030,668	843,080
Net investment in finance lease	12,748,295	11,880,328	11,616,676
Trade accounts receivable	1,318,916	1,276,078	1,548,338
Due from related parties	780,656	985,120	1,356,247
Insurance receivables	388,454	110,597	325,206
Other financial assets	32,104	27,430	40,946
TOTAL	**20,440,704**	**21,664,091**	**21,688,464**

Source: Audited consolidated financial statement

Bank balances

Credit risk on bank balances is considered to be limited as these are primarily held with banks with sound credit ratings which ranges from BBB- and above. The Company's cash investment policy imposes investment limits on both individual counterparties and aggregate holdings, determined by the financial institution's credit rating, thereby reducing credit exposure. ACWA Power has implemented controls to ensure strict compliance with this policy. Any exceptions to the policy require approval in according with the delegation of authority.

Net investment in finance lease

Finance lease receivable represents the receivables of the Group's subsidiaries in Morocco and Saudi Arabia from the respective Offtakers in accordance with the Power or Water Purchase Agreements ("**PPA**" or "**WPA**"). Credit risk attached to the finance lease receivable is limited on account of the strength of the government letter of support or sound credit rating of the Offtakers.

Trade accounts receivables

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

Table (6-84): Credit risk on trade receivables

Credit risk on trade receivables			
SAR in 000's	2021G	2022G	2023G
United Arab Emirates ("**UAE**") and other countries	273,266	675,852	685,009
Kingdom of Saudi Arabia ("**KSA**")	328,109	242,932	390,504
Morocco (covered by government letter of support)	125,311	154,544	306,652
Hashemite Kingdom of Jordan (covered by government guarantee)	519,546	197,718	156,636
Sultanate of Oman (covered by government guarantee)	72,684	5,032	9,537
Total	**1,318,916**	**1,276,078**	**1,548,338**

Source: Audited consolidated financial statement

The customers in KSA, UAE and other countries are transacting with the Group and, historically, the Group has not encountered any case that required any material impairment with respect to these customers. Accordingly, the balances due from these customers are assessed to have a strong credit quality and limited credit risk.

As at 31 December 2021G, 2022G and 2023G, the ageing of trade and other receivables that were not impaired was as follows:

Table (6-85): Ageing of trade and other receivables

Ageing of trade receivables			
SAR in 000's	**2021G**	**2022G**	**2023G**
Neither past due nor impaired	461,616	654,583	317,841
Past due 1-90 Days	290,659	285,743	538,711
More than 90 Days	566,641	335,752	691,786
Total	**1,318,916**	**1,276,078**	**1,548,338**

Source: Audited consolidated financial statement

Management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full, based on past history. Further, expected credit loss model involves extensive analysis of credit risk, including customers' credit ratings if they are available, hence the impairment allowance considers and reflects the probability of default and loss given default impact of these receivables.

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

Table (6-86): Movement in allowance for impairment

Movement in allowance for impairment			
SAR in 000's	**2021G**	**2022G**	**2023G**
Opening balance	28,795	29,519	86,204
Impairment charges	724	56,685	58,309
Closing balance	**29,519**	**86,204**	**144,513**

Source: Audited consolidated financial statement

Derivatives

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

Insurance receivables

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

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

From 31 July 2021G, ACWA Re retained risk on certain reinsurance programs (operational property program), with a total combined maximum exposure of up to SAR 37.5 million during the policy period until 30 July 2022G, with a sublimit of SAR 9.4 million per incident or claim. Effective 31st July 2022G, the total combined maximum exposure on the operational property program has increased to SAR 61.9 million representing 27.5% of USD 60 million for the period of 18 month until 31st January 2024G, with a sublimit of SAR 10.3 million (27.5% of USD 10 million) per incident or claim. To minimize 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 party and other financial assets

Credit risk attached to related party balances is limited due to sound financial position of the related parties. Credit risk attached to other financial assets is not considered significant and the Group expects to recover them fully at their stated carrying amounts.

Credit Concentration

Except as disclosed, no significant concentration of credit risk was identified by the Management as at 31 December 2023G.

Liquidity risk

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

As of 31 December 2023G, the Group had SAR 2,061.0 million (31 December 2022G: SAR 1,499.3 million, 31 December 2021G: SAR 1,754.0 million) remaining undrawn from its Revolving Corporate Murabaha Facility and other corporate revolver facilities.

The following are the remaining contractual maturities of financial liabilities as at 31 December 2021G to 2023G. The amounts are gross and undiscounted and include contractual interest payments:

Table (6-87): Contractual maturities of financial liabilities

Contractual maturities of financial liabilities	Carrying Amount	Total	Contractual cash flows			
			No fixed maturity	0-12 months	1-5 years	More than 5 years
SAR'000						
31 December 2023G						
Non-derivative financial liabilities						
Short term facilities	316,876	334,510	-	334,510	-	-
Term financing and funding facilities	25,163,010	37,162,243	-	2,730,475	17,200,102	17,231,666
Due to related parties	934,095	1,076,764	34,968	52,095	88,701	901,000
Other financial liabilities	2,858,837	2,858,837	2,858,837	-	-	-
	29,272,818	**41,432,354**	**2,893,805**	**3,117,080**	**17,288,803**	**18,132,666**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	62,908	95,475	-	(55,276)	904,453	(753,702)
31 December 2022G						
Non-derivative financial liabilities						
Short term facilities	275,052	288,805	-	288,805	-	-
Term financing and funding facilities	23,372,582	32,116,982	-	2,003,113	11,909,452	18,204,417

Contractual maturities of financial liabilities	Carrying Amount	Total	Contractual cash flows			
			No fixed maturity	0-12 months	1-5 years	More than 5 years
SAR'000						
Due to related parties	951,490	1,119,883	76,679	8,110	134,094	901,000
Other financial liabilities	2,771,999	2,998,691	2,690,635	1,352	142,604	164,100
	27,371,123	**36,524,361**	**2,767,314**	**2,301,380**	**12,186,150**	**19,269,517**
Derivative financial liabilities						
Interest rate swaps and currency forwards used for hedging	1,669	14,987	-	6,566	8,421	-
31 December 2021G						
Non-derivative financial liabilities						
Short term facilities	186,381	191,972	-	191,972	-	-
Term financing and funding facilities	23,815,229	35,993,352	-	1,977,277	14,434,465	19,581,610
Due to related parties	1,678,337	2,027,206	83,485	61,247	920,400	962,074
Other financial liabilities	4,036,552	4,075,130	3,865,149	128,358	11,511	70,112
	29,716,499	**42,287,660**	**3,948,634**	**2,358,854**	**15,366,376**	**20,613,796**
Derivative financial liabilities						
Interest rate swaps and currency forwards used	406,948	646,657	-	106,926	118,593	421,138

Source: Management Information

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.

Interest rate risk

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

The interest rate profile of the Group's interest-bearing financial liabilities as reported by the Management of the Group is as follows:

Table (6-88): Interest rate profile

Interest rate risk			
SAR in 000's	2021G	2022G	2023G
Financial liabilities			
Fixed rate including interest free	13,768,915	11,017,533	10,891,125
Floating rate	10,046,314	12,355,049	14,271,885

Source: Audited consolidated financial statement

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

Sensitivity analysis

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.

Table (6-89): Sensitivity analysis

Sensitivity analysis	Profit or loss		Equity	
SAR in 000's	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Impact on variable rate financial liabilities				
For the year ended 31 December 2023*	(142,719)	142,719	(142,719)	142,719
For the year ended 31 December 2022*	(123,550)	123,550	(123,550)	123,550
For the year ended 31 December 2021*	(100,463)	100,463	(100,463)	100,463

* The above represents the gross impact on the consolidated profit or loss which is substantially reduced due to the corresponding gain or loss on the interest rate swap arrangements.

Source: Audited consolidated financial statement

IBOR Reforms

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("**IBORs**") with alternative nearly risk-free rates (referred to as 'IBOR reform'). In 2021, the Group undertook amendments to most financial instruments with contractual terms indexed to IBORs such that they incorporate new benchmark rates, e.g., SOFR. As of 31 December 2023, the Group's remaining IBOR exposure is indexed to US dollar LIBOR. The alternative reference rate for US dollar LIBOR is the Secured Overnight Financing Rate ("**SOFR**").

Currently, the Group is in process of implementing appropriate fallback clauses for all US dollar LIBOR indexed exposures. These clauses will switch the instrument from USD LIBOR to SOFR as and when USD LIBOR or related synthetic settings ceases. As announced by the Financial Conduct Authority ("**FCA**") in early 2022, the panel bank submissions for the overnight and 12-month US dollar LIBOR ceased on June 2023. In addition, the FCA announced in early 2023 that the one-, three- and six-month synthetic US dollar LIBOR settings will cease on September 2024.

The transition is being managed by senior representatives from functions across the Group including the lenders facing teams, Legal, Finance etc (the "**Committee**"). The Committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The committee also monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group is expecting to complete the reforms latest by 30 September 2024.

Hedges directly affected by interest rate benchmark reform When the basis for determining the contractual cash flows of the hedged item or hedging instrument changes as a result of IBOR reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by the IBOR reform.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by IBOR reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

When the interest rate benchmark reform on which the hedged future cash flows had been based is changed as required by IBOR reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

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 the companies within the Group. As most of the Group's transactions are denominated in US Dollars (USD) or are denominated in currencies that are pegged to the USD, exposure to the currency risk by the Group is limited. Currency risk arises primarily on certain revenues and borrowings in Euro (EUR), Moroccan Dirhams (MAD), US Dollars (USD) and Japanese Yen (JPY) where the functional currency is different to the currency of financial instrument and is also not pegged. The Group hedges certain foreign currency exposures through hedge strategies, including use of derivative financial instruments.

Some of the Group's subsidiaries and joint ventures in Egypt are facing risk of converting local currency (EGP) to USD due to local restrictions. However, the restrictions have no material impact on the Group's consolidated financial statements. Quantitative data regarding the Group's exposure to significant currency risk are as follows:

Table (6-90): Foreign currency risk

Foreign currency risk				
SAR in 000's	EUR	MAD	ZAR	JPY
31 December 2023G				
Borrowings and other financial liabilities	3,010,958	1,838,810	429,126	38,367
Net investment in finance lease	(3,111,537)	(2,420,046)	-	-
Net position	(100,579)	(581,236)	429,126	38,367
Net exposure	(100,579)	(581,236)	429,126	38,367
31 December 2022G				
Borrowings and other financial liabilities	3,079,214	1,848,102	297,431	64,698
Net investment in finance lease	(3,129,102)	(2,375,854)	-	-
Net position	(49,888)	(527,752)	297,431	64,698
Net exposure	(49,888)	(527,752)	297,431	64,698
31 December 2021G				
Borrowings and other financial liabilities	3,409,068	2,168,389	250,837	99,721
Net investment in finance lease	(3,446,461)	(2,768,401)	-	-
Net position	(37,393)	(600,012)	250,837	99,721
Impact of currency forwards	-	-	-	(32,190)
Net exposure	**(37,393)**	**(600,012)**	**250,837**	**67,531**

Source: Audited consolidated financial statement

Sensitivity analysis

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

Table (6-91): Sensitivity analysis

Sensitivity analysis	Profit or loss		Impact - OCI	
SAR in 000's	Strengthening	Weakening	Strengthening	Weakening
31 December 2023G				
EUR (5% movement)	(5,029)	5,029	-	-
MAD (5% movement)	(29,062)	29,062	-	-
JPY (5% movement)	1918	(1,918)	-	-
ZAR (5% movement)	-	-	21,456	(21,456)
31 December 2022G				
EUR (5% movement)	(2,494)	2,494	-	-
MAD (5% movement)	(26,388)	26,388	-	-
JPY (5% movement)	1,625	(1,625)	-	-
ZAR (5% movement)	-	-	14,872	(14,872)
31 December 2021G				
EUR (5% movement)	(1,870)	1,870	-	-
MAD (5% movement)	(30,001)	30,001	-	-
JPY (5% movement)	3,377	(3,377)	-	-
ZAR (5% movement)	12,542	(12,542)	-	-

Source: Audited consolidated financial statement

6-4 Management's Discussion and Analysis of Financial Position and Results of Operations for the six months period ended 30 June 2024G

The following management discussion and analysis provides an analytical review of ACWA Powers' financial condition and operational performance during the six months ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G and 30 June 2024G). It is based upon and should be read in conjunction with the Group's reviewed consolidated financial statements for the six months ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G and 30 June 2024G) (the "**Reviewed Consolidated Financial Statements**"). The Group's Reviewed Consolidated Financial Statements were reviewed by KPMG Professional Services ("**Certified Public Accountants**").

All amounts are in SAR thousand, unless stated otherwise.

This management discussion and analysis section may contain forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those indicated in any forward-looking statements as a result of various factors, including those discussed elsewhere in this Prospectus, particularly under section "**Risk Factors**".

6-4-1 Management's Key Financial Performance Indicators (KPIs)

The Group uses certain key metrics to review the Group's financial performance.

The below table shows the Management's Key Performance Indicators for the six months period ended 30 June 2023G and 2024G.

Table (6-92): Management KPI's

Management KPI's			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Adjusted profit attributable to equity holders of the parent ("**Adjusted net profit**")	684,137	722,717	5.6%
Parent Operating Cash Flow (POCF)	438,628	543,766	24.0%
Parent net leverage	13,491,204	16,178,403	19.9%
Parent net leverage to POCF ratio	**5.50**	**6.32**	**0.82**

Source: Management information

The following are management's discussion and analysis of these KPI for the six months ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G and 2024G).

Operating income before impairment loss and other expenses ("operating income")

Table (6-93): Operating income before impairment loss and other expenses ("operating income")

Operating income before impairment loss and other expenses	Increase / (Decrease)		
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Operating income before impairment loss and other expenses	1,288,722	1,388,853	7.8%

Source: Reviewed consolidated financial statements

Operating income before impairment loss and other expenses for the period ended 30 June 2024G increased by 7.8%, or SAR 100.2 million, from SAR 1,288.7 million for the period ended June 2023G to SAR 1,388.9 million.

A divestment income recognized on loss of control in Bash & Dzhankeldy following minority stake farm-down by SAR 402 million, which mainly represents development business and other construction management services income which was eliminated on account of project previously being a subsidiary, drove the favourable variance versus June 2023G. This was partially offset by i) lower development business and construction management services on account of projects achieving financial closes; ii) higher development cost, provisions or write offs; iii) lower net contribution from projects (including NOMAC and share in net income of the equity accounted investees) mainly due to plant outages in certain plants; and iv) higher general and administration expenses and others, net, driven mainly by higher staff costs including new employee benefit schemes, in line with the Company's new Strategy 2.0.

Profit attributable to equity holders of the parent

Table (6-94): Profit attributable to equity holders of the parent

Profit attributable to equity holders of the parent	Increase / (Decrease)		
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Profit attributable to equity holders of the parent	684,137	926,791	35.5%

Source: Reviewed consolidated financial statements

Profit attributable to equity holders of the parent for the period ended 30 June 2024G increased by 35.5%, or SAR 242.7 million, from SAR 684.1 million in June 2023G to SAR 926.8 million in June 2024G.

This increase is mainly contributed by the following:

- Higher operating income before impairment loss and other expenses (SAR 100 million) (Refer Operating income before impairment loss and other expenses).
- Higher other income (SAR 339 million), mainly on account of SAR 343 million in relation to the recycling of the hedge reserves upon discontinuation of certain hedging contracts.
- Others (SAR 81 million in aggregate) mainly comprising i) lower share of non-controlling interest mainly on account of the impact of the plant outage in the Moroccan subsidiary; and ii) lower net financial charges, net off finance income.

and partially negated by:

- Higher impairment loss and other expenses, net, mainly on recognition of an impairment loss in Noor 3 CSP IPP in Morocco and additional provision on legal claims (SAR 173 million).
- Higher Zakat and tax expense in current period (SAR 104 million) (please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations – Zakat and tax**")).

Adjusted Profit attributable to equity holders of the parent

The bridge between the reported and adjusted net profits are as follows, reflecting the impact of the two adjusting transactions. Please refer to Section (6-3-4) ("**Comparability of Operations**") for details on the definition of the adjusted profit.

Table (6-95): Adjusted Profit attributable to equity holders of the parent

Adjusted Profit attributable to equity holders of the parent			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Profit attributable to equity holders of the parent ("**Reported Net Profit**")	684,137	926,791	35.5%
Adjustments:			
Impairment loss in Morocco		109,349	
Income in relation termination of hedging instruments		(313,423)	
Net adjustments	**-**	**(204,074)**	
Adjusted profit attributable to equity holders of the parent ("Adjusted net profit")	**684,137**	**722,717**	**5.6%**

Source: Management information

Parent-level cash, leverage, and liquidity

Parent-level liquidity

Parent Operating Cash Flow (POCF) and Total Discretionary Cash (TDC):

Table (6-96): Parent-level cash

Parent-level cash			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Distributions	487,467	472,769	-3.0%
Development and construction management services	243,200	160,335	-34.1%
Other services and financial optimization	212,485	540,380	154.3%
Total cash inflows	**943,153**	**1,173,484**	**24.4%**
Total cash outflows	**(504,525)**	**(629,718)**	**24.8%**
Parent Operating Cash Flow (POCF)	**438,628**	**543,766**	**24.0%**
Total Discretionary Cash	**7,206,013**	**5,256,556**	**-27.1%**
Total uses of cash	(3,166,914)	(962,406)	-69.6%
Period end cash balance	**4,039,099**	**4,294,151**	**6.3%**

Source: Management information

POCF for the period ended 30 June 2024G increased by 24.4%, or SAR 105.1 million, from SAR 438.6 million in June 2023G to SAR 543.8 million in June 2024G. The increase was mainly on account of higher cash inflows by SAR 230.3 million that was partially offset by higher cash outflows by SAR 125.2 million.

Total cash inflows were higher by 24.4% and was mainly due to higher Other services and financial optimization due to the cash proceeds on termination of certain hedging instruments (Interest Rate Swaps), which was partially offset by lower Development business and construction management services receipts.

Total cash outflows were higher by 24.8%, mainly as a result of higher corporate general and administrative expenses reflecting business growth in line with the Company's new Strategy 2.0 in addition to higher debt servicing of non- recourse ACWA39 bonds in accordance with the amortization schedule.

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

Total Discretionary Cash comprises the corporate opening cash for the current period, the POCF and new equity or debt capital raised by the Company during the period.

TDC as at 30 June 2024G was SAR 5,256.6 million and 27.1%, or SAR 1,949.5 million, lower than SAR 7,206.0 million of 30 June 2023G, mainly on account of cash proceeds of SAR 1,800 million from the issuance of Sukuk Tranche 2 in the period ended 30 June 2023G.

During the period ended 30 June 2024G, the Company used SAR 962.4 million of its available TDC for: 1) dividend payment SAR 329 million for the year 2023G; 2) the debt service of SAR 293 million including service of Sukuk; 3) share buyback of SAR 118 million (Refer to Section (6-3-4) ("**Comparability of Operations**") and Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Long term incentive plan (LTIP) and share buy-back**"); and 4) other aggregate net cash outlay of SAR 223 million for investments in projects, advances, project development cost, net of any advances collected. Lower uses of cash versus June 2023G were mainly driven by lower cash equity investments in projects.

Accordingly, Total period-end cash on 30 June 2024G stood at SAR 4,294.2 million and was 6.3%, or SAR 255.1 million, higher than the period-end cash balance on 30 June 2023G.

Parent-level leverage

Total Parent Net Leverage and Net Leverage Ratio:

Table (6-97): Parent-level leverage

Parent-level leverage			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Corporate borrowings	4,587,817	4,589,174	0.0%
Project recourse borrowings	4,976,083	4,315,113	-13.3%
Other financial liabilities	771,602	788,727	2.2%
Total on-balance sheet leverage	**10,335,502**	**9,693,014**	**-6.2%**
Guarantees in relation to equity letter of credits & EBL	7,270,560	10,181,294	40.0%
Other equity commitments	598,245	598,245	0.0%
Total off-balance sheet leverage	**7,868,805**	**10,779,539**	**37.0%**
Total Parent leverage	**18,204,307**	**20,472,553**	**12.5%**
Less: Year and cash balance	(4,713,103)	(4,294,151)	-8.9%
Parent net leverage	**13,491,204**	**16,178,403**	**19.9%**

Parent-level leverage			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Net tangible equity[1]	14,713,104	15,160,866	3.0%
Parent net leverage to POCF ratio[2]	**5.50**	**6.32**	**0.82**
Parent net leverage to net tangible equity ratio	**0.92**	**1.07**	**0.15**

Source: Management information

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

2 For interim periods, the Company calculates and uses Latest Twelve Months (LTM) POCF.

Parent Net Leverage as at 30 June 2024G stood at SAR 16,178.4 million and was 19.9%, or SAR 2,687.2 million, higher than SAR 13,491.2 million as at 31 December 2023G, driven by higher total parent leverage and lower parent period- end cash balance.

Total on-balance sheet leverage stood at SAR 9,693.0 million as at 30 June 2024G and was 6.2%, or SAR 642.5 million lower than SAR 10,335.5 million at 31 December 2023G, driven by the following:

Corporate borrowings at SAR 4,589.2 million comprise Sukuk and corporate revolving facilities (CRF). There was no major movement between the reported periods.

Project recourse borrowings represent the borrowings by the Company's projects with recourse to the Company. The decrease in 2023G was mainly driven by the minority stake sale in Bash & Dzhankeldy wind projects resulting in these projects be accounted as equity method as at 30 June 2024 (Refer to Section (6-3-4) ("**Comparability of Operations**") and Section (6) ("Management Discussion and Analysis of Financial Position and Results of Operations – Divestments – Bash and Dzhankeldy 1GW wind projects in Uzbekistan), which was partially offset by increase in borrowings at projects which are under-construction.

Total off-balance sheet leverage stood at SAR 10,779.5 million and was up by 37.0%, or SAR 2,910.7 million, from SAR 7,868.8 million as at 31 December 2023G, entirely driven by the Company's higher EBL or other equity-related commitments on account of increased investment levels along with the reclassification of the EBLs on Bash & Dzhankeldy projects to off balance sheet following the minority stake sale.

The Company's management monitors two ratios with respect to its net leverage position, namely Parent Net Leverage to POCF ratio and Parent Net Leverage to Net Tangible Equity ratio (mainly for the lenders). For interim periods, the Company calculates and uses Latest Twelve Months (LTM) POCF for the purposes of the former ratio. The LTM POCF as at 30 June 2024G stood at SAR 2,558.1 million, and the Parent Net Leverage to POCF ratio stood at 6.3x (times) and was 0.8 (times) higher than the 5.5x (times) as at 31 December 2023G, mainly due to higher net leverage as explained above.

Comparability of Operations

During the six months' period ended 24/12/1445H (corresponding to 30 June 2024G), the Group has entered into certain transactions that did not exist in the six months' period ended 30 June 2023G, rendering the variance analysis deficient without identifying such material transactions and their impacts in each period.

The management classified such events in the six months' period ended 24/12/1445H (corresponding to 30 June 2024G) as follows:

- Projects achieving financial close (FC)
- Projects achieving commercial operation dates (ICOD/PCOD)
- Dividends, Bonus Shares and Rights issuance
- Long term incentive plan (LTIP) and share buy-back
- Divestments
- Power and Water Purchase Agreement extensions (Barka, Oman)
- Alhadeer storm in UAE
- Impairment loss in Noor 3 CSP IPP ("**Noor 3**") in Morocco
- Income in relation to termination of some hedging instruments

Projects achieving financial close ("FC")

Typically, a project company achieves its FC when the financing documents between the project company and the lenders are signed, and the project company has access to funding from its lenders following the completion of the conditions precedent. At this point, the Company normally becomes entitled to recognize development business service income from the project company, if any, and recover the project development and bidding costs incurred to-date, including reversal of any related provisions. Moreover, the Company typically earns additional service income such as project and construction management income, which are recognized during the construction period of the project based on pre-determined milestones.

The following table lists all projects that achieved their respective FCs in the past 18 months to 30 June 2024G.

Table (6-98): Lists all projects that achieved their respective FCs

Financial Closes1 in the past 18 months (Jan 2023 - June 2024) Month Project						
Month	Project[1]	Location	Total Investment Cost SAR Billion	Contracted Gross Capacity (Water in thousands)	Accounting Type[3]	ACWA Power's Effective Ownership[2]
During 2024						
May'24	Taiba 1 IPP	Saudi Arabia	6.7	1,934 MW	EAI	40.00%
May'24	Qassim 1 IPP	Saudi Arabia	6.3	1,834 MW	EAI	40.00 %
Mar'24	Hassyan IWP	UAE	3.4	818 m3/day	EAI	20.40%
During 2023						
Nov'23	PIF3- Al- Kahfah solar PV IPP	Saudi Arabia	3.9	1,425 MW	EAI	50.10%
Nov'23	PIF3- Ar Rass2 solar PV IPP	Saudi Arabia	5.3	2,000 MW	EAI	50.10%
Nov'23	PIF3- Saad2 solar PV IPP	Saudi Arabia	3.0	1,125MW	EAI	50.10%
Oct'23	Azerbaijan wind IPP	Azerbaijan	1.1	240MW	SUB	100.00%
Sep'23	Rabig h 4 IWP	Saudi Arabia	2.5	600m3/day	EAI	45.00%
Aug'23	Layla PV IPP	Saudi Arabia	0.4	80 MW	EAI	40.10 %
July'2 3	Al Shuaibah PV 1 & 2	Saudi Arabia	8.3	2,631 MW	EAI	35.01 %
May'23	Nukus (Karatau) Wind IPP	Uzbekistan	0.4	100 MW	SUB	100.00 %
Apr'23	Kom Ombo PV	Egypt	0.6	200 MW	SUB	100.00 %
M ar'23	NEOM Green Hydrogen Comp any	Saudi Arabia	31.9	3,883 MW; 220K tonnes/per year	EAI	33.33%
F eb'23	Ar Rass PV IPP	Saudi Arabia	1.7	700 MW	EAI	40.10%

Source: Company Information

1 Some of the projects may be in the process of closing the conditions precedent of their respective FCs.

2 ACWA Power's effective share as at 30 June 2024. Note that the current effective shareholding may be different.

3 Equity accounted investee (EAI) or Subsidiary (SUB).

Projects achieving initial or project commercial operation dates ("ICOD" or "PCOD")

The following table lists all projects that achieved their respective ICOD or PCOD and thus have begun contributing to the Company's results in the past 18 months to 30 June 2024G.

Table (6-99): List all projects that achieved their respective ICOD or PCOD

ICOD/PCOD in the past 18 months (Jan 2023- June 2024)						
ICOD/PCOD*	Project	Location	Cumulative Online Capacity[1] (Water in thousands)	Remaining capacity to bring online	Accounting Type	ACWA Power's Effective Share[2]
During 2024						
Jun- 24	K om Ombo PV	Egypt	200 MW	-	SUB	100.00%
Mar- 24	Al Taweel ah IWP	UAE	909 m3/day	-	EAI	40.00%
Feb-24	Noor Energy 1	UAE	950 MW	-	EAI	25.00%
Jan- 24	Sirdarya CCGT	Uzbekistan	918 MW	582 MW	EAI	51.00%
Jan- 24	Sudair PV(Group3)	Saudi Arabia	1500 MW	-	EAI	35.00%
During 2023						
Nov- 23	Hassyan IPP	UAE	2400 MW	-	EAI	26.95%
Nov- 23	Noor Energy1 (PT Unit)2 00MW	UAE	717 MW	233 MW	EAI	25.00%
Oct- 23	S udair PV (Group 2)	Saudi Arabia	1,125 MW	375 MW	EAI	35%
Sep- 23	S udair PV (Group 1)	Saudi Arabia	750 MW	750 MW	EAI	35%
Jun-23	Shuaa Energy 3 PV	UAE	900 MW		EAI	24.00%
Apr-23	A l Taweel ah IWP	UAE	833 m3/day	76 m3/ day	EAI	40.00%
Mar-23	Hassyan IPP (Unit 3)	UAE	1,800 MW	600 MW	EAI	26.95%
Feb-23	Jazlah IWP (Jubail 3A)	Saudi Arabia	600 m3/day		EAI	40.20%
Feb- 23	Noor Energy 1 (CT Unit)1 00MW	UAE	517 MW	433 MW	EAI	25.00%
Jan- 23	Jizan IGCC	Saudi Arabia	184,000 Nm3/hr Hydrogen 585 MT/hr Steam Approx. 3,040MW Power	760 MW	EAI	21.25%
Jan-23	Noor Energy 1 (PT Unit) 200M W	UAE	417 MW	533 MW	EAI	25.00%

Source: Company Information

* Some projects may not have reached their full operational capacity and obtained official certificate of full commercial operations from the offtaker yet.

1 Online capacity that is in operation as at the stated ICOD/PCOD date.

2 ACWA Power's effective share as at 30 June 2024. Note that the current effective shareholding may be different.

Dividends, Bonus Shares and Rights issuance

Dividends

On 28 February 2024G, the Board of Directors approved a cash dividend distribution of SAR 329.0 million (SAR 0.45 per share) for the year 2023G, payable in 2024G. The proposed dividends were approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024G and was paid on 13 May 2024G.

On 26 January 2023G, the Board of Directors approved an annual dividend payment of SAR 606.8 million (SAR 0.83 per share) for 2022G. The proposed dividends were approved by shareholders at the extraordinary general assembly meeting held on 22 June 2023G and fully paid out to the shareholders on 12 July 2023G.

Bonus shares

On 28 February 2024G, the Board of Directors recommended to increase the Company's capital by granting bonus shares to the Company's shareholders through capitalization of SAR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned, which was approved by the CMA and approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024G and distribution of shares has been completed on 2 May 2024G followed by the distribution of the cash-in-lieu of Fractional Shares, which was completed on 29 May 2024G. Consequently, the share capital increased from SAR 7,310,997,290 to SAR 7,325,619,280 and the number of outstanding shares increased from 731,099,729 shares to 732,561,928 shares.

Capital raise via rights issue

On 10 June 2024G, the Board of Directors recommended to increase the Company's capital by SAR 7,125 million through the offering of a Rights Issue ("**Rights Issue**"), to allow the Company to anchor its growth strategy of tripling the assets under management by 2030G and enhance its financial position.

The Board of Director's recommendation is subject to the approval of the relevant regulatory authorities and ACWA Power's shareholders at the extraordinary general assembly.

Long term incentive plan (LTIP) and share buy-back

In 2023G, the Board of Directors approved to replace the then existing cash-based LTIP with a share-based incentive plan (hereinafter referred as the "**Employees Stock Incentive Program**" or the "**Program**"). In this regard, the shareholders of the Company approved the proposed buy back of the Company's shares with a maximum of two (2) million shares during the extraordinary general assembly on 22 June 2023G.

During the period ended 30 June 2024G, the Company purchased 391,200 shares amounting to SAR 118.0 million at prevailing market rates. The Group has recognized these shares within treasury shares in the interim consolidated statement of changes in equity.

During the period ended 30 June 2024G, the Group has launched the detailed terms and conditions of the Program to eligible employees and accordingly satisfied the grant date criteria (as specified under IFRS 2 – Share-based payment). In this regard, during the period a provision of SAR 32.2 million has been recognized within general and administration expenses.

Divestments

Financial optimization – typically in the form of equity farm-downs/divestments or project refinancings – is a core element of the Company's business model that provides the Company with an opportunity to improve its returns and recycle its cash for further investment. The Company therefore actively seeks to identify, and capture if beneficial circumstances prevail, opportunities as part of its ordinary course of business.

Bash and Dzhankeldy 1GW wind projects in Uzbekistan

On 7 July 2023G, ACWA Power (through its wholly owned subsidiary) entered into a Sale Purchase Agreement ("**SPA**") for the sale of a 35% stake in ACWA Power Bash Wind Project Holding Company and ACWA Power Uzbekistan Wind Project Holding Company Limited ("**the Investee Companies**"). Investee Companies respectively hold 100% share in the project companies relating to Bash 500 MW and Dzhankeldy 500 MW wind projects in Uzbekistan.

All substantive condition precedents ("**CPs**") in relation to the transaction were completed, following which ACWA Power's share reduced to 65% in each of the project companies.

As a result of the transaction, ACWA Power now jointly controls the decisions for the relevant activities that most significantly affect the returns of the Investee Companies together with the Project Companies. Consequently, ACWA Power lost control and recognized a gain of SAR 401.7 million, which mainly represents development business and other construction management services income, which was previously eliminated, in the interim condensed consolidated statement of profit or loss within gain from divestment. As at 30 June 2024G, ACWA Power has started to account for the Investee Companies using the equity method of accounting in accordance with the requirements of IFRS 11 – Joint Arrangements.

Rabigh Arabian Water and Electricity Company ("RAWEC")

RAWEC is an independent water, steam and power producer, supplying essential utilities on a captive basis to Petro Rabigh Co in Saudi Arabia as the offtaker under a long-term off-take agreement.

On 3 June 2024G, ACWA Power (through its wholly owned subsidiary) entered into a Sale Purchase Agreement ("**SPA**") with Hassana Investment Company for the sale of a 30% stake in RAWEC, subject to the satisfaction of conditions precedent in the SPA. Legal formalities with respect to this transaction were not completed as at 30 June 2024G.

ACWA Power effectively held 99% shareholding in the project before the sale transaction, which now reduced to 69%.

Power and Water Purchase Agreement extensions at ("BARKA")

Barka Water and Power Company SAOG ("**Barka**") is a subsidiary of the Company, comprising one conventional power generation plant, one multi-stage flash (MSF) water desalination plant and two reverse osmosis (RO) water desalination plants.

In April 2024G, Barka has received a letter of award from Nama Power and Water Procurement Company, Oman (PWP), that extends the otherwise expired Power and Water Purchase Agreements (PWPA), for the power plant for 8 years and 9 months with operations starting from 1 June 2024G, and for the water plant for 3 years starting from 1 September 2024G with additional extension option at PWP's discretion for a further term of 3 years and another term of 2 years and 9 months (total 8 years and 9 months term).

Alhadeer Storm

On 16 and 17 April 2024G, the UAE experienced severe flooding due to heavy rainfall (referred to as "**Alhadeer Storm**"). Days before, Oman had similar adverse weather conditions. The Company has several assets in Oman and UAE that are either operating or at their various development stages including assets under construction. Despite the unprecedented severity of the conditions, the impact on the Company's operations and construction activities has been limited to some site floodings and small generation disruptions, except one plant under construction that experienced a larger impact, where the project company is working with the EPC Contractor and the insurers for the insurance claims to recover the losses and repair the damages. All affected assets followed strict safety-first protocols during the subsequent restoration activities and the project companies have served respective insurance and force-majeure preservation notifications. Noor Energy 1 IPP, is the largest plant impacted in ACWA Power portfolio and currently it is ongoing several rehabilitation process in two units and discussing the insurance settlement with the market.

Impairment loss in Noor 3 CSP IPP ("Noor 3") in Morocco

During the period ending 31 March 2024G, the Noor 3 CSP plant in Morocco experienced a technical issue in the molten salt tank, which compelled an extended forced outage expected to last until the end of 2024G ("**Outage Period**"). This event triggered an impairment test, as a result of which the management has recognized an impairment loss of SAR 145.8 million (ACWA Power share SAR 109.3 million), representing the expected loss of generation during the Outage Period. The Group has recognized the loss within the interim consolidated statement of profit or loss within impairment loss and other expenses, net. The management will continue to review the performance of plant and cost estimate in relation to remedial work and necessary impact will be taken in the financial statements, as and when required.

Income in relation to termination of some hedging instruments

The Group, in accordance with the related financing documents, enters into interest rate swap (IRS) agreements to hedge against the risk of interest rate movements and accordingly applies cashflow hedge accounting as per the IFRS. In certain cases, such IRS may be acquired before the financial close at the time of the signing of the power or water purchase agreements based on the Company's forecast of probable interest rates at the time of the future financial close dates to hedge against the interest rate volatility between signing of the purchase agreement and the financial close ("**pre-hedge**" or "**pre-hedging contracts**").

During the period ended 30 June 2024G, the Company has recycled certain hedge reserves upon discontinuation of such pre-hedging contracts, as the underlying highly probable forecast transaction was no longer expected to occur within the Group due to expected divestment, amounting to SAR 313.4 million.

Typically, at the inception of the IRS, it is not the management's intention to do early termination. The above termination, however, was necessitated by the anticipated non-occurrence of the underlying highly probable forecast transactions within the Group, attributed to expected divestments, and significant modifications to the hedged risk. Consequently, the management does not expect that the discontinuation of IRS will be a recurrent event.

Results of operations

Consolidated Statement of profit and loss and other comprehensive income

The following table presents the Group's consolidated statement of profit and loss and other comprehensive income for the financial period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G and 30 June 2024G):

Table (6-100): The Group's consolidated statement of profit and loss and other comprehensive income

Consolidated statement of profit and loss and other comprehensive income			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Continuing operations			
Revenue	2,743,364	2,814,325	2.6%
Operating costs	(1,247,748)	(1,356,865)	8.7%
Gross profit	**1,495,616**	**1,457,460**	**-2.6%**
Development cost, provision and write offs, net of reversals	(25,916)	(67,080)	158.8%
General and administrative expenses	(531,788)	(781,980)	47.0%
Share in net results of equity accounted investees, net of tax	131,096	173,633	32.4%
Gain from divestments	-	401,701	100%
Other operating income	219,714	205,119	-6.6%
OPERATING INCOME BEFORE IMPAIRMENT LOSSAND OTHER EXPENSES	**1,288,722**	**1,388,853**	**7.8%**
Impairment loss and other expenses, net	(4,632)	(177,832)	3739.2%
OPERATING INCOME AFTER IMPAIRMENT LOSSAND OTHER EXPENSES	**1,284,090**	**1,211,021**	**-5.7%**
Other income, net	31,272	370,199	1083.8%
Finance income	107,349	165,285	54.0%
Exchange gain / (loss), net	(3,575)	6,025	-268.5%
Financial charges	(690,419)	(746,793)	8.2%
Profit before zakat and income tax	**728,717**	**1,005,737**	**38.0%**
Zakat and tax (charge) / credit	36,128	(67,719)	-287.4%
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**764,845**	**938,018**	**22.6%**
DISCONTINUED OPERATIONS			
Gain from discontinued operations including loss recognised on assets held for sale	(9,256)	-	-100.0%
PROFIT / (LOSS) FOR THE YEAR	**755,589**	**938,018**	**24.1%**
Profit attributable to:			
Equity holders of the parent	684,137	926,791	35.5%
Non-controlling interests	71,452	11,227	-84.3%
	755,589	**938,018**	**24.1%**
Basic and diluted earnings per share (SAR)	0.93	1.27	35.1%
Basic and diluted earnings per share for continuing operations (SAR)	0.95	1.27	33.7%
PROFIT / (LOSS) FOR THE PERIOD	**755,589**	**938,018**	**24.1%**
Other comprehensive income (OCI)			
Items that are or may be reclassified subsequently to profit or loss			

Consolidated statement of profit and loss and other comprehensive income			Increase / (Decrease)
SAR in 000's	**30-Jun 2023G**	**30-Jun 2024G**	**2024G**
Foreign Operations – foreign currency translation differences	(16,128)	12,531	-177.7%
Change in fair value of cash flow hedge reserve	262,096	743,972	183.9%
Settlement of cash flow hedges transferred to profit or loss	30,692	78,672	156.3%
Cash flow hedge reserve recycled to profit or loss upon termination of hedge relationships	-	(343,423)	100%
Cash flow hedge reserve recycled to profit or loss on loss of control of a subsidiary	-	(508,538)	100%
Equity accounted investees – share of OCI	12,389	954,057	7600.8%
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit liability	(8,862)	4,710	-153.1%
Total other comprehensive income	**280,187**	**941,981**	**236.2%**
Total comprehensive income	**1,035,776**	**1,879,999**	**81.5%**
Total comprehensive income attributable to:			
Equity holders of the parent	973,782	1,831,466	88.1%
Non-controlling interests	61,994	48,533	-21.7%
	1,035,776	**1,879,999**	**81.5%**

Source: Reviewed consolidated financial statements

Revenue

The following table presents the Group's consolidated revenue for the financial period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")):

Table (6-101): The Group's consolidated revenue

Revenue			Increase / (Decrease)
SAR in 000's	**30-Jun 2023G**	**30-Jun 2024G**	**2024G**
Services rendered	**1,310,624**	**1,395,411**	**6.5%**
Operation and maintenance	1,113,171	1,220,057	9.6%
Development and construction management services	181,363	165,930	-8.5%
Others	16,090	9,424	-41.4%
Sale of electricity:	**751,823**	**728,187**	**-3.1%**
Capacity charges	388,796	395,326	1.7%
Energy output	154,137	146,337	-5.1%
Finance lease income	208,890	186,524	-10.7%
Sale of water:	**680,917**	**690,727**	**1.4%**
Capacity charges	478,588	480,193	0.3%
Water output	151,533	160,638	6.0%
Finance lease income	50,796	49,896	-1.8%
Total Revenue	**2,743,364**	**2,814,325**	**2.6%**

Source: Reviewed consolidated financial statements

Consolidated Total revenue increased by 2.6%, or SAR 71.0 million, from SAR 2,743.4 million in the Prior Period to SAR 2,814.3 million in the Current Period.

The increase in the Current Period was mainly on account of an increase in Services rendered revenue primarily due to higher operation and maintenance revenue on the back of projects coming into operation (Including mobilisation revenue) (see Section (6-3-4) ("**Comparability of Operations**"), partially offset by lower revenue on Sale of electricity due to lower finance lease and energy revenue at one of the projects in Morocco as a result of an extended forced outage (see Section (6-3-4) ("**Comparability of Operations**")).

Operating costs

The following table presents the Group's consolidated operating costs for the six months' period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-102): Operating costs

Operating Costs			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Operating Costs	1,247,748	1,356,865	8.7%
Total Operating Costs	**1,247,748**	**1,356,865**	**8.7%**

Source: Reviewed consolidated financial statements

Operating costs increased by 8.7% or SAR 109.1 million, from SAR 1,247.7 million in the Prior Period to SAR 1,356.9 million in the Current Period. The increase was primarily due to the new projects entering their operational phases In addition to higher operating costs at RAWEC and Rabigh 3 on account of outages-related provisions and other maintenance costs.

Development Cost, Provision and write offs, net of reversals

The following table presents the Group's consolidated Development Cost, Provision and write offs, net of reversals, for the six months' period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-103): The Group's consolidated Development Cost, Provision and write offs, net of reversals

Development cost, provision and write- offs, net of reversals			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Development cost, provision and other write-offs, net of reversals	25,916	67,080	158.8%
Total Development cost, provision and other write offs	**25,916**	**67,080**	**158.8%**

Source: Reviewed consolidated financial statements

Development cost increased by 158.8% or SAR 41.2 million, from SAR 25.9 million in the Prior Period to SAR 67.1 million in the Current Period, mainly driven by an increase in the number of Projects at bid stage, together with provision on certain other unsuccessful projects.

General and administrative expenses

The following table presents the Company's consolidated General and administrative expenses for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-104): The Company's consolidated General and administrative expenses

General and administrative expenses			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
General and administrative expenses	531,788	781,980	47.0%
Total General and administrative expenses	**531,788**	**781,980**	**47.0%**

Source: Reviewed consolidated financial statements

General and administrative expenses increased by 47.0% or SAR 250.2 million, from SAR 531.8 million in the Prior Period to SAR 782.0 million in the Current Period.

The increase was mainly driven by higher Salaries and employee benefits expenses along with provision of Long-Term Incentive Plan due to headcount increase and new employee benefit schemes, in line with the Company's new Strategy 2.0 and higher provisions during current period.

Share in net results of equity accounted investees, net of tax

The following table presents the Group's share in net results of equity accounted investees, net of tax, for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-105): The Group's share in net results of equity accounted investees, net of tax net of tax

Share in net results of equity accounted investees, net of tax			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Share in net results of equity accounted investees, net of tax	131,096	173,633	32.4%
Total	**131,096**	**173,633**	**32.4%**

Source: Reviewed consolidated financial statements

Share in net results of equity accounted investees, net of tax, increased by 32.4% or SAR 42.5 million, from SAR 131.1 million in the Prior Period to SAR 173.6 million in the Current Period.

The increase was mainly on account of net contribution from new projects coming into operations such as Hassyan IPP – new units, Noor Energy 1, Sirdarya CCGT, and higher contribution from already-operating existing projects as a result of better plant performances.

Gain from divestments

The following table presents the Group's Gain from divestments for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-106): The Group's Gain from divestments

Gain from divestments			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Gain from divestments	-	401,701	-
Total	**-**	**401,701**	

Source: Reviewed consolidated financial statements

Gain from divestments represents recognition of development business and construction management services income that was previously eliminated during the consolidation process, following on the Group's sale of 35% stake in Bash 500 MW and Dzhankeldy 500 MW wind projects in Uzbekistan. (Refer to Section (6-3-4) ("**Comparability of Operations**") for more details)

Other operating income

The following table presents the Group's Other operating income for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-107): The Group's Other operating income

Other operating income			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Group services	120,182	104,717	-12.9%
Finance income from shareholder loans	99,532	100,402	0.9%
Total	**219,714**	**205,119**	**-6.6%**

Source: Reviewed consolidated financial statements

Other operating income is related to technical, operational, construction and other financial services offered by the Company, NOMAC and other subsidiaries.

There was no material movement in the Other operating income.

Impairment loss and other expenses

The following table presents the Group's Impairment loss and other expenses for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-108): The Group's Impairment loss and other expenses

Impairment loss and other expense			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Impairment loss and other expenses, net	4,632	177,832	3739.2%
	4,632	**177,832**	**3739.2%**

Impairment loss and other expenses increased by SAR 173.2 million, from SAR 4.6 million in the Prior Period to SAR 177.8 million in the Current Period.

The increase in the Current Period was mainly driven by the recognition of an impairment loss at Noor 3 CSP in Morocco on account of the forced outage anticipated to continue till the end of 2024G.

Other income

The following table presents the Group's Other income for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-109): The Group's Other income

Other income			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Income in relation to discontinuation of hedging instruments	-	343,423	-
Gain on change in fair value of the derivative	25,595	-	-100.0%
Delayed liquidated damages recovery	-	11,805	-
Others	5,677	14,971	163.7%
Total	**31,272**	**370,199**	**1083.8%**

Source: Reviewed consolidated financial statements

Other income increased by SAR 338.9 million, from SAR 31.3 million in the Prior Period to SAR 370.2 million in the Current Period.

The increase in the Current Period was largely due to the income recognized in relation to the discontinuation of certain hedging instruments (Refer to Section (6-3-4) ("**Comparability of Operations**") and (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Income in relation to termination of some hedging instruments**") for more details).

Finance Income

The following table presents the Group's Finance income for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-110): The Group's Finance income

Finance income			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Finance income	107,349	165,285	54.0%
Total	**107,349**	**165,285**	**54.0%**

Finance income mainly represents interest earned on deposits and is higher in the Current Period mainly due to better cash management in higher interest rate environment.

Exchange gain/(loss), net

The following table presents the Group's Exchange gain/(loss), net, for the six months period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-111): The Group's Exchange gain/(loss), net

Exchange gain/ (loss), Net			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Exchange gain/ (loss), Net	(3,575)	6,025	-268.5%
Total	**(3,575)**	**6,025**	**-268.5%**

Source: Reviewed consolidated financial statements

There was no material balance to report on.

Financial charges

The following table presents the Group's Financial charges for the financial period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-112): The Group's Financial charges

Financial charges			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Financial charges on borrowings	610,535	697,432	14.2%
Financial charges on letters of guarantee	38,418	15,381	-60.0%
Financial charges on loans from a related party	22,105	23,126	4.6%
Other financial charges	19,361	10,854	-43.9%
Total	**690,419**	**746,793**	**8.2%**

Source: Reviewed consolidated financial statements

Financial charges are charges in connection with various loans and funding facilities obtained by the Company and its subsidiaries. These funding facilities carry either a fixed margin or a floating margin above the relevant reference rates.

Financial charges increased by 8.2% or SAR 56.4 million, from SAR 690.4 million in the Prior Period to SAR 746.8 million in the Current Period, mainly driven by increase in interest rates and additional borrowings, partially offset by lower finance cost on certain projects due to lower outstanding amounts.

Zakat and tax

The following table presents the Group's Zakat and tax for the financial period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-113): The Group's Zakat and tax

Zakat and tax			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Zakat and tax (charge)	(62,844)	(83,185)	32.4%
Deferred tax credit	98,972	15,466	-84.4%
Zakat and tax credit / (charge)	**36,128**	**(67,719)**	**-287.4%**

Source: Reviewed consolidated financial statements

The Company has recorded a net Zakat and tax expense of SAR 67.7 million in the Current Period in comparison to a net Zakat and tax benefit of SAR 36.1 million in the Prior Period.

Zakat and tax charge at SAR (83.2) million for the period ended 30 June 2024G was higher mainly due to higher Zakat base of the Company, additional provision created for open assessments in KSA and impact of new UAE CIT regulation in the Current Period.

Morocco Deferred tax impact:

The plants in Morocco are recorded as finance lease under IFRS books as opposed to being recorded as PPE as per MGAAP (Moroccan GAAP) books for local Moroccan tax purposes. Accounted as such, temporary taxable differences occur between the IFRS and local books. Such differences give rise to depreciation or appreciation of the carrying value/tax base of the asset from period to period.

On a higher deferred tax asset base due to the carry forward losses, the decrease in Deferred tax (credit) /charge was mainly on account of the fluctuation of the Moroccan Dirham (MAD) against the USD such that the MAD has depreciated by 0.77% in the period ended 30 June 2024G (as compared to the 31 December 2023G rate), whereas it appreciated by 5.44% in the period ended 30 June 2023G (as compared to the 31 December 2022G rate). Deferred tax asset was further increased as the impact of carry forward losses in June 2024G.

Gain from discontinued operations including loss recognised on assets held for sales

The following table presents the Group's Gain from discontinued operations including loss recognised on assets held for sales for the financial period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-114): The Group's Gain from discontinued operations including loss recognised on assets held for sales

Gain from discontinued operations including loss recognised on assets held for sales			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Gain from discontinued operations including loss recognised on assets held for sales	(9,256)	-	-100.0%
Total	**(9,256)**	**-**	**-100.0%**

Source: Reviewed consolidated financial statements

There was no material balance to report on.

Transactions with related parties

The following table presents the transactions between the Company and its related parties (affiliates, joint ventures and associates and none of these are with its shareholders) for the financial period ended 12/12/1444H and 24/12/1445H (corresponding to 30 June 2023G ("**Prior Period**") and 30 June 2024G ("**Current Period**")).

Table (6-115): The transactions between the Company and its related parties (affiliates, joint ventures and associates and none of these are with its shareholders)

Transactions with related parties				Increase / (Decrease)
SAR in 000's	Relationships	30-Jun 2023G	30-Jun 2024G	2024G
Transactions				
Revenue	JVs / Affiliates	1,116,821	1,240,990	11.1%
Group services fees	JVs	120,182	104,717	-12.9%
Finance income from shareholder loans	JVs	99,532	100,402	0.9%
Financial charges on loans from related parties	JVs / Affiliates	22,105	23,126	4.6%
Key management personnel compensation				
Long-term incentive plan		7,237	32,179	344.6%
End of services benefits		3,305	4,505	36.3%
Remuneration including directors remuneration		15,428	46,764	203.1%

Source: Reviewed consolidated financial statements

The majority of transactions carried out between the Group and its project companies are in connection with the operations and maintenance services provided by NOMAC. Transactions with related parties also include service fees which are on account of administrative, accounting and secretarial services provided by the Company to certain project entities. These services are governed by service level agreements ('SLAs') signed between both parties.

Revenue transactions with related parties increased by 11.1% or by SAR 124.2 million, from SAR 1,116.8 million in the Prior Period to SAR 1,241.0 million in the Current Period. A significant portion of these transactions were on account of O&M services (provided by NOMAC through its subsidiaries) and was mainly due to the new projects that came into operations. Refer to Section (6-3-4) ("**Comparability of Operations**").

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table presents a summary of the Group's consolidated statement of financial position as at 18/06/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-116): Summary of the Group's consolidated statement of financial position as at 18/06/1445H and 24/12/1445H

Consolidated Statement of Financial Position			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Current assets	14,282,478	11,483,882	-19.6%
Non-current assets	40,735,836	42,407,656	4.1%
Total assets	**55,018,314**	**53,891,538**	**-2.0%**
Current liabilities	7,936,657	4,959,951	-37.5%
Non-current liabilities	26,372,766	26,747,042	1.4%
Total liabilities	**34,309,423**	**31,706,993**	**-7.6%**
Total equity	**20,708,891**	**22,184,545**	**7.1%**
Total liabilities and equity	**55,018,314**	**53,891,538**	**-2.0%**

Source: Reviewed consolidated financial statements

The key components of the Group's consolidated Total assets are Property, plant and equipment; Net investment in finance lease; Investment in equity accounted investees; Intangible assets; and Cash and cash equivalents (including Short Term Investments). Combined, these represented 87.7% and 86.4% of the Group's Total assets (excluding assets held for sale) as at 31 December 2023G and 30 June 2024G, respectively.

Long-term financing and funding facilities is the key components of the Group's Total liabilities representing 79.3% and 80.9% of Total liabilities (excluding liabilities associated with held for sale) as at 31 December 2023G and 30 June 2024G, respectively.

Total equity includes share capital, share premium, treasury shares, statutory reserve, retained earnings, proposed dividends, other reserves and non-controlling interests. The Company's authorised and fully paid-up share capital as at 30 June 2024G consists of 732,561,928 million shares of SAR 10 each.

Management's discussion and analysis on the major balances and movements are presented below.

Non-current assets

The following table presents a summary of the Group's Non-current assets as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-117): Summary of the Group's Non-current assets as at 31 December 2023G and 30 June 2024G

Non-current assets			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Property, plant and equipment	10,292,460	10,764,545	4.6%
Intangible assets	2,047,374	2,050,734	0.2%
Equity accounted investees	15,873,449	17,031,190	7.3%
Non-current portion of net investment in finance lease	11,234,491	10,918,016	-2.8%
Deferred tax assets	153,323	174,124	13.6%
Fair value of derivatives	754,927	1,110,504	47.1%
Other assets	379,812	358,543	-5.6%
Total non-current assets	**40,735,836**	**42,407,656**	**4.1%**

Source: Reviewed consolidated financial statements

The Group's Non-current assets are largely comprised of Property, plant and equipment, Intangible assets, Equity accounted investees and Non-current portion of net investment in finance lease. Combined, these accounted for 96.8% and 96.1% of total consolidated non-current assets as at 12/12/1444H (corresponding to 31 December 2023G) and 24/12/1445H (corresponding to 30 June 2024G), respectively.

Property, plant and equipment

The following table presents a summary of the Group's Property, plant and equipment as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-118): Summary of the Group's Property, plant and equipment as at 31 December 2023G and 30 June 2024G

Property, plant and equipment			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
At the beginning of the period / year	10,105,713	10,292,460	1.8%
Additions during the period / year, net	4,152,673	2,088,301	-49.7%
Depreciation charge for the period / year	(428,869)	(219,973)	-48.7%
De-recognition on loss of control in a subsidiary	(1,286,738)	(1,393,299)	8.3%
Reclassified as held for sale	(2,197,230)	-	-100.0%
Disposals / write-offs during the period / year	(52,324)	(2,660)	-94.9%
Foreign currency translation	(765)	(284)	-62.9%
Total Property, plant and equipment	**10,292,460**	**10,764,545**	**4.6%**

Source: Reviewed consolidated financial statements

Property, plant and equipment increased by 4.6%, or SAR 472.1 million, from SAR 10,292.4 million as at 31 December 2023G to SAR 10,764.5 as at 30 June 2024G.

The increase was mainly on account of higher capital work in progress for the under construction projects such as ACWA Power Riverside Solar PV, Kom Ombo Solar PV, Bash & Dzhankeldy Wind and Karatau Wind. This increase was partially reduced by the reclassification to assets held for sale of Bash and Dzhankeldy wind projects on loss of control following 35% farm-down of the Company's equity share in addition to the depreciation charge for the period ended June 2024G.

Intangible assets

The following table presents a summary of the Group's intangible assets as 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-119): Summary of the Group's intangible assets as 31 December 2023G and 30 June 2024G

Intangible assets			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Goodwill	1,915,527	1,915,527	0.0%
Other intangible assets	131,847	135,207	2.5%
Total	**2,047,374**	**2,050,734**	**0.2%**

Source: Reviewed consolidated financial statements

Intangible assets include goodwill that represents the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests (minority interests) over fair value of identifiable assets acquired and liabilities assumed by the Group on acquisition. Goodwill is tested for impairment annually. This goodwill arose on acquisition of 100% equity stake in the share capital of ACWA Power Projects ("**APP**").

Other intangible assets represent computer software, which is amortised at rates between 25%-33.33% per annum, and the amount paid by one of the Group's subsidiaries to secure contracts in respect of the delivery of limestone (amortised over the period of the respective contracts).

There is no material movement during the period in intangible assets.

Equity accounted investees

The following table presents a summary of the Group's equity accounted investees as 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 Jun 2024G):

Table (6-120): Summary of the Group's equity accounted investees investees as 31 December 2023G and 30 June 2024G

Equity accounted investees			Increase / (Decrease)
SAR in 000's	**31-Dec 2023G**	**30-Jun 2024G**	**2024G**
At the beginning of the period / year	12,556,148	15,250,320	21.5%
Additions / (disposals) / adjustments during the period / year, net	3,359,749	438,948	-86.9%
Share of net results for the period / year	244,571	173,633	-29.0%
Share of other comprehensive income for the period / yea	(688,468)	954,057	-238.6%
Dividends received during the period / year	(221,680)	(51,185)	-76.9%
Reclassified as held for sale	-	(4,562)	-
At the end of the Period / Year	**15,250,320**	**16,761,211**	**9.9%**
Equity accounted investees shown under non-current assets	15,873,449	17,031,190	7.3%
Net obligations for equity accounted investees shown under non-current liabilities	(623,129)	(269,979)	-56.7%
Total	**15,250,320**	**16,761,211**	**9.9%**

Source: Reviewed consolidated financial statements

The balance of the Equity accounted investees represents the cost of investment and the post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group may carry negative investment in certain entities that are in the construction phase; according to IAS 28 the recognition of losses is appropriate since the shareholders have guaranteed the investees' obligations and are committed to provide further financial support if needed.

Equity accounted investees increased by 9.9%, or SAR 1,510.9 million, from SAR 15,250.3 million as at 31 December 2023G to SAR 16,761.2 million as at 30 June 2024G.

The increase was mainly on account of i) net additional investments in certain projects such as NEOM, Hassyan and Sudair in addition to the amount recorded in relation to Bash & Dzhankeldy beginning to be accounted as equity method on completion of the farm-down of equity stake; ii) share of net results for the period; and iii) share of other comprehensive income for the period (cash flow hedge reserves), which were partially offset by dividend distribution from equity accounted investees.

Net investment in finance lease (Non-current and Current)

Please note that both current and non-current portions are analysed in this section to maintain unity of the topic.

Net investment in finance lease is in connection with the PPAs or WPAs signed between few of the Group's subsidiaries and their off takers. Where the Group determines a long-term power/water 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 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 over the life of the contract.

For certain finance lease arrangements whereby the lease cash flows are denominated in multiple currencies, the minimum lease payments are determined separately for each currency involved, using the expected incremental borrowing rate in each currency category using the interest rate implicit in the lease for each respective currency. The total finance lease income in respective currency is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in each currency with respect to the lease.

The following table presents a summary of the Group's net investment in finance lease as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-121): Summary of the Group's net investment in finance lease as at 31 December 2023G and 30 June 2024G

Current & Non Current portion of net investment in finance lease			Increase / Decrease
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Current portion of net investment in finance lease	382,185	387,516	1.4%
Non-current portion of net investment in finance lease	11,234,491	10,918,016	-2.8%
Total Net investment in finance lease	**11,616,676**	**11,305,532**	**-2.7%**

Source: Reviewed consolidated financial statements

The decrease in net investment in finance lease represents amortization of the lease receivable.

Deferred tax Asset/ (Liability)

Please note that both asset and liability portions are analysed in this section to maintain unity of the topic.

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

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

The following table presents a summary of the Group's Net deferred tax Asset/(Liability) as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 Jun 2024G):

Table (6-122): Summary of the Group's Net deferred tax Asset/(Liability) as at 31 December 2023G and 30 June 2024G

Deferred tax asset / (Liability)	As at 31 December		Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Deferred tax asset	153,323	174,124	13.6%
Deferred tax Liability	(163,476)	(173,063)	5.9%
Deferred tax asset / (Liability)	**(10,153)**	**1,061**	**-110.5%**

Source: Reviewed consolidated financial statements

The movement in the net deferred tax asset / (liabilities) was mainly driven by foreign exchange fluctuations in Moroccan projects as the tax base of the Moroccan PPE (which is recorded in MAD and calculated as per local MGAAP) is significantly lower than the IFRS value of the finance lease.

Fair value of derivatives

The following table presents a summary of the Group's fair value of derivatives as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-123): Summary of the Group's fair value of derivatives as at 31 December 2023G and 30 June 2024G

Fair value of derivatives	Positive Fair Value		Negative Fair Value	
	As at		As at	
SAR in 000's	31-Dec 2023G	30-Jun 2024G	31-Dec 2023G	30-Jun 2024G
Current	88,153	79,660	-	11,374
Non-current	754,927	1,110,504	62,908	77,757
Total	**843,080**	**1,190,164**	**62,908**	**89,131**

The increase in the Fair value of derivatives is mainly due to the movement in mark-to-market position of the hedges, partially offset by the termination of certain hedging instruments (refer to comparability of operations).

Other assets

Table (6-124): Other assets

Other Assets			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Other Assets	379,812	358,543	-5.6%
Total	**379,812**	**358,543**	**-5.6%**

Other assets recorded between 31 December 2023G and 30 June 2024G mainly include the non-current portion of the advance fee to customer, value added tax (VAT) receivables, right of use assets, strategic fuel inventories and other receivables.

The non-current portion of the VAT receivables relate to the purchase of goods and services in subsidiaries located in Morocco. The current portion of the VAT receivables is classified as part of accounts receivable, prepayments and other receivables to be utilised against VAT liabilities for future periods.

Advance fees to customer represent one-off fees paid by RAWEC upon successful completion of its refinancing to the off taker/customer, who is also a minority shareholder, in accordance with the terms of the offtake contract. The payment is amortised over the remaining term of the offtake contract.

There was no material movement in the other assets was noted between 31 December 2023G and 30 June 2024G.

Current assets

The following table presents a summary of the Group's consolidated balance sheet as at 18/06/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-125): Summary of the Group's consolidated balance sheet as at 18/06/1445H and 24/12/1445H

Current assets			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Inventories	479,322	538,196	12.3%
Net investment in finance lease	382,185	387,516	1.4%
Fair value of derivatives	88,153	79,660	-9.6%
Due from related parties	1,356,247	1,678,245	23.7%
Accounts receivable, prepayments and other receivables	3,214,580	3,385,233	5.3%
Short term investments	1,217,791	1,567,231	28.7%
Cash and cash equivalents	4,740,941	3,790,665	-20.0%
	11,479,219	**11,426,746**	**-0.5%**
Assets held for sale	2,803,259	57,136	-98.0%
Total current assets	**14,282,478**	**11,483,882**	**-19.6%**

Source: Reviewed consolidated financial statements

The key components of the Group's consolidated current assets are Cash and cash equivalents (including Short Term Investments), Due from related parties and Accounts receivable, prepayments and other receivables. Collectively,

these accounted for 91.7% and 91.2% of total current assets (excluding assets held for sale) as at 31 December 2023G and 30 June 2024G respectively.

Inventories

The following table presents a summary of the Group's inventories as at 18/06/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-126): Summary of the Group's inventories as at 18/06/1445H and 24/12/1445H

Inventories			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Inventories	479,322	538,196	12.3%
Total Inventories	**479,322**	**538,196**	**12.3%**

Source: Reviewed consolidated financial statements

Inventories held by the Group are mainly comprised of spare parts and consumables used in the maintenance and operations of different plants. Spare parts and consumables accounted for 94.7% and 93.6% of total inventories as at 31 December 2023G and 30 June 2024G, respectively. A significant portion of the Inventories are in RAWEC, CEGCO, NOMAC and Barka and increase in inventory between reported periods mainly on account of higher inventory at RAWEC & NOMAC for membranes replacement and upcoming planned maintenance programs.

Net investment in finance lease

Please note that both current and non-current portions are analysed in the section above in Non-current assets to maintain unity of the topic.

Due from related parties (current portion)

The following table presents a summary of the Group's due from related parties (current portion) as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-127): Summary of the Group's due from related parties (current portion) as at 31 December 2023G and 30 June 2024G

Due from related parties (current portion)					Increase / (Decrease)
SAR in 000's	Note	Relationship	31-Dec 2023G	30-Jun 2024G	2024G
Hajr for Electricity Production Company	(a)	Joint venture	238,955	229,066	-4.1%
Al Mourjan for Electricity Production Company	(a)	Joint venture	145,826	141,394	-3.0%
Dhofar O&M Company	(a)	Joint venture	69,570	112,923	62.3%
Marafiq Red Sea for Energy		Joint venture	12,673	89,449	605.8%
Hassyan Energy Phase 1 P.S.C		Joint venture	87,837	89,219	1.6%
Rabigh Electricity Company	(a)	Joint venture	74,146	88,378	19.2%
ACWA Power Sirdarya	(a)	Joint venture	79,985	81,221	1.5%
Hassyan Water 1 Holdco. Limited		Joint venture	-	79,075	-
Noor Energy 1 P.S.C	(a)	Joint venture	41,147	73,581	78.8%
Haya Power & Desalination Company	(a)	Joint venture	52,224	69,191	32.5%
Shuqaiq Services Company for Maintenance	(a)	Joint venture	61,272	63,425	3.5%
NEOM Green Hydrogen Company		Joint venture	3,773	52,123	1281.5%
ACWA Power Bash Wind LLC		Joint venture	-	46,643	-
ACWA Power Dzhankeldy Wind LLC		Joint venture	-	46,528	-
ACWA Power Solarreserve Redstone Solar TPP		Joint venture	40,861	42,534	4.1%
Shuaibah Water & Electricity Company	(a)	Joint venture	33,550	41,339	23.2%
Jazan Integrated Gasification and Power Company		Joint venture	41,498	41,245	-0.6%
Taweelah RO Desalination Company LLC	(a)	Joint venture	9,628	29,295	204.3%
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	12,826	21,546	68.0%
Hassyan Water Company A P.S.C	(a)	Joint venture	48,332	19,352	-60.0%
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	16,238	18,651	14.9%
Ad-Dhahirah Generating Company SAOC	(a)	Joint venture	6,773	15,745	132.5%
Shuaibah Expansion Project Company	(a)	Joint venture	13,226	15,568	17.7%
Naqa'a Desalination Plant LLC	(a)	Joint venture	12,213	12,425	1.7%
Qudrah One Holding Company		Joint venture	68,608	250	-99.6%
Sidra One Holding Company		Joint venture	68,608	299	-99.6%
Other related parties		Joint venture	116,478	157,780	35.5%
Total			**1,356,247**	**1,678,245**	**23.7%**

Source: Reviewed consolidated financial statements

These balances mainly include amounts due from related parties to First National Holding Company ("**NOMAC**") (and its subsidiaries) for operation and maintenance services provided to the related parties under operation and maintenance contracts. In certain cases, the balances also include advances provided to related parties that have no specific repayment date.

The balance increased by 23.7%, or SAR 322.0 million, from SAR 1,356.2 million as at 31 December 2023G to SAR 1,678.2 million as at 30 June 2024G, mainly due to new Projects with the related O&M services provided by NOMAC and receivable from Bash & Dzhankeldy which is accounted as equity accounted investees as at 30 June 2024G after sell down of 35% stake.

Accounts receivable, prepayments and other receivables

The following table presents a summary of the Company's accounts receivable, prepayments and other receivables as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-128): Summary of the Company's accounts receivable, prepayments and other receivables as at 31 December 2023G and 30 June 2024G

Accounts receivable, prepayments and other receivables			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Accounts receivable, prepayments and other receivables	3,214,580	3,385,233	5.3%
Total	**3,214,580**	**3,385,233**	**5.3%**

Source: Reviewed consolidated financial statements

Accounts receivable, prepayments and other receivables increased by 5.3%, or SAR 170.7 million, from SAR 3,214.6 million as at 31 December 2023G to SAR 3,385.2 million as at 30 June 2024G, mainly due to prepayment for a gas turbine for pertaining to projects, in addition to the ordinary insurance premium prepayments, project development cost and advances to EPC suppliers. This increase was partially offset by lower net trade accounts receivables on account of settlements and collections of receivables from the projects such as in Jordan and Morocco.

Short Term Investments

The following table presents a summary of the Company's short-term investments as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-129): Summary of the Company's short-term investments as at 31 December 2023G and 30 June 2024G

Short Term Investments			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Short term deposits with original maturities of more than three months	1,217,791	1,567,231	28.7%
Total	**1,217,791**	**1,567,231**	**28.7%**

Source: Reviewed consolidated financial statements

Short term deposits increased by 28.7%, or SAR 349.4 million, from SAR 1,217.8 million as at 31 December 2023G to SAR 1,567.2 million as at 30 June 2024G, mainly due to better cash management. These short-term deposits carry rates of return between 5.60% to 6.35% (31 December 2023G: 5.40% to 6.27%) per annum.

Cash and cash equivalents

The following table presents a summary of the Company's cash and cash equivalents as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-130): Summary of the Company's cash and cash equivalents as at 31 December 2023G and 30 June 2024G

Cash and cash equivalents			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Cash at bank and cash in hand	1,300,863	1,023,023	-21.4%
Short-term deposits with original maturities of less than three months	3,440,078	2,767,642	-19.5%
Total	**4,740,941**	**3,790,665**	**-20.0%**

Source: Reviewed consolidated financial statements

Cash and cash equivalents include bank balances and cash, cash in hand and at bank as well as short-term deposits with original maturities of three months or less.

Cash and cash equivalents decreased by 20.0%, or SAR 950.3 million, from SAR 4,740.9 million as at 31 December 2023G to SAR 3,790.7 as at 30 June 2024G, mainly due to net cash generated from operating activities by SAR 1,304.4 million further supported by net cash generated from financing activities by SAR 625.4 million which was partially used for investing activities by SAR 2,880.5 million.

Table (6-131): Asset/(Liability) held for sale

Assets/(Liabilities) Held for sale			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Assets Held for sale	2,803,159	57,136	-98.0%
Liabilities associated with Assets held for sale	(2,584,205)	-	-100.0%
Assets/(Liabilities) Held for sale	**218,954**	**57,136**	**-73.9%**

Source: Reviewed consolidated financial statements

Assets held for sale in 2023G represents net assets of Solar V together with carrying value of investments in Shuaa Energy 3 and assets of Bash Wind and Dzhankeldy (including its holding companies) (SAR 2,750.7 million). During the period ended 30 June 2024G, Bash and Dzhankeldy completed all substantive condition precedents of the sale transaction and hence as at 30 June 2024G, company has started to account for the Bash and Dzhankeldy using the equity method of accounting. (see Section (6-3-4) ("**Comparability of Operations**")).

Non-current liabilities

The following table presents a summary of the Group's non-current liabilities as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 Jun 2024G):

Table (6-132): Summary of the Group's non-current liabilities as at 31 December 2023G and 30 June 2024G

Non-current liabilities			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Long-term financing and funding facilities	23,549,709	24,324,046	3.3%
Due to related parties	854,938	872,063	2.0%
Deferred tax liability	163,476	173,063	5.9%
Obligation for equity accounted investees	623,129	269,979	-56.7%
Fair value of derivatives	62,908	77,757	23.6%
Deferred revenue	139,746	131,983	-5.6%
Employee end of service benefits' liabilities	211,298	212,535	0.6%
Other liabilities	767,562	685,616	-10.7%
Total	**26,372,766**	**26,747,042**	**1.4%**

Source: Reviewed consolidated financial statements

Long-term financing and funding facilities were the major component of non-current liabilities, accounting for 89.3% and 90.9% of the total non-current liabilities as at 31 December 2023G and 30 June 2023G respectively.

Long-term financing and funding facilities

Financing and funding facilities as reported on the Group's consolidated statement of financial position are classified as 'non-recourse' or 'with-recourse' facilities. Non-recourse facilities are generally secured by the borrower (i.e. a subsidiary) with its own assets, contractual rights and cash flows without any recourse to the Company.

The with-recourse facilities are direct borrowings or those guaranteed by the Company. The financing and funding facilities either bear a fixed rate or a margin above the relevant reference rates. The Group seeks to hedge long-term floating exposures using derivatives.

The following table summarizes the long-term financing and funding facilities availed by the Company and its subsidiaries:

Table (6-133): Long-term financing and funding facilities

Long-term financing and funding facilities			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Recourse Debt:			
Financing facilities in relation to projects	3,348,583	4,315,113	28.9%
Corporate facilities	1,504	1,504	0.0%
Corporate bond	4,586,313	4,587,670	0.0%
Non-Recourse debt:			
Financing facilities in relation to projects	15,125,832	14,704,034	-2.8%
Corporate Bond ("**APMI One bond**")	1,518,506	1,481,178	-2.5%
Loan notes (APCM bond)	582,272	573,201	-1.6%
Total financing and funding facilities	**25,163,010**	**25,662,700**	**2.0%**
Less: current portion of long-term financing and funding facilities	(1,613,301)	(1,338,654)	-17.0%
Long-term financing and funding facilities presented as non-current liabilities	23,549,709	24,324,046	3.3%

Source: Reviewed consolidated financial statements

Total funding increased by 2.0%, or SAR 499.7 million, from SAR 25,163.0 million as at 31 December 2023G to SAR 25,662.7 million as at 30 June 2024G, mainly on account of increase in Recourse debt in relation to projects which are under construction stage (NGHC, Karatau, Riverside Solar) in addition to an increase in non-recourse debt of Kom Ombo, which was partially offset by repayment/ reduction of non-recourse debts at projects and the APMI One and the APCM bonds.

Due to related parties (non-current portion)

The following table presents a summary of the Group's due to related parties (non-current portion) as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-134): Summary of the Group's due to related parties (non-current portion) as at 31 December 2023G and 30 June 2024G

Due to related parties (non-current portion)				Increase / (Decrease)
SAR in 000's	Relationship	31-Dec 2023G	30-Jun 2024G	2024G
Water and Electricity Holding Company CJSC	Shareholder's Subsidiary	771,602	788,727	2.2%
Loans from minority shareholders of subsidiary	-	83,336	83,336	0.0%
Total		**854,938**	**872,063**	**2.0%**

Source: Reviewed consolidated financial statements

a- During 2020G, the Group declared a one-off dividend of SAR 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 noninterest-bearing loan amounting to SAR 901.0 million through a wholly owned subsidiary of the Shareholder. This loan may be adjusted, on behalf of the subsidiary of the Shareholder, against future investments in renewable projects made by the Company, based on certain conditions. The loan will be repaid or settled by 31 December 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.

b- Loan payable to non-controlling shareholders of Qara Solar Energy Company. The loans are due for repayment in 2025G and carry profit rate at LIBOR + 1.3% per annum.

There is no material movement in Due to related parties (non-current portion) between the analysed periods.

Deferred tax liability

For details pertaining to Deferred tax liability, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current Assets**").

Obligation for equity accounted investees

For details pertaining to equity accounted investees, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current Assets**").

Fair value of derivatives

For details pertaining to fair value of derivatives, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current Assets**").

Deferred revenue

Table (6-135): Deferred revenue

Deferred revenue			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Current portion	250,311	176,135	-29.6%
Non-current portion	139,746	131,983	-5.6%
Total	**390,057**	**308,118**	**-21.0%**

Source: Reviewed consolidated financial statements & Management information

Deferred revenue decreased by 21.0%, or SAR 81.9 million, from SAR 390.1 million as at 31 December 2023G to SAR 308.1 million at 30 June 2024G, mainly on account of recognition of development business related revenue during the period ended 30 June 2024G.

Employee end of service benefits' liabilities

Table (6-136): Employee end of service benefits' liabilities

Employee end of service benefits' liabilities			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Employee end of service benefits' liabilities	211,298	212,535	0.6%
Total	**211,298**	**212,535**	**0.6%**

Source: Reviewed consolidated financial statements & Management information

Employee end of service benefits' liability is recognised at the present value of future obligations using the Projected Unit Credit method. There is no material movement between the reported periods.

Other liabilities

Other liabilities include mainly financial liabilities assumed on loss of control in a subsidiary, provision for decommissioning cost, liabilities in relation to long-term spares agreements, long term incentive plan of employees, lease liabilities and others.

Other liabilities decreased by 10.7%, or SAR 81.9 million, from SAR 767.6 million as at 31 December 2023G to SAR 685.6 million at 30 June 2024G. The decrease is mainly on account of lower liabilities in relation to long term spares agreements in addition to the payment of long-term incentive benefits to employees.

Current liabilities

The following table presents a summary of the Group's current liabilities as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-137): Summary of the Group's current liabilities as at 31 December 2023G and 30 June 2024G

Current liabilities			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Accounts payable, accruals and other financial liabilities	3,149,023	2,925,227	-7.1%
Short-term financing facilities	316,876	452,470	42.8%
Current portion of long-term financing and funding facilities	1,613,301	1,338,654	-17.0%
Due to related parties	79,157	77,765	-1.8%
Fair value of derivatives	-	11,374	-
Zakat and taxation	194,095	154,461	-20.4%
	5,352,452	**4,959,951**	**-7.3%**
Liabilities associated with assets held for sale	2,584,205	-	-100.0%
Total Current liabilities	**7,936,657**	**4,959,951**	**-37.5%**

Source: Reviewed consolidated financial statements

The Group's consolidated current liabilities mainly comprise Accounts payable, accruals and other financial liabilities, Short-term financing facilities and the Current portion of long-term financing and funding facilities. Combined, these accounted for 94.9% and 95.1% of the total current liabilities (excluding liabilities associated with assets held for sale) as at 31 December 2023G and 30 June 2024G respectively.

Liabilities associated with assets held for sale in 31 December 2023G represents liabilities related to the Bash Wind and Dzhankeldy (including its holding companies) as it was considered as held for sale subsidiary on account of signing of Sale Purchase Agreement ("**SPA**") for the sale of a 35% stake, for which certain conditions precedent in the SPA was not completed by 31 December 2023G but subsequently fulfilled all substantive condition precedents. (Refer to comparability of operation).

Accounts Payable, accruals and other financial liabilities

The following table presents a summary of the Group's accounts payable, accruals and other financial liabilities as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 Jun 2024G):

Table (6-138): Summary of the Group's accounts payable, accruals and other financial liabilities as at 31 December 2023G and 30 June 2024G

Accounts payable, accruals and other financial liabilities			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Accounts payable, accruals and other financial liabilities	3,149,023	2,925,227	-7.1%
Total	**3,149,023**	**2,925,227**	**-7.1%**

Source: Reviewed consolidated financial statements

Accounts payable, accruals and other financial liabilities decreased by 7.1%, or SAR 223.8 million, from SAR 3,149.0 million as at 31 December 2023G to SAR 2,925.2 million at 30 June 2024G.

The decrease was mainly on account of on ordinary settlements of accounts payable balances in addition to lower reinsurance liabilities (pertaining to ACWA Reinsurance), deferred revenue and lower value added tax payable, which were partially offset by increase in accruals on account of various maintenance related activities.

Short-term financing facilities

The following table presents a summary of the Group's short-term financing facilities at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 Jun 2024G):

Table (6-139): Summary of the Group's short-term financing facilities at 31 December 2023G and 30 June 2024G

Short-term financing facilities			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Short-term financing facilities	316,876	452,470	42.8%
Total	**316,876**	**452,470**	**42.8%**

Source: Reviewed consolidated financial statements

The short-term financing facilities mainly includes working capital loans drawn by subsidiaries to support routine operational activities. Increase is mainly due to facilities obtained by NOMAC to fund the working capital of the company partially reduced by the repayment of short-term facilities in Moroccan projects.

Current portion of long-term financing and funding facilities

These represent the current portion of the different types of loans acquired by the Company and its subsidiaries and are due to be settled within a period of one year as at each balance sheet date. A large part of the loans is non-recourse in nature and to be repaid by the subsidiaries from the cash flows generated from their operations. For further information in relation to the funding structure of the Group, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Long-Term financing and funding facilities**").

Fair value of derivatives

For details pertaining to Fair value of derivatives, refer to Section (6) ("**Management Discussion and Analysis of Financial Position and Results of Operations – Non-current Assets**").

Zakat and taxation

The following table presents a summary of the Group's zakat and taxation at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-140): Summary of the Group's zakat and taxation at 31 December 2023G and 30 June 2024G

Zakat and taxation			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Zakat and taxation	194,095	154,461	-20.4%
Total	**194,095**	**154,461**	**-20.4%**

Decrease is mainly on account of lower provisions made during the period. For further details please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations – Zakat and tax**").

Equity

The following table summarizes the Company's equity as at 18/6/1445H and 24/12/1445H (corresponding to 31 December 2023G and 30 June 2024G):

Table (6-141): Company's equity as at 31 December 2023G and 30 June 2024G

Equity			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Shareholders' equity			
Share capital	7,134,143	7,148,765	0.2%
Share premium	5,335,893	5,335,893	0.0%
Treasury shares	-	(106,620)	-
Statutory reserve	1,038,937	1,038,937	0.0%
Retained earnings	3,247,401	4,166,474	28.3%
Proposed dividends	328,995	-	-100.0%
Equity attributable to owners of the Company before other reserves	**17,085,369**	**17,583,449**	**2.9%**
Other reserves	2,072,589	3,028,035	46.1%
Equity attributable to owners of the Company	**19,157,958**	**20,611,484**	**7.6%**
Non-controlling interest	1,550,933	1,573,061	1.4%
Total equity	**20,708,891**	**22,184,545**	**7.1%**

Source: Reviewed consolidated financial statements

Total equity increased by 7.1%, or by SAR 1,475.7 million, from SAR 20,708.9 million as at 31 December 2023G to SAR 22,184.5 million as at 30 Jun 2024G mainly due to higher retained earnings by SAR 919.1 million on account of profit for the period and higher other reserves on account of share of other comprehensive income of equity accounted investees, which was partially offset by treasury shares (purchase of treasury shares of SAR 118.0 million and settlement of treasury shares of SAR 11.4 million) (refer to comparability of operation) and dividend paid during the period ended 30 June 2024G (SAR 329.0 million).

Other reserves

Other reserves include cash flow hedge reserve, currency translation reserve, share in other comprehensive income of equity accounted investees, re-measurement of defined benefit liability (actuarial losses) and equity settled share- based payment.

Table (6-142): Other reserves

Other reserves			Increase / (Decrease)
SAR in 000's	31-Dec 2023G	30-Jun 2024G	2024G
Cash flow hedge reserve	938,841	873,472	-7.0%
Currency translation reserve	(17,471)	(6,190)	-64.6%
Share in OCI of equity accounted investees	1,209,393	2,163,450	78.9%
Re-measurement of defined benefit liability	(30,994)	(26,288)	-15.2%
Equity settled share based payment	-	50,771	-
Other	(27,180)	(27,180)	0.0%
Total other reserves	**2,072,589**	**3,028,035**	**46.1%**

Source: Reviewed consolidated financial statements

Cash flow hedge reserve

The cash flow hedge reserve represents movements in Group's share in mark to market valuation of hedging instruments net of deferred taxes in relation to the Group's subsidiaries. The decrease in cash flow hedge reserves by SAR 65.4 million, or 7.0%, from SAR 938.8 million as at 31 December 2023G to SAR 873.5 million as at 30 June 2024G was mainly due to reserves recycled to profit or loss upon discontinuation of certain hedge relationships (refer to comparability of operation) and further reduction on account of loss of control at Bash & Dzhankeldy (refer to comparability of operation), which was partially offset by change in fair value net of settlements.

Share in OCI of equity accounted investees'

Under the equity method of accounting the Group takes 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.

The increase in Share in OCI of equity accounted investees was mainly due to change in fair value of cash flow hedge reserve net of settlements.

Equity settled share-based payment

Pursuant to Employees Stock Incentive Program ("**Program**") as approved by the Board of Directors in 2023G and by the shareholders of the Company during the period ended 30 June 2024G, the Company purchased 391,200 of its own shares amounting to SAR 118.0 million at the prevailing market rates. The Group has recognised these shares within treasury shares consolidated statement of changes in equity.

During the period ended 30 June 2024G, the Group has communicated detailed terms and conditions of the Program to eligible employees and accordingly satisfied the Grant Date criteria (as specified under IFRS 2 Share-based payment). Given the service period has already commenced as specified in the Program, the impact of the Program has been taken; accordingly, SAR 50.8 million (SAR 69.1 million share-based payment transactions net off settlement of treasury shares SAR 18.3 million) was recognised as part of other reserves.

Consolidated statement of Cash flows

The following table summarizes the Group's consolidated statement of cash flows for the financial period ended 30 June 2023G and 30 June 2024G:

Table (6-143): Summary of consolidated statement of cash flows

Consolidated statement of Cash flows			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Net cash generated from operating activities	929,963	1,304,409	40.3%
Net cash used in investing activities	(7,694,865)	(2,880,505)	-62.6%
Net cash generated from financing activities	3,928,061	625,429	-84.1%
Net (decrease) / increase in cash and cash equivalents during the year	**(2,836,841)**	**(950,667)**	**-66.5%**
Cash and cash equivalents at beginning of the year	6,154,524	4,740,941	-23.0%
Cash and cash equivalents in relation to assets classified as held for sale	(146,951)	-	-100.0%
Net foreign exchange difference	(8,508)	391	-104.6%
Cash and cash equivalents at end of the year	**3,162,224**	**3,790,665**	**19.9%**

Source: Reviewed consolidated financial statements

Cash flow from operating activities

The following table summarizes the Group's cash flow from operating activities for the financial period ended 30 June 2023G and 30 June 2024G:

Table (6-144): Summary of cash flow from operating activities

Cash flow from operating activities			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Profit before zakat and tax from continuing operations	728,717	1,005,737	38.0%
Profit / (loss) before zakat and tax from discontinued operations	(9,235)	-	-100.0%
Adjustments:			
Depreciation and amortisation	226,991	233,843	3.0%
Financial charges	690,419	746,793	8.2%
Unrealised exchange loss / (gain)	(16,273)	(8,768)	-46.1%
Share in net results of equity accounted investees, net of zakat and tax	(127,310)	(173,633)	36.4%
Charge for employees' end of service benefits	12,608	24,753	96.3%
Fair value of cash flows hedges recycled to profit or loss	16,361	4,050	-75.2%
Provisions	18,212	80,178	340.2%
Provision for long term incentive plan	17,000	32,179	89.3%
Gain on disposal of property, plant and equipment	(2,308)	(3,746)	62.3%
Impairment loss	-	145,799	-
Gain from divestments	(3,398)	(401,701)	11721.7%
Development cost, provision and write offs, net of reversals	25,916	67,080	158.8%
Loss on disposal of an equity accounted investee	8,628	-	-100.0%
Gain on discontinuation of hedging instruments	-	(343,423)	-
Finance income from shareholder loans and deposits	(206,881)	(265,687)	28.4%
Gain on remeasurement of derivatives and options	(25,595)	-	-100.0%
Changes in operating assets and liabilities			
Accounts receivable, prepayments and other receivables	(319,310)	(237,494)	-25.6%
Inventories	(42,706)	(62,976)	47.5%
Accounts payable, accruals and other liabilities	115,803	668,018	476.9%
Due from related parties	(98,187)	(128,425)	30.8%

Cash flow from operating activities			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Due to related parties	-	(8,447)	-
Net investment in finance lease	69,188	47,605	-31.2%
Deferred revenue	20,462	(7,763)	-137.9%
Net cash flows from operations	**1,099,102**	**1,413,972**	**28.6%**
Employees' terminal benefits paid	(38,947)	(40,516)	4.0%
Zakat and tax paid	(175,433)	(122,819)	-30.0%
Dividends received from equity-accounted investees	45,241	53,772	18.9%
Net cash generated from operating activities	**929,963**	**1,304,409**	**40.3%**

Source: Reviewed consolidated financial statements

Net cash generated from operating activities increased by 40.3%, or by 374.4 million, from SAR 930.0 million for the period ended 30 June 2023G to SAR 1,304.4 million for the period ended 30 June 2024G, mainly due to positive movement in operating assets and liabilities (SAR 525.3 million) and lower Zakat and tax payment, which was partially offset by lower profit before zakat and tax after adjustments.

Cash flow from investing activities

The following table summarizes the Group's cash flow used in investing activities for the financial period ended 30 June 2023G and 30 June 2024G:

Table (6-145): Summary of the Group's cash flow used in investing activities

Net cash used in investing activities			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Addition to property, plant and equipment, and intangible assets	(2,262,203)	(2,000,562)	-11.6%
Proceeds on disposal of equity accounted investees, net of transaction cost	74,019	-	-100.0%
Proceeds on disposal of property, plant and equipment	4,345	6,406	47.4%
Investments in equity accounted investees	(3,138,098)	(389,144)	-87.6%
Finance income from deposits	107,349	165,285	54.0%
Short-term deposits with original maturities of more than three months	(1,767,079)	(349,440)	-80.2%
Cash deconsolidated on loss of control	(713,198)	(313,050)	-56.1%
Net cash used in investing activities	**(7,694,865)**	**(2,880,505)**	**-62.6%**

Source: Reviewed consolidated financial statements

Net cash used in investing activities decreased by 62.6%, or SAR 4,814.4 million, from SAR 7,694.9 million for the period ended 30 June 2023G to SAR 2,880.5 million for the period ended 30 June 2024G, primarily due to higher investment made during the period ended 30 June 2023G in equity accounted investees of Jazan, Hassyan, Ibri II and Redstone in addition to lower investment in short-term deposits of more than three months (combined impact SAR 4,166.6 million) and lower cash deconsolidated on loss of control (June 2024G amount represents Bash & Dzhankeldy and June 2023G represents Noor Al Shuaibah).

Cash flow from financing activities

The following table summarizes the Group's cash flow from Financing activities for the financial period ended 30 June 2023G and 30 June 2024G:

Table (6-146): Summary of the Group's cash flow from Financing activities

Cash flow from financing activities			Increase / (Decrease)
SAR in 000's	30-Jun 2023G	30-Jun 2024G	2024G
Proceeds from financing and funding facilities, net of transaction cost	4,896,358	2,160,404	-55.9%
Repayment of financing and funding facilities	(215,447)	(589,068)	173.4%
Purchase of treasury shares	-	(118,000)	-
Due to related parties	(45,941)	-	-100.0%
Financial charges paid	(684,934)	(815,930)	19.1%
Proceeds from discontinuation of hedge instruments	-	343,423	-
Dividends paid	(72,712)	(376,647)	418.0%
Capital contributions from and other adjustments to non-controlling interest	50,737	21,247	-58.1%
Net cash generated from financing activities	**3,928,061**	**625,429**	**-84.1%**

Source: Reviewed consolidated financial statements

Net cash generated from financing activities decreased by 84.1%, or SAR 3,302.6 million, from SAR 3,928.1 million for the period ended 30 June 2023G to SAR 625.4 million for the period ended 30 June 2024G, primarily driven by lower proceeds from financing and funding facilities, net of repayment and transaction cost (including issuance of Tranche II of Sukuk), by SAR 3,109.6 million; higher finance charges; and dividend paid combined to (SAR 434.9 million) and purchase of treasury shares (SAR 118.0 million), which were partially offset by proceeds from discontinuation of hedging instruments (SAR 343.4 million).

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7- Use of Proceeds and Future Projects

7-1 Offering Expenses

The total gross proceeds of the Offering are estimated to be seven billion, one hundred twenty-four million, nine hundred ninety-nine thousand, seven hundred Saudi Riyals (SAR 7,124,999,700), of which eighty eight million and four hundred fifty thousand Saudi Riyals (SAR 88,450,000) will be applied to settle all the relevant Offering Expenses, which include the fees of each of the Joint Financial Advisors, inclusive of the Lead Manager and Underwriters, fees, in addition to the fees and expenses pertaining to the local Legal Advisor to the Company, the Legal Advisor to the Company outside the Kingdom, the Independent Advisor to the Company, and the Legal Advisor to the Joint Financial Advisors, Lead Manager and Underwriters and Auditors. The Company will bear all costs, fees and expenses related to the Offering.

7-2 Net Offering Proceeds

The net proceeds of the Offering, after deducting the Offering Expenses, are seven billion and thirty-six million and five hundred forty nine thousand and seven hundred Saudi Riyals (SAR 7,036,549,700). The Shareholders will not receive any of the Offering proceeds.

7-3 Use of Proceeds

The Company has recently recalibrated its 2030G strategy ("**Strategy 2.0**") (please refer to Section (6) ("**Management's Discussion and Analysis of Financial Position and Results of Operations**") of this Prospectus for further details), which foresees the Company's equity participation in its Projects to increase to an annual average amount of SAR 7.5-9 billion between 2024G and 2030G, from its historical average levels around SAR 3.75-5.62 billion per year. Accordingly, the Company intends to use 75-85% (or from SAR 5,277,412,275 to SAR 5,981,067,245) of the net proceeds of the offering to finance its equity contribution in its existing and upcoming Projects pipeline, which will be used within a period of no more than 24 months from the date of receiving the Offering Proceeds.

In addition to greenfield project development, the Company's business model includes identifying and capturing consolidation opportunities in its target markets, i.e., brownfield mergers and acquisitions, where the Company aims to accelerate its earnings and cash flow conversion cycles. Accordingly, the Company is currently evaluating several such opportunities, where the Company believes it will utilize 0-20% (or up to SAR SAR 1,407,309,940) of the net proceeds of the Offering. This usage lies within the investment in the Company's existing and upcoming Projects pipeline.

The Company plans to use the remaining 0-5% (or up to SAR 351,827,485) for its general corporate purposes including financing the development costs of new projects and/or the limited notice to proceed amounts to enable fast development of the Project until the Project Company signs the Project's financing agreements with the lenders. This usage lies within the investment in activities related to corporate activities and business development, which is the phase that precedes the awarding of a specific project and the commencement of the financial obligations resulting from it.

It is worth noting that if there is a discrepancy of 5% or more between the actual use of the proceeds from the issuance of rights issue shares and what was disclosed in this prospectus, the Issuer will immediately disclose this to the public in accordance with paragraph (f) of Article (57) of the Rules on the Offer of Securities and Continuing Obligations.

Table (7-1): Offering Expenses and Proceeds

Offering Expenses and Proceeds	Amount in Saudi Riyals (SAR)
Total Offering Proceeds	7,124,999,700
Offering Expenses	(88,450,000)
Net Offering Proceeds	**7,036,549,700**

Source: The Company

The following table outlines a summary of the expected use of the proceeds from the Offering, as detailed above:

Table (7-2): Use of Net Offering Proceeds (within a period of no more than 24 months from the date of receiving the offering proceeds)

Uses of Net Offering Proceeds (within a period of no more than 24 months from the date of receiving the offering proceeds)	Amount in Saudi Riyals (SAR)	Percentage of Net Offering Proceeds
Financing the Company's contribution to its current and future projects	SAR 5,277,412,275 to SAR 5,981,067,245	75% – 85%
Mergers & acquisitions	Up to SAR 1,407,309,940	0% – 20%
General business purposes	Up to SAR 351,827,485	0% – 5%
Net Offering Proceeds	**7,036,549,700**	**100%**

Source: The Company

As of the date of this Prospectus, the geographic allocation for financing the Company's contribution to its current and future projects has been estimated as follows:

Table (7-3): The Company's Contribution to Its Projects by Region

Financing the Company's Contribution to Current and Upcoming Projects by Region	Technology Used	Minimum Capital Contribution by Region (SAR)		Maximum Capital Contribution by Region (SAR)	
		Amount in SAR	Percentage of net Offering Proceeds	Amount in SAR	Percentage of net Offering Proceeds
Middle East and North Africa (including Saudi Arabia)	Renewable Energy, Gas, and Water	3,728,184,392	53%	4,225,275,644	60%
Central Asia	Renewable Energy, Gas, and Water	1,549,227,883	22%	1,755,791,601	25%
Total Financing Amount for the Company's Contribution to Current and Future Projects	Renewable Energy, Gas, and Water	5,277,412,275	75%	5,981,067,245	85%

Source: The Company

8- Expert Statements

All of the Advisors and Auditors, whose names are listed in the "**Corporate Directory**" section of this Prospectus, have given and, as of the date of this Prospectus, not withdrawn, their written consent to the publication of the names, logos, reports and/or statements (as applicable) attributed to each of them in this Prospectus. None of these entities, their employees (forming part of the team responsible for offering services to the Company), or their relatives own any shares or interest of any kind in the Company or its Subsidiaries as at the date of this Prospectus which would impair their independence. Additionally, the independence of Ernst & Young Professional Services (Professional LLC) as auditor, is up to the date of the audit report dated 1 March 2023G, on the consolidated financial statements of the Company as of and for the year ended 31 December 2022G.

9- Declarations

As at the date of this Prospectus, the Directors declare that:

1- Other than what has been disclosed in Section (3-10) ("**Significant Disruptions to the Business**") in page (100) of this Prospectus, there has not been any interruption in the business of the Issuer or any of the Issuer's Subsidiaries that may have had or has had a significant effect on the financial position in the last twelve (12) months.

2- No commissions, discounts, brokerages or other non-cash compensation have been granted by the Issuer or any of its Subsidiaries within the three (3) years immediately preceding the application for registration and offer of securities that are the subject of this Prospectus in connection with the issuance or offer of any securities.

3- There has not been any material adverse change in the financial or trading position of the Issuer or any of its Subsidiaries in the three (3) years directly preceding the application for registration and offer of securities that are subject to this Prospectus and during the period from the end of the period covered in the auditors' report up to the approval of this Prospectus.

4- The Company has not retained any treasury shares, and the Extraordinary General Assembly of the Company has not approved a process for purchasing the Company's shares, except for those shares that were purchased for the purpose of the long-term employee incentive program.

10- Legal Information

10-1 Disclosures Related to Legal Information

As at the date of this Prospectus, the Board Members declare the following:

- The Offering does not constitute a breach of the relevant laws and regulations in the Kingdom of Saudi Arabia.
- The Offering does not constitute a breach of any contract/agreement entered into by the Issuer.
- All material legal issues concerning the Issuer have been disclosed in the Prospectus.
- Other than what has been mentioned in Section (10-6) ("**Litigation**") on page (290) of this Prospectus, the Issuer and its Subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively have a material effect the business of the Issuer or its Subsidiaries or their financial position.
- The Board Members of the Issuer are not subject to any claims, litigious cases or any other type of legal proceedings that may individually or collectively have a material effect on the business of the Issuer or its Subsidiaries or their financial position.

10-2 Approvals Required for the Capital Increase

The Company has obtained the following approvals required for the capital increase:

- The recommendation of the Issuer's Board of Directors to increase the Issuer's capital, which was obtained by virue of the Issuer's Board of Directors' resolution issued on 04/12/1445H (corresponding to 10/06/2024G).
- Approval of the Issuer's Board of Directors to take the necessary measures to increase the Issuer's capital and submit the offering application to the CMA dated 09/06/1446H (corresponding to 10/12/2024G).
- Conditional approval of the Exchange (Tadawul) dated 06/11/1446H (corresponding to 04/05/2025G).
- Approval of the CMA dated 22/11/1446H (corresponding to 20/05/2025G).
- Approval of the Extraordinary General Assembly of the Company's Shareholders to increase the capital dated 05/01/1447H (corresponding to 30/06/2025G).

10-3 Government Approvals, Licenses and Certificates

The Company confirms that it holds all the necessary licenses, certificates and approvals required to carry out its business. The Company also confirms that it does not perform any operational activities directly, but rather carries out these activities through its Subsidiaries and its equity-accounted investments. Therefore, the Company does not hold any operational or industrial licenses related to operational and industrial activities.

It is worth noting that the Saudization certificate issued by the Ministry of Human Resources and Social Development is issued with a validity of three months upon request, and the General Organisation for Social Insurance certificate is issued with a validity of one month upon request to establish the Company's commitment to the relevant requirements. The Company did not face any difficulties in issuing such certificates as it is committed to Saudization requirements, as well as to the requirements of the General Organisation for Social Insurance. The following is a summary of the main licenses and approvals obtained by the Company:

Table (10-1): The Company's Government Approvals, Licenses and Certificates

Licence Type	Purpose	Licence No	Issue Date	Expiry Date	Issuing Authority
Commercial Registration Certificate	Company registration in the Commercial Register	1010253392	10/07/1429H (corresponding to 13 July 2008G)	10/07/1448H (corresponding to 19 December 2026G)	Ministry of Commerce
Zakat Certificate	Company's compliance with Zakat requirements for the period ended 31/12/2023G	1112214830	20/10/1445H (corresponding to 17 September 2024G)	02/11/1446H (corresponding to 30 April 2025G)	Zakat, Tax and Customs Authority
Chamber of Commerce Certificate	Company registration in the Chamber of Commerce	202512	10/07/1429H (corresponding to 13 July 2008G)	10/07/1448H (corresponding to 19 December 2026G)	Riyadh Chamber of Commerce

Licence Type	Purpose	Licence No	Issue Date	Expiry Date	Issuing Authority
Commercial Activity License Certificate	Registration of Company activities at the Ministry of Municipalities and Housing	40102434062	N/A	22/07/1447H (corresponding to 11 January 2026G)	Ministry of Municipalities and Housing
Nationalization Certificate	Company's commitment to Saudization/ Nationalization requirements	106231-76869748	14/03/1446H (corresponding to 17 September 2024G)	01/11/1446H (corresponding to 29 April 2025G)	Ministry of Human Resources and Social Development
General Organisation for Social Insurance Certificate	Company's commitment to the requirements of the Social Insurance Organisation	94568208	18/10/1446H (corresponding to 16 April 2025G)	17/11/1446H (corresponding to 15 May 2025G)	General Organisation for Social Insurance
VAT Registration Certificate	VAT Registration of the Group	100231094474495	20/12/2023G	N/A	Zakat, Tax and Customs Authority

Source: The Company

10-4 Overview of the Group's Contracts

The Group enters into a large number of contractual arrangements in its ordinary course of business, which include contracts and agreements with external parties as well as contracts and agreements between Group companies. Section (12-7) ("**Summary of Material Agreements**") of the Issuer's IPO prospectus, published on 20/12/1442 AH (corresponding to 30 June 2021G) included a summary of the material agreements entered into by the Group, detailing the key terms of those agreements. Since the majority of the material agreements summarized in the aforementioned prospectus are still in effect as of the date of this Prospectus, except for the updates disclosed by the issuer on the Tadawul website in accordance with the materiality of the relevant changes, this section is limited to providinga general description of the nature of the most important contracts and agreements that the Group concludes on a frequent and regular basis. Note that the general description contained in this section does not include all the terms and conditions and cannot be considered a substitute for the terms and conditions contained in those agreements.

10-4-1 Offtake Agreements and related agreements

Most Project Companies enter into production purchase agreements, which are either power purchase agreements, water purchase agreements, water and power purchase agreements or water and power transfer agreements (collectively referred to as "**Offtake Agreements**"). Under Offtake Agreements, the Group sells (i) the relevant project's electricity and/or desalinated water generation capacity or steam generation capacity at a pre-agreed tariff or (ii) the electricity and/or desalinated water produced by the relevant project to the production purchasers. The production purchasers typically include government and quasi-government entities (mostly having an investment grade rating) as well as resource/commodity-based industrial companies (mostly having an investment grade rating) that require significant volumes of water and electricity services and are typically able to supply the projects with their own fuel resources (e.g., independent power plants for oil and gas companies). The Project Company also typically enters into fuel supply agreements in connection with the Offtake Agreements, whereby a third party, or from time to time, the production purchaser (i.e. the Offtaker) supplies the relevant projects with natural gas, fuel or coal as required to operate the project facilities. All PPAs are concluded on an arm's length basis and include customary provisions typically found in such arrangements.

10-4-2 Green Hydrogen Purchase Agreements

In line with its aim to establish itself as a significant player in the green hydrogen sector, the Group has entered into several agreements with NEOM Company and other partners. These agreements focus on developing new green hydrogen projects, and which involve setting up plants to produce hydrogen as a fuel and energy storage solution. Under these green hydrogen purchase agreements, NEOM Green Hydrogen Company (NGHC), the special purpose company established and owned by the Group and its partners, acting as the owner and operator of the hydrogen generating facility, purchases the necessary raw materials, such as water and electricity, to produce green hydrogen for sale to a purchaser under a long-term, fixed price (save for indexation) green ammonia offtake agreement. The Group either generates this electricity through its renewable energy plants or procures it via Offtake Agreements (See Section (10-4-1) (Offtake Agreements and related agreements)).

10-4-3 Operation and maintenance agreements

Project Companies enter into operation and maintenance agreements with operation and maintenance service providers, whereby the operation and maintenance service provider is appointed to provide operation and maintenance services in relation to the relevant Project Company's plant. The relevant Subsidiary provides operation and maintenance services for all Group projects, with the exception of certain Group companies, under an operation and maintenance agreement entered into between the relevant Project Company and the Subsidiary companies. The term of the operation and maintenance agreement is usually equal to the term of the Project Company's production purchase agreement. All operation and maintenance agreements are concluded on an arm's length basis and include customary provisions typically found in such agreements.

10-4-4 Engineering, procurement and construction agreements (EPC)

During the development phase of its projects, the Group enters into engineering, procurement and construction agreements with reliable contractors and original equipment manufacturers. Contractors are selected and contracted according to the nature of the project and based on the requirements of the production purchaser and the Group's standards. By nature, these contracts do not have a fixed term, but rather a fixed period for the commencement and completion of the works, and these periods are by nature subject to extension and amendment based on the relevant stages of completion and in accordance with the provisions of the relevant contract. All EPC agreements include adequate warranty periods extending beyond completion of the works (which may vary depending on the nature of the works), in addition to defect liability provisions for the relevant projects and provisions relating to the payment of agreed compensation.

10-4-5 Financing arrangements

The Group's Project Companies typically enter into financing arrangements ("**Financing Arrangements**") with local and international financial institutions, including common term agreements, facility agreements and related financing documents. Common term agreements provide the general framework for facilities obtained under separate subsidiary agreements, including but not limited to commercial facilities, Islamic facilities, working capital facilities and facilities for financing the servicing of scheduled obligations.

The Group's Financing Arrangements include customary representations and undertakings by the relevant Project Company, including undertakings to maintain certain financial ratios, not dispose of assets, not incur financial indebtedness (except for certain exceptions), distribute dividends, meet hedging requirements and ensure that project revenues are paid into specified accounts secured by the Project Company's financiers, as well as default requirements for parties obligated to provide capital to the Project Company and key parties to the project.

Financing is usually provided on a recourse basis to a special purpose vehicle in which the Project Company is an indirect shareholder. The obligations of Project Companies under the relevant financing agreements are usually secured by a number of collaterals, including certain bank accounts belonging to the project, as well as equipment, machinery, intellectual property, insurance proceeds belonging to the Project Company and shares in the Project Company.

10-4-6 Shareholders' agreements and joint development agreements

The Group enters into shareholders agreements with respect to each of its Project Companies, typically by way of the Group's intermediate holding companies through which it holds an indirect interest in the Project Company. These agreements regulate the relation between the shareholders of the Project Company, such as how the Company is managed, the composition of its board of directors and the rights of each shareholder in relation to nominating members to the board of directors and receiving a percentage of profits. Each shareholder is usually entitled, under the terms of the shareholders agreements, to nominate a certain number of board members, provided that such shareholder owns a certain percentage of the capital of the relevant Group company, in addition to certain rights related to governance. In addition, the Group's intermediate holding company (i.e., the one in which the Group holds an ownership interest) typically has additional rights that enhance its effective control over the project, such as the right to appoint the relevant Group company's executive management, which is responsible for the day-to-day management of the project. Shareholder's agreements typically grant the board of directors of the relevant Group company responsibility for the management and operation of the project, with certain matters being subject to unanimous shareholder approval as is customary in joint ventures.

10-4-7 Technical services agreements

The Group enters into technical services agreements from time to time in relation to Project Companies, under which the Group provides expertise and oversight of the technical aspects of the project, whether in relation to construction, commissioning or operation. Such services may include consulting on technical matters relating to the plant, procurement services and consulting on the design of the plant to improve the operation and maintenance and ongoing health, safety and environmental management. For these services, the Group receives fees, typically in the form of annual recurring contractual fees, which are linked to local and/or USD inflation indices. Although these arrangements are between Group companies, they are entered into on an arm's length basis and include customary provisions typically found in such agreements.

10-4-8 Long-term service agreements, long-term maintenance agreements and long-term spare parts supply agreements

The Group typically enters into long-term service agreements or long-term maintenance agreements, under which its Subsidiary provides scheduled and unscheduled maintenance services for power generation or desalination equipment and units, as well as additional works as required. All such agreements are among Group companies. Unlike technical service agreements (which are usually for shorter periods), the Group's long-term maintenance agreements and long-term service agreements are for a number of years (usually 15 to 20 years) and end on the commercial operation date of the project or the date on which the equipment and power generation or desalination units covered by the agreement reach a specified level of utilisation (whichever is earlier). Although these arrangements are between Group companies, they are entered into on an arm's length basis and include customary provisions typically found in such agreements.

10-4-9 Management services agreements, support services agreements and other agreements between Group companies

The Group enters into management services agreements and support services agreements with Project Companies from time to time, under which the Company or one of its Subsidiaries provides management/support services including accounting, finance, legal, tax, IT and other administrative services, as well as secondment of staff in some cases. The Company receives fees, typically in the form of monthly recurring contractual fees during the operation period, which are linked to local and/or USD inflation indices. Although these arrangements are between Group companies, they are entered into on an arm's length basis and include customary provisions typically found in such agreements.

10-4-10 Construction management services agreements

The Group enters into construction management services agreements from time to time in relation to Project Companies, under which the Company or one of its Subsidiaries provides expertise in various aspects of construction during the project's construction period, as applicable. The Group receives fees, typically in the form of monthly recurring contractual fees. Although these arrangements are between Group companies, they are entered into on an arm's length basis and include customary provisions typically found in such agreements.

10-4-11 Project management and consultancy services agreements

The Group enters into project management and consultancy services agreements from time to time with engineering, procurement and construction contractors, under which the Group or one of its Subsidiaries provides expertise and consultancy services on various aspects concerning the planning, construction and commissioning of the project for scheduled fees specified in the agreements on an agreed phased basis. These agreements are concluded on an arm's length basis and include customary provisions typically found in such agreements.

10-5 Insurance

The Company maintains insurance policies covering various types of risks to which it may be exposed. The following table sets out the main details of the insurance policies held by the Company:

Table (10-2): Details of the Insurance Policies Held by the Company

Type of Insurance	Insurer	Policy Number	Maximum Insurance Coverage	Insurance Period
Employees' Medical Insurance Policy	Cigna healthcare Company	2024100511	SAR 3,756,800	Valid from 24 November 2024G and expires on 31 December 2024G, renewed from 01 January 2025G and expires on 31 December 2025G
Directors' and Officers' Liability Insurance Policy	Walaa Cooperative Insurance Company	E0-24-500-000212	USD 50,000,000 (equivalent to SAR 187,579,500)	Valid from 31 October 2024G and expires on 30 October 2025G
Cyber Insurance Policy	Al Rajhi Takaful Company	P0821-API-TCRO-14269854/R1	USD 10,000,000 (equivalent to SAR 37,515,900)	Valid from 01 July 2024G and expires on 30 June 2025G

Source: The Company

10-6 Litigation

Other than as disclosed in this section below and as at 31 March 2025G, there are no existing or potential judicial disputes, lawsuits, claims, or judicial investigation proceedings raised against or by the Company which may, individually or collectively, have a material effect on the Company's business or financial position.

As at 31 March December 2025G, the Group is party to two (2) litigation and arbitration cases lawsuits filed against it for a total amount of approximately SAR200.1 million, and party to one material lawsuit filed by it against another party. The total value of the material claims currently filed by the Group (including counterclaims) is approximately SAR 385.4 million. The Group allocates provisions for its litigation claims based on the likelihood of success when there is a probable outflow of economic resources, and the amount can be estimated reliably. Given the unlikely success of the lawsuits filed against the Group, and the absence of a probable outflow of economic resources that would enable the Group to reliably estimate these amounts as at 31 March 2025G, the Group has not made any provisions for any of its litigation claims as at that date.

10-7 Properties

The Company owns the following properties as at the date of this Prospectus:

Table (10-3): Information on the Company's Deeds and Ownership Certificates

Deed/Ownership Certificate Information	Location	Description and Purpose	Third Party Rights/ Disputes	Book Value
Title Deed No. 611604000953 issued on 06/08/1443H	Al Salmaniya District in the city of Diriyah, Kingdom of Saudi Arabia	Purpose: the Company's headquarters Description: Plot No 114, Plan No 14/m Total area: 4,984.37 square meters	N/A	SAR 19,925,019
Title Deed No. 611604000953 issued on 06/08/1443H	Al Salmaniya District in the city of Diriyah, Kingdom of Saudi Arabia	Purpose: the Company's headquarters Description: Plot No 115, Plan No 14/m Total area: 3,770.84 square meters	N/A	SAR 15,073,932

Deed/Ownership Certificate Information	Location	Description and Purpose	Third Party Rights/ Disputes	Book Value
Title Deed No. 611604000953 issued on 06/08/1443H	Al Salmaniya District in the city of Diriyah, Kingdom of Saudi Arabia	Purpose: the Company's headquarters Description: Plot No 116, Plan N: 14/m Total area: 3,740.50 square meters	N/A	SAR 14,952,648
Title Deed No. 799016000370 issued on 13/11/1442H	Al Sahafa District in the city of Riyadh, Kingdom of Saudi Arabia	Purpose: residential unit Description: Apartment No 284/1510, 48th floor, Plot No 2459/2466/2121, Plan No 1863/A B, Rafal Tower Total area: 141.76 square meters	N/A	SAR 2,299,200

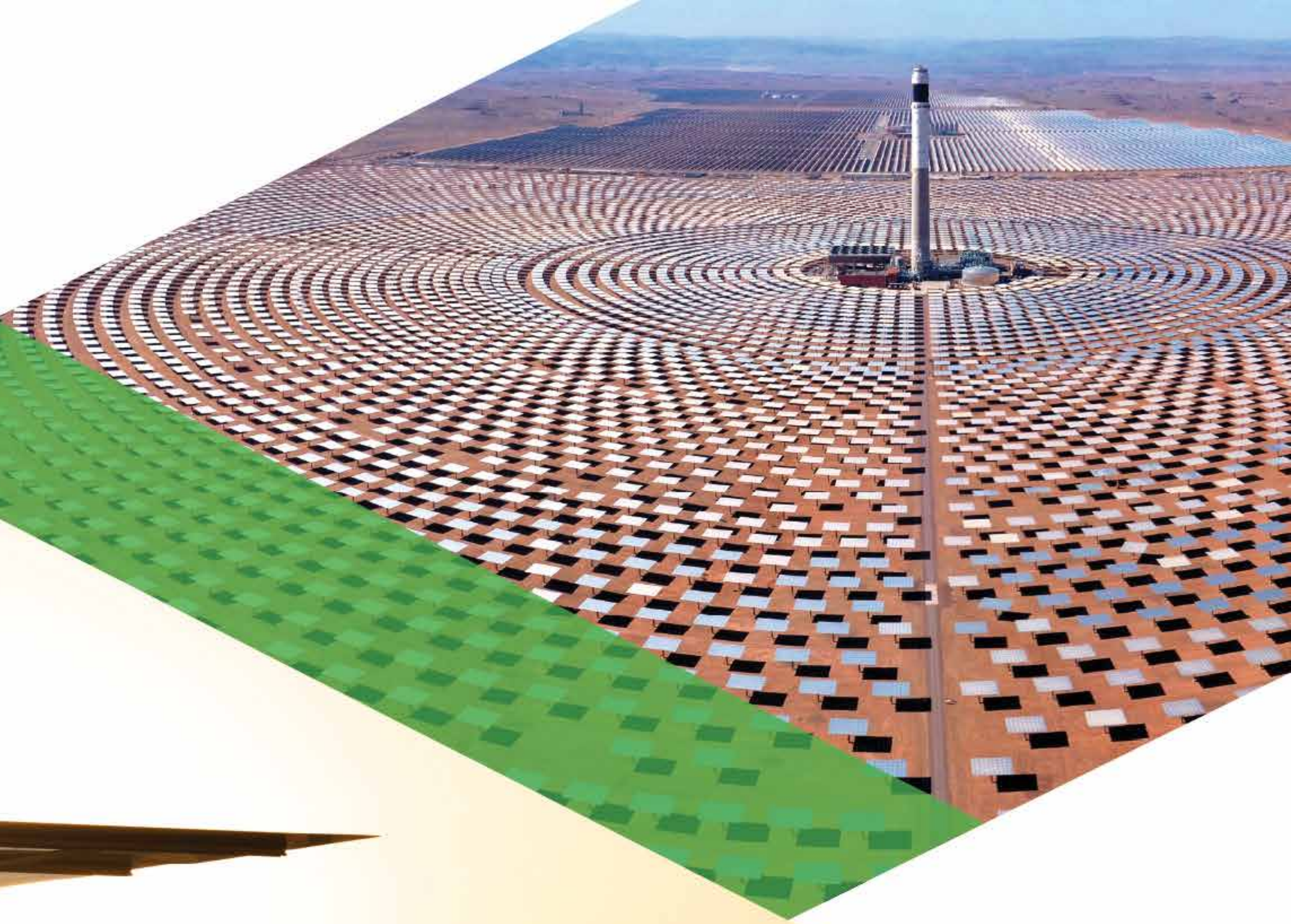
Source: The Company

The Company has entered into six (6) lease contracts for its offices within the Kingdom of Saudi Arabia. The following table shows the details of these contracts as at the date of this Prospectus:

Table (10-4): Details of the Lease Contracts Entered into by the Company

Lessor	Location and Purpose	Lease Term and Renewal Mechanism	Annual Rental Amount
Lessor 1	The Company's head offices, Lease Renewal Annex for the ground floor of Building No. A1 in The Business Gate in Cordoba District, Riyadh	From 01 May 2024G until 30 April 2029G – renews automatically subject to agreement on the revised rental amount	SAR 662,400
Lessor 2	The Company's head offices, Lease Renewal Annex for the ground floor of Building No. A1 in The Business Gate in Cordoba District, Riyadh	From 01 February 2024G until 31 January 2029G – renews automatically	SAR 1,102,200
Lessor 2	The Company's head offices, Lease Contract for the ground floor of Building No. A4 in The Business Gate in Cordoba District, Riyadh	From 01 September 2023G until 31 August 2027G – renews automatically with a 15% increase in the rental amount	SAR 1,320,000
Lessor 2	The Company's head offices, Contract Renewal Annex for the first and second floors of Building No. A5 in The Business Gate in Cordoba District, Riyadh	From 15 December 2022G until 14 December 2027G – renews automatically	SAR 1,358,737
Lessor 2	The Company's head offices, Contract Renewal Annex for the second floor of Building No. A5 in The Business Gate in Cordoba District, Riyadh	From 01 April 2022G until 31 March 2027G – renews automatically	SAR 1,296,081
Lessor 2	The Company's head offices, Assignment Agreement for the second and third floors of Building No. B14 in The Business Gate in Cordoba District, Riyadh	From 01 July 2022G until 31 January 2027G – renews automatically	SAR 2,195,820

Source: The Company



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11- Underwriting

The Company has entered into the Underwriting Agreement dated 06/01/1447H (corresponding to 01/07/2025G), with the Underwriters (the "**Underwriting Agreement**"), under which the Underwriters have agreed to fully underwrite the Offering of thirty-three million, nine hundred and twenty-eight thousand, five hundred and seventy (33,928,570) Shares with a total nominal value of ten Saudi Riyals (SAR 10), at an Offering Price of two hundreds and ten Saudi Riyals (SAR 210) approximately per Share, and a total Offering value of seven billion, one hundred and twenty-four million, nine hundred and ninety-nine thousand, seven hundred Saudi Riyals (SAR 7,124,999,700), representing 100% of the Offering Shares, subject to certain terms and conditions of the Underwriting Agreement.

11-1 Underwriters

The name and address of each of the Underwriters are as follows:

SNB Capital Company King Saud Road, Saudi National Bank Regional Building P. O. Box 22216, Riyadh 11495 Kingdom of Saudi Arabia Tel: +966(92)0000232 Fax: +966(92)0000232 Website: www.alahlicapital.com E-mail: snbc.cm@alahlicapital.com	SNB Capital
J.P. Morgan Saudi Arabia Al Faisaliyah Centre- 8th Floor King Fahd Road P. O. Box 51907, Riyadh 11553 Kingdom of Saudi Arabia Tel: +966(11)299 3800 Fax: +966(11)299 3800 Website: www.jpmorgansaudiarabia.com E-mail: JPM_BAMBOO_CORE@jpmorgan.com	J.P.Morgan
Citigroup Saudi Arabia 20th Floor, Kingdom Tower P. O. Box 10423, Riyadh 11372 Kingdom of Saudi Arabia Tel: +966 11 2246140 Fax: +966 920001919 Website: www.citibank.com/icg/sa/emea/saudi-arabia E-mail: info.csa@citi.com	citi
Saudi Fransi Capital King Fahd Road, Olaya 8092 P.O. Box 3735, Riyadh 12313 Kingdom of Saudi Arabia Tel: +966 (11) 2826666 Fax: +966 (11) 2826823 Website: www.sfc.sa Email: ACWA.RI@FransiCapital.com.sa	BSF Capital

FAB Capital MEFIC Tower 3rd Floor 7756 King Fahad Road, Almalqa Riyadh 13524 – 4181 Kingdom of Saudi Arabia Tel: +966 (11) 283 4372 Website: www.bankfab.com/ar-sa Email: ECM@bankfab.com	
Emirates NBD Capital KSA Signature Center, 2nd Floor Prince Turki Al Awwal Road Hittin Neighborhood PO Box 341777, Riyadh 11333 Kingdom of Saudi Arabia Tel: +966 (11) 299 3900 Fax: +966 (11) 299 3955 Website: www.emiratesnbdcapital.com.sa Email: projectbamboo@emiratesnbd.com	
Natixis Saudi Arabia Investment Company Al Faisaliah Tower, 16th Floor P.O. Box 54995, Riyadh 11524 Kingdom of Saudi Arabia Tel: +966 (11) 490 3946 Fax: +966 (11) 490 3938 Website: emea.cib.natixis.com/saudi-arabia/en Email: project.bamboo@natixis.com	

11-2 Summary of the Underwriting Agreement

The following is a summary of the key terms, acknowledgements and warranties to be included in the Underwriting Agreement:

- The Company undertakes to the Underwriters that on the Allocation Date, it will issue and allocate to the Underwriters all new underwritten shares that were not subscribed to during the remaining Offering Period, at the Offer Price.
- Each Underwriter undertakes to the Company that on the Allocation Date, they will purchase the underwritten shares, each according to their percentage, which were not subscribed to during the remaining Offering Period, at the Offer Price.
- The Underwriters receive financial compensation for their commitment to underwrite the subscription, which will be paid from the Net Offering Proceeds, noting that the underwriting costs represent part of the Offering Costs mentioned in Section 7 ("**Use of Proceeds**") of this Prospectus.
- The Underwriters' obligations to purchase all remaining shares that were not subscribed to during the Offering Period are subject to all terms and conditions of the Underwriting Agreement, which include provisions related to fulfilling preconditions and terminating the agreement.
- The Company provides a number of warranties, acknowledgments, and undertakings to the Underwriters.

11-3 Underwriting Costs

The Company will bear the underwriting fees payable to the Underwriters based on the total Offering value. The Underwriters will be reimbursed for all costs and expenses they incur in connection with the Offering.

11-4 Underwritten Shares

The table below shows the details of the shares to be underwritten:

Table (11-1): Shares to be Underwritten

Underwriter	Number of Offering Shares to be Underwritten	Value of Offering Shares to be Underwritten	Percentage of Offering Shares to be Underwritten
SNB Capital	13,928,570 Rounded to the nearest whole number	2,924,999,700	41.053%
Citigroup Saudi Arabia	5,000,000 Rounded to the nearest whole number	1,050,000,000	14.737%
J.P. Morgan Saudi Arabia	5,000,000 Rounded to the nearest whole number	1,050,000,000	14.737%
Saudi Fransi Capital	4,047,619 Rounded to the nearest whole number	850,000,000	11.930%
FAB Capital	2,380,952 Rounded to the nearest whole number	500,000,000	7.018%
Emirates NBD Capital KSA	2,380,952 Rounded to the nearest whole number	500,000,000	7.018%
Natixis Saudi Arabia Investment Company	1,190,476 Rounded to the nearest whole number	250,000,000	3.509%
Total	**33,928,570**	**7,124,999,700**	**100%**

12- Waivers

Neither the Company nor the Joint Financial Advisors have applied to the Capital Market Authority or Tadawul to be exempted from any of the requirements contained in the Listing Rules, the Rules on the Offer of Securities and Continuing Obligations.

13- Details on Shares and Offering Terms and Conditions

The Company has filed an application for the registration and offering of the New Shares to the CMA in accordance with the CMA's requirements and the Saudi Stock Exchange, including the Rules on the Offer of Securities and Continuing Obligations and to Tadawul to request listing on the Exchange in accordance with the Listing Rules. All required approvals for the capital increase, registering, offering and listing of the New Shares have been obtained in accordance with what has been stated in Section (10-2) ("**Approvals Required for the Capital Increase**"). These approvals include the following:

- The recommendation of the Issuer's Board of Directors to increase the Issuer's capital, which was obtained by virtue of the Issuer's Board of Directors' resolution issued on 04/12/1445H (corresponding to 10/06/2024G).
- Approval of the Issuer's Board of Directors to take the necessary measures to increase the Issuer's capital and submit the offering application to the CMA dated 09/06/1446H (corresponding to 10/12/2024G).
- Conditional approval of the Exchange (Tadawul) dated 06/11/1446H (corresponding to 04/05/2025G).
- Approval of the CMA dated 22/11/1446H (corresponding to 20/05/2025G).
- Approval of the Extraordinary General Assembly of the Company's Shareholders to increase the capital dated 05/01/1447H (corresponding to 30/06/2025G).

All Eligible Shareholders, holders of acquired Rights and bidders shall read the information related to the shares and the terms and conditions of the Offering carefully before subscribing electronically, submitting a subscription application through the broker, or filling out the Rump Offering form. Submitting the subscription application or signing and submitting the Rump Offering form shall be deemed an approval and acceptance of the aforementioned terms and conditions.

13-1 Offering

Under this Prospectus, the Offering shall be deemed an increase in the Company's capital through the issuance of Rights Shares with a total offering value of seven billion, one hundred twenty-four million, nine hundred ninety-nine thousand, seven hundred Saudi Riyals (SAR 7,124,999,700), divided into thirty-three million, nine hundred and twenty-eight thousand, five hundred and seventy (33,928,570) ordinary Shares at a nominal value of ten Saudi Riyals (SAR 10) per Share and an Offering Price of two hundreds and ten Saudi Riyals (SAR 210) per Share.

13-2 How To Apply for Subscription to the Rights (New Shares)

Registered Shareholders and New Investors wishing to subscribe to Rights Shares shall submit a subscription application during the Subscription Period through the investment portfolio on the trading platforms through which buy and sell orders are entered. This is in addition to the possibility of subscribing through any other means provided by the broker and the custodian of the shares in Kingdom during the Subscription Period, provided that the Eligible Person has an investment account with one of the brokers who provide such services. The data of Eligible Persons data shall be up to date, and there should have been no changes in their personal information or data (including by addition or removal of a family member) since their subscription in a recent offering, unless the Brokers were notified of and approved these amendments. In the event there is a Rump Offering Period, subscription applications for any Rump Shares may be submitted by investment institutions only.

By participating in the subscription, the Subscriber acknowledges the following:

- approval to subscribe to the Company with the number of shares indicated in the subscription application;
- they have read the prospectus and all its contents, studied it and understood its content;
- approval of the Company's Bylaws and the terms contained in this prospectus;
- they have not previously applied to subscribe for the same shares for this offering with the broker. The Company has the right to reject all applications in the event of a repeated subscription request;
- acceptance of the shares allocated thereto pursuant to the subscription application, and their acceptance of all subscription conditions and instructions contained in the application and in the prospectus.
- they warrant not to cancel or amend the subscription application form after submitting it to the Broker.

13-3 Subscription Application Form

Eligible Persons wishing to exercise their full right and subscribe to all Rights Shares to which they are entitled to subscribe shall subscribe through the investment portfolio on the trading platforms through which buy and sell orders are entered or through any other means provided by the broker and the stock custodian.

The number of shares to which the Eligible Person is entitled to subscribe is calculated according to the number of priority rights they own. The subscription amount that the Subscriber shall pay is calculated through multiplying the number of existing Rights that they own before the end of the Subscription Period by two hundreds and ten Saudi Riyals (SAR 210).

13-4 Trading Period, Subscription Period and Rump Offering Period

Eligible Persons wishing to subscribe to the Rights shall submit the subscription application during the Subscription Period, which begins (3) business three (3) business days from the approval of the capital increase by the EGM on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and ends on Wednesday dated 21/01/1447H (corresponding to 16/07/2025G), during the period from ten (10:00) am until two (2:00) pm.

Eligible Persons wishing to trade in the Rights shall also submit a trading application during the Trading Period, which begins (3) business days after the three (3) business days from the approval of the capital increase by the EGM on Sunday dated 11/01/1447H (corresponding to 06/07/2025G) and ends on Sunday dated 18/01/1447H (corresponding to 13/07/2025G), during the period from ten (10:00) am until three (3:00) pm.

The Extraordinary General Assembly for the capital increase held on 05/01/1447H (corresponding to 30/06/2025G) approved the Board of Directors' recommendation to increase the Company's capital by issuing Rights Shares which was issued on 04/12/1445H (corresponding to 10/06/2024G). Pursuant to this Prospectus, thirty-three million, nine hundred and twenty-eight thousand, five hundred and seventy (33,928,570) ordinary Shares shall be offered for subscription to Rights Shares, which represent 4.63% of the Company's Share capital before the Offering, at an Offering Price of two hundreds and ten Saudi Riyals (SAR 210) per Share, with a nominal value of ten Saudi Riyals (SAR 10). The total Offering shall be at seven billion, one hundred twenty-four million, nine hundred ninety-nine thousand, seven hundred Saudi Riyals (SAR 7,124,999,700). The Rights issued for each Shareholder shall be calculated as one Share per Right, and shall be issued to the Shareholders registered in the Company's Shareholders' Registry and Eligible Persons who purchased Rights during the Trading period (including Registered Shareholders who have purchased Rights in addition to the Rights they already have) at the end of the second trading day following the day of the Extraordinary General Assembly on 05/01/1447H (corresponding to 30/06/2025G).

In the event that the Rights of Eligible Persons are not exercised by the end of the Subscription Period, the Rump Shares resulting from non-exercise of such rights or their sale by Eligible Persons shall be offered to investment institutions through offering them during the Rump Offering Period.

Registered Shareholders shall be able to trade Rights during the Trading Period that have been deposited in the portfolios through the Exchange (Tadawul). These Rights shall be considered an acquired right for all Shareholders registered in the Company's Shareholders' Register at the end of the second trading day following the day of the Extraordinary General Assembly on the capital Increase. Each Right gives its holder the right to subscribe for one New Share at the Offering Price. The Rights shall be deposited after the assembly meeting. The rights shall appear in the Registered Shareholders' portfolios under a new symbol for Rights, and the Registered Shareholders shall then be notified of the deposit of the rights in their portfolios.

The timetable for the sequence and details of the Rights Issue shall be as follows:

- **Eligibility Date:** End of trading on the day of the Extraordinary General Assembly on 05/01/1447H (corresponding to 30/06/2025G).
- **Trading Period and Subscription Period:** The Trading Period and Subscription Period shall commence three (3) business days after the approval of the Extraordinary General Assembly, which includes the approval of the capital increase, on Sunday dated 11/01/1447H (corresponding to 06/07/2025G), provided that the Trading Period ends on Sunday dated 18/01/1447H (corresponding to 13/07/2025G), and the Subscription Period continues until the end of Wednesday dated 21/01/1447H (corresponding to 16/07/2025G). The Trading Period of the Rights will begin at ten (10:00) am and end on three (3:00) pm, while the Subscription Period of the Rights will begin at ten (10:00) am and end on two (2:00) pm.

- **Rump Offering Period:** Starts on Monday dated 25/01/1447H (corresponding to 21/07/2025G) from ten (10:00) am until five (5:00) pm on the next day on Tuesday dated 26/01/1447H (corresponding to 22/07/2025G). During this period, the Rump Shares shall be offered to a number of investment institutions ("**Institutional Investors**"), provided that these investment institutions submit purchase offers for the Rump Shares. The Rump Shares shall be allocated to the Investment Institutions with the highest offer, then the lower and then the lowest, provided that the Shares are allocated proportionately to the Investment Institutions that provide the same offer. As for Fractional Shares, they shall be added to the Rump Shares and treated similarly. The subscription price shall be in the New Shares that have not been subscribed for during this period at a minimum at the Offering Price. In the event the price of the unsubscribed Shares is higher than the Offering Price, the difference (if any) shall be distributed as compensation to Rights holders who did not subscribe for their rights in proportion to the rights they own. In the event that there are shares not purchased by the Institutional Investors, these shares will be allocated to the Underwriters, who will purchase those shares at the Offer Price.
- **Final Allocation of Shares:** Shares shall be allocated to each investor based on the number of Rights properly and fully exercised by them. As for those entitled to Fractional Shares, Fractional Shares shall accrue and be offered to Institutional Investors during the Rump Offering Period. The total Offering Price of the Rump Shares shall be paid to the Company, and the remaining proceeds from the sale of the Rump Shares and Fractional Shares (in excess of the Offering Price) shall be distributed by the Lead Manager to Eligible Persons, each according to what they deserve, no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G).
- **Trading of the New Shares on the Exchange:** Trading of Shares offered for subscription shall begin in the Tadawul system upon completion of all procedures related to registering and allocating the Offered Shares, provided that the time period between the end of the subscription of the Rights and the deposit of the Shares in the Shareholders' portfolios is nine (9) business days.

13-5 Eligible Persons Who Do Not Subscribe for The New Shares

Registered Shareholders who do not participate in whole or in part in the New Shares subscription will be subject to a decrease in their percentage of ownership in the Company and the value of the Shares they currently hold. Registered Shareholders who subscribe in full for New Shares will retain the same percentage of ownership in the Company that they held before the capital increase. Eligible Persons who do not subscribe for New Shares will not get any compensation for not subscribing for the New Shares, except to receive proportional cash compensation (if any) from the proceeds of the sale price in excess of the Offering Price of the Rump Shares.

If Institutional Investors wish to buy the Rump Shares at the Offering Price only, or if they do not wish to subscribe and the Underwriter therefore covers the Rump Shares at the Offering Price, then the non- participating Eligible Persons will not receive any compensation as a result of them not subscribing for the New Shares by exercising their Rights.

The compensation (if any) for Eligible Persons who have not subscribed for the New Shares will be determined entirely by dividing the amount of compensation by the total number of Shares not subscribed for by Eligible Persons and those entitled to Fractional Shares based on the below formula, noting that the cash compensation amounts represent the net proceeds in excess of the Offering Price (if any) from the sale of Rump and Fractional Shares.

$$\textbf{The compensation amount for each unsubscribed share} = \frac{\text{Rump offering total proceeds-Rump offering total value}}{\text{"Number of unsubscribed shares"}}$$

13-6 Allocations and Oversubscription Refunds

The Company and the Lead Manager will open an escrow account in which the subscription proceeds shall be deposited.

The Rights Shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly exercised. As for Shareholders entitled to Fractional Shares, these shall be accrued and offered to Institutional Investors during the Rump offering. The total Offering Price of the Rump Shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump Shares and Fractional Shares (if any) (in excess of Offering Price) shall be distributed to the Eligible Persons no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G). Excess unsubscribed shares shall be purchased at the Offering Price by and allocated to the Underwriters. Eligible Persons who did not subscribe or sell their Shares, and holders of Fractional Shares may not be compensated during the Rump Offering if the Rump Shares are sold at the Offering Price. Final notice for the number of Shares allocated to each Eligible Person without any charges or withholdings by the Lead Manager is expected to take place by depositing the shares into the accounts of Subscribers. Eligible Persons shall contact the branch of the broker where they have submitted the Subscription Application Form to obtain any further information. The announcement regarding the allocation shall be made no later than Thursday dated 11/02/1447H (corresponding 24/07/2025G).

Oversubscribed amounts (all the remaining proceeds resulting from the Offer, in excess of Offering Price) shall be refunded by the Lead Manager to Eligible Persons who have not fully or partially participated in the subscription to the Rights Shares and those entitled to Fractional Shares, if any, without any deductions or commissions no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G).

13-7 Miscellaneous

The Subscription Application Form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs; provided that, except as specifically contemplated herein, neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

The terms and conditions set here and any receipt of the Subscription Application Forms or any related Agreements are subject to the regulations of the Kingdom, and shall be interpreted and executed according to such regulations.

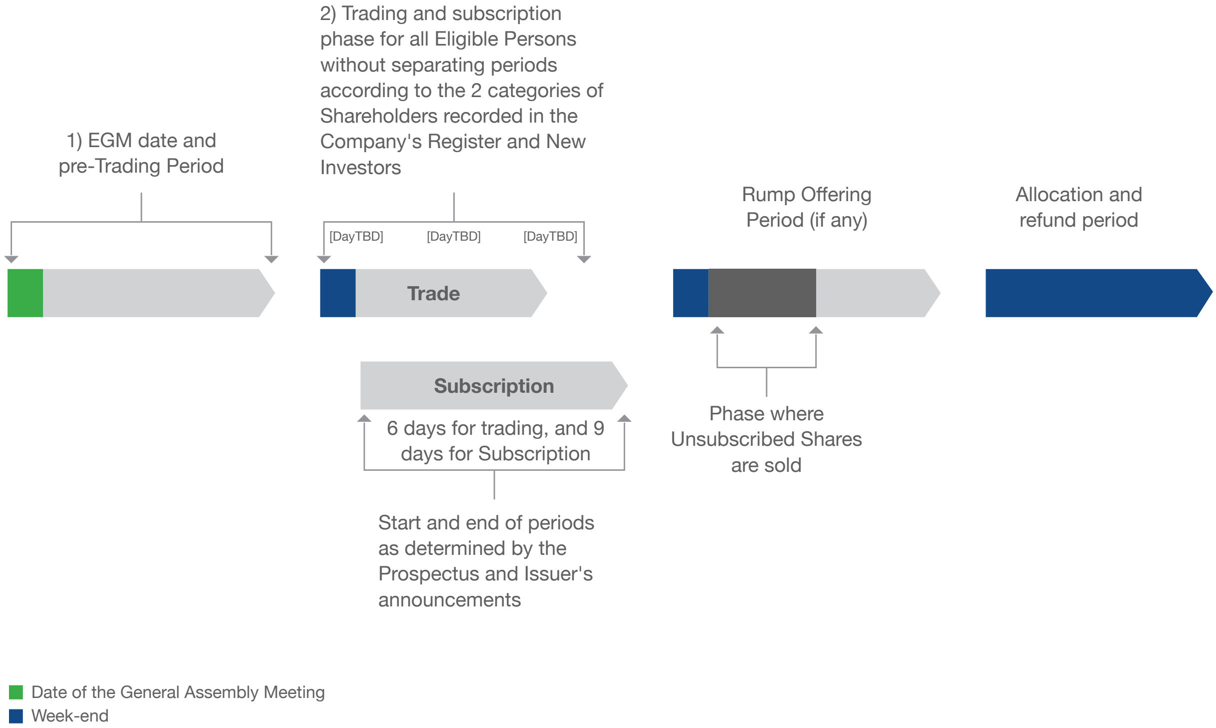
This Prospectus may be distributed in Arabic and English. The Arabic text shall take precedence in the event of any conflict between the Arabic and English versions of this Prospectus.

The CMA shall, at any time, issue a decision to suspend the Offering if it deems that the Offering could result in a violation of the Capital Market Law, its implementing regulations or Market Rules. The Offering may also be canceled if the Extraordinary General Assembly does not approve any of the details of the Offering.

13-8 Restrictions on Trading of the Rights Issue Shares and Disclosure of Any Existing Arrangements to Prevent Disposal of Certain Shares

Apart from the regulatory restrictions imposed on listed shares, there are no restrictions on the trading of the Rights Issue shares. There are also no existing arrangements in place to prevent the disposal of any shares.

Figure (13-1): Illustration of the trading and subscription mechanism for Tradable Rights



Q&A Related to the New Rights Issue Mechanism

What is a Rights Issue?

A Rights Issue is an offering of tradable securities that give their holders the right to subscribe for New Shares upon approval of Extraordinary General Assembly Meeting on the capital increase by way of a Rights Issue. They are acquired rights for all Shareholders who own shares at the date of the EGM for capital increase, and who are registered in the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the EGM. Each Right grants its holder the right to subscribe for one New Share at the Offering Price.

Who is granted the Rights?

The Rights shall be granted to Shareholders registered in the Company's Register as of the close of the second trading day of the EGM on Capital Increase, also known as the Eligibility Date.

When are the Rights deposited?

After the Extraordinary General Assembly convenes and approves the capital increase through the offering of Rights Shares, the Rights are deposited as securities in the Shareholders' own portfolios in the Company's Shareholders Register at the Depository Center at the end of the second trading day after the Extraordinary General Assembly meeting; and will appear in the Shareholders' portfolios under a new code. These Rights will only be traded or subscribed to at the beginning of the Trading and Subscription Period.

How are Registered Shareholders notified of the Rights being deposited in their portfolios?

The Registered Shareholders are notified through an announcement on the Tadawul website and through the Tadawulaty Service provided by the Depository Center and SMS's sent through intermediaries/brokers.

How many Rights can be acquired by a Registered Shareholder?

The number of Rights to be acquired by a Registered Shareholder is subject to the percentage of Shares held by the Registered Shareholder in the Company's Shareholders Register at the Depository Center as of the close of the second trading day after the EGM.

What is the Rights Issue Ratio?

The means by which the Registered Shareholder can determine the Rights it is entitled to, based on its shareholding under the Company's Shareholders Register held with the Depository Center at the close of the second trading day following the date of the Extraordinary General Assembly. It is calculated by dividing the number of New Shares by the number of the Company's Current Shares. The eligibility factor is approximately 0.463 right per each Current Share owned by the Registered Shareholders on the Eligibility Date, rounded down to the nearest whole number. Accordingly, if a Registered Shareholder owns one thousand (1,000) shares on the Eligibility Date, forty six (46) Rights will be allocated thereto.

Will these Rights be tradable under a different name/symbol than the name/symbol of the Company's Shares?

Yes, the Rights will be deposited in the investors' portfolios under the name of the original share, and by adding the word "**Priority Rights,**" they will be deposited in a new symbol for these rights.

What is the value of the Right upon commencement of trading?

The opening price shall be the difference between the closing price of the share on the day preceding the Rights listing and the Offering Price (the indicative value of the Right). For example, if the closing price of a share on the preceding day is two hundred and fifty Saudi Riyals (SAR 250), and the Offering Price is two hundreds and ten Saudi Riyals (SAR 210), the opening price of the Rights upon the commencement of trading will be forty Saudi Riyals (SAR 40).

Who is the Registered Shareholder?

Any Shareholder whose name appear in the Company's Shareholders' Register at the end of the second trading day after the Extraordinary General Assembly.

Can Registered Shareholders subscribe for additional shares?

Yes, Registered Shareholders can subscribe for additional shares by purchasing new Rights through the Exchange during the Trading Period and then subscribe to them at any time after completing the purchase and settlement of the rights (i.e., after the settlement period).

Is it possible for Registered Shareholders to lose their eligibility to subscribe even if they have the right to attend the Extraordinary General Assembly and vote on the capital increase through a Rights Issue?

Yes, Registered Shareholders lose their right to subscribe if they sell their shares on the day of the Extraordinary General Assembly or one working day prior thereto.

How does the Subscription take place?

Subscription applications are submitted through the investment portfolio in the trading platforms through which the buy and sell orders are entered, in addition to the possibility of subscribing through any other means provided by the broker and custodian of shares.

Can an Eligible Person subscribe to more shares than the Rights owned thereby?

An Eligible Person cannot subscribe to more shares than the Rights owned thereby.

Can one subscribe more than once and through more than one broker?

Yes, it is possible. However, it is important to ensure that the number of shares subscribed for does not exceed the number of rights owned at the end of the rights trading period. Any excess in the number of shares subscribed for over the number of rights owned at the end of the rights trading period will result in the cancellation of the subscription request.

If new shares are subscribed for and the rights are sold afterwards, what happens in this case?

If a Registered Shareholder subscribes and then sells the Rights, and does not purchase a number of Rights equivalent to the number of Rights they subscribed for before the end of the Trading Period, the subscription request will be rejected entirely if all rights are sold, or partially in proportion to the rights sold. The Shareholder will be notified, and the subscription amount will be refunded through the broker to the Registered Shareholder.

If the Company shares are acquired through more than one investment portfolio, in which portfolio will the Rights be deposited?

The Rights will be deposited in the same portfolio in which the shares of the Company connected to the Rights are deposited. For example, if a Shareholder holds one thousand (1,000) Shares in the Company as follows: seven hundred (700) Shares in portfolio (a) and three hundred (300) Shares in portfolio (b), then the Rights that will be deposited are forty six (46) Rights, as each Share is eligible for 0.0463 Rights. Therefore, thirty three (33) Rights will be deposited in portfolio (a) and thirteen (13) will be deposited in portfolio (b). In the event of Fractional Shares, they will be aggregated, and if they total a whole number or more, the whole number will be added to the portfolio in which the investor holds the greatest number of Rights.

In case of subscription through more than one portfolio, where will the New Shares be deposited after allocation?

Shares will be deposited to the investment portfolio indicated in the first subscription application form.

Are share certificate holders allowed to subscribe and trade?

Yes, share certificate holders may subscribe, but only after depositing certificates in investment portfolios through brokers or the Securities Depository Center Company (Edaa), before the end of the Offering Period and providing the necessary documents prior to the end of the Subscription Period.

How can share certificate holders obtain Rights?

Share certificate holders will receive Rights, each according to their ownership, but such Rights will not be deposited due to the failure to register the share certificates in investment portfolios with brokers and the Securities Depository Center Company (Edaa) before the Trading and Subscription Periods. In addition, if the procedures for depositing the certificates in the investment portfolio are not completed before the beginning of the trading and subscription period, the Lead Manager will sell the shares resulting from those Rights during the Rump Offering Period and transfer more than the offering price (if any) to the Company which will keep those amounts until they are claimed by share certificate holders, provided that the Company inserts a statement stating the existence of those amounts due to the holders of share certificates and the method of claiming them in the announcement of the distribution of compensation amounts (if any) to the Eligible Persons.

Are additional Rights purchasers entitled to trade them once again?

Yes, the purchaser of additional rights may sell them and purchase other rights only during the Trading Period only.

Is it possible to sell part of the Rights?

Yes, the investor can sell part of these Rights and subscribe to the remaining part.

When can a shareholder subscribe for the rights that they purchased during the Trading Period?

Any time during the Subscription Period, i.e., until the ninth (9th) day after the Extraordinary General Assembly Meeting, and after the close of the rights purchase settlement (which is two business days).

Can the holder of Rights sell or assign the Rights after the end of the Trading Period?

No, they cannot. After the expiry of the trading period, the Eligible Person may only exercise the right to subscribe to the Rights Shares or not to exercise the same. In the event that the Right is not exercised, the investor may be subject to loss or decrease in the value of their investment portfolio.

What happens to Rights that are unsold or unsubscribed during the Subscription Period?

In the event that the New Shares are not fully subscribed during the Subscription Period, the remaining New Shares (Rump Shares) shall be offered for sale to institutional investors during the Rump Offering Period. Fractional Shares will be added to the Rump Shares and sold during the Rump Offering Period. The total Offering Price from the sale of Rump Shares will be paid to the Company, and any remaining proceeds in excess of the Offering Price will be distributed to Eligible Persons without any fees or deductions, according to their respective entitlements.

Note that the investors may not receive any consideration if the sale is made in the Rump Offering Period at the Offering Price.

Who has the right to attend the Extraordinary General Assembly and vote on increasing the Issuer's share capital through a Rights Issue?

A Shareholder registered in the Company's Shareholders Register at the Depository Center after the end of the trading session, on the date of the Extraordinary General Assembly on Capital Increase, shall have the right to attend the EGM and vote on increasing the Issuer's share capital through a Rights Issue.

When is the share price adjusted as a result of increasing the Issuer's share capital through a Rights Issue?

The share price is adjusted by the Exchange before the start of trading on the day following the EGM.

If an investor buys securities on the date of the Extraordinary General Assembly, will they be eligible for the Rights resulting from the increase of the Issuer's share capital?

Yes, as the investor will be registered in the Company Shareholders Register two (2) business days after the date of the purchase of shares (i.e., at the end of the second trading day following the day of the Extraordinary General Assembly), bearing in mind that Rights will be granted to all Shareholders registered in the Company Shareholders Register at the end of trading session on the second trading day following the date of the Extraordinary General Assembly. However, they may not attend or vote in the Extraordinary General Assembly for the capital increase.

If an investor has more than one portfolio with more than one broker, how will their Rights be calculated?

The investor's shares will be distributed to their portfolios according to the shareholding percentage held in each portfolio. In the event of share fractions, these fractions will be aggregated. If the outcome is an integer or more, the integer number will be added to the portfolio in which the investor has the largest number of Rights.

What are the Trading and Subscription Periods?

Trading in and subscription for the Rights shall commence at the same time, i.e., three (3) business days from the approval of the capital increase by the EGM. The Trading Period shall continue until the end of the trading session on sixth (6th). However, the subscription shall continue until the ninth (9th) day as stated in the Prospectus and the Company's issued announcements.

Is it possible to subscribe during the weekend?

No, it is not possible.

Can investors, who are not Registered Shareholders, subscribe for the Rights Shares?

Yes. Investors can subscribe for the Rights Shares upon full purchase of Rights through the Exchange during the Trading Period.

Will there be any other fees for the trading in Rights?

The same commissions will be applied to buy and sell transactions as they are for stocks, but without a minimum commission amount, provided that the maximum limit does not exceed (0.155%) of the total transaction value.

Additional support:

In case of any inquiries, please contact the Company at the email (ir@acwapower.com) for investor and media inquiries.

For legal reasons, the Company will only be able to provide the information contained herein and will not be able to advise on the merits of the Rights Issue or provide financial, tax, legal or investment advice.

For more information on the terms, conditions and instructions of the subscription, please refer to Section (13) ("**Details on Shares and Offering Terms and Conditions**") of this Prospectus.

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14- Change in the Share Price as a Result of the Capital Increase

Change in the Share Price as a Result of the Capital Increase

The closing price of the Company's share on the day of the Extraordinary General Assembly approving the capital increase is SAR 256 and it is expected to reach SAR 254 at the opening session the next day, and the change represents a decrease of 0.80%. In the event that any of the Shareholders registered in the Company's Shareholders' Register at the Depository Centre does not subscribe at the end of the second trading day following the date of the Extraordinary General Meeting, this will result in a decrease in their percentage of ownership in the Company.

Method for Calculating the Share Price as a result of Capital Increase

- **First:** Calculation of the market value of the Company at closing on the day of the Extraordinary General Assembly for the capital increase:

  Number of shares at the end of the Extraordinary General Assembly multiplied by the closing price of the Company's share on the day of the Extraordinary General Assembly for capital increase = market value of the Company at the close of trading at the date of the Extraordinary General Assembly for capital increase.

- **Second:** Calculation of the share price at the opening session on the day following the Extraordinary General Assembly for the capital increase:

  (The market value of the Company at the close of trading on the date of the Extraordinary General Assembly for the capital increase + the value of the shares offered) / (The number of shares at the end of the Extraordinary General Assembly for the capital increase + the number of shares offered for subscription) = the expected share price for the opening session on the day following the date of the Extraordinary General Assembly for the capital increase.

15- Declarations Related to Subscription

15-1 Summary of the Subscription Application and Subscription Declarations

Subscription can be made using trading platforms or through any other means provided by the broker to the investors. The New Shares will be subscribed in one phase according to the following:

1- During this Period, all Registered Shareholders and New Investors will be allowed to subscribe for the New Shares.

2- Registered Shareholders shall be able to subscribe directly to the number of their shares or less than the number of their shares during the Subscription Period. In the event that they buy new Rights, they will be able to subscribe thereto after the end of the settlement period (two (2) business days).

3- New Investors will be allowed to subscribe to the New Shares during the Trading Period by the end of the settlement of the Rights purchase (two (2) business days from the purchase of New Shares).

4- Subscription will be available electronically through investment portfolios in trading platforms and applications, through which the sale and purchase of orders are entered, as well as through other channels and means provided by the broker, Subscription shall only be approved for a number of New Shares due under the Rights existing in the investment portfolio.

Each Right gives its holder the right to subscribe for one New Share at the Offering Price. The subscriber of the New Shares represents and warrants that:

- Acceptance of all terms and conditions of subscription contained in this Prospectus.
- Reading this Prospectus and all its contents, carefully studied the same and understood its content. Acceptance of the Company's Bylaws.
- Undertaking not to cancel or modify the subscription application after its implementation.

15-2 Allocation Process

The Rights Shares shall be allocated to the Eligible Persons based upon the number of Rights that they properly exercised. As for those entitled to Fractional Shares, Fractional Shares shall be accrued and offered to Institutional Investors during the Rump Offering. The Total Offering Price of the Rump Shares shall be paid to the Company, and all the remaining proceeds resulting from the sale of Rump Shares and Fractional Shares (if any) (in excess of the Offering Price) shall be distributed to the Eligible Persons no later than Tuesday dated 11/02/1447H (corresponding to 05/08/2025G). Excess Unsubscribed Shares shall be purchased under the Offering Price by and allocated to the Underwriters. Eligible Persons shall contact the broker through which they have submitted the subscription application form to obtain any further information. Notification of the final allocation results will be made no later than Thursday dated 29/01/1447H (corresponding to 24/07/2025G).

15-3 The Saudi Exchange (Tadawul)

The Saudi Exchange announced on 25/08/1442H (corresponding to 07/04/2021G) its transformation into a holding company named Saudi Tadawul Group with a new structure that supports the future growth of the Saudi financial market and ensures its continued development. Saudi Tadawul Group includes four (4) subsidiary companies: (1) Saudi Exchange, (2) Securities Clearing Center Company (Muqassa), (3) Securities Depository Center Company (Edaa) and (4) Wamid Company. The Group benefits from the integration of services provided by its subsidiaries and shared operations, noting that the independence of the subsidiary companies provides a work environment characterized by flexibility and innovation to keep pace with rapid developments in global markets.

Tadawul was founded in 2001G as the successor to the Electronic Securities Information System. In 1990G, electronic trading in the Kingdom was introduced. Trading is performed on each business day from Sunday to Thursday of each week from ten (10:00) am to three (03:00) pm During this period, the orders are executed. However, other than those times, orders can be entered, amended and deleted from nine thirty (09:30) am until ten (10:00) am

Transactions take place through the automatic matching of orders according to the price. In general, market orders are executed first, which are orders that contain the best prices, followed by price- specific orders, and in the event that several orders are entered at the same time, they are executed according to the timing of the entry.

Tadawul distributes a comprehensive range of information through various channels, most notably the Tadawul website. Market data is provided instantly to well-known information providers such as Reuters. Transactions are settled automatically within two (2) business days according to (T+2).

The Company shall disclose all decisions and information that are important to investors through the Tadawul system. Tadawul systems are responsible for monitoring the market, with the aim of ensuring fair trading and efficient market operations.

15-4 Trading the Company's Shares on the Common Stock Market

An application has been submitted to the CMA for the registration and offering of New Shares and to the Exchange (Tadawul) for listing, and this Prospectus has been approved and all requirements have been met.

It is expected that the registration, offering and commencement of trading in Rights Shares in the Exchange (Tadawul) will be approved after the completion of the final allocation of Rights Shares, and this will be announced in a timely manner on Tadawul website. The dates mentioned in this prospectus are preliminary and may be changed with the approval of CMA.

Although existing shares are listed on the Exchange (Tadawul), New Shares can only be traded after the final allocation of shares has been approved and deposited in the underwriters' portfolios. Trading in New Shares is strictly prohibited before the allocation process is approved.

Subscribers or proposal providers in the Rump Offering and who deal in such prohibited trading activities shall bear full liability for their dealing in such activities, and the Company shall have no legal liability in this case.

16- Documents Available for Inspection

The following documents will be available for inspection at the Company's head office on the Second Floor, Building 5, Business Gate, King Khalid Airport Road, P.O. 22616, Riyadh 11416, in Riyadh, Kingdom of Saudi Arabia, during official working hours, from Sunday to Thursday from (9:00) am until five (5:00) p.m. as of the first business day after the invitation to the Extraordinary General Assembly, provided that the inspection period shall not be less than fourteen (14) days prior to the Extraordinary General Assembly. These documents will remain available for inspection until the end of the Offering:

- The Company's Articles of Association
- The Company's Bylaws.
- The Company's Commercial Registration Certificate.
- Board Resolution on the recommendation of the capital increase issued on 04/12/1445H (corresponding to 10/06/2024G), and the Board Resolution approving the necessary procedures to increase the issued capital and submitting the offer application to the CMA, issued on 09/06/1446H (corresponding to 10/12/2024G).
- A copy of the announcement of the CMA's approval of the offering and registration of Rights Shares issued on 22/11/1446H (corresponding to 20/05/2025G).
- The conditional approval of the Exchange (Tadawul) to list the Rights Shares issued on 06/11/1446H (corresponding to 04/05/2025G).
- The Extraordinary General Assembly approval on the capital increase issued on 05/01/1447H (corresponding to 30/06/2025G), and this document will be available for inspection on the first business day following the Extraordinary General Assembly on the capital increase.
- Reports, letters and documents of the Underwriting Agreement and the Lead Management Agreement.
- Written consents by the Joint Financial Advisors, Lead Manager, Underwriters, the local Legal Advisor to the Company, the Legal Advisor to the Company outside the Kingdom, Independent Advisor to the Company, Legal Advisor to the Joint Financial Advisors, Lead Manager and Underwriters, and Auditors to use their names, logos and statements or reports (as applicable) within the Prospectus.

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