ACWA POWER COMPANY

(Saudi Listed Joint Stock Company)

Interim Condensed Consolidated Financial Statements
and Independent Auditor’s Review Report

For the Three and Six Months Periods Ended 30 June 2024

KPMG Professional Services
Roshn Front, Airport Road
P.O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of interim condensed consolidated financial statements

To the Shareholders of ACWA Power Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying 30 June 2024 interim condensed consolidated financial statements of ACWA Power Company ("the Company") and its subsidiaries ("the Group") which comprises:

- the interim condensed consolidated statement of financial position as at 30 June 2024;
- the interim condensed consolidated statement of profit or loss for the three-months and six-months periods ended 30 June 2024;
- the interim condensed consolidated statement of comprehensive income for the three-months and six-months periods ended 30 June 2024;
- the interim condensed consolidated statement of cash flows for the six-months period ended 30 June 2024;
- the interim condensed consolidated statement of changes in equity for the six-months period ended 30 June 2024; and
- the notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Independent auditor's report on review of interim condensed consolidated financial statements

To the Shareholders of ACWA Power Company (A Saudi Joint Stock Company) (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 interim condensed consolidated financial statements of ACWA Power Company and its subsidiaries are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

Dr. Abdullah Hamad Al Fozan
License Number 348

Riyadh on 4 August 2024
Corresponding to: 29 Muharram 1446H

ACWA POWER Company

(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	**As of 30 Jun 2024**	As of 31 Dec 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	**10,764,545**	10,292,460
Intangible assets		**2,050,734**	2,047,374
Equity accounted investees	4	**17,031,190**	15,873,449
Net investment in finance lease		**10,918,016**	11,234,491
Deferred tax asset		**174,124**	153,323
Fair value of derivatives	19	**1,110,504**	754,927
Other assets		**358,543**	379,812
Total non-current assets		**42,407,656**	40,735,836
Current assets			
Inventories		**538,196**	479,322
Net investment in finance lease		**387,516**	382,185
Fair value of derivatives	19	**79,660**	88,153
Due from related parties	8	**1,678,245**	1,356,247
Accounts receivable, prepayments and other receivables		**3,385,233**	3,214,580
Short term investments	6	**1,567,231**	1,217,791
Cash and cash equivalents	5	**3,790,665**	4,740,941
		11,426,746	11,479,219
Assets held for sale	16.1	**57,136**	2,803,259
Total current assets		**11,483,882**	14,282,478
Total assets		**53,891,538**	55,018,314

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

ACWA POWER Company

(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	**As of 30 Jun 2024**	As of 31 Dec 2023
EQUITY AND LIABILITIES			
Equity			
Shareholders' equity			
Share capital		**7,148,765**	7,134,143
Share premium		**5,335,893**	5,335,893
Treasury shares	20.1	**(106,620)**	-
Statutory reserve		**1,038,937**	1,038,937
Retained earnings		**4,166,474**	3,247,401
Proposed dividends	21	**-**	328,995
Equity attributable to owners of the Company before other reserves		**17,583,449**	17,085,369
Other reserves	9	**3,028,035**	2,072,589
Equity attributable to owners of the Company		**20,611,484**	19,157,958
Non-controlling interest		**1,573,061**	1,550,933
Total equity		**22,184,545**	20,708,891
Liabilities			
Non-current liabilities			
Long-term financing and funding facilities	7	**24,324,046**	23,549,709
Due to related parties	8	**872,063**	854,938
Deferred tax liability		**173,063**	163,476
Obligation for equity accounted investees	4	**269,979**	623,129
Fair value of derivatives	19	**77,757**	62,908
Deferred revenue		**131,983**	139,746
Employee end of service benefits' liabilities		**212,535**	211,298
Other liabilities		**685,616**	767,562
Total non-current liabilities		**26,747,042**	26,372,766
Current liabilities			
Accounts payable, accruals and other financial liabilities		**2,925,227**	3,149,023
Short-term financing facilities		**452,470**	316,876
Current portion of long-term financing and funding facilities	7	**1,338,654**	1,613,301
Due to related parties	8	**77,765**	79,157
Fair value of derivatives	19	**11,374**	-
Zakat and taxation		**154,461**	194,095
		4,959,951	5,352,452
Liabilities associated with assets held for sale		**-**	2,584,205
Total current liabilities		**4,959,951**	7,936,657
Total liabilities		**31,706,993**	34,309,423
Total equity and liabilities		**53,891,538**	55,018,314

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Chairman B.O.D.	CEO	CFO

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ACWA POWER Company

(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Continuing operations					
Revenue	11	**1,562,568**	1,411,920	**2,814,325**	2,743,364
Operating costs		**(725,661)**	(617,749)	**(1,356,865)**	(1,247,748)
Gross profit		**836,907**	794,171	**1,457,460**	1,495,616
Development cost, provisions and write offs, net of reversals		**(43,832)**	(10,968)	**(67,080)**	(25,916)
General and administration expenses		**(434,435)**	(273,145)	**(781,980)**	(531,788)
Share in net results of equity accounted investees, net of zakat and tax	4	**127,045**	92,925	**173,633**	131,096
Gain from divestments	16.2	**401,701**	-	**401,701**	-
Other operating income	12	**102,835**	126,825	**205,119**	219,714
Operating income before impairment loss and other expenses		**990,221**	729,808	**1,388,853**	1,288,722
Impairment loss and other expenses, net	20.2	**(11,315)**	(2,687)	**(177,832)**	(4,632)
Operating income after impairment loss and other expenses		**978,906**	727,121	**1,211,021**	1,284,090
Other income	13	**9,668**	19,705	**370,199**	31,272
Finance income		**85,530**	58,271	**165,285**	107,349
Exchange gain / (loss), net		**6,582**	(1,444)	**6,025**	(3,575)
Financial charges	14	**(384,161)**	(350,371)	**(746,793)**	(690,419)
Profit before zakat and income tax		**696,525**	453,282	**1,005,737**	728,717
Zakat and tax (charge) / credit	10.1	**(25,997)**	9,887	**(67,719)**	36,128
Profit for the period from continuing operations		**670,528**	463,169	**938,018**	764,845
Discontinued operations					
Gain from discontinued operations including loss recognised on assets held for sale		**-**	(6,174)	**-**	(9,256)
Profit for the period		**670,528**	456,995	**938,018**	755,589
Profit attributable to:					
Equity holders of the parent		**630,620**	414,402	**926,791**	684,137
Non-controlling interests		**39,908**	42,593	**11,227**	71,452
		670,528	456,995	**938,018**	755,589
Basic and diluted earnings per share to equity holders of the parent (in SR)	15.2	**0.86**	0.57	**1.27**	0.93
Basic and diluted earnings per share from continuing operations to equity holders of the parent (in SR)	15.2	**0.86**	0.57	**1.27**	0.95

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

ACWA POWER Company
(Saudi Listed Joint Stock Company)

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

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Profit for the period		**670,528**	456,995	**938,018**	755,589
Other comprehensive income / (loss)					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		**6,383**	(7,559)	**12,531**	(16,128)
Change in fair value of cash flow hedge reserve		**(65,777)**	448,789	**743,972**	262,096
Settlement of cash flow hedges transferred to profit or loss		**39,422**	20,113	**78,672**	30,692
Cash flow hedge reserve recycled to profit or loss upon discontinuation of hedge relationships	9	**-**	-	**(343,423)**	-
Cash flow hedge reserve recycled to profit or loss on loss of control of subsidiaries	16.2	**(508,538)**	-	**(508,538)**	-
Equity accounted investees – share of OCI	4, 9	**139,288**	489,242	**954,057**	12,389
Items that will not be reclassified to profit or loss					
Re-measurement of defined benefit liability		**2,833**	(7,792)	**4,710**	(8,862)
Total other comprehensive (loss) / income		**(386,389)**	942,793	**941,981**	280,187
Total comprehensive income		**284,139**	1,399,788	**1,879,999**	1,035,776
Total comprehensive income attributable to:					
Equity holders of the parent		**238,920**	1,340,795	**1,831,466**	973,782
Non-controlling interests		**45,219**	58,993	**48,533**	61,994
		284,139	1,399,788	**1,879,999**	1,035,776

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ACWA POWER Company

(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the six months period ended 30 June 2024	2023
Cash flows from operating activities			
Profit before zakat and tax from continuing operations		**1,005,737**	728,717
Loss before zakat and tax from discontinued operations		**-**	(9,235)
Adjustments for:			
Depreciation and amortisation		**233,843**	226,991
Financial charges	14	**746,793**	690,419
Unrealised exchange loss		**(8,768)**	(16,273)
Share in net results of equity accounted investees, net of zakat and tax		**(173,633)**	(127,310)
Charge for employees' end of service benefits		**24,753**	12,608
Fair value of cash flow hedges recycled to profit or loss		**4,050**	16,361
Provisions		**80,178**	18,212
Provision for long-term incentive plan		**32,179**	17,000
Gain on disposal of property, plant and equipment		**(3,746)**	(2,308)
Impairment loss	20.2	**145,799**	-
Gain from divestments	16.2	**(401,701)**	(3,398)
Development cost, provisions and write offs, net of reversals		**67,080**	25,916
Loss on disposal of equity accounted investee		**-**	8,628
Gain on discontinuation of hedging instruments	13	**(343,423)**	-
Finance income from shareholder loans and deposits		**(265,687)**	(206,881)
Gain on remeasurement of derivatives and options	13	**-**	(25,595)
		1,143,454	1,353,852
Changes in operating assets and liabilities:			
Accounts receivable, prepayments and other receivables		**(237,494)**	(319,310)
Inventories		**(62,976)**	(42,706)
Accounts payable, accruals and other liabilities		**668,018**	115,803
Due from related parties		**(128,425)**	(98,187)
Due to related parties		**(8,447)**	-
Net investment in finance lease		**47,605**	69,188
Deferred revenue		**(7,763)**	20,462
Net cash from operations		**1,413,972**	1,099,102
Payment of employees' end of service benefits and long-term incentives		**(40,516)**	(38,947)
Zakat and tax paid		**(122,819)**	(175,433)
Dividends received from equity accounted investees		**53,772**	45,241
Net cash generated from operating activities		**1,304,409**	929,963
Cash flows from investing activities			
Addition to property, plant and equipment, and intangible assets		**(2,000,562)**	(2,262,203)
Proceeds on disposal of equity accounted investees, net of transaction cost		**-**	74,019
Proceeds on disposal of property, plant and equipment		**6,406**	4,345
Investments in equity accounted investees	4	**(389,144)**	(3,138,098)
Finance income from deposits		**165,285**	107,349
Short-term deposits with original maturities of more than three months	6	**(349,440)**	(1,767,079)
Cash deconsolidated on loss of control		**(313,050)**	(713,198)
Net cash used in investing activities		**(2,880,505)**	(7,694,865)

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ACWA POWER Company

(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Note	For the six months period ended 30 June	
		2024	2023
Cash flows from financing activities			
Proceeds from financing and funding facilities, net of transaction cost		**2,160,404**	4,896,358
Repayment of financing and funding facilities		**(589,068)**	(215,447)
Purchase of treasury shares	20.1	**(118,000)**	-
Due to related parties		**-**	(45,941)
Financial charges paid		**(815,930)**	(684,934)
Proceeds from discontinuation of hedge instruments	13	**343,423**	-
Dividends paid		**(376,647)**	(72,712)
Capital contributions from and other adjustments to non-controlling interest		**21,247**	50,737
Net cash generated from financing activities		**625,429**	3,928,061
Net decrease in cash and cash equivalents during the period		**(950,667)**	(2,836,841)
Cash and cash equivalents at the beginning of the period		**4,740,941**	6,154,524
Cash and cash equivalents in relation to assets classified as held for sale		**-**	(146,951)
Net foreign exchange difference		**391**	(8,508)
Cash and cash equivalents at the end of the period	5	**3,790,665**	3,162,224

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ACWA POWER Company

(Saudi Listed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts in Saudi Riyals thousands unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	Retained earnings	Proposed dividends (note 21)	Other Reserves (note 9)	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2023	7,134,143	5,335,893	-	872,766	2,080,853	606,813	2,629,419	18,659,887	1,368,507	20,028,394
Profit for the period	-	-	-	-	684,137	-	-	684,137	71,452	755,589
Other comprehensive income / (loss)	-	-	-	-	-	-	289,645	289,645	(9,458)	280,187
Total comprehensive income	-	-	-	-	684,137	-	289,645	973,782	61,994	1,035,776
Changes to non-controlling interests	-	-	-	-	-	-	-	-	50,737	50,737
Dividends (note 21)	-	-	-	-	-	(606,813)	-	(606,813)	(72,712)	(679,525)
Balance at 30 June 2023	7,134,143	5,335,893	-	872,766	2,764,990	-	2,919,064	19,026,856	1,408,526	20,435,382
Balance at 1 January 2024	**7,134,143**	**5,335,893**	**-**	**1,038,937**	**3,247,401**	**328,995**	**2,072,589**	**19,157,958**	**1,550,933**	**20,708,891**
Profit for the period	**-**	**-**	**-**	**-**	**926,791**	**-**	**-**	**926,791**	**11,227**	**938,018**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**904,675**	**904,675**	**37,306**	**941,981**
Total comprehensive income	**-**	**-**	**-**	**-**	**926,791**	**-**	**904,675**	**1,831,466**	**48,533**	**1,879,999**
Changes to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21,247**	**21,247**
Bonus shares issued (note 21)	**14,622**	**-**	**-**	**-**	**(14,622)**	**-**	**-**	**-**	**-**	**-**
Purchase of treasury shares (note 20.1)	**-**	**-**	**(118,000)**	**-**	**-**	**-**	**-**	**(118,000)**	**-**	**(118,000)**
Dividends (note 21)	**-**	**-**	**-**	**-**	**-**	**(328,995)**	**-**	**(328,995)**	**(47,652)**	**(376,647)**
Share-based payment transactions (note 20.1)	**-**	**-**	**-**	**-**	**-**	**-**	**69,055**	**69,055**	**-**	**69,055**
Settlement of treasury shares (note 20.1)	**-**	**-**	**11,380**	**-**	**6,904**	**-**	**(18,284)**	**-**	**-**	**-**
Balance at 30 June 2024	**7,148,765**	**5,335,893**	**(106,620)**	**1,038,937**	**4,166,474**	**-**	**3,028,035**	**20,611,484**	**1,573,061**	**22,184,545**

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Chairman B.O.D.	CEO	CFO

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

1 ACTIVITIES

ACWA POWER Company (the "Company" or "ACWA POWER" or the "Group") is a Saudi listed joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and is registered in Riyadh, Kingdom of Saudi Arabia, under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008). The Company's Head Office is located at Exit 8, Eastern Ring Road, Qurtubah District, 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 bulk sale of electricity, desalinated water, green hydrogen and / or green ammonia to address the needs of state utilities and industries on long-term, off-taker contracts under utility services outsourcing models in the Kingdom of Saudi Arabia and internationally.

2 BASIS OF PREPARATION AND CHANGES TO GROUP ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements for the three and six months periods ended 30 June 2024 of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"); and IAS 34 issued by IASB as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organisation for Chartered and Professional Accountants ("SOCPA"), (collectively referred as "IAS 34 as endorsed in KSA").The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2023. These interim condensed consolidated financial statements for the three and six months period ended 30 June 2024 are not affected significantly by seasonality of results. The results shown in these interim condensed consolidated financial statements may not be indicative of the annual results of the Group's operations.

These interim condensed consolidated financial statements are prepared under the historical cost convention and accrual basis of accounting except for the following:

i) Derivative financial instruments including commodity derivatives, options and hedging instruments which are measured at fair value;
ii) Employee end of service benefits' liability is recognised at the present value of future obligations using the Projected Unit Credit method; and
iii) Assets held for sale which are measured at the lower of their carrying amount and fair value less costs to sell.

These interim condensed consolidated financial statements are presented in Saudi Riyals ("SR") which is the functional and presentation currency of the Company. All values are rounded to the nearest thousand (SR'000), except when otherwise indicated. The Group's financial risk management objectives and policies and the methods to determine the fair values are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

2.2 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023. There are no new standards issued that are effective from 1 January 2024, however, there are a number of amendments to standards which are effective from 1 January 2024 that have been explained in the Group's annual consolidated financial statements for the year ended 31 December 2023, but they do not have a material effect on these interim condensed consolidated financial statements.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34 as endorsed in KSA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates. The significant estimates and judgments used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

(All amounts in Saudi Riyals thousands unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT ("PPE")

	Note	**30 Jun 2024**	31 Dec 2023
At the beginning of the period / year		**10,292,460**	10,105,713
Additions during the period / year, net	3.1	**2,088,301**	4,152,673
Depreciation charge for the period / year		**(219,973)**	(428,869)
De-recognition on loss of control of subsidiaries	16.2	**(1,393,299)**	(1,286,738)
Reclassified as held for sale		**-**	(2,197,230)
Disposals / write-offs during the period / year		**(2,660)**	(52,324)
Foreign currency translation		**(284)**	(765)
At the end of the period / year		**10,764,545**	10,292,460

3.1 Additions during the period primarily represents Capital Work In Progress ("CWIP") in relation to certain of the Group's projects under construction. The additions include borrowing cost capitalised amounting to SR 96.8 million (31 December 2023: SR 141.4 million).

4 EQUITY ACCOUNTED INVESTEES ("EAI")

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

	Note	**30 Jun 2024**	31 Dec 2023
At the beginning of the period / year		**15,250,320**	12,556,148
Additions / (disposals) / adjustments during the period / year, net	4.1	**438,948**	3,359,749
Share of results for the period / year		**173,633**	244,571
Share of other comprehensive income for the period / year	9	**954,057**	(688,468)
Dividends received during the period / year		**(51,185)**	(221,680)
Reclassified as held for sale		**(4,562)**	-
At the end of the period / year		**16,761,211**	15,250,320
Equity accounted investees shown under non-current assets		**17,031,190**	15,873,449
Net obligations for equity accounted investees shown under non-current liabilities		**(269,979)**	(623,129)
		16,761,211	15,250,320

4.1 The major addition made during the period is in relation to the Group's investment in Neom Green Hydrogen Company, amounting to SR 457.0 million. Further, as the Group partially divested its shareholding and lost control in two projects namely Bash Wind and Dzhankeldy, have been added to the EAI. Also, refer to note 16.2.

4.2 During the period ended 30 June 2024, one of the Group's equity accounted investees conducted impairment testing on its asset under construction due to the rising interest rates. The impairment test concluded that no impairment was necessary. The assessment's outcomes are particularly sensitive to changes in the discount rate and technological advancements that could impact operating cost projections. In light of these sensitivities, management remains committed to continue monitoring of both the discount rate and underlying cashflow assumptions. Appropriate impairment adjustments will be recorded if required.

5 CASH AND CASH EQUIVALENTS

	As of 30 Jun 2024	As of 31 Dec 2023
Cash at bank and cash in hand	**1,023,023**	1,300,863
Short-term deposits with original maturities of less than three months	**2,767,642**	3,440,078
Cash and cash equivalents	**3,790,665**	4,740,941

These short-term deposits primarily carry rate of return between 4.60% to 6.50% (31 December 2023: 4.80% to 6.27%) per annum.

(All amounts in Saudi Riyals thousands unless otherwise stated)

6 SHORT TERM INVESTMENTS

	As of 30 Jun 2024	As of 31 Dec 2023
Short term deposits with original maturities of more than three months	**1,567,231**	1,217,791

These short-term deposits carry rate of return between 5.60% to 6.35% (31 December 2023: 5.40% to 6.27%) per annum.

7 LONG-TERM FINANCING AND FUNDING FACILITIES

	As of 30 Jun 2024	As of 31 Dec 2023
Recourse debt:		
Financing facilities in relation to projects	**4,315,113**	3,348,583
Corporate facilities	**1,504**	1,504
Corporate bond	**4,587,670**	4,586,313
Non-Recourse debt:		
Financing facilities in relation to projects	**14,704,034**	15,125,832
Corporate bond (“APMI One bond”)	**1,481,178**	1,518,506
Loan notes (“APCM bond”)	**573,201**	582,272
Total financing and funding facilities	**25,662,700**	25,163,010
Less: Current portion of long-term financing and funding facilities	**(1,338,654)**	(1,613,301)
Long-term financing and funding facilities presented as non-current liabilities	**24,324,046**	23,549,709

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

8 RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of its activities, the Group transacts business with its related parties. Related parties include the Group equity accounted investees (i.e., “Joint Ventures” or “JVs”), the Company’s shareholders and directors, the key management personnel, and other entities which are under common control through the Company’s shareholders (“Affiliates”). Key management personnel represent the Chief Executive Officer and his direct reports.

The Group transacts business with related parties which include transactions with entities which are either controlled, jointly controlled or under significant influence of Public Investment Fund, being the sovereign wealth fund of the Kingdom of Saudi Arabia. The Group has used the exemptions in respect of related party disclosures for government-related entities in IAS 24 “Related Party Disclosures”.

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

	Note	Relationships	*For the three month period ended 30 June*		*For the six month period ended 30 June*	
			2024	2023	**2024**	2023
Transactions:						
Revenue		JVs/ Affiliates	**679,080**	551,789	**1,240,990**	1,116,821
Group services fees	12.1	JVs	**53,204**	77,265	**104,717**	120,182
Finance income from shareholder loans	12	JVs	**49,631**	49,560	**100,402**	99,532
Financial charges on loans from related parties	14	JVs /Affiliates	**11,582**	7,613	**23,126**	22,105
Key management personnel compensation						
Long-term incentive plan*		-	**15,910**	424	**32,179**	7,237
End of service benefits		-	**923**	971	**4,505**	3,305
Remuneration including director’s remuneration		-	**30,252**	4,310	**46,764**	15,428

**This includes share-based payments and provision for long-term incentive plan for the key management personnel and directors.*

(All amounts in Saudi Riyals thousands unless otherwise stated)

8 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	Note	Relationships	As of 30 Jun 2024	As of 31 Dec 2023
Due from related parties				
Current:				
Hajr for Electricity Production Company	(a)	Joint venture	**229,066**	238,955
Al Mourjan for Electricity Production Company	(a)	Joint venture	**141,394**	145,826
Dhofar O&M Company	(a)	Joint venture	**112,923**	69,570
Marafiq Red Sea for Energy		Joint venture	**89,449**	12,673
Hassyan Energy Phase 1 P.S.C		Joint venture	**89,219**	87,837
Rabigh Electricity Company	(a)	Joint venture	**88,378**	74,146
ACWA Power Sirdarya		Joint venture	**81,221**	79,985
Hassyan Water 1 Holdco. Limited		Joint venture	**79,075**	-
Noor Energy 1 P.S.C	(a)	Joint venture	**73,581**	41,147
Haya Power & Desalination Company	(a)	Joint venture	**69,191**	52,224
Shuqaiq Services Company for Maintenance	(a)	Joint venture	**63,425**	61,272
Neom Green Hydrogen Company		Joint venture	**52,123**	3,773
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	**42,534**	40,861
Shuaibah Water & Electricity Company	(a)	Joint venture	**41,339**	33,550
Jazan Integrated Gasification and Power Company		Joint venture	**41,245**	41,498
Taweelah RO Desalination Company LLC	(a)	Joint venture	**29,295**	9,628
ACWA Power Solafrica Bokpoort CSP Power Plant Ltd	(a)	Joint venture	**21,546**	12,826
Hassyan Water Company A P.S.C	(a)	Joint venture	**19,352**	48,332
ACWA Guc Isletme Ve Yonetim Sanayi Ve Ticaret	(a)	Joint venture	**18,651**	16,238
Ad-Dhahirah Generating Company SAOC	(a)	Joint venture	**15,745**	6,773
Shuaibah Expansion Project Company	(a)	Joint venture	**15,568**	13,226
Naqa'a Desalination Plant LLC	(a)	Joint venture	**12,425**	12,213
Sidra One Holding Company		Joint venture	**299**	68,608
Qudra One Holding Company		Joint venture	**250**	68,608
Other related parties		Joint venture	**157,780**	116,478
			1,678,245	1,356,247

	Relationships	As of 30 Jun 2024	As of 31 Dec 2023
Due to related parties			
Non-current:			
Water and Electricity Holding Company CJSC	Shareholder's subsidiary	**788,727**	771,602
Loan from a minority shareholder of a subsidiary	-	**83,336**	83,336
		872,063	854,938
Current:			
Loans from minority shareholders of a subsidiary	-	**43,951**	44,189
ACWA Power Africa Holdings (Pty) Ltd	Joint venture	**9,679**	11,514
ACWA Power Renewable Energy Holding Limited	Joint venture	**7,038**	7,034
Other related parties	Joint ventures	**17,097**	16,420
		77,765	79,157

(a) These balances mainly include amounts due from related parties to First National Holding Company ("NOMAC") (and its subsidiaries) for operation and maintenance services provided to the related parties under operation and maintenance contracts. In certain cases, the balances also include advances provided to related parties that have no specific repayment date.

(All amounts in Saudi Riyals thousands unless otherwise stated)

9 OTHER RESERVES

Movement in other reserve is given below:

	Cash flow hedge reserve	Currency translation reserve	Share in OCI of equity accounted investees (note 4)	Re-measurement of defined benefit liability	Equity-settled share-based payment	Other	Total
Balance as of 1 January 2023	781,110	(5,432)	1,904,996	(24,075)	-	(27,180)	2,629,419
Change in fair value of cash flow hedge reserve net of settlements	157,731	-	(685,121)	-	-	-	(527,390)
Cash flow hedge reserve recycled to profit or loss upon discontinuation of hedge relationships	-	-	(6,769)	-	-	-	(6,769)
Other changes	-	(12,039)	(3,713)	(6,919)	-	-	(22,671)
Balance as of 31 December 2023	938,841	(17,471)	1,209,393	(30,994)	-	(27,180)	2,072,589
Change in fair value of cash flow hedge reserve net of settlements	**786,592**	**-**	**956,190**	**-**	**-**	**-**	**1,742,782**
Cash flow hedge reserve recycled to profit or loss upon discontinuation of hedge relationships (note 13)	**(343,423)**	**-**	**-**	**-**	**-**	**-**	**(343,423)**
Cash flow hedge reserve recycled to profit or loss upon loss of control of subsidiaries (note 16.2)	**(508,538)**	**-**	**-**	**-**	**-**	**-**	**(508,538)**
Share-based payment transactions (note 20.1)	**-**	**-**	**-**	**-**	**69,055**	**-**	**69,055**
Settlement of treasury shares (note 20.1)	**-**	**-**	**-**	**-**	**(18,284)**	**-**	**(18,284)**
Other changes	**-**	**11,281**	**(2,133)**	**4,706**	**-**	**-**	**13,854**
Balance as of 30 June 2024	**873,472**	**(6,190)**	**2,163,450**	**(26,288)**	**50,771**	**(27,180)**	**3,028,035**

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 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 financing 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 interim condensed consolidated statement of profit or loss.

(All amounts in Saudi Riyals thousands unless otherwise stated)

10 ZAKAT AND TAXATION

10.1 Amounts recognised in profit or loss

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Zakat and tax charge*	10.2	**(46,356)**	(24,570)	**(83,185)**	(62,844)
Deferred tax credit**		**20,359**	34,478	**15,466**	98,972
Zakat and tax (charge) / credit		**(25,997)**	9,908	**(67,719)**	36,128
Less: zakat and tax charge from discontinued operation		**-**	(21)	**-**	-
Zakat and tax (charge) / credit reflected in profit or loss		**(25,997)**	9,887	**(67,719)**	36,128

**Zakat and tax charge for the six months and three months periods ended 30 June 2024 includes provision on prior year assessments amounting to SR 11.0 million and SR 11.0 million respectively (six months and three months periods ended 30 June 2023: Nil).*

***Deferred tax credit for the six months and three months periods ended 30 June 2024 includes negative impact from foreign exchange rate movements amounting to SR 15.1 million and SR 11.2 million respectively (six months and three months periods ended 30 June 2023: positive impact of SR 90.5 million and SR 29.9 million respectively) on Group's subsidiaries in Morocco whereby foreign currency denominated assets and liabilities are carried in local currency for tax base purposes.*

10.2 Significant zakat and tax assessments

<u>The Company</u>
The Company has filed zakat and tax returns for all the years up to 2023. The company has closed its position with the Zakat, Tax & Customs Authority (the "ZATCA") until year 2018. The ZATCA is yet to assess the years 2019 to 2022. In June 2023, the ZATCA requested additional information with respect to the Company's zakat return for the years 2021 and 2022. The Company has responded to the ZATCA requests. In June 2024, the ZATCA requested information with respect to the Company's zakat return for the year 2023 and The Company will respond to the ZATCA's request.

<u>Subsidiaries and associates</u>
With its multi-national operations, the Group is subject to taxation in multiple jurisdictions around the world with complex tax laws including KSA. The Company's subsidiaries / associates in KSA and other jurisdictions submit their income tax and zakat returns separately. Certain subsidiaries / associates have received assessments from the ZATCA / tax authorities, which have led to additional liability totalling to SR 166 million (ACWA Power share is SR 98 million). As of 30 June 2024, the management has recognised provisions of SR 172 million (ACWA Power share is SR 102 million) against these assessments, where appropriate. Currently. these subsidiaries / associates have lodged objections against these assessments. The objections are currently undergoing review by the ZATCA and the General Secretariat of Tax Committees ("GSTC") / Appellate authorities. Management is confident that adequate provisions have been recognised and anticipates no further liabilities arising from these assessments once they are finalised.

<u>Other aspects</u>
On 22 March 2024, the ZATCA announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No.1007 dated 29 February 2024, which was electronically published in the Official Gazette (Umm Al-Qura) on 21 March 2024. The new Zakat regulation is replacing the current regulation and will be applicable to financial years starting on or after 1 January 2024. Accordingly, the group has adopted new Zakat Regulation from financial year 2024.

On 9 December 2022, the UAE issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("UAE CIT Law"), which became effective for accounting periods beginning on or after 1 June 2023. The Group's entities in the UAE follow the calendar year (January to December) as their financial reporting year. Accordingly, the first year of taxation for the Group's entities in the UAE commenced from 1 January 2024, and the Group has therefore started providing for current tax from financial year 2024.

As mandated by G20 Group of countries, OECD launched Base Erosion Profit Shifting ("BEPS2.0") project. BEPS 2.0 has two parts or pillars, namely, Pillar One and Pillar Two. Pillar Two would establish a minimum effective tax at a proposed rate of 15 percent applied to cross-border profits of large multinational corporations that have a "significant economic footprint" across the world.

(All amounts in Saudi Riyals thousands unless otherwise stated)

10 ZAKAT AND TAXATION (CONTINUED)

10.2 Significant zakat and tax assessments (continued)

Other aspects (continued)
The Group should be in the scope of Pillar Two based on the revenue threshold of EUR 750 million and conducting operations in multiple jurisdictions.

As of 30 June 2024, the Kingdom of Saudi Arabia, where the Parent Company is incorporated, has not (substantively) enacted Pillar Two income tax legislation.

Due to the uncertainties and on-going developments in respect to Pillar 2 in the Middle East, the Group is not able to provide a reasonable estimate at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

11 REVENUE

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Services rendered					
Operation and maintenance		**648,035**	559,612	**1,220,057**	1,113,171
Development and construction management services		**142,249**	82,317	**165,930**	181,363
Others	11.1	**5,069**	3,420	**9,424**	16,090
Sale of electricity					
Capacity charges	11.3	**198,576**	195,133	**395,326**	388,796
Energy output		**88,384**	91,207	**146,337**	154,137
Finance lease income		**132,875**	133,652	**186,524**	208,890
Sale of water					
Capacity charges	11.2, 11.3	**239,290**	241,166	**480,193**	478,588
Water output	11.2	**83,217**	79,953	**160,638**	151,533
Finance lease income		**24,873**	25,460	**49,896**	50,796
		1,562,568	1,411,920	**2,814,325**	2,743,364

Refer to note 18 for the geographical distribution of revenue.

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

11.2 Includes revenue from sale of steam of SR 99.3 million for the three months and SR 196.3 million for the six months periods ended 30 June 2024 (30 June 2023: SR 100.3 million for three months and SR 198.4 million for six months).

11.3 This represents revenue in relation to the Group's operating lease assets. The finance lease income includes energy generation excess amounting to SR 30.2 million for the three months and shortfall of SR 18.0 million for the six months periods ended 30 June 2024 (30 June 2023: excess of SR 28.3 million for the three months and shortfall of SR 1.5 million for the six months).

Energy generation shortfalls / excess represent difference between actual production as compared to original estimated production levels of certain plants accounted for as finance leases.

Finance lease principal amortisation for the three months and six months periods ended 30 June 2024 is SR 99.3 million and SR 201.9 million respectively (30 June 2023: SR 100.6 million for three months and SR 192.8 million for six months).

12 OTHER OPERATING INCOME

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Group services fees	12.1	**53,204**	77,265	**104,717**	120,182
Finance income from shareholder loans	8	**49,631**	49,560	**100,402**	99,532
		102,835	126,825	**205,119**	219,714

12.1 Group services fees relates to management advisory, and ancillary support provided by the Group to its various equity accounted investees.

13 OTHER INCOME

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Income in relation to discontinuation of hedging instruments	13.1	**-**	-	**343,423**	-
Gain on change in fair value of the derivative		**-**	16,336	**-**	25,595
Delayed liquidated damages recovery		**88**	-	**11,805**	-
Others		**9,580**	3,369	**14,971**	5,677
		9,668	19,705	**370,199**	31,272

13.1 This mainly includes income of SR 313.4 million (30 June 2023: Nil) resulting from release of cashflow hedge reserve, as the hedged highly probable forecast transaction is no longer expected to occur within the Group, due to the divestment transaction in progress. The Group applies cash flow hedge accounting for forecasted transactions where these transactions are highly probable at the inception of hedging relationship and there is no intention of early termination. Due to divestment transaction being in progress in the underlying project, the forecast transaction did not remain highly probable and hence the hedging relationship had to be terminated and related hedge reserve was released in the interim condensed consolidated statement of profit or loss.

14 FINANCIAL CHARGES

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
Financial charges on borrowings		**358,512**	298,968	**697,432**	610,535
Financial charges on letters of guarantee		**8,983**	30,967	**15,381**	38,418
Financial charges on loans from related parties	14.1	**11,582**	7,613	**23,126**	22,105
Other financial charges		**5,084**	12,823	**10,854**	19,361
		384,161	350,371	**746,793**	690,419

14.1 This includes discount unwinding on long-term related party balances amounting to SR 17.1 million (30 June 2023: SR 16.4 million).

15 EARNINGS PER SHARE

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

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024	2023	**2024**	2023
Issued ordinary shares as at	**732,562**	731,100	**732,562**	731,100
Weighted average number of ordinary shares outstanding during the period ended	**732,384**	732,562	**732,384**	732,562
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**732,562**	732,562	**732,562**	732,562

(All amounts in Saudi Riyals thousands unless otherwise stated)

15 EARNINGS PER SHARE (CONTINUED)

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

Net profit for the period attributable to equity holders of the Parent	**630,620**	414,402	**926,791**	684,137
Profit for the period from continuing operations attributable to equity holders of the Parent	**630,620**	420,576	**926,791**	693,393
Basic and diluted earnings per share to equity holders of the Parent (in SR)	**0.86**	0.57	**1.27**	0.93
Basic and diluted earnings per share for continuing operations to equity holders of the Parent (in SR)	**0.86**	0.57	**1.27**	0.95

16 ASSETS HELD FOR SALE

16.1 Shuaa Energy 3 P.S.C

In December 2022, ACWA Power Green Energy Holding Limited (a wholly owned subsidiary of ACWA Power or the "Seller") entered into a Sale Purchase Agreement ("SPA") with ACWA Power Renewable Energy Holding Limited (the "Buyer") in relation to the transfer of its entire shareholding in Solar V Holding Company Limited (a Group subsidiary or Solar V) which effectively owns a 40% stake in Shuaa Energy 3 P.S.C. (an equity accounted investee or "Shuaa 3"). Legal formalities with respect to disposal are not completed as of 30 June 2024.

For the purpose of these interim condensed consolidated financial statements, the net assets of Solar V together with carrying value of ACWA Power's Investment in Shuaa 3 amounting to SR 57.1 million (31 December 2023: SR 52.6 million) were classified as assets held for sale. Other reserves associated with Shuaa 3 amounts to SR 6.5 million (31 December 2023: SR 7.1 million). The Group will continue to retain an effective 30.6% shareholding in Solar V through ACWA Power Renewable Energy Holding Limited, after the completion of the transaction.

16.2 Bash Wind and Dzhankeldy

On 7 July 2023, ACWA Power (through its wholly owned subsidiary) entered into a Sale Purchase Agreement ("SPA") for the sale of a 35% stake in its wholly owned subsidiaries, ACWA Power Bash Wind Project Holding Company and ACWA Power Uzbekistan Wind Project Holding Company Limited ("the Investee Companies"). This translates to divestment of 35% effective shareholding in Bash Wind and Dzhankeldy projects ("the Projects") respectively. All substantive condition precedents ("CPs") in relation to the transaction were completed before the issuance of these interim condensed consolidated financial statements.

As a result of the transaction, ACWA Power will now jointly control the decisions for the relevant activities that most significantly affect the returns of the Investee Companies together with the Projects. Consequently, ACWA Power lost control and recognised a gain of SR 401.7 million in the interim condensed consolidated statement of profit or loss within gain from divestments. As of 30 June 2024, 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.

16.2.1 Summary of the gain recognised on the partial divestment in the Projects is included below:

	Note	**30 June 2024**
Fair value of consideration received including Buyer's share in shareholder loan		**26,354**
Less: Fair value of net assets derecognised	*16.2.2*	**(275,112)**
Payables to the Investee Companies and the Projects		**(1,054)**
Add: Fair value of retained equity accounted investment		**49,804**
Other reserves recycled to the income statement		**508,538**
Receivables from the Investee Companies and the Projects		**93,171**
Net gain from divestments		**401,701**

(All amounts in Saudi Riyals thousands unless otherwise stated)

16 ASSETS HELD FOR SALE (CONTINUED)

16.2 Bash Wind and Dzhankeldy (continued)

16.2.2 As of the date of loss of control net assets includes the followings:

	30 June 2024
Assets	
Capital work in progress	**3,590,529**
Fair value of derivatives	**508,538**
Accounts receivable, prepayments and other receivables	**77,827**
Cash and cash equivalents	**413,331**
Liabilities	
Loans and borrowings	**(3,368,495)**
Accounts payable, accruals and other liabilities	**(946,618)**
Net assets	**275,112**

17 CONTINGENCIES AND COMMITMENTS

As of 30 June 2024, the Group had outstanding contingent liabilities in the form of letters of guarantee, performance guarantees and corporate guarantees issued in relation to bank facilities for project companies amounting to SR 19.52 billion (31 December 2023: SR 17.46 billion). The amount also includes the Group's share of equity accounted investees' commitments.

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

	As of 30 Jun 2024	As of 31 Dec 2023
Performance / development securities and completion support Letters of Credit ("LCs")	**5,237,551**	5,430,090
Guarantees in relation to equity bridge loans and equity LCs *	**10,160,971**	7,270,560
Guarantees on behalf of joint ventures and subsidiaries	**2,557,559**	3,241,736
Debt service reserve account ("DSRA") standby LCs	**1,360,388**	1,290,429
Bid bonds for projects under development stage	**178,407**	223,163
Guarantees for funded facilities of joint ventures	**20,323**	-
	19,515,199	17,455,978

* This primarily represents the Group's equity commitments towards its subsidiaries and joint ventures (the "Investees"). In addition, the Group's other future equity commitments towards the Investees amounts to SR 2.67 billion (31 December 2023: SR 4.20 billion).

The Group also has a loan commitment amounting to SR 598.2 million in relation to mezzanine debt facilities ("the Facilities") taken by certain of the Group's equity accounted investees. This loan commitment arises due to symmetrical call and put options entered in by the Group with the lenders of the Facilities.

In addition to the above, the Group also has contingent assets and liabilities with respect to certain disputed matters, including claims by and against counterparties and arbitrations involving certain issues, including a claim received in relation to one of its divested equity accounted investees. These contingencies arise in the ordinary course of business. Based on the best estimates of management, the Company has adequately provided for all such claims, where appropriate.

(All amounts in Saudi Riyals thousands unless otherwise stated)

18 OPERATING SEGMENTS

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

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

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

(i) Thermal and Water Desalination	The term Thermal refers to the power and water desalination plants which use fossil fuel (oil, coal, gas) as the main source of fuel for the generation of electricity and production of water, whereas Water Desalination refers to the stand-alone reverse osmosis desalination plants. The segment includes all four parts of the business cycle of the business line (i.e., develop, invest, operate and optimize). These plants include IPPs (Independent Power Plants), IWPPs (Independent Water and Power Plants) and IWPs (Independent Water Plants).
(ii) Renewables	This includes the Group's business line which comprises of PV (Photovoltaic), CSP (Concentrated Solar Power), Wind plants and Hydrogen. The segment includes all four parts of the business cycle of the business line (i.e., develop, invest, operate and optimize).
(iii) Others	Comprises certain activities of corporate functions and other items that are not allocated to the reportable operating segments and the results of the ACWA Power reinsurance business.

Key indicators by reportable segment

<u>Revenue</u>

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024	2023	**2024**	2023
(i) Thermal and Water Desalination	**1,151,795**	1,066,111	**2,192,954**	2,146,949
(ii) Renewables	**405,704**	342,389	**611,947**	580,325
(iii) Others	**5,069**	3,420	**9,424**	16,090
Total revenue	**1,562,568**	1,411,920	**2,814,325**	2,743,364

<u>Operating income before impairment and other expenses</u>

	For the three months period ended 30 June		For the six months period ended 30 June	
	2024	2023	**2024**	2023
(i) Thermal and Water Desalination	**646,565**	691,432	**1,230,968**	1,296,048
(ii) Renewables	**616,659**	183,091	**638,710**	285,280
(iii) Others	**4,851**	3,228	**8,886**	15,667
Total	**1,268,075**	877,751	**1,878,564**	1,596,995
Unallocated corporate operating income / (expenses)				
General and administration expenses	**(290,550)**	(195,363)	**(519,263)**	(380,982)
Depreciation and amortization	**(8,702)**	(7,771)	**(18,358)**	(15,556)
Provision for long-term incentive plan	**(15,910)**	(10,187)	**(32,179)**	(17,000)
Provision reversal on due from related party	**-**	18	**-**	6,312
Other operating income	**37,308**	65,360	**80,089**	98,953
Total operating income before impairment and other expenses	**990,221**	729,808	**1,388,853**	1,288,722

(All amounts in Saudi Riyals thousands unless otherwise stated)

18 OPERATING SEGMENTS (CONTINUED)

Key indicators by reportable segment (continued)

Segment profit

	Note	For the three months period ended 30 June		For the six months period ended 30 June	
		2024	2023	**2024**	2023
(i) Thermal and Water Desalination		**402,500**	595,419	**743,577**	971,808
(ii) Renewables		**531,112**	66,251	**476,329**	137,961
(iii) Others		**5,467**	3,236	**10,202**	15,687
Total		**939,079**	664,906	**1,230,108**	1,125,456
Reconciliation to profit for the period from continuing operations					
General and administration expenses		**(290,550)**	(195,363)	**(519,263)**	(380,982)
Income in relation to discontinuation of hedging instruments	13	**-**	-	**343,423**	-
Impairment loss	20.2	**-**	-	**(145,799)**	-
Provision for long-term incentive plan		**(15,910)**	(10,187)	**(32,179)**	(17,000)
Arbitration claim		**-**	-	**(15,998)**	-
Corporate social responsibility contribution		**(11,315)**	(2,687)	**(16,035)**	(4,632)
Provision reversal on due from related party		**-**	18	**-**	6,312
Discounting impact on loan from shareholder	14.1	**(8,563)**	(8,171)	**(17,126)**	(16,397)
Depreciation and amortization		**(8,702)**	(7,771)	**(18,358)**	(15,556)
Other operating income		**37,308**	65,360	**80,089**	98,953
Other income		**71,522**	26,406	**112,548**	69,317
Financial charges and exchange loss, net		**(11,409)**	(58,185)	**(14,169)**	(70,084)
Provision for zakat and tax on prior year assessments	10.1	**(11,000)**	-	**(11,000)**	-
Zakat and tax charge		**(19,932)**	(11,157)	**(38,223)**	(30,542)
Profit for the period from continuing operations		**670,528**	463,169	**938,018**	764,845

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

	Revenue from continuing operations		Non-current assets	
	30 Jun 2024	30 Jun 2023	**30 Jun 2024**	31 Dec 2023
Kingdom of Saudi Arabia	**1,452,028**	1,245,410	**24,510,430**	23,255,954
Middle East and Asia	**1,029,787**	1,136,591	**8,966,859**	8,440,835
Africa	**332,510**	361,363	**8,930,367**	9,039,047
	2,814,325	2,743,364	**42,407,656**	40,735,836

Information about major customers
During the period, two customers (2023: two) individually accounted for more than 10% of the Group's revenues. The related revenue figures for these major customers, the identity of which may vary by period, were as follows:

	Revenue	
	30 Jun 2024	30 Jun 2023
Customer A	**575,060**	576,009
Customer B	**224,872**	221,691

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

(All amounts in Saudi Riyals thousands unless otherwise stated)

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
<u>As of 30 June 2024</u>					
<u>Financial liabilities / (asset)</u>					
Fair value of derivatives used for hedging	**(1,101,033)**	**-**	**(1,101,033)**	**-**	**(1,101,033)**
Long-term financing and funding facilities	**25,662,700**	**1,492,115**	**24,181,522**	**-**	**25,673,637**
<u>As of 31 December 2023</u>					
<u>Financial liabilities / (asset)</u>					
Fair value of derivatives used for hedging	(780,172)	-	(780,172)	-	(780,172)
Long-term financing and funding facilities	25,163,010	1,508,697	23,635,206	-	25,143,903

Fair value of other financial instruments have been assessed as approximate to the carrying amounts due to frequent re-pricing or their short-term nature. Management believes that the fair value of net investment in finance lease is approximately equal to its carrying value because the lease relates to a specialised nature of asset whereby the carrying value of net investment in finance lease is the best proxy of its fair value.

Valuation technique and significant unobservable inputs

Type	**Valuation technique**	**Significant unobservable input**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Derivatives used for hedging* Bank borrowings **	Discounted cash flows: the valuation model considers the present value of expected payments or receipts discounted using the risk adjusted discount rate or the market discount rate applicable for a recent comparable transaction.	Not applicable	Not applicable

(All amounts in Saudi Riyals thousands unless otherwise stated)

19 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation technique and significant unobservable inputs (continued)

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Coal derivative*	Discounted cashflows: the valuation model considers the present value of expected payments or receipts using the risk adjusted discount rate.	Coal procurement quantity and coal prices	The fair value would increase or decrease if: • the actual coal procurement quantities would be different than what is considered in the valuation model; or • the future coal prices would be different than what is considered in the valuation model

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

20 OTHER SIGNIFICANT DEVELOPMENTS DURING THE PERIOD

20.1 Pursuant to Employees Stock Incentive Program ("Program") as approved by the Board of Directors in 2023 and the shareholders of the Company during the period ended 30 June 2024, the Company purchased 391,200 shares amounting to SR 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.

During the period ended 30 June 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.

20.2 During the period ended 30 June 2024, a CSP asset within the Group's Morocco portfolio experienced an extended outage due to leakage in its molten salt tank. According to the asset's inspection report, the plant may remain non-operational until the end of the current year ("Outage Period") while repair work is undertaken. This event triggered an assessment of recoverability of finance lease receivables, and the management has recognised an impairment loss of SR 145.8 million, representing the expected loss of generation during the Outage Period. The Group has recognised the loss in the interim consolidated statement of profit or loss within impairment loss and other expenses, net. The management will continue to review the performance of the plant and the related remedial cost will be taken in the consolidated financial statements, as and when incurred. The plant was initially expected to achieve Final Commercial Operation Date ("FCOD") by 20 October 2021. However, due to unforeseen delays, the plant has not yet officially reached the FCOD. Consequently, a standstill agreement was executed and remains in effect to date.

20.3 On 3 June 2024, 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 its wholly owned subsidiary, Rabigh Arabian Water and Electricity Company ("RAWEC"), subject to the satisfaction of conditions precedent in the SPA. Legal formalities with respect to this transaction are not completed as of 30 June 2024.

21 DIVIDENDS, BONUS SHARES AND RIGHTS ISSUANCE

On 28 February 2024, the Board of Directors approved a dividend payment of SR 329.0 million (SR 0.45 per share) for the year 2023, payable during 2024. The proposed dividends were approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024. The dividend was paid on 13 May 2024.

(All amounts in Saudi Riyals thousands unless otherwise stated)

21 DIVIDENDS, BONUS SHARES AND RIGHTS ISSUANCE (CONTINUED)

On 26 January 2023, the Board of Directors approved a dividend payment of SR 606.8 million (SR 0.83 per share) for the year 2022, payable during 2023. The proposed dividends were approved by the shareholders at the ordinary general assembly meeting held on 22 June 2023. The dividend was paid on 12 July 2023.

Furthermore during 2024, certain subsidiaries of the Group distributed dividends of SR 47.7 million (30 June 2023: SR 72.7 million) to the non-controlling interest shareholders.

The Board of Directors, through circulation on 28 February 2024, recommended to increase the Company's capital by granting bonus shares to the Company's shareholders through capitalization of SR 14.6 million from the retained earnings by granting 1 share for every 500 shares owned. The bonus share issuance was approved by the shareholders at the extraordinary general assembly meeting held on 29 April 2024. Consequently, the share capital increased from SR 7,310,997,290 to SR 7,325,619,280 due to the issuance of bonus shares through the transfer from retained earnings to share capital.

The Board of Directors, through circulation on 10 June 2024, recommended to increase the Company's capital by SR 7,125 million through the offering of a Rights Issue ("Rights Issue"), which will allow the Company to anchor its growth strategy of tripling the assets under management by 2030 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.

22 SUBSEQUENT EVENTS

Subsequent to the period ended 30 June 2024, the Group in accordance with the nature of its business has entered into or is negotiating various agreements. Management does not expect these to have any material impact on the Group's interim condensed consolidated results and financial position as of the reporting date.

23 COMPARATIVE FIGURES

Certain figures for the prior period have been reclassified or adjusted to conform to the presentation in the current period. Summary of reclassifications / adjustments are as follows:

23.1 Interim condensed consolidated statement of profit or loss and other comprehensive income:

Six months period ended 30 June 2023	**As previously reported**	**Reclassifications to conform to the presentation in the current period**	**As reported in these financial statements**
Other income	138,621	(107,349)	**31,272**
Finance income	-	107,349	**107,349**

Three months period ended 30 June 2023	**As previously reported**	**Reclassifications to conform to the presentation in the current period**	**As reported in these financial statements**
Other income	77,976	(58,271)	**19,705**
Finance income	-	58,271	**58,271**

24 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 28 Muharram 1446H, corresponding to 3 August 2024.